

APPENDIX B

Communities Housing and Public Protection Committee

27 May 2025

Viability Assessment	Proposals received for privately owned properties.		
Sponsoring Cluster	Corporate Landlord	Version	2

1. Background

At the meeting of **Council of 21 August 2024**, the Council considered a 'Reinforced Autoclaved Aerated Concrete (RAAC) – Outcome of options appraisal August 2024 Report ([CORS/24/204](#)).

Amongst the recommendations within the Report was

2.2 Agrees that the optimum option is the demolition and rebuild of homes on site and instructs the Chief Officer - Capital to proceed with the demolition aspect of this (Option 4a), and to report back to the next appropriate meeting of Communities, Housing and Public Protection Committee on the initial phasing of demolition and landscape details.

Recommendations with an Impact on home owners were to:

2.6 Instruct the Chief Officer - Corporate Landlord in consultation with the Chief Officer Finance to take forward negotiations with private owners to acquire their properties voluntarily at Market Value, noting that this will be a valuation of the property at the current date and be on the same basis as the CPO process. In addition to Market Value the council will be willing to meet reasonable legal and professional costs along with home loss and disturbance payments.

2.7 Instruct the Chief Officer Corporate Landlord in consultation with the Chief Officer Housing as part of the negotiations with private owners to assess the housing options available for each individual owner to identify any support that can be offered in rehoming.

2.8 Instruct the Chief Officer Corporate Landlord in consultation with the Chief Officer Governance to bring back a report to Council in late 2024/ early 2025 on options available to the Council to compulsorily acquire private properties to assist the delivery of the recommended option where required.

The estimated cost of voluntarily acquiring properties, and therefore delivering on this instruction, was noted as being in excess of circa £12.7m. This would have enabled a clear site for future masterplanning. The report noted that owners could chose to pursue their own solutions. As of today, the Council is not aware of such an approach being adopted by any individual owner.

Follow-on engagement with RAAC impacted owners and residents was undertaken with parties seeking proactive discussion in response to the Council's decisions. Council Officers engaged with the local Torry Community RAAC Campaign (TCRC) Group, UK RAAC Campaign Group and individual owners.

On behalf of home owners impacted by RAAC at Balnagask, the TCRC Group submitted two [proposals](#) for consideration by Council.

At Council on the 17 February 2025 a report entitled February 2025 RAAC Update ([F&C/25/030](#)) was considered. Officers were instructed to:-

(e) note the alternative options proposed by the Torry RAAC Campaign Group Management Committee and instruct officers to explore the feasibility, benefits and risks associated with each option, alongside any other identified opportunities to support owners, and

report the findings to a future meeting of the Communities, Housing and Public Protection Committee; and

- (f) *note that further reports on the subject would be brought to the budget meeting and the next meeting of the Communities, Housing and Public Protection Committee as outlined from paragraph 3.2 of the report.*

Within a few weeks of the decision of Council on 17 February, The UK RAAC Campaign Group submitted a further proposal for consideration (appended to this Viability Assessment).

Aberdeen City Council officers and members of the Torry Community RAAC Campaign Group met at Greyhope School and Community Hub on **12 March 2025** to workshop and discuss the proposals put forward by the TCRC Group in relation to the Council's response to RAAC affected properties in Balnagask.

Officers also sought clarification on a proposal submitted by the UK RAAC Campaign Group as the proposal could be interpreted as undoing previously taken decisions of Council. Following an opportunity to clarify the UK RAAC Campaign Group proposal, all three proposals have been explored for feasibility, benefits and risks as per the Council instruction.

A further meeting to discuss initial thinking around the viability assessment was held with the Torry Community RAAC Campaign Group on **29 April 2025** (note appended). At this meeting members of the Group clarified their belief that no cost should be incurred by homeowners. As a result, the issue of ensuring an equitable settlement for all homeowners, regardless of options, has also been given further consideration by officers.

2. Executive Summary

The alternative proposals presented by the Torry Community RAAC Campaign Group and UK RAAC Campaign Group have been reviewed to explore the impact these would have on owners of RAAC impacted properties and the wider site. The practicability of delivery, ease of property allocations and implications on masterplanning have been considered to determine suitability. Consideration of all of these factors has helped officers set out the feasibility, benefits and risks of each proposed option to help determine the viability of options that Members will want to consider.

In addition to considering the options from the owners perspective, consideration has been given to the financial impact in the short and long term. This is particularly key in considering the Housing Revenue Account impact on capital and revenue, and the associated impact of the costs on residents across the wider city given the challenging financial circumstances outlined in the Medium Term Financial Strategy and on-going need for efficiency savings. The need to offer Members equitable solutions that do not inadvertently disadvantage other vulnerable groups across the city has been a key consideration.

For the purposes of completeness and for comparisons to be made, the current voluntary acquisition process has also been included in the Viability Assessment.

Undertaking this Viability Assessment has guided officers to recognise that no one solution will fully meet the needs of each individual owner, and acknowledges the very different circumstances of individual owners. Officers conclude that a mixed solution may be required to meet the shared objectives.

All viable options, including those requiring further consideration will be reported to committee seeking instruction to proceed in consultation with stakeholders.

The options/proposals explored are:

	Option	Recommendation	Rational
1.	Do Nothing	Not Viable	<p>This option does not meet the criteria for either the Council or the owners.</p> <p>It would leave owners in properties with significant health and safety risks, negatively impact their wellbeing and financial situation, and sterilize parts of the site, leading to antisocial behaviour and site security issues. The TCRC Group agree that this is not a viable option.</p>
2.	Voluntary Acquisition at Market Value	Viable Option	<p>This option allows owners to sell their properties to the Council at market value, providing them with some certainty and mitigating financial risks. However, it has a high cost to the Council and taxpayers, and some owners are not engaging with the process due to dissatisfaction with the offered value. The TCRC Group do not believe that this option is viable.</p>
3.	Exchange for another property in Balnagask (roof off, roof on)	Complex, higher risk but viable option subject to agreement on funding.	<p>This option allows owners to stay in their homes or move to a similar property within the community, but it requires significant coordination and investment of resources and there are unknown risks that would be held by the Council. It also makes masterplanning more difficult. In determining the option viable, officers propose that this option is part funded by owners to ensure equity and help Council comply with the public sector equality duty. The TCRC Group believe this option is viable, that the owner contribution set out by officers is unrealistic and that all costs should be met by the Council.</p>
4.	Swap for another property of equal value	Viable Option	<p>This option can be formalised relatively quickly, reducing the time owners remain in RAAC-impacted properties. It mitigates financial losses for owners and makes masterplanning more feasible. However, it requires careful coordination of property allocations and may lead to some owners feeling aggrieved. The TCRC Group believe that this is a viable option if home loss and disturbance payments are met by the Council.</p>
5.	Adopt a full roof replacement scheme where	Viable in part	<p>This option allows homeowners to stay in their homes and improve energy efficiency, but it requires significant financial support</p>

	homeowners opt for remedial works with additional optional external and environmental upgrades funded through low or no interest loans/grants		and coordination. This option would not leave a site that could be subject to any masterplanning. As a result, delivery of this option would compromise the delivery of previous Council instructions.
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3. Business Aims, Constraints and Statutory Responsibilities

The proposals have been reviewed and analysed, taking into account factors such as the impact on owners, community, buildability, commercial, legal and financial impact. Other considerations around the practicability of delivery and future property allocations were also considered.

In determining viability, it is important to recognise that the Council's role in relation to privately owned property is limited by law. While the Council has sought to engage positively with affected owners, it cannot accept open-ended financial liability for circumstances arising from private ownership. The Council has a duty to act equitably, responsibly, and in line with its statutory powers.

Best Value

The Council is under a statutory duty to secure Best Value in terms of Section 1 of the Local Government in Scotland Act 2003 (the "2003 Act"). This duty requires the Council to make arrangements to secure continuous improvement in the performance of its functions, while maintaining an appropriate balance between the quality of services, the cost of those services, and the resources available. The Council must have regard to economy, efficiency, effectiveness, the need to contribute to the achievement of sustainable development, and the need to maintain equal opportunities and promote the observance of the equal opportunity requirements (as noted within the legislation).

