

To: All Members (for information)

When calling please ask for:

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Manager

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Calls may be recorded for training or monitoring

Date: 18 January 2023

Co-Portfolio Holder for Housing Decisions

Cllr Paul Rivers

Dear Councillors

The CO-PORTFOLIO HOLDER FOR HOUSING will sit to consider the reports and recommendations set out in the attached Agenda, as follows:

DATE: THURSDAY, 26 JANUARY 2023

TIME: 11.30 AM (or at the conclusion of the Landlord Services Advisory
Board meeting scheduled for 10am on the same day)

PLACE: COUNCIL CHAMBER, COUNCIL OFFICES, THE BURYS,
GODALMING

The meeting can be viewed remotely via [Waverley Borough Council's YouTube channel](#) or by visiting www.waverley.gov.uk/webcast.

Yours sincerely

Stephen Rix,
Executive Head of Legal & Democratic Services (Interim) & Monitoring Officer

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NOTES FOR MEMBERS

Contact Officers are shown at the end of each report and members are welcome to raise questions, make observations etc. in advance of the meeting with the appropriate officer.

Prior to the commencement of the meeting, the Co-Portfolio for Housing to respond to any informal questions from members of the public, for a maximum of 15 minutes.

[Questions will be taken in the order in which questioners register with the Democratic Services Officer prior to the start of question time. When read out, each question must be concluded within 2 minutes. In the event that it is not possible to give a verbal response, a written response will be provided following the meeting.]

AGENDA

1. **MINUTES** (Pages 5 - 6)

To agree the minutes of 30 November 2022.

2. **DECLARATIONS OF INTERESTS**

To receive declarations of interest in relation to any items included on the agenda for this meeting, in accordance with the Waverley Code of Local Government Conduct.

3. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

The Co-Portfolio Holder for Housing to respond to any questions received from members of the public for which notice has been given in accordance with Procedure Rule 10.

The deadline for receipt of questions is 5pm on Thursday 19 January 2023.

4. **QUESTIONS FROM MEMBERS OF THE COUNCIL**

The Co-Portfolio Holder for Housing to respond to any questions received from Members in accordance with Procedure Rule 11.

The deadline for receipt of questions is 5pm on Thursday 19 January 2023.

5. HEATING POSITION PAPER FOR WARMTH, SAFETY AND EFFICIENCY (PART ONE - DOMESTIC GAS BOILER PROGRAMME) (Pages 7 - 20)

Further to the consideration by the Landlord Services Advisory Board, to approve the proposed Heating Position Paper as at Annexe One. The Heating Position Paper for warmth, safety and efficiency (Part One – Domestic Gas Boiler Programme) sets out the Council's plans to maintain and improve the appliances for heating in the housing services properties.

Recommendation

Having considered the comments of the Landlord Services Advisory Board, it is recommended that the Co-Portfolio Holder for Housing:

- endorses the boiler replacement programme 2023/24 to 2029/30 as outlined in Annexe 1 – the Domestic Gas Boiler Programme, and
- awards a six year boiler (domestic and commercial) replacement and servicing contract to the total value of £14m.

6. ASBESTOS SURVEYING AND REMOVAL WITHIN COUNCIL HOUSING STOCK (Pages 21 - 100)

To share the proposal to enter into contracts for Asbestos Removal and Asbestos Surveying Services.

Recommendation

Having considered the comments of the Landlord Services Advisory Board, it is recommended that the Co-Portfolio Holder for Housing:

- endorses the signing of Asbestos removal contract with Envirocall LTD, maximum contract duration 2022 to 2028
- secures £1.2m capital funding in the Housing Revenue Account to finance the six year term.
- endorses the signing of Asbestos Surveying and Analysis contract with Environtec LTD; maximum contract duration 2022 to 2028, and
- secures £1.2m Revenue funding in the Housing Revenue Account to finance the six year term.

**For further information or assistance, please telephone
Fiona Cameron, Interim Democratic Services Manager, on 01483
523226 or by email at fiona.cameron@waverley.gov.uk**

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WAVERLEY BOROUGH COUNCIL

MINUTES OF THE CO-PORTFOLIO HOLDER FOR HOUSING DECISIONS - 30
NOVEMBER 2022

(To be read in conjunction with the Agenda for the Meeting)

Present

Cllr Paul Rivers

Also Present

Councillor Paul Follows and Councillor Penny Rivers

5 MINUTES (Agenda item 1)

The Minutes of the Meeting held on 5 July 2022 were confirmed and signed as a correct record.

6 DECLARATIONS OF INTERESTS (Agenda item 2)

There were no declarations of interest raised under this heading.

7 APPROVAL TO AWARD INTERIM DOMESTIC GAS HEATING CONTRACT
(Agenda item 3)

Councillor Paul Rivers, Co-Portfolio Holder for Housing (Operations) introduced the report which set out a proposal to award an interim contract for Domestic Gas Head, Servicing and Maintenance in Council owned properties.

Councillor Hyman spoke on this item, expressing concern over the short notice given for the taking of the urgent decision and the online reviews for the proposed contractor. He also sought clarification that the procurement process had been compliant with relevant legislation.

