

Report to: Executive Board - Monday 17th June 2002

**MAJOR WORKS - POWER TO INCUR EXPENDITURE
INSTALLATION OF NEW CENTRAL HEATING / UPGRADES 2002/2003**

<p>Report of: <i>Business Manager, Oxford Building Solutions</i></p> <p>Report Author: <i>Chris Pyle Technical Services Unit Tel no. 01865 335411 Email: cpyle@oxford.gov.uk</i></p> <p>Lead Member Responsible: <i>Housing Portfolio Member</i></p> <p>Overview and Scrutiny Committee Responsibility: <i>Economic and Social Well-being Overview and Scrutiny Committee</i></p> <p>Key Decision: <i>Yes</i></p>	<p>WARDS AFFECTED ALL</p>
--	--------------------------------------

SUMMARY AND RECOMMENDATIONS

This report is to seek approval, in accordance with the Financial Procedure Regulations, for spending on new and upgrading of old central heating schemes.

The report has no additional staffing implications as the works will be designed and supervised by existing in-house staff. It is proposed that Oxford Building Solutions will carry out these works.

Alternative heating systems have been considered but the standard is now gas fired boilers with thermostatic control valves on radiators and new control systems. All to help reduce Co2 emissions and create affordable warmth for tenants.

The Executive Board is asked to approve the proposal to spend £500,000 to upgrade, and provide new central heating systems, together with associated fee costs.

1. **The budget** of £500,000 was approved by Council in March 2002 and is to fund the replacement of boilers, controls etc. and to enable the installation of new systems as and when the need arises during the financial year.
2. **New systems**, it is expected that in the region of 30 new systems will be installed during the financial year at a cost of £90,000. New systems are usually needed when a property becomes void and previous tenants have refused the installation when offered previously. In some cases, G.P's recommend the installation of new systems on medical grounds.
3. **Replacement boilers**, systems, controls and fees will account for the remainder of the budget. The replacement of boilers that have reached the end of their effective life and the fitting of modern controls have the effect of reducing responsive repair costs and providing more efficient, affordable heating for the tenants.
4. **The programme** of works will be carried out by Oxford Building Solutions during the financial year as the need arises. It is predicted that £450,000 will be spent in this financial year, with the sum of £50,000 being carried forward to 2003/04.

THIS REPORT HAS BEEN SEEN AND APPROVED BY: The Housing Portfolio Member, The Business Manager Oxford Building Solutions, and The Group Accountant.

Background papers: **None**

FINANCIAL PROFILE - Heating - new/upgrades**(A) Expenditure pattern compared to Provision in Capital Programme**

	2002/03	2003/04	TOTAL
	£	£	£
Expenditure for which approval is being sought	450,000	50,000	500,000
Provision in Capital Programme	500,000		500,000
Provision required in Capital Programme	-50,000	50,000	0

(B) Subjective Analysis of Expenditure

	2002/03	2003/04	TOTAL
	£	£	£
ESTIMATED PER THIS REPORT			
Works	445,500	50,000	495,500
Fees	4,500		4,500
Grants			0
Land / Property	0		0
TOTAL GROSS COSTS	450,000	50,000	500,000

(C) On going Revenue Costs

REVENUE COSTS	2001/02	2002/03	FULL YEAR COSTS
	£	£	£
Employee	0	0	0
Running Expenses	0	0	0
Capital Financing Cost	18,000	38,000	40,000
NET ADDITIONAL COSTS TO COUNCIL	18,000	38,000	40,000