



Southwark Group of Tenants Organisations

*Bells Gardens Community Centre,
19 Buller Close, London,*

Campaigning for Housing Rights and Council Homes

SE15 6UJ

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Bells Gardens Community Centre
19 Buller Close
London
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Southwark Council
160 Tooley Street
London
SE1P 5LX

Dear Councillor Merrill,

Re: Protections for Heat Networks Customers

I hope this letter finds you well. I am writing to you in my capacity as the Campaign and Research Officer of the Southwark Group of Tenants Organisation (SGTO).

We are greatly concerned about the impact of the expected energy price cap rise this October, particularly on heat network customers. As you are no doubt aware, Southwark has one of the highest number of council-owned homes for any local authority in the country. One-third of these homes (roughly 17,000) are connected to heat networks. As the energy price cap does not apply to heat network customers, we believe that greater regulation is needed to ensure that those using heat networks do not see even greater energy price rises than the rest of the population.

We support the Mayor of London's proposals, which recommends that where the price of communal heating is demonstrably higher than the domestic price cap, the Government provide a cash transfer to the energy provider, which would be distributed to residents as a rebate or credit in the next billing cycle. The transfer would be set at a level which would bring the costs of communal heat into line with the capped levels for average domestic gas customers.

We are reassured to hear that the Government intend to give Ofgem greater powers to regulate the cost of energy for heat network customers. Our concern is that this regulation will not be enough to sufficiently reduce energy bills, and that it would be introduced after the predicted energy price cap increase in October. Many residents in Southwark are already struggling to afford the rising cost of energy, and those using communal heating networks cannot afford to wait until after October for greater protections to come into force.

In this context, we would like to know what protections Southwark Council intends to offer council residents using heat networks, to ensure they do not pay disproportionate increases for their heating. If appropriate, we would be happy to open a dialogue between yourself and residents on this important topic.

Yours Sincerely,

Jack Lewis