Heating Policy for Council-Owned Housing – Revised 2022

Scope

This policy applies to all council-owned homes and new-build council homes, covering both tenanted and leasehold dwellings, communally and individually heated properties. The policy was first approved by the Council in January 2004 and will be reviewed periodically to reflect developments in policy, technology and practice.

Aims and Objectives

The Council is committed to providing homes with affordable, controllable space and water heating systems that are economically maintainable, that provide value for money and align with the Council's strategic policies and in particular We Make Camden (and future versions) and Camden's Climate Action Plan.

To achieve these aims, Camden will:

Maintenance of current systems

1. Continue to improve the building's fabric to reduce heat demand as part of a comprehensive investment approach.

2. Seek resources to finance additional energy efficiency measures, and explore renewable energy technology to 'future proof' energy supply.

3. Retain the existing district heating networks and expand where possible, or establish new ones as this is the most efficient way of service provision. Heat networks are also imperative for long-term strategy for heat decarbonisation. Having a central plant room will enable the transition to other alternative low carbon sources, as outlined in the Government's Clean Growth Strategy and GLA's London Environment Strategy

   3.1. It is Council policy to refuse individual tenants and leaseholders from opting out of the communal and district heating networks, for the following reasons:

   - Allowing residents to opt out would lead to the communal/district heating system becoming grossly oversized and inefficient.
   - Some systems run in 'series' rather than in 'parallel', with the result that changes to one dwelling can have implications 'downpipe'.
   - Residual leaseholders on the communal/district system would have to pay a higher proportion of the costs associated with the maintenance of the centralised plant and infrastructure.
   - Regulatory and technical issues preventing installation of individual boilers.
   - High value of investment and long term contracts in place for large legacy networks, i.e. Somers Town Energy and Gospel Oak-Royal Free Hospital networks.

   3.2. It is Council policy to refuse individual tenants and leaseholders from opting out of the bulk gas network for their heating, for the following reasons:

- A new gas pipe for an individual supply to the resident would need to be installed by Cadent (formerly known as National Grid), which is not a cost effective or a practical solution.
- The costs of fuel for the resident would likely be more expensive with the new supplier, because Camden buys gas in bulk (see point 18).
- Breaking up the Heating Pool would have knock on effects on the fuel price for remaining users, through the reduction in bulk negotiating power.

Any opt out will be a breach of tenancy/leasehold conditions. Appropriate consideration must be given to freehold properties as they have the option to be removed from the communal/district./bulk gas system.

3.3. Tenants and leaseholders will be allowed to switch their cooking supply to electricity and have their heating charges adjusted accordingly. Any requests to switch from cooking gas to electricity will not be granted until a check is carried out by Camden of the capacity of the electrical distribution cables and fuses.

Upgrade of existing systems

4. Conduct a full and transparent options appraisal process to decide on the best heating and/or hot water solution for the specific site. The process will happen when the district heating network/communal system is at the end of its useful life or the system experiences multiple failures. The following aspects will be taken into consideration:

- Capital cost of the works through a 30 years Net Present Value (NPV) life cycle analysis[1]
- Operational and maintenance costs
- Ongoing fuel costs to residents
- Environmental impact – carbon emissions and NOx for air quality
- Measures to improve health and safety
- Local, national and European policy, guidelines and best practice (that will also include forward look for any emerging trends or upcoming policies)
- Feasibility of technology options to include:
  a) Retain existing system and continue with repairs and maintenance regime
  b) Decentralised energy networks opportunities - heat (and power, if relevant) in the locale; are there viable alternative heat sources in the area, for example adjacent organisations such as schools, hospitals, etc. which could export heat to the housing networks
  c) Communal boiler (conventional or condensing applications) depending on configuration of buildings being considered
  d) Electric heating
  e) Individual Ultra Low NOx boilers (conventional and storage or combination; high efficiency and condensing and the impact on existing gas and mains cold water infrastructure)
  f) Method of generating domestic hot water for options d – e including instantaneous generation and thermal stores

[1] NPV analysis is completed from the Council's investment point of view as the owner of the network

g) Renewable energy technologies e.g. air source or ground source heat pumps, solar thermal; and other technologies, e.g. Combined Heat & Power (CHP) and fuel cell

- Economic, Social and Environmental Matrix to conclude which technology option meets the Heating Policy objectives and delivers best value for Camden's residents

5. Engage proactively with residents (tenants and leaseholders) on the options for heating system replacement, presenting clear analysis at an early stage prior to statutory leaseholder consultation wherever possible.