In applying the Best Value duty the Council must act in a way that secures the optimal use of public funds across its functions. It must ensure that its decisions are evidence-based, proportionate, risk-aware, and equitable. In this context, the Council is required to consider not only the interests of the affected private homeowners in Balnagask, but also those of other residents across the City, including Council tenants, individuals on housing waiting lists, and other vulnerable service users. The application of Best Value does not entitle individual homeowners to public funding to remedy defects in privately owned property, nor does it support an approach where public resources are used to compensate for matters falling within the responsibilities of ownership.

The statutory guidance on Best Value, published by the Scottish Government in 2020 under the authority of the 2003 Act, identifies the "effective use of resources" as a key theme. This includes ensuring that local authorities have robust arrangements in place to manage assets, allocate resources based on strategic priorities, and demonstrate that resources are not misused. These principles are particularly relevant where the Council is considering significant capital expenditure in relation to private assets, and where doing so may create expectations or precedents that cannot be sustained within lawful powers or available budgets.

Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, and with sound governance and strong leadership, a local

authority will be well placed to ensure that all of its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

In achieving Best Value, a local authority will be able to demonstrate the following:

- It makes best use of its financial and other resources in all of its activities.
- Decisions on allocating resources are based on an integrated and strategic approach, are risk-aware and evidence-based, and contribute to the achievement of its strategic priorities.
- It has robust procedures and controls in place to ensure that resources are used appropriately and effectively, and are not misused.
- It works with its partners to maximise the use of their respective resources to achieve shared priorities and outcomes.

It is important to note that all of the privately owned properties affected by RAAC in Balnagask were originally acquired by private individuals under the Right to Buy scheme (formerly under the Housing (Scotland) Act 1987) and were purchased on a full repairing and insuring basis. The ongoing responsibility for maintenance and structural integrity rests with the private owner. There is no statutory obligation on the Council to undertake or fund repairs to these privately owned properties. Any voluntary assistance provided must be strictly within the scope of discretionary powers and supported by a lawful funding mechanism.

The Council's current approach, offering voluntary acquisition at current Market Value, with additional home loss payments, disturbance allowances, and coverage of reasonable legal and professional fees – is consistent with the compensation principles set out in the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947, the Land Compensation (Scotland) Act 1973 and the Compulsory Purchase of Land (Scotland) Regulations 2003. This approach satisfies both the Council's statutory obligations and its Best Value duty. By contrast, requests for full remediation funding, compensation for non-financial loss, or valuation based on hypothetical "pre-RAAC" market conditions have no basis in law and would represent unlawful expenditure of public funds.

Procurement Regulations

Where the Council considers commissioning works to privately owned homes e.g. through coordinated roof replacement or remedial action, it must do so in full compliance with its statutory procurement obligations. The Procurement Reform (Scotland) Act 2014, together with the Public Contracts (Scotland) Regulations 2015, set out the legal framework for how the Council must procure goods, works and services.

Any procurement over the relevant threshold values must be conducted in a transparent, fair and competitive manner. The Council is prohibited from awarding contracts to individuals or companies without a compliant procurement process, unless a specific exemption applies. This means that any remedial scheme or construction programme – including those suggested by campaign groups – must be subject to lawful tendering, open competition and appropriate contract oversight.

In addition, where the Council facilitates works to private property, it must ensure that the contract arrangements properly reflect the underlying legal responsibility for those works. In the absence of a statutory duty to repair private homes, any Council-led intervention must be carefully structured to avoid implying that the Council has accepted legal or financial liability. This includes ensuring that appropriate agreements are in place with owners, that cost contributions are secured where required, and that risks around warranties, liability/obligations and insurance are addressed.

The Council must also take into account its obligations under the Subsidy Control Act 2022. Under this regime, the Council must not provide selective financial assistance to a business (such as a private landlord) in a manner that would distort or potentially distort competition or

investment. Where the Council proposes to provide financial assistance – such as loans, equity shares, or funding of remedial works – it must assess whether that assistance constitutes a subsidy and, if so, whether it falls within a permitted exemption or required notification. Any failure to comply with subsidy control or procurement law may render the Council's actions unlawful and expose it to legal challenge. These constraints form a material limitation on what can lawfully be offered to homeowners and must be fully considered in determining the viability of proposed options.

Public Sector Equality Duty

The Council is subject to the Public Sector Equality Duty, as set out in Section 149 of the Equality Act 2010 (the "2010 Act"). This duty requires the Council, in the exercise of its functions, to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity, and foster good relations between individuals who share protected characteristics and those who do not. Protected characteristics include age, disability, sex, race and others. The duty applies not only to the direct delivery of services but also to policy decisions, allocation of resources, and strategic planning.

In addition, the Council must comply with the Fairer Scotland Duty, which is imposed under Part 1 of the 2010 Act and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2018. This duty requires the Council to actively consider how it can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions.

However, these duties are procedural in nature. They do not confer individual entitlements or require specific outcomes, such as full compensation or remediation funded by the Council. Rather, they require the Council to give due regard to relevant equality considerations and to take reasonable, proportionate steps to mitigate disadvantage where possible, within the scope of its legal powers and financial constraints.

The Council has already taken steps to meet these duties by engaging with campaign groups, conducting impact assessments, and offering voluntary acquisition terms that go beyond the statutory minimum. Nonetheless, the Council must also consider the interests of other equality groups, including Council tenants, those in housing need, and residents in other areas of the City. Providing enhanced or exceptional terms to one group of private owners – to the exclusion of others – may itself raise equity concerns and would not, without lawful justification, be consistent with the Council's broader public sector equality obligations.

Powers under the Local Government Act and Housing Acts

The Council's ability to intervene in matters relating to privately owned housing is governed by a combination of general and specific statutory powers. The primary source of the Council's general competence is Section 20 of the Local Government (Scotland) Act 2003, which allows a local authority to do anything it considers likely to promote or improve the wellbeing of its area and persons within it. However, this general power is not unlimited. It must be exercised in accordance with other legal duties, including the statutory Best Value obligation, the Council's fiduciary duty to taxpayers, and the constraints imposed by other relevant legislation such as procurement law, housing law, and subsidy control regulations. It cannot be used to justify open-ended or inequitable expenditure, particularly where this would contradict more specific statutory frameworks.

In relation to housing, the Council has powers under the Housing (Scotland) Act 1987 to acquire land, including by agreement or compulsorily, for the purposes of providing housing accommodation or improving housing conditions. These powers are discretionary and subject to strict legal tests. In cases where compulsory purchase is proposed, the Council must demonstrate a compelling case in the public interest, supported by a viable and funded redevelopment scheme. Any acquisition must be accompanied by compensation in

accordance with legislation. The law does not permit compensation based on hypothetical “pre-RAAC” values, nor does it provide for generalised payments for perceived unfairness.

The Council also holds certain powers under the Housing (Scotland) Act 2006 (the “2006 Act”), which enable enforcement action where private housing falls below tolerable standards or presents a danger to occupants. These powers include the ability to serve work notices or undertake work in default, with costs recoverable from owners. In extreme cases, the Council may also consider declaring a Housing Renewal Area under Schedule 1 of the 2006 Act, although this is generally reserved for wider-scale interventions and would require formal consultation and approval.

The Council does not have a statutory duty to repair or upgrade privately owned homes, regardless of structural condition. Any intervention, including the coordination of roof replacement schemes or financial assistance, must therefore be framed as a discretionary action and supported by a clear legal basis, appropriate governance, and affordability. Such support, if offered, must also be conditional on owner participation and proportionate contribution, in line with principles of equity and public accountability.

