

District heating networks

Analysis of information request, January 2016



District heating

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About Us

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. Since 1 April 2014, Citizens Advice service took on the powers of Consumer Futures to become the statutory representative for energy consumers across Great Britain.

The service aims:

- To provide the advice people need for the problems they face
- To improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 400 independent advice centres that provide free, impartial advice from more than 3,500 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups. In 2012/13 the Citizens Advice service in England and Wales advised 2.3 million people on 6.6 million problems.

Since April 2012 we have also operated the Citizens Advice Consumer Service, formerly run as Consumer Direct by the OFT. This telephone helpline covers Great Britain and provides free, confidential and impartial advice on all consumer issues.

In the last four quarters Citizens Advice Bureaux have dealt with 84,000 enquiries about fuel debt, while hits to the energy section of our website doubled in October and November, the period during which suppliers announced their price increases last year. Calls to the Citizens Advice Consumer Helpline seeking advice about energy doubled in the same period.

As the statutory consumer representative, Citizens Advice has the power to request information from public bodies and businesses to inform its policy development on a firm evidence base. We are grateful to all those who responded, whatever their local situation may be with regards to existing heat networks and the development of new ones. The full responses to such information requests are not published and remain confidential.

We will use this information in the following way:

- To help inform best practice for suppliers of district heating.
- To identify areas for concern that may require more research and/or greater levels of consumer protection.

Introduction

Through the Climate Change Act (2008) the UK has committed to decarbonising the energy delivered to our homes and businesses. This will mean there will be a change not only to the fuel sources we use to supply our energy but also to the technologies required to deliver that energy. This will affect us all and Citizens Advice wants to ensure the transition to a low-carbon energy future is accessible and fair for all energy customers.

The provision of heat to homes through district heating and heat network schemes has been identified by the Climate Change Committee (CCC) and the government as a key technology to support the decarbonisation of heat. District heating systems can be traced back to the beginning of the twentieth century with the UK briefly seeing a rush towards this type of heating in the mid-twentieth century. However, take up was limited and in the 1990s one of Britain's oldest systems at Pimlico almost closed¹.

Today, there is a resurgence in interest in district heating schemes as a means to deliver heat to homes and businesses with a lower carbon content than individual heating systems. At present in the UK there are an estimated 2,000 heat networks that supply heat to approximately 210,000 homes and 1,700 commercial and public buildings², and a further 150 schemes are known to be under development in the UK³. In addition, analysis using figures from the CCC suggests that by 2030 one million homes⁴ would need to be connected to heat networks in order to deliver on UK carbon targets.

Unlike the gas and electricity sectors, the delivery of heat to homes is unregulated. People heating their homes in this way are not subject to the same protections as those heating their homes using individual gas boilers or electricity. Heat customers are unable to switch and are obliged to sign up to long-term contracts (these can be as long as 20 years). As customers of an effective monopoly which is not subject to any form of competition they can end up paying disproportionately high amounts

¹ Inside Housing (2012), article *The heat under the street*, <http://www.insidehousing.co.uk/the-heat-under-the-street/6523647.article> [accessed 05/11/15]

² DECC (2013), *The future of heating: meeting the challenge*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190149/16_04-DECC-The_Future_of_Heating_Accessible-10.pdf pp 39.

³ DECC (2015), news article, *£7m boost to heat industry innovation*, <https://www.gov.uk/government/news/7m-boost-to-heat-industry-innovation> [accessed 05/11/15]

⁴ WWF (2014), *Warm homes not warm words*, http://assets.wwf.org.uk/downloads/wwf_heat_report_summary_web.pdf?_ga=1.223494811.166190532.3.1413989380

for their heat. Finally, people on heat networks do not have access to a dedicated alternative dispute resolution (ADR) scheme (ie they cannot seek redress from the energy ombudsman) if they have a complaint that cannot be resolved directly with their supplier.

Citizens Advice is concerned about the lack of consumer protections for heat customers and that this looks set to continue for the foreseeable future. Government has indicated that it is not minded to regulate this growing sector and has instead supported the creation of an industry-led, voluntary consumer protection scheme: the Heat Trust⁵.

While Citizens Advice welcomes the introduction of the scheme to help improve the consumer experience of district heating we remain concerned that it is purely voluntary and heat suppliers will not be compelled to join. In addition, the scheme cannot set any guidance regarding reasonable costs to consumers nor length of contracts, two of the biggest concerns to consumers.

