

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: WESTMINSTER CITY COUNCIL: NEW CHARGING MODE

Notice is hereby given that the Cabinet Member for Housing has made the following executive decision on the above mentioned subject for the reasons set out below.

Summary of Decision

1. That in accordance with paragraph 4 of Schedule 12A to the Local Government Act 1972, Appendix A of this report be exempt from publication in that it includes information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
2. That the Cabinet Member noted that:
 - (a) There is a need to roll out individual meters, or similar measurement devices to all residents where it is economically and technically feasible to do so. The principles for the Heat Networks (Metering & Billing) Project pilot will form the basis of the wider roll-out during 2017 and 2018.
 - (b) CityWest Homes has an approach that has been agreed with the department of Business, Energy and Industrial Strategy - Regulatory Delivery (BEIS - RD) to become compliant with the Heat Networks (Metering & Billing) Regulations 2014, commencing with a pilot during the summer and autumn of 2017.
 - (c) The introduction of a new charging methodology is designed to support the roll-out of the new Metered Billing regime, whilst simultaneously providing a consistent, transparent and fair cost model for existing residents.
 - (d) A sub-group of the CityWest Homes Residents Council has been set up to provide resident involvement across all types of heating and hot water schemes. Resident engagement activities are focussed on education and support to residents, so that they can manage their heating and hot water costs.
3. That the Cabinet Member for Housing approved the change in the 'Charging Model' from a flat-rate, pooled historical cost to an individual metered (or block-metered) methodology, based on a daily 'Standing Charge' plus a variable charge (the actual cost of the energy required to supply the heating and hot water) and delegated authority to the Chief Executive of CityWest Homes all decisions regarding the timing and application of this policy change in respect of individual dwellings and buildings so as to comply with the Heat Networks

(Metering and Billing) Regulations 2014 and all associated or subsequent legislation connected with these Regulations.

Reasons for Decision

1. The setting of fixed and variable charges will, in combination, be set at a level which ensures that the Council breaks even in the medium and long-term.
2. The new tariffs have been modelled to ensure that income covers estimated costs. While introducing metered charging at the same time as some users continue to receive flat rate charging, CWH has sought to ensure that the two groups of customers have charges that are fair and justifiable and offer equal value for money.

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