

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward.

**REPORT OF THE EXECUTIVE
DIRECTOR OF PLACE.**

BARNSELY HOME STANDARD – ELEMENTAL HEATING REPLACEMENT PROGRAMME 2

1. PURPOSE OF REPORT

- 1.1 To seek approval for a programme of up to 300 elemental gas boiler and heating replacements in Council homes.

2. RECOMMENDATIONS **It is recommended that:**

- 2.1 **Cabinet approves the programme of new gas boiler and heating installations in Council homes replacing old, inefficient and worn out systems.**
- 2.2 **That Cabinet authorises Berneslai Homes to appoint a suitable contractor for the works in consultation with the Executive Director of Place and following a procurement exercise and containment of cost within the approved sum.**

3. INTRODUCTION

- 3.1 Cabinet approved the Housing Capital Investment Programme 2018-2023 at its meeting of the 10th January 2018. The 2018-2019 Barnsley Homes Standard programme forms a part of this and works are progressing well with over 1300 properties receiving improvement works including heating replacements where required.
- 3.1 However the Council Housing stock has 9500 gas central heating boilers (out of 16,532 installations) which are more than 10 years old. This quite high figure is because the Decent Homes Standard replacement programme was at its peak in the 2004 to 2008 period and many thousands of central heating systems were installed at that time. The Council spends £1.9m per annum on gas heating breakdown repairs and this is the largest single element of the responsive repairs and maintenance budget.
- 3.2 Most heating replacements are carried out as part of the whole house annual home standard works, programme. This year's programme covers 1300 properties and they will have central heating replacements where needed. However because of the number of older heating systems in the stock in the last few years this has been supplemented with elemental heating programmes. Similar programmes are likely to be brought forward for consideration in future years.

4. PROPOSAL AND JUSTIFICATION

- 4.1 This scheme proposes a programme of 300 new gas combination boilers and distribution systems were required. They will replace in the main old gas back boilers but will also tackle some old combination boilers. Typically installations will be at or near the home standard failure date of 16 years for a boiler and 40 years for a distribution system. The installations will be spread across the borough and criteria for selection will be worst first.
- 4.2 Older gas central heating boilers and central heating systems break down more often than new boilers 87% of breakdown call outs are to boilers over 5 years old and 61% are to boilers over 10 years old. The effect of new installations will therefore be less call outs heating breakdown and a corresponding reduced pressure on the gas heating breakdown repairs budget.
- 4.3 Older gas boilers are also less efficient at around 78% efficient compared with a modern combination boiler at 91% efficiency. Changing from one to the other on a semi-detached property will save the tenant £105 per annum (source: Sedbuk). This will help to reduce fuel poverty in the Borough. More efficient boilers also emit less CO2 because they burn less gas contributing to local and national emission targets. It is estimated that the saving will be 4.3 tonnes of CO2 per annum across the 300 installations.
- 4.3 The programme will contribute towards maintaining the Council Decent Home Standard Target of 4%. Heating Systems are one of the main components within the standard.
- 4.4 The Council's PRIP partners (Construction Services and Kier) cannot deliver the programme from within the directly employed labour force. The installation of works will therefore be competitively tendered (by NPS) with direct purchase of materials from a regional framework. This methodology has delivered very successfully on previous tendered elemental schemes and proved excellent value for money.

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 The work could be carried out as part of the home standard programme in future years, however this will not achieve the context and rationale for carrying out the project in this financial year or the benefits it will bring to tenants.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 Those benefiting from the installations will receive new heating systems and a reduction in heating costs estimated at £105 per annum.

7. FINANCIAL IMPLICATIONS

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer)

7.2 The total estimated cost of the project is £850,000 inclusive of fees and the works can be funded from and contained within the Barnsley Homes Standard unallocated budget.

7.3 The financial implications are summarized in the attached Appendix A.

8. EMPLOYEE IMPLICATIONS

8.1 There are no employee implications arising from this report

9. LEGAL IMPLICATIONS

9.1 There are direct legal implications for the Council arising from this work. The work will be undertaken following the signing of a standard form of building contract endorsed by the Borough Secretary.

10. CUSTOMER AND DIGITAL IMPLICATIONS

10.1 Customers receiving installation will benefit from digital programmable timers and multiple location heat controls. They will also receive both face to face and written instructions on the use of the heating systems. We will also encourage our customers as part of the programme to take up smart meters from their energy supplier.

11. COMMUNICATIONS IMPLICATIONS

11.1 All customers on the programme will be consulted about the installation about when they can expect the works, about preparation for the works, how long they will take and what they can expect during the works. All customers have a right of refusal if they do not wish the works to be carried out.

12. CONSULTATIONS

12.1 Consultations have been undertaken with officers within BMBC and Berneslai Homes who are supportive of the proposal.

18. RISK MANAGEMENT ISSUES

18.1 There are risks involved in the delivery of any building contract and working in occupied homes can involve additional risks. These will be managed and mitigated throughout the project by the appointment of a Principal Designer, the production of a health and safety file and information and the appointment of a suitable and experienced contractor.

18.3 Financial risks will be monitored throughout the project and will be mitigated by financial checks on contractors, payment in arrears following satisfactory completion of work, retentions and a bond.

19. HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

19.1 The works will be subject to the Construction Design and Management 2015 and appropriate persons will be appointed as part of the works to the roles of Client, Principal Designer and Principal Contractor.

20. COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

20.1 None arising from this report

23. LIST OF APPENDICES

Appendix A : Financial Implications.

24. BACKGROUND PAPERS

Full Project Business Case

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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