



## Report to:

Northwards Housing Board  
13<sup>th</sup> March 2007

## Item No:

# 11e

<b>Title:</b>	Improving Choice for Resident and Improving Value through Gas or Electric Fire Choice		
<b>Date:</b>	16 <sup>th</sup> February 2007		
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<b>Confidential:</b>	No		
<b>For:</b> (Please tick action required)	<b>NOTING</b>	<b>DISCUSSION</b>	<b>APPROVAL</b>  √
<b>PURPOSE OF REPORT</b>			
To identify the benefits of changing working practice to allow a choice to residents when a gas fire requires changing.			
<b>RECOMMENDATION</b>			
The Procurement & Property Sub-Committee recommend to the Board that a change in practice is accepted to allow an additional choice to Northwards' residents when a gas fire/back boiler has to be changed. A resident will now have a choice of either a gas fire or an electric fire. Board note the potential for efficiency saving through this choice.			
<b>IMPLICATIONS</b>			
<b>Equality &amp; Diversity:</b>	No implications		
<b>Financial:</b>	Cost savings will be made when an electric fire is fitted in preference to a gas fire.		
<b>Staffing:</b>	No implications		
<b>Decency Target:</b>	This will assist in achieving Northwards Housing's Decency Target for 2010		
<b>Governance:</b>	No implications		
<b>Risk Assessment:</b>	No implications		

### Equality & Diversity Implications (Please tick where relevant):

- |            |                          |                                  |                          |
|------------|--------------------------|----------------------------------|--------------------------|
| BME        | <input type="checkbox"/> | Lesbian/Gay/Bisexual/Transgender | <input type="checkbox"/> |
| Elderly    | <input type="checkbox"/> | Single Parents                   | <input type="checkbox"/> |
| Young      | <input type="checkbox"/> | Domestic Violence                | <input type="checkbox"/> |
| Disability | <input type="checkbox"/> | Alcohol / Drug Mis-users         | <input type="checkbox"/> |

## Consultation/Consideration:

	<b>Yes, No or N/A:</b>	<b>Name:</b>	<b>Date:</b>
<b>Sub-Committee:</b>	Yes	Property and Procurement	28/02/07
<b>Area Panel:</b>	No		
<b>Ward Councillors:</b>	No		

### **1. Benefits Evaluation**

#### 1.1 Existing Gas Fires or Modern Suited Electric Fires Background

The replacement of existing gas fires and back boilers with gas fires, incurs additional cost and time for replacement due to difficulties and thus costs in refurbishing collapsed flues. Northwards Technical Services Mechanical and Engineering section have identified a low cost alternative means to provide secondary heating. Northwards Property Services envisages a wider cost and risk reducing potential and a means of increasing tenants' choice and satisfaction.

1.2 As part of the process of consultation and building the proposed Investment Programme for the company, we have been researching the impact of offering a new electric fire with surround as an alternative to a gas fire when simply replacing obsolete gas fires and back boiler systems.

1.3 The electric fire and surround can provide an aesthetically pleasing focal point for the living room.

#### Example



### **2. Potential Benefits**

2.1 In the past running costs have almost always ruled out electric fires but in view of the recent price increase in gas the gap has considerably narrowed.

2.2 As the price of fuel can vary with different suppliers, different deals and payment methods, the running cost may vary slightly.

a) Gas Fires

A gas fire with a 3kw output would need an input of 4.2kw based on 71% efficiency and would have running costs of 12.6 pence per hour.

The 71% efficiency used for the gas fire relates to the standard radiant fire that we use. The decorative fuel effect gas fires are much less efficient – down to 50% in many cases and thus have increased running costs.

b) Electric Fires

Modern electric fires have thermostatic control, which reduce running cost. A running cost of 13p/hour is therefore realistic.

Gas fires require an intake of fresh air via wall intakes. This intake of cold air is eliminated with an electric fire. As ventilation requirements are greatly reduced, energy costs for an electric fire are reduced due to less exchanges of air in the property and less heat loss.