Legal responsibilities as former owners of the RAAC affected properties

The Council’s previous ownership of the properties at Balnagask does not give rise to any continuing legal responsibility for their condition. Once a property is sold under the Right to Buy scheme (historically governed by the Housing (Scotland) Act 1987), full title, including all repairing obligations, transfers to the purchaser. These sales were completed on a full repairing basis, with no warranties or guarantees provided by the Council regarding the long-term structural condition of the building, including the presence of RAAC.

There is no legal principle in Scots property or housing law that imposes ongoing liability on a local authority merely because it once owned a property. The legal responsibility for repair lies with the current owner, regardless of who previously held title. This remains the case even where the property was originally built or maintained by the Council. Additionally, many of the affected properties have since been sold on to new owners through open market transactions.

While the Council acknowledges the disruption and uncertainty faced by affected owners, it is important to be clear that any assistance now offered is a matter of policy and discretion, not a legal obligation. The decision to engage with owners and explore supportive measures reflects the Council’s commitment to community wellbeing and public safety, but it does not represent an acceptance of liability or a precedent for wider responsibility in relation to former Council housing stock.

Building Standards responsibilities

The Council has statutory duties as a verifier under the Building (Scotland) Act 2003, these responsibilities include the verification and approval of building warrant applications, the inspection of works carried out under those warrants, and the enforcement of compliance with the Building Regulations. These functions are regulatory in nature and would apply to the replacement of any dwelling roofs including those affected by RAAC.

Building owners are responsible for preventing their buildings falling into a dangerous condition. In the context of RAAC, where it appears to the council that, for whatever reason a building owner has failed in their duty to fulfil this responsibility, the council has the power to protect the public/persons from danger.

Sections 29 and 30 of the Building (Scotland) Act 2003, include powers to protect the public from dangerous buildings with a duty for local authorities to act immediately. In addition the powers allow local authorities to serve a notice on building owners to reduce or remove any dangers within set commencement and completion dates. In an emergency incident the local

authority can undertake work to remove the danger including erecting a cordon/securing a building to maintain public safety.

Under sections 42 and 43, an evacuation notice can be served to building occupiers if there is an imminent danger.

The local authority can also recover any costs of work, when they take action, from the building owner through their usual debt recovery procedures or by registering a charging order.

Financial considerations

Consideration was given as to how best to fund works associated with RAAC in a previous Report to the Communities, Housing and Public Protection Committee on 30 May 2024 entitled RAAC Funding Update ([F&C 24/154](#)) This Report highlighted the funding options open to the Council.

In addition the [Council on 5 March 2025](#) at the Budget Meeting approved the use of the Capital Fund to support any financial implications arising from Council's support to owners of properties affected by RAAC and that they will be the sole responsibility of the General Fund.

The impact of using the Capital Fund resources to fund the costs of supporting owners of RAAC affected properties is that these monies are one-off in nature and once consumed cannot be used for other things, for example supporting the Council's Capital Programme. This impacts the Council by either limiting the number or scale of capital projects that can be progressed or increases the value that has to be borrowed, which in turn increases the cost of servicing/repaying that borrowing and interest charges. With a projected General Fund budget gap in future years additional costs will only increase these gaps and decisions will have to be taken to balance the budget, by increasing Council Tax, raising prices, or by making budget savings, stopping or reducing services, for example. The funding solution is not a budget it is a redirection of money that could be used for other purposes.

4. Objectives

The objective of this Viability Assessment is to consider the viability of the alternative proposals presented by homeowners to determine if any of these options could be presented for consideration by Council.

The primary objectives for Aberdeen City Council are;

1. Negate the Health and Safety issues with the properties
2. Provide clarity for owners on available options to assist their decision making and positive wellbeing
3. Ensure mechanisms are in place to ensure affordability of any further options for owners given that they advise that they do not have the resources to fund up-front costs
4. Identify a solution(s) that causes the least harm to homeowners
5. Identify a solution(s) that takes account of the topography of the site and allows masterplanning and planned demolition of redundant stock to be taken forward
6. Lessen the financial impact on Aberdeen City Council, domestic rate payers and the Housing Revenue Account given that no additional resources have been made available to the Council.
7. In so far as possible present options that provide an equitable outcome for homeowners regardless of which option might work for them i.e. an owner wouldn't have a better financial position than another dependant on the option that they chose. In keeping with

our Public Equality Duty, consideration should also be given to how vulnerable groups across the city may be disadvantaged as a result of the options presented.

The primary objectives for Owners (drawn from discussions at the first workshop):

- a) Be able to live in a safe, free from risk home
- b) Negate financial loss as far as possible*
- c) Have certainty around next steps and associated timescales to enable them to move on.

** at the second workshop with the TCRC, the Group requested that the second owner objective be changed to reflect that they would have **no financial loss** from the proposals, and agreed that these are the primary objectives for owners.*

As a result, each proposal has been scored against the following criteria to help determine the strength and therefore viability of the proposal:

1. Option would quickly negate the health and safety risk to owners (scored out of 5 given the risk to owners)
2. Option would mitigate financial loss to owners (scored out of 5 given the risk being reported by owners)
3. Option would enable masterplanning and demolition of redundant stock (scored out of 5 given decisions already taken by Council and commitments made to tenants)
4. Option would mitigate the financial costs to Aberdeen City Council, domestic rate payers and the Housing Revenue Account (scored out of 5 given the need for the Council to comply with best value principles)
5. Option is deliverable (to include practicalities and availability of suitably qualified personnel to oversee works etc.) and scored out of 10 given the instruction to present viable options for consideration by Council.

5. Scope

The scope of this Viability Assessment is to consider the detail of each proposal against the criteria above and provide an officer assessment of viability for consideration by Elected Members.

For transparency, scorings provided by the Torry Community RAAC Campaign (TCRC) Group and any submitted justification for the scores have been included in green.

TCRC Group clarifications

The TCRC Group request was made on the assumption that all costs will be met by Aberdeen City Council in relation to the re-roofing proposals or ex-cambion proposals. Within the re-roofing option the Group have assumed that no remediation works will be required and therefore the only costs incurred will be for roof replacement. Within the ex-cambion option the Group has assumed that owners will be compensated to the value of their property on a special assumption that the roof does not contain RAAC. They have also requested that compensation/ home loss payments will be made.

Officers have considered the full range of constraints and statutory duties in formulating the proposals outlined in this Viability Assessment.

5.1 Out of Scope

- RAAC properties owned by ACC/HRA being brought back into use for Council housing (this reflecting the Council decision of 21 August 2024).
- The Council being able to offer market value on the special assumption that the properties do not contain RAAC (this being contradictory to Council decisions).
- Funding for environmental retrofit given that there may be opportunities available to home owners for environmental retrofit that are not available to the Council.

6. Viability Appraisal

6.1 Option 1 – Do Nothing / do minimum

Description	<p>Previous Committee Reporting has identified that Do-nothing is not considered a viable option for the individual properties or site, having established that it was not viable for the Housing Revenue Account to undertake the required upgrading and re-roofing of the Council Stock which was built in the mid 1960's.</p> <p>The Council stock was in the region of 360 units within the 504 units on site. The 138 privately owned properties were all originally acquired by owners under the 'right to buy' legislation. Of the 138 units, we understand that less than 30 are still owned by a former council tenant. The remainder will all have been sold at least once. Original right to buy sale would have been at market value but subject to discounts depending on tenants circumstances. Historic information suggests sale prices between £10,000 and £65,000, with subsequent sales noted in registers of Scotland recorded as up to £135,000.</p> <p>If the Council were not taking the actions they are currently proposing, the following action/ implications are possible:-</p> <ol style="list-style-type: none"> 1. Owners would remain in properties and would have difficulty in undertaking any repair and upgrading works required to deal with the health and safety issues. 2. This would have significant impact on the individual owners in relation to their general wellbeing and financial impact. 3. The council would be unable to take forward the demolition and redevelopment works on terraces that contained owners, sterilising significant parts of the site. 4. Parts of the site being sterilised would result in the risk of antisocial behaviour and site security issues over an extended period of time. 5. The council would require to incur ongoing costs in relation to site maintenance/ security/ building protection etc. 6. The Council will at some stage, subject to ongoing condition assessments, require regulatory services to manage the health and safety issues associated with the RAAC roofs. 7. It is foreseeable that in 'terraces where there is majority ownership owners could decide to undertake their own roof replacement/ support/ investment works and the Council would be required to contribute to shared costs. 8. It is also foreseeable that if no action is taken, the Market Value of the properties will drop significantly from the current position (it should be noted that it is unlikely that anyone other than the council would acquire the properties at this time and any value that could be obtained at say auction would be significantly less than the current council offer). <p>The above points are listed for noting purposes but reflect that the option to do nothing does not meet the criteria for either the Council or owners.</p>
Expected Costs	<p>Not known at this time.</p> <p>Financial cost likely to be less</p> <p>Social costs will be more than other options</p>

