

# *Council Given Facts On Building Delays*

## **Six-Page Statement Read By Councillor Kermode**

C.T. April 25, 1952

**At Christchurch Town Council's meeting on Tuesday, Councillor S. Kermode, in a statement which occupied six typewritten foolscap sheets, set out details of delays in the completion of building contracts by a local firm, and he contended that if explanations submitted to the Building Committee were accepted the Council would be committed to sums running into several thousands of pounds more than was necessary.**

The contractors concerned were Messrs. G. J. Furneaux, Ltd., one of whose directors, Councillor G. Furneaux, is chairman of the Building Committee. In answer to Councillor Kermode's statement, Councillor Furneaux protested against his firm being singled out for an attack, leaving out other similarly affected contractors.

"As far as my records go there have been over 120 post-war contracts awarded to 26 different firms and only five of these have been completed in the specified time," he said.

When the Mayor (Coun. Mrs. Wallis Power) called upon Coun. Kermode to make his statement, Coun. Llewellyn protested, saying the whole issue was sub judice because the Buildings Committee had not yet arrived at their conclusions.

"We have taken opinion on this and nothing will be said that can prejudice any further proceedings," replied the Mayor.

Coun. Mrs. Baker supported Coun. Llewellyn's protest. "I'm a member of the Building Committee and this matter has been thoroughly discussed," she continued. "As Coun. Llewellyn says a decision has not yet been arrived at.

### THE CORRECT PROCEDURE

"If Coun. Kermode wishes the conditions of the contract to be considered by the Council he must bring it forward in the proper way. He is the first to censure anyone who is out of order. But he must be in order himself and the correct procedure is either a notice of motion, which the councillors get a week before the council meeting, or a recommendation from the committee concerned. I propose that the matter be referred back to the Building Committee and a report submitted to the next council meeting," said Mrs. Baker, who added that this would regularise the matter.

Coun. Llewellyn seconded, but the Mayor said this would not preclude Coun. Kermode from making his statement.

Coun. Kermode said he was being called to task for being out of order, but he argued that he was perfectly entitled to make his statement. The Council had before them minutes of the Building Committee, whereby they had taken action and were prepared to proceed along certain lines. If the minute remained as it stood then something was going to be done which was not within the knowledge of the whole Council.

Replying to Coun. Richardson, who wanted to know whether the avoidance of the ordinary rules of notice of motion was because the minute contained a resolution whereas it should have been a recommendation, as it dealt with a money matter, the Town Clerk (Mr. W. D. Platt) said :

"Coun. Kermode believes some concession is being given to the firm of Messrs. Furneaux Ltd. So far as the Buildings Committee are concerned they felt they were not granting any concession because they considered they were getting something in exchange which was of more value to the ratepayers."

Coun. Morgan said no resolution on a money matter could be operative, or should be operative, until it had been before the Finance Committee.

Coun. K. Smith wanted the architect's opinion because he understood negotiations with the firm were still going on.

"As far as the matter stands at the present moment the only thing you can do is abide by the contract," said the architect, Mr. A. E. O. Geens.

## NO DISCUSSION ALLOWED

The Mayor pointed out that although Coun. Kermode would be permitted to make his statement and Coun. Furneaux would have the right to reply, no discussion would be allowed.

Coun. Mrs. Baker's resolution was ultimately carried and the matter referred to the Building Committee. When Coun. Kermode was called upon to make his statement, he began by explaining how two people first drew his attention to the fact that Messrs. Furneaux Ltd. were in arrears with their contracts and said he immediately obtained confirmation of this from the Borough Surveyor.

Next, he read a long letter which he wrote to the Town Clerk on the subject on October 23rd last year and said that this letter was brought to the notice of Coun. Furneaux.

Continuing his statement, Coun. Kermode said it had been the policy of the Council to try and keep all the Christchurch builders fully employed in order to make full use of the resources of each and every builder and to ensure the speedy production of houses.