The Executive Head of Housing Services advised that the procurement rules had been rigorously complied with; and advised that complaints had been received about the previous contractor which resulted in the Council no longer having confidence that the contractor could provide the necessary health and safety assurances. Therefore in the interests of the health and safety of Council tenants, a decision was taken to end the current contract and procure a new provider. There had been a misunderstanding by the officers over the appropriate authority for awarding the contract, as a budget had already been allocated for responsive repairs, which was why the item had not been placed on the Forward Plan and an urgent meeting of the Co-Portfolio Holder for Housing Decisions had been called to enable the contract to be signed that day, under his delegated authority.

At the invitation of the Co-Portfolio Holder for Housing (Operations), the Leader echoed the concerns over the short notice, however advised that the intention had been to take a decision in public in the interests of transparency. He had asked

that, in addition to the noting report that was required to go to the Council meeting, a similar report come to the next meeting of the Executive and encouraged Councillor Hyman to take part in that meeting.

RESOLVED

- 1. that the Co-Portfolio Holder for Housing approved that officers proceed to the award of the Domestic Gas Heating, Servicing and Maintenance contract; and**
- 2. that it be noted that the tender evaluation report is attached at Annexe 1 to the report.**

Reason:

On 12th October 2022 the Council formally issued a letter of termination to Central Heating Services Ltd and its parent company, Greenview Gas, under the “no blame” clause within the TPC contract.

The termination gave notice that the contract would formally end on 31 January 2023 - a period just over the contractually required 90 days’ notice.

In the intervening period officers have been intensively contract managing the incumbent contractor to ensure that statutory requirements and service to our tenants is not negatively affected.

Officers have also engaged in a procurement exercise through a framework organisation to award an interim contract to manage the domestic gas heating, servicing and maintenance works for our tenants.

A procurement exercise was conducted and due diligence carried out and an organisation - Smith & Byford – selected as the preferred bidder.

To ensure adequate mobilisation and handover time, facilitate TUPE transfer arrangements and enable the contract investment costs to be agreed the incoming contractor required a signed document in order to proceed.

To meet the mobilisation and contract ‘go live’ timescales, the contract must be sealed by 30 November 2022.

The meeting commenced at 4.00 pm and concluded at 4.12 pm

Chairman

WAVERLEY BOROUGH COUNCIL

LANDLORD SERVICES ADVISORY BOARD

26 JANUARY 2023

CO-PORTFOLIO HOLDER FOR HOUSING DECISIONS MEETING

26 JANUARY 2023

Title:

HEATING POSITION PAPER FOR WARMTH, SAFETY AND EFFICIENCY
(Part One – Domestic Gas Boiler Programme)

Portfolio Holder: Cllr Paul Rivers, Co-Portfolio Holder for Housing (Operations)

Head of Service: Andrew Smith, Executive Head of Housing

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 Further to the consideration by the Landlord Services Advisory Board, to approve the proposed Heating Position Paper as at Annexe One. The Heating Position Paper for warmth, safety and efficiency (Part One – Domestic Gas Boiler Programme) sets out the Council's plans to maintain and improve the appliances for heating in the housing services properties.

2. Recommendation

Having considered the comments of the Landlord Services Advisory Board, it is recommended that the Co-Portfolio Holder for Housing:

- endorses the boiler replacement programme 2023/24 to 2029/30 as outlined in Annexe 1 – the Domestic Gas Boiler Programme, and
- awards a six year boiler (domestic and commercial) replacement and servicing contract to the total value of £14m.

3. Reason for the recommendation

To :

- ensure the Council meets it's legal and regulatory requirements to provide safe and warm homes
- mitigate, with a replacement programme, the risk of boiler failure and inefficiency, due to current boilers' age, and

- consider future energy initiatives in advance of 2030

To ensure the housing service can enter promptly and effectively into contract arrangements to secure the warmth and safety of tenants' homes.

4. Background

- 4.1 The [Housing Asset Management Strategy](#) recognises that there are considerations and impacts to changing Waverley's approach to the installation of gas boilers and the need to develop a specific gas boiler replacement strategy to guide the approach in keeping with Waverley's net zero ambition.
- 4.2 This report presents how Waverley's journey towards carbon neutrality is in tandem with the national government objectives and how Waverley's adoption of a fabric first approach will have the greatest impact in carbon reduction. The report presents the current market position in terms of the adoption and delivery of renewable technologies at scale with the opportunities Waverley has to research further technologies adopted and in use within other local authorities and organisations.
- 4.3 The report outlines the current condition of existing gas fired appliances used for heating and hot water within the Waverley housing stock and the volume of appliances that will require replacement in the form of a planned installation programme.

5. Relationship to the Corporate Strategy and Service Plan

This report supports the Council's Corporate commitment to promote "Good quality housing for all income levels and age groups" and aim to "be the best council landlord in the South East and to be acknowledged so by our tenants."

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Drafted by: Candice Keet, Senior Accountant

The budget to fund these contracts is contained with the Capital Programme and HRA Business Plan budget papers which will be going for approval at February 2023 Council. Both are funded via the Housing Revenue Account. An allowance has been made in the inflation provision proposed in the HRA Business Plan for 2023/24 to cover any inflationary increases over the contract life.