Expected Benefits	N/A
Risks Specific to this Option	<p>There is a high likelihood that owners will remain living in properties which are likely to have a high risk in relation to IStructE guidance.</p> <p>Recent surveys of newly acquired properties have been independently assessed under the same guidance as the original properties. The condition and level of risk identified in these properties is consistent with the condition and risks identified in previous surveys of Council owned properties. To further clarify, at this point no property has been deemed to be at critical risk.</p>
Advantages & Disadvantages	N/A
Viability	<p>This is not a viable option, primarily due to:</p> <ul style="list-style-type: none"> - Previous decision of Council to support homeowners - The health and safety risk presented by RAAC in private homes is not mitigated - The financial and wellbeing impact of 'do nothing' would have a detrimental impact on homeowners. - The likelihood that this option would sterilise the site and there would be no future development - Doing nothing would inevitably lead to enforcement action.
Other Points	N/A

6.2 Option 2 – Voluntary Acquisition at Market Value (ACC)

Description

In order to assist owners with an option, the Council instructed officers in August 2024 to establish a voluntary acquisition process with owners whose homes have been affected by RAAC in Balnagask. This allows owners to sell their house to the council and move elsewhere, with the council taking responsibility for the homes thereafter. The relevant committee instruction was:-

*2.6 Instruct the Chief Officer - Corporate Landlord in consultation with the Chief Officer Finance to take forward negotiations with private owners to acquire their properties **voluntarily at Market Value**, noting that this will be a valuation of the property at the current date and be on the same basis as the CPO process. In addition to Market Value the council will be willing to meet **reasonable legal and professional costs** along with **home loss** and **disturbance** payments.*

Approach to Valuation

In order to deliver on this instruction the Council engaged with the Valuation Office Agency (VOA) to engage with owners and independently assess the Market Value and heads of claim with each owner. To date 67 owners have received offers. The Valuation Office Agency have provided the Council with a Land Cost estimate. This is an estimate of the total costs the Council will have to incur to voluntarily acquire the properties at Market Value.

The estimated cost includes an allowance for the following items

- Land taken (the market value of the properties)
- Home loss payments (10% of value – max £15k)
- Disturbance (moving costs etc.)
- Agents fees (property advisors etc.)
- Contingencies (15%)
- ACC fees

The total estimated cost to acquire properties under this option is approx. £12.7 million. Of this £9.89 million relates to 'land taken'. Home loss, disturbance and agents fees estimated at £1.13 million. The remainder being contingencies and ACC fees.

RAAC's Effect on Valuation

The VOA have adopted an approach where they have made a deduction for RAAC roof replacement in properties. They have considered information provided by the ACC professional team but have also taken their own cost advice.

Officers have been advised that the following deductions have been made:

Type of Property	Number	RAAC Deduction	Total Deduction
1 bed ground	18	*20k	£360k
1 bed first floor	19	*20k	£380k
3 bed	86	37k	£3,182k
4 bed	15	44k	£660k
	138		£4,582k

*1 bed properties have a larger roof area/ costs split between parties.

Other Factors affecting Valuation

The Market Valuations that have been undertaken by the VOA reflect the value at the current date. This reflects a wide range of Market Factors and also reflect a softening of the Market. Regardless of the impact of RAAC within the properties the value of the properties will be less than it was in say Summer 2023. Individual valuations will also reflect the level of investment in properties and other condition factors.

Impact of Voluntary Acquisition on Owners.

The approach taken by Council has allowed all owners to be given the opportunity to sell their property as it stands, in current condition and benefit from some certainty albeit the difficulties some owners will have in relation to the difference in their offer compared to historic values and commitments is not underestimated.

The following highlights some of the impacts from the process:-

Impacts from voluntary process	Comparison with 'normal' private sale or buy back
RAAC is considered as part of the process	RAAC would be considered. Any new purchaser would have difficulty obtaining a mortgage etc.
Whilst voluntary, owners are considering valuations at a time when market values have also dropped	In other circumstances owners may wait to sell at the best time for them.
Current process covers all reasonable professional fees	Owners would meet costs for Home Report and solicitors fees in both selling their home and onward purchase. Estate Agency fees would also be met by the seller.
Current process includes disbursements cost	All disbursements would require to be met by the owner along with warranties on appliances etc.
Current process includes home loss payments	No home loss payment.

Whilst not all the factors have equal weighting in the table above, it highlights some of the issues for owners. The valuation advice shows that the presence RAAC on the properties represents a negative impact on value in the region of £4.6 million.

The offer from the Council when contingencies and other payments to owners are considered is equivalent to £2.785 million in addition to the market value.

While the Council offers Market value, the process needs to reflect best value for the Council. The Council has some discretion in this matter, but it is important to understand that the market value must balance fairness to owners with the Council's responsible use of public funds, the value of a cleared site and potential financial impacts on all council tax payers across the city.

	<p>Update with Voluntary Acquisition process</p> <p>To date 67 offers have been made by the VOA to Homeowners. The council are only made aware of the detail of offers at the point that offers are accepted by owners</p> <p>To date 13 offers have been accepted by owners and 4 of those have concluded and are now in council ownership. Offers for properties, that the council are currently aware of range from £34,000 to over £100,000. Some offers currently only reflect the Land Acquisition and home loss payment (10% of valuation up to £15,000), with fees and other disbursements still to be agreed.</p>
Expected Costs	<p>A land cost estimate has been prepared by the Valuation Office Agency that sets out the voluntary acquisition process for all privately owned properties in Balnagask in excess of £12.7 million. This figure includes land acquisition, disturbance payments, home loss payments and an allowance for professional fees.</p> <p>Once the properties are acquired by the Council there will be additional cost to the council to make safe, manage, secure and clear and landscape the area until a masterplan is in place and the site is redeveloped. An additional £10 million has been made available for these works at this time.</p> <p>The funding solution for acquisition reflect the market valuation of the site as it currently is. The redevelopment value of the site will be less than this.</p> <p>At this time, once costs to clear the site and prepare it for future redevelopment are considered, there is no viable development opportunity without further grant support.</p>

Scoring of option	Criteria	Officer score
	Quickly negate the health and safety risk to owners	2/5
	Mitigate financial loss to owners	3/5
	Enable masterplanning and demolition of redundant stock	2/5
	Mitigate the financial costs to Aberdeen City Council, Domestic Rate Payers and to the Housing Revenue Account	1/5
	Deliverability	5/10
	Total score for Option 13/30	
	Justification for scoring: <div>1. Many owners have been keen to await an improved offer from either Government or the Council, this is contributing to delayed decision making by owners.</div> <div>2. Despite ACC offering the highest value possible within financial regulations, owners are generally not content with the value being offered and would prefer to be offered 'pre-RAAC Market Value'. Although the additional payments made for home loss, disturbance and professional fees do very nearly close the gap to 'Pre RAAC values, the declining housing market and in some cases, condition of properties is further impacting on the value offered to owners. As a result, owners don't anticipate being able to purchase an alternative property and this is of particular concern to those who are nearing retirement.</div> <div>3. Demolition plans are in place, these have been phased to take account of when homes come into Council ownership.</div> <div>4. The £12.7m and additional £10m for demolition and landscaping will have to be fully met by the Council and therefore the taxpayer.</div> <div>5. A process is already in place and the Council has secured properties through the process. However, some owners are choosing not to engage (as outlined under 1.)</div>	

Expected Benefits/Disbenefits that informed the scoring.