Therefore, in accordance with that policy, in 1949, instead of seeking a single contract for 54 houses they split that contract into six smaller contracts, the idea being that several builders should each have work to do. When the tenders were opened, the lowest tender in one case was for ten houses from Golton, Bros.; in another case for six houses from E. J. Ward; and in the other four cases the lowest tender was from Messrs. Furneaux Ltd.

There was no obligation upon Messrs. Furneaux to take all four contracts and, if they had felt that their labour resources were insufficient to enable them to carry out all four contracts within the time specified, they could have taken just one or two contracts and the others would have gone to other firms.

All the sites for the six small contracts were handed over for commencement of work on October 3rd, 1949.

## COMPLETED WITHIN A YEAR

The contracts were completed as follows: Golton Bros, completed their ten houses in August, 1950; E. J. Ward completed their six houses in September, 1950. Both those contracts were completed well within a period of one year.

Of the other 38 houses by Messrs. Furneaux Ltd., which were in four contracts, 12 houses were completed in July, 1950; 8 houses were not completed until 18 months later, December, 1951; and on October 20th, 1951, the condition of the remaining houses was as follows: 5 had been completed, 4 were only plastered, 5 were only roofed in, and 4 were only eaves high. That was two years after the sites had been handed over. The Council would, perhaps, remember that during the period in question it was stated, on several occasions in the council chamber by Coun. Furneaux, that other builders were running short of work and apparently the position was so acute that, on several occasions, he pressed that the Council should build on the site reserved for a school.

## HIS MAIN CONCERN

Those statements did not in any way suggest that there was a labour shortage but, in fact, very much to the contrary.

"It seemed to me that, as the two firms Golton Bros, and E. J. Ward could complete their contracts within ten or eleven months, there was no reason why Messrs. Furneaux Ltd. should not have done likewise," said Coun. Kermode.

They took two years and three months, he went on. It was not only the delay, but the increased cost occasioned by that delay with which he was mainly concerned.

Coun. Kermode then said that at the meeting on January 31st, with Coun. Furneaux present, he asked the question: "Was the chairman of the committee aware of the serious delay in the completion of the contracts carried out by his firm?"

## THE ANSWER WAS "NO"

The answer received from Coun. Furneaux was: "As chairman of this committee, no."

Asked if he was aware of the delay "in any other capacity", he repeated the same answer.

Asked whether the Buildings Committee had ever been informed of the delay, the Borough Engineer, Mr. Wise, answered: "No".

No answer was given when he asked "Why not?"

Continuing his account of that meeting, Coun. Kermode said that Coun. Furneaux referred to a statement which was to be submitted to the committee and he moved that all three builders, including himself (Councillor Kermode) should leave the chamber whilst the statement was discussed.

"He included my name because my firm had built 16 houses in 1946 and there was some delay in completion of that contract," went on Councillor Kermode. "Nevertheless, Mr. Wise stated that, in that contract carried out by my firm, there was nothing wrong whatsoever.

"The difficulties we had to contend with in those days were vastly different from the improved conditions existing during the past three or four years. Mr. Wise confirmed that he and the Council were kept fully informed of any reasons for delay by my firm, and I should like to add that, although the cost of labour and materials rose during the period of that particular contract, those increases were borne entirely by my firm and did not cost the Council a single penny.

#### TOOK PART IN DISCUSSION

"The Town Clerk advised that I had no pecuniary interest in the particular contracts then under discussion and, as I was the person who brought the complaints and the serious delay to the notice of the committee, I did not leave the chamber and took part in the discussion."

**The statement submitted to the committee, said Councillor Kermode, sought to explain the serious delay which had occurred and it would, if accepted, have committed the Council to pay sums running into several thousands of pounds more than was necessary.**

The Buildings Committee had never been informed of this serious delay and the financial consequences thereof until he wrote his letter to the Town Clerk.

Dealing with one of the contracts concerning 8 houses, Councillor Kermode said the statement agreed that they were not completed until December, 1951, and that in this case there was delay amounting to 95 weeks. The statement sought to excuse that delay and suggested the following reasons: Inclement weather; difficulty in obtaining material; lack of water; lack of labour.

In submitting the statement, the architect agreed that the figures could be seriously disputed.

