

Finance and Resources Committee

10.00am, Thursday 9 June 2016

Inch House Community Centre

Item number	7.12
Report number	
Executive/routine	
Wards	Liberton/Gilmerton

Executive summary

This report summarises the history and deterioration in the condition of Inch House Community Centre and sets out the results of series of surveys regarding its condition. It proposes that the Council explores opportunities for a restorative purchaser to acquire the building, and notes the requirement for a further report on the way forward.

Links

Coalition pledges	P30
Council outcomes	C025
Single Outcome Agreement	SO4

Inch House Community Centre

Recommendations

- 1.1 It is recommended that Committee:
 - 1.1.1 Notes that Inch House Community Centre is now in a position where major expenditure will be required if the building is to be made fit for purpose for future use; and
 - 1.1.2 Requests a further report once opportunities for the potential of a restorative purchaser, and grant funding availability, have been explored.

Background

- 2.1 Inch House is an historic “A” Listed building, which sits on land that belonged to the Abbey of Holy rood from 1450. The estate was sold to Edinburgh Corporation in 1946, with public housing to be built on the hill to the south of the house.
- 2.2 Inch House was initially used by Edinburgh Corporation as a primary school for the new housing scheme nearby. Since 1986 it has been Inch Community Centre. However parts of the building have been vacant for several years. The current footfall through the centre advised by the Management Committee is 20,000 visits per annum.
- 2.3 A range of building inspections by specialists were undertaken in 2015 to determine the indicative cost of addressing the various issues with the building. The structure, fabric and mechanical and electrical services within the building are now at the stage where major investment will be required if the building is to be made fit for purpose for future use.
- 2.4 Works to address immediate health and safety issues have recently been undertaken and scaffolding erected to provide protection for the front of the building, following a stone fall incident in autumn 2015.

Main report

Deterioration in condition

- 3.1 The surveys have revealed that the building has deteriorated to the extent that in excess of £1m will be required to make the building fit for purpose in the long

term. Parts of the building have been closed off and/or abandoned over the years due to either reduced need or condition problems.

3.2 A survey undertaken in June 2015, by National Height Specialists (a specialist firm of steeplejacks), identified a range of defects with the roof. The issues identified include:

- Loose/broken stonework;
- Erosion of mortar/pointing;
- Defective mortar skews;
- Loose/broken/defective copestones;
- Loose/missing/defective roof slates;
- Deteriorating paintwork to timbers and downpipes;
- Broken window panes;
- Defective putty sealants;
- Broken fixings to downpipes;
- Severely corroded roof vents;
- Loose ornamental stone;
- External timber staircase rotting and no longer fit for purpose; and
- Blocked downpipes.

3.3 A structural condition report prepared by consultants Will Rudd Davidson, in November 2015, identified that:

- The main areas of structural concern are the uppermost rooms, where there are indications of possible water-related defects in the roof structure, and vertical cracks running the height of the exterior of the building;
- The majority of defects appear to be connected to the ingress of moisture to the building;
- The “unused” rooms on the first floor, north-east of the building are neglected and showing signs of deterioration, probably due to the presence of moisture;
- Cracking to the ceiling of the safe room and mezzanine floor have disrupted plasterwork; and
- Water ingress to the switch room on the ground floor should be addressed in order to minimise electrical hazards from accumulated water and to preserve the building fabric.

3.4 A timber survey undertaken by Richardson & Starling, in November 2015, identified:

- Defective and blocked gutters and downpipes, defective render and decayed stonework causing moisture ingress and penetration to the internal wall fabric, evident throughout the building with severe water penetration in some rooms;

- A widespread infestation by the common furniture beetle in the roof rafters and joists with structurally weakened rafters;
- A heavy woodborer infestation on the first and second floors;
- An outbreak of the true dry rot fungus in the floor timbers, door frames and skirting on the ground floor;
- Poor condition floating timber floors requiring some renewal.

3.5 As part of a five year cycle of inspections, surveyors from the Council's Strategic Asset Management Team also provided a condition report using a standard "Core Facts" format applied to operational buildings of the Council. Under this methodology, the condition of a building is assessed within the range of A – D as follows:

- A – Performing well and operating efficiently. No major expenditure anticipated for the next 1 – 5 years;
- B – Performing adequately but showing signs of deterioration. Some expenditure required within the next 2 – 5 years;
- C – Showing major defects and/or not operating adequately. Major expenditure required within year 1 – 2; and
- D – Life expired and/or serious risk of imminent failure. Major expenditure required within year 1 or may require immediate action.

