

ABERDEEN CITY COUNCIL

COMMITTEE	Housing & Environment
DATE	20 th May 2014
DIRECTOR	Pete Leonard
TITLE OF REPORT	Requirement for major repairs at various Seaton multi storeys
REPORT NUMBER:	H&E/14/033
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to:

- Inform committee of the outcome of further investigation in to methods for dealing with water penetration in multi storey blocks in the Seaton area.
- Request approval to proceed with over cladding, replacement of windows and flat roof renewal, where appropriate, in the seven blocks identified within the report following the positive outcome of discussions with private owners within these blocks.

2. RECOMMENDATION(S)

It is recommended that the committee:

- a) instruct the Director of Housing and Environment to pursue the proposal to carry out structural repairs, over clad, appropriate flat roof renewal and install new windows in the seven blocks referred to in the report.
- b) approve the use of ECO funding granted to the Council in connection with this project to be used to limit the cost of over cladding and window replacement works to private owners.
- c) instruct the Director of Housing and Environment to monitor the situation with future energy efficiency grant funding levels and report back to this committee if any reduction in funding may have a detrimental effect on this project.

3. FINANCIAL IMPLICATIONS

If Committee approves the proposals contained within this report the gross provisional construction cost for the proposed works at the seven blocks identified in this report is expected to be £16.7 million, inclusive of professional fees etc, based on the information currently available.

The funding for the proposed works will be required over the financial years 2015/16 to 2018/19.

The Director of Housing and Environment will ensure that sufficient funding for the project is provided for through the Housing Capital Expenditure budget.

The Director of Housing and Environment will ensure that the Council continues to use its best endeavours to ensure that:

- the agreement with the preferred ECO partner is successfully concluded, and
- the grant funding is maximised.

4. OTHER IMPLICATIONS

If the proposed works are not proceeded with:

- these blocks will continue to be adversely affected by water ingress;
- the deterioration of the external walling will continue;
- the maintenance and repairs costs for these blocks will continue to rise;
- areas of external walling will continue to be adversely affected by condensation and mould;
- (in the absence of district heating) the occupants will be severely affected by fuel poverty;
- these blocks will not be fit for long-term use as social housing; and
- the HRA will lose significant rental income from 725 flats due to the early decommissioning of these blocks, that will be required, if the external fabric cannot be renewed.

5. BACKGROUND/MAIN ISSUES

On 24 August 2010 the Housing and Environment committee approved the over cladding and replacement of windows in Balgownie Court, Inverdon Court and St Ninian Court in an effort to prevent water penetration.

At the time this report was considered by committee it was known that Aulton, Bayview, Beachview, Linksfield, North Sea, Promenade and Regent Courts also suffered from water penetration but there was insufficient funding available at the time to include them in the same

contract as the initial three blocks.

The Principal Architect, Housing and Environment has continued to monitor the water penetration situation in these seven blocks and has considered the three following options to deal with the matter.

Option 1 - Continue current programme of planned and reactive maintenance.

Option 2 - Structural repairs, window replacement, rain screen over cladding at all blocks and flat roof renewal at Linksfild, Promenade and Regent Courts.

Option 3 - Demolition of the blocks.

A summary of the issues considered has been attached as Appendix A. Appendix B shows the breakdown of costs by block groupings and flat for each of the options. Appendix C shows an options appraisal matrix which has used a scoring mechanism based on the financial and housing management factors considered most pertinent to the future of these blocks.

The Principal Architect has assessed option 2 as being the preferred solution to preventing the ongoing water penetration problems in these blocks and this is supported by the outcome of the matrix in appendix C.

At the date of writing this report it is planned to meet with the private owners in the blocks and Ward Members to advise them of the options identified for dealing with the water penetration in their blocks and ascertain whether they support the Council's preferred course of action.

If approved, these works would be carried out in two phases. The first phase is estimated to commence the 4th quarter of 2014/5 and complete in March 2016. The second phase of works is estimated to take place between April 2016 and September 2018.

The overall gross provisional cost for the preferred option is £16.7 million, inclusive of fees etc. Increased funding will be required to cover the cost of these works when the Director of Housing and Environment submits the Housing Capital Expenditure budget to committee later this year.

Private owners may be entitled to a grant of £6,500 each which will be allocated from the Scottish Government's Home Energy Efficiency Programme Scotland: Area Based Scheme (HEEPS:ABS). This grant is not available for Council owned flats.

As most of the blocks in these flats are served by CHP it is estimated that the Council is unlikely to receive more than £1,000 per flat Energy Company Obligations (ECO) grant funding for this project. This figure would also be available to each of the private owners.

For the proposed works to prove wholly successful it is important that all private owners in these blocks participate in the project.

It is therefore proposed that, as with other projects of a similar nature, a proportion of the grant funding provided to the Council for work on its flats should be used to limit the cost of over cladding and window replacement works to the owners.

6. IMPACT

The Single Outcome Agreement refers to a need to enhance the quality of housing and environment for individuals and the community.

"Aberdeen – the Smarter City", sets out the following policy targets:

Smarter Living (Quality of Life):

We will provide quality services to our council tenants to enable them to have a dry, warm home in a safe and enjoyable environment.

Smarter Environment (Natural Resources):

We will increase energy efficiency and introduce carbon reduction measures in our processes and our housing and non housing assets to reduce our carbon footprint, save money and to bring people out of fuel poverty.

7. MANAGEMENT OF RISK

Works

Discussions will be undertaken with other owners in the blocks at an early stage to ensure that sufficient agreement is reached to allow the proposed works to go ahead. By using the ECO funding that the Council will receive for over cladding its flats to limit the cost of works to the owners. This will hopefully ensure that agreement is reached with the owners and that any delays due to disputes can be mitigated.

Grant funding

The grant figures shown in section 5 above are based on the current level of ECO and HEEPS:ABS funding being awarded for similar projects at the moment, however, no certainty can be given that these figures will remain the same during the period 2015/16 to 2018/9 when the phases of the Seaton multi storey project will be completed. Should grant funding levels change to the detriment of the project it may be necessary for the level or work involved to be re-assessed as works would potentially become unaffordable for private owners.

8. REPORTING AUTHOR DETAILS

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9. BACKGROUND PAPERS

Installation of Combined Heat and Power and proposals for major repairs at various Seaton multi storeys – Housing and Environment committee, 24 August 2010