

North Lanarkshire Council Report

Communities and Housing Committee

approval noting

Ref BL/CB

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Heating Replacement Programme

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Executive Summary

The purpose of this report is to update Committee on the progress of replacement heating installations within the housing stock.

Since the inception of the programme in 2018 the Council has installed 1,491 full gas heating systems, 627 energy efficient electrical systems, 252 Air Source Heat Pumps.

This contract expires May 2021 with no period of extension.

Recommendations

It is recommended that the Communities and Housing Committee:

1. Note the contents of this report.

The Plan for North Lanarkshire

Priority All priorities

Ambition statement All ambition statements

1. Background

- 1.1 The project is required to improve existing housing stock and help the council deliver on its aim of reducing fuel poverty, achieve our carbon management targets and succeed in achieving the Energy Efficiency Standard for Social Housing. The EESSH standard builds on the Scottish Housing Quality Standard which requires all properties to be equipped with modern facilities and services, be energy efficient, healthy, safe and secure.
- 1.2 The project works incorporate the entire removal of existing heating systems, including pipework and complete replacement with modern and efficient heating systems within North Lanarkshire Council owned domestic dwellings.
- 1.3 It supports policies related to the climate change such as fuel poverty, reducing carbon emissions as well as other policy areas such as sustainable economic growth
- 1.4 The gas central heating systems replace older and more inefficient forms of gas central heating within our main stream housing stock, with (A) rated high efficiency boilers, radiators, controls and new pipework. The scope of the works will be explained to residents at the pre works survey stage carried out jointly by the Clerk of Works and contractor. It will be emphasised that a full system may be required due to the gauge of the existing pipework. The current age profile for renewing our gas central heating systems is 15 years for boiler replacement and ancillary items and 30 years for pipework and radiators.
- 1.5 Within the contract lot 1 allows for electric to gas conversions which further reduce fuel poverty and help achieve EESSH standards. The cost of a unit of gas is approximately 33% lower in price than a unit of electricity.
- 1.6 The Electric heating upgrades will predominantly take place within our multi storey tower blocks that have outdated electric storage and electric panel heating and these will be replaced with user friendly, aesthetically pleasing, cost effective and more efficient high heat retention storage heaters. The age profile for replacing our electric systems is currently 25 years
- 1.7 The Air Source Heat Pump element of the project is the first that North Lanarkshire Council has undertaken on this scale and is currently based within North Lanarkshire's four off gas grid villages of Salsburgh, Greengairs, Gartness and Banton, where the heating systems are mainly electric wet systems, oil, LPG and electric storage. The existing electric systems are inefficient, have proved very costly to run and put residents at a financial disadvantage.
- 1.8 It is anticipated that as well as improving housing stock that this project will bring many community benefits to the area of North Lanarkshire in terms of employment, security, apprenticeships and boost local supply chains and small to medium businesses.

2. Report

- 2.1 During the programme we have experienced a number of refusals from tenants to participate in full gas central heating upgrades due to the disruption from uplifting laminate flooring.
- 2.2. It is proposed for gas central heating system installations that in instances where 15mm pipework exists that this is left in situ and a power flush carried out in order to reduce refusal rates.

- 2.3 It is estimated that residents are saving up to 20% on their annual gas central heating bills when upgrading from an old inefficient system to a full new modern (A) rated gas central heating system.
- 2.4 The following table shows the installations completed and the total monetary investment each year since 18/19. (Please note the information for 19/ 20 is projected financial information only and shows actual installs to date).

Year	Gas	Electric	Air Source	Total Investment (£)
2018/19	1137	403	168	5,035,000
2019/20	354	224	84	8,450,000

3. Equality and Diversity

3.1 Fairer Scotland Duty

It is anticipated that along with other capital elements of the business that these upgrades will help alleviate fuel poverty and provide warmer more affordable homes for our residents.

3.2 Equality Impact Assessment

The Council will continue to carry out Equality impact assessments to determine if policies, practices, decisions, functions and strategies identify any negative impact on any particular group covered by the protected characteristics of the Equality Act 2010.

4. Implications

4.1 Financial Impact

4.1.1 The budget for the works is contained with current and future capital programmes.

4.2 HR/Policy/Legislative Impact

4.2.1 Continued Investment will maintain safe and secure communities and legislative compliance within our housing stock.

4.3 Environmental Impact

4.3.1 The contracts awarded to deliver the Capital Programmes will help to reduce the carbon footprint and meet carbon management targets.

Contractors will adopt environmental and sustainability measures and ensure environmentally friendly recycling practices are evidenced.

4.4 Risk Impact

4.4.1 Risk will be minimised and managed by designated Contract Administrators and Managers in accordance with the works specification and in accordance with the Council's agreed approach to Contract and Supplier Management.

4.4.2 High level risk reviews and risk logs will be recorded as part of the project management process.

5. Measures of success

- 5.1 The aim post project will be to ultimately make cost savings for both the residents of North Lanarkshire Council and North Lanarkshire Council as a whole. The Air Source Heat Pump element of the project is Microgeneration Certification Scheme accredited and therefore, NLC will apply for the Renewable Heat Incentive (RHI) which means the council will receive quarterly payments for 7 years for the amount of clean, green renewable heat it's estimated will be produced.
- 5.2 Along with helping to meet the EESSH and reach carbon management targets these modern and efficient new heating systems should improve the housing asset stock. Long term this will mean less need for call outs and routine maintenance and a longer lifespan of the central heating. This will in turn allow North Lanarkshire Council to invest its capital budget in other project elements.
- 5.3 This project will fit in with the strategic objective of eradicating fuel poverty and reducing the amount of cold damp homes. A lack of heat within social housing stock has caused significant damage to buildings due to condensation. It is hoped with lower heating bills, correct ventilation and further education that the fabric of the buildings will be preserved to a high standard.
- 5.4 It is also hoped that this will be positive customer journey and that through tenant engagement and feedback this particular project can be benchmarked against other projects. The project should be delivered on time and on budget with all essential criteria required met along the way and evidenced accordingly.
- 5.5 There will be lessons learned from this project and any negative/ positive aspects of the project will considered when planning any future contracts. This particular project should help lead the way for future delivery of successful projects and a professional service.

6. Supporting documents

- 6.1 Not applicable.



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