Benefits:

- This option negates the health and safety risk to owners, although is proving to take some time.
- This option partially mitigates the financial risk to owners by offering home loss, disturbance and professional fees.
- This option enables the Council (in the long term) to provide modern standard homes that meet current building standards and will have a lifetime similar to all other new build properties and provide long term value for the HRA account.
- Older Council homes closer to the end of their economic life are replaced with new homes that will support the HRA and tenants in years to come.
- The VOA Office are fully instructed and the Council has successfully purchased properties from owners, this therefore continues to be a viable option.

Disbenefits

- The Market Value of the properties is less than anticipated by owners due both to the presence of RAAC but also to the downturn in the local market
- Some residents are nearing retirement, and cannot foresee being able to afford to purchase another property with the value being offered and this is impacting on owner wellbeing
- On top of the demolition costs, there is the high capital cost of the new build properties.
- Without engagement from owners demolition work on individual terraces and redevelopment cannot proceed.
- An agreement on purchasing their property requires to be negotiated and this takes time.
- While this process is ongoing, there will be an ongoing management and maintenance liability to prevent dereliction and anti-social behaviour
- The need to engage with design consultants and statutory colleagues to develop a masterplan for a new estate will incur time and cost which will delay the process. It will likely be several years before the new housing is completed.

TCRC Group Scores of Option 2

Criteria	TCRC Scores
Quickly negate the health and safety risk to owners	0/5
No financial loss to owners	0/5
Enable Masterplanning and demolition of redundant stock	0/5
Mitigate the financial loss to the Council, Domestic Rate Payers and to the Housing Revenue Account	0/5
Deliverability	0/10
Total	0/30

Risks Specific to this Option	<p>Risk of owners not engaging with the VOA due to compensation expectations not being met, leading ultimately to owners being served with statutory notices due to the health and safety risk.</p> <p>Risk of continuing misinformation about the potential use of the homes impacted by RAAC.</p> <p>Risk of a future deterioration of panels whilst process is ongoing. Significant deterioration would require the Council to consider enforcement action.</p> <p>Risk to owner wellbeing, which is being partially mitigated by the commissioning of SAMH, however, the uncertainty around next steps is of particular concern to owners and the misinformation is impacting mental health and wellbeing.</p>
Viability	<p>Having considered the feasibility, benefits and risks, alongside the scoring, this is deemed a viable option.</p>

6.3 Option 3 - Exchange for another property in Balnagask - roof off, roof on (TCRC)	
Description	<p>This proposal would see home owners* being able to stay in their home and live in a RAAC free property with a new roof or alternatively agreeing to move to a similar property in an alternative location within the immediate community.</p> <p>* The term owners is used to describe all owners including private landlords</p> <p>The council could co-ordinate a replacement roof on a number of individual properties within a cluster(s) of properties either on behalf of owners or on vacant council owned properties. The properties with replaced roofs could then be exchanged with those belonging to homeowners elsewhere on the site.</p> <p>Upon identifying suitable properties for retrofit (based on the topography of the site, volume of suitably sized properties, volume of homes in private ownership and ability to mitigate risk to future masterplanning), ACC would engage with the owners, reach legal agreement over transfer of title at a set point in time and, thereafter, through a mechanism to be agreed, to effect removal of all RAAC panels from each dwelling and replace these with a prefabricated, insulated cassette roof.</p> <p>Where private owners' houses are already contained within a 'cluster' area they could either choose to retain title of that property and have the RAAC removed and new roof fitted under the mechanism to be agreed, or move to an alternative property, which has already had the remedial works completed and titles in those respective properties be exchanged.</p> <p>Proposal from officers to make this a viable option</p> <p>Owners have been clear to officers that all circumstances are different and that many do not have the upfront resource to fund the level of works required to remove RAAC from properties. Officers are of the view that</p>

there are considerable additional costs to consider, given the costs of running the programme of works and inevitable remediation works required to make good any damage resulting from the roof replacement to ensure that homeowners can settle in safe homes. These additional costs, outwith the cost of the roof replacement, have guided officer thinking.

Officers are also aware that they have a fiduciary duty in protecting public spend and in identifying solutions that are fair and equitable to all parties and respect that owners have a responsibility for their properties. Officers are aware that there is an opportunity cost to all Council spend which Elected Members will have to consider when making an decision.

Officers have therefore proposed the following mechanisms for the delivery of this option to the TCRC Group. Officers propose that the costs in bold italics be met by the Council and that the Council assume responsibility for delivery of the programme.

A. Owners stay in own home – Owners decant on a temporary basis to allow the roof of their home to be replaced, and then move back to their own home.

Process to be followed to implement A above.

- i. ACC formally write to all homeowners and ask if they are interested in this option (roof on/ roof off). ACC collate all information and look at which 'blocks' may be suitable for process.
- ii. ***Legal agreement to instruct council as agent.***
- iii. ***Schedule and scope of work/ RAMS agreed with owner (this would assess the unintended consequences of roof replacement works for example electrical upgrades required and clarify responsibility for costs).***
- iii. ***Statutory consents etc. for works***
- iv. ***Schedule of property condition undertaken***
- v. Meter readings etc. agreed
- vi. ***Decant property solution identified***
- vii. Timetable of work agreed
- viii. Works to protect existing fittings/ belongings during works
 - a. Assumption that all property is packed up and stored
 - b. ***Packing up and moving to storage container on site***
- ix. ***Owner moves to decant space home already completed/ hotel/ friends and family)***
- x. Building handed over to contractor
- xi. Work undertaken to replace roof
- xii. ***Redecoration works to address damaged items as a result of roof replacement***
- xiv. ***Deep clean***
- xv. ***Schedule of property condition reviewed***

- xvi. Meter readings etc. agreed
- xvii. **Checks for re-occupation of property (gas/ electrics etc.)**
- xviii. **All certification of works made available (warranties etc.)**
- xix. Owner re-occupies property.

The cost of the option noted above would require to be agreed with each owner. In considering the cost implications and to try and make the option equitable and therefore viable, **it is proposed that each owner is asked to make a contribution to the costs of this option by funding the costs of the actual roof replacement.** It is proposed that this would be capped at the discount made to arrive at the Market Value of the property as determined by the VOA*. It should be noted that this is less than estimates prepared by the Council professional team but is being used for transparency and consistency with other options.

Recognising the difficulty of some owners in meeting costs on an upfront basis, it is proposed that the following mechanisms be considered for owners to meet their share of costs:

- a. Owners meet costs on completion of works
- b. Owners are offered a loan by the council to pay for their contribution towards the works (loan would be secured against the property – 2nd ranking).
- c. Owners are unable to meet cost and instead of contributing the Council would share equity in the property.

Issues specific to option A or costs still to be identified;

- Grant / loan mechanism will require to be developed
- Contract risk (fixed price to owner/ ACC to carry contract risk)
- Damage to property fitting and fixtures during works or whilst roof is off.
- Cost for betterment (upgrades to be agreed on an individual basis with costs met by owners)
- Cost that comes from safety checks – gas/ electric upgrades
- Lenders consent and costs
- Utilities and domestic rates
- Mechanism for shared equity to be further established.
- Impact of Council having a second ranking security on some properties.

*Flatted dwelling would meet 50% of roof costs.

- B. Owners move into property of same size but currently owned by the Council** - Owners agree to exchange their property for another within a terrace of properties where a decision is made to commit to roof replacement. Vacant properties are brought up to the current minimum letting standard and in exchange for the title to the owners current property, they are given title to the property. The affected owner would have to contribute to the costs of roof replacement in the same way as owners who are able to return to their existing property. Council would offer the same level of

support as outlined in A above, along with a one off payment of £5,000 to meet costs to turn the property into their new home.

