

London Borough of Islington

Housing Scrutiny Committee - 13 July 2021

Minutes of the meeting of the Housing Scrutiny Committee held at Council Chamber, Town Hall, Upper Street, N1 2UD - Islington Town Hall on 13 July 2021 at 7.30 pm.

Present: Councillors: O'Sullivan (Chair), Spall (Vice-Chair), Bossman-Quarshie, Gantly, Graham, Jackson, Ozdemir and McDonald

Also Present: Councillor: Ward

Councillor Michael O'Sullivan in the Chair

278 APOLOGIES FOR ABSENCE (Item 1)

Apologies were received from **Councillor Gantly for lateness**

279 DECLARATION OF SUBSTITUTE MEMBERS (Item 2)

There were no declarations of substitute members

280 DECLARATIONS OF INTERESTS (Item 3)

There were no declarations of interest

281 MINUTES OF PREVIOUS MEETING (Item 4)

RESOLVED:

That the minutes of the meeting held on **28 June 2021** be confirmed as an accurate record of proceedings and the Chair be authorised to sign them

282 CHAIR'S REPORT (Item 5)

The Chair stated that he would be attending the Environment and Regeneration Scrutiny Committee on 15 July to consider the Net Zero Carbon 2030 presentation. He stated that as social distancing guidelines were still in place any Members who also wished to attend should contact the Clerk, however the meeting was being webcast if Members wished to view the meeting in that way

283 ORDER OF BUSINESS (Item 6)

The Chair stated that the order of business would be – Communal Heating – item B2, followed by item B1 – Partners PFI presentations and lastly item B3 Work Programme

284 PUBLIC QUESTIONS (Item 7)

The Chair stated that as the meeting was being webcast and because of COVID restrictions still being in place any members of the public with questions should notify these to the Clerk following the meeting for response

285

SCRUTINY REVIEW - PARTNERS IMPROVEMENT (HR AND DIGITAL SERVICES) (Item B1)

Jon Cumming, Director of Digital Services was present for discussion of this item and made a presentation to the Committee. Rob Willis, Law and Governance was also present, and made a presentation to the Committee

During consideration of the presentation the following main points were made –

Digital Services

- Aim of the project is to mitigate the records and data from Partner organisations into the equivalent systems in LBI by 4 April 2022 – United Living for Gas, Rydon for repairs, Hyde for management of service charges
- Provision for incoming staff with Islington IT equipment
- Ensure the systems accommodate the growth in transactions with no loss of performance. The key PFI contract end date is the 4 April 2022 but need to factor in other significant dates and allow for a long run up
- Digital services recognises the importance of this project to the Council, the PFI2 partners and particularly residents. Dedicated resource in the form of a project manager and a data analyst. In addition technical specialists as required will be working with the vendor community to ensure a successful transition
- Note Data migration conceptual plan timeline and the high level summary of data matching activity
- Challenges – time drift – data captured by Partners has drifted from LBI roots over 15 years. Contractual end terms – PFI2 contract requirements for data are dated and do not include enforceable standards for repatriation. Partners are working with Digital Services to deliver a good standard of data transfer
- Confidence is high that the data is high, that the system data will be in place by time of transition. There are concerns about how some scanned documents within the repairs system are stored and how easily they can be migrated into Council IT systems, and linked to the right property. These are mainly historic documents, so should not affect ongoing repairs, but it would be useful to track back on specific property issues. Will need to split scanned documents with tenancy files to support information and storage and access standards. This restructuring will require manual work over some time
- Progress so far – successfully engaged key internal and external stakeholders and communicated key data items and documents identified to Partners and begun work to transfer these into Council core systems. Universal property number identified as the key latching point against which all data and documents required from external partners should be indexed to facilitate loading. Commitments have been obtained from Partners against LBI timescales and details of their plans to achieve this within the stated timescale have been provided by some of the Partner sub-contractors
- Initial test data has been received from United Gas repairs and reviewed by Digital Services
- Resource Planning – consultancy days with the providers of LBI core systems, to prepare the systems for bulk loading. Additional capacity and new servers, staff to assist with data and document loads/testing to match and process unstructured documents, separation of amalgamated documents and e-filing of the separated documents. Key unknown will be need to be resolved in the coming months – how to separate historic/closed data versus live data, dynamic loading and processing of active cases into Council systems, completion of overdue clarifications from Partners regarding record types and volumes, to allow the technical Solution Design to be completed

Housing Scrutiny Committee - 13 July 2021

- Summary – Digital Services component on track and progressing on schedule, highest priority of the Leadership team recognising importance to the Council and residents, merging 3 sets of data into a fourth will be challenging, and will require compromise. Will retain everything in case of emergency there will always be the information ‘haystack’. Systems are perfectly capable of scaling to meet the load and will take expert advice. Data migrations are never easy and understanding the data is as important as transferring it. Success will come from the strong collaboration between Digital Services, Housing staff and Partners
- Discussion took place as to the data to be inputted onto the system, and it was stated that housing staff would be involved in the process to ensure the relevant data was inputted
- In response to a question it was stated that there was a recovery plan in place if the migration to the new system developed problems during migration, and a large amount of testing took place prior to migration
- In relation to data that needed to be provided on gas safety checks arrangement were in place to ensure regulations were complied with