Over the last year Citizens Advice has seen an increase in customer contacts to its Consumer Service helpline and local offices about heat suppliers. In almost all of these cases, because of the lack of regulation, there is little we can do to help. Citizens Advice is concerned that as the heat sector begins to grow there will be a potential increase in the number of households struggling to get help when they need it.

Having a warm home is vital to the health and well-being of its occupants and there is potential that the lack of protection for consumers, especially the most vulnerable, could lead to a high level of detriment. In July 2015 Citizens Advice issued an information request to all Local Authorities in England, Wales and Scotland to help build a clearer evidence base, identify the biggest potential issues and note any areas of best practice that should be replicated across the sector. A list of the the questions asked are attached in annex 1.

It should be noted that Local Authorities were chosen as the contact point for this information due to the lack of a central database of district heating networks across Great Britain. Local Authorities are under no obligation to hold this information and where they do not hold any information it should not be taken as an oversight on their part. We are very grateful to all the Local Authorities that took the time to respond even when they held no information on schemes in their area, without their cooperation we would not have been able to begin to build this evidence base.

⁵ <http://www.heattrust.org/>

Key findings

Availability of data

There are an estimated 2,000 heat networks in the UK and with district heating schemes having been identified as one of the key technologies to decarbonise the heat we use in our homes and businesses this is set to increase.

At present there is very little available data on these existing district heating schemes making it difficult to assess how well they work in practice or whether they offer good value for their customers. There are many unanswered questions when it comes to the use of district heating for residential properties and without a central database of publicly accessible information questions about its applicability and affordability will remain.

Through the process of conducting this information request Citizens Advice has found the availability of information patchy at best and the fact that Local Authorities, through no fault of their own, don't have sight of these systems is concerning.

Recommendation 1: As part of its notification procedure for the Heat Networks (Billing and Metering) Regulations 2014 should publish details of the number and location of heat networks across Great Britain. This should be publicly available information.

Consumer billing & information

There is a wide variation regarding the way in which heat customers are billed for their heat use. This ranges from metered to unmetered, includes various property and occupancy calculations and the use of standing charges. Customers are also compelled to sign onto long-term contracts which can be over 20 years and have no right to switch supplier. Even if they choose to self-disconnect and use an alternative form of heating they may still be liable to pay any standing charges or flat rate bill (if unmetered).

The cost of heat can also vary widely due to the age of a scheme. Many older schemes have paid off their capital costs and so the costs to their customers can be much less than newer schemes that have recently made a large upfront investment. At present there is no way to regulate this cost to protect consumers from high bills or to allow them to switch to a different form of heating that may be cheaper.

In addition, information on heat bills provided to the customer also varies widely as does general information on how to use systems and who to contact for help and advice.

Recommendation 2: All heat suppliers should ensure that customers are billed in a clear and transparent way to ensure they understand how their bill is calculated, know what period their bill covers and how much of their bill is made up of standing charges.

Recommendation 3: The Competition & Markets Authority should launch an investigation into the heat sector with a view to assessing the need for price regulation in the heat supply market.

System maintenance & user controls

As with all heating systems efficiency, maintenance and control play important parts in managing the amount of energy used and therefore the cost. Evidence suggests that district heating systems present a 'mixed bag' when it comes to efficiency with newer systems not necessarily being the most efficient. From our information gathering we have found a similar picture.

Recommendation 4: All heat suppliers should have minimum efficiency standards and a regular maintenance and inspection regime in place. This should include checking all heat meters at least once every two years to make sure users are being billed for the right amount of heat.

Consumer protection

The inability for customers on district heating schemes to switch and the lack of price regulation makes the need for consumer protection all the more critical. Currently, consumers have no route to redress⁶ if they have problems with their heat supplier and if they come to Citizens Advice for help without an official body to refer customers to there is little we can do to help.

Recommendation 5: All heat suppliers should, as a minimum, maintain a list of vulnerable customers (a Priority Services Register) and ensure that these customers are treated as a priority during periods of system downtime (both anticipated and unanticipated), provided with assistance in controlling their heating and billing.

Recommendation 6: The Heat Trust should work with industry and Government to ensure all heat suppliers are aware of the scheme and the benefits it can bring to their customers.