6.2 Risk management

Four key risks of procuring the new contract have been identified

- Not understanding what is required from the procurement
 - Mitigation – the programme has been developed through an analysis of data and consultation will be undertaken on the proposed programme.
- Unrealistic timescales and schedules
 - Mitigation - The procurement will be managed in line with the Council's project management processes and 18 months has been allowed to let the contract (July 2024).
- Inadequate Budget

- The long-term funding for the programme for the contract period is being sought through this report. Inflation for the contract period is forecasted to be 9% in 23/24, 4% in 24/25 and down to 2% for 25/26 onwards.
- Poorly designed requirements
 - The Programme Report fully assesses the current market / technology and concludes that gas boilers are currently the only viable way for heating homes. The proposed programme allows to plan for when new technology will be viable for Waverley homes.

6.3 Legal

Drafted by: Ian Hunt, Interim Deputy Borough Solicitor

The Council as a Landlord is required to ensure that its housing stock is of a fit and suitable standard, this includes ensuring that there is adequate heating and insulation to properties. The Landlord and Tenant Act 1985 and the Homes (Fitness for Human Habitation) Act 2018 together require that the Council maintains and ensures that the systems and facilities are appropriate maintained and inspected.

The Council is under no specific obligation to adopt any specific heating system or ensure carbon neutrality over and above the national frameworks. However, given the Council has adopted carbon management policies, together with the desire to make properties energy efficient this is a reasonable policy approach to take. That said in awarding contracts the Council must have regard to the need to manage its own financial resources with the policy objectives and ensure best value.

6.4 Equality, diversity and inclusion

An Equality Impact Assessment will be completed, and the outcome of the assessment included in the programme to ensure all residents are able to benefit from the replacement programme. Eg clear communications, instructions, access arrangements and translation services.

6.5 Climate emergency declaration

In September 2019 the Council declared a climate emergency with an aim to becoming a carbon-neutral council by 2030, within the financial and other constraints laid upon us. The report at Annexe One discusses the potential alternatives to gas boilers and time constraints. An efficient heating system nested within a thermally efficient environment will lead to a reduction in the carbon output of the property. Additionally, a heating system operating in optimum condition will require only one visit per year to service, reducing the road mileage of the term contractor and subsequent carbon footprint.

7. Consultation and engagement

To note comments from Landlord Services Advisory Board on 26 January 2023.

8. Other options considered

The report in Annexe One fully considers the options.

9. Governance journey

- 9.1 Executive Briefing, O&S if requested, Landlord Services Advisory Board and Co-Portfolio Holder for Housing Decisions.

Annexes:

Annexe 1 – Heating Position Paper for warmth, safety and efficiency. (Part One – Domestic Gas Boiler Programme)

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Hugh Wagstaff
Position: Strategic Asset Manager
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Email: hugh.wagstaff@waverley.gov.uk

Agreed and signed off by:

Legal Services: Ian Hunt, Interim Deputy Borough Solicitor, 5 January 2023
Head of Finance: Candice Keet, Senior Accountant, 5 January 2023
Strategic Director: CMB, 10 January 2023
Portfolio Holder: Cllr Paul Rivers, Co Portfolio Holder for Housing (Operations), 4 January 2023

Heating Position Paper for warmth, safety and efficiency

(Part One – Domestic Gas Boiler Programme)

Executive Summary

1. While acknowledging the Council's commitment to carbon neutrality and the phasing out of gas boilers this Position Paper recognises that there needs to be a balance between provision of heating to our tenants and the medium-term challenges of non-gas alternatives. These include cost, availability, and deliverability at scale.
2. The life of many of the boilers in our homes are coming to an end. The Council had a large installation programme between 2007-2009. This Paper outlines the current condition of the existing boilers concluding that a planned gas boiler replacement programme is required.
3. A six-year programme between 2024/25 to 2029/30 is proposed. The programme has been "smoothed" for an even spread of installations across the period. This will only be achievable if the condition of the boilers do not deteriorate substantially over the period. The programme may need to be brought forward if the volume of boiler failures is high.
4. At the end of the proposed programme the Council will have a period of time to develop a strategy for replacing the boilers with non-gas alternatives.
5. Between now and 2030 the Council will continue taking a "Fabric first" approach when investing in our homes to meet the carbon neutrality objective.

Introduction

6. Waverley Borough Council's journey towards Net Zero will ultimately mean gradually, but completely, moving away from burning fossil fuels for heating. Waverley's Net Zero future is likely to see a mix of low-carbon technologies used for heating: electrification of heat for buildings using hydronic (air-to-water or ground-to-water) heat pumps, heat networks and potentially the introduction of low carbon hydrogen replacing natural gas in the national grid.
7. The UK Government has committed to carbon neutrality in the UK by 2050. Presented in the Heat and Buildings Strategy is the ambition of phasing out the installation of new natural gas boilers from 2035. To meet this ambition

Government and Industry are currently focused on developing UK supply chains and the technology options needed to save carbon throughout the decade to maintain a cost-effective pathway to Net Zero.

8. Waverley's transition to high-efficiency low-carbon buildings is in tandem with national objective. To manage the transition, Waverley is required to consider its statutory obligations as a Social Landlord, as defined within the Decent Homes Standard in addition to individual, local and regional circumstances surrounding decarbonisation. We recognise that during this period, throughout the next decade natural gas burning appliances will be required to replace existing aged assets.
9. We believe this necessitates the implementation of a Domestic Heating Strategy regarding Gas Fired Appliances, to maintain the trajectory to decarbonisation and meet our obligations as a Social Landlord.