TUPE

- What is a TUPE transfer – happens when an organisation, or part of it is transferred from one employer to another or a service is transferred to a new provider for the same client – a service performed in-house is contracted out, an already contracted out service is moved to a new contractor, a contracted service is taken back in-house
- Protection of Employees – Employees automatically transfer to a new employer, transfer is on existing terms and conditions, treated as if an employee of the new employer since their contracts of employment started, transfer of accrued rights, pension rights – additional protection under separate legislative provisions, employees can object to a transfer in which case they will be treated as resigning and will not transfer, employer cannot choose who transfers
- Preparing for transfer – identify who will transfer, inform and consult with recognised trade unions or elected representatives about the transfer and any measures – measures are changes to working practices, compensation of up to 13 weeks gross pay for each employee for failures
- Provision of Employee liability information, new employer needs to plan for incoming employees to minimise disruption, good practice considerations – induction and orienteering, equipment and working areas check, training needs
- Employee Liability information – identities of transferring employees, terms and conditions of employment, information on any disciplinary procedure or grievance procedure within the previous 2 years, information on any legal action, information about any collective agreement
- Changing terms of employment – TUPE protects against changes to employment terms and conditions and harmonisation unless improves terms and conditions. Cannot amend terms of employment to the detriment of employees if the sole or principal reason is the transfer. Cannot dismiss employees where the sole or principal reason is the transfer. There is limited scope to vary terms of employment or dismiss transferring employees where there is an economical, technical or organisational change in the workforce. Economic, technical or organisational change reasons – must be a change in the workforce, for example a restructuring or redundancies
- Noted that discussions would be taking place with Trade Unions on the transfer, and it was expected that about 35 staff would transfer over.

However details of which staff transferring were not yet available, however Members could be updated on this when available

The Chair thanked Jon Cummings and Rob Willis for attending

286

COMMUNAL HEATING - PRESENTATION/REPORT AND EVIDENCE FROM TMO AND TRA (Item B2)

Garrett Mcentee, Housing Directorate was present, and introduced the report, and made a presentation to the Committee. Paul Harris Harry Weston TMO co-operative was also present, and made a submission to the Committee

During consideration of the report the following main points were made –

- The Council has responsibility for maintaining its communal heating systems serving around 4700 homes, and employing contractors to deliver this service
- The previous contractors were taken over by the Mears Group in October 2018 and work has taken place to have a good productive working relationship to resolve contractual problems with the previous contractor, however these issues were not getting resolved and notice was served to terminate the contract. The Council procured a new provider GEM Environmental Services, formally taking over responsibility for the contract from May 2020, however they did assist with the maintenance of boilers from October 2109 which was extremely valuable to the Council
- GEM have done extensive work and dealt with substantial challenges linked to connecting the communal heating plant rooms to Bunhill 2 Energy Centre. This work is out of the scope of the GEM contract for which they were appointed, and this has resulted in a lot of extra work, and meant that work planned on boiler plant has not taken priority. Connection to Bunhill 2 remains a priority and to address this further steps have been taken to appoint additional specialists and contractors to assist on the Bunhill 2 project. Despite the focus on Bunhill 2 GEM have managed to service all of the boiler plant rooms as directed by the contract, and achieve 100% compliance in terms of gas and safety notices
- Repairs data – In April 2018 a decision was made to manage the new communal heating contract on a new IT system called One Serve. This is an industry leading software package, which allows details of works undertaken to be collected and shared, updated and monitored allowing for improved business processes and a good customer experience
- Currently Islington has 57 plant rooms, providing a communal heating service and most of the plant rooms provide heating and hot water. In most cases individual hot water is delivered to storage tanks within dwellings. Heat Interface units have recently become more popular, as they can provide hot water on demand at mains pressure and greater efficiency over traditional systems. However unless there is suitable space in the plant rooms for communal hot water storage, HIU's will not include stored hot water so, although very efficient, they can result in almost instant loss of hot water in the event of boiler breakdown
- Noted information provided in the report on boilers and infrastructure. Details of the significant breakdowns that have caused an outage for five days or more since April 2018 were noted, and this is the trigger point for payment of compensation by the Council. It was noted that there have been relatively few occasions when this situation has arisen