⁶ Unless their supplier is a Local Authority or a member of the newly launched Heat Trust consumer protection scheme.

Availability of data

It is estimated that there are around 2,000 heat networks across the UK and this number is set to grow over the coming years with cities such as London⁷ and Birmingham⁸ considering how the development of networks can deliver on emissions reductions. However, at present there is no central database of district heating networks and so no clear figure of how many households are connected to them.

Under regulation 3 of the Heat Network (Metering and Billing) Regulations 2014⁹ heat suppliers must notify the UK National Measurement and Regulation Office (NMRO) of their networks. While this should provide better data on the networks that exist and the number of households connected it is unclear whether the data will be made publically available and to what level.

From the 204 responses we received from local authorities around 6% didn't know if there were heat networks operating in their areas or not. Over 50% said they were definitely not aware of any. This illustrates that there is no obligation for heat suppliers to notify local authorities that they are operational in their areas and without an awareness of their existence then Local Authorities and other organisations are unable to support those local residents that receive heat in this way should they need it.

Almost 10% of respondents indicated that they were aware of local district heating schemes but did not hold any information on them. However, some of them were able to provide basic information such as the number of networks in their area and who owns and manages them. Where they were able to they did provide contact information for the operators of these systems to enable us to follow up for further information.

Finally, **just over 30% of local authorities were able to tell us that they were aware of networks in their area and provide us with further details.**

From those councils that were able to provide us with some level of data we were able to ascertain that the responses covered 1,616 heating networks. However, it is important to note that some of these will be classed as communal heating systems so the actual number of heat networks covered by this research will be lower.

⁷ "London Heat Map - Home." 2009. 9 Nov. 2015 <<http://www.londonheatmap.org.uk/>>

⁸ "CHP Programme - Birmingham City Council." 2014. 9 Nov. 2015 <<http://www.birmingham.gov.uk/cs/Satellite?c=Page&childpagename=SystemAdmin%2FCFPageLayout&cid=1223092624459&packedargs=website%3D4&pagename=BCC%2FCommon%2FWrapper%2FCFWrapperr>>

⁹ http://www.legislation.gov.uk/ukxi/2014/3120/pdfs/ukxi_20143120_en.pdf

The most common size of heat network was with connections of between 26-50 homes (127 networks) closely followed by 95 networks with over 100 homes connected.

As expected, most of the district heating networks reported were under council or social housing ownership (over 60%). However, there were 9 that were reported as ESCo owned, one of which happened to be a council owned and operated ESCo.

Key finding: At a high level there is a clear lack of information regarding the number and location of district heating schemes across Great Britain. Without a central database it is very difficult to obtain further detail on schemes to get a coherent picture of the district heat systems that exist, the service they provide and the costs to consumers to understand where better practice and greater protections might be required.

Recommendation 1: As part of its notification procedure for the Heat Networks (Billing and Metering) Regulations 2014 should publish details of the number and location of heat networks across Great Britain. This should be publicly available information.

Consumer billing & information

In common with traditional energy supply, consumers on a district heating schemes are most likely to complain about billing. Citizens Advice was keen to better understand how district heat customers are billed for their heat and the information that is provided on their bills.

Metering

43 per cent of responses indicated their systems were completely unmetered while a further 31% had a mixture of homes that were metered and unmetered. Those homes without a heat meter tended to be due to the age of the network, retrofitting of heat meters being impractical and in one case tenants were given the option and over half decided not to have a meter installed.

26 per cent of schemes did have individual heat meters some having a pre-pay meter whereby they could purchase 'heating credits' to top up. Where new projects were being planned respondents indicated that meters would be included as part of the system.

Billing calculations

Previous reports by Which?¹⁰ and Changeworks¹¹ have highlighted a large variation in the way in which customer bills are calculated and therefore the bills paid by heat customers.

To get a better understanding of the spread of billing methodologies we asked respondents to indicate how they billed their customers using the list below.

- Unmetered flat rate regardless of property size;
- Unmetered but calculated according to property size;
- Unmetered but calculated according to property size and occupancy levels;
- Metered with charges according to usage; and
- inclusion of a standing charge.

