

ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Audit, Risk and Scrutiny Committee
<b>DATE</b>	19 February 2026
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Internal Audit Report AC2610 – RAAC Response
<b>REPORT NUMBER</b>	IA/AC2610
<b>DIRECTOR</b>	N/A
<b>REPORT AUTHOR</b>	Jamie Dale
<b>TERMS OF REFERENCE</b>	2.2

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**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present the planned Internal Audit report on RAAC Response.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

**3. CURRENT SITUATION**

- 3.1 Internal Audit has completed the attached report which relates to an audit of RAAC Response.

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

**6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

**7. RISK**

7.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations, consistent with the Council’s Risk Appetite Statement, are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

**8. OUTCOMES**

8.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.

8.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council’s framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

**9. IMPACT ASSESSMENTS**

<b>Assessment</b>	<b>Outcome</b>
<b>Impact Assessment</b>	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
<b>Privacy Impact Assessment</b>	Not required

**10. BACKGROUND PAPERS**

10.1 There are no relevant background papers related directly to this report.

**11. APPENDICES**

11.1 Internal Audit report AC2610 – RAAC Response

**12. REPORT AUTHOR CONTACT DETAILS**

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## Internal Audit

### Assurance Review of RAAC Response

**Status:** Final

**Date:** 21 January 2026

**Risk Level:** Corporate

**Report No:** AC2610

**Assurance Year:** 2025/26

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable

Report Tracking	Planned Date	Actual Date
Scope issued	09-Sep-25	09-Sep-25
Scope agreed	19-Sep-25	16-Sep-25
Fieldwork commenced	29-Sep-25	02-Oct-25
Fieldwork completed	31-Oct-25	27-Nov-25
Draft report issued	21-Nov-25	01-Dec-25
Process owner response	12-Dec-25	12-Jan-26
Director response	19-Dec-25	20-Jan-26
Final report issued	09-Jan-26	21-Jan-26
AR&S Committee	19-Feb-26	

Distribution	
Document type	Assurance Report
Directors	Eleanor Sheppard, Executive Director – Families and Communities
Process Owner	Stephen Booth, Chief Officer – Corporate Landlord
Stakeholders	Jacqui McKenzie, Chief Officer – Housing
	Alan McKay, Chief Officer – Capital
	Craig Innes, Chief Officer – Commercial and Procurement Services
	Jane Hogg, Locality Inclusion Manager
	Scott Whitelaw, New Housing Manager
	Grant Tierney Building Standards Manager
	Colin Leaver, Corporate Health and Safety Lead
	David Cuthbert, Team Leader – Data Team
	Helen Sherrit, Finance Partner
	Jenni Lawson, Chief Officer – Governance*
*Final Only	Jonathan Belford, Chief Officer – Finance*
	External Audit*
Lead auditor	Agne McDonald, Auditor

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# 1 Introduction

## 1.1 Area subject to review

504 homes (366 Council owned; 138 privately owned) in the Balnagask area of Torry in Aberdeen have been identified as containing Reinforced Autoclaved Aerated Concrete (RAAC), a lightweight material used in construction from the 1950s to the 1990s. In addition, RAAC has been identified in other Council owned buildings, including three secondary schools and the Town House extension, with remedial action having been taken in the case of these non-housing buildings.

Various statutory remedies are available to local authorities to manage defective and sub-standard properties.

Due to structural stability safety concerns and the complexity and lengthy timescales anticipated for remedial works, the Urgent Business Committee agreed in February 2024 to rehome Council tenants residing at the RAAC identified properties, based on housing needs, through the creation of a specific "RAAC Impact" housing list, with temporary accommodation offered as an interim arrangement where desired by tenants. In addition, the Urgent Business Committee agreed to provide support and information at request to owner occupiers and private tenants residing within properties in Balnagask containing RAAC, to assist in assessing their housing needs, and to include them on the RAAC Impact housing list where appropriate. A budget of £3m was approved to cover initial related costs, including but not limited to staffing costs; specialist consultant fees; contractor access and works; rehoming and temporary accommodation costs; school transport; utility connections; and security for the affected site.

In August 2024, the Council considered various options for the affected homes and agreed the demolition and rebuild of homes on site was optimal, approving the initial demolition works, landscaping and masterplanning exercise for the site. In addition, the Council agreed to take forward negotiations with private owners to acquire properties voluntarily at Market Value, and to pay reasonable legal and professional costs along with home loss and disturbance payments. Associated costs are estimated as follows:

- Demolition and landscaping: £20–25m over 3–4 years
- New housing construction: £130+m over 5–15 years.

A phased approach for the demolition of Council owned properties affected by RAAC was agreed by the Communities, Housing and Public Protection Committee on March 11, 2025. The report acknowledged that the Council could only demolish properties they own and allowed time for privately owned homes to be purchased where appropriate. 46 (33%) out of 138 homeowners have agreed to sell with 29 (63%) of sales concluded as at 21 October 2025<sup>1</sup>.

Relevant chief officers have also advised the Council of engagement with the Scottish Housing Regulator regarding the expected impact on housing performance and with the Scottish Government on the financial implications and related funding arrangements.

## 1.2 Rationale for review

The objective of this review is to obtain assurances around compliance with safety regulations and mitigation of risks to public safety.

This review has not been undertaken before and has been included in the agreed 2025/26 Internal Audit Plan due to the significant health and safety, financial and reputational impacts to the Council, as recognised by the standalone corporate RAAC risk included in the Council's Risk Register.

### How to use this report

This report has several sections and is designed for different stakeholders. The executive summary (section 2) is designed for senior staff and is cross referenced to the more detailed narrative in later

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<sup>1</sup> The RAAC response is a live issue with continuous developments. Where cognisant of the ongoing nature of the response, to allow for ease of auditing this date has been used as an anchor point for the review. Where there will be further developments between the issue of the draft and final reports, and presentation to Committee, this date will be used for reporting purposes.

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sections (3 onwards) of the report should the reader require it. Section 3 contains the detailed narrative for risks and issues we identified in our work.

## 2 Executive Summary

### 2.1 Overall opinion

The full chart of net risk and assurance assessment definitions can be found in Appendix 1 – Assurance Scope and Terms. We have assessed the net risk (risk arising after controls and risk mitigation actions have been applied) as:

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable

The organisational risk level at which this risk assessment applies is:

Risk Level	Definition
Corporate	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.

### 2.2 Assurance assessment

The RAAC crisis is unprecedented, representing one of the most significant structural safety challenges faced in decades. The response has required a significant amount of effort by the Council, and it is recognised that there is not a short term fix or universal remedial action to address the many different circumstances and desires of homeowners and tenants. It is evident officers have undertaken considerable work to manage RAAC risks facing the Council. It is also recognised that this is not an Aberdeen City issue and instead one that is seen across the United Kingdom.