3.6 Inch House was assessed as 'C' - Showing major defects and/or not operating adequately. Major expenditure required within year 1 – 2.

3.7 The main issues associated with the fabric of the building were:

- Substantial roofing and high level stonework repairs were required in addition to the recent "make safe" works;
- Window improvements are required (using existing frames where possible to preserve the character of the building);
- Internal repairs are required to those parts of the building most recently occupied; and
- Overhaul necessary for the portion of the building which has been vacant and deteriorated over several years.

3.8 The inspection of the Mechanical and Electrical installations within the building revealed:

- There is no gas supply to the building and the electric heating system is beyond its expected operating life, with many units not operational and beyond economic repair, having to be augmented by temporary fan assisted heaters;

- The majority of the water supply pipework requires replacement and the water shut off valve is in a hazardous location. The hot water is supplied by individual hot water heaters and should be replaced alongside the heating system. The drainage system pipework is also beyond its natural life expectancy;
- The electrical distribution system would benefit from upgrade including replacement of the main switch gear, distribution boards and the installation of additional sockets in the practice rooms;
- The building does not meet modern standards with the absence of a lift for accessing upper floors, mechanical ventilation to improve environmental conditions or a sprinkler system.

Next steps

3.9 Recent survey information has revealed that the building is at a stage in its lifecycle where it needs significant investment to sustain its continued future occupation. In the short term, temporary works have been carried out to the roof to remove loose masonry. This, together with the installation of protective fencing and scaffolding along the front elevation providing a crash deck to provide a safeguard in the event of further masonry falls, means that the building can continue to be used. However, in the event of further deterioration that results in additional health and safety issues, the building may have to close at short notice.

3.10 Options for the future of the building have been considered as follows:-

Option 1 – Implement the works

At present, there is no allocated budget within the capital investment programme or asset management works to implement this option. As the building is listed - Grade A, Historic Environment Scotland (HES) has raised concerns over the condition and, in particular, the roof which could not be considered wind and water tight.

Option 2 – Seek restoring organisation/purchaser

This option would be to seek a restoring organisation that would invest in the property for their own use, and accommodate continued and future community use. This proposal would require the Council to grant a long lease of the property at a peppercorn rent. This would involve preparing a package of due diligence on the property and inviting organisations to submit proposals. This would be done in partnership with the Community Centre Management Committee and in tandem with exploring what grant funding would be available from organisations such as HES.

Option 3 – Close the centre and sell off the asset

Given that there is still an operational community centre that has been in occupation since 1986, and the Council's wider statutory obligations for a listed building, this option is not considered appropriate.

- 3.11 It is accordingly proposed to now engage with potential restoring organisations to understand the appetite for this type of proposal and assess whether this is a viable option. The proposal and outcome of this viability exercise would be discussed with the management committee in tandem with investigating what grants may be available. Once this work is complete a further update report will be submitted to committee.

Measures of success

- 4.1 The outcome addresses the current and expected future needs of the local community.
- 4.2 The outcome demonstrates value for money on a whole-life basis in addressing needs of the local community; and
- 4.3 The heritage building of Inch House remains available for appropriate use in the future.

Financial impact

- 5.1 A series of surveys has identified the need to spend £1.1m on upgrading the condition of Inch House to keep the building operational. A breakdown of the costs is indicated at Appendix 1. In addition, any future development of the building into a sustainable long term use may want to consider additional works to address the building's suitability, set out in Appendix 2, amounting to a further £700,000.
- 5.2 It should be noted that in retaining the building, the upgrade would need to address the full building fabric and external envelop to make the building wind and watertight and provide it with functional systems, rather than trying to tackle individual parts of the building.
- 5.3 There is no funding to address these costs. Previous committee reports on the allocation of capital funding for upgrading the Communities and Families estate, and the Transformation Programme's Asset Management Strategy have highlighted the lack of sufficient funding to address backlog maintenance. The approved five year programme of upgrade for the Communities and Families

estate is already fully committed and is only sufficient to address half of the work identified across the estate, with significant unfunded budget pressures.

Risk, policy, compliance and governance impact

- 6.1 While current health and safety risks with the external fabric of the building have been temporarily mitigated with the installation of scaffolding to provide a protective decking, this position cannot be sustained indefinitely and the building is expected to be subject to further deterioration, particularly in the winter.
- 6.2 There is a considerable ongoing financial risk for the Council in that this building brings significant unbudgeted pressure to limited resources needed to keep other elements of the Council's estate in operational condition.