¹⁰ Which (2015), *Turning up the heat: getting a fair deal for district heating users*, http://www.staticwhich.co.uk/documents/pdf/turning-up-the-heat-getting-a-fair-deal-for-district-heating-users---which-report-399546.pdf?utm_campaign=whichnews&utm_medium=social&utm_source=twitter&utm_content=Energyefficiencyreport143501042015&utm_term=twnews

¹¹ "Identifying the Fair Share: Billing for District Heating – Report." 2015. 6 Nov. 2015

<http://www.changeworks.org.uk/sites/default/files/Identifying_the_Fair_Share_REPORT.pdf>

We also gave respondents the option to provide alternatives if none of the above described their billing calculations, 10 percent of responses indicated some form of alternative billing protocol.

The most popular form of billing was the use of metered billing with charges applied according to usage (45%). This was closely followed by unmetered properties where bills were calculated according to the size of the property (43%).

17 per cent reported that homes were unmetered and had a flat rate applied for billing. However, within the 'other' category responses some noted that tenants were billed as part of the cost of the rent which would be the same as a flat-rate charge.

In 23 per cent of cases a standing charge was applied to all bills. One response indicated that this was based on the distribution cost to the network.

Citizens Advice was also keen to understand what information was provided to customers on their bills. In particular, we wanted to know whether they included:

- how the bill is calculated;
- a clearly stated standing charge;
- the name and address of the supplier;
- a customer reference number;
- the customer's name and address;
- a statement of how much the customer owes or has paid;
- the period the bill covers; and
- previous and current meter readings.

Again, we provided respondents with the opportunity to add other comments if they had additional points or customers were billed differently.

Only 38 per cent shared with customers how their bill was calculated and of those that did apply a standing charge it was clearly stated on their bills.

Just over half (54%) had the date the bill covered on it and just over 30 per cent had previous and current meter readings on the bill meaning some metered customers are receiving bills without their consumption noted on them.

43 per cent of responses noted they either have other information provided on bills or no information at all (as customers are not billed their heat costs are part of their rent payments). More details are noted in the box below.

Responses to 'other' category for billing information:

- not billed separately, but included as part of rent.
- service charge element added to weekly rent and annual service charge statement for leaseholders.
- prepaid card/prepayment.
- customers are given a breakdown of the costs including their share of the utilities.
- set out in a separate document showing service charges.
- consumers are also told the current price, a year on year usage comparison, and contact details for energy efficiency advice.
- heating costs are included in the weekly rent amount.
- no billing.

Information and complaints process'

As mentioned previously, another area Citizens Advice is seeing a rise in the number of customer contacts is that of complaint handling by heat suppliers. Therefore, we asked for details of the information provided to new customers, if heat suppliers had a process for dealing with both general enquiries and complaints and how they made their customers aware of any complaints process.

Information provided to new customers was a mixed bag. On the positive side **over half (58%) said that a member of staff attends the property to explain the system to any new customer** and 43 per cent provided them with scheme contact details for help and information.

However, **less than a quarter (23%) were provided with an up to date heat tariff including standing charge and unit charge information** and just a quarter were provided with detailed terms and conditions.

Only 14 out of the 65 responses (22%) provide a scheme information sheet outlining the principles of district heating and including the key differences between district heating and regulated utilities.

Almost three-quarters (74%) of schemes had a dedicated telephone number for general enquiries compared with 40 per cent for a dedicated complaints telephone number. 68 per cent of responses stated that customers could come in and speak to a member of staff for assistance and slightly more (71%) had set timescales for dealing with any complaints.

Awareness of support systems is vital to consumers, especially to those who might be more vulnerable. Only two responses stated that they don't make customers aware of their complaints process specifically and it was disappointing to note that **less than a fifth (18%) provided details of how to complain on their bills.**

Just under a third of responses (31%) stated they only make the customer aware of the complaints process upon moving into the property while a little over half (51%) include details in any newsletters they produce at least once a year.

However, there were some good examples of best practice that are worth noting. Some provide tenant handbooks that contain the information while others distribute leaflets or attend tenants' forums.

"A follow up visit from one of our energy advice team is offered to all new customers"

Response to information provided to new customers/residents

"We advise our residents how to do this both verbally during the installation phase and by the various leaflets/letters/factsheets that we leave with them. Reporting is done via the same channel that they would report any other repair or complaint."

