

South Ayrshire Council

**Joint Report by Depute Chief Executive and Director – People
and Director - Place
to Leadership Panel
of 27 November 2018**

Subject: Multi-Storey Flats – Riverside Place, Ayr

1. Purpose

- 1.1 The purpose of this report is to seek Panel approval to carry out further work to explore the options available to the Council and undertake a consultation with residents in relation to the long term future of the 3 multi-storey blocks at Riverside Place, Ayr.

2. Recommendation

2.1 It is recommended that the Panel:

- 2.1.1 notes the estimated additional costs of between £28m and £35m as outlined in paragraph 3.7. of this report, for the work considered as being required to be undertaken in the 3 multi storey blocks if they are to be retained for use on a long term basis by the Council;
- 2.1.2 approves the proposal to initiate a work stream to explore the options available to the Council in relation to the long term future of the 3 multi-storey blocks;
- 2.1.3 approves a process of consultation and engagement with the River Ayr Tenants Association and all current tenants at Riverside Place, Ayr to inform future considerations by Members;
- 2.1.4 approves the creation of 2 FTE temporary Housing Officers (Grade – Level 7) for a period of up to 6 months to undertake consultation and engagement with tenants at Riverside Place;
- 2.1.5 agrees to suspend the allocation of vacant properties at Riverside Place, Ayr, until a decision on the long term future of the blocks is taken by Members;
- 2.1.6 approves the procurement of Strategic Support Services through the SWHub arrangements for design work on the existing site; and
- 2.1.7 requests officers to submit a further report to Members in June 2019 on the output of the work stream.

3. Background

- 3.1 The multi-storey blocks at Riverside Place, Ayr were constructed in 1969. There are a total of 234 properties, with each block containing 78 one bedroom flats. All properties are council owned. The properties are classed as amenity housing and are let as ground level accommodation for those with mobility issues, given the availability of a lift within each of the blocks.
- 3.2 In 1992, the properties were externally cladded and a new external roof covering was installed to improve insulation and deal with water ingress problems. In 2002 and 2003, all properties were modernised internally. This included the installation of new kitchens and bathrooms, full rewiring, installation of new electric storage heating, the installation of a sprinkler system and full decoration of the property on completion of the works. Given the invasive nature of the work, all tenants were decanted from their home on a phased basis for the duration of the work.
- 3.3 Following the Grenfell Tower fire, officers worked closely with the Scottish Fire and Rescue Service, LMA Architects and the Council's Risk and Safety Team. A previous report was considered by Leadership Panel on 31 October 2017 and in the short term a package of improvement work was approved. The first phase of this work was progressed by the Design Team. WH Kirkwood Contractor was appointed and work started on site on 15 October 2018. This programme of work is expected to last for a period of 36 weeks, with projected completion around June 2019. The projected expenditure in relation to this phase of work is £1.068m.
- 3.4 In June 2018, a briefing was issued to all Elected Members advising that a structural survey had been commissioned to provide an accurate and up-to-date picture of the overall structural condition of the buildings, and to help inform any future decisions regarding the longer-term plans and investment for the blocks. The survey findings confirm there are no significant structural issues with the properties, which are almost 50 years old, but the cladding system, external pitched roof covering and existing windows have reached the end of their design life and need to be replaced. The full structural survey involved a more invasive approach, including the removal of the cladding and the insulation, as well as works to 'core' into parts of the walls and other parts of the structure. This identified findings the Council was previously unaware of, which included timber window sections and panels which appear to date from the original 1969 structure of the building, as well as cavities exposed by the 1992 installation of the railing for the external cladding. Information regarding the survey findings and updated fire safety advice was issued to all tenants in June 2018 and a commitment was given to consult with the River Ayr Tenants Association and tenants following information being considered by the Council.
- 3.5 There are currently 12 vacant properties at Riverside Place. These have not been actively relet, taking account that any new tenants may potentially experience being displaced if future upgrade work is undertaken. Not allocating the properties results in a loss of rental income of £3,568 every 4 weeks. At current rental levels, this equates to approximately £46,000 per annum.
- 3.6 The survey findings have now been considered. In addition to the elements of work agreed by Leadership Panel on 31 October 2017, further work has been identified. The list has been categorised as essential and advisable but all work should be considered as being required to be undertaken if the flats are to be retained for use on a long term basis by the Council. A full list of this is detailed in

[Appendix 1](#). To undertake the scope of work required, the professional and technical advice is that any appointed Contractor would need vacant possession of an entire block for a period of up to 12 months. To facilitate vacant possession of a complete block, up to 78 suitable decant properties would need to be identified at any one time to meet the accommodation needs of displaced households on a temporary basis. Overall this would result in a loss of rental income to the Council for this period of time.