Assurance was available over the following areas under review:

- Governance and Oversight** – A RAAC Board has been established, chaired over the course of this audit by the Executive Director – Families and Communities. Membership of the Board includes chief officers and operational leads from Corporate Landlord, Housing and Capital, as well as the Building Standards Manager, and officers from Finance, Legal and Corporate Communications. The Board is meeting weekly and monitoring expenditure against budget; delivery of Council/Committee RAAC related instructions; building inspections; voluntary acquisitions from private owners; and risks to owners and tenants. Furthermore, regular RAAC related recommendations and progress updates have been reported to full Council, the Urgent Business Committee and Communities, Housing and Public Protection Committee. A RAAC risk is also included in the Council's Corporate Risk Register and has been subject to scrutiny by the Risk Board and Audit, Risk and Scrutiny Committee.
- Rehoming** – A "RAAC Impact" housing list has been created to allow for urgent rehoming of RAAC affected Council tenants and at the time of this review, in November 2025, all Council tenants in RAAC affected housing have been rehomed, removing health and safety risks to Council tenants. Also, support and information was made available to affected private owners/tenants on request to assist in assessment of housing options, with 23 private owners/tenants subsequently rehomed into an alternative Council house via the 'RAAC Impact' housing list as at 21 October 2025.
- Wider Engagement** – The Chief Officer – Housing engaged with the Scottish Housing Regulator, advising of the impact of RAAC within the Council's housing stock, including its expected impact on housing performance standards. In addition, the Chief Executive has contacted both the Prime Minister and Scottish Government to request financial support, with the Scottish Government indicating in October 2025 that the Council could apply for support from the Affordable Housing Supply Programme. Also, officers and the Council's co-leaders have had various meetings with the Minister for Housing and Scottish Government's Head of Building Standards to discuss the Council's RAAC Response.

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- **Site Security** – As properties have become vacant, security requirements have been reviewed, and a contract is in place for onsite controls to monitor and deter anti-social behaviour, vandalism and theft in and around vacated RAAC affected properties in Balnagask. Evidence was available of site security patrols at Balnagask in November 2025.
  - **Demolition** – On 11 March 2025, Communities, Housing and Public Protection Committee noted the appointment of a supplier to provide a range of project management support including administering demolition of vacant terraces/blocks. As at 21 October 2025 demolition had not commenced, and Management were in the process of seeking a building warrant for Phase 1 of the demolitions before progressing.

However, the review identified areas for improvement across the framework of control, specifically:

- **Private Housing** – Building owners are responsible for preventing their buildings from falling into a dangerous condition. However, where owners do not meet their responsibilities in this regard, various statutory remedies are available to local authorities to manage defective and sub-standard properties. Furthermore, under the Building (Scotland) Act 2003, in extreme circumstances in consultation with relevant partners (e.g. Police, Fire), where it appears that a building constitutes a danger to persons in or about a building or to the public generally or to adjacent buildings or places, and building owners do not act to address risks, the Council must carry out work as it considers necessary to prevent access to the building and relevant adjacent areas and may recover any expenses from the owner reasonably incurred in doing so. As at 21 October 2025 there were 109 (79%) occupied privately owned homes in Balnagask that are suspected of containing RAAC based on the similar construction of adjacent properties. Structural engineer surveys commissioned by the Council on its own housing stock have identified “low”, “medium” and notably “high” RAAC related risks since November 2023, concluding in February 2024, following the survey of 49 occupied homes, that there is no reason uninspected properties within the development i.e. including any privately owned properties with original roofs, will show different risk ratings and based on “high” risks present, properties should be vacated as soon as possible reflecting the Institution of Structural Engineers (IStructE) guidance, until mitigating action is taken. The RAAC Board is monitoring a risk log for RAAC affected private homes, which includes the risk of failure of a RAAC panel in a property. However, in the absence of remedial action, the target “negligible” impact of a panel failure has not been achieved and instead the impact is classified by Management as “catastrophic” with a “significant” likelihood of panel failure in RAAC affected private homes. Management advises the Council has written to private homeowners strongly recommending they seek an independent assessment of RAAC in their respective properties on several occasions and have engaged on options for remedial action. Management determined in June 2025 that there would likely be a need to take enforcement action to compel private homeowners not engaging in the options available to mitigate risks to occupants of private homes. However, statutory powers available to the Council have not yet been used to compel homeowners to act, with Management indicating this is due to the considerable implications of enforcement action on homeowner wellbeing, the risk of occupants being made homeless, as well as the risk of legal challenge to any notice served since no occupied privately owned home has been surveyed. Also, Management advises homes purchased by the Council are being surveyed as they come into the Council’s ownership for monitoring purposes, with only the identification of any further “critical” risk panels, the highest level of risk, deemed to require the instigation of enforcement action. However, risk management arrangements do not fully reflect the Council’s approach to enforcement action where owners fail to fulfil their responsibilities despite the external structural engineers expectation that uninspected properties will have similar high risks to inspected properties, and the Institution of Structural Engineers advice on the requirement for remedial action as soon as possible for such risks. Whilst, it is not for Internal Audit to determine when enforcement action is required, more than two years on from RAAC risks being first identified, there is an opportunity to enhance assurance by ensuring clearer risk management records justify the approach taken and by defining documented conditions that would trigger enforcement action. Strengthening these areas would help the Council further demonstrate proactive management of RAAC risks in private housing.
- **Schools and Other Publicly Owned Buildings** – As reported to Education and Children’s Services (E&CS) Committee in February 2024, RAAC was identified in three secondary schools

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(St Machar (now removed), Hazelhead and Northfield). In addition, RAAC was identified in the Town House extension following a similar process. Structural survey reports recommended the implementation of management strategies for remaining RAAC risks. However, whilst there was evidence various actions had been taken, including annual structural surveys, RAAC risk assessments attached to site management strategies were overdue for review by Corporate Landlord and Capital, highlighting overdue control actions, including second reviews of the operational and commercial portfolio due in January 2024. In addition, there was no record structural engineer reports are being commissioned following amber and red weather events, which should have been in place since February 2024. Also, whilst warning signage had been ordered for Northfield Academy this was not installed until December 2025 due to an oversight installing it. Where buildings continue to be used with RAAC present and RAAC risks are inadequately managed, this increases health and safety risks for building occupants.