"All enquiries would go through our general customer enquiries and reporting lines. Tenants are given packs and information detailing these procedures and information is available on the web etc."

Respondents on making customers aware of the complaints process

Key finding: there is a lack of consistency in the way in which consumers are billed, the information they receive from their heat suppliers and the way in which they are able to access help and advice or complain.

Recommendation 2: All heat suppliers should ensure that customers are billed in a clear and transparent way to ensure they understand how their bill is calculated, know what period their bill covers and how much of their bill is made up of standing charges.

Recommendation 3: The Competition & Markets Authority should launch an investigation into the heat sector with a view to assessing the need for price regulation in the heat supply market.

System maintenance & user control

System maintenance & efficiency

One of the key selling points of district heating schemes is that they aim to be an efficient means of producing and delivering heat to homes and businesses. There has been anecdotal evidence to suggest that schemes are not running as efficiently as they should be leading to higher bills for customers.

We wanted to establish the extent to which system operators were checking the efficiency of their schemes and asked how they checked and maintained system efficiency on their networks.

The biggest response category used by respondents was 'other' at 35 per cent although some of these responses could have been added in elsewhere. The majority of specific responses cited following heat meter maintenance guidelines recommended by manufacturers (29%) and this was closely followed by undertaking heat meter inspections at least once every two year (23%).

Disappointingly **6 per cent of responses indicated that there was no routine inspection and maintenance** programme in place. Given that the costs of the system rely heavily on the level of efficiency and prevention of breakdowns it would be expected that all heat suppliers should have some form of inspection and maintenance programme in place.

As the level of efficiency achieved on a heat network impacts on the costs of the system overall and so consumer bills Citizens Advice wanted to see to if suppliers had a target for the minimum level of efficiency they would aim to achieve across networks and what that level was.

The **majority of responses stated that they had no set minimum level of efficiency** (43%) while 11 per cent provided further explanation. **Those with a set minimum efficiency (20%) target ranged from 70% efficiency through to 95%.**

Heating controls

One of the key ways in which people can better manage their energy bills is through the ability to control the energy they use, in this case heat. We were interested in the different ways in which heat customers were able to control their heat asking if they had any of the following control devices:

- room thermostat;
- thermostatic radiator valves;
- hot water tap thermostat; and
- hot water tank thermostat

We also asked if customers had no controls at all. Only one respondent noted that all of their homes had no form of heating control but looking across the board this was the case in less than 1% of over a third of respondents.

Thermostatic radiator valves were by far the most popular with almost 70% of respondents indicating they were present in more than half of the homes on their networks. Second most popular were room thermostats, over 60% indicated they were present in more than half of their homes.

Hot water tank thermostats were present in almost half of respondents networks but the least popular form of control proved to be hot water tap thermostat with only 17 per cent of responses stating they were fitted to more than half of the homes on their networks.

Supply interruption

Distribution networks that deliver gas and electricity to homes and businesses are subject to licence conditions that obligate them to respond within 24 hours to an interruption in supply. Heat suppliers are not subject to such obligations and given the importance of having a warm home for health and well-being Citizens Advice wanted to establish what timescales suppliers were setting for themselves, if any.

Three responses stated they don't have any set timescales with a further four ambiguous responses that didn't state any particular service standard.

The majority of responses (65%) indicated they would respond within 24 hours and this figure rises to 72% when taking into account responses under 'other' whereby respondents provided more details on the 24 hour response time. One response stated their timescales were 48 hours.

Three responses had response times of 6 hours or less with one stating that it is *"treated as a priority, contractor to attend within 3 hours"*.

Key findings: a third of the systems reported on did not have a minimum level of efficiency which has the potential to adversely affect customers bills. It was positive to note that although there was a mixed picture when it came to heating controls

the majority of systems do have some level of control for customers. The majority of suppliers also have clear standards in place for dealing with interruptions in supply.

Recommendation 4: All heat suppliers should have minimum efficiency standards and a regular maintenance and inspection regime in place. This should include checking all heat meters at least once every two years to make sure users are being billed for the right amount of heat.

Consumer protection

Vulnerable consumers

Citizens Advice is concerned about the adequacy of protections in place for vulnerable customers on district heating schemes for whom the need to maintain an adequately heated home is critical.

