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# Heat Billing Policy

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**Housing Department  
Brentwood Borough Council**

## Version Control

<b>Version</b>	<b>Date of change</b>	<b>Officer</b>	<b>Title</b>
V1	April 2023	Julian Atkin	Repairs Contract Manager

**Approved at the relevant Committee on: 19<sup>th</sup> June 2023**

## **Introduction**

This policy covers the way that 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 covers the way charges are raised and 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.

What do the Regulations say?

The Regulations impose certain duties upon heat network operators (like the Council), such as:

- The duty to install heat meters and temperature control devices (in certain circumstances)
- The duty to ensure installed heat meters are working properly
- The duty to bill customers based upon actual consumption and to provide suitable billing information at regular intervals (at least annually)

The benefits to tenants of having heat measuring devices and controls installed includes:

- improved energy efficiency usage
- fairer charging
- carbon savings and reduced bills
- greater convenience with heating controls.
- improved heat network efficiency
- improved response times when dealing with heating issues.
- isolation within individual properties
- improved local air quality and reduced carbon emissions

On the billing side of the regulations, the Council wants to keep the system as simple as possible.

## **Scope**

This policy covers heating and hot water systems that have metered supplies to individual properties and where a meter is in place for the block's communal supply.

## **Communal Metered Supplies**

Where a property is connected to a communal or district heating system with a communal meter, the Council will include the cost of heating and hot water in the service charge.

Heating and hot water charges are pooled across properties supplied by the communal system and residents are charged a proportion based on the gas bill which is equally divided by the number of properties in the block and charged in each residents monthly surcharge.

Where a communally metered supply is in place the Council will provide Thermostatic Radiator Valves (TRVs) in the property to enable residents to control the temperature in the property.

## **Individual Metered Supplies**

Where possible, individual meters will be installed in properties to measure exactly how much heating and hot water is used by an individual flat.

Where it is currently not feasible or cost effective to install an individual meter, a block meter is in place which measures how much heating and hot water is used by the block and is used to recharge tenants and leaseholders.

The Council will install individual meters where possible as part of planned major works upgrades to communal heating and hot water systems.

Where individually metered supplies are in place, information will be provided on the Council's website on the Heat Interface Units (HIUs) and metering system in place.

### **Consultation on the introduction of Individually Metered Supplies**

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 that is proposed to be introduced.

Brentwood Borough Council entered into a meter, billing, district heating framework via ProcurePublic who offered a direct selection method in which they have tendered for the best facilitator to meet our needs. This was vetted and audited via our internal procurement team. Switch2 have been instigated to supply 'pay as you go' heat meter billing systems in our properties.

Where new buildings are built with individually metered supplies in place, there is no requirement for consultation with tenants and leaseholders.

### **Metering Installation**

The Council will install meters in existing buildings (i.e. to measure the supply of heat, cooling or hot water to each occupier in multi-occupancy buildings) unless it would either not be technically feasible or cost-effective to do so.

There are threshold tests to be met to consider whether it is technically feasible or cost-effective. It may be deemed cost-effective to install suitable meters where the net present value of the projected energy savings, as a result of the meter installation (over the first 10 years of installation) exceeds the net present value of installing them.

There are also ongoing obligations to ensure meters are continuously operated, properly maintained and periodically checked for errors.

The Council will make reference to the lease and tenancy agreement in place to ensure that there is a right of access to install a meter.

In new buildings with Heat Networks, metering will be installed at the outset as required under the regulations.

### **Billing for Individual Meters**

The scheme, comprising of a number of properties, are all being supplied with heating and hot water through a centralised communal energy plant. The heating and hot water is distributed through the primary network to a heat interface unit (HIU) located in each property. The HIU separates the primary network from the secondary property network, and is generally deemed to be the demarcation point with regards to responsibility between the network provider and the consumer.

Where meters or heat cost allocators are installed, the Council will enter into agreements to ensure that billing is accurate and based on actual meter readings. The council would pay for the entire fuel usage to power the communal heating system in place via our tendered energy provider and Switch2 would then charge each property for their individual usage via a pay as you go meter which in turn is paid back to Brentwood Borough Council.

The Council will provide tenants and leaseholders with billing information where it is technically possible and economically justified.

Under the regulations, the Council will pass on the reasonable costs of billing where it is carried out by an agent. (there is an annual fee for administration).

### **Switch2 offers a selection of ways you customers can top-up your meter.**

- Add credit anytime to the unit as a one off payment
- Set up payments to be taken from their bank account automatically, when it reaches a set amount of the customer's choosing
- Set payments to be taken from the customer's bank account on a set date, either weekly or monthly
- Pay with the app
- Pay online, by phone or in person

### **Meter Maintenance**

Switch2 supply domestic energy meters in which all parts and labour for identified faults are fully covered. When an issue is reported Switch2 engineers will attend site within the client's service level agreement. Issues include:

- Fault on unit
- Lack of understanding of unit/meter
- Payment queries

The Service Level Agreement is as follows:

<b>Category</b>	<b>Description</b>	<b>Response time</b>
'A'	Emergency is in relation to the Energy Infrastructure	Within 8 hours
'A'	Energy Service is interrupted in Heating Season	Within 24 hours
'A'	Energy Service is interrupted for registered Vulnerable Residents	Within 12 hours
'B'	Energy Service is interrupted out of Heating Season	Within 48 hours
'C'	Energy Service is not interrupted and a technical fault with a Meter and/or AMR	Within 7 days

### **Debt Management**

Switch2 debt recovery team will always aim to be sympathetic to a customer's circumstances, and will attempt to achieve a solution which works for all parties.

They understand that different customers will respond to different approaches. Their team will tailor their approach to what we believe will be the best way to achieve a good outcome for all parties. This could be more time to clear a balance in full, signposting to seek debt advice, or a payment plan over an agreed period.

Disconnection is an absolute last resort, with 60% of scheduled disconnections cancelled upon receipt of a payment and agreement of a payment plan.

### **Information Provided to Tenants and Leaseholders**

The Council will provide the following information to residents on the heating and hot water systems in place:

- 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.

## **Service Delivery**

The Council will have in place the following actions to reduce the risk of heating and hot water supplies being interrupted:

- The Council will have contingency plans in place for interruptions in supply. For example, access to sufficient temporary heaters.
- The Council will ensure that contracts with providers and maintenance companies are robust, including break clauses and penalties in contracts.
- The Council will monitor the performance of providers and maintenance companies and take action to enforce the terms of the contract if necessary.
- The Council will ensure that residents know how to complain and are signposted to the appropriate Ombudsman.
- The Council will keep abreast of evolving policy regarding heat networks, including consumer rights, and ensure they meet best practice.

## **Notification**

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.

## **Review of the Policy**

This policy will be reviewed every three years, unless there is a change in the legislation covering communal heating and hot water systems.