- **Housing Support** – Management has advised affected Council tenants were kept updated via various correspondence throughout 2024, which included scheduling appointments with Housing and Support officers to discuss housing needs as well as consultation on proposals for the future of their RAAC affected homes. However, records of correspondence issued have not been maintained in the Housing System. In addition, of a sample of 20 Council tenants rehomed, it was noted one (5%) RAAC checklist capturing housing need was absent and another (5%) was not signed by the tenant to acknowledge receipt. Similarly, Management advised various support and advice was offered to private homeowners/tenants affected by RAAC, including recommendations to homeowners to seek independent assessments of RAAC risks and to support homeowners with remedial action or voluntary acquisitions. However, again there was no record available detailing what owners/tenants had received what correspondence. Whilst this records management issue is less relevant for tenants who have already been rehomed, in the case of private owner occupants/tenants remaining in RAAC affected properties, this reduces assurance recommended actions and support have been adequately communicated, risking occupant health and safety, albeit it is understood the manual nature of record keeping could make this an onerous process for officers whilst prioritising the delivery of related support.
- **Payment Control** – Urgent Business Committee delegated authority to the Chief Officer – Housing on 29 February 2024 to rehome Council tenants in RAAC affected properties and pay home loss and disturbance payments following a permanent move. Similarly, Full Council instructed the Chief Officer – Corporate Landlord in consultation with the Chief Officer – Finance in August 2024 to take forward negotiations with private homeowners to acquire their properties with the Council willing to meet reasonable legal and professional costs along with home loss and disturbance payments. The RAAC Board agreed in July 2024 maximum disturbance payment values that tenants are eligible for based on the nature of expenditure incurred. However, on reviewing home loss payments, Internal Audit noted a tenant had been paid £1,500 twice in error. Whilst Housing maintains a record of disturbance and home loss payments made, they do not reconcile this to the general ledger/accounts payable reports risking such occurrences. Also, whilst the required standard of bank account evidence is under review by Finance, bank account details shared by recipients of disturbance and home loss payments are not being retained in line with the Council's Corporate Records Retention and Disposal Schedule, meaning it was not possible to verify if bank accounts used belonged to tenants/owners. Housing advises the approach adopted was agreed with Finance and the Data Protection Officer. However, these issues increase the risk of payment error and potentially fraud. In relation to payee identity and bank account evidence, a recommendation has already been agreed with Finance as part of Internal Audit AC2407 Creditors System to address this risk. In addition, on reviewing five payments to private homeowners it was not possible to determine if market value was paid for two (40%) properties as an independent valuation report had not been carried out, and instead the Council had agreed lump sum payments with the sellers inclusive of acquisition of heritable property, land and ancillary rights, home loss and disturbance payments, negotiation fees and legal expenses on a full and final basis totalling £116.5k. In addition, there was no evidence payments totalling £223k relating to the purchase of the three remaining properties had been approved by the Chief Officer – Corporate Landlord, in line with the Council's Scheme of Governance and full Council instructions, since related PTIs were not signed to indicate this approval had been provided.

Where payments are made in the absence of valuation reports or evidence of approval by officers with delegated authority, this risks financial loss and Best Value.

RAAC risks have been subject to regular scrutiny and oversight from a dedicated RAAC Board through to Full Council, and Council tenants within RAAC affected properties have all been rehomed. However, over two years on from high risks being identified in Balnagask properties, the Council's approach to enforcement action to ensure the safety of occupants in privately owned homes affected by RAAC is not fully documented and certain RAAC risk management controls for schools and other Council owned buildings are not evident as detailed above. Also, gaps in record keeping reduce assurance over housing support and RAAC health and safety advice which Management indicates has been delivered to affected Council tenants and private owner occupiers/tenants. Furthermore, gaps in payment control are evident, which risk payment error and fraud.

Recommendations have been made to mitigate RAAC risks for occupants of affected private homes, schools and other Council owned buildings; to improve record management arrangements, specifically the written correspondence sent to all households affected by RAAC; and to enhance the system of payment control.

Considering all aspects of the RAAC response, the net risk has been assessed as **MODERATE**, with the current control framework providing **REASONABLE** assurance. This assessment takes into account the extensive governance and oversight of RAAC risks and the fact all Council tenants and some occupants of privately owned RAAC affected housing have been rehomed, whilst also reflecting gaps in the control environment, and some pockets of higher risk, particularly in relation to the management of RAAC within privately owned housing, schools, and other non-housing Council buildings, as well as weaknesses in payment controls. It is important however to recognise that this is an inherently high-risk area and given the unprecedented nature of the circumstances, and the fact that the risks remain live, a higher level of risk is possible.

## 2.3 Identified Risks

Risk Level	Number of Risks Identified
Severe	-
Major	2
Moderate	2
Minor	-
<b>Total</b>	<b>4</b>

## 2.4 Management response

*We welcome this comprehensive audit and appreciate the positive engagement with the Audit Team.*

*As referenced within the report, the RAAC crisis is unprecedented, representing one of the most significant structural safety challenges faced in decades. In light of the unprecedented nature of the situation, the RAAC Board members are pleased that the Audit Team can provide assurance on governance and oversight, the rehoming programme, wider engagement and site security/demolition.*

*It is important to recognise that the RAAC response spans several distinct roles undertaken by the Council, each with different legal duties, powers and constraints. These include the Council's role as landlord in relation to its own tenants and housing stock, its regulatory and enforcement role in respect of privately owned housing, and its role as landowner and planning authority in relation to site clearance, demolition and master planning. Governance arrangements and risk controls have therefore been applied across these strands, reflecting the Council's responsibilities in each case.*

*In responding to the crisis, the Council has tried to take account of risks to the Council and balance these with the needs of homeowners, this has ensured that consideration for homeowner wellbeing has shaped a compassionate response. It is recognised that working with homeowners to shape options for them and keeping these under review in light of both interest and available resources, alongside detailed Best Value considerations has informed potential timelines for enforcement action. We recognise that enforcement action will likely be required for a small number of owners now that the final offer has been made by the Council.*

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*A potential enforcement timeline had originally been mapped out on the basis that the options appraisals would be accepted/rejected and it was envisaged that owners who had not indicated their intentions would not be fulfilling their legal obligations, and enforcement would be required. The Scottish Government intervention, followed by Council approval to offer an enhanced Voluntary Acquisition (VA) package, fundamentally changed this position. As a result, owners were granted an extended deadline to confirm their intentions, and the potential enforcement timeline was re-mapped to reflect the revised approach, enabling a maintained focus on owner wellbeing. This aligned with national procedural guidance and the RAAC Cross Sector Working Group Guidance to work with the owners and only using notices in extreme circumstances.*

*Given the unprecedented nature of the situation, a very agile and pragmatic response has been taken to establishing systems, processes and procedures during rapidly changing circumstances. It's pleasing that the vast majority of these are recognised as effective, but also helpful to have Internal Audit identify areas to be strengthened, particularly around record keeping and payment control.*

*Where the audit has identified areas for improvement, the Board has addressed these through targeted governance actions, focused on strengthening documentation, clarity of approval and auditability rather than fundamental redesign of existing controls. These actions are intended to strengthen clarity, consistency and auditability as the programme continues.*

