

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 To consult with the Board on 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

It is recommended that the Board advise and make comments to the Co-Portfolio Holder for Housing on the proposals to:

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

3. Reason for the recommendation

To provide the Board with the opportunity to consider the proposals aimed to:

- ensure the Council meets its 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 Waverly'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).

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