

Appendix A:

Summary of investment options for seven multi storey blocks at Seaton: Aulton, Bayview, Beachview, Linksfield, North Sea, Promenade and Regent Courts

Option 1: continuing current programme of planned and reactive maintenance

Advantages:

- low initial capital cost.

Disadvantages:

- high maintenance costs;
- continuing rate of structural degradation;
- continuing significant risk of water penetration;
- high heat loss, high CO² emissions; and
- avoidable uncomfortable draughts.

This option has been the one that the Council has pursued up till now. This option has not delivered reliably wind and watertight accommodation. There are continuing regular reports of penetrating damp to these seven blocks, despite the best efforts of the Council to tackle these leaks through both planned maintenance and reactive repairs. This experience has established that this is not a sustainable, long-term option. This option could, however, be justifiably selected as an interim strategy, as a precursor to demolition.

Option 2: Structural repairs, window replacement and rain screen over-cladding

Advantages:

- lower maintenance costs, than Option 1;
- significant reduction in the rate of structural degradation;
- a robust means of alleviating the potential for water penetration through the concrete panel joints, windows and window junctions;
- reduction in heat loss, reduction in CO² emissions;
- reduction in draughts; and
- improved aesthetic appearance.

Disadvantages:

- high initial capital cost; and
- short period of disturbance to the residents.

This option has been the one that the Council has pursued to three other high rises within Seaton, and also to three high rises at Balnagask. This option will provide reasonably reliable wind and watertight accommodation. This is a sustainable, long-term option. This option will extend the expected useful life of the blocks for another thirty years. During this period the condition of the structure will have been largely stabilised. At the end of the thirty years there will, therefore, be the option of extending the life of these blocks for another thirty years (60 years). (It is impractical to forecast to what degree the structure will have degraded, beyond this).

Option 3: Demolition

Advantages:

- the most robust means of alleviating water penetration;
- provides two sites that would be capable of re-development; and
- opportunity to provide a transformational change to this priority area.

Disadvantages:

- period of high maintenance costs (prior to demolition);
- high initial capital cost during demolition, followed by very high capital cost if these flats were to be replaced;
- if these flats were not replaced, prior to demolition, the number of Council flats within the city would be reduced by 725, this would adversely impact on the Council's housing waiting list;
- long period of uncertainty and disturbance to the residents before and during decanting; and
- cost of compulsory purchase from the private owners.

During the current period of high demand for housing within the city and significant pressure on the Council's finances this option would appear unnecessary and poor value for money.

Conclusions

Option 1 is recommended for rejection.

Option 2 is recommended for immediate implementation.

Option 3 is recommended for revisiting, over the very long term, if the demand for housing within the city slackens, and the financing of a comprehensive redevelopment of this priority area becomes practical.

Appendix B**Seaton Multi Storey Overcladding Proposals - Cost breakdown**

	Phase1: Linksfild, Promenade and Regent Courts	Phase 2: Aulton, Bayview, Beachview and Northsea Courts		
	Cost per Phase	Cost per Flat	Cost per Phase	Cost per Flat
Option 1 - Continued maintenance and repair	£3,560,711	£10,693	£4,008,895	£8,948
Option 2 - Overcladding and ongoing maintenance	£7,350,422	£22,073	£9,301,665	£20,763
Option 3 - Demolition	£3,101,128	£9,313	£3,909,087	£8,726

Costs are based on 1st quarter 2014

Costs include Professional fees, Prelims and Contingencies

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Seaton multi storey option appraisal matrix - explanatory note

In order to identify the option that is most likely to delivery an outcome that maximises the impact of HRA investment and delivers strategic housing objectives, an option appraisal analysis of the three key investment scenarios for the Seaton multi-storey blocks has been performed.

The objective of the option appraisal process is to systematically test each investment scenario against the evidence available on both cost and strategic benefit; and to ensure that the sustainability of investment is analysed from a financial, management, strategic, customer and technical perspective.

To achieve this, an option appraisal scoring matrix was designed and implemented. Each investment scenario was systematically scored against consistent criteria, which was defined to reflect the key financial and strategic factors that the Council would require to take into account.

A priority and weighting was applied to each assessment criteria to ensure that the relative importance of criteria was recognised and reflected in outcome scores for each scenario.

This assessment criteria was used to systematically assess the ability of each investment scenario to deliver the specified outcomes. To this end, colleagues from across the Regeneration & Housing Investment and Housing & Communities services marked each option out of 10 against its ability to meet the criteria specified. Weightings were applied to each criteria mark and combined to provide an overall score for each scenario so that a clear outcome specifying which scenario was most likely to deliver ACC objectives could be identified.

This process has enabled us to identify the scenario most capable of delivering the Best Value and strategic housing objectives. The outcome of the option appraisal is intended to support informed decision making on the most sustainable investment option for the Seaton blocks.

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Seaton multi-storey investment option appraisal matrix

	Criteria		1. To invest in planned maintenance & structural repair in Seaton multi's		2. To overclad the Seaton multi's		3. To demolish the Seaton multi's	
		Weighting	Mark	Score	Mark	Score	Mark	Score
1	Is the option financially viable and is it affordable to the HRA?	100	3	300	4	400	5	500
2	Will the option deliver wind and watertight status thereby securing sustainable demand for the blocks?	100	1	100	7	700	1	100
3	Does the option maximise our ability to meet housing need, both in terms of supply and housing quality?	100	2	200	8	800	1	100
4	Will the option support tenancy sustainment and improve health and well being of the occupants?	100	1	100	8	800	1	100
5	Are there subsidy funding opportunities available to support investment in this option?	100	1	100	5	500	1	100
6	Will the option support the recovery of income from owners and minimise the HRA contribution to investment	100	5	500	6	600	1	100
7	Does this option maximise carbon capture and make a positive contribution to the carbon reduction agenda?	100	1	100	8	800	5	500
TOTAL				1,400		4,600		1,500

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Seaton Multi-Storey Investment scenarios rationale			
No.	Options	Score	Rationale
1	1. To invest in planned maintenance & structural repair in Seaton multi's	1,400	C1 This is the most affordable option, but is not good value as it fails to deal with water penetration. C2 It is unlikely that this option will resolve issues with the condition of these blocks or the water penetration C3 No C4 No C5 No C6 The cost to owners is fair, but is not good value as it fails to address structural problems with the blocks. C7 No
2	2. To overclad the Seaton multi's	4,600	C1 This option is the most expensive and will have an impact on the 30 year HRA, though future maintenance costs should reduce. C2 This option is most likely to resolve issues with water penetration and condition of these blocks and sustain demand C3 Yes C4 Yes C5 Small amount of subsidy is available for tenanted flats with a larger subsidy for owners C6 The gross cost to owners is high, but is reasonable when subsidy is applied. C7 Over cladding will increase carbon capture
3	3. To demolish the Seaton multi's	1,500	C1 This option is less expensive than option 2 but will result in loss of rental stream from 725 flats. C2 This option will not create sustainable demand for these blocks C3 No C4 No C5 No C6 No. It is likely that the use of CPO's will impact on owners C7 No