

Environment and Regeneration Scrutiny Committee - 13 November 2014

Minutes of the meeting of the Environment and Regeneration Scrutiny Committee held at on 13 November 2014 at 7.30 pm.

Present: **Councillors:** Court (Chair), Ward (Vice-Chair), Doolan, Gantly, Heather, Jeapes, Russell, Turan and Ward

Councillor James Court in the Chair

16 APOLOGIES FOR ABSENCE (Item A1)

None.

17 DECLARATIONS OF SUBSTITUTE MEMBERS (Item A2)

None.

18 DECLARATIONS OF INTEREST (Item A3)

None.

19 MINUTES OF PREVIOUS MEETING (Item A4)

That the minutes of the Environment and Regeneration Scrutiny Committee meeting held on 2 October 2014 be confirmed as an accurate recording of proceedings and the Chair be authorised to sign them subject to the following amendment:

- That the first objective in the Community Energy scrutiny initiation document be reworded to clarify the meaning.

20 CHAIR'S REPORT (Item A5)

None.

21 COMMUNITY ENERGY - WITNESS EVIDENCE (Item B1)

Andrew Ford, Energy Advice Manager, presented written evidence from the charity Forum for the Future.

In the presentation the following points were made:

- The evidence was Forum for the Future's response to the Department of Energy and Climate Change's Consultation on Cutting the Cost of Keeping Warm: a New Fuel Poverty Strategy for England. The document outlined the resources community groups would need. These included the provision of clear and accurate information, access to training providers and advice and resources for marketing campaigns. Typically resources came from local authorities.
- In the past, Islington Council had undertaken energy reduction programmes. However, there had not been any resources to undertake community engagement for a number of years.
- To date, no community groups had approached the Energy Team about community energy projects.
- Energy schemes should be carried out in line with the energy hierarchy i.e. firstly, reducing energy; secondly, insulating homes; and thirdly, generating energy.
- In response to a question about the efficiency of the housing stock, members were advised that the most energy efficient was council housing, followed by social housing, then owner occupied housing and then private rented housing. Most

council housing was flats which were generally more energy efficient than houses due to there being fewer roofs.

- The council had undertaken solid wall insulation. If there was a choice between insulating and installing double glazing, generally insulating should be prioritised.
- It was important to ensure there was a joined up approach between different departments.
- There was a community energy scheme in Bannister House, Hackney. The council had provided £40,000-£50,000 plus officer time and procurement advice. The scheme resulted in community development and included community cohesion and apprenticeships. There was a Camden community group currently looking for a commercial building, who were not looking for local authority funding but would use council resources such as planning services.
- If a community group contacted the council, the Energy Team would try and support them and put them in touch with the relevant people.
- It was suggested that more information on community energy could be provided to councillors, staff and tenants and residents' associations.
- The Energy Team acted as consultants to the Housing department and advised them when grants were available and advised on the design of buildings and schemes. Often government grant money came with conditions. The council successfully bid for £6.5m between six boroughs. The funding required owner occupiers to contribute to work on their properties and they could apply for Green Deal finance to assist with this. Although this funding could only be used for owner occupied properties, the council combined the grant with other grants to do work on whole blocks as this was cost effective.
- Landlords did not always invest in making their properties more energy efficient. The council's Housing department had a health and safety rating system with 29 measures including cold, damp and mould checks. The environmental health team conducted spot checks and residents could also contact them to request a visit. If the property was found to be inadequate, the landlord could be required to deal with the problem within a specified time period. If they did not do this, the council could do the work and then charge the landlord for the work.
- At the moment, it was considered not reasonable to ask landlords to insulate their properties. However, with a change to the law in 2018, it would become reasonable.
- The Energy Team was not aware of any Islington residents having taken out the Green Deal.
- In the past, funding had been used for door-knocking, surveys, draught proofing, infra-red surveys to show heat leakage, awareness raising programmes and workshops.
- Barriers to people having work done included not wanting strangers in their homes, being unwilling to clear their lofts for insulating work and being unwilling to go through the disruption associated with work taking place in their homes.
- Condensation could create a problem because people would open windows to deal with the condensation and then have to turn up their heating due to the heat loss out of the windows. To solve the problem of condensation, it was important to understand the cause. It could be a result of breathing, cooking, the design of buildings, especially those not designed for modern heating systems, or structural issues e.g. pathways over rooms on the Andover Estate.
- Members of the public raised concern about the amount spent on energy measures under Decent Homes work. Officers did not have the figure but the work done was to meet the standards set by government.
- In response to a resident's question about whether there was scope for the compulsory purchase of homes which did not meet energy standards, the officer advised that although he understood that the council could compulsory purchase

properties in some instances, he was not aware if not meeting minimum energy standards was one of the reasons.

- A member of the public asked for the cost of energy related improvements on tenants' rent. Officers would look into this.
- Members of the public were advised that they could ask questions of the Executive member and could put in written questions to Full Council.