# 3 Issues / Risks, Recommendations, and Management Response

## 3.1 Issues / Risks, recommendations, and management response

Ref	Description	Risk Rating	Major
1.1	<p><b>Private Housing</b> – The Council’s approach to RAAC in private housing sits within a highly complex and sensitive context. Officers are managing an unprecedented situation that affects not only the Council but communities across the UK. We recognise that this involves direct engagement with homeowners and tenants, where decisions can be deeply personal and, in some cases, life-changing.</p> <p>Building owners are responsible for preventing their buildings from falling into a dangerous condition. However:</p> <ul style="list-style-type: none"> <li>• Under the Building (Scotland) Act 2003, the Council may serve on the owner of a building a defective building notice requiring timebound completion of work by the homeowner to make a building safe.</li> <li>• Under s29 of the Building (Scotland) Act 2003, where it appears that a building constitutes a danger to persons in, about it, to the public generally or to adjacent buildings or places, the Council must carry out work as it considers necessary to prevent access to the building and relevant adjacent areas and may recover any expenses from the owner reasonably incurred in doing so, with S30 of the same Act specifying related dangerous building notice requirements. Local Authority Building Standards Scotland advised the RAAC Cross Sector Working Group on 25 October 2023 that in practice these powers are generally used in extreme circumstances following consultation with relevant partners (Fire, Police) and in most situations building owners are able to resolve any issues without intervention i.e. where they act on the advice of the local authority.</li> <li>• Under the Housing (Scotland) Act 2006, where the Council considers a house to be sub-standard, the Council may require the owner to carry out work to bring it into a reasonable state of repair.</li> <li>• Under the 2006 Act, the Council can designate an area as a Housing Renewal Area and formalise an action plan covering each affected house detailing the proposed action to bring houses into a reasonable state of repair or close or demolish affected housing.</li> </ul> <p>However, whilst Management advises the Council has written to private homeowners in Balnagask strongly recommending they seek an independent assessment of RAAC in their respective properties and on options for remedial action, running awareness campaigns, community drop in sessions etc, as of 31 October 2025, none of the statutory powers available to the Council detailed above have been used to compel homeowners to act, albeit they have been considered in detail.</p> <p><u>Occupied Private Housing Risks</u></p> <p>RAAC was initially identified in Balnagask following a desktop review of Council owned housing undertaken in October 2023 and visual inspections of a sample of properties with concrete roofs by structural engineers, based on spreadsheets shared during this audit.</p> <p>As at 21 October 2025 there were 109 (79%) occupied privately owned homes in Balnagask that contained RAAC. The RAAC Board is monitoring a risk log for RAAC affected private homes that includes the risk of failure of a RAAC panel in a property. However, whilst the risk log shows a green target risk score with a “negligible” impact if failure occurred, in the absence of remedial action described in the risk log as very likely to be required, taken either by the homeowner or the Council through enforcement action, where the homeowner fails to act, the target “negligible” impact of a panel failure has not been achieved and instead the</p>		

Ref	Description	Risk Rating	Major
	<p>impact is classified by management as “catastrophic” with a “significant” likelihood of panel failure in RAAC affected private homes..</p> <p>Management advises structural surveys of purchased properties provide an opportunity to determine if owner occupied stock condition was in a condition consistent with other properties.</p> <p>However, structural engineer surveys commissioned by the Council on its own housing stock have identified “low”, “medium” and notably “high” RAAC related risks since November 2023, concluding in February 2024 following the survey of 49 occupied homes, that there is no reason uninspected properties with original roof construction within the development will show any “meaningful improvement on general condition” compared to inspected properties and on the basis of “high” risks present, properties should be vacated as soon as possible until mitigating remedial works are completed, reflecting the Institution of Structural Engineers (IStructE) guidance, with surveyors recommending a short term management strategy of awareness raising, roof loading restrictions and condition change monitoring while properties are being vacated. Based on this advice, and that tenants would be unable to remain in situ during extensive and disruptive remedial works, all Council tenants have been rehomed however several privately owned houses remain occupied as highlighted above with no indication RAAC risks have been mitigated.</p> <p>Management advises that officers have consistently worked to balance the health and safety risks in privately owned homes where owners fail to accept RAAC panels present a danger and take mitigating action, with the risk to wellbeing of taking enforcement action, the risk of legal challenge and associated reputational risks. Management also advises that homes purchased by the Council are being surveyed as they come into the Council’s ownership for monitoring purposes, with the identification of any further “critical” risk panels, the highest level of risk, or an owner not accepting to the risk RAAC presents or fulfilling their legal obligation to stop their building from becoming dangerous deemed to require the instigation of enforcement action. However, this approach i.e. in relation to “critical” risk panels, is not recorded within risk management arrangements in place.</p> <p>It was also highlighted in IStructE guidance that RAAC panels will continue to deteriorate over time, but that the cause and rate are unknown, thus allowing for monitoring, inspections and awareness campaigns. The February 2024 structural engineer report concluded that RAAC risks highlighted are likely to be measurably worse where there had been historic water ingress. Also, one (0.006%) of 172 unoccupied Council home inspected was identified as having a higher critical risk of panel failure; it is not known if any privately owned homes face such critical risks, which may be the case.</p> <p>Furthermore, the Council has recognised these risks, advising they have written to private homeowners and landlords of RAAC affected properties, indicating comprehensive remedial works will be required and as such the Council will be engaging with private tenants to explore rehousing options as part of the Council’s commitment to tenant wellbeing and safety. This was based on example unaddressed template letters.</p> <p><u>Enforcement Action</u></p> <p>As explained above, the identification of “critical” risk panels in surveyed properties would lead to enforcement action as advised by Building Standards. In addition, the RAAC Board previously agreed in June 2025 that any owners who have not engaged with proposed options offered by the Council to mitigate RAAC risks could be deemed to be acting irresponsibly and for their safety following a final opportunity for owners to engage in September 2025, dangerous building notices might require to be issued in October 2025. However, this did not take place following a funding intervention by the Scottish Government .</p> <p>Depending on the degree of risk and the simplicity of remedial work, under Building (Scotland) Act statutory guidance, it may be possible for a local authority to negotiate a solution with a dangerous building owner without taking formal action. For the local authority</p>		

Ref	Description	Risk Rating	Major
	<p>to consider such an arrangement it is imperative the owner agrees at once and confirms as appropriate to the local authority that they will immediately arrange to undertake the measures required.</p> <p>In taking forward voluntary acquisition, Management advises various deadlines have been used to support the decision making of homeowners, most recently as an enhanced offer to voluntarily acquire properties, and that instructions to explore alternative options provided by campaign groups and reconsider the approach taken in light of the availability of additional resource will have led to delay.</p> <p><u>Risk</u></p> <p>All observations and risks flagged in this report are made with full cognisance of the unprecedented nature of RAAC and the fact that this is not solely a Council issue but one affecting authorities nationwide and that homeowners have a duty not to allow their properties to fall into a dangerous condition. The Council's commitment to owners and private tenants financial and mental wellbeing and its efforts to negotiate voluntary solutions are recognised and valued. In addition, it is recognised in line with RAAC Cross Sector Working Group guidance enforcement action is usually only taken in extreme circumstances.</p> <p>Nonetheless, given the legislative framework, professional and technical advice received on surveyed properties and the potential health and safety implications where owners fail to act to mitigate risks, a revised agreed timeline is now thought necessary to ensure risks are mitigated where necessary and to protect both residents and the Council from reputational exposure.</p>		
<b>IA Recommended Mitigating Actions</b>			
Building Standards should formalise when enforcement action requires to be taken and ensure risk management arrangements clearly document justifications for the approach adopted.			
<b>Management Actions to Address Issues/Risks</b>			
<p><i>Management accepts that it would be helpful to reset work previously undertaken in light of the Council having made their final offer to homeowners and the requirement to give owners the opportunity to confirm their intentions, and that this should be used to inform an updating of the RAAC Risk Register in order to justify the approach being taken.</i></p> <p><i>In doing so, it is recognised that responsibility for maintaining the safety and condition of privately owned properties primarily rests with the owner, and that the Council's role in this context is regulatory rather than that of an owner or landlord with direct control. The approach taken to date has therefore focused on sustained engagement with owners, provision of information on risk and available options, and the exhaustion of voluntary routes (based on a people-centred approach) prior to progressing to formal enforcement action, in line with national guidance and the Council's duty to act proportionately and within legal and financial controls.</i></p> <p><b>Mitigating Actions:</b></p> <p><i>An updated 3MB will be presented to the RAAC Board for consideration and approval.</i></p> <p><i>The Risk Log will be updated to reflect the agreed 3MB.</i></p>			
<b>Risk Agreed</b>	<b>Person(s)</b>	<b>Due Date</b>	
Yes	Building Standards Manager RAAC Board Chair	January 2026 (Implemented – 3MB to RAAC Board) February 2026	

