

City of London Corporation Committee Report

Committee(s): Planning and Transport – For decision	Dated: 21/10/2025
Subject: Planning Advice Note – Heat Network Supply Zones in the Thames Policy Area	Public report: For Decision
This proposal: <ul style="list-style-type: none">• Delivers Corporate Plan 2024-29 outcomes	Leading Sustainable Environment: climate action, resilience, air quality and sustainability are all facets of ambitious targets for the City to be net zero by 2040.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Katie Stewart – Executive Director, Environment	
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Summary

Members have approved a phased delivery of heat networks across the Square Mile, where it is projected to be the lowest cost solution to decarbonise heat for buildings (Policy and Resources, June 2025).

A critical element of heat network delivery in the Square is the supply of low cost, low carbon heat at a scale which meets the high density of heat demand in the Square Mile and Central London in general.

The Thames and riverside area have the potential to play a critical role in the provision of heat - as a direct source of heat; as a transporter of heat; and as a corridor for the development of heat main infrastructure. A draft Planning Advice Note (PAN) has been produced, which provides advice for developments that could be affected by the heat network plans.

The draft PAN sets out the policy context for developing strategic heat supply in the Thames Policy Area; indicates the potential and preferred options for the mooring of thermal barges in the supply of heat in the short-term; and highlights the recent decision to designate a strategic heat main as a nationally significant infrastructure project.

If approved, a consultation will be undertaken to seek feedback on the draft PAN. A final version will return to this Committee for adoption. The PAN will be kept under review and revised as required.

Recommendation(s)

Members are asked to:

- Endorse the draft Planning Advice Note on Heat Network Supply Zones in the Thames Policy Area
- Approve the undertaking of a consultation on the Planning Advice Note

Main Report

Background

1. The development and expansion of heat networks is a priority for national government, the Mayor of London and the City of London Corporation as a critical contribution to decarbonising heat, achieving net zero goals and increasing energy security.

Current Position

2. The government's forthcoming Heat Network Zoning regulations (due to be adopted in early 2026) will provide a legal framework for scaling the deployment of heat networks as the lowest cost, low carbon option for decarbonising heat in major urban areas.
3. In preparation for the Heat Network Zoning regulations, the City Corporation has been participating in the government's Advanced Zoning Programme (AZP) to better understand the potential impact of the regulations on the Square Mile. This work suggests:
 - The City of London has the highest density of heat demand in the UK
 - The whole of the Square Mile will form part of a designated Central London Heat Zone
 - Around 1200 Square Mile buildings could be mandated to connect to heat networks, based on the government's threshold of heat demand above 100 MWh/y
 - These buildings collectively have a heat demand of c.1,000 GWh
4. In June 2025, Policy and Resources committee approved a phased delivery of heat networks across the Square Mile, only where it is projected to be the lowest

cost solution to decarbonise heat for buildings - verified on a phase-by-phase basis.

5. The main constraint to heat network development is the current availability of low carbon heat to meet the high density of demand in the Square Mile. The Thames and the riverside area have the potential to play a critical role in providing a substantial amount of low cost, low carbon heat enabling large-scale heat network development in the Square Mile and Central London in general.
6. The greatest opportunities for heat networks to access low carbon heat sources in the short-term (5-10 years) are located along the River Thames foreshore. It provides options to extract heat from the river water directly and also for heat to be delivered by Cory in river barges whose heat is captured and stored from waste heat generated at their Riverside Energy from Waste facility in east London.
7. From early/mid 2030 the supply of large-scale waste heat from sources in outer London via pipes may be available to meet most/all the heat needs of the buildings within the Square Mile. Cory are proposing to develop a strategic heat main to transport waste heat generated at their Riverside Energy from Waste facility to Central London, including the Square Mile.
8. In August 2025, Cory's proposed strategic heat main project was recognised as a project of national significance by the Secretary of State for the Department of Energy Security and Net Zero (DESNZ). This is the first time a heat infrastructure project has been designated as nationally significant by DESNZ. Construction is targeted to start in 2028 with heat supplied from 2032.

Options

9. The City has commenced engagement with Cory on opportunities to deliver waste heat via river barges utilising thermal storage which could supply the Square Mile in the short-term while considering a longer-term piping option.
10. An initial assessment of suitable mooring locations has been undertaken for the thermal barges. Swan Lane foreshore / east of Walbrook Wharf has been identified as the preferred site, mainly due to the relatively good condition of the existing campsheds.

Proposals

11. The draft Planning Advice Note sets out the current plans for strategic heat supply to enable the delivery of low cost, low carbon heat networks in the Square Mile. This includes the preferred location for the mooring of thermal barges to transport heat along the Thames as well as the plans for a strategic heat main being recognised as a project of national significance.

12. If approved, a consultation will be undertaken to seek feedback on the draft PAN. A final version will return to this Committee for adoption. The PAN will be kept under review and revised as required.
13. The PAN is being developed in coordination with the City Corporation's Heat Network Programme. A separate paper on the design and delivery of Heat Network Zoning in the Square Mile will be presented to Policy and Resources committee (for decision) and Planning and Transport committee (for information) before the end of 2025.

Key Data

14. Cory operates the Riverside 1 Energy-from-Waste (EfW) facility and is currently constructing Riverside 2, which will double its processing capacity. Together, these facilities are expected to generate up to 3 TWh of waste heat annually - sufficient to meet the entire heating demand of the Square Mile (approximately 1,200 GWh) and half of Westminster (around 4,000 GWh per year).

Corporate & Strategic Implications

Strategic implications

15. This proposal supports our Corporate Plan priority for a Leading Sustainable Environment through support of heat decarbonisation across the Square Mile, and additional air quality benefits by reducing the use of gas-fired boilers.

Financial implications

16. There are no direct financial implications from this Planning Advice Note. The City Corporation's Heat Network Programme (HNP) is being financed through the Climate Action Strategy, UK government funding and other sources.

Resource implications

17. The City Corporation's Heat Network Programme (HNP) is supported by staff and external consultancy resource, including legal, commercial and technical resources. The HNP is being developed in consultation with wider internal and external stakeholders.

Legal implications

18. None

Risk implications

19. The supply of low cost, low carbon heat is critical for the development of heat networks in the Square Mile. The draft PAN seeks to raise awareness of the plans being developed to maximise the potential use of waste heat for the Square Mile and to consult on these plans with key stakeholders.

Equalities implications

20. None

Climate implications

21. Heat decarbonisation is the most significant challenge for the Square Mile to be net zero by 2040. Heat networks are likely to be the lowest cost, low carbon solution for

decarbonising heat for buildings in the Square Mile and supports the CAS net zero 2040 target. The supply of low cost, low carbon heat at scale is a critical element of being able to develop heat networks in the Square Mile

Security implications

22. None

Conclusion

23. Heat networks are likely to play a central role in providing a lower cost low carbon solution for buildings to decarbonise in support of our Square Mile 2040 net zero target. Members have approved a phased approach to heat network development, only where it is projected to be the lowest cost solution to decarbonise heat for buildings

24. The Thames and the riverside area has the potential to play a critical role in providing a substantial amount of low cost, low carbon heat enabling large-scale heat network development in the Square Mile and Central London in general.

25. The draft PAN seeks to set this opportunity within a policy and regulatory context as well as outlining the current plans for strategic waste heat supply for the Square Mile and Central London.

Appendices

- Appendix 1 – Planning Advice Note (Draft) – Heat network supply zones in the Thames Policy Area

Background Papers

‘Citigen and Heat Network Zoning’ approved by P&R on 12/06/2025 (Non-public paper)

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