

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

OVERVIEW AND SCRUTINY COMMITTEE ON HOUSING, ENVIRONMENTAL HEALTH AND ADULT SOCIAL CARE – 24 JANUARY 2008

REPORT BY THE CHIEF EXECUTIVE OF THE TENANT MANAGEMENT ORGANISATION

COMMUNAL HEATING FEASIBILITY STUDIES - LANCASTER WEST ESTATE

1 INTRODUCTION

- 1.1 At the OSC Committee meeting on 14 November, the TMO Chief Executive was requested to present the Consultant's report on options for the communal heating systems at the Lancaster West Estate to the OSC Committee meeting on 24 January 2008. The purpose of this report is to present those findings.
- 1.2 The Lancaster West Estate (Stages 1 including Grenfell Tower and 3) is among a group of five large communal heating schemes which are considered to be particularly in need of work to improve reliability and energy efficiency. Feasibility inspections have been carried out on these systems to establish what is required, the priorities and the likely estimated cost. Draft reports on their findings have been prepared by the consultant.
- 1.3 As reported to the OSC Committee on 19 September, there are considerable future pressures on HRA Capital Programme Funding and the TMO will need to prioritise work very carefully in future years.

2 CURRENT POSITION

- 2.1 The consultant has issued revised draft reports for Lancaster West Estate 1 and 3. Members of the Committee have been sent an e-mail copy of these two appendices and a paper copy **has been placed in the Members' Room.**
- 2.2 Having considered a number of options, the consultant identified the following alternatives:
 - 2.2.1 Retain the existing communal system without change. The consultant advised that the central plant is in good condition for its

age and, provided that it is well maintained, it could be kept in operation for a further 5 to 10 years. There would be no initial capital cost for this option. However, the system is not energy efficient as poor control of temperature within flats has an adverse effect on energy consumption and residents have to open windows in order to dissipate excess heat.

- 2.2.2 Improve the existing systems by installing in each dwelling a time switch controlled valve to regulate the duration that heat is available, a thermostat operated valve to regulate the amount of heat and insulation to the hot water storage cylinder to reduce heat loss all at an estimated cost of £2.25m inclusive of fees and staff charges. Although this option would give residents better control over temperature within their dwellings, it would not make them financially accountable for the energy they consume. The proposed changes would make the system more energy efficient. Energy costs would only be reduced if residents used the new controls effectively. The installation work would cause some disruption to residents as access would be required to their dwellings.
- 2.2.3 Remove the central boiler plant and distribution mains and install individual heating systems with combi boilers and new radiators in each dwelling at an estimated cost of £12.13m inclusive of fees and staff charges. Installation of individual heating systems would cause major disruption in each dwelling. However, each resident would have control over the time and temperature of their heating system and would be directly responsible for the energy cost. Leaseholders would need to agree to variations of their leases.
- 2.2.4 The green options were included in the report but were not recommended for detailed consideration or costing.

3 LEASEHOLDERS

- 3.1 It will be necessary in due course to obtain copies of the various leases that are in force for properties on the estate and investigate the position with regards to the recharging of leaseholders for the work. We would however note at this stage that all of the options would seem to contain a large element of improvement. Consequently it is likely that a significant proportion of the cost will not be recovered from the leaseholders.

4 CONCLUSION

- 4.1 The works undertaken and the prioritisation between estates will be influenced by:
 - 4.1.1 The funding available;

4.1.2 The reliability of the heating system on each estate;

4.1.3 The current level of heating provided on each estate; and

4.1.4 Energy efficiency

4.2 The TMO Property Management Committee is currently conducting a review to determine the work that will be included in the Capital Programme over the next few years. The review is taking into account recent announcements from the DCLG and the Mayor for London about the level of funding that will be available to RBKC, the information arising from the 5 no. reports that are being prepared by Edward Pearce and Partners and other stock condition information regarding roofs, windows, internal fittings etc. A decision on the extent of the work that should be undertaken to the Lancaster West heating systems will be taken as part of that process.

FOR INFORMATION

HELEN EVANS

Chief Executive Tenant Management Organisation

Background Papers used in the Preparation of this Report: None.

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