RESOLVED

That the presentation be noted.

22

COMMUNAL HEATING - PRESENTATION (Item B2)

Garrett McEntee, Interim Group Leader M&E – CIP, gave a presentation on communal heating systems.

In the presentation the following points were made:

- In Islington there were 4,268 homes, in 48 blocks, connected to communal heating systems.
- The council had a preference for retaining or replacing communal heating.
- There was an opportunity to utilise energy from existing combined heat and power (CHP) plant. Heat generated from CHP was pumped to local housing estates connected to communal heating systems. An example of where this was in use was the Bunhill Phase 1 "Energy Centre" CHP plant. This would help to address the targets set in the Energy Conservation Act 2000 to eradicate fuel poverty by 2016 and help to reduce the levels of greenhouse gas emissions (34% of 1990 levels by the year 2020 and 80% by 2050).
- The council's current policy for communal heating was agreed in October 2010 following consultation with residents and it took into account residents' preferences. Heating was provided for 18 hours per day, 36 weeks per year. Heating was turned on during late September and was turned off at the end of May. Within this period heating was provided between 6am and midnight.
- Some blocks with specific issues had agreed variations to the communal heating policy e.g. in some blocks it was not possible to install cavity wall insulation so the properties did not retain as much heat as properties which were more insulated.
- Providing heating for more than the current 36 weeks per year would result in an additional cost and increased carbon dioxide emissions.
- There were a number of benefits to communal heating. It helped to support the council's Fairness Commission objectives included in the current Islington Corporate Plan i.e. decent, suitable and affordable homes. The installation of communal heating systems made homes easier to keep warm and more affordable to heat. Communal heating systems helped to break the cycle of fuel poverty where a household had to spend over 10% of its income on energy costs. It was estimated that 8.1% of households in Islington were living in fuel poverty.
- It was generally recognised that communal heating, in conjunction with decentralised energy schemes would provide a more economical source of heating and hot water than individual boilers.
- Paying a flat rate meant that tenants could budget more easily which helped to address the impact of fuel poverty on vulnerable and low income residents and helped to mitigate the worry of heating costs. Heating and hot water costs were included in the monthly service charge spreading the cost across the entire year as opposed to just the winter months when there was increased demand for heating.
- A communal heating system consistently used less energy than an individual heating system by a range of 7.5% to 11%.
- Communal heating reduced the risk of illnesses associated with condensation or dampness. Condensation and dampness could have significant negative health

impacts, especially for the very young, the elderly and those with long term health conditions.

- There was a consistent heating supply to properties with communal heating.
- Communal heating provided the opportunity to pass savings obtained from bulk gas purchase back to residents.
- In the London Plan, the Mayor of London's Vision was to become more self sufficient in relation to energy needs. The Plan required new major developments to have energy systems installed in accordance with the following hierarchy:
 - Where existing heating or cooling networks existed, developments should connect to them
 - Consideration should be given to a site wide combined heat and power network
 - Consideration should be given to a system providing communal heating and cooling.
- Under the council's Planning Strategy all new build developments were required to contribute to the development of decentralised energy schemes including connection to current district heating networks where these existed within the proximity of the development.
- There were a number of disadvantages to communal heating. It required significant up front capital investment costs with the potential to generate substantial bills for leaseholders living in the blocks where works were carried out. Complex engineering projects led to long lead in times.
- It was difficult to provide a fair and equitable service where blocks varied considerably in terms of energy requirements and a balance had to be achieved between service provided and energy costs and carbon dioxide emissions.
- There was not the same level of individual control with communal heating as there was with individual heating systems. Heat meters could give residents the ability to control their heating levels. However there were significant costs associated with heat meters and there were problems with the meters failing. In the future, it was anticipated that improvements in technology would improve the performance of heat meters.
- Communal heating systems could be subject to catastrophic failure as each plant could serve a significant number of residents and this could create hardship for residents.
- Reaction times to breakdowns or failures could be slow due to the complexity of the infrastructure equipment.
- Despite communal heating systems requiring significantly higher up front capital investment, their lifetime costs were lower than where individual heating systems were installed.
- The council had a risk management plan in place. There was a capital investment programme, a reactive and monthly planned preventative maintenance programmes and boilers were serviced annually.
- Plant rooms were connected to the Building Management System (Trend System).
- Systems were monitored remotely to identify working temperatures, breakdowns and performance.
- The forward plan included a seven year future programme of works with an asset management plan to help identify and prioritise future works. There would be joined up thinking with other programmes of work. Feasibility, condition assessment and lifespan criteria would help to identify changing needs and requirements. There would be stakeholder involvement in future programmes.
- The forward plan provided an opportunity for better inclusion from stakeholders and an opportunity to avoid major breakdown failure. It provided a process to move work into the capital programme, identify projects at the right time and provided an opportunity to review potential areas of risk with the planned maintenance team.

