

LOCAL GOVERNMENT AND HOUSING COMMITTEE

CONSUMER PROTECTION IN HOUSEBUILDING AND REPAIR – PROGRESS REPORT

Purpose

1. To update the Committee on the actions being taken by the Welsh Assembly Government in response to public concern relating to consumer protection in house building and repair. The Committee considered existing protection and warranties to cover consumer protection on 20th June 2001 (LGH-09-01 (p.3)). The paper also informed the Committee about problems experienced by some homeowners as a result of soft mortar. Of particular interest to the Committee was the Governments Quality Mark Scheme, which was being piloted.

Summary

2. The Housing Directorate has worked closely with NHBC over the issues raised in the last report. Many homes have had remedial repairs carried out to the satisfaction of owners. Some homeowners however still have concerns over proposed remedial repairs. Assembly officials and NHBC are currently discussing these concerns.

Recommendation

3. The Committee is recommended to
 - a. note the problems experienced by homeowners
 - b. endorse the actions taken by the Housing Directorate
 - c. seek a further report on progress in September 2002

Background

4. The Housing Directorate regularly receives complaints from homeowners expressing dissatisfaction with the quality of new houses, building repair work, and the apparent lack of consumer protection. In order to assess the situation a paper was put before the Local Government and housing committee on 20th June 2001 setting out what protection and warranties exist to cover consumer protection and to explore the problems raised.
5. The committee concluded its discussion with a request for a further report to be submitted in

January 2002 to inform the committee of progress made in rectifying the problem of defective mortar that affected homes on four sites in South Wales. A report on progress with the Government's "Quality Mark" initiative was also requested.

6. Subsequent to the debate, the Chief Executive Officer of the NHBC wrote to the Chair of the LGH committee requesting an opportunity to make a presentation to the committee informing of its involvement in the following.

- Building control of new houses.
- Warranty protection available to house-buyers.
- Their commitment to raise standards for homebuyers.

7. It was decided to accept the offer of the presentation by the NHBC to follow consideration of the follow up paper on Consumer Protection in Housebuilding and Repair.

Progress on sites with defective mortar

Liaison with NHBC

8. The first liaison meeting took place between Assembly officials and NHBC at Milton Keynes on 4th September 2001. The purpose of the meeting was to set up agreed lines of communication and to discuss the Assembly's concerns over the issue of houses in South Wales built with weak mortar, the remedial repair works proposed and the warranties provided.

9. The independent consultant engineer appointed at the request of NHBC to advise on individual cases was invited to the meeting to discuss specific concerns of homeowners and Assembly officials.

10. At the meeting concerns were expressed as to whether certain British Standards had been taken account of in arriving at the solutions put forward to rectify defects. The re-pointing failures (mentioned in the previous report.) were queried, together with the long-term stability expectation of the repaired houses.

11. The consultant gave firm assurances that all relevant British Standards had been taken into consideration in his reports and recommendations for rectification works. Risk analysis papers and structural calculations were produced to substantiate the statement. It was explained that some re-pointing work had to be repeated due to the work having been carried out during hot weather. On the issue of long term stability, the consultant said that the repaired houses should last as long as other houses that had been built with correct gauge mortar, provided that they were properly maintained.

12. Concerns were expressed over the existence of weak mortar in walls below ground level.

The consultant explained that this was not a problem at the site at Coed Camlas as the houses had been built on raft foundations.

At the time of the meeting the NHBC did not have information readily available on the types of foundations used on other sites affected by weak mortar. This information has now been provided.

Warranty issue

12. NHBC are providing an extended warranty of ten years on repaired walls, with the warranty commencing from the date the repairs were completed.

Remaining unresolved issues

Neath

13. Since remedial repairs have taken place no complaints have been received. We are not aware of what remedial repairs have taken place or what warranties have been provided. Officials will request this information from NHBC.

Caerphilly

14. The developer was taken over by a national house-builder and buy backs took place. Again information on adequacy of remedial repairs, warranties and disclosures to new owners will be requested from NHBC.

NHBC have stated that they will be happy to provide information concerning the above sites.

Coed Camlas

15. There are two homeowners who are not content with the proposed remedial works proposed. For identification purposes they are referred to as case A and case B, as Assembly officials and NHBC consider the naming of individuals inappropriate.

Case A

16. The homeowner acting on advice from a consultant engineer would like an independent body such as the Building Research Establishment (BRE) to conduct a full structural survey of

his house, including sampling and testing of the mortar of both leaves of the cavity walls. Such testing to include testing of the pull out resistance of wall ties and testing of the bond strength of the mortar. Once the method of repair is agreed upon the homeowner would like a certification that the house meets with the full requirements of the building regulations, together with long term warranties as to the structural integrity of the building.

17. In response NHBC have offered to appoint the BRE to offer comment on the current condition of the masonry, the proposed remedial works and any other possible solutions to the situation. If the BRE feel that a structural survey or any other investigation is necessary then NHBC would have no objection to abiding by the recommendations made.

18. To date the owner has not replied to NHBC but has intimated to Assembly officials that the NHBC offer does not go far enough to meet with his requirements.

Case B

19. The homeowner would like the consultant engineer appointed by the developer to visit his home and evaluate the situation taking into consideration the fact that the mortar in the walls of his house is much weaker than most of the other houses. Should further works be found necessary a certificate confirming full compliance with the requirements of the building regulations would be required. In addition the homeowner would like an extended warranty and firm assurances that the repaired house would not result in a property of lesser value than similar houses on the same site that had not required remedial repairs.

Ffordd Dryden Swansea

20. Eight properties have had re-pointing work carried out but only one property has been tested to establish the strength of the mortar. Having discovered that the mortar mix was similar to that used at Coed Camlas, (where repairs in addition to re-pointing had taken place) homeowner requested a report from the developer's consultant.

21. A desktop study was carried out and recommendations were made concerning structural strengthening works. The works were carried out, however, during the process of carrying out the repairs it was discovered that the first floor had not been tied into the walls to make a rigid structure. An effective repair was carried out.

22. Other building defects have been found with the ground floor slab construction. The developer is scheduled to carry out exploratory work to investigate the problems on 25th February 2002. In addition to these defects the property suffers from excessive ground water problems. Assembly officials are concerned that the walls below ground may have been constructed with weak mortar. In addition, from preliminary investigation by the homeowner, the bricks below ground appear to have less mortar cover than normally expected.

23. Assembly officials have recently written to NHBC expressing concerns and requesting further investigations. Concerns have also been expressed over the other properties that needed re-pointing but have not had mortar samples taken.

NHBC have informed Assembly officials that they will investigate these concerns.

Quality Mark Scheme (Report on progress)

24. At the committee meeting of 20th June 2001 the committee was informed of the governments scheme to combat rogue builders known as the Quality Mark Scheme.

25. The committee was informed that the Quality Mark scheme to be piloted in Birmingham and Somerset and was in the stage of enrolling suitably qualified builders.

26. The pilot schemes were launched in July 2001 and it was announced that that the pilots would run for approximately six months before a formal evaluation of the Scheme took place. DTI initiated the review process in December 2001 in consultation with the various stakeholders in the Scheme. A report to Ministers is currently out to consultation.

Assessment of the Pilots

Overview

27. Quality Mark was launched to the public in July 2001 with 102 builders/specialist tradesmen (plus many others in the pipeline). Public interest in the Scheme has been high and figures to the call-centre and website indicate a demonstrable demand for the QM. This level of interest has been underpinned by research undertaken with consumers during the pilot, where consumers have reported high levels of satisfaction with the Scheme. The launch followed a recruitment phase of about 14 months. Take-up by builders/contractors was slow, although non-federated companies have joined and it was not till DTI (DETR as then was) started to conclude partnership deals with selected trade bodies and other organisations that recruitment levels began to rise. At the time of writing [142] companies have been issued Quality Mark certificates, with a further [230] in the pipeline. These range from one-man bands to £million companies (including those with multiple branches and substantial numbers of employees).

Next Steps

28. The group considers that the outcome of the evaluation supports the national roll-out of Quality Mark and, if Ministers decide to proceed with QM and implement the Scheme on a

national basis, announcements should be made quickly to maintain momentum in the existing pilot areas and send a signal to the industry that it is now moving to the next phase. It will however be necessary to develop thinking in a number of areas and agree a comprehensive implementation strategy before the full roll-out can commence. A number of issues will need careful consideration by DTI working closely with the shadow ownership body, including:

- the development of a long-term business plan for the scheme, including forecasts for take-up and break-even points
- the development of a three to four year implementation programme, including consideration of any geographical opportunities and/or limitations to roll-out, identification and management of potential capacity constraints, and the identification of the funding available to support recruitment
- agreement that the revised complaints handling procedures are sufficiently robust to handle a significant expansion to the Scheme.

Assembly's Roll

29. Contact should be made with DTI to establish what support the Assembly Government could provide in assisting the introduction of the scheme into Wales.