Housing Asset Management Strategy 2022-2030

10. The Housing Asset Management Strategy recognises that there are considerations and impacts of changing Waverley's approach to the installation of gas boilers and the need to develop a specific gas boiler replacement strategy to help inform our approach.
11. The council is committed to phasing out gas boilers as soon as possible but recognises that there needs to be a balance between provision of heating equipment to our residents and the short to medium term challenges of non-gas alternatives. These include cost, availability, and deliverability at scale. Noting that the objective will be the replacement of gas heating/hot water systems from >95% of the housing stock, with electrical/other low carbon fuels/systems.
12. The volume at which natural gas is consumed for heat generation is proportionate to the environment being heated. Waverley's intention to adopt a 'Fabric First' approach to improve building thermal efficiency within the housing stock to move to obtaining a carbon neutral position, is pragmatic, sustainable, and cost efficient. An energy efficient environment is conducive to ambient heat retention and will reduce the rate at which gas is consumed for heat generation.
13. It should be noted that the heating industry were early adopters of energy efficiency over two decades ago. All Waverley Borough Council's housing stock (with the exception of five dwellings) have gas fired boilers with an appliance SEDBUK (Seasonal Efficiency of Domestic Boiler in UK) energy efficiency rating of 89.2% or greater and an ERP (Energy Related Product Directive) A-rating for heat.

Renewables Position as of December 2022

14. For Local Authorities and Social Landlords with large volumes of existing housing stock the renewable's retrofit era is still in its infancy. The predominant catalyst to change is within the new build sector, where gas boilers will not be permitted to be installed within properties-built post 2025. This means by default that all properties built after this date will have a renewable energy source as the primary means of heating/ hot water generation.

Heat Pumps

15. The legislation presented in the Government Heat and Buildings Strategy has the stated intention to develop a domestic heat pump supply chain through the introduction of the regulation to create market-based conditions that make domestic heat pump technologies affordable. The Government target is to ensure that heat pumps are no more expensive to buy and run than gas boilers by 2030 and that these conditions will allow for the phasing out of the installation of new gas boilers beyond 2035.

Hydrogen

16. The Government's Heat and Buildings Strategy presents that a strategic decision will be made in 2026 regarding the role of hydrogen in heating buildings. A wider research, testing and development plan is currently underway from which the information needed to make the decision will be obtained.

17. ENA (Energy Networks Association) is the industry governing body who represent the companies involved in gas and electricity transmission through the national infrastructure. They are currently leading on the research in conjunction with the Health and Safety Executive (HSE).

18. The areas of focus during 2020 to 2025 are centred on ascertaining whether a safe distribution of hydrogen gas through the national grid is possible and whether the existing infrastructure needs to be repurposed or a new grid installed. Subject to their findings and the outcome of the Government's heat policy decision concerning hydrogen in 2026, a target to full transition has been set to occur between 2040 to 2050.

19. Notwithstanding this, boiler manufacturers have already altered their gas fired products entering the market to be fully hydrogen compatible, though this is

widely perceived to have been done as part of the national narrative to focus on the need to change from fossil fuels.

Opportunities

20. Waverley remains tuned in to the development and application of renewable technologies at a local and national level, through connections within industry, housing providers and local authorities. Members have the opportunity to visit renewables projects in the Borough of Southwark in London where they have used latent heat from the aquifer with the application of ground source heat pumps to fuel district heating networks and have partnered with SELCHP for heat and power distribution from a waste incineration plant.
21. Additionally, Waverley has been offered the opportunity to visit the Hydrogen Homes initiative by Northern Gas Networks which showcases 100% hydrogen appliances fitted in domestic dwellings.

Waverley's Domestic Gas Arena Analysis – Gas Boiler Installation Forecast

22. The efficiency and longevity of a property heating system is as effective as the sum of its design, component parts and usage. These are metrics that are measurable. The CIBSE (Chartered Institute of Building Service Engineers) indicative economic life expectancy table is the industry standard within asset management and presents the life expectancy of a domestic gas fired boiler as between 10 to 15 years, which is reflective of the type of boiler, the system it is seated within and the maintenance and subsequent condition.
23. All of Waverley's aged stock are Baxi Solo 2 boilers. These are first generation condensing boilers with an indicative economic life expectancy of 15 years. On this basis this presents Waverley's domestic gas boiler installation forecast as presented below.