**It was interesting to note that, during that period of two years when such slow progress was being made by Messrs. Furneaux, no less than 32 other contracts were completed and each contract was completed in less than one year from start to finish. In fact in 19 cases contracts were completed in less than 9 months.**

One of the reasons given for delay by Messrs. Furneaux, Ltd., was regarding the lack of water.

#### WATER WAS AVAILABLE

"I caused enquiries to be made and water was available right from the start of the job in October, 1949," went on Councillor Kermode. "It is true that the contractor would have required a length of piping or perhaps a hose-pipe, but it is ridiculous to suggest that a considerable extension of time should be granted and the consequent increases in costs should be paid, merely because the contractor could not provide a hosepipe."

After saying that on February 4th he wrote to the Town Clerk giving notice of motion that he intended to make a full statement in Council, Councillor Kermode said that the Town Clerk then received an intimation that the firm of Messrs. Furneaux, Ltd., were prepared to forego any claim for increased costs of labour and materials beyond a reasonable time and, at the Town Clerk's suggestion, he agreed to withdraw his notice of motion and allow it to go back to the committee. The committee then agreed that the firm should be allowed a period of 18 months, and that the increases in costs beyond that limit should be borne by the firm.

The firm subsequently stated that they would never again tender for Council work. The resolution which was contained in the minute of the committee was agreed, but it seemed to him that it granted a concession to a member of the Council and, therefore, the full Council must know exactly what they were conceding. In his reply to Councillor Kermode's statement, Councillor Furneaux said he noted that Councillor Kermode had carefully confined his concern of the public funds to the particular 6 tenders accepted by the Council in 1949, and in so doing was trying to make the public and the Council believe that this was the only firm which had not completed its building in the specified time.

Had the cost of wages and materials, over which firms had no control, been on a falling market, nothing would have been said.

**This so-called excess was nothing compared to that which the Council would have to meet through not accepting the negotiated prices submitted by the local builders for 54 houses, a decision arrived at through Councillor Kermode's suggestions and criticisms in October, 1951. Some of these houses would now have been completed, and much of the sharp rise in costs which had occurred recently would have been avoided.**

Continuing, Councillor Furneaux said his firm had completed these 38 dwellings on an average of one in every three weeks, and he ventured to say that had builders in other towns been able to keep up this rate of progress, Christchurch would not have been in the proud position it was today—on top in respect of borough council's post-war housing.

The time laid down in these particular contracts was far too short and not in keeping with the number of dwellings to be built. It meant starting and completing a dwelling in 4½ days.

#### ANOTHER CONTRACT

Three years ago a certain firm had a contract to build 50 houses for the Corporation, and after 2½ years' progress and several visits from the Building Committee begging and praying them to complete some houses, all they get was four houses in spite of having advanced up to something like £27,550 in payments-on-account.

"Was anything said in the Council Chamber or in the local Press about this?" asked Councillor Furneaux.

"No—because the firm concerned was not G. J. Furneaux, Limited."

Councillor Furneaux contended that as the matter under discussion had not passed the committee stage, and because he had withdrawn from the meetings when the subject was discussed, and also that another director of G. J. Furneaux, Limited, had conducted the negotiations with the Council's architect, he was unable to give every detail of what had taken place.

"This Council has its trusted officials and its architect to negotiate on its behalf, and no doubt they would have ultimately arrived at an honourable agreement to place before the Council for ratification," he said.

#### NOT HIS RESPONSIBILITY

The questions put to him in the Buildings Committee should have been addressed through the Council's architect to the firm of G. J. Furneaux Limited, and no doubt if the Buildings Committee desired that a personal representative of the company should attend their meetings to answer questions and give explanations, it could have been arranged.

With reference to Councillor Kermode's remarks alleging his failure to inform the Buildings Committee, Councillor Furneaux pointed out that this was not his personal responsibility. The responsibility was with G. J. Furneaux, Limited. The contract stated that applications (for extension of time) should be made to the architect, not to the Buildings Committee. An application, he understood, was so made by G. J. Furneaux, Limited, on 16th August, 1951.