
Report to: Clackmannanshire Council

Date: 10 December 2020

**Subject: Alva South – Weir Multicon Non Traditional House Upgrade -
Update Report**

Report by: Strategic Director (Place)

1.0 Purpose

- 1.1. This report follows on from a report in August 2019, where it was agreed to pursue a pilot scheme, involving a revised scheme of works towards the application of an external render system on two properties (subject to Building Control approval). It was agreed that Council would consider a further report, on completion of any pilot, prior to approving the upgrade of the remaining 15 properties. This report provides that update.
- 1.2. This report also provides an update on progress and support for sharing private owners.

2.0 Recommendations

It is recommended that Council agree:

- 2.1 To utilise the £750,000 agreed within the Housing Capital Programme, to undertake the upgrading of the remaining 15 council owned Weir Multicon properties within the estate.
- 2.2 To increase this capital budget by a further £100k, due to potential rises in construction costs caused by Brexit and Covid 19 implications.
- 2.3 To note the remainder of the report, including the potential for grant funding towards the HRA costs (4.17) and grant plus loan funding package for owners (5.3).

3.0 Background

- 3.1. In August 2019, the council agreed to undertake the upgrade of two of the 17 council owned properties, to ascertain if works could be successfully undertaken with findings and final costs to be evaluated prior to deciding to progress with the remaining 15 homes.

3.2. The August 2019 report included significant detailed background information and the challenges in meeting current and future Energy Efficiency Standards for Social Housing (EESH), this has not been repeated in this update.

4.0 Pilot Findings

4.1. The two pilot houses were instructed and have been successfully completed on the 30 of September 2020, by the appointed contractor Everwarm.

4.2. There were delays in completing the work package due to covid19 restrictions from March to 31 of July 2020.

4.3. As part of the agreed pilot, a mid-terraced and an end terraced property were upgraded to fully review the feasibility and conditions of the unknown timber structures. These included tenancies at 52 & 56 Caroline Crescent Alva.

4.4. Following Building Warrants approval, the scope of works developed was as follows:

- Removal of existing metal cladding external facade
- Removal of asbestos soffits and verges and renewal with UPVC
- Full repairs undertaken to the existing timber frame to make good
- Sheeting out of the entire wall area with osb board
- Full replacement of windows and doors as per the councils Secure by Design specification
- Fitting of the Wetherby Epsitec External Thermal Wall Insulation system
- Complete Re-Roofing including soffit and fascia and downpipe upgrade
- Fitting of Panel 2.7kW PV System, including 2.9kW battery storage

4.5. The work was fully undertaken successfully and completed with minimum disturbance for our tenants and sharing adjoining properties.

4.6. The total works to the pilot houses at 52 and 56 Caroline Crescent, cost a total of £83,932. This works out as a total unit cost being on average £41,966 per house.

4.7. This cost included additional contract variations, required for work within the actual timber structural of both properties. This equated on average £2,148 per house.

4.8. There was considerable concern, owing to the age of the properties of the timber frame condition and additional costs. However, the pilot homes, have suggested that, the condition is reasonable and the additional costs per unit were not excessive and could be absorbed within the overall agreed project budget.

- 4.9. Should the members agree with completing works to the remaining 15 properties, each house will continue to be monitored, for the condition of each timber structure. This is still a project risk, however if the timber condition is similar to the pilot homes then additional costs, should be absorbed within the existing agreed budget. However, officers are concerned with potential increase in costs due to covid and Brexit as detailed in the finance section of the report.
- 4.10. The Energy Performance rating (EPC) rating for each property has been assessed on completion of the two houses and the results were found to be very positive. Ratings for each home were as follows:
- Property at 46 Caroline Crescent Alva (Mid Terrace) – This had an Energy Performance SAP Rating (EPC) rating of D63 and following the completion of the upgrades this is now scoring B83.
 - Similarly with 52 Caroline Crescent (End Terrace) – This previously scored an EPC rating of D58 and following the completion of the work this now has an EPC SAP result of B82.
 - This is a clear and significant move from band D to band B for each property. This will bring the homes, in line with the current EEESH standards and the expected revision EEESH 2 standards expected to be implemented by April 2025 requiring a minimum of a B (EPC) Rating.
- 4.11. Energy savings for our tenants have been estimated at up to £600 per year, for each household (*ceteris paribus*). A fully post occupancy assessment has been commissioned with the Energy Saving Trust to further examine the impact of the work in each home.
- 4.12. Crucially, no decanting of existing tenants was required and this was significant, as it reduces the need for decant costs (and impact on voids) and made the work easier to be completed with minimum inconvenience for our tenants. Previously tenants reported that they were reluctant to participate in any upgrade work, if it involved a temporary decant situation.
- 4.13. The costs for sharing owners will still be substantial however Everwarm are keen to engage with adjoining owners and explore costs and grant funding packages along with the Councils Home Energy Team.
- 4.14. The marketplace is changing all the time in terms of treatment to non-traditional houses, however we have demonstrated that the external system is possible with Building Standards and BBA approvals. This has added value to the assets and safeguarded them for a further 30 years.
- 4.15. We have been patient and careful ensuring that this work can be carefully scoped out minimising risk for the council and working with our customers. We are now in a position to progress this further.
- 4.16. Following completion of the structural investigations and completion of the Pilot Houses, the council have demonstrated that these properties can be upgraded to meet modern standards and in turn, sustained and increased the overall value of the Assets.

