



Democratic Services

Location: Phase II
Ext: 0692
DDI: 01895 250692
Ref: CMD 264

To: COUNCILLOR MARTIN GODDARD
CABINET MEMBER FOR FINANCE

COUNCILLOR JONATHAN BIANCO
CABINET MEMBER FOR PROPERTY AND
INFRASTRUCTURE

c.c. All Members of Corporate, Finance and Property
Select Committee
c.c. Kayleigh Richardson, Corporate Director of
Infrastructure, Transport & Building Services
c.c. Gary Penticost, Infrastructure, Transport and
Building Services
c.c. Ward Councillors for Northwood Hills
c.c. Conservative and Labour Group Offices
(inspection copy)

Date: 23 August 2021

Non-Key Decision request

Form D

CAPITAL RELEASE REPORT (August 2021)

DEPARTMENT: Residents Services

SERVICE AREA / PROGRAMME: Housing Revenue Account Works to Stock Programme
2021/22: Communal Heating Workstream - Replacement of Communal Boilers at Ascott
Court Sheltered Housing Scheme, Eastcote

RELEASE NO: 32

Dear Cabinet Member

Attached is a report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

You should take a decision **on or after Wednesday 01 September 2021** in order to meet Constitutional requirements about publication of decisions that are to be made. You may wish to discuss the report with the Corporate Director before it is made. Please indicate your decision on the duplicate memo supplied, and return it to me when you have made your decision. I will then arrange for the formal notice of decision to be published.

Neil Fraser
Democratic Services Officer

Title of Report: Housing Revenue Account Works to Stock Programme 2021/22:
Communal Heating Workstream - Replacement of Communal Boilers at Ascott Court
Sheltered Housing Scheme, Eastcote - RELEASE NO: 32

Decision made:

Reasons for your decision: (e.g. as stated in report)

Alternatives considered and rejected: (e.g. as stated in report)

SignedDate.....

Cabinet Member for Finance / Cabinet Member for Property and Infrastructure

CAPITAL RELEASE REPORT (August 2021)

DEPARTMENT: Residents Services

SERVICE AREA / PROGRAMME: Housing Revenue Account Works to Stock Programme 2021/22: Communal Heating Workstream - Replacement of Communal Boilers at Ascott Court Sheltered Housing Scheme, Eastcote

RELEASE NO: 32

Cabinet Member(s)	Councillor Martin Goddard Councillor Jonathan Bianco
Cabinet Portfolio(s)	Cabinet Member for Finance Cabinet Member for Property & Infrastructure
Officer Contact(s)	Kayleigh Richardson, Residents Services
Papers with report	Appendix A with capital release requests for approval

HEADLINES

Summary	This report seeks Cabinet Member approval to recommendations to approve the capital release for the replacement of the communal boilers at Ascott Court, Eastcote.
Putting our Residents First	This works are consistent with the Council's strategy for providing property assets that are fit for purpose and sufficient and suitable for the provision of services to the public. The works will also lead to a reduction in corporate risk.
Financial Cost	This report seeks the release of £19k from the Communal Heating Workstream within the Housing Revenue Account Works to Stock Programme 2021/22 capital budget for the replacement of the communal boilers and associated works at Ascott Court Sheltered Housing Scheme, Eastcote. The works will commence upon the release of funds and are due for completion thereafter.
Relevant Select Committee	Corporate Services, Commerce and Communities.
Relevant Ward(s)	Northwood Hills.

RECOMMENDATIONS

That the Cabinet Member for Finance and Cabinet Member for Property & Infrastructure agree to the capital release requests of £19k from the Communal Heating workstream within the Housing Revenue Accounts Works to Stock Programme 2021/22 capital budget

for the replacement of the communal boilers and associated works at Ascott Court Sheltered Housing Scheme, Eastcote. (Appendix A)

Reasons for recommendation

The existing boiler plant at the Ascott Court is now increasingly difficult to maintain due to unavailability of spare parts, rendering the plant uneconomical to repair and effectively obsolete. One boiler on site has already been isolated and non-operational. Industry standards suggest that with regular servicing and maintenance, communal boilers have a typical life expectancy of around 15-20 years.

Alternative options considered / risk management

Continue to maintain the plant with whatever spares are available and / or have bespoke parts manufactured. This may see the plant inoperative whilst parts are found or manufactured, leaving vulnerable people without heating or hot water for extended periods of time.

Select Committee comments

None at this stage.