Gas and electricity suppliers maintain a register of vulnerable customers known as the Priority Services Register (PSR). Registering on the PSR means that customers who are older or chronically sick can benefit from a variety of free services from their supplier. Citizens Advice wanted to ascertain to what degree heat suppliers might be replicating the PSR of mainstream energy suppliers and also where they may be going beyond these standards.

The table below identifies the free services usually available on the PSR and the percentage of suppliers that state they provide this for their vulnerable customers.

Service	% providing
We provide information tailored to the customers needs such as bills or information in braille or different languages	40%
We would move a meter free of charge for easier access	14%
We provide controls or adapters to make it easier for customers to use their meter or appliances	23%
We provide free quarterly meter readings (if applicable)	11%
Priority reconnection to the supply if it is interrupted	32%
Advance notice if the heat supply is going to have to be stopped	51%
Alternative facilities for heating if the supply is interrupted	63%
A password protection scheme to protect customers from bogus callers	18%
We will arrange for bills to be sent or copied to someone else such as a carer who can help them to check the bill	28%
Free advice and information on other services available because of the customer's age, disability or chronic illness	40%

A further 15 per cent of responses indicated additional or alternative extra help they provide to vulnerable consumers. These are noted in the boxes below.

- free energy and switching advice;
- 24/7 repairs helpline and "lifeline" connection where appropriate
- various leaflets and information tailored to the resident's needs on request
- metering flags
- priority reconnections are based on the customer's needs, If a customer has a disability or illness that is worsened by an interruption in the heat supply, they will be prioritised

- all our district heating properties are operated on a prepayment basis. For those customers identified as vulnerable we have processes in place that offer extra protection in terms of disconnection due to lack of funds during the winter heating period of October to March;
- annual inspection.

Heat Trust

Given the lack of consumer protection for heat customers Citizens Advice wanted to establish what appetite there was among suppliers for joining the new voluntary consumer protection scheme, the Heat Trust¹².

The scheme was developed by the Association for Decentralised Energy (ADE)¹³ with input from industry, consumer groups (including Citizens Advice) and government. The scheme will be managed by Heat Consumer Protection Ltd, a wholly-owned subsidiary company of ADE (sponsors of the scheme) and officially launched for registrations on the 25th November 2015.

We asked suppliers if they would consider joining the scheme when it launched and while the overwhelming majority (76%) said they would it still left **almost a quarter of suppliers stating that they would not join the scheme.**

While some of the reasons for not joining the scheme were reasonable, with respondents citing that their consumers already have additional protection through the Local Government Ombudsman¹⁴ or Housing Ombudsman¹⁵. Some were a little more spurious with their reasoning and others stating that they wanted see how the scheme progressed or find out more information. It is also worth noting that at least one response stated they had not heard of the Heat Trust.

Key finding: while the launch of the Heat Trust is a welcome addition to consumer protection in this sector and provides well thought out minimum standards for members to adhere to, it will only apply to suppliers who choose to join the scheme

¹² "Heat Trust." 2015. 9 Nov. 2015 <<http://www.heattrust.org/>>

¹³ "ADE | Association for Decentralised Energy." 2007. 9 Nov. 2015 <<http://www.theade.co.uk/>>

¹⁴ "Local Government Ombudsman • Home." 2002. 9 Nov. 2015 <<http://www.lgo.org.uk/>>

¹⁵ "Housing Ombudsman Service." 2004. 9 Nov. 2015 <<http://www.housing-ombudsman.org.uk/>>

and register specific sites. This will still leave a significant amount of customers unprotected. We would urge Government to consider, as a matter of urgency, how they can enable all suppliers of heat to sign up to the Heat Trust to ensure better consumer protection across the piece.

Recommendation 5: All heat suppliers should, as a minimum, maintain a list of vulnerable customers (a Priority Services Register) and ensure that these customers are treated as a priority during periods of system downtime (both anticipated and unanticipated), provided with assistance in controlling their heating and billing.

Recommendation 6: The Heat Trust work with industry and Government to ensure all heat suppliers are aware of the scheme and the benefits it can bring to their customers.

Annex I - questionnaire

Q1: Are you aware of any District Heating Networks in your local authority area? *

For completion by the Local Authority. This includes any that are local authority owned and/or managed, privately-owned networks, non-domestic networks and social housing networks. In some instances this may be referred to as communal heating.

Q2: How many heat networks are in your area (if known)?