- 4.17. The council are in the process of submitting a Grant Application to the Scottish Government for Decarbonisation Grant funding. If this is successful, it will bring in funding in the region of £277k towards this project and may offset some of the additional costs for the identified project risks. The outcome of this will be known in mid-December 2020. It should be noted that officers are recommending completing these works, regardless of the grant funding application.

5.0 Private Owners

- 5.1. Everwarm see this as an opportunity to engage with sharing Private Owners within Alva South in the adjoining properties.
- 5.2. The Council energy team are assisting with these discussions, individually with each owner as to how they might wish to progress. As contractually, each owner will need to enter into a contract with either Everwarm and or another suitably qualified contractor.
- 5.3. To assist owners, Clackmannanshire Council have been awarded £118,000 additional funding to help owner occupiers tackle Energy Inefficiency and fuel poverty. The grant funding will cover the provision of external wall insulation and associated works. The Home Energy Advice Team is consulting with sharing owner occupiers, to identify those who wish to participate in the scheme. It should be noted that in addition to the grant funding available to the owners (Up to £7,500 per property), Scottish Government Interest free Loans for other associated works will also be available through Home Energy Scotland (HES)¹.
- 5.4. The Councils energy team and HES can assist owners apply for a range of funding with varying cashback amounts (subject to application and award) and can provide interest free loans payable up to and including 12 years. This can include replacement heating systems, renewable energy and storage and energy efficiency measures. The Scottish Government announced that this scheme with additional funding will be publicly launched during December 2020, on a first come first served basis. This new funding scheme will be timely for those individual discussions with owners to take forward works to their home which will deliver energy savings and perhaps protect and/or appreciate the value of their homes (*ceteris paribus*).
- 5.5. Owners may of course opt to pursue a lesser scope of works, perhaps such as wall cladding upgrade only and this is also feasible. Again this can be discussed with the councils Home Energy Team and their appointed contractor.
- 5.6. It should be noted that to take forward the investment in the Council HRA stock, is not dependent on owner engagement and participation and their non engagement will not affect the HRA investment.

¹ The Scheme details will be announced here <https://www.homeenergyscotland.org/find-funding-grants-and-loans/interest-free-loans/overview/>

6.0 Resource Implications

- 6.1. Financial Details – Unit cost identified as £41,966.10 per property following the pilot upgrades. A total of 15 properties remain to be completed with an anticipated further projected spend of £629,491.50 based on the current rates. This will deliver the upgrades within the agreed HRA Project Budget leaving a contingency of £78,544.
- 6.2. As highlighted earlier, due to covid19 and potential Brexit impact affecting construction projects, it is our duty to highlight that construction projects such as this have been impacted, with increases in costs expected between 30-40% across Scotland.
- 6.3. Following initial informal discussions with the contractor, there will be a risk for increases in terms of material supply through Brexit changes affecting transportation and Labour costs. Wetherby wall systems are manufactured in England but do include mortars and chemicals imported from Germany. In terms of Covid19, we envisage that this may potentially affect contract prelims and as stated, would recommend adding £100,000 contingency to the agreed HRA Project Budget to off set this potential risk.
- 6.4. This project can be procured with a potential Direct Award identified through the Scottish Procurement Framework - Energy Efficiency, General Refurbishment & Consultancy (N7)
- 6.5. HRA Capital Funding was agreed in February 2020 - £750,000.
- 6.6. Finance have been consulted and have agreed the financial implications as set out in the report. Yes
- 6.7. *Staffing*
- 6.8. Project is to continue being Project Managed by the Housing Investment Team, with support for the Owner Occupiers being provided by the council Corporate Energy Team.

7.0 Exempt Reports

- 7.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please click on the check box)
Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all
Our families, children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

9.0 Equalities Impact

9.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes

No

10.0 Legality

10.1. It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

11.0 Appendices

11.1. Please list any appendices attached to this report. If there are no appendices, please state "none".

12.0 Background Papers

12.1. Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered).

Yes

No

Weir Multicon Non Traditional House Upgrade - Caroline Crescent, Alva, Council Report, August 2019

(please list the documents below)

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Owen Munro	Team Leader - Planned Works and Compliance	5172
Gavin Wright	Project Coordinator - HRA	5171
Murray Sharp	Senior Manager (Housing)	5113

Approved by

NAME	DESIGNATION	SIGNATURE
Pete Leonard	Strategic Director (Place)	