Regulations and standards compliance

6. Demand contractors' compliance with Camden's Design Supplement based on the CIBSE's Code of Practice for Heat Networks and ensure all new installations are guaranteed to reach an agreed performance level.

7. Ensure all new installations are supplied with dwelling heat meters and building-level meters in accordance with Heat Network (Metering and Billing) Regulations 2014.

8. Maintain a register of heat networks, performance and monitoring in accordance with government regulations.

9. Ensure that all heating improvements comply with current regulation and in particular, Part L (Conservation of Fuel and Power), B, F and J of the Building Regulations.

New homes and planning policy

10. Install heating systems that balance Planning policy requirements with operational resilience, cost in use, energy demand and supply, maintenance and impact on carbon reduction targets, when developing new homes.

11. Not support the installation of stand-alone CHP units in small developments (less than 50kW), where there is neither the potential nor the intention for that development to form part of a wider network – please refer to Camden's Local Plan guidance (http://camden.gov.uk/ccm/navigation/environment/planning-and-built-environment/planning-policy/local-development-framework/). The administrative burden of managing small-scale CHP electricity sales, and the low unit price available for small volumes of exported CHP electricity, means it is generally uneconomic to pursue. Furthermore, CHP proposals need to comply with maximum NOx emissions requirements specified in Draft London Plan (https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/draft-new-london-plan/).

Commissioning of heating systems

12. Require full testing and commissioning to be undertaken for all new and refurbished heating systems in compliance with the Camden Heat Networks Design Supplement. This will also include full commissioning and testing of the heat meters, communications and data received by Camden, as well as the remote access to the BMS system for ongoing monitoring.

Performance monitoring

13. Monitor and measure performance of networks based on agreed performance levels to ensure value for money. This would include gas consumed and total heat delivered to properties, where metered.

Data management and billing

14. Make data available from dwelling and building-level heat meters to leasehold services, rents and billing in order to ensure transparency, immediacy and accuracy in billing and charges.

15. Continue to use the charging systems that are appropriate for specific sites depending on available information. There are different types of charging systems – these are based on individual gas meters, heating pool and dwelling heat metering. Heating pool charging arrangements will remain in place for secure tenants and heating estate charges for leaseholders until dwelling heat meters are installed.

16. It is Council policy to refuse tenants and leaseholders from opting out of the bulk gas network for their heating, because Cadent (formerly known as National Grid) would need to supply a new gas pipe for an individual supply to the resident, which is not a cost effective or a practical solution. The costs of fuel for the resident would likely be more expensive with the new supplier. Breaking up the Heating Pool would have knock on effects on the fuel price for remaining users, through the reduction in bulk negotiating power. Any opt out will be a breach of tenancy/leasehold conditions.

17. Not install Pay-As-You-Go heat charging systems in order to keep the system's administration cost to the minimum for residents.

Energy procurement

18. Continue to monitor the difference in gas prices between the Council's commercial bulk purchasing contract and London domestic gas rates in the unlikely event that residents become disadvantaged through participation in the Heating Pool, and to take advice from London Energy Project specialists to determine our gas procurement strategy.

Information sharing on the heating systems

19. Notify council services including leasehold services, rents and billing, sustainability and energy management of any changes to heating systems so that the correct charges and energy management processes can be undertaken within reasonable timescales. This will include notification of additional property to heat systems, and particularly if non-residential property is added to systems in order to enable an accurate charging mechanism.

20. Consult and inform leasehold services, rents and billing, sustainability and energy management of plans for development of new homes at inception phase, throughout the course of the development and the handover process.