

To: HOUSING AND TECHNICAL SERVICES (CAPITAL PROGRAMME AND REPAIRS) SUB-COMMITTEE		Subject: GAS WARM AIR REPLACEMENT PROGRAMME 2002/2003 – CENTRAL AND SOUTH AREAS PHASE 3
From: DIRECTOR OF HOUSING AND PROPERTY SERVICES		
Date: 3 February 2003	Ref: IJF/JM/ HOHT02032	

1.00 INTRODUCTION

1.01 The purpose of this Report is to advise Committee of an anticipated over expenditure and to seek Committee approval for the additional funding to meet the additional costs incurred on this contract.

The original contract approved amounts were as follows:-

1. Capital Financed Pipework Installation -	£674,693.78
2. Lease Financed supply and installation of Heating Appliances	<u>£682,310.00</u>
Total	<u>£1,357,003.78</u>

2.00 RESOURCES

2.01 The additional costs can be contained within the Housing Capital Programme (HRA) 2002/2003 and 2003/2004 under the Energy Efficiency Programme.

3.00 CONTRACT IMPLEMENTATION PROPOSALS

3.01 The work comprises the installation of gas and electric wet and gas warm air heating, pipework etc., with associated making good, in occupied low rise dwellings. In addition to the plumbing alterations required for the above, minor builder's works and electrical alterations may need to be carried out.

The installation of the central heating boilers, radiators and ancillary equipment will also be installed.

Houses in Central Area	295
Houses in South Area	<u>247</u>
Total	<u>542</u>

3.02 The cost of the original contract has increased due to the following variation to the contract:-

(a) The replacement of stainless steel pipework. On previous contracts one house in four has had stainless steel pipework, which requires to be renewed due to the increased pressures put on the existing pipework with the installation of new boilers etc.

On this contract a considerable number of the houses to date have contained stainless steel pipework and at this stage it is anticipated that 85% of the houses contain stainless steel pipework which will require to be replaced.

Report – Gas Warm Air Replacement Programme 2002/2003 – Central & South Areas Phase 3

Currently, approximately 300 houses have been completed in the contract and the remainder of the contract is due to be completed by June 2003.

Replacement of stainless steel pipework	Cost £160,000.00
(b) Asbestos removal including asbestos in artex.	Cost £15,000.00
(c) Renewal of electric fuseboxes.	Cost £57,000.00
(d) Adjustments to kitchen units (Newarthill only).	Cost £11,000.00

Contingency provision and deletions elsewhere have reduced the gross over expenditure and therefore, the cost of these variations are estimated to increase the overall contract value by £190,000.00.

4.00 RECOMMENDATIONS

4.01 It is recommended that the Committee:-

- (i) Approves the additional funding of £190,000.00 for the variations itemised in item 3.02 to complete this project.
- (ii) Approves the overall increase in funding for this contract from the original capital approved expenditure of £674,693.78 up to a maximum expenditure of £864,693.78.


Director of Housing and Property Services