

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Infrastructure and Regeneration

Housing, Environment and Economic Development Committee: 7 May 2014

Subject: Silverton Flat Roofed Properties

1. Purpose

- 1.1** The purpose of the report is to provide Committee with a detailed update on the issues regarding the defective housing properties in Silverton following recent technical reports and costings received by Officers and to seek authority for the proposed future steps to address the ongoing issues. It also details proactive representation to the Scottish Parliament on behalf of all the tenants, residents and West Dunbartonshire Council.

2. Recommendations

2.1 It is recommended that:

- Committee supports an approach to the Housing Minister, to view the urgent and unforeseeable issues present in flat roofed properties in the Silverton area, as a circumstance which requires national intervention and financial support;
- that, subject to reaching agreement on suitable terms with owner occupiers, Committee approval is given to proceed with plans for demolition of two blocks of houses;
- Committee agree to the introduction of the support package for owner occupiers and tenants directly affected as described in Section 4.14 of this report;
- Committee notes that dependent on developments, a further report seeking appropriate solutions to the issues raised on this report, may be required in coming months.

3. Background

- 3.1** Ward Members will recall the previous briefing note entitled “Flat Roofed Properties Silverton Area, Dumbarton” dated 18 July 2013. In addition to this, a report was presented to the Housing, Environment and Economic Development Committee on 7 August 2013.

3.2 These reports provided Members with information including:

- the outcome of surveys carried out to date;
- the extent of urgent work required to be undertaken to Council owned properties; and
- details of affected owner/occupiers.

This report highlighted what support could be offered to owner/occupiers and tenants at that time as well as an intention to attempt to develop design solutions for Council and owner/occupied properties. We also highlighted a small number of properties where access was proving difficult for survey works.

3.3 The most affected properties are identified in the table below:

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|--------------------------------|--|---|
| 115 and 117 Dumbuie Avenue | Council owned | 2 mid-terrace properties within a block of 4 |
| 4 properties in Smollett Road | 2 x Council owned 2 x Privately owned | 4 terraced properties |
| 2 properties in Dumbuie Avenue | Privately owned | 2 end terrace properties within an block of 4 |
| 4 in a block Whyte Avenue | 4 Privately owned | A block of 4 cottage flats which the Council have a management responsibility for as 2 pay a factoring fee. |

3.4 At the August 2013 meeting of the Housing, Environment and Economic Development Committee it was agreed that:

- Grant Aid via the Scheme of Assistance would be available for up to 50% of the cost of the works to an upper limit of £20,000 (where owners qualify); and
- Consideration of repurchase of the property (where it is in the Council's interest to do so) at the original Right to Buy price.

*It is important to note that when this was agreed in August 2013, there was an understanding that the properties could and would be repaired. Since then, costs have been received via tendering for the works and as detailed in Section 4.5 below, these do not represent value for money and as such, demolition of the most affected properties require to be considered.

4. Main Issues

- 4.1** Following the August report, the Council commissioned Chartered Engineers and Architects to develop design solutions for 115 and 117 Dumbuie Avenue. These consultants had originally been engaged by the owner of 113 Dumbuie Avenue where the fault first came to light. This was to ensure consistency in design and approach with a potential opportunity to achieve economies of scale.
- 4.2** At that time it was thought that the owners of 113 and 119 Dumbuie Avenue would continue with their engagement with these companies and proceed with remedial repair solutions that were produced by them. However, this proved not to be the case. This left the Council to proceed alone with these companies for its own properties at 115 and 117 Dumbuie Avenue.
- 4.3** As the structural faults identified at 6 and 8 Smollett Road were similar to those at 115 and 117 Dumbuie Avenue and in order to meet the indicative timescales to complete remedial repairs, the same structural engineer and architect were engaged to design the remedial works for 115 and 117 Dumbuie Avenue were commissioned to provide a pitched roof design solution for 6 and 8 Smollett Road. To date no agreement has been reached with adjacent owners at 10 and 12 Smollett Road and officers so far remain unclear as to their intentions.
- 4.4** A competitive tender exercise was carried out to appoint a professional contractor to address the urgent remedial repair works required to the properties to 115 and 117 Dumbuie Avenue. The key objective was to appoint a competent contractor to implement the design solutions detailed in the specification, drawings and activity schedules within the designated budget (estimated £100K). This tender was carried out under the Emergency Section 7 – Matters of Urgency of WDC Standing Orders. WDC required a fully costed solution for the remedial repair works and tenderers were advised to note that 115 and 117 are mid-terraced properties within a block of 4 and that due care and attention shall be required when carrying out the works, ensuring the structural integrity of the privately owned adjoining properties are not compromised during work activity.
- 4.5** Following clarification of bids received, it was confirmed that the potential preferred bidder costs would be £145k i.e. 45% higher than the project cost plan and therefore could not be considered further without instruction from Committee.
- 4.6** Council officers are mindful of the fact that proposals for 115 and 117 include removing affected elements of the building, the roof and ground floor and carry out remedial repairs to the first floor slab. As this is major structural work, there is a possibility of further damage to the properties which may also affect owners at 113 and 119.

