

# Agenda Item 11

9 December 2015

## Environment and Housing Management Committee

### Renewal of Communal Gas Central Heating, Hot and Boosted Cold Water Systems to Drake House

**Report of:** Steve Chapman, Team Leader of Property Services

**Wards Affected:** Brentwood West

**This report is:** Public

#### 1. Executive Summary

- 1.1 The communal gas central heating, hot and boosted cold water systems at Drake House are considered beyond economic repair.
- 1.2 System components are obsolete, do not meet current regulations and are failing with increased regularity. It is proving problematic to maintain adequate system functionality within reasonable cost levels.
- 1.3 A report on the system failures and the best approach for renewal has been commissioned and produced. This suggests that the systems are replaced in their entirety with modern components meeting all current regulations.
- 1.4 The cost of renewal of the systems, with all associated works, is estimated to be c.£470K.

#### 2. Recommendation(s)

- 2.1 **The Committee is asked to approve 4.8 recommendation Option 4.**
- 2.2 **Council Officers arrange to tender the works using the Council procurement process see timetable outlined in 4.13 delegated authority be awarded to the be awarded to the Head of Housing in Consultation with the Head of Paid Service and Section 151 Officer to award the contract.**

### **3. Introduction and Background**

- 3.1 This report outlines the need for the replacement of the gas fired heating, hot and cold water systems at Drake House.
- 3.2 Over the last year or so there have been repeated notifications of system faults and failures leading to reduced service or loss to individual dwellings. Each time the repairing organisation has indicated that the system is obsolete and is past due for replacement.
- 3.3 In September 2015, a report was commissioned to undertake a survey of the existing system, identify its failures and outline the possible alternatives.

### **4. Issue, Options and Analysis of Options**

- 4.1 A Design Feasibility Study has been completed by Watts Consultancy Limited . The report has identified the problems with the current system, discusses the options available and suggests the type of replacement. These are outlined below.
- 4.2 Options considered:
  - 1 Replace individual components, on a when failed basis, and continue to maintain the existing systems for a prolonged period.
  - 2 Replace/upgrade individual elements of the systems.
  - 3 Complete renewal of all system components including upgrading to current standards and the introduction of individual control and metering.
  - 4 Replace and improve the current systems in entirety
- 4.3 The first option is uneconomical in the short to medium term. The majority of the system components are old, obsolete and/or inadequate. Sourcing these is difficult, time consuming and, may soon prove impossible. This places increased pressure on the 'back up' systems, leads to longer periods of service downtime, and leaves residents with insufficient heat or hot water.

- 4.4 There is an imbalance in the heating system. Some residents experience 'cold spots' within their dwelling whilst others feel the heat is more than sufficient with the controls set low. The existing controls do not meet current standards.
- 4.5 Further, significant sections of the infrastructure pipework are in poor condition and the hot services are inadequately insulated.
- 4.6 The second option is uneconomical in the medium to long term. Although replacing individual items will improve the system it will only do so in part, with components that are outmoded. Ultimately, the whole will need to be replaced.
- 4.7 A third option is to switch from the existing gas fired system to an electric heating and hot water system. This has increased installation and operating costs and will not prove energy efficient.
- 4.8 The fourth option is to replace and improve the current systems in entirety. This, in turn, has two further options:
- Replace all communal systems.
  - Renew the boosted cold water supply but introduce individual heating and hot water systems allowing localised control.
- 4.9 The fourth option replacement of all communal systems, is the preferred option. The heating and hot water system will be designed and installed with modern energy efficient components meeting current regulations. The distribution service will be renewed and improved complete with insulation. Energy meters and data loggers will be introduced so fuel use can be monitored. Residents will have greater control of their individual household comfort with the introduction of suitable devices which allow independent control. The metering system allows energy usage to be reviewed and lifestyle changes to be made.
- 4.10 In the short to medium term, a significant reduction in maintenance costs will be realised.
- 4.11 The total cost of the new system is c.£470K. This also includes sums for design and management costs, removal of disturbed items that contain asbestos, and a temporary heating supply for the duration of the works.

- 4.12 There are currently costs associated with the billing administration. It is not anticipated these will increase unreasonably.
- 4.13 The timetable for procurement of these works is outlined in table below:

<b>Works Contract for boiler replacement estimated valued £470,000 under OJEU</b>	
Approval of members fro consultation and for word	Dec 2015
Completion of Specification	Jan 2016
Draw up render documents	Jan 2016
Advertise tender	Feb 2016
Tender advertising period ends (submission date)	Mar 2016
Clarification and evaluation	Apr 2016
Award of contract	Apr 2016
Works start	May 2016
Works completed	Nov 2016

## **5 Reasons for Recommendation**

- 5.1 To enable BBC to maintain its responsibilities and fulfil its obligations as a landlord.
- 5.2 It adopts a “spend to save” approach which sees high initial investment with significant long term gains due to reduced fuel use as a consequence of system run time and reduced frequency of unscheduled maintenance visits.
- 5.3 The approach allows the residents to manage and review their individual energy and water consumption. At the moment, the residents pay a Heating charge which is divided over all flats irrespective of how much energy they use. Going forward residents will only pay for the energy they use and will be able to have full control the heating in there properties. We will also be fitting water meters to each property which again will reduce residents costs as they will only pay for the water that they consume.

## **6 Consultation**

- 6.1 Full consultation with all residents will commence once consent is given to the proposal. This will include statutory leasehold consultation.

## **7 References to Corporate Plan**

- 7.1 Housing, Health and Wellbeing. The recommendation will enhance the resident dwelling internal environment and will provide hot and cold water at consistent levels on demand.

## **8 Implications**

### **Financial Implications**

**Name & Title: Chris Leslie, Finance Director**

**Tel & Email: 01277 312 542 / christopher.leslie@brentwood.gov.uk**

- 8.1 There is a significant spend associated to this project; c.£470K. This is to be met from budget line C533 23090 Drake House Boiler Replacement of the approved 2015/16 Capital Programme. This funding has been indentified and included in this years budget.

### **Legal Implications**

**Name & Title: Chris Potter, Monitoring Officer**

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- 8.2 Failure to maintain an adequate system to the block could lead to claims under housing related Acts ie S11 Landlord & Tenant Act (Disrepair).

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.3 Excess heat or cold are deemed hazards under the Housing and Health Safety Rating System. BBC as landlord has a duty to maintain adequate systems that are operational and function correctly.

## **9 Background Papers** (include their location and identify whether any are exempt or protected by copyright)

None

## **10 Appendices to this report**

None

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