

EAST RENFREWSHIRE COUNCIL

17 December 2014

Report by Director of Environment

HOUSING CAPITAL PROGRAMME 2015/2016 – CENTRAL HEATING BUDGET

**PURPOSE OF REPORT**

1. To seek the approval of the Council to commit £110,000 of the 2015/2016 HRA Capital Programme to enable installation of central heating alongside external wall insulation/render (EWI).

**RECOMMENDATION**

2. It is recommended that the Council approves the commitment of £110,000 from the 2015/2016 HRA Capital Programme to enable obsolete central heating to be renewed prior to installation of external wall insulation/render.

**BACKGROUND AND REPORT**

3. East Renfrewshire Council was successful in bidding for Scottish Government Home Energy Efficiency Scheme: Area Based Scheme (HEEPS:ABS) grant to fund the owner-occupiers' share of costs for installing external wall insulation at a number of solid wall dwellings in Neilston and Busby. The Council approved budget for its share of the cost of this EWI project in February 2014. Due to delays in the Scottish Government's notification of the award this project will not now start on site until April 2015.

4. 40 of the dwellings in this contract have obsolete central heating systems which were programmed for renewal in 2015/2016 or 2016/2017. Installing central heating will require coring new holes in the outside wall of the building, and patching the holes left by the previous system (existing flue holes can rarely be re-used). These installations should therefore be carried out at the same time as the EWI is installed, thereby avoiding the need to patch old holes. The budget for central heating renewal is not due to be considered by the Council until February 2015.

5. Tenders are currently being prepared for the EWI contract and ideally this should include central heating installation.

6. The five year programme 2014/15 to 2019/19 approved by Council in February 2014 anticipated a 2015/2016 central heating budget of £423,000. The 2015/2016 HRA Capital Programme budget will be submitted to Council for approval in February 2015. Standing Orders Relating to Contracts state that unless there are special circumstances budget should be approved prior to the inclusion of works in tender documentation. To enable the central heating to be included in the EWI contract tender documents without having to apply the special circumstances clause (and subsequently, in the contract) the Council needs to approve now the commitment of £110,000 of the 2015/2016 budget.

## **FINANCE AND EFFICIENCY**

7. Committing these 2015/16 central heating resources will result in better value being achieved in the longer term as it will avoid the need to core through new EWI and avoid making good the holes left from the previous system. This will also be a more efficient way of working, carrying out the works together under one contract. The Council could be criticised for a lack of “joined up thinking” if it does not link these works.

8. It should be noted that this report is not seeking an increase to the anticipated 2015/2016 budget but is only a recommendation to legally commit expenditure ahead of the formal capital programme approval scheduled for February 2015.

## **CONSULTATION AND PARTNERSHIP WORKING**

9. In order to ensure the capital programme is efficient and delivers value for money, a partnership approach is in place with colleagues from Procurement and Property and Technical Services to procure this contract.

## **IMPLICATIONS OF THE PROPOSALS**

10. The proposals in this report will enable better value and a co-ordinated approach to building improvement. The only financial implication is that it commits a small part of the 2015/16 HRA Capital Programme. The proposals do not have any implications in terms of staffing, legal issues, IT, equalities or sustainability.

## **CONCLUSIONS**

11. This early commitment of 2015/2016 resources will ensure central heating is installed in dwellings prior to the installation of external wall insulation/render, avoiding additional work and potential damage aesthetically or physically to that insulation/render.

## **RECOMMENDATION**

12. It is recommended that the Council approves the commitment of £110,000 from the 2015/2016 HRA Capital Programme to enable obsolete central heating to be renewed prior to installation of external wall insulation/render.

Director of Environment

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**KEY WORDS** A report seeking approval for committing £110,000 of the 2015/2016 HRA Capital Programme. Key words: Housing, capital programme, central heating; external wall insulation; HEEPS