Q3: If known, please provide us with the number of homes on each network

Q4: Please provide information, and contact details, for who owns and manages the networks in your area:

Section 1: For Local Authority owned networks

If, as a local authority, you own any of the heat networks in your area then please complete the following.

Q5: Are the customers on your network metered or unmetered for their heat supply?

Please answer for all networks owned or part-owned by your authority, or those in which you have an interest.

Q6: If you have a mixture of metered and unmetered customers please explain why that is including a percentage split of metered and unmetered customers.

Q7: Do you have a mixture of domestic and non-domestic buildings on the heat networks you own?

This is to help us understand how the system is managed in terms of efficiency.

Q8: Are residents able to control their individual heat demand?

Please indicate all the ways in which customers can control their heating on the network.

Q9: How are your customers billed?

Please tick all that apply.

- Unmetered with flat rate regardless of property size.
- Unmetered but calculated according to property size.
- Unmetered but calculated according to property size and occupancy levels.
- Metered with charges according to usage.
- Standing charge applied to all bills.
- Other:

Q10: What information is provided on customers bills?

Please tick all that apply.

- How your bill is calculated
- Clearly stated standing charge (if applicable)
- Supplier address and contact details
- Customer Reference Number
- Name & Address of customer
- The amount of money the customer owes or has paid
- The date the bill covers

- Previous and current meter readings (if applicable)
- Other:

Q11: Do you have a process for dealing with general enquiries and complaints? If so, please provide details of these processes.

Tick all that apply

- A dedicated telephone number for general enquiries
- A dedicated complaints telephone number
- A dedicated email address for enquiries
- A dedicated email address for complaints
- An online form for customers to fill in identifying either an enquiry or complaint
- Customers can come in and speak to a member of staff
- We have dedicated staff to deal with enquiries from residents
- We have dedicated staff to deal with complaints from residents
- We have set timescales for dealing with complaints

Q12: How do you make your customers aware of your complaints process?

Please identify which methods you use for letting customers know how they can contact you for reporting issues and complaints.

- We don't have a complaints process
- We don't have a process for reporting issues
- We don't make them aware of the processes specifically
- We make them aware upon moving into the property only
- We include details in the Council/Resident newsletter at least once per year
- Details are provided on the back of customer bills
- Other:

Q13: What information do you provide to new customers/residents?

Please tick all that apply.

- Nothing
- A scheme information sheet outlining the principles of district heating and including the key differences between district heating and regulated utilities
- An up to date heat tariff including standing charge and unit charge information.
- Detailed terms and conditions.
- Scheme contact details for help and information.
- A member of staff attends the property to explain their system to them
- Other:

Q14: If a customer's heat supply is interrupted how long do you aim to take to respond from the time of first notification?

Please tick one option

- We don't have any set timescales
- 24 hours
- 48 hours
- Other:

Q15: For breakdowns that do not interrupt the supply of heat do you have set written standards to deal with such issues?

Yes/No

Q16: Do you maintain a register, or have a way of identifying vulnerable customers on your networks/heating schemes?

Yes/No

Q17: If so, what safeguards and/or extra help do you have in place for vulnerable customers?

Please tick all that apply.

- We provide information tailored to the customer's needs such as bills or information in braille or different languages
- We would move a meter free of charge for easier access
- We provide controls or adapters to make it easier for customers to use their meter or appliances
- We provide free quarterly meter readings (if applicable)
- Priority reconnection to the supply if it is interrupted
- Advance notice if the heat supply is going to have to be stopped
- Alternative facilities for heating if the supply is interrupted
- A password protection scheme to protect customers from bogus callers
- We will arrange for bills to be sent or copied to someone else such as a carer who can help them check the bill
- Free advice and information on other services available because of the customer's age, disability or chronic illness
- Other:

Q18: How do you check and maintain system efficiency on your networks?

Please tick all that apply.

- Heat meter inspections at least once every 2 years
- Heat meter maintenance as recommended by manufacturers' guidelines.
- Heat interface units inspection at least once every 2 years.
- Heat cost allocator inspection at least once every 2 years
- Heat allocator maintenance to a minimum of manufacturers' guidelines.
- We don't have a routine inspection and maintenance programme.
- Other:

Q19: Do you have a set minimum level of efficiency you aim to achieve across each network? If so, please list out what these are for each network.

