

Finance and Resources Committee

10.00am, Thursday, 3 March 2022

Citywide High Rise – Full Building Condition Surveys 2022-2023

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 Approves a direct award to Faithful and Gould, the rank one supplier under Lot 11 (Multi-Disciplinary Lot) of the Council's Professional Services Framework to undertake full building condition and structural surveys across 36 multi-story blocks;
 - 1.1.2 Notes the contract commencement would be 4 April 2022 for a period of 18 months with the option to extend if required at a total value of £1,882,207; and
 - 1.1.3 Notes that as outlined in the Council's Contract Standing Orders, there is a requirement for Finances and Resources Committee to approve any service contract over £1,000,000. As the value of this service order is £1,882,207, authority to award is being sought.

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Citywide High Rise – Full Building Condition Surveys 2022-2023

2. Executive Summary

- 2.1 This report seeks approval to approve a direct award to Faithful and Gould, the rank one supplier under Lot 11 (Multi-Disciplinary Lot) of the Council's new Professional Services Framework to undertake full building condition and structural surveys across 36 multi-story blocks. The commission will commence on 3 April 2022 for a period of 18 months with the option to extend if required, to a total value of £1,882,207.

3. Background

- 3.1 The Council currently has 44 multi-storey sites within the wider housing estate (some of these sites contain more than one multi-storey block). Any housing block with accommodation over 18 meters from ground level is considered high rise by the Scottish Government. These 44 multi-storey sites contain a range of different construction types constructed between 1952 and 1976. Many of these construction types are complex and require detailed investigation and surveys to assess the condition of the structure. These need to be carried out by structural engineers with extensive specific experience of these construction types.
- 3.2 Many of these multi-storey blocks were specialised and innovative construction methods at the time of build and now present a range of technical and financial challenges to both maintain and improve them.
- 3.3 The Council has an operational estate of approximately 20,000 homes, with 3,000 sitting within a multi-storey setting. This represents around 15% of Council homes. 97% of homes in multi-storey blocks sit within a full Council or majority ownership tenure.
- 3.4 To date, eight multi-storey blocks have had full structural and condition surveys completed and will not be included in the overall scope of this commission. These blocks include the following:

- 3.4.1 May and Gunnet Court – works on site for full upgrade and refurbishment;
 - 3.4.2 Craigmillar and Peffermill Court – commission for full upgrade currently underway; and
 - 3.4.3 Citadel and Persevere Court, Saunders Street and Westfield Court – structural and condition surveys complete.
- 3.5 One of the key drivers behind this commission is to ensure that all the Council's multi-storey blocks have been fully assessed in terms of structure, mechanical and electrical services and fabric condition. This will help to ensure that the correct long-term investment decisions are applied to each block in terms of meeting statutory compliance linked to the Energy Efficiency Standard for Social Housing (EESH) and to align with the Council's wider ambitions to be net zero carbon by 2030.

4. Main report

- 4.1 The Council is seeking to offer a direct award to the rank one supplier under Lot 11 - Multi-Discipline Design Team Services to carry out a full assessment and appraisal of 36 high-rise residential blocks to fully determine their condition in relation to structure, fabric, mechanical and electrical services.
- 4.2 The Finance and Resources Committee approved a new Professional Services Framework on [29 October 2020](#). Lot 11 - Multi-Discipline Design Team Services was deemed the most appropriate Lot to undertake this commission due to the complexity and scope of the commission and the range of suitably experienced contractors and sub-contractors able to undertake core elements of this commission. Some of these organisations already hold good levels of information and understanding of these buildings through other surveys.
- 4.3 This includes provision for structural engineering services, mechanical and electrical engineering services, architectural services, quantity and building surveying services and project management services. All of which can be brought together under one project team led by the rank one supplier.
- 4.4 The rank one supplier under Lot 11 (Multi-Disciplinary Framework is Faithfull and Gould(with sub-consultants Will Rudd Davidson and Rybka along with other appointed sub-consultants) will (in conjunction with the Council) be responsible for advising on the scope and extent of the work necessary to accurately determine the current condition of the blocks, identifying defects and assessing their ability to perform satisfactorily throughout their anticipated lifespan.

- 4.5 The full scope of works will include the following:
- 4.5.1 Desktop review of all current information held by Housing Services;
 - 4.5.2 Full visual survey of all external elements, including provision of high-level access equipment as required to enable surveys;
 - 4.5.3 Localised intrusive surveys to a target void property per block to assess structural condition, testing and analysis of materials to assess structural condition;
 - 4.5.4 Physical examination of mechanical and electrical plant and equipment (i.e. lifts, heating plant, internal services);
 - 4.5.5 Appointing specialist sub-consultants to support the wider project team, this will include laser scanning of external elevations to assist provision of detailed drawings;
 - 4.5.6 Co-ordinating and managing access plant for reaching higher elevations and the structural analysis as detailed above;
 - 4.5.7 Liaising and communicating with residents; and
 - 4.5.8 Project and financial management and preparing detailed reports that will highlight the findings of the investigations, offer solutions and provide capital expenditure, whole life and long-term investment and maintenance costings.
- 4.6 The rank one supplier and sub-consultants have both extensive and suitable experience and the resource necessary to undertake this complex commission. Faithfull and Gould have sub consultants Will Rudd Davidson have undertaken a similar exercise at Westfield Court within the past 24 months. Which was delivered to a high quality, on time and within budget.
- 4.7 Will Rudd Davidson, as key sub-consultants, will be undertaking the core structural engineering function under this commission. They have worked extensively throughout the city and have a very good understanding of the Council's multi-storey blocks due to previous structural engineering commissions. This knowledge of the Council's multi-storey blocks and the complexities and challenges they pose has greatly reduced both time and costs to this commission. If the Council was required to work with a structural engineering firm with no knowledge of the Council's multi-storey estate and the complex construction types and associated risks these challenging construction types present, significant up front engagement between the Council and contractor to bring them up to speed would be required.
- 4.8 As such this route to market was deemed the most suitable and appropriate to undertake this commission.
- 4.9 The commission does not include testing of External Wall Insulation systems (EWI), as this is covered by an ongoing commission of Fire Risk Assessments

and inspection of localised High-Pressure Laminates on blocks throughout the city. Previous inspections over the past three years have confirmed the materials contained within the EWI systems installed to the high-rise stock are non-combustible mineral wool insulation.

- 4.10 Another key aspect of this commission will be an assessment of the ability of each multi-storey block to be adapted structurally to accommodate the necessary energy efficiency upgrade and fabric measures required to meet the EESSH2 standard. These findings will also tie in with the current whole house retrofit Design Principles commission, which is currently underway.
- 4.11 Commercial and Procurement Services have advised that the Professional Services Framework call off methodology permits a direct award to the first ranked organisation on the Framework namely, Faithful and Gould. Therefore, this call off complies with the Framework Call Off Methodology.

5. Next Steps

- 5.1 Subject to this Committee's approval, the award of the contract will be completed. This will be via direct award to the number one ranked supplier on the Professional Services Framework, Lot 11 - Multi-Discipline Design Team Services – Faithfull and Gould.
- 5.2 The contract will commence on 4 April 2022 for a period of 18 months, with the option to extend for a further three months if required, up to a maximum value of £1,882,207.
- 5.3 Funding will be from the Council's Housing Revenue Account (HRA) capital budget and has been incorporated into the HRA capital budget.
- 5.4 To ensure the Council is able to maximise the financial and non-financial benefits of the framework, including the delivery of community benefits, a contract management plan is being put in place which will robustly manage the contract and ensure the desired outcomes are achieved.

6. Financial impact

- 6.1 The total value of the commission that is proposed to be procured through the Professional Services Framework via direct award to the rank one supplier under Lot 11 - Multi-Discipline Design Team Services will be £1,882,207. This will be funded through the HRA capital budget.
- 6.2 This report sets out HRA capital expenditure of £1,882,207. The loan charges associated with this over a 30-year period would be a principal amount of £1,882,207 and interest of £1,335,000 resulting in a total cost of £3,217,000 based on an assumed loans fund interest rate of 4.38%. This represents an

annual cost of £107,000 to be met from the HRA loans charge budget. Borrowing will be carried out in accordance with the Council's Treasury Management Strategy.

7. Stakeholder/Community Impact

- 7.1 There are no equalities or sustainability impacts directly arising as a result of this report.
- 7.2 Engagement with tenants in these blocks will be required to inform them of the commission and its purpose. There will be access requests (to facilitate internal inspections) where this cannot be done using voids only. There will also be access requirements for heavy plant vehicles to allow detailed survey of external elevations. The appropriate traffic management processes will be followed to ensure residents are provided with enough notice.
- 7.3 The outputs of the commission will ultimately have a positive impact on tenants lives as the structural and condition survey findings will help to inform long term investment decisions for these multi-storey blocks. Where long term investment is practical from a structural perspective, thermal fabric improvements to improve tenant comfort, health and energy affordability along with wider building repairs/improvements can start to be planned as part of the HRA capital investment programme.
- 7.4 The Professional Services Framework operates a points system in relation to Community Benefits. The value of points this commission will generate is 100 points. Following approval to award this Contract, Faithful and Gould will be required to identify appropriate community benefits to the value of the points generated.

8. Background reading/external references

- 8.1 On the [29 October 2020](#), Finance and Resources Committee approved the award of contract for Professional Services Framework.
- 8.2 On the [3 June 2021](#), Housing, Homelessness and Fair Work Committee approved the updated 2021/22 Housing Revenue Account (HRA) capital programme.
- 8.3 On the [3 June 2021](#), the Housing, Homelessness and Fair Work Committee received an update on the Council's Housing Sustainability approach.
- 8.4 On the [20 January 2022](#), the Housing, Homelessness and Fair Work Committee received the Housing Revenue Account (HRA) Budget Strategy (2022-32).

9. Appendices

9.1 None.