

Central West
Local Housing Forum

19th November 2024

Tom Lloyd – Chair

Invited Guest Speakers

Florence Eshalomi	MP for Vauxhall & Camberwell Green
Tom Vosper	LB Southwark heat networks
Cllr Sarah King	Cabinet member for council homes
Cllr John Batteson	Cabinet member for climate emergency

Agenda

Outstanding Issues from previous meeting

District Heating

- Evaluation of Brandon boiler house charges
- Comparison with Ofgem average heating costs
- Disparity between tenures (Tenant vs Leaseholder)
- Impact on HRA
- Impact on Climate Emergency
- Impact on our Community
- Q & A with panel speakers

Any Other Business

Brandon Overview

- The Brandon boiler house is connected to 562 properties, the majority of which are 2-bed flats.
- The current heating system was retrofitted to the estate in the late 80's
- Gas costs have increased ten-fold in three years
- The disparity between tenures (leasehold vs tenant) is 200%. Same boiler, same pipes, same radiators, same homes, just double the cost!

Heating cost increases 2020 – 2024

Year	Gas Usage (£)	Gas Usage (kWh)
2023 / 2024	£2,190,524	31,147,402
2022 / 2023	£629,492	12,359,267
2021 / 2022	£249,063	11,728,989
2020 / 2021	£201,212	12,892,707

The cost of heating the same 562 homes has risen ten-fold from £201k in 2021, to £2.2m in 2024.

Same boiler, same pipes, same radiators, same homes.

Ofgem Heating Figures

Boiler Name		2023/2024	Usage per property	2022/2023	Usage per property
Brandon Boiler House		31,147,402	55,422.42	12,359,267	21,991.58
Energy Use	Example – home type and number of residents	Typical annual gas use (kWh)	Typical annual electricity use (kWh)	Typical annual electricity use (multi-rate, such as Economy 7) (kWh)	
Low	Flat or 1-bedroom house; 1 to 2 people	7,500	1,800	2,200	
Medium	2-3 bedroom house; 2 to 3 people	11,500	2,700	3,900	
High	4+ bedroom home; 4 to 5 people	17,000	4,100	6,700	

Ofgem (the regulator) calculates that typical gas usage for a flat is 7,500kWh per annum.

Based on this figure, the amount of gas consumed in the Brandon boiler house, this should provide heating for **4,152** homes instead of just the **562** flats on the estate.

Disparity between different tenures – Tenant

APPENDIX 1

District Heating -Tariffs and Charges

Table 1 – Current and Proposed Non-metered Tenant Charges

	Number of Bedrooms	2023-24 £ per week	2024-25 £ per week	Increase £ per week	Increase £ per annum
Central Heating and Hot water	0	15.24	16.76	1.52	79.04
	1	21.40	23.54	2.14	111.28
	2	26.49	29.14	2.65	137.80
	3	31.71	34.88	3.17	164.84
	4+	34.23	37.65	3.42	177.84

Source - Housing Revenue Account – Indicative Rent and Charges Report 2024-25

For a 2–bed property, a **Brandon Tenant** pays **£29.14** per week. Annually this equates to **£1,515**.

Disparity between different tenures – Leaseholder

Estate services	
Heating and hot water <i>(Incl. gas cost of £2,150.30)</i>	3,076.91
Estate care and upkeep	110.85
Estate responsive repairs	8.46
Grounds maintenance	76.12
Estate lighting and electricity	44.75
Security services	0.00
Building Insurance	664.51
SUB TOTAL	4,922.35
Administration charge	492.24
	5,414.59
Ground rent	10.00
TOTAL	5,424.59

For a 2-bed property, a **Brandon Leaseholder** paid **£3,076** (double) the tenant cost. Note, the gas cost at **£2,150** seems to suggest that the tenant heating charge is being subsidised somewhere.

Disparity between different tenures

Brandon Tenant

2-bed property

£1,515

Brandon Leaseholder

2-bed property

£3,076

Two identical flats, side by side, Same boiler, same pipes, same radiators, same number of rooms

Actual annual gas cost per property – **£2,150**

Impact on HRA (Housing Revenue Account)

- Southwark are quite adamant that leaseholders are charged their 'fair share' of district heating costs
- By this reasoning What is bad for leaseholders, is bad for Southwark
- The current situation of requiring **seven times as much energy** as the Ofgem recommended amount, must be putting significant strain on the HRA, especially at a time when the reserves are at an all time low

Impact on our community

- Exodus of residential leaseholders
- Social cohesion of our communities being dismantled
- Influx of professional absentee landlords
- 2-bed flats being converted to 4 and 5 bed dormitory lets
- Bad for residents, bad for Southwark, and bad for those forced to live in 'Rachman' conditions.

Impact on Climate Emergency

- Only **8 out of the 79** district heating systems fall within the Ofgem figures of typical gas usage.
- Brandon 1 DH system costs **10 times as much to run** as it did 3 years ago
- Brandon 1 DH system uses **7 times as much energy** to heat a 2-bed flat as should be required
- This has a **direct impact on CO2 emissions** this year, and every year into the future

Individual Heat Meters

- Individual heat meters might only offer limited savings, if the district heating system is efficient from end to end
- If there are significant heat losses, due to ageing pipework, lack of, or poor insulation then just as much gas may be burnt at the boiler house, delivering little saving
- Realtime temperature sensing systems installed in 2019, promised cost reductions, but they never materialised

Questions

1. What commitments will Cllr King & Cllr Batteson make to us to fully investigate the Brandon metering failure, leading to huge price increases, and report back within a 14 days?
2. Will Cllr King & Cllr Batteson agree to a borough-wide report into the (lack of) efficiencies of all DH systems?
3. Will Cllr King & Cllr Batteson put a system in place to improve comms, and ensure that the service charge construction team properly scrutinise service charge components and act in the interests of the leaseholders who pay for them?
- 4.

Audience Questions

Q & A session with Southwark panel speakers