Ref	Description	Risk Rating	Moderate
1.2	<p><b>Schools and Other Public Buildings</b> – Following the sudden unexpected collapse of a school roof in Kent in 2018, the Standing Committee on Structural Safety issued an alert to owners of schools and “similar” buildings, dating from the 1960s and 1980s, to emphasise the potential risks from RAAC construction. This recommended locating buildings where RAAC planks are present and assessing the condition and structural adequacy of RAAC with a view to undertaking remedial action, awareness raising of risks and monitoring condition, or replacing roofs as appropriate.</p> <p>Also, as reported to Education and Children’s Services Committee in February 2024, independent structural engineers undertook a combination of visual and intrusive surveys of the school estate, finding RAAC to be present at three secondary schools (St Machar, Hazelhead and Northfield) and none of the city’s primary schools. In addition, RAAC was identified in the Town House extension following a similar structural survey.</p> <p>Recommended immediate remedial measures have been addressed at these sites according to the structural survey reports and remaining RAAC risks were at an amber or green rating, suitable for applying ongoing management strategies, with identified RAAC removed at St Machar Academy as supported by a related building warrant completion certificate recorded in the Council’s buildings standards register. In line with the RAAC management strategies for the secondary schools above and the Town House, annual surveys took place where necessary. RAAC management strategies were shared with relevant head teachers, gutter cleaning has been regularly scheduled for the three affected academies and the Town House extension, and there was evidence of signage in place at Hazelhead Academy and the Town House. Management assurance was also provided that the management strategy for Town House had been shared with relevant staff verbally.</p> <p>However, RAAC risk assessments attached to site management strategies were overdue review by Corporate Landlord and Capital based on documents shared during the audit. This showed overdue control actions, including second reviews of the operational and commercial portfolio due in January 2024, and there was no record structural engineer reports being commissioned following amber and red weather events, which should have been in place since February 2024. In addition, Management advised warning signage was provided to Northfield Academy at the same time as the other schools, but due to miscommunication between janitors and the property inspector, these were not installed at the time – this was rectified during the course of the audit.</p> <p>Where recommended management strategies are not fully adopted without documented justification, this increases health and safety risks for building occupants.</p>		
<b>IA Recommended Mitigating Actions</b>			
Corporate Landlord and Capital should ensure non-housing site specific RAAC risks are managed in line with structural engineer recommended management strategies and Council RAAC risk assessments.			
<b>Management Actions to Address Issues/Risks</b>			
<p><i>Management accepts that the site management strategies made available to Internal Audit were overdue for review, with actions taken as a result of the strategies and regular meetings with structural engineers not clearly documented. Throughout this period, operational controls and inspections remained in place, and no unmanaged high-risk conditions were identified.</i></p> <p><i>Additional control measures have been put in place throughout the period with a reliance on specific monthly visual checks by building advisors since December 2023. Site management strategies have not been altered to reflect this.</i></p> <p><i>Annual structural surveys are instructed which will now include a review of the management arrangements in each site and a review of any additional weather related surveys will be</i></p>			

Ref	Description	Risk Rating	Moderate
	<p><i>reviewed following the outcome of surveys in January 2026 following significant snow loading.</i></p> <p><b>Mitigating action:</b></p> <p><i>The management strategies for each site will be reviewed in February 2026 reflecting the outcome of current surveys.</i></p>		
	<b>Risk Agreed</b>	<b>Person(s)</b>	<b>Due Date</b>
	Yes	Chief Officer – Corporate Landlord	March 2026

Ref	Description	Risk Rating	Moderate
1.3	<p><b>Housing Support</b> – On 29 February 2024, Urgent Business Committee instructed the Chief Officer – Housing to ensure that private owners and tenants who reside within any privately owned properties in the Balnagask area of Aberdeen that have RAAC in their construction, are provided with support and information on request to assist them in assessing their housing options; and add existing owner occupiers and private tenants to the proposed ‘RAAC Impact’ housing list should a need for access to Council homes be identified through the process of exploring available support and housing options for them in the city.</p> <p><u>Council Tenants</u></p> <p>Management has advised affected tenants were kept updated via various correspondence throughout 2024, which included scheduling appointments with Housing and Support officers to discuss housing needs as well as consultation on proposals for the future of their RAAC affected homes. However, all contact with households was not recorded within the housing system, with Management advising a bulk upload of data was not possible, and due to the pressures on staff resources, it was not considered to be the best use of staff time to manually update each tenant’s record within the housing system.</p> <p>In addition, of a sample of 20 Council tenants rehomed, it was noted one (5%) RAAC checklist capturing housing need was absent and another (5%) was not signed by the tenant.</p> <p><u>Private Owners/Tenants</u></p> <p>Support and information was made available to affected private owners/tenants on request to assist in assessment of housing options, with 23 private owners/tenants subsequently rehomed into an alternative Council house via the ‘RAAC Impact’ housing list.</p> <p>The Council has also advised they have written to private homeowners affected by RAAC to offer voluntary acquisition of affected homes with payment of professional fees; to contribute where private owners chose to address health and safety risks independently; to collaborate with homeowners to replace RAAC roofs at a cost to the homeowner; or to undertake property swaps for existing Council properties and to offer private mental health support through Scottish Action for Mental Health (SAMH).</p> <p>In addition, Management advised enhanced voluntary acquisition offers were made in November 2025 to homeowners which included additional payments to reflect the loss of value due to the presence of RAAC.</p> <p>Furthermore, the Management advised the Council has written to private homeowners strongly recommending they seek an independent assessment of RAAC in their respective properties.</p>		