SUPPORTING INFORMATION

1. Ascott Court is a Sheltered Housing Scheme. Ascott Court is connected to a communal heating system incorporating a gas fired boiler plant providing heating and hot water. Two boilers are offline due to internal leaks and the part being unavailable for a repair.
2. The Council aims to replace the boilers urgently as the heating system is running on one boiler, if the remaining boiler was to fail the building would be without heating and hot water.
3. It is proposed to replace these existing non-condensing boilers with an efficiency rating of 79.9% with modern high efficiency condensing gas fired boilers which are A rated at 95.6% efficient. A quotation has been received from the existing term gas maintenance contractor and the cost for the provision of these works is £16,590.
4. The overall cost of the project at this Sheltered Housing Scheme is shown in Table 1 below.

Table 1: Ascott Court Replacement communal boilers Cost Plan

Item	Project Cost (£)
Ascott Court - Replacement Communal Boilers	16,590
Project Contingency (10%)	1,659
Internal Fees (5%)	830
Total Project Cost	19,079

Financial Implications

Revised Budget £797k, Previously Released/Pending Release £259k, Capital Release Requested £19k - Appendix A

The 2021/22 HRA Capital Programme, approved by Cabinet and Council in February 2021, includes a capital budget for the Works to Stock programme of £11,661k. In June 2021, Cabinet approved the re-phasing of £603k from 2020/21 HRA Works to Stock Capital Programme into the 2021/22 Programme and the forward phasing of £4,370k from 2022/23 HRA Works to Stock Programme into 2021/22 Programme in relation to the Decent Homes Programme, this gives a revised capital budget for the Works to Stock Programme of £25,537k. Within this, the Communal Heating workstream budget is £797k.

Previously, £259k has been released or pending release from the Communal Heating workstream for various communal heating projects at Darrell Charles Court, Roberts Close, James Court, Peter Fagan House, Triscott House, Barr Lodge and Wallis House.

This report is seeking the release of £19k for the installation of the replacement high efficiency condensing gas fired communal boilers and associated works at Ascott Court Sheltered Housing Scheme, Eastcote. The release request is based upon the quoted costs from the Council's term contractor for gas maintenance and includes a project contingency of 10% of the quoted cost, and internal project management fees of 5% of the quoted cost.

The remaining £519k of the Communal Heating workstream budget will be subject to the capital release procedure.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

The boiler replacement works and associated equipment will eliminate the risk of not being able to supply sufficient services in the event of a failure. This will have a beneficial ongoing effect on the health and welfare of the residents at this location.

Consultation carried out or required

None required.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting that the recommended action to agree a release of £19k for the installation of the replacement high efficiency condensing gas fired communal boilers and associated works at

Ascott Court Sheltered Housing Scheme, Eastcote, will be funded from the 2021/22 approved capital programme for HRA Works to Stock, which is ultimately funded from HRA rental income.

Legal

The Borough Solicitor confirms that the Council is responsible for carrying out this function pursuant to Section 11 of the Landlord & Tenant Act 1985.

Thus, there are no legal impediments to the capital release being authorised, although any contract that is entered into must comply with the Council's Procurement and Contract Standing Orders.

CAPITAL RELEASE PROTOCOL

The release of all capital funds, and certain revenue funds, held by the Council is to be made by a formal democratic decision. No expenditure can be placed or committed by officers until this formal approval is given by Democratic Services. Release of funds must be for identified projects only and strictly not for general release of funds for projects to be identified at a later date. No block releases of capital will be allowed, except if authorised by the Leader of the Council in advance to Corporate Finance. The release of funds will only be made if previous Council, Cabinet or Cabinet Member agreement has been given to the project and only if there is an approved budget. No contract should be signed until clearance is given to the release of capital funds by way of the formal decision-making process detailed below.

BACKGROUND PAPERS

NIL.

CAPITAL RELEASE APPENDIX A

Housing Revenue Accounts Works to Stock Programme 2021/22: Communal Heating Workstream - Replacement of Communal Boilers at Ascott Court Sheltered Housing Scheme, Eastcote Release No 32

Location	Project / Expenditure Title	Information	Funds Release Sought £000's	Approve	Hold	More Information Required
Ascott Court, Sheltered Housing Scheme, Eastcote	Replacement of Communal Boilers	Installation of the replacement communal boilers and associated works at Ascott Court, Eastcote	19			
Total seeking release			19			
Previously / Pending released			259			
Budget			797			
Remaining budget			519			