Process to be followed to implement B

- As A above
- Availability of previous repairs information would be required
- ***Properties brought to minimum letting standard (this may vary but would be subject to individual negotiation)***
- Allocations of properties requires further exploration with the community. They have suggested that all interested parties bid for properties and names are randomly selected.
- ***Additional legal costs and transfer of title***
- ***Transfer of mortgage, process for contribution to roof works, 2nd ranking securities etc.***

Other delivery considerations

Some owners advise that they will find it challenging to maintain mortgage costs and pay for rent whilst the works are being undertaken. As a result, it is proposed that a small number of properties have remedial action undertaken in the first instance so that those RAAC free properties can be utilised to support decant arrangements where required (or alternative decant arrangements are considered).

Expectations of owners – proposal and subsequent views.

Within the proposal made by owners The Group has noted that the Council has identified the cost to voluntarily acquire properties to be in excess of £12 million and they are therefore of the view that any solution that results in the Council's commitment being less than £12million would be 'best value' for the Council. In addition the Council would save on demolition, site servicing, landscaping costs etc. The Group note that any recharge to owners would be a disincentive.

Where the Council feel there will be significant additional costs to roof replacement costs as a result of works this view is not shared by the TCRC Group who feel that Council figures are risk averse and that all costs should be met by the Council or the option is potentially worse for owners that the Voluntary Acquisition process. The Group also believe that owners should be entitled to a home loss payment equal to 10% of the valuation of their property as well as a disturbance allowance for reasonable costs involved in the moving between properties.

The TCRC Group have also suggested that an independent body be established to oversee the works. The council would fund body and allow the body to take decisions around the works, funding, specification and procurement routes.

The Group suggests that some form of block grant to a body, which is set up to oversee the project, would enable the works to be carried out in a cost-effective and timeous manner providing proper governance, value for money and saving the Council around £2-3m from the costs that it would incur if all owners were to agree to the Voluntary Acquisition scheme. The Group believed that a saving of £2-3m to the Council would clearly constitute 'Best Value'. Block grants are awarded by Council to other

	external bodies to assist with their functioning so the group feels that such an arrangement could also apply in respect of this proposal.	
Expected Costs	<p>This option assumes that roof costs will be met by owners but not necessarily through an upfront payment. Payment made as noted in the option.</p> <p>It is proposed that the contribution from owners be capped at a level with the Council taking any risk above this. The level is based on the allowance being made by the VOA to ensure equity with other solutions. Costs estimates may reduce through a competitive tender process.</p> <p>Current allowance being used by the VOA for roof replacement for each property type are:</p> <p>4 bedroom property - £44,000*</p> <p>3 bedroom property - £37,000*</p> <p>1 bed property (flatted) - £20,000* (this is the 50% share of £40,000)</p> <p>*this reflects the assumptions made by the valuation office agency in the negotiated sales process and are lower than Council cost estimates.</p> <p>In relation to costs incurred by the Council this is more difficult to define at this stage. This would however include</p> <ul style="list-style-type: none"> - Project management costs - Legal costs - Decant removal and storage costs - Property re-instatement costs - Statutory consents - Schedule of works/ condition - Deep clean - Safety checks - Vacant properties to minimum letting standard - Mortgage/ security costs - Managing allocations process <p>Initial estimates suggest the Council should consider a value of between £30k and £40k per home.</p> <p>If this was pursued the council should make an allowance of up to £10.5 million for this option in upfront costs.</p> <p>Cost contributions from owners could further reduce this figure.</p> <p>The Council would also make savings in demolition, landscaping, site clearance and rebuild costs.</p>	
Scoring of option	Criteria	Officer Score

	1. Quickly negate the health and safety risk to owners	1/5
	2. Mitigate financial loss to owners	4/5
	3. Enable masterplanning and demolition of redundant stock	1/5
	4. Mitigate the financial costs to Aberdeen City Council, domestic rate payers and to the Housing Revenue Account	3/5
	5. Deliverability	4/10
	Total score for Option 13/30	
	<p>Justification for scoring:</p> <ol style="list-style-type: none"> 1. This option could take some time to establish given the need to follow strict procurement processes and continue to comply with all financial regulations. This could potentially lengthen the time an owner remains in a RAAC impacted property. 2. The financial losses to owners are thought to be reduced by this option, and owners would continue to own their own property in Balnagask. 3. This option would make masterplanning more difficult, as the terraces with replacement roofs would require to be worked around as part of any redevelopment. 4. This option would help mitigate the risk to the Council and to tax payers. 5. This option may help owners to engage with the Council to progress an option, but would require a significant on-going investment of resource to deliver over a period of time. The option is complex. 	
Expected Benefits/Disbenefits that informed the scoring.	<p>Benefits</p> <ul style="list-style-type: none"> • Affected residents to retain homeownership by exchanging their properties, where required, for equivalent council-owned homes, which would be made 'RAAC free'. • The assembly of a contiguous site of sufficient size to meet the ACC scheme's objectives. • A reduction in demolition and displacement, aligning the development with human rights and proportionality principles. • Engagement with the community would suggest that this option would better support owners mental health and wellbeing • Owners may feel more able to commit to this option and therefore have certainty about the future. • The option reduces potential outlay by the Council which will result in a reduction in financial liability and impact on other service delivery, council tax levels etc. 	

Disbenefits

- Programme duration increases risk to building condition deteriorating which could result in statutory enforcement action being required.
- TCRC Group have indicated that they would not expect owners to have to contribute to works and believe there should be no cost to owners.
- At this stage it is unclear what interest there would be in this option. Approval to be able to proceed would be required before this could be offered to owners.
- Complexity of the coordination of allocations, decant, moves etc
- Equity in the allocations process
- More complex site for redevelopment
- Considerable ACC staffing resource required to oversee the programme which could impact on the work of the Council.
- Risk for Council in that equity or loan may not be covered by future value and costs to establish scheme.

TCRC Group Scores for Option 3.

Criteria	TCRC scores
Quickly negate the health and safety risk to owners	3/5
No financial loss to owners	0/5
Enable Masterplanning and demolition of redundant stock	4/5
Mitigate the financial loss to the Council, Domestic Rate Payers and to the Housing Revenue Account	4/5
Deliverability	7/10 or 0/10
Total	18/30 or 11/30

The TCRC Group provided the following justification for their scoring of this option:

- Financial loss to owners resulting from being expected to pay for roof which financially is no better than option 2 w.r.t. VA.
- Less home loss payment and disturbance allowance (£5,000) than statutorily entitled to under CPO regulations.
- The most favourable mitigation is to the benefit of ACC, who will have to pay far less under this option than under VA, at the expense of the owners, which is clearly inequitable.
- With the correct funding arrangement in place as per the TCRC option this would be completely deliverable, hence the score of 7/10. However, if the report limits the funding support as described at our meeting to improvements only with owners having to pay for the roof replacement then the deliverability score reduces to Zero.
- The deliverability will also be improved if ACC is creative with the funding mechanism and the project execution since, whilst they remain under the control of ACC staff, bureaucracy and delays will hamper the smooth operation of the project. If an innovative

	<p>structure is found that meets ACC governance requirements, whilst removing day to day management of the project from its auspices, the project will benefit from this by expediently delivering the desired outcomes.</p>
Risks Specific to this Option	<p>This option cannot be delivered in any terrace where an individual owner is not prepared to engage in the process.</p> <p>Owners who are offered a home in an alternative location on site, may feel aggrieved and rather their own home be subject to roof replacement.</p> <p>Given that the land would not be available for future development, this would be required to be considered from a best value perspective.</p> <p>Owners who are keen to take advantage of this option, may deem that their properties are safe to live in during the works.</p> <p>TCRC Group have indicated that an option where owners are asked to contribute is not acceptable to them.</p> <p>Officers would have to consider the resource required to deliver implement and manage a process and project of this scale.</p>
Viability	<p>The assessment has indicated that this is a viable option as it may have benefits for owners and benefits for the council in terms of wider engagement and a slightly lower cost commitment.</p> <p>A firmer understanding of the number of owners who are keen to secure this offer is required to progress. If owners do not commit to contributing to costs this will not be a viable option.</p>