3.7 The total projected additional funding required to undertake the identified works is between £28m and £35m. The table below shows the costs incurred so far:

Previously approved work and funding	
Remediation Works currently onsite (previously approved by Leadership Panel 31 October 2017)	£1,068,373
Allowance for Remediation Works (previously identified and approved by Leadership Panel on 31 October 2017, but not yet progressed)	£1,456,638
Previous Total	£2,525,011

3.8 The overall estimated cost of undertaking remediation works to the 3 multi storey blocks at Riverside Place, including those works previously approved is therefore between £30,525,011 and £37,525,011..

3.9 Based on the estimated costs outlined above, this equates to an average cost of between £130,450 and £160,360 per unit. The current average cost of a new build property is £140,000 per unit.

4. Proposals

4.1 Taking account of the latest findings and the estimated costs provided for the required upgrade/ refurbishment work, it is proposed that the Council undertakes an options appraisal in consultation with tenants at Riverside Place. This would allow exploration and discussion of the options available in relation to the long term future of the 3 multi-storey blocks.

4.2 It is proposed that officers undertake an options appraisal and initiate a work stream to:

- explore affordability and assess the financial impact on the Housing Revenue Account Business Plan, considering future investment programmes, new build activity and future rent levels;
- explore what alternative options may exist, including potential demolition and redevelopment of the existing site, provision of other new build housing developments and exploring the role of the Council's existing housing stock in meeting identified housing need;
- consult with tenants at Riverside Place to seek their views on the identified potential alternative options, gather views and feedback on the impact of the different options on tenants and households, consider individual household needs and how this affects the long term future of the 3 blocks; and

- contact the Scottish Government to explore if any funding is available to assist with the identified remediation works or to support additional new build activity.

4.3 Taking account of the number of tenants, the age profile and the specific needs of those residing at Riverside Place, engagement will require to take place with each tenant through one to one meetings, offering tenants the opportunity to be accompanied by relatives, friends or carers. Therefore, it is proposed that 2 FTE new temporary Housing Officer posts are created, graded Level 7 for a maximum of 6 months to undertake this engagement and to gather information from households. The cost of the temporary posts can be met from existing staffing budgets within the Housing Revenue Account using payroll management savings.

4.4 It is proposed that the allocation of empty properties is suspended meantime at Riverside Place, Ayr, until a decision is taken by the Council on the long term future of the blocks.

4.5 As an alternative to refurbishing the existing flats, an alternative proposal would be to demolish the flats and provide alternative accommodation on the existing site. To undertake this feasibility design work to establish potential possible layouts, property provision and costs it is recommended that work is undertaken to help inform the consultation with existing residents. It is recommended that this work is procured under SWHub Strategic Support Services at an estimated cost of up to £75,000 funded from HRA using payroll management savings .

4.6 Following development of the proposed work stream and the process of engagement with tenants at Riverside Place, it is proposed that officers will return with a report to Council in June 2019 outlining options and proposals for consideration.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 Strategic Design Services will be procured through the South West Hub arrangements.

6. Financial Implications

6.1 Costs in relation to further feasibility work with SWHub to develop potential options can be contained within existing budgets in the Housing Revenue Account.

6.2 The cost of recruiting 2 Housing Officers at Grade Level 7 for a period up to 6 months will be £0.035m. This can be met from earmarking £0.035m from the 2018/19 in-year underspend in employee costs within the Housing Revenue Account.

6.3 Suspending allocations to the 12 vacant properties for a period of 6 months will result in a loss of rental income of £0.023m.

7. Human Resources Implications

7.1 To facilitate the work stream, it is proposed that 2 FTE new temporary Housing Officer posts, graded Level 7, are created for a period of up to 6 months to

undertake the required engagement with tenants and to gather information from households and filled in accordance with established recruitment procedures..

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 The risks associated with rejecting the recommendations are the Council would have insufficient information to allow an informed decision to be taken about the long term future of the blocks, which may impact on the reputation of the Council and may increase the financial burden on the Council.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to the Council strategic objectives:

- Effective Leadership that Promotes Fairness;
- Increase the profile and reputation of South Ayrshire and the Council; and
- Enhancing the environment through social, cultural and economic activities.

13. Results of Consultation

13.1 Officers attended a meeting with the River Ayr Tenants Association Committee on 14 November 2018, to inform residents that a report will be submitted to Panel for consideration on 27 November 2018.

13.2 Consultation has taken place with Councillor Philip Saxton, Portfolio Holder for Housing and Community Wellbeing, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

14.1 If the recommendations above are approved by Members, the Depute Chief Executive and Director – People and the Director – Place will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Further report to Council	27 June 2019	Director - Place

Background Papers

Report to Leadership Panel of 31 October 2017 – [Riverside High Flats, Ayr](#)

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