Chart One to Illustrate Gas Boiler Installation Forecast 2023 to 2030

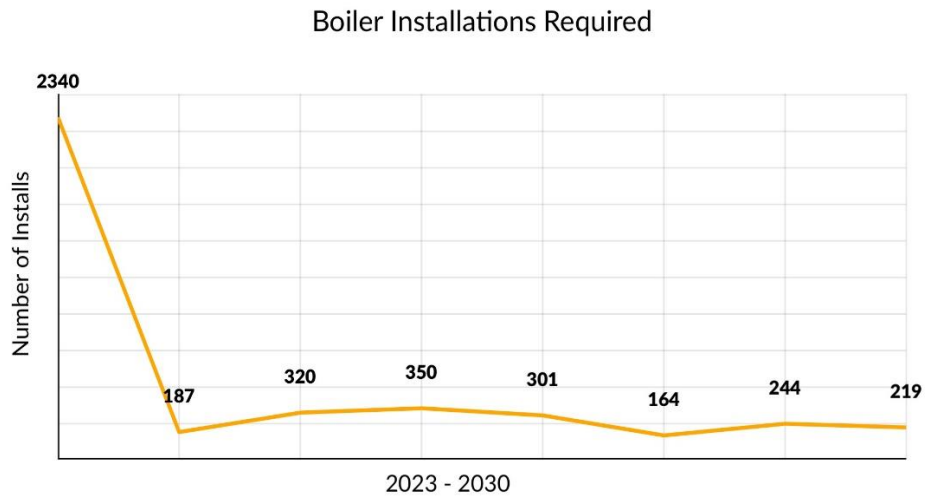
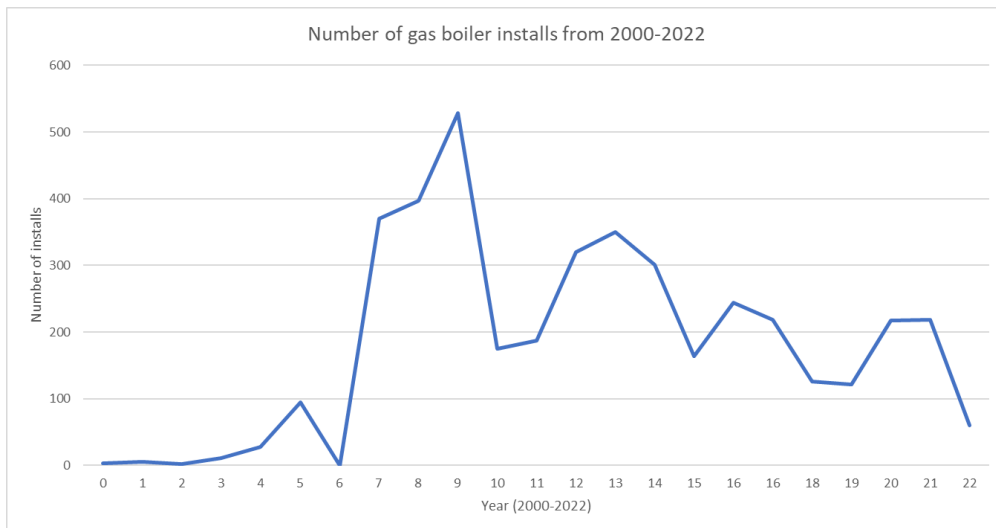


Chart Two to Illustrate Gas Boiler Installations from 2000 to 2022



Gas Boiler Asset Condition

24. Waverley can make informed decisions on the functionality of the assets within the domestic gas arena based on the age of the appliance, which can be accurately measured from the appliance serial number, which denotes within it the year of manufacture and by reviewing and charting the breakdown history of the system(s) specifically long duration jobs.
25. A long duration job is a job that has a scheduled time of 120 minutes and/or 180 minutes. These jobs would have required an engineer to attend on an initial visit in order to determine the time required to affect a repair. These jobs were charted between Jan 2019 and July 2022.

Chart Three to Illustrate Number of Long Duration Jobs Between Jan 2019 to July 2022