Option 4 - Swap (Ex-cambion) for another property of equal value (TCRC)	
Description	<p>ACC currently own a number of properties in shared blocks within which ACC is a minority owner. Some of these properties are currently void or classified as unable to be re-let (UTBR). This may be due to limited demand for the property type, excessive repair requirements etc.</p> <p>The management of such properties can be more onerous due to arrangements for repairs and other shared costs having to be coordinated. As a consequence an opportunity exists for ACC to make these properties available for excambion/ swap with owners.</p> <p>The council would identify these properties if there was interest and provide a property schedule with a valuation on each of the properties. Owners that have had their property valued by the VOA could then ask to swap their properties for properties where the Council has minority ownership.</p>

	<p>The transaction would be on the basis of Market Value, with the owner meeting any difference in value (or being paid any difference by the council). If the owner was unable to meet the difference in value the Council could assist through either an equity stake in the property or a loan arrangement similar to the previous option.</p> <p>Each property would be transferred (as seen) due to the Market Value taking account of the current condition of the property.</p> <p>The range of payments currently available to owners in relation to home loss disturbance, fees etc. would be available to owners.</p> <p>The Torry Community RAAC Campaign Group have indicated that less home owners are keen to access this option, but a few, particularly those keen to downsize, may welcome this option. The option may also be attractive to those able to upgrade and renovate properties themselves.</p> <p>They have also indicated that they would expect to see the valuation of the owners properties to reflect 'pre-raac' valuations. This would be difficult to support in terms of being equitable with other options.</p> <p>Process</p> <ol style="list-style-type: none"> i. ACC formally write to all homeowners and ask if they are interested in this option ii. ACC identify voids that are minority owned flats in council ownership currently of letting standard condition iii. <i>Allocations process agreed with interested parties</i> iv. Property identified for individual interested parties v. Schedule of property condition undertaken vi. Scope of property transaction agreed vii. Meter readings etc. agreed viii. Moving date agreed ix. Owner occupies new property.
<p>Expected Costs</p>	<p>This option assumes that an owners current property will be exchanged for another of equal value. As a result, hard to let Council stock will be reduced.</p> <p>Any difference in value will be met by either party, for example if the new home identified has a greater value than the current home, the owner will be asked to fund the difference in value or vice versa.</p> <p>In relation to costs incurred by the Council this would include:</p> <ul style="list-style-type: none"> - Project management costs - Legal costs - Removal costs - Deep clean - Safety checks

	<ul style="list-style-type: none"> - Mortgage/ security costs - Managing allocations process <p>Initial estimates suggest that this option would be comparable with the voluntary acquisition model. The HRA would require to be compensated for the loss of stock.</p>																												
Scoring of option	<table> <tr> <th>Criteria</th><th>Officer Score</th></tr> <tr> <td>1. Quickly negate the health and safety risk to owners</td><td>4/5</td></tr> <tr> <td>2. Mitigate financial loss to owners</td><td>4/5</td></tr> <tr> <td>3. Enable masterplanning and demolition of redundant stock</td><td>4/5</td></tr> <tr> <td>4. Mitigate the financial costs to Aberdeen City Council, domestic rate payers and to the Housing Revenue Account</td><td>3/5</td></tr> <tr> <td>5. Deliverability</td><td>8/10</td></tr> <tr> <td colspan="2">Total score for Option 23/30</td></tr> </table> <p>Justification for scoring:</p> <ol style="list-style-type: none"> 1. This option could be formalised in a relatively short period following committee instruction. This could potentially reduce the length of time an owner remains in a RAAC impacted property. 2. The financial losses to owners are thought to be reduced by this option. Owners would continue to own a property. 3. This option would make masterplanning more feasible as the terraces would return into council ownership so would not be required to be worked around as part of any redevelopment. 4. This option would mitigate a level of risk to the Council and to tax payers. 5. This option may help owners to engage with the Council to progress an option. <p>TCRC Group scores for Option 4</p> <table> <tr> <th>Criteria</th><th>TCRC scores</th></tr> <tr> <td>Quickly negate the health and safety risk to owners</td><td>4/5</td></tr> <tr> <td>No financial loss to owners</td><td>2/5</td></tr> <tr> <td>Enable Masterplanning and demolition of redundant stock</td><td>4/5</td></tr> <tr> <td>Mitigate the financial loss to the Council, Domestic Rate Payers and to the Housing Revenue Account</td><td>5/5</td></tr> <tr> <td>Deliverability</td><td>8/10</td></tr> <tr> <td>Total</td><td>23/30</td></tr> </table>	Criteria	Officer Score	1. Quickly negate the health and safety risk to owners	4/5	2. Mitigate financial loss to owners	4/5	3. Enable masterplanning and demolition of redundant stock	4/5	4. Mitigate the financial costs to Aberdeen City Council, domestic rate payers and to the Housing Revenue Account	3/5	5. Deliverability	8/10	Total score for Option 23/30		Criteria	TCRC scores	Quickly negate the health and safety risk to owners	4/5	No financial loss to owners	2/5	Enable Masterplanning and demolition of redundant stock	4/5	Mitigate the financial loss to the Council, Domestic Rate Payers and to the Housing Revenue Account	5/5	Deliverability	8/10	Total	23/30
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Total	23/30																												

	<p>The TCRC Group provided the following justification for their scoring of this option:</p> <ul style="list-style-type: none"> Financial loss to owners is high due to no information being included in relation to home loss and disturbance payments, which they would be entitled to receive under CPO regulations. The mitigation to the council of financial loss is scored high due to minimal cash having to be expended to effect this option, over and above what it would normally spend when a vacant house is being prepared for reletting. The more owners opting for this option, the less the financial loss to the council, Domestic Rate Payers and to the HRA, which will benefit from reduced servicing costs in relation to houses in minority ownership blocks, which are disproportionately more expensive to manage. Deliverability is simple, hence the high scoring on this criteria.
Expected Benefits/Disbenefits that informed the scoring.	<p>Benefits</p> <ul style="list-style-type: none"> Potentially a quick solution This option negates the health and safety risk to owners more quickly Affected residents retain being homeowners by exchanging their properties, where required, for equivalent council-owned homes, which would be made 'RAAC free'. Potential to downsize Opportunity to bring housing stock, not meeting HRA requirements into economic use quickly. <p>Disbenefits</p> <ul style="list-style-type: none"> Equity in allocations process Equity in equal value People and families leaving the local community Only available for Council owned flatted properties
Risks Specific to this Option	The allocations of properties requires further exploration with the community. They have suggested that all interested parties bid for properties and names are randomly selected.
Viability	The assessment has indicated that the viability of this option is worth pursuing further, as it may have benefits for owners and benefits for the council in terms of wider housing stock and prompt programme delivery.

Option 5 — Adopt a full roof replacement scheme where homeowners opt for remedial works with additional optional external and environmental upgrades funded through low or no interest loans/grants (UK RAAC option)	
Description	This proposal would see all home owners being able to stay in their home and in a RAAC free property. Following engagement with UK RAAC Group regarding decisions already having been taken on Council properties, the proposal was split in two. Both proposals are outlined below.

