

Committee(s)	Dated:
Residents' Consultation Committee	200922
Subject: 2021/22 Heating Costs	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: Andrew Carter Director of Community and Children's Services	For Information
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Summary

Heating bills across the estate have risen by over 35% in comparison to 2021/22. The main reason for this is the increase in unit prices. However, the increases in the heating service charge are not uniform across the estate which is a concern for leaseholders.

The variations in consumption will be investigated further and a further report will be brought to the RCC.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. Heating costs are one of the biggest costs in the service charge. The electricity contract was last tendered in 2020/21 and new rates came into force in October 2021.
2. The electricity is supplied by Total Energies and energy bills are currently monitored by Mitie.
3. The electricity is supplied by Half Hourly meters which provide the energy company with data for usage for each half hour period throughout the day. These meters are remotely monitored.
4. The increase in unit costs has been around 48% for the night rate (midnight to 7am) and 38% for the day rate (7am to midnight). Each meter has its own unit rates. For example, one of the meters in Speed House the day rate has increased from 9.4551 pence to 14.8557 pence and the night rate from 9.3667 to 14.1893 pence.
5. In addition to the unit costs there are standing charges approximately £33 per month per meter and capacity charges approximately £131 per month per meter. When there is a high take up excess capacity charges can be incurred. These can be over £2000 per month per block.

Current Position

Consumption

6. Consumption readings taken by the Barbican engineers show a reduced consumption for 2021/22 of around 3.5% in comparison with 2020/21. However, reading the meters in March 2020 and March 2021 could not necessarily be done on the same date and so their readings are not as accurate as in the past.
7. The energy company uses the data from the half hourly meters for its invoicing. However, we have still received late and revised bills for several blocks.

Billing

8. For Speed House bills for 2020/21 were received in the following year at a higher rate than had been anticipated and bills received in 2022/23 for the 2021/22 season were also significantly higher than anticipated. Overall, the amount billed for Speed House was over 100% higher than in 2020/21.
9. The invoices received for Gilbert House for 2021/22 were less than 5% higher than those for 2020/21. However, in September 2022 we have received revised bills for three months increasing the charge for the year by nearly 20% (nearly £20k).

10. The Estate Office has requested that all the meters are checked and the readings reconciled. Once this has been done we will report back to the Committee and advise residents of any variations in the charge for the year and provide comparisons of consumption and costs.

Conclusion

11. Energy costs have risen significantly and are rightly of great concern to residents.
12. The checking of all the meters should provide a clearer picture of the energy use for 2021/22.

Background Papers

None

Corporate & Strategic Implications Key Data

Strategic implications –

Financial implications – Service Charge Expenditure is City Fund.

Resource implications - None

Legal implications - None

Risk implications - None

Equalities implications – None

Climate implications - None

Security implications - None

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