Ref	Description	Risk Rating	Moderate
	<p>However, again there was no record available detailing what owners had received what correspondence. In the case of private owner occupants/tenants remaining in RAAC affected properties, this reduces assurance recommended actions and support have been adequately communicated risking occupant health and safety, albeit it is understood the manual nature of record keeping could make this an onerous process for officers whilst prioritising the delivery of related support.</p>		
	<b>IA Recommended Mitigating Actions</b>		
	Evidence of housing support and health and safety advice delivered to occupants of defective/dangerous buildings should be adequately recorded for monitoring purposes.		
	<b>Management Actions to Address Issues/Risks</b>		
	<p><i>Council Tenants</i></p> <p><i>Following the rehoming decision, a letter was issued to all tenants and noted on their record. A comprehensive checklist was completed with each tenant to assess their housing needs, and dedicated Housing and Support officers provided assistance, ensuring all interactions and changing needs were accurately recorded where appropriate. The process regarding supplementary letters sent to tenants and their inclusion in tenant records was reviewed later as part of our lessons learned process. The RAAC board determined that while it is preferable to record such correspondence where feasible, the manual nature of the process rendered it impractical and without significant added value and doing so was ultimately deemed unnecessary given the significant demands on the teams involved in supporting families impacted by RAAC. For the two instances where forms or signatures were incomplete, it is important to note that these individuals were rehoused according to their assessed needs, with ongoing communication maintained throughout the rehoming process, effectively mitigating related risks. As the rehoming process is now complete, no further action is required, and at the same time the recommendation to document letters in individual files will be considered if the Council faces any other similar challenges.</i></p> <p><i>Private Owners</i></p> <p><i>Following feedback from private owners, significant time was invested in ensuring that correspondence was personalised for homeowners. The RAAC Board has utilised a range of delivery mechanisms including hand delivery and Recorded Delivery in light of homeowner preferences but recognise that these arrangements have resulted in the Board not holding a record of homeowner receipt for all correspondence.</i></p> <p><b>Mitigating action:</b></p> <p><i>Records of the receipt of future correspondence regarding health and safety risks will be recorded for monitoring purposes.</i></p>		
	<b>Risk Agreed</b>	<b>Person(s)</b>	<b>Due Date</b>
	Yes	Building Standards Manager	February 2026

Ref	Description	Risk Rating	Major
1.4	<p><b>Payment Control</b> – Urgent Business Committee delegated authority to the Chief Officer – Housing on 29 February 2024 to rehome Council tenants in RAAC affected properties with home loss and disturbance payments following a permanent move. Similarly, full Council instructed the Chief Officer – Corporate Landlord in consultation with the Chief Officer – Finance in August 2024 to take forward negotiations with private homeowners to acquire</p>		

Ref	Description	Risk Rating	Major																																																
	<p>their properties with the Council willing to meet reasonable legal and professional costs along with home loss and disturbance payments.</p> <p>As at 24 October 2025, the Council had made £462k of home loss payments; £508k of disturbance payments and had written off £236k of tenant arrears.</p> <p><u>Council Tenant Disturbance and Home Loss Payments</u></p> <p>On 23 July 2024 the RAAC Board agreed maximum costings under Disturbance Payments for Council tenants based on property size as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Property Size</th> <th style="background-color: #003366; color: white;">Flooring £</th> <th style="background-color: #003366; color: white;">Removals £</th> <th style="background-color: #003366; color: white;">Reconnections £</th> <th style="background-color: #003366; color: white;">Window Coverings £</th> <th style="background-color: #003366; color: white;">Replacement of white goods per appliance £</th> <th style="background-color: #003366; color: white;">Wardrobe £</th> <th style="background-color: #003366; color: white;">Total £</th> </tr> </thead> <tbody> <tr> <td>1 bed Flat</td> <td>1400</td> <td>300</td> <td>249.50</td> <td>400</td> <td>300</td> <td>175</td> <td>2,824.50</td> </tr> <tr> <td>2 bed Flat</td> <td>1600</td> <td>300</td> <td>249.50</td> <td>600</td> <td>300</td> <td>175</td> <td>3,224.50</td> </tr> <tr> <td>3 bed House</td> <td>1900</td> <td>300</td> <td>249.50</td> <td>700</td> <td>300</td> <td>175</td> <td>3,624.50</td> </tr> <tr> <td>4 bed House</td> <td>2100</td> <td>300</td> <td>249.50</td> <td>800</td> <td>300</td> <td>175</td> <td>3,924.50</td> </tr> <tr> <td>7 bed House</td> <td>2600</td> <td>300</td> <td>249.50</td> <td>1000</td> <td>300</td> <td>175</td> <td>4,624.50</td> </tr> </tbody> </table> <p>Furthermore, it was agreed that tenants would be entitled to a £1,500 home loss payment following a permanent move, less any outstanding rent arrears.</p> <p>Payments relating to a sample of 20 tenants were reviewed (i.e. home loss/disturbance payments) to ensure they were in line with policy/procedure, there was segregation in requisition and approval of payments and payments had been appropriately approved.</p> <p>Of the 20 tenants reviewed, 15 (75%) received a removal payment, one (20%) of which exceeded the maximum permitted disturbance payment by £450. Management advised this was due to the fact the removal was arranged by the Council using its contracted removal company with the above maximum payments only relating to circumstances where the Council reimbursed the tenant; this was not clear based on the RAAC Board minutes.</p> <p>In addition, Housing maintains a register of disturbance and home loss payments ("Cost Spreadsheet - RAAC") for monitoring purposes. However, on reviewing home loss payments, Internal Audit noted a tenant had been paid £1,500 twice in error. At the time of reporting, there was no evidence of the recovery process being actioned.</p> <p>Housing does not reconcile their records to the general ledger/accounts payable reports. In the absence of such a reconciliation there is a greater risk of payment error and fraud.</p> <p><u>Bank Account Evidence</u></p> <p>It was noted evidence of bank account details shared by recipients of disturbance and home loss payments was not retained by Housing, meaning it was not possible to verify if bank accounts used belonged to tenants. Under the Council's Corporate Records Retention and Disposal Schedule records documenting the transfer of funds and the processing and payment of expense claims should be retained for six years plus the current financial year. Housing advises the approach adopted was agreed with Finance and the Data Protection Officer.</p>	Property Size	Flooring £	Removals £	Reconnections £	Window Coverings £	Replacement of white goods per appliance £	Wardrobe £	Total £	1 bed Flat	1400	300	249.50	400	300	175	2,824.50	2 bed Flat	1600	300	249.50	600	300	175	3,224.50	3 bed House	1900	300	249.50	700	300	175	3,624.50	4 bed House	2100	300	249.50	800	300	175	3,924.50	7 bed House	2600	300	249.50	1000	300	175	4,624.50		
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Ref	Description	Risk Rating	Major
	<p>The deletion of these records reduces assurance over bank account details used increasing the risk of payment error and fraud albeit Finance is still in the process of determining the standard of bank account verification evidence required to be retained. This risk was mitigated to some extent by the fact all requests to Finance to set up tenant suppliers included two Housing officers i.e. the approving officer and requestor, and all home loss and disturbance payment reimbursements reviewed, were supported by receipts/invoices provided by the tenant.</p> <p>A recommendation has already been made in report AC2407 Creditors System to standardise payee identification and bank account evidence requirements and establish a verification process for ensuring this evidence is in place before the related Council system account can be used to make payments to the respective payee.</p> <p><u>Homeowner Payments</u></p> <p>The Council's Powers Delegated to Chief Officers states that the Chief Officer – Corporate Landlord has the following power:</p> <p><i>“Following consultation with the Convener of the Finance and Resources Committee, to instruct the Chief Officer - Governance to dispose of or purchase individual properties following a value for money appraisal where this option is considered by the Chief Officer - Corporate Landlord to be the most appropriate for the Housing Revenue Account, subject to (a) market value being achieved or paid; and (b) consultation with ward members on the proposals, with referral to the Finance and Resources Committee if any ward member does not agree”.</i></p> <p>At a meeting on 21 August 2024, Full Council agreed to 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 Compulsory Purchase Order process. In addition to Market Value the Council agreed to meet reasonable legal and professional costs along with home loss and disturbance payments (as recorded on the Property Transaction Instruction form). The Chief Officer – Corporate Landlord notified owners in July 2025 indicating a home loss payment of 10% of the property market value, legal costs for selling and buying, as well as other reasonable costs, including moving expenses and early mortgage surrender fees.</p> <p>The Service advised, following engagement by a homeowner for the Council to voluntarily acquire their property, Corporate Landlord would notify the Valuation Office Agency (VOA) who would undertake an independent valuation. A formal report of the valuation, with proposed home loss and disturbance payment details, would then be provided to Corporate Landlord who would send this to Legal along with approval to make payment via a Property Transaction Instruction (PT). A voluntary acquisition tracker is in place tracking the various stages of the process, including property inspection, offer and sale conclusion status.</p> <p>A sample of five voluntarily acquired RAAC affected private homes was reviewed. There was segregation in requisition and approval of payments in all cases, with Corporate Landlord approving payments except for certain legal fees approved by Governance. However, it was not possible to determine if market value was paid for two (40%) properties, as an independent valuation report had not been carried out, and instead the Council had agreed lump sum payments with the sellers inclusive of acquisition of heritable property, land and ancillary rights, home loss and disturbance payments, negotiation fees and legal expenses on a full and final basis totalling £116.5k. This approach was confirmed on the Property Transaction Instruction. In the absence of independent valuation reports it is not clear if the offer at the time represented Best Value. Corporate Landlord advised in some circumstances voluntary acquisition negotiation reached stalemate and owners met with Council officials directly to discuss. In these circumstances an all-inclusive payment was agreed to cover the market value of the property and a capped amount for all disbursements.</p>		

