

19 October 2022

Director of Housing

London Borough of Lambeth

Civic Center

6 Brixton Hill

London

SW2 1EG

Re: Communal Gas Heating Systems and the Energy Price Cap

I write to make a formal request that you look into the issue of communal heating systems on Lambeth estates and the energy price cap. The current Energy Price Guarantee, introduced by the Government on 1 October 2022 does not cover communal heating systems, despite the fact that they are promoted by both Ofgem and BEIS as being helpful to the environment.

On Wellington Mills Estate, we have 135 properties connected to the communal system. Communal gas systems are widely used on estates throughout the borough and are currently used in thousands of properties. Our estate includes properties designated for elderly and vulnerable/disabled residents; we have a large proportion of older residents and residents with young children, both tenants and leaseholders. Many of them are on low, fixed incomes and have protected characteristics, but they fall outside government protection under the Energy Price Guarantee and associated schemes.

Average energy bills have increased by 27% since 1 October with the price cap. The increase will be significantly higher for households not included in the cap and will put considerable pressure on household finances already under strain because of increased costs of living.

We ask that you lobby government to amend the current legislation to ensure that communal heating systems are included in the energy price cap. Could you also confirm how you intend to use new powers in relation to the Heat Network regulation and if this includes Communal Heating systems?

It would also be good to know if Lambeth has a strategy for limiting individual residents' exposure to highly volatile fuel prices, perhaps by spreading over a longer period than usual the reconciliation of estimated and actual costs, and by ensuring that heating systems are well maintained, and individual properties are sufficiently insulated.

Finally, I would be grateful if you could include the Management Committee of Wellington Mills Housing Co-op as an interested party if you carry out a consultation exercise on this issue.

I look forward to your response on this matter.

Yours sincerely,

Charlotte Axelson
Chairwoman WMMC

Cc: Florence Eshalomi MP
Cllr Maria Kay Cabinet Member for Housing and Homelessness
Cllr Sarina Da Silva
Cllr Ibrahim Dogus