



COMMITTEE TITLE: Housing, Health and Community

DATE: 19th June 2023

REPORT TITLE:	Heat Billing Policy
REPORT OF:	Julian Higson – Interim Director of Housing

REPORT SUMMARY

This policy sets out the way charges are raised for tenants and leaseholders from communal heating and hot water systems provided to a single building or several buildings (i.e. heat networks) in new and existing homes.

The policy also explains what the Council's approach will be when introducing individually metered supplies in existing homes.

Under the Heat Networks (Metering & Billing) Regulations, that was introduced in 2014 with amendments made in December 2015 and November 2020, we now have a legal duty to introduce heat meters on estates where it is cost effective to do so. In other words, the saving experienced by residents in the long run is greater than the initial cost of installing heat meters.

The Housing team have a number of capital projects which involves the replacement of communal heating systems which at present serves Victoria Court (27 units), Oldfields (19 units), St Georges (57 units) and we also have an existing site at Drake House (44 units). There are other sites that in the future would need upgrading or replacement. The Heat Interface Units (HIU) fitted are designed to be able to be individually metered which complies with the Heat Networks (Metering & Billing) Regulations.

RECOMMENDATIONS

To approve a Heat Billing Policy which covers our legal requirements in line with current legislation which outlines our legal duties to meter communal heating systems.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

The Council has a legal duty to individually bill tenants for what they use.

The resident would have flexible control of their actual heat usage and payments.

It would reduce our gas usage thus being more energy efficient and reducing our carbon footprint.

Currently our communal boilers are working 24/7 to supply unlimited heating and hot water of which most of it is wasted energy as there are no monitored systems in place.

With these benefits it can be measured by monitoring the current usage over a 5 to 10-year period.

Pay as you go billing systems can work in unison with the new future proof heat interface units that have been fitted to several of our blocks, as part of the communal boiler replacement programme. It has a number of flexible payment methods, minimal maintenance and a 24/7 service that covers all our billing needs.

2.0 OTHER OPTIONS CONSIDERED

The only approach would be to carry on as we are which doesn't comply with current regulations and may lead to the Council receiving a financial penalty for not complying with the Regulations. To install a metering system with a monthly paper-based billing system would involve debt recovery issues for non-payment and increase administrative duties.

We are not able to provide a variable tariff as we are locked in a fixed tariff with Gazprom for our gas supply. However, this contract ends on 30th September 2022. Our procurement team are currently exploring options for new contracts.

3.0 BACKGROUND INFORMATION

To comply with legislation the Council must implement heat (hot water and heating) individual gas metering and billing for communal heating systems as stipulated in the Heat Network (Metering and Billing) (Amendment) Regulations 2015 so that heat networks can be operated to optimum performance.

The systems which will be installed in each property are heat interface units that can be metered and billed per household. Currently, the Council is receiving a communal bill that is split between the number of flats as part of their rent. This is not effective or efficient and does not comply to with the Heat Network Regulations.

It will also assist the Council in reducing any wastage of gas in these blocks, enabling residents to pay for what they require thus being more efficient and cost effective. We will be able to monitor the usage and provide reports on usage and billing as part of the data required for the regulator.

Until April 2016, these regulations were enforced by the National Measurement and Regulation Office which is now part of the Office for Product Safety and Standards (OPSS). For communal systems in operation on or before 31 December 2015, landlords had to inform the OPSS before 31 December 2015 about their buildings' communal heating, cooling and hot water systems.

Going forward, this information must be supplied to the OPSS at least every four years.

We have agreed a contract with a heat billing agent, Switch2, for this purpose.

Before the Council moves from a communally metered supply to an individually metered, the tenants and leaseholders will be consulted on the proposed change and the metering and supply service we propose to introduce.

4.0 FINANCIAL IMPLICATIONS

Name & Title: Tim Willis, Director – Resources & Section 151 Officer
Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk

Costs to install individual billing meters and equipment have been met from existing budgets.

5.0 LEGAL IMPLICATIONS

Name & Title: Claire Mayhew – Joint Acting Director of People and Governance and Monitoring Officer
Tel & Email 01277 312741/ claire.mayhew@brentwood.gov.uk

The Council must ensure it complies with legislation. Under the Heat Networks (Metering & Billing) Regulations that was introduced in 2014 with amendments made in December 2015 and November 2020, we now have a legal duty to introduce heat meters across our housing assets.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

The project objectives will be delivered via an all-encompassing billing delivery company who has been appointed in accordance with our procurement rules. This company will work closely with the Housing teams.

Full consultation will be completed with tenants and leaseholders.

Due to the sensitive nature of metering and billing individuals, especially in sheltered accommodation, this will require the joint efforts of all teams to support and deliver.

7.0 RELEVANT RISKS

Tenants or leaseholders not accepting the process for heat metering and billing in their property to monitor their gas usage especially in current times of fuel poverty which could delay the implementation of the scheme

Difficulty in gaining access to all properties.

Tenants not being able to pay for their fuel. There will be clear processes in place for vulnerable cases.

8.0 ENGAGEMENT/CONSULTATION

The Council will provide clear information about the heating arrangements before the start of the tenancy or lease and again if this changes.

Provide residents with information on their rights and obligations and the cost of the heating service.

The heat billing provider will have a set onboarding process to deliver heat billing services.

9.0 EQUALITY IMPLICATIONS

Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health

Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic and consultation will be had with tenants to provide guidance.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

Name & Title: Phil Drane, Director - Place

Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk

In providing heat metering installations this would reduce our gas usage and provide a more energy efficient system thus reducing the carbon footprint and current energy loss.

REPORT AUTHOR:

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APPENDICES:

Appendix A - Heat Billing Policy

BACKGROUND PAPERS

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
N/A	

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