



Report of: Executive Member for Housing and Development

Meeting of:	Date	Ward(s)
Executive	16 July 2015	All
Delete as appropriate	Exempt	Non-exempt

SUBJECT: Communal Heating Consultation Results – June 2015

1. Synopsis

- 1.1 This report provides feedback on the heating season consultation carried out in April 2015. It recommends a heating policy that is in line with residents' preferences and will ensure our residents stay warm throughout the year.

2. Recommendations

- 2.1 To note the responses received to the consultation.
- 2.2 Subject to recommendation 2.3 below, to approve the continuation of the current policy of providing communal heating for 36 weeks per year (October to May).
- 2.3 To approve provision of heating to the Spa Green and Kings Square estates in June and September (when external temperatures drop below 16 degrees centigrade), at no additional charge due the poor thermal performance of these blocks, which is significantly below that of other estates.
- 2.4 To approve the cessation of the additional charge for overnight heating to Spa Green residents and to approve the refund to current residents of the amounts paid for overnight heating from 1 April 2012.

3. Background

- 3.1 The council is committed to ensuring that residents stay warm in their council dwellings throughout the year. Communal heating is a key tool to help achieve this. Communal heating and hot water are currently provided at 48 gas fuelled boiler sites to 4000 homes. Communal heating has a range of benefits; it provides cheaper, greener heat than individual boilers, helps to protect tenants and leaseholders from big increases in energy prices, and prevents damp and condensation.
- 3.2 The current communal heating policy was agreed in October 2010 following resident consultation in the summer of that year. The current policy is that heating will be provided for 36 weeks of the year and operate for 18 hours per day where the boiler functionality allows this. Heating is turned on during late September and turned off towards the end of May. Within this period heating is provided between 6am and 12am (midnight).

- 3.3 In response to feedback from some residents that they sometimes felt the temperature was too low in June and September, the council consulted residents in April 2015 on extending the heating season into June and earlier in September when the outside temperature drops below a certain level. Not all of the council's communal boiler houses are able to be programmed in this way so the consultation was only sent to 1781 residents where the boiler houses have this option.

4. Results of 2015 consultation exercise

- 4.1 447 responses were returned giving a response rate of 25%, of which 424 expressed a preference for one of the three options offered. The consultation options and results are set out in the table below.

All Estates	%increase in heating costs	Number voting for this option	% of respondents voting for this option
A. Current arrangement no heating provided in summer months	0.0%	218	51.4%
B. Heating provided in June and September when daytime outside temperature drops below 16 degrees Celsius	5.3%	125	29.5%
C. Heating provided in June & September when the daytime outside temperature drops below 18 degrees Celsius	7.2%	81	19.1%
Total voting		424	100%

- 4.2 A very slight majority of residents who chose an option opted for no heating in June and September. The majority of residents did not respond to the consultation at all, which may suggest that they are also in favour of no change. If the residents from Spa Green and King Square are stripped out of the table above the percentage in favour of no change increases to 55%.

5. Thermal performance at Spa Green and Kings Square

- 5.1 The council has undertaken an exercise to assess the energy efficiency of its communally heated housing. This affects whether the buildings stay warm overnight in winter and during cooler weather in the summer when the heating is turned off. This exercise has demonstrated that due to their construction Spa Green and Kings Square lose a lot more heat than our other communally heated estates, with Spa Green being the least able to retain heat.
- 5.2 Feedback received from the recent consultation, feedback from the 2014 summer heating hours pilot, and complaints about heating also confirm that residents on these estates feel colder than residents in other communally-heated properties.
- 5.3 To make things fairer for these residents it is recommended that heating is provided to Spa Green and King Square estates during June and September at no additional cost to the residents. This heating will come on when the daytime temperature drops below 16 degrees centigrade. The new policy would be introduced from September 2015. This is in recognition that the residents at Spa Green and King Square have no control over the energy efficiency of their home. This small cost will be absorbed into the pooled heat charges for communal heating, and evened out across tenants' bills. This is in the same way that other variations such as different boiler efficiency are evened out across the heat charges pool, ensuring fair charges for all tenants.

