
Committee Name and Date of Committee Meeting

Council – 19 July 2023

Report Title

Recommendation from Cabinet – Revision to District Heating Charges
2023/24

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Ian Spicer, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The purpose of the report is to seek approval to revise the price of District Heating for 2023-24 given the significant reduction in the price of utilities to the Council since the price was agreed by the Council on 1 March 2023.

It is also proposed that authority be delegated to the Assistant Director of Housing in conjunction with the Assistant Director of Financial Services following consultation with the Cabinet Member for Housing to agree revised pricing in certain circumstances.

Recommendations

That Council:

1. Notes the decision Council took in March 2023 to increase the District Heating unit charge to 20.68 per Kwh for 2023-24 so that an average bill was equivalent to the heating element of the then Government's Energy Price Guarantee, leading to a proposed District heating budget deficit of £2.592m.
2. Notes that the actual cost to the Council of purchasing energy to supply District Heating schemes is lower than the cost assumed in March 2023; and that the agreed unit charge now exceeds the Energy Price Guarantee and the Office of Gas and Electricity Markets (Ofgem) price cap for July 2023 onwards.
3. Agrees that in light of these changes, the District Heating unit charge per Kwh for 2023-24 is reduced to 15.94 pence per kwh and weekly prepayment charges are reduced by 59% to 67% depending on property size (Option 4 in this report),

bringing prices into line with the Ofgem price cap for July 2023 onwards and well within the Energy Price Guarantee.

4. Agrees that this charge should be backdated to 3rd April 2023.
5. Agrees that the decision to reduce the price further during 2023-24 be delegated to the Assistant Director of Housing in conjunction with the Assistant Director of Financial Services following consultation with the Cabinet Member for Housing. The delegation would only be used to respond to a change in Government policy or a significant change in the Ofgem price cap that has the effect of necessitating a lower unit price, and the approved budget deficit of £2.592m cannot be exceeded through a delegated decision.

List of Appendices Included

- Appendix 1 Revised 2023-24 Pricing Options
- Appendix 2 Part A - Initial Equality Screening Assessment form
- Appendix 3 Part B – Equality Analysis form
- Appendix 4 Carbon Impact Assessment

Background Papers

- Housing Revenue Account Rents & Service Charges 2023-24 – (Council - 1 March 2023)
- District Heating Scheme Charges Review – (Council -13 December 2017)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Cabinet – 10 July 2023

Council Approval Required

Yes

Exempt from the Press and Public

No