Ref	Description	Risk Rating	Major
	<p>This allowed certainty for sellers and did not leave the Council having to account for any future claim. All transactions were concluded within the Land Cost Estimate initially presented by the Valuation Office Agency for the site.</p> <p>In addition, there was no evidence payments totalling £223k relating to the purchase of the three remaining properties had been approved by the Chief Officer – Corporate Landlord, in line with the Council’s Scheme of Governance and full Council instructions, since related PTIs were not signed to indicate this approval had been provided.</p> <p>Also, payments made for legal fees totalling £6.5k approved by Governance that were not detailed on the related VOA valuation report or Property Transaction Instruction as with other properties, meaning Corporate Landlord had not instructed these amounts to be paid on the seller’s behalf. Where payments are not approved by officers with the necessary delegated authority, this reduces financial control and risks overpayment or payment error.</p> <p><u>Budget Monitoring</u></p> <p>Finance send RAAC budget monitoring data to Corporate Landlord on an ad hoc basis, with the most recent being issued 24 October 2025 as at 15 December 2025 – these reports include details of any private homeowner related payments. However, it was noted that the ledger transaction descriptions occasionally lack sufficient detail to identify what payments relate to what homeowners, since payments can be made to solicitors involved in the conveyancing process rather than homeowners, and transactional descriptions do not always identify property addresses or homeowners that payments relate to. This is something Corporate Landlord agreed was challenging for budget monitoring purposes, albeit Legal Services advise they manually maintain a spreadsheet of private owner payments. Where ledger transactional data shared for budget monitoring purposes is not meaningful, this reduces budgetary and payment control.</p>		
	<b>IA Recommended Mitigating Actions</b>		
	<p>a) Housing should review their system of payment control to mitigate the risk of duplicate payments, with actions taken to specifically address the points identified above, including initiating recovery of the duplicate payment identified.</p> <p>b) Corporate Landlord should ensure agreement on all property purchases are supported by independent valuations and that payments are approved by the Chief Officer – Corporate Landlord, or an officer with the necessary delegated authority.</p> <p>c) Finance should work with Corporate Landlord and Housing to review and where possible enhance RAAC budget monitoring arrangements.</p> <p><b>Management Actions to Address Issues/Risks</b></p> <p>a) <i>This was an exceptional circumstance in which a significant volume of disturbance and home loss payments were issued over a short period to council tenants. A robust process was implemented to support staff handling payment voucher requests from tenants, including verification and authorisation by senior officers. This process has since been revised to include the requirement to cross reference any actions that result in a rejected request, with performance reports provided by finance and to ensure that council records are retained in line with the Corporate Records Retention and Disposal Schedule, as a result, this action is complete. This enhanced process will be implemented if similar circumstances arise in the future. The recovery process for the duplicate payment has now commenced.</i></p> <p><i>The Board is satisfied that, notwithstanding the isolated errors identified, appropriate segregation of duties and senior officer oversight were in place throughout, and that the enhancements made further strengthen the control environment and audit trail should similar circumstances arise again.</i></p> <p>b) <i>At the start of the process a Land Cost Estimate was provided to the Council to give an indication of the Market Value of each property, potential home loss, disturbance,</i></p>		

Ref	Description	Risk Rating	Major
	<p><i>professional fees and other costs. This influenced the overall committee reports when reporting on the likely cost of voluntary acquisition and included risk elements. In a very limited number of circumstances where the Valuation Office were unable to agree an acquisition having met with the homeowners and valued the property, cases were escalated to the Chief Officer. This is very much in keeping with our taking a person centred approach. In some cases, 'all inclusive' deals were agreed directly with the figure paid being all inclusive of all payments this allowing owners to decide whether to incur disturbance costs etc. whilst also giving Council certainty over the final 'claim' level and giving the ability to consider particular requirements of owners. All payments were within the original land cost estimate and therefore within the budget available. Formal instructions to legal on these transactions were formally signed off by the Property Estates Manager rather than the Chief Officer. Moving forward, all voluntary acquisitions and associated payments will be approved by the Chief Officer or an officer with appropriate delegated authority, with that approval explicitly recorded in writing.</i></p> <p><i>Management further notes that, following review of early voluntary acquisitions, the governance framework has been tightened to ensure that all future offers are anchored to independent valuation (on enhanced offer terms). This is now evidenced through the updated Voluntary Acquisition Tracker and revised written instructions to Legal Services, which together provide a clear and auditable record of valuation, approval and payment. The nature of the enhanced offers now being made to homeowners provides further mitigation. The RAAC Board approved a mechanism to document enhanced payments and approvals in January 2026. As a result, Additional Payments are now calculated by Legal in line with the approved policy framework (not by the DV), with independent verification by Finance prior to payment. Approvals will continue to be explicitly recorded through written instruction to Legal Services. Services will not proceed to settlement or payment unless that approval is held on file.</i></p> <p>c) <i>Finance are working with Corporate Landlord and Housing to set up a shared Teams site to hold all the documentation regarding RAAC expenditure as it is acknowledged the ledger description does not always assist in the detailed budget monitoring.</i></p> <p><i>This will provide a single, accessible record of approvals, payments and (if necessary) supporting documentation.</i></p> <p><b>Mitigating Actions:</b></p> <p>a) <i>Housing to revise system of payment control</i></p> <p>b) <i>RAAC Board to implement agreed documentation designed to provide an auditable record of payments and approvals.</i></p> <p>c) <i>A shared teams site will be established to hold all RAAC expenditure, including enhanced financial reports.</i></p>		
	<b>Risk Agreed</b>	<b>Due Date</b>	
	a) Yes	a) Chief Officer – Housing	a) Implemented
	b) Yes	b) Chief Officer –	b) January 2026
	c) Yes	Corporate Landlord	c) February 2026
		c) Finance Partner	