- 4.7** It should be noted that the owners of 113 and 119 Dumbuie Avenue have vacated their homes and are occupying private rented accommodation elsewhere in Dumbarton. However, the owners of 10 and 12 Smollett Road remain in residence and to date have not engaged with Council Officers. The Council tenants (115-117 Dumbuie Avenue and 6 and 8 Smollett Road) were decanted immediately the risks were known.
- 4.8** There are 90 flat roofed properties in the area and 38 remain in WDC ownership. To safeguard the interests of both tenants and owners (where the Council has an ongoing interest) a further firm of civil and structural engineers was engaged to survey the properties. Access has been denied to 6 owned properties.
- 4.9** It is clear that there are currently six properties (4 in Council ownership) for which repair costs are not viable and where demolition is recommended. In respect of 10 and 12 Smollett Road the Council was not responsible for undertaking the survey work. The owners have not engaged with the Council and we are not aware that they have undertaken any survey work on their own properties. As the recommendation in this report is to demolish the Council owned properties adjacent, the Council will need to engage with those owners.

What does this mean for the Council?

- 4.10** The options/solutions to this problem appear to fall into the following categories:
- demolition for the worst affected blocks we know of at present i.e. the blocks in Dumbuie Avenue and Smollett Road, described in section 3.3;
 - ongoing monitoring and remedial repairs where technically feasible for other tenanted properties in the estate; and
 - continue to offer support and assistance to owner/occupiers where the Council has a locus.
- 4.10.1** The costs of remedial repairs compared to the life expectancy of the properties means that repair is not viable for 113 - 119 Dumbuie Avenue and for 6 - 8 Smollett Road. Members should be aware that the Council is unaware of the condition of 10 - 12 Smollett Road and the intentions of those owners. As remedial repair costs excessively exceed initial estimates and therefore the budget, officers recommend that committee considers whether demolition and possible re-built represents the best option for all parties.

Consultation

- 4.11** The directly affected owners have been fully informed of developments. As this work is deemed to be both urgent and unforeseeable, the Council has made every effort to offer continuing advice and assistance.

Scottish Government Assistance

- 4.12** In recognition of the difficulties the Council and residents collectively face in dealing with the issues presented, a meeting has been arranged with the Housing Minister and relevant civil servants. In attendance will be Jackie Baillie MSP, the Housing Convenor, the Executive Director of Infrastructure and Regeneration, the Head of Housing and Community Safety and invited Silverton owners. A verbal report of the outcomes of that meeting will be presented to the Housing, Environment and Economic Development on 7 May 2014.

The purpose of the meeting is to:

- ensure the Minister is aware of the urgent and unforeseeable nature of the structural problems present in the flat roofed properties;
- ensure that the Minister is aware of the financial and social implications to both the Council and to owners; and
- request direct financial assistance to both owners and the Council to help address the situation.

Insurance

- 4.13** Tenanted properties (Council owned) hold buildings insurance with AIG. 'Right to Buy' properties are insured via a block insurance policy with OSCASO Insurance Company. Neither policy has an insurance risk for such structural failure. This is not unusual for Buildings insurance cover. It would therefore seem that neither the Council nor owner occupiers have any recourse to our Insurers in this case.

Support and Assistance to Owners and Tenants

- 4.14** It is proposed that the following support package would be made available to those directly affected by demolition proposals:-
- reasonable offers of re-housing to alternative Council rented properties;
 - Grant Aid via the Scheme of Assistance to 50% of the cost of demolition work to a maximum of £20,000. Owners would be liable for demolition costs. Members should be aware that WDC's contribution via the scheme may not cover the full cost of the work.
 - An important part of the representation to the Scottish Government is to seek additional Private Sector Housing Grant to the Council for this specific purpose;
 - Council Tax exemption is now in place for affected properties; and
 - Consideration of re-purchase of the property (where it is in the Councils' interest to do so) at the original Right to Buy price.

Legal Advice

- 4.15** Discussions have taken place with the Council's Legal Services Department regarding what statutory powers we may have with regards to the necessary demolition of tenanted and owner/occupied properties. Depending upon the future decisions of Committee, arrangements may ultimately require to be made for the issuing of closing orders and/or demolition orders or notices under the applicable legislation or where agreement cannot be reached, the promotion of Compulsory Purchase Orders.

5. People Implications

- 5.1** Significant staffing resources have been and will continue to be committed to this issue.

6. Financial Implications

- 6.1** Any demolition costs would be met from within the HRA Capital Programme, net of private owner contributions as will any ongoing monitoring of remaining structures by structural engineers. There may be financial implications for owner occupiers. Also as indicated in Section 4.14, any Grant Aid via the Scheme of Assistance may put pressure on the Private Sector Housing budget in 2014/15 and beyond. As survey and monitoring work proceed there will be more clarity as to the medium/long term investment requirements in Silverton. These will be reported via a future HRA Capital Programme report.

7. Risk Analysis

- 7.1** There is a risk that any lack of action by the Council could lead to other structural failures and danger to life or limb. Demolition in the worst affected blocks will lead to reputational risk due to the inevitable reaction by those who are directly affected by such a decision.

8. Equalities Impact Assessment (EIA)

- 8.1** As there may be equalities issues raised by the subject of this report an Equalities Impact Assessment is in the process of being carried out.

9. Consultation

- 9.1** Consultation has taken place with tenants and owner occupiers prior to this report being presented to Committee. Finance and Legal services have been consulted in the preparation of this report.

10. Strategic Assessment

- 10.1** This report reflects two of our strategic priorities. Our aim is to improve local housing and environmentally sustainable infrastructure and to improve the wellbeing of communities and protect the welfare of vulnerable people.

Richard Cairns

Executive Director of Infrastructure and Regeneration

Date: 10 April 2014

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| Appendices: | None |
| Background Papers: | 1. Report to Housing, Environment and Economic Development Committee, August 2013 2. EIA screening. |
| Wards Affected: | 3 |