

Committee: Housing Management and Almshouses Sub (Community and Children's Services) Committee	Dated: 26/11/2025
Subject: Housing sustainability update	Public report: For Information
This proposal: <ul style="list-style-type: none"> Delivers Corporate Plan 2024-29 outcomes 	Leading Sustainable Environment Providing Excellent Services
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: Executive Director of Community and Children's Services	Judith Finlay
Report author: Senior Sustainability Manager, DCCS Housing	Rachel Evans

Summary

The purpose of this report is to update Members of the Housing Management and Almshouses Sub Committee on the progress that has been made in sustainability housing projects to date and advise on upcoming work.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

- Through the Climate Action Strategy, the City of London Corporation has committed to achieve operational net zero (Scopes 1 and 2 emissions) by 2027, and net zero across the full value chain by 2040 (Scope 3 emissions).
- The Climate Action Strategy (CAS) has an Operational Properties and Housing Estates project to reduce emissions generated from the operation and use of buildings that the Corporation control, including our housing estates. Sustainability initiatives in Housing are summarised below.

Heat Network Optimisation and Compliance

3. The Corporation has over 700 homes connected to a communal heat network with a centralised heating source. Full regulation for heat networks is being introduced through the Energy Act 2023, aimed at providing the same levels of consumer protection to those living on heat networks as there is for those who have more conventional utilities arrangements. The Heat Networks (Market Framework) (Great Britain) Regulations 2025 will result in the Corporation being regulated as an energy supplier by Ofgem, in a similar way to gas and electricity companies.

4. Key components of the new regulations:

Consumer protection: The regulations will ensure heat network operators are customer focussed, provide the best service, protect those with vulnerabilities, and have a fair and transparent cost recovery strategy.

Technical standards: To be established through the Heat Network Technical Assurance Scheme (HNTAS) to help improve the reliability and operating standards of both existing and new heat networks, which in turn will help to ensure positive low cost, low carbon outcomes for consumers.

5. The Corporation is working to become compliant in both areas, as detailed in the initiatives below:

Isleden House

6. Isleden House, home to 80 households including 33 in sheltered accommodation, has undergone major upgrades to its communal heating system to improve efficiency and affordability. The works included replacing Heat Interface Units (HIUs) in residents' homes, installing new heat meters and upgrades to plantroom controls and pipework. Works were jointly funded by CAS and the government Heat Network Efficiency Scheme (HNES) grant.
7. The heating improvements at Isleden House are expected to save up to 500,000 kWh of energy (approx. £17,000 per year) and cut carbon emissions by 70 tCO₂e each year (equivalent to taking 40 petrol cars off the road). The network was calculated to be only 16% efficient before the upgrade works, with an estimated post-works efficiency of 58%. This is a good level of performance for a legacy network of this age.
8. The efficiency of a communal heat network represents the heat delivered into the individual dwellings (either calculated or metered) as a % of the heat generated in the plantroom. The performance is calculated based on the efficiency of the existing boilers (which are nearing end of life at Isleden House so network efficiency will increase further at the point of boiler renewal) and a proportion of unavoidable heat loss and friction via the distribution network. The best practice benchmark for a legacy heat network is 65-70% efficiency.

9. In addition to reducing carbon emissions and lowering running costs, the upgrades at Isleden House will improve comfort for residents through better local control and will also ensure compliance with the new heat network regulations and technical standards.

Middlesex Street and York Way Estates

10. Chirpy Heat were commissioned to carry out optimisation studies of the existing gas communal heating systems at Middlesex Street and York Way Estates to identify opportunities to increase the efficiency of the systems.
11. The studies estimated the current baseline efficiency of the heating system to be 30% at York Way Estate and 20% at Middlesex Street Estate. Carrying out optimisation measures including increasing pipework insulation, reviewing bypass arrangements, pump controls and flow & return temperatures, maintaining inhibitor levels, balancing radiators and installing meters could increase the efficiency of the networks up to 75% at York Way and 63% at Middlesex Street.
12. The table below summaries the anticipated carbon, energy and cost savings of carrying out further enhancements to the plantroom, distribution pipework and dwelling heating equipment.