	<p>First proposal</p> <p>The Council would procure and co-ordinate replacement roofs on all terraces with owners in favour of this option, and utilise and return Council owned properties to use. The Council would effect removal of all RAAC panels from each dwelling and replace these with a prefabricated, insulated cassette roof.</p> <p>Cavity wall insulation and external rendering would be undertaken on the properties to improve energy efficiency with these costs being fully met by the owner through either a loan agreement or through a group purchase discount formalised by the Council.</p> <p>It was also requested that the Voluntary Acquisition process remain in place for those in favour of that option.</p> <p>This option has been discounted as it does not take account of decisions already taken by Council with regard to Council owned properties. The bringing of properties owned by ACC/HRA back into use as Council housing is out of scope for this Viability Assessment. Similarly, opportunities are available to home owners for environmental retrofit that are not available to the Council, leading to this areas also being considered out of scope for this viability assessment.</p> <p>The Voluntary Acquisition process remains in place.</p> <p>Second proposal</p> <p>Alternatively, the Council could prioritise repairs in blocks where homeowners form a majority or large majority. These properties could either remain council homes or be used in a home swap scheme for homeowners who would prefer remedial works. This approach would be far less disruptive than selecting buildings on the periphery and would enable more homeowners to retain their original homes.</p> <p>This option is very similar to Option 3 and it is thought that exploring the options separately could create some confusion around the different options for owners. As a result, the request for the volume of home ownership to be taken into account when determining which terraces benefit from replacement roofs has been built into Option 3. As a result, the Viability assessment of Option 3 should be read as the second proposal from the UK RAAC Group.</p>
Expected Costs	n/a
Scoring of option	n/a
Expected Benefits/Disbenefits that	As Option 3

informed the scoring.	
Risks Specific to this Option	As option 3
Viability	Only in context of option 3.

6.4 Are the options viable and what is the recommendation?

Are the Options Viable?

Option 1 (Do nothing). This is not deemed to be a viable option and is not recommended to Council.

Option 2 (Voluntary Acquisition at Market value). This remains a viable option for the time being.

Option 3 - Exchange for another property in Balnagask - roof off, roof on – this is a complex, risky but viable option.

Option 4 - Swap (Ex-cambion) for another property of equal value – this is a viable option.

Recommendations:

It is recommended that Council consider Options 2, 3 and 4 as viable options.



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Proposal for Aberdeen City Council: Support for RAAC-Affected Homeowners – By Wilson Chowdhry Chairman

Background and Context

During recent discussions with Clackmannanshire Council, a model for addressing Reinforced Autoclaved Aerated Concrete (RAAC) housing issues was established. Negotiations resulted in a full roof replacement proposal, reducing costs from £39,000 to £20,000 per homeowner. Additionally, residents there agreed to contribute £9,000 to incorporate external rendering and cavity wall insulation, effectively modernizing their homes. The council is also seeking Scottish Government funding to alleviate financial burdens further.

Given the worsening condition of RAAC-affected properties in Aberdeen, we propose a similar approach to ensure a sustainable, cost-effective, and fair resolution.

We understand that some homeowners are already engaging with the current Voluntary Acquisition (VA) process, with four having confirmed their intent to proceed under the existing terms. One participant has requested a review of the Valuation Office Agency's offer, as the estimated cost of roof replacement he provided is less than half of the deduction applied to his property by the district valuer.

Those proceeding with the VA process have expressed that it remains their preferred option, and we respect their choice. However, we urge the council to consider offering proposed loans or grants for remedial works alongside the Voluntary Acquisition process. This approach would prioritize homeowners' needs over the long-term development potential of a site that may take decades to redevelop—by which time more owners may be willing to sell under a future VA scheme or to a developer.

RAAC Survey Findings

A recent RAAC survey conducted among affected homeowners in Aberdeen highlights the severity of the crisis:

- **45%** of respondents are **aged 65+**
- **35%** have a **disability or long-term health condition**
- **10%** are households with a **child under 18**
- **100%** of respondents stated they **want their roof fixed or**, if forced to move, to receive the **pre-RAAC value of their property**
- **100%** were **dissatisfied** with the value offered for their property under current assessments

These figures demonstrate the urgent need for a resolution that prioritizes fairness and prevents vulnerable residents from financial hardship.

Proposal Overview

We urge Aberdeen City Council (ACC) to consider the following key measures:

1. Adopt a Full Roof Replacement Scheme

- Similar to Clackmannanshire, work with engineers to determine the most cost-effective method of replacing RAAC roofs.
- Engage with contractors to reduce costs through collective bargaining and efficiency measures.
- Explore financing options for homeowners, including council-supported low-interest loans or grants.
- Leave the voluntary acquisition

2. Include External Upgrades

- Offer homeowners the option to contribute additional funds for external rendering and cavity wall insulation (increasing personal sundry debt values).
- Improve the overall energy efficiency of homes, reducing future heating costs and increasing property value.

3. Continue to Seek Scottish Government Funding

- Apply for national funding schemes to assist affected homeowners and ease financial burdens for any agreed sundry debt or provide a grant.
- Ensure all available financial support mechanisms under the Housing (Scotland) Act 2006 are utilized.

4. Ensure Compliance with Legislative and Policy Frameworks

- **Local Government in Scotland Act 2003:** The Act mandates councils to pursue "best value," which must include socioeconomic considerations rather than just financial cost.
- **Fairer Scotland Duty (Equality Act 2010):** ACC must actively reduce inequalities of outcome caused by socio-economic disadvantage.
- **Community Empowerment (Scotland) Act 2015:** Section 10 requires public participation in decision-making, yet ACC has withheld information about voluntary agreements, skewing consultation outcomes.
- **Housing (Scotland) Act 2006:** Section 71 allows councils to provide financial assistance to homeowners for essential repairs and improvements.

5. Challenge the Current "Best Value" Approach

- ACC's decision to offer market valuations under the "best value solution" framework requires scrutiny.
- "Best value" must consider community wellbeing, fairness, and the prevention of homelessness.
- The current approach risks creating a local housing crisis, as many affected homeowners are elderly and unable to secure new mortgages or alternative accommodation.

6. Prevent Unjustified Demolition and Protect Homeowners

- Evidence suggests some councils may be using RAAC as a pretext for demolishing undesirable buildings.
- Clackmannanshire Council's engineer recommended minor repairs and a crash deck, contradicting demolition plans.
- ACC's proposal to demolish and rebuild is impractical without a fully funded redevelopment plan, as evidenced by the 2010 West Lothian Council case where a Compulsory Purchase Order (CPO) was rejected due to a lack of an approved redevelopment scheme.
- **Thus far, Aberdeen City Council has only conducted a desktop review to estimate roof replacement costs. However, councils across Scotland have found that quotes from qualified contractors**

significantly reduce projected expenses. This demonstrates that remedial works are often the most practical and cost-effective solution.

Conclusion

By adopting this proposal, Aberdeen City Council can provide a viable, fair, and legally compliant resolution to the RAAC crisis. Supporting affected homeowners through targeted financial aid, inclusive decision-making, and transparent governance will align with Scottish Government priorities and safeguard community wellbeing. We look forward to discussing this proposal further and working collaboratively to find the best solution for all stakeholders.

Clarifications by e-mail:

From officers to UK RAAC Campaign Group: If reading your proposal correctly, you ask that owners retain their own homes and be given low cost (or no cost) loans/grants to remove RAAC, and that the Council commission and coordinate roof replacements to realise efficiencies for owners. You recognise in your approach that this will lead to a more challenging development footprint.

You also ask that the opportunity be taken to improve energy efficiency and external rendering at the expense of owners as part of these works. Lastly, you ask that the Voluntary Acquisition process be kept open to those who are keen to sell their property.

In terms of the suggestions which are being taken forward with the Torry RAAC Campaign Group Management Committee, you ask that cavity wall insulation and external render treatment be added in order to take the properties closer to modern standards.

From UK RAAC Campaign Group: We understood that replacing roofs in isolation might pose challenges, but we submitted the application to gauge whether the Council would consider repairing the roofs of vacant council properties within blocks where homeowners opted for remedial works. Since some prompting appears necessary, our group believes the scheme could work as follows:

- The Council could repair council-owned homes in all blocks where homeowners agree to roof replacements.
- Alternatively, the Council could prioritize repairs in blocks where homeowners form a majority or large majority. These properties could either remain council homes or be used in a home swap scheme for homeowners who would prefer remedial works. This approach would be far less disruptive than selecting buildings on the periphery and would enable more homeowners to retain their original homes.

Regarding funding for cavity wall insulation and external render, we would prefer a loan agreement. However, if Aberdeen City Council determines this is financially unfeasible, we would like the option for homeowners to access a group purchase discount, formalized through the Council.