- 5.4 Different heating hours are currently in place at Spa Green Estate. Heating is provided for an additional 6 hours overnight and residents pay an increased charge for this. This was introduced following a Spa Green-specific consultation in 2011. In recognition of the particularly poor thermal efficiency of the Spa Green estate it is recommended that this additional level of heating is maintained but that the additional charge is removed from September 2015. It is recommended that current council tenants are refunded the additional amount that they have been paying since this policy was introduced in April 2012.

6. Implications

6.1 Financial Implications

The financial implications are summarised below:

6.1.1 Spa Green and Kings Square summer heating costs

The additional cost of gas for the provision of heat in June and September when outside temperatures drop below 16 degrees, estimated at 5.3% increase in gas usage, is approximately £15,000 per year.

Spread over the whole heat charges pool the cost of the summer heating provision on these two estates is estimated to be between £5.00 and £5.50 per year or between 10p and 11p per week per tenant.

6.1.2 Removing the additional charge for Spa Green

If applied from September '15 this would save each Spa Green tenant approximately £45 per year. The income to the heating pool would be reduced by £4k per year. The cost to the rest of the heating pool would be approximately £1.35 per year or 2 pence per week for each tenant.

6.1.3 Refunding Spa Green tenants the additional amount they have paid since 2012

The total cost would be £17k. Each current tenant would receive approximately £190. The cost of this refund will not be added to tenants' heating bills.

6.2 Legal Implications

- 6.2.1 The council is required to consult its secure tenants on its proposals regarding housing management matters (section 105 Housing Act 1985). A matter is one of housing management if it relates to the provision of services or amenities in connection with dwellings and therefore would include options for proposed changes to the operation of the communal heating system. Whilst the obligation to consult does not extend to leaseholders it is reasonable for the council to include them in the consultation exercise.

- 6.2.2 Accordingly, the Executive should have full and proper regard to the consultation responses before making any decision on the communal heating policy. Tenants will need to be given four weeks' notice if a charge in the policy results in an increase in heating charges.

- 6.2.3 It would be reasonable for the Executive to decide to extend the heating season only on the Spa Green and Kings Square Estates given the poor thermal performance of the blocks on those estates.

- 6.2.4 The council has a fairly wide discretion as to the level of its heating charges provided that they are reasonable. The Executive may reasonably decide not to charge residents of Spa Green and King's Square estate for additional heating and to refund charges paid by Spa Green residents provided it is satisfied that the additional heating is necessary to deliver a similar level of temperature in their dwellings to that enjoyed by residents of other communally heated estates.

6.3 Environmental Implications

- 6.3.1 Providing additional heating to residents of the Spa Green and Kings Square estates during June and September will result in an increase in CO₂ emissions and also affect air quality in the area. A longer-term solution to the problems experienced by residents of these estates could be to carry out insulation

works to the buildings, which will significantly improve their thermal performance and possibly negate the need for the additional heating.

6.4 Resident Impact Assessment

- 6.4.1 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.
- 6.4.2 The recommendations in this paper will help to ensure that residents are provided with their preferred amount of heating throughout the year. It will also help to ensure that residents on the Spa Green and King Square estates pay a fair amount for heating that will keep them warm throughout the year. This will have a positive impact on elderly people, young children, those with disabilities, and those from BME backgrounds – all of whom are more likely to live in our accommodation.

7. Conclusions and Reasons for Recommendations

- 7.1 This report recommends a heating policy that will improve fairness by helping to ensure all residents in communally-heated properties stay warm throughout the year. All tenants will pay the same for their heating service. This follows the principles of 'pooling' used for all other council service charges.

Final report clearance:

Signed by:



Executive Member for Housing and Development

Date: 2 July 2015

Report Author: Fabian Mugodhi, Service Development Officer
Tel: 020 7527 8633
Email: fabian.mugodhi@islington.gov.uk