Site	Annual CO2e Savings (tCO2e)	Annual Energy Savings (kWh gas)	Annual Cost Savings (£)
York Way Estate	301	1,633,500	£60,000
Middlesex Street	492	2,726,000	£98,000
Total	793	4,359,500	£158,000

13. The HRA Property Services team plan to carry out plantroom works this winter and dwelling upgrades from next April. These works will have a number of benefits:
- Reducing heating costs and increasing thermal comfort for a further 470 families
 - Reducing revenue costs associated with reactive repairs
 - Compliance with Heat Network Regulations and Technical Standards

Metering and Billing

14. The new metering equipment installed at Isleden House will ensure that residents are billed fairly based on usage (PAYG billing only), rather than being charged based on an estimated average via their service charge. Watkins Energy has been appointed as the new metering and billing partner. Payment cards, Welcome packs and Introductory phone calls have been arranged for residents ahead of the new billing process commencing 1st December.
15. In November, The Corporation will procure a fully outsourced Heat Metering and Billing Service for the remaining residential communal heat networks. The appointed service provider will take on end-to-end responsibility for metering,

billing and customer support. Key drivers for this procurement include Ofgem heat network regulations, the need to meet accuracy standards, and the Corporation's commitment to protecting residents (especially vulnerable customers) and providing fair, continuous heat supply.

EPC Programme and collaboration with the Adult Skills and Education Service

16. The Housing team is embarking on a new initiative working with the Adult Skills and Education Service to carry out Energy Performance Certificates across our housing estates.
17. The Adult Skills and Education Service (ASES) has been at the forefront of a structured training programme for Domestic Energy and Retrofit Assessors. This delivery programme of green construction training to Londoners through the GLA has resulted in 22 fully qualified level 3 Domestic Energy Assessors (DEA) and 6 fully qualified level 4 Domestic Retrofit Assessors (RA). The majority of these newly qualified Londoners are currently unemployed and looking to gain a new opportunity in the workplace.
18. A joint initiative between the ASES and HRA Property Services teams aims to engage newly qualified assessors to carry out a rolling survey programme of the Corporation's residential tenanted stock where EPCs are missing or expired. Before the wider survey programme commences in April, we will be carrying out a pilot programme of 30 homes at the Avondale Square Estate in November-December '25. This pilot will be an opportunity for newly qualified surveyors to gather on-site experience working alongside a Senior Surveyor before wider roll-out from April.
19. The EPC pilot and wider survey programme will be funded by the Climate Action Strategy. Completing new EPCs is a crucial exercise to fill the gap in data and understand the energy efficiency measures required to meet not only the Corporation's ambitious climate targets but also the government's proposed new Minimum Energy Efficiency Standards (MEES) for the social rented sector at Energy Performance Certificate (EPC) Band C or equivalent by 2030.
20. Current HRA EPC position:

	Number of homes	%
Total rented properties	1,922	100%
Properties with a lodged EPC	1,518	79%
No EPC data	404	21%
Lodged EPC below Band C	544	36%
Expired EPCs	712	47%

Warm Homes: Social Housing Fund

21. The Corporation were successful in securing £864,298.00 under the Government's Warm Homes: Social Housing Fund Wave 3 (SHF 3). The funding will be used to upgrade 170 homes with Energy Performance Certificate (EPC) ratings below band C, thereby reducing carbon emissions, lowering energy bills, and enhancing the comfort and well-being of tenants.
22. The Corporation will use the grant to complement the work of the Major Works Programme, installing double glazing, roof insulation, heating controls and ventilation measures to 170 sub-C properties in our housing portfolio. The SHF 3 delivery window runs until 2028, with the Corporation match-funding 50% of the works. Work has begun to identify opportunities for energy efficiency upgrades, with consultants Ambue surveying properties at the William Blake, Southwark and Sydenham Hill estates.
23. The Corporation is one of 27 members in London's Social Housing Fund Strategic Partnership consortium, made up of London councils and housing associations supported by London Councils. This is England's largest government appointed Strategic Partnership consortia. In addition to SHF, The Corporation work closely with Warmer Homes London (a new organisation jointly funded by the Mayor of London and London Councils) on initiatives to increase London retrofit at scale, including participating in working groups on retrofitting heritage and high-rise buildings.

Lighting projects

24. Housing has an allocation of CAS funding to retrofit end-of-life inefficient communal lighting with low energy equivalents.
25. Work is underway at Golden Lane Estate where consultants Graham Festenstein and Studio Partington have issued a Lighting Design Framework which respects, protects and enhances the listed buildings and landscape at Golden Lane Estate, whilst addressing the important need for a sustainable and environmentally responsible design solution in accordance with the Corporation's Climate Action Strategy (2020- 2027). Replacement work is due to commence on site this winter.
26. Opportunities to upgrade lighting are also being considered at the York Way and Sydenham Hill estates.

Post-2027 work

27. HRA Property Services are working closely with the Climate Action Strategy team to ensure planned long-term collaborative working in our sustainability efforts post-2027, aligning the 10-year Major Works programme with energy efficiency and decarbonisation works.

Rachel Evans

Senior Sustainability Manager, Housing

T: 07516 974901

E: rachel.evans@cityoflondon.gov.uk