Please also include how often you achieve or fail to achieve the minimum standards set.

Q20: A new voluntary consumer protection scheme is launching shortly called Heat Trust. Would this be a scheme you would consider joining?

- Yes
- No

Q21: If you answered no to the question above then please outline your reasons.

Section 2: Heat Networks that are owned and/or managed by a third party.

Q22: If there are heat networks within your local authority area that are owned and managed by third parties, please provide contact details.

This includes those that are either privately owned by individuals, community groups or commercial organisations and those that are owned by social housing providers. It also includes networks that might initially be focused on non-domestic customers such as industrial estates, retail outlets and hospital estates. Please note that issues of data protection do not apply here.

Thank you for taking the time to complete this questionnaire.

Annex II - summary of complaints

For the period 1st January to 31st October 2015 Citizens Advice received a number of complaints relating to district heating schemes. While these are not currently large in number they have risen when compared to 2014 data and the potential for detriment to consumers is large. These complaints also help to illustrate why consumer protection is incredibly important when it comes to energy services used to heat the home. As such it is important to take this feedback seriously and consider how it can be used to improve the services offered to heat customers.

In addition, it is worth noting that these do not solely relate to systems owned and/or operated by local authorities but include privately owned systems to provide a wider view of the issues facing all customers of district heating schemes. This is critical given that the government has recently published a booklet aimed at encouraging private investors to invest in new district heating schemes¹⁶.

Billing & length of contract

By far the biggest category of complaints is that of charges facing customers of heating schemes. This most predominant issues are those of standing charges and charges that continue to be levied even when there is an interruption in supply or substandard delivery of heat services. This appears to especially be the case from newer district heating systems built within the last 10 years.

"sold the properties with promises it would work out much cheaper than traditional heating methods. We were advised costs before and immediately after the purchase. We have documents that confirm the advised costs. In the months following completion hidden 'maintenance' charges started to appear on our bills which doubled the cost of our monthly charge and made it much more expensive than traditional methods of heating."

Owner occupier, London

The nature of district heating systems mean that they require a minimum level of customers for a minimum period of time to be financially viable. This has ultimately led to householders with homes attached to these schemes being tied into

¹⁶ "Investing in the UK's heat infrastructure: Heat ... - Gov.uk." 2015. 11 Nov. 2015
<<https://www.gov.uk/government/publications/investing-in-the-uks-heat-infrastructure-heat-networks>>

contracts generally in excess of 20 years. For consumers this means they cannot switch or choose an alternative form of heating for that period of time.

The issue of contract length is one that we see repeated across all district heating complaints even when their main reason for contacting the Service was a difference concerns with their heating. This suggests that consumers would like to have greater control over their heat supply services, especially when they have no other channel for complaint and redress.

"We questioned the high standing charge but were told that they could not lower it nor can we change the supplier for the next 25 years. How can we challenge this?"

Owner occupier, new build home, Romford

Maintenance issues

Charging and billing issues are closely followed by concerns about how well systems are working and breakdowns. Citizens Advice have received a variety of complaints from those system inability to meet the necessary heat demand to a failure of supply that continued in excess of 21 days.

"Every winter when the temp drops, the heating never works and the hot water isn't very hot...I've spoken to our cylinder manufacturer to check our install is correct in which they are happy, and the reason for our poor heating and poor hot water temp is down to the incoming hot water from the district heating not being hot enough.

To combat the poor heating, as we have a child aged two and a baby aged 4 months, we have had to buy electric radiators and fan heaters costing us yet more money to buy and use."

Owner Occupier, Northamptonshire (6 year old system)

Email from client 9th February 2015:

"The CHP plant broke down on the 16th January 2015, and is still in a broken state. This has resulted in severely limited heat and hot water supplied...for the past 25 days and counting..."

...some of the residents have very small children, and the lack of heating and hot water has resulted in unnecessary hardship for them"

Resident, London

Advice and information

Citizens Advice also has evidence of poor information being given to new householders when purchasing homes connected to district heating systems. Given the length of contracts for district heating schemes this could cause householders serious detriment and in some circumstances this could be classed as mis-selling.

New purchaser contacted Citizens Advice in December 2014 to advise that she was only informed about the 19 year contract for the district heating supply three weeks after the exchange of contract.

Owner, London