2.4 With increased insulation to walls and roofs, double-glazing and draught proofing, running costs can be kept down. As most properties have a central heating system of one type or another and properties are kept warm, an electric fire can be operated for decorative effect only; the decorative effect is based on a low energy light bulb and has very low running costs.

2.5 One of the main reasons that can be put forward for changing to an electric fire is the brick chimneys on many of our properties means we have to fit flue liners. There have been many occasions where the internal condition has been poor and we have had to carry out some rebuilding which further adds to cost.

**3. Financial Implications for Northwards Housing**

3.1 The typical installed cost of an electric suite, which includes coal effect fire with surround from £250 - £290 for the electric fire (including the surround) for a set up similar to the example in this document.

3.2 The cost to replace a gas fire is approximately as follows:

	£
Remove BBU	82.11
Flue liner*	179.07
Scaffolding*	341.82 (working at height)
Fire cost	219.00
Opening	74.11
Debins plate*	<u>34.12</u>
	<u>929.23</u>

*(\*Not always required if it can be shown that the existing flue liner is in good condition.)*

In these circumstances, a saving of £600 per property could be anticipated.

3.3 It is worth noting that the immediate impact for Northwards Housing will be in relation to the replacement of approx 320 back boilers. If every tenant chose a new suited electric fire, this would represent a potential saving in the region of £190,000

on installation costs alone over the first five years of investment. In reality, we can expect only a portion to make this choice.

- 3.4 Last financial year, Northwards Housing replaced 56 gas fires as part of the repairs service. If we take this as an indicative number and add the 15 or so that were replaced during servicing, then potential savings on day-to-day gas fire replacement could potentially total just over £42,600.00 if every tenant chose the electric option. In reality, we can expect only a portion to make this choice.

#### **4. Environmental Implications**

- 4.1 In broad terms, production of electricity even in fossil fuel burning power stations is subject to strict regulations in terms of emissions from the process. Domestic appliances are not regulated to the same degree: electricity can therefore be seen as a “cleaner” fuel.
- 4.2 Powers from renewable sources, like wind, hydro and solar are only accessible via electricity supplies. This will make the suggested approach even more attractive as these sources come on line. Gas, of course, is a limited fossil fuel resource, which can only increase in cost as supplies diminish. The switch to the low kilowatt electric fires would mean a more future proof form of secondary heating and ensure a diversity of supply and future choice of suppliers for the tenants.
- 4.3 In consultation with Energy Efficiency Officers incorporating detailed discussion with our in-house experts about the potential environmental impact of the strategic change, it is understandable that concerns were mentioned in the initial stages. However, following further discussions, consideration of the business case and taking on board a recommendation to issue user guides with installation of the new fires, those concerns have been reduced.

#### **5. Health and Safety**

- 5.1 Replacement of the gas fire with an electric fire removes the risk of gas spillage into a property, as there will be no appliances with an open flue. This in turn means that ventilation requirements are greatly reduced, meaning less exchanges of air in the property and therefore less heat loss. The risks associated with tenants restricting the air intakes are eliminated.

#### **6. Learning from Others**

- 6.1 A number of other landlords have already utilised this path as a means of increasing tenants choice and improving efficiency.
- 6.2 Kirklees Neighbourhood Housing, a beacon status ALMO with an excellent reputation in terms of their approach to Energy Efficiency, confirm they have had no adverse tenant reaction to the new fires, and have a similar view to the business case and benefits as outlined in this report.

#### **7. Summary**

- 7.1 The business case in favour of the new fires is very robust and convincing. It is a clear increase in tenant choice. The fires are more efficient but because of current fuel prices are more expensive to run, but only marginally so (13p/12.6p). From an environmental point of view the new fires are cleaner and offer an opportunity to tap

in to renewable energy sources as and when they come on line. The new fires offer a diversity of supply.

## **8. Recommendations**

- 8.1 The Procurement & Property Sub-Committee recommend to the Board that a change in practice is accepted to allow an additional choice to Northwards' residents when a gas fire/back boiler has to be changed. A resident will now have a choice of either a gas fire or an electric fire. Board note the potential for efficiency saving through this choice.