Equalities impact

- 7.1 The future management of the building by a restorative owner would have a positive effect on equalities at this heritage building, by preserving the environmental benefits, addressing social needs and demonstrating the most economic use of limited public financial resources.

Sustainability impact

- 8.1 The life expectancy of the building would be extended by substantial capital investment by a restorative user prepared to permit continued use as a community facility. However the age and configuration of the building means it is unlikely to be able to fully meet modern day standards expected of public buildings.

Consultation and engagement

- 9.1 Officers met with members of the Inch House Management Committee on Thursday 24 March 2016 to explain the results of the surveys and to give an indication of officers' recommendations going forward.

Background reading/external references

None.

Hugh Dunn

Acting Executive Director of Resources

Contact: Lindsay Glasgow, Asset Strategy Manager

E-mail: Lindsay.glasgow@edinburgh.gov.uk | Tel: 0131 469 3312

Links

Coalition pledges	P30 – Continue to maintain a sound financial position including long-term financial planning.
Council outcomes	CO25 – The Council has efficient and effective services that deliver on objectives.
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	Appendix 1 Condition works required at Inch House Appendix 2 Suitability Recommendations

APPENDIX 1: CONDITION WORKS REQUIRED AT INCH HOUSE

Work required	Approximate cost
B&CE Repairs externally:	
Roofing & high level stonework repairs evidenced by recent rope access survey (inclusive of replacement lightning protection).	£210,000
Window improvements utilising existing frame where possible.	£150,000
Improvements to underground drainage system.	£5,000
Dry rot and beetle infestation	£52,000
External repairs	£5,500
B&CE Repairs internally:	
Internal repairs	£149,800
Replace entire heating system with comparable electric warm air system.	£300,000
Asbestos removal	£2,000
Repairs to area occupied by "Teens Plus"	£24,000
Vacant accommodation	£200,000
Total estimate (Capital Works)	£1,098,300

APPENDIX 2: SUITABILITY RECOMMENDATIONS TO SUSTAIN LONG TERM USE OF INCH HOUSE

The costs below are indicative of the likely additional revenue and capital sums required to upgrade the building over the next five years. The costs do not include for any upgrading such as insulation (to address significant heat losses) of the building fabric, improvements to layouts etc.

Work required (over 5 year period to 2021)	Approximate cost
Overhaul any blocked or restricted RWO's, install wire guards, and clear all gutters (annual regime).	£4,000
Decor (circa 6000m ² of walls and ceilings (@£35/m ²) should be split into zones and completed as an annual improvement). Hygiene paint to dining, food prep, and ablutions areas is mandatory.	£210,000
Maintenance of access road including line markings. (to be determined by survey)	£2,000
Maintenance of external pathways. (to be determined by survey)	£1,000
Works to outbuildings such as garages (to be determined by survey)	£3,000
Works to repair external walling/fencing (accurate costing to be determined by survey)	£4,000
Fire improvements including upgrading doors, signage etc.	£2,000
Total Revenue works	£226,000

Work required	Approximate cost	Priority (P1-P10)	Year
B&CE Repairs internally:			
Toilets refurbishments	£20,000	P8	2019/20
Plaster repairs prior to redecoration works	£22,000	P5	2017/18

As this is a community facility works may need to extend to fuller compliance with equalities act. Alarms, colour cont. etc. This is a suitability issue rather than repair.	£10,000	P5	2017/18
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Kitchen refurbishments. Any kitchen preparing food for public should meet all "Food Safety Act" criteria.	£12,000	P8	2017/18
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B&CE Repairs externally:

Improvements rather than repairs to underground drainage system.	£30,000	P5	2017/18
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Equalities act to construct Tech Standards compliant ramps at access/egress points to facilitate at least ground floor access. (3@ £5k per ramp). This is a suitability issue rather than repair.	£15,000	P5	2017/18
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M&E repairs:

Install ventilation system (If building is to undergo major refurbishment). This may be necessary with introduction of window restrictors to facilitate adequate ventilation and control vapour levels.	£200,000	P10	2017/18
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Remove existing and replace hot water system	£10,000	P5	2017/18
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Remove and replace all cold, hot and drainage pipework	£150,000	P5	2017/18
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Standardise light fittings in all public and practice rooms	£11,000	P5	2017/18
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Currently inadequate external street lighting for pedestrian access (design improvement affecting suitability rather than condition).	£20,000	P8	
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Underground drainage is original cast iron and will have inevitably become constricted and inefficient up as a result of corrosion. This is another aspect of the property that would require an investigative survey to quantify repair and maintenance needs over the next 5 years and beyond.

Total estimate (Capital works)	500,000		
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