## 4 Appendix 1 – Assurance Terms and Rating Scales

### 4.1 Overall report level and net risk rating definitions

The following levels and ratings will be used to assess the risk in this report:

Risk level	Definition
<b>Corporate</b>	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.
<b>Function</b>	This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of Policy within a given function.
<b>Cluster</b>	This issue / risk level impacts a particular Service or Cluster. Mitigating actions should be implemented by the responsible Chief Officer.
<b>Programme and Project</b>	This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned.

Net Risk Rating	Description	Assurance Assessment
<b>Minor</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	<b>Substantial</b>
<b>Moderate</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	<b>Reasonable</b>
<b>Major</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	<b>Limited</b>
<b>Severe</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	<b>Minimal</b>

Individual Issue / Risk Rating	Definitions
<b>Minor</b>	Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money.
<b>Moderate</b>	An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness.
<b>Major</b>	The absence of, or failure to comply with, an appropriate internal control, which could result in, for example, a material financial loss.
<b>Severe</b>	This is an issue / risk that could significantly affect the achievement of one or many of the Council's objectives or could impact the effectiveness or efficiency of the Council's activities or processes. Action is considered imperative to ensure that the Council is not exposed to severe risks.

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## 5 Appendix 2 – Assurance Scope and Terms of Reference

### 5.1 Area subject to review

504 homes (366 Council owned; 138 privately owned) in the Balnagask area of Torry in Aberdeen have been identified as containing Reinforced Autoclaved Aerated Concrete (RAAC), a lightweight material used in construction from the 1950s to the 1990s. In addition, RAAC has been identified in other Council owned buildings, including three secondary schools and the Town House extension, with remedial action having been taken in the case of these non-housing buildings.

Various statutory remedies are available to local authorities to manage defective and sub-standard properties.

Due to structural stability safety concerns, the Urgent Business Committee agreed in February 2024 to rehome Council tenants residing at the RAAC identified properties, based on housing needs, through the creation of a specific “RAAC Impact” housing list, with temporary accommodation offered as an interim arrangement where desired by tenants. In addition, the Urgent Business Committee agreed to provide support and information at request to owner occupiers and private tenants residing within properties in Balnagask containing RAAC, to assist in assessing their housing needs, and to include them on the RAAC Impact housing list where appropriate. A budget of £3m was approved to cover initial related costs, including but not limited to staffing costs; specialist consultant fees; contractor access and works; rehoming and temporary accommodation costs; school transport; utility connections; and security for the affected site.

In August 2024, the Council considered various options for the affected homes and agreed the demolition and rebuild of homes on site was optimal, approving the initial demolition works, landscaping and masterplanning exercise for the site. In addition, the Council agreed to take forward negotiations with private owners to acquire properties voluntarily at Market Value, and to pay reasonable legal and professional costs along with home loss and disturbance payments. Associated costs are estimated as follows:

- Demolition and landscaping: £20–25m over 3–4 years
- New housing construction: £130+m over 5–15 years.

A phased approach for the demolition of Council and private homes affected by RAAC was agreed by the Communities, Housing and Public Protection Committee on March 11, 2025, prioritising Council owned terraces / housing blocks, to allow time for privately owned homes to be purchased where appropriate. 46 (33%) out of 138 homeowners have agreed to sell with 29 (63%) of sales concluded as at 21 October 2025.

Relevant chief officers have also advised the Council of engagement with the Scottish Housing Regulator regarding the expected impact on housing performance and with the Scottish Government on the financial implications and related funding arrangements.

### 5.2 Rationale for review

The objective of this review is to obtain assurances around compliance with safety regulations and mitigation of risks to public safety.

This review has not been undertaken before and has been included in the agreed 2025/26 Internal Audit Plan due to the significant health and safety, financial and reputational impacts to the Council, as recognised by the standalone corporate RAAC risk included in the Council’s Risk Register.

### 5.3 Scope and risk level of review

This review will offer the following judgements:

- An overall **net risk** rating at the **Corporate** level.
- Individual **net risk** ratings for findings.

### 5.3.1 Detailed scope areas

**As a risk-based review this scope is not limited by the specific areas of activity listed below. Where related and other issues / risks are identified in the undertaking of this review these will be reported, as considered appropriate by IA, within the resulting report.**

The specific areas to be covered by this review are:

- Strategic Approach, Governance and Oversight
- Health and Safety Risk Management
- Housing Support and Rehoming of Council Tenants, Owner Occupiers and Private Tenants
- Demolition and Associated Health and Safety Risks
- Communication and Stakeholder Engagement
- Other RAAC Risks including Schools and Corporate Estate
- Procurement and Budget Monitoring
- Fraud Control

## 5.4 Methodology

This review will be undertaken through interviews with key staff involved in the process(es) under review and analysis and review of supporting data, documentation, and paperwork. To support our work, we will review relevant legislation, codes of practice, policies, procedures, and guidance.

This review will also encompass an evaluation of the governance, risk management and controls in place to achieve Best Value and to detect, prevent, and mitigate instances of fraud.

Due to hybrid working practices, this review will primarily be undertaken remotely via electronic meetings and direct access to systems and data, with face to face contact and site visits to premises to obtain and review further records as appropriate.

## 5.5 IA outputs

The IA outputs from this review will be:

- A risk-based report with the results of the review, to be shared with the following:
  - Council Key Contacts (see 1.7 below)
  - Audit, Risk and Scrutiny Committee (final only)
  - External Audit (final only)

## 5.6 IA staff

The IA staff assigned to this review are:

- Agne McDonald, Auditor (**audit lead**)
- Andy Johnston, Audit Team Manager
- Jamie Dale, Chief Internal Auditor (**oversight only**)

## 5.7 Council key contacts

The key contacts for this review across the Council are:

- Eleanor Sheppard, Executive Director – Families and Communities
- Stephen Booth, Chief Officer – Corporate Landlord (**process owner**)
- Jacqui McKenzie, Chief Officer – Housing
- Colin Leaver, Corporate Health and Safety Lead

## 5.8 Delivery plan and milestones

The key delivery plan and milestones are:

Milestone	Planned date
Scope issued	09-Sep-25

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<b>Milestone</b>	<b>Planned date</b>
Scope agreed	19-Sep-25
Fieldwork commences	29-Sep-25
Fieldwork completed	31-Oct-25
Draft report issued	21-Nov-25
Process owner response	12-Dec-25
Director response	19-Dec-25
Final report issued	09-Jan-26