



Heating Charge Policy

December 2024

MONITORING, APPROVAL AND REVIEW	
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Version No/Date	V1 2024
Version Notes	Annual review
Publication	Public/Published (available on Website)
Consultation	
Equality Analysis	Not required
Approved by	EMT
Approval date	10 December 2024
Review Frequency	The Policy will be reviewed every year or in line with legislative or regulatory changes. Due January 2026.

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1 Policy Introduction and Purpose

- 1.1 FCHO operates 13 Heat Networks, supplying heat and hot water to circa 1950 individual properties.
- 1.2 For the definition of this policy a Heat Network is an external boiler plant, which supplies Heat & Hot water via an underground pipe network.
- 1.3 Each property that is connected to the Heat Network has an individual meter, which records the residents' usage, and the resident will be charged accordingly.
- 1.4 The purpose of this Policy is to set out how First Choice Homes Oldham (FCHO) will charge and recover heating charges as determined by regulatory and good practice requirements.
- 1.5 For the purpose of this Policy