Environment and Regeneration Scrutiny Committee - 13 November 2014

- There was a need to listen to resident groups and tailor services to meet resident requirements.
- It was not possible for residents living in blocks with communal heating to opt out of the communal heating and install their own boilers.
- The maintenance contact cost the council £1.5million each year. Work on the communal system on the Finsbury Estate including relocating the boiler house, renewing the pipework and installing radiators and controls in 328 flats cost £3.1million.

In the discussion the following points were made:

- Residents raised concerns that they had not been consulted on the communal heating policy. The Chair requested that officers look into how the agreements were put in place, whether the consultation was conducted correctly and if this was not the case, look at the feasibility of reopening the agreements.
- Concerns were raised about the position of the Trend Building Management sensors in the plant rooms. If these were repositioned, they could provide more accurate data on the system performance which at the moment sometimes resulted in inaccurate information being passed to residents. Officers advised that this aspect of the Trend System was currently being reviewed to see where improvements could be made.
- A pilot study had been recently undertaken and part of this was to review the times when heating was provided to residents. The outcomes were being collated and a draft report would be written by Christmas 2014.
- It was highlighted that the Trend Building Management system which connected plant rooms to the Building Management System could be improved to provide a more responsive service and more accurate information where failures in plant occurred. Sensors in the plant rooms monitored performance e.g. by monitoring water temperature within the system. These were not working as well as they could so there was a need to improve the communication between the plant rooms and the internal team. This could involve repositioning the sensors within the plant room. A report would be published and costs for any improvements would have to be agreed before any work could be undertaken.
- In relation to major breakdowns, there was a register of vulnerable residents living in the 48 blocks where there was communal heating and there was an out of hours team on standby to address this in the event of a catastrophic breakdown. Support was also available from the maintenance contractor team and the internal repairs team.
- Residents raised concern that they were not kept updated about communal heating policies and communications from the teams responsible for the mechanical and engineering service could be improved.
- Residents explained that there were frequent problems with communal heating systems and heating could be erratic. A resident advised the committee that on the Stafford Cripps estate, the heating was not turned on until mid October, when it was on it was operating at a low level and it would often go off during the times it was supposed to be on.
- It was highlighted by residents that they had no control over the temperature of the heating.
- Concern was raised about the position of the thermostat controls in properties within Braithwaite House. Officers explained that thermostats had been placed in the hall of the property which was generally the usual position for thermostats. However it was noted that some of the flats were on two levels and it was possible that the thermostats could be more effective if placed at a median level within the property. A pilot would be undertaken whereby a thermostat would be moved to the median

level and this would be monitored for a couple of weeks to test the performance of the thermostat.

- A resident from the Spa Green estate raised concern that tenants from the estate paid £882 per year and were receiving Type 2 heating (no heating during the night) whilst paying for Type 3 (heating between 6am and midnight with a lower level of heating during the night). Officers would investigate and respond to the resident.
- Concern was raised that the costs of communal heating were not shared equally. Council tenants paid the borough average and leaseholders paid the block average. Officers would investigate this and report back to the committee.
- Concern was raised that residents did not receive a proportionate rebate when their heating was not working and would only receive a rebate once the heating had not been on for three separate days.
- Concern was raised that those on low incomes found it difficult to pay for their heating and hot water and if they did not pay the money, it was treated as rent arrears. They could therefore be evicted and taken to court because they had not paid their bills. Officers were asked to investigate whether this was national policy or whether Islington had any control over this. Those with individual heating systems were not subject to rent arrears for not paying their heating bills.
- A resident raised concern that on the Stafford Cripps estate, heating was not on during the night which was inadequate for those who were vulnerable, had illnesses or were shift workers. Officers advised that they would look into these issues and see where improvements could be made.
- Residents were advised that further questions could be directed to Garrett McEntee and copied into the Chair who would collate the questions and distribute them to members.
- Concern was raised about whether communal heating was more energy efficient than individual systems. Officers presented a lifetime cost benefit analysis case study of a block of 110 flats with communal heating which showed that gas consumption over 30 years was significantly lower than it would be if the block had individual boilers.
- Concern was raised that there could be some people with communal heating who paid more than the national average for their heating. Until the statistics for the 48 blocks with communal heating was known, the extent of the issue would not be known. Officers advised that the Bunhill scheme had saved money and this saving had been passed on to residents.

RESOLVED:

- 1) That officers update the committee on progress made at a future meeting, once planned pilot studies had been undertaken and the report on the review of the system, including the plant room sensor issue, had been published and that officers from other relevant departments be invited to attend the meeting.
- 2) That officers investigate consultation process which resulted in heating hours being agreed, the discrepancy between the different amounts paid by tenants and leaseholders and whether the rent arrears situation outlined above was a national policy or could be influenced locally.

23 WORK PROGRAMME (Item B3)

RESOLVED:

That this item be considered at the next meeting.

24 PUBLIC QUESTIONS (Item B4)

Questions from members of the public were addressed during the relevant items.

The meeting ended at 10.10 pm

CHAIR