Housing Scrutiny Committee - 13 July 2021

- There are many thousands of callouts and there would be significant time and resource required to interrogate the narrative on each call out to capture more specific information on the data fields. From past experience when a communal plant fails communications are received from many residents, and each call will be recorded in the data provided as a further possible call out. In addition to system failures, a portion of call outs will be received from individual flats where the problem is local to just one flat, and in some cases just one radiator, so caution must be interpreted when analysing data. Increased calls usually occur at the end of the communal heating system, when the heating is switched off for the summer months, and residents can interpret this as a fault with the communal heating system
- Comparison with LBHackney – this stated that Hackney had 32 out of their total of 68 boiler plants supplying just 361 properties. This is an average of just 11 properties per boiler plant. This is considered not economically viable for a communal heating plant, as the capital costs associated with the plant will be disproportionately high when broken down per property. In Islington there are only 13 boiler plants that serve 20 units or less, 10 boiler plants that serve between 50 and 100 units, and 14 boiler plants which serve 100 or more units
- There is an opportunity to use Bunhill Energy Centre Combined heat and power plant to generate heat from CHP centre to local housing estates connected to Communal heating systems. This will help address targets set in the Energy Conservation Act 2000 to eradicate fuel poverty. Help reduce levels of greenhouse gas emissions(34% of 1990 levels by year 2020 and 80% by 2050)
- Communal heating benefits – helps support Council fairness commission objectives included in the current corporate plan. Decent and affordable homes and making homes easier to keep warm and more affordable to heat through the installation of communal heating systems. Will help break the cycle of fuel poverty where a household has to spend over 10% or more of its income on energy costs. Estimates indicate between 7%-10% in Islington living in fuel poverty. GLA analysis complete in 2012 indicated six Islington wards were the worst quintile for fuel poverty in London
- Communal heating benefits – generally recognised that communal heating in conjunction with decentralised energy schemes will provide a more economical source of heating and hot water than individual boilers. Paying a flat rate can help tenants budget more easily, helping low income and vulnerable residents. Costs of heating and hot water are included in monthly service charges and communal heating systems use less energy than an individual heating system by a range of 7.5%-11%. Reduced risk of illnesses associated to condensation or dampness. Consistent heating supply to properties on communal heating and opportunity to pass on savings obtained from bulk gas purchase to residents
- Disadvantages – significant up front capital investment costs, potential to generate substantial bills for leaseholders living in the blocks where works are carried out. Difficult to provide to provide a fair and equitable service where blocks vary considerably in terms of energy requirements. Balance to be achieved between service provided and energy costs and CO 2 emissions. Complex engineering projects leading to long lead it times. Not the same level of individual control as there is with individual heating system. Can be subject to catastrophic failure creating hardships for residents, connected to the communal system. Reaction times to breakdowns or failures can be slow due to the complexity of the infrastructure equipment
- New Build – LBI Planning strategy – all new build developments are required to contribute to the development of decentralised energy schemes, including by connecting to current district heating networks where these exist within the proximity of the development. Lifetime cost benefit analysis study shows that despite

Housing Scrutiny Committee - 13 July 2021

- communal heating systems requiring significantly higher up front capital investment their lifetime costs are lower than the option of installing individual heating systems
- Risk assessment – maintenance and capital investment programme, reactive and planned maintenance contract, boilers serviced and CP15 issued annually, monthly planned preventative maintenance, plant rooms connected to Building Management System, out of hours/emergency team in place
 - Forward Plan – 7 year future programme of works, asset management plan, process of prioritisation to identify future plans, joined up thinking with other programmes of work, feasibility, condition assessment and lifespan criteria to identify need. Stakeholder involvement future programmes communal heating
 - Asset management and Communal heating – Benefits of asset management system, better inclusion from all stakeholders concerned, opportunity to avoid major breakdown failure, process to move work into capital programme, opportunity to review potential areas of risk with planned maintenance team
 - Conclusion - many advantages to communal heating systems, lower running costs, help address fuel poverty, help budget concerns for vulnerable and low income groups, need to listen to resident groups and tailor service to meet resident requirements. LBI communal heating policy to reflect residents requirements
 - Reference was made to the issue of when boilers were coming to the end of life/not repairable whether there was any planning to assess this. It was stated that this was part of the Asset Management Plan to look at the risks, however evidence was needed to show that the boiler could not be repaired, before replacement was undertaken
 - Noted that the Council had to balance the requirements and cost to leaseholders when assessing boiler replacement
 - A Member referred to the need for a back-up system if a communal boiler failed and often resulted in a power failure which exacerbated the situation and an engineer had to be called to restore power, and this often took a long time. It was stated that whilst a standby system was a possibility this would be a substantial cost, for tenants and leaseholders, and may only be used on very limited occasions. On the issue of power this was being looked at to ascertain whether an acceptable solution could be found
 - The view was expressed that it was imperative to improve insulation in properties in order to ensure properties did not get as cold as quickly if the heating went down. Noted that zero carbon solutions were being looked at where Government grant funding could be made available
 - Harry Weston Tenant co-operative stated that the work of the Committee should be linked to that of the Environment Scrutiny Committee and that solutions such as underfloor heating and where Government grants were available, especially with climate change. It was stated that the Executive Member Housing and Executive Member E&R did liaise on new build properties and ensuring they are net carbon zero where possible
 - Noted that the Council were pursuing net Zero carbon by 2030 and a lot of work is taking place in this regard
 - Reference was made to the fact that GEM and Spa Fields had been invited to attend the meeting to give evidence, however had not attended. Members stated that GEM should have attended as the communal heating contractor, and it was stated that this was not acceptable

The Chair thanked Garrett Mcentee and Paul Harris for attending

287

WORK PROGRAMME 2020/21 (Item B3)

RESOLVED:

That the report be noted

The meeting ended at 9.25 p.m.

CHAIR