South Tyneside Council

item 12

Procurement Decision - 8 Chatsworth Court

This document has been classified as: Official

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Cabinet Date: 5 November 2025

Report to Cabinet

Cabinet Portfolio/Lead Member: Councillor Jane Carter – Deputy Leader and Housing and Community Safety & Councillor Jim Foreman – Lead Member for Governance, Finance and Corporate Services

Report of Gary Kirsop, Director of Community Operations

Subject: Fire damage to 8 Chatsworth Court, South Shields on the 11.07.2024

Date: 5 November 2025

Wards affected: Beacon & Bents

Council ambitions: Financially Secure, Part of strong communities

Does the report and any appendices contain information which has been identified as confidential or exempt?

- No, this report does not contain information identified as confidential or exempt.

For Executive Decisions only:

Is the decision a Key Decision? No

Is it included in the Forward Plan? Yes

If not in the Forward Plan is the report: n/a

Relevant Scrutiny Chair: Cllr John McCabe

Is the decision eligible for call-in by Scrutiny? No

Purpose of Report

1. On 11 July 2024 a fire broke out at 8 Chatsworth Court, South Shields causing extensive damage. 8 Chatsworth Court is a domestic social housing asset property owned by South Tyneside Council (STC).

2. The property is covered by the Councils insurance policy, and due to the structural instability estimates indicate that costs for repair and refurbishment will be approx. £250k or the preferred option of full demolition and reinstatement will be approx. £350k.

3. The Councils insurance policy has a £100k deductible (excess), meaning that The Council will pay the first £100k with the remaining expenditure covered by the insurance policy.

4. To satisfy the requirements of the Council insurance loss adjusters, Cabinet approval is being sought to direct award GSP as Project Manager and approve insurance backed demolition and reinstatement of the property.

5. This report outlines the process taken to satisfy the insurers loss adjustors and STC legal and Governance requirements to enable reinstatement/rebuild works to commence.

6. Cabinet approval is being sought as value of project is estimated at £350k, however, costs to STC will not exceed the £100k excess for reinstatement.

Background Information

7. On 11 July 2024 a fire occurred at 8 Chatsworth Court a 3-storey end of terrace house on the Woodbine Estate, South Shields. The fire caused extensive damage to the structure of the building.

8. The Housing Services Asset and Property Services Team undertook initial response works to ensure the site and structure are safe. However, the matter is complex as the fire has caused major internal and external damage to the property.

9. Since the fire detailed arrangements have been developed to ensure that appropriate measures are in place to secure the future of the asset and its reinstatement Acting on behalf of the Council, Gateley Smithers Purslow (GSP), Chartered Structural Engineers.

   - The Gable wall is unstable.
   - Gave advice on the required scaffolding the scaffolding required to ensure the remaining structure was safe.
   - The exposed internal wall of the neighbouring property is not adequate to be exposed to the weather and floor structure.
   - There is increase in roof collapse.

- The neighbouring customers should be considered for rehousing until the building is airtight, and the party wall is restrained via shoring scaffolding.

10. Additionally, the presence of asbestos-contaminated waste within the existing structure has added complexity. This has been addressed as part of the measures taken to ensure on-site health and safety is maintained.

11. Currently the site has been made structurally safe on a temporary basis and ongoing monitoring is in place.

12. Repair works have also been carried out to the neighbouring home.

Main issues and Options to be Considered

13. The Council has currently lost a valuable asset, and rental income and it is vital that this asset is reinstated / rebuilt to support the Councils response to the current housing situation.

14. The Council has held prolonged to satisfy the requirements of the Loss Adjuster to enable the works to progress.

15. A decision is urgently required to prevent any potential liability through additional damage caused to the neighbouring property and the damaged building remains visually upsetting for the neighbouring residents.

16. The Council must satisfy the insurance loss adjusters requirements within the claim for loss and have expressed their preference that GSP who are on the Council supplier framework and also on their approved panel of experts, to be appointed as project manager, ensuring transparency of costs for the loss adjuster as well as STC.

17. GSP will carry out tender processes for the successful contractors and verify invoicing prior to provision to the Council for release of payment.

18. It is proposed that the works be divided into two phases.

    - Phase 1 will involve GSP overseeing and appointing contractors to carry out further clearance works. This will enable a full structural assessment to determine whether the building can be repaired and refurbished, or if demolition and reconstruction are necessary.

    - Phase 2 will see the appointed surveyors develop a detailed specification for either repair or rebuild, procure competitive tenders, and project manage the works through to completion.

Implications

Financial and Resources

19. The initial cost of this claim to the Council is £100k in line with the insurance policy excess, however there is estimated value of £350k which will be paid out of the service, before the insurers reimburse the costs incurred above the policy excess.

20. The cost of the claim will be paid from the Council Insurance Funds. This claim has been estimated into the Insurance spend at the limit of the deductible as there will be reimbursement over this figure.

21. Refurbishment could more cost-effective and less disruptive than rebuilding but may come with limitations and unexpected issues once the site has been cleared and further investigation taken place.

Legal and Governance

23. There are no significant legal or governance implications arising from the proposed recommendations in this report.

Risk

22. There is risk implications detailed within the body of the report.

Equality and Diversity and Community

23. There are no significant equality, diversity, community, and integration implications arising from the recommendations of the report.

Environmental and Sustainability

24. The environmental impact is considered due to the carbon footprint and waste generation associated with both demolition and rebuilding. The energy efficiency of the property will be improved, with
25. Works designed in accordance with the Approved Document guidance demonstrating compliance with building regulation requirements.

26. Demolition work can create increased dust, noise, and vibration from activities which could be disruptive to the community, this would be managed closely by the appointed project manager.

Council Ambitions, Policies, Strategies and Plans

27. The delivery of this work aligns with STC's ambition of being ‘Part of strong communities’ by maintaining council assets, estate arrangements and ensuring residents feel safe in their home.

Consultation and Engagement

28. Resident consultation and engagement will be carried out with all affected customers prior to the commencement of works. This will allow residents to understand the scope of the project and provide feedback on the arrangements in place to minimise disruption.

29. This matter is a reactionary matter connected to the fire that occurred. Key officers have consulted with the Councils insurers and their loss adjusters to ensure that all processes are in accordance with policy requirements.

30. The matter has been further investigated and discussed with GSP to ensure that we have investigated all possible outcomes for the project.

31. Procurement and our Legal team have confirmed that GSP can be instructed as the Project Manager by a direct award as they are on STC’s Framework. GSP will provide:

    - The tender process
    - CDM Service
    - Application for building regulations approval, if applicable
    - Construction drawings, including structural engineering calculations.

32. Further engagement will take place with GSP throughout the life of these works, as STC will be their client and considered ‘Client’ within the roles and responsibilities required under CDM.

Recommendations

33. It is recommended that the Cabinet to approve the instruction of GSP by direct award.

34. It is recommended that the Cabinet approve the initial estimated contract value of £350k, for the rebuild of 8 Chatsworth Court, South Shields, understanding that costs are recoverable above the policy £100k excess after insurer reimbursement.

Reasons for Recommendations

35. The Council benefits from insurance of 8 Chatworth Court, South Shields and the cost of disposal and replacement of the asset would exceed the policy excess in place..

36. The Council would retain a valuable asset and associated long term rental income.

37. The Council must work within the requirements of the Insurers loss adjustors to comply with the policy requirements.

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The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:

Background Paper	File Ref:	File Location

Equality Impact Assessment (EqIA)

All public authorities are required to, in carrying out their functions, show due regard for the need to: eliminate unlawful discrimination; advance equality of opportunity between people who shared a protected characteristic and those who don't; and foster good relations between people who share a relevant protected characteristic and those who do not (Equalities Act 2010).

Services are responsible for ensuring that EqIAs are completed to help inform decision making on all relevant Key Decisions, new or revised policies and any substantial proposed changes to services.

This process helps decision makers to assess, and evidence that they have assessed, the potential implications of a proposed policy or service change on service users with protected characteristics. It supports reflection on implications for different groups and prompts the identification of any mitigation activities that may need to be taken to minimise potential inequalities that could result from the proposal.

Directorate	Community Operations	Service	Asset and Property Services
Responsible Officer (Title)	Craig Allen	Date of Assessment	17/09/2025
Brief description of the proposed new or altered policy or service?			
Report presented outlining measures required following the fire and necessary remediation works to bring a Housing Asset back into use (8 Chatsworth Court), taking into consideration governance and procurement complexities brought about by value of claim from our insurance providers and their engaged Loss Adjusters. To satisfy the requirements of the Council insurance loss adjusters, Cabinet approval is being sought to direct award GSP as Project Manager and approve insurance backed demolition and reinstatement of the property.			
Who are the main customer or employee groups affected by this new or altered policy or service?			
No Specific groups are affected by this report and decision making process or the resulting decision.			
What evidence and engagement has been considered to inform this assessment? *(Please reference and summarise data sources or engagement exercises and their findings)*			
Engagement has taken place with internal and external partners, in regards the governance, procurement and potential legal issues surrounding the decision making process.			

Identification and description of impact. Please identify where there is a positive, neutral, or negative impact. Then describe in more detail the nature of any identified potential disproportionate negative impact, including any potential barriers to access, existing or anticipated unequal outcomes or experiences, and effect on intra-group relations and community cohesion:		
The Nine Protected Characteristics (as identified by the Equalities Act 2010)		
Age	Choose an item.	Neutral
Disability	Choose an item.	Neutral
Sex	Choose an item.	Neutral
Sexual Orientation	Choose an item.	Neutral
Gender Reassignment	Choose an item.	Neutral
Marriage or Civil Partnership (in employment only)	Choose an item.	Neutral
Pregnancy and Maternity	Choose an item.	Neutral
Race (including colour, ethnicity, nationality, or national origin)	Choose an item.	Neutral
Religion or belief	Choose an item.	Neutral
Other Groups		
Care Leavers	Choose an item.	Neutral
Armed Forces Veterans	Choose an item.	Neutral
Those at risk of socio-economic disadvantage	Choose an item.	Neutral
Please indicate what actions you intend to take to mitigate negative impact, where it has been identified		
There are no potential impacts related to customer or employee groups.		

Are there any negative impacts that cannot reasonably be avoided? If so, on balance, please describe your rationale for why it is it still appropriate to proceed with the proposal.
No Negative impacts are foreseen with the report proposal.

How do you plan to monitor ongoing impact and the effectiveness of any identified mitigation activities?
The management of the proposed project will include continual monitoring of all relative aspects.

Responsible Officer Title & Sign-Off Date	Craig Allen Asset Manager 17/09/2025	Head of Service Title & Sign-Off Date		Lead Member & Sign-Off Date	