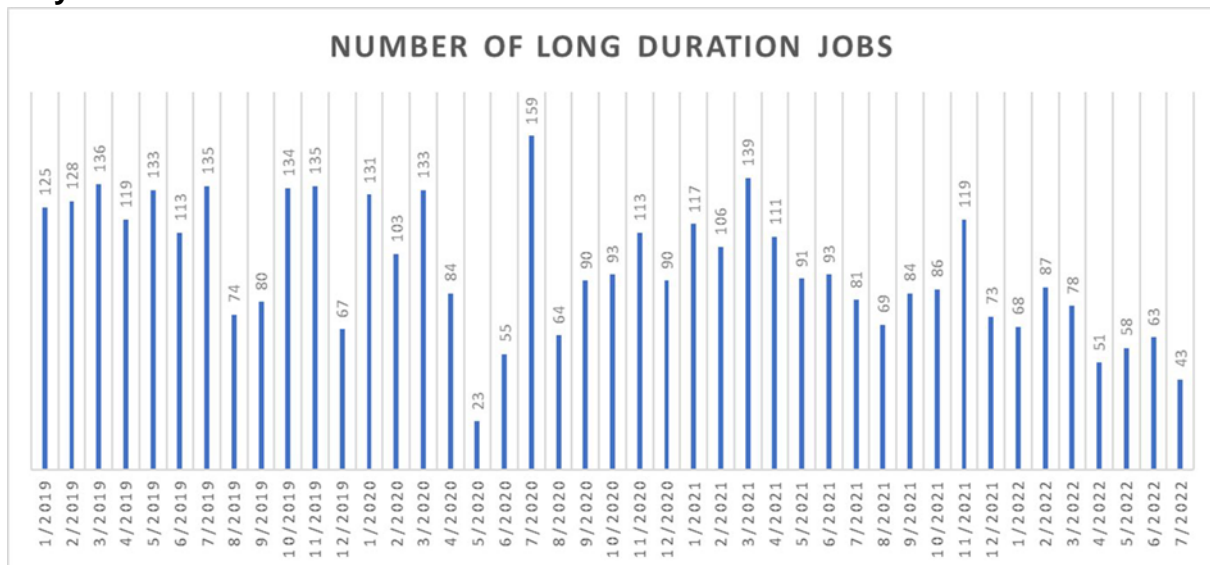
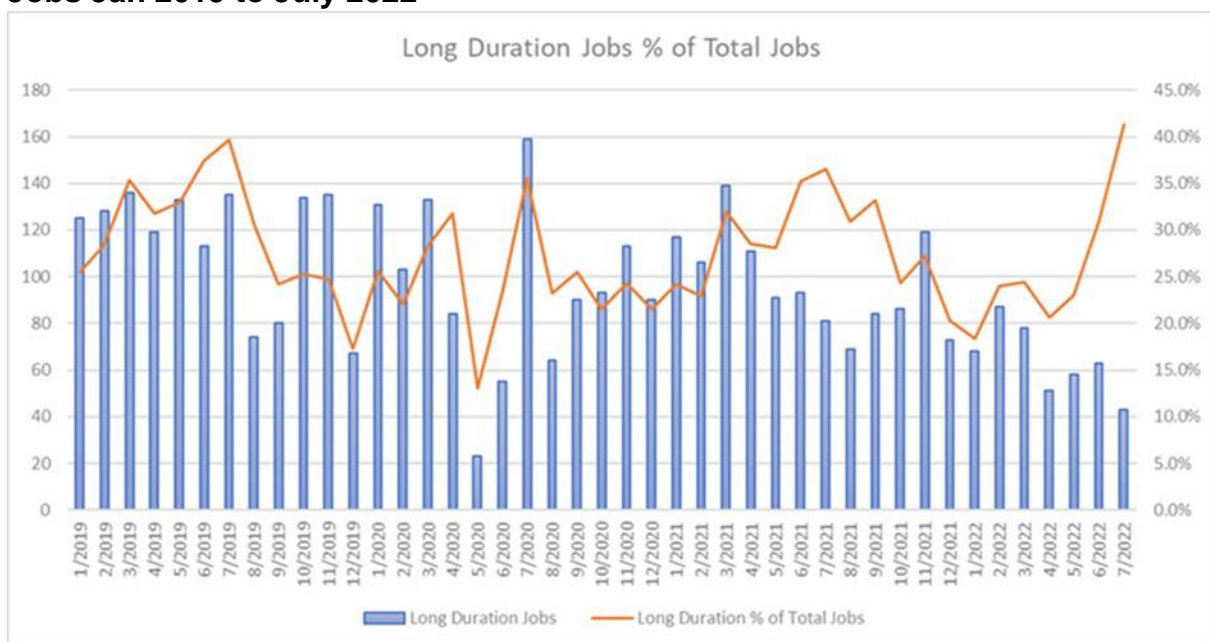


Chart Four to Illustrate Number of Long Duration Jobs as a Percentage of Total Jobs Jan 2019 to July 2022



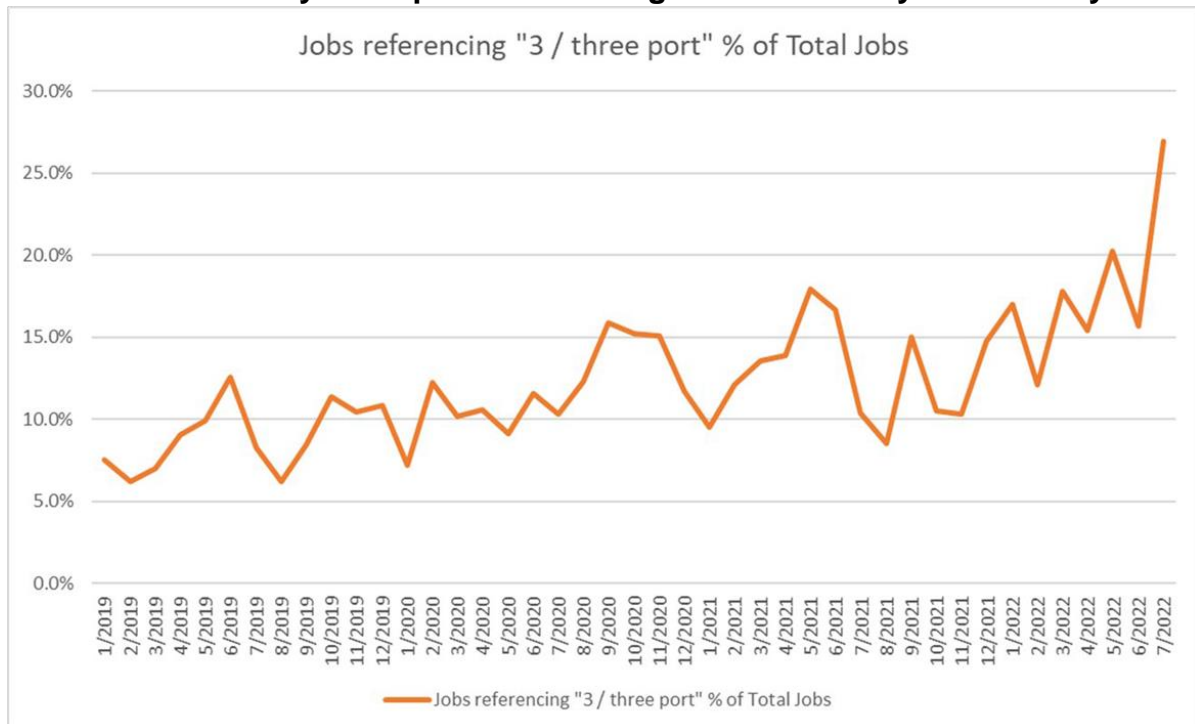
26. The highest percentage of these jobs occurs in the months of June and July.

27. Jobs associated with this time requirement are pump changes and motorised (3-port) valve changes. The symptom for the latter being that when the system control is set to deliver hot water only, the heating comes on as well in part or in full.

28. Iron oxide volumes in the system water are the root cause, which is a by-product of ageing central heating systems.

29. This provides an indicator as to the current condition of the assets within the gas arena.
30. The chemical reaction that causes iron oxide to occur is as a result of the dissimilar metals iron and steel being exposed to oxygen and water within the central heating system.
31. Iron oxide builds up on the inside of boiler heat exchangers, radiators, pumps, and controls. It acts as an insulator to reduce heat transfer and system efficiency, whilst preventing the movement of electromechanical parts within the boiler and heating system, it furthermore causes seals within the boiler and system components to become porous.
32. Inhibitor is added to systems at point of installation. This prevents the chemical reaction from occurring. Many variables effect how long inhibitor will remain active within the system, but 10 years is the benchmark, set by the manufactures.

Chart five to identify three port valve changes from January 2019 to July 2022.



33. The 19.3% increase is representative of increasing volumes of iron oxide prevailing in heating systems. As the potency of the system inhibitor decreases the volume of iron oxide increases.
34. What the findings present is the likelihood of boiler critical failure due to system condition is increasing throughout the Waverley domestic gas arena

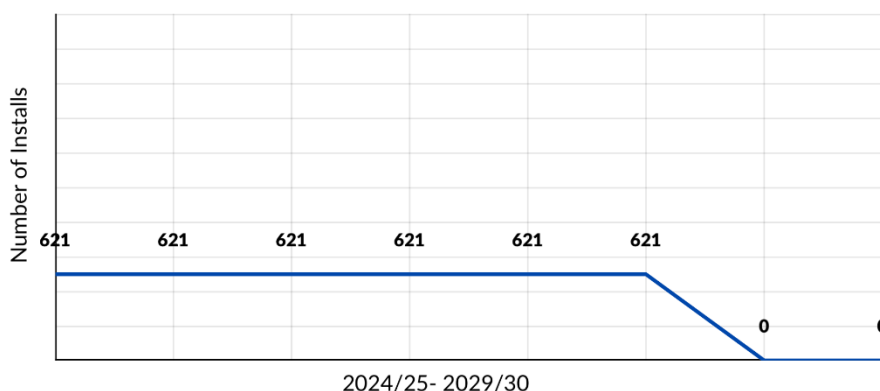
compounded by the gas fired appliances reaching the end of their economic lifecycle. Presenting the need for a capital investment in the gas fired boiler stock.

Proposed Programme

35. The recently procured domestic gas maintenance contract due to commence on 31 Jan 2023 was done as an interim measure for a term of 18 months.
36. During this time, a procurement package for the servicing, maintenance and capital works covering the full spectrum of Waverley's Heating Arena's (domestic and commercial) will be undertaken. The natural place for a future capital programme for gas boiler replacement would be placed within that procurement from the perspective of commercial viability and potential savings associated efficiency gains. This presents the proposed programme commencing in July 2024.
37. This would also allow time for Waverley to complete the planned stock condition survey initiative, providing valuable information to identify where renewable technologies may be applied.
38. The capital programme is planned to start in 2024/25 and run through to fiscal year 2029/30 with a review at the end of 2026/27 to explore if there are any options for installing non-carbon alternatives at scale. In the interim period to mitigate the risks associated with the aged stock, responsive installation will be undertaken when appliances reach a point of critical failure. It is estimate that 395 responsive installations will be undertaken in the 79 weeks between January 2023 and the planned start of the capital programme in July 2024.

Chart six – Planned installation forecast

Planned Installation Forecast 2024/25 to 2029/30



Finance

39. The estimated total number of gas boiler installations to be included in the capital replacement programme 2024/25 to 2029/30 is 3730.
40. This is representative of £5,744,200 at an average cost per installation of £1540 (2002 price).

Conclusion

41. Waverley will continue to pursue actively its carbon neutrality goal, further developing our thinking and technical approach to devising a longer-term strategy with the aim to become Carbon Neutral by 2030. As presented within the Housing Asset Management Strategy 2022 to 2030, 'Critical to meeting this target is to understand our current position and to develop a clear baseline which we can work against'.
42. This report aims to present the baseline within Waverley's domestic gas arena providing accurate quantitative data from which to understand Waverley's position on gas fired heating appliances during the transition period. And additionally, to bring an awareness that renewable technologies will not be a cost-efficient alternative till post 2030 presenting 2030 to 2035 as the period in which Waverley can begin to phase out the installation of gas fired heating appliances.

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WAVERLEY BOROUGH COUNCIL

LANDLORD SERVICES ADVISORY BOARD

26 JANUARY 2023

CO-PORTFOLIO HOLDER FOR HOUSING DECISIONS MEETING

26 JANUARY 2023

Title:

ASBESTOS SURVEYING AND REMOVAL WITHIN COUNCIL HOUSING STOCK

Portfolio Holder: Cllr Paul Rivers, Co-Portfolio Holder for Housing (Operations)

Head of Service: Andrew Smith, Executive Head of Housing

Key decision: Yes

Access: Part Exempt

Note pursuant to Section 100B(5) of the Local Government Act 1972

Annexes to this report contain exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

1. Purpose and summary

1.1 To share the proposal to enter into contracts for Asbestos Removal and Asbestos Surveying Services.

2. Recommendation

Having considered the comments of the Landlord Services Advisory Board, it is recommended that the Co-Portfolio Holder for Housing:

- endorses the signing of Asbestos removal contract with Envirocall LTD, maximum contract duration 2022 to 2028
- secures £1.2m capital funding in the Housing Revenue Account to finance the six year term.
- endorses the signing of Asbestos Surveying and Analysis contract with Environtec LTD; maximum contract duration 2022 to 2028, and
- secures £1.2m Revenue funding in the Housing Revenue Account to finance the six year term.

Please be advised that these contracts initiated August 2022 are operating under a authorised letter of intent. Contracts have already been signed by contractors and require countersigning by Waverley. Due to the change in procurement procedure this is being raised now for retrospective approval by the Co-Portfolio Holder for Housing.

3. Reason for the recommendation

Waverley Borough Council has a statutory requirement to identify, manage and remove asbestos containing materials within council owned properties. This is to protect residents and contractors working in these properties from harmful exposure to asbestos, as outlined in the Control of Asbestos Regulations 2012. These contracts are required in order to facilitate the fulfilment of these obligations

4. Background

The previous contracts in place to carry out these services facilitated by Gully Howard Technical and Merryhill Envirotec ended August 2022.

The services provided under these contracts affect multiple stake holders who rely on them to carry out workstreams in a safe and informed manner.

- Responsive Repairs
- Voids
- Planned works
- Environmental Services.

In advance of the procurement, Ridge consultancy was commissioned to create the tender documents and evaluate the tender responses. The tender reports for both contracts are set out in Annexe One and Two.

Tender periods were live between 2 February and 4 March 2022.

Six responses were submitted for the Asbestos removal tender.

Five responses were submitted for the Asbestos Survey and Analysis tender.

Procurement was conducted with the support of the Council's procurement officer and followed section 20 leaseholder engagement requirements.

Contracts are JCT minor works and were complied by Ridge consultancy. They were issued to each contractor in October 2022 for signing, contracts were returned to Waverley December 2022 for counter signing.

5. Relationship to the Corporate Strategy and Service Plan

The report supports the Council's Corporate commitment to promote "Good quality housing for all income levels and age groups" and aim to "be the best council landlord in the South East and to be acknowledged so by our tenants."

These contracts also support the Housing Asset Management , Strategic Objective to ensure our properties are safe, secure and compliant, meeting all our landlord obligations.

6. Implications of decision

If we are unable to enter contracts formally, we would subsequently be putting at risk our ability to meet our statutory requirements. We would also have a lack of ability to endorse the terms of the contract should the contractors fail to deliver the respective services as required.

6.1 Resource (Finance, procurement, staffing, IT)

Drafted by: Candice Keet, Senior Accountant

Revenue and Capital budgets for 2023/24 will go to Feb 2023 Council for approval. These budgets are funded via the Housing Revenue Account. Contracts are currently being funded under the allocated 2022-2023 budgets.

6.2 Risk management

There are a number of risks that present themselves should we not be able to enter these contracts:

- Responsive repairs, planned and void works would not be able to proceed
- We could not monitor proactively the condition of known asbestos in Council properties around the borough
- No contingency should there be accidental disturbance of asbestos
- Increased risk to residents and contractors coming into contact with asbestos fibers, and subsequently affecting their long term health.
- Should there be a significant incident requiring the notification of the HSE there is significant risk that the Council would be found liable for managing asbestos in an unsuitable manner.

6.3 Legal

Drafted by: Ian Hunt, Interim Deputy Borough Solicitor

The Council has a statutory duty to manage the risk of asbestos in its property stock, and to ensure that this is handled in an appropriate way. The Council is empowered to contract with suitable professionals to secure the works are undertaken in an appropriate way following a procurement process.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the Council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

Questions regarding minimising environmental impact were included within the quality questions for both tenders.

Removals Contractor – ISO 14001, and all Vehicles are Euro VI compliant

Survey Contractor – ISO 14001, Environtec has set key corporate objectives to reduce impacts on the environment and to create positive social and environmental benefits through the delivery of ethical and socially inclusive business practices.

7. Consultation and engagement

Leaseholder consultation carried out in accordance with Section 20 requirements. No wider consultation carried out.

8. **Other options considered**

Not applicable

9. **Governance journey**

- 9.1 Executive Briefing, Landlord Services Advisory Board, and Co-Portfolio Holder for Housing Decisions.

Annexes:

Exempt Annexe 1 – Waverley BC Asbestos Removal Tender Report

Exempt Annexe 2 – Waverley BC Asbestos Survey Tender Report

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

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Agreed and signed off by:

Legal Services: Ian Hunt, Interim Deputy Borough Solicitor, 5 January 2023

Head of Finance: Candice Keet, Senior Accountant, 5 January 2023

Strategic Director: CMB, 10 January 2023

Portfolio Holder: Councillor Paul Rivers, Co-Portfolio Holder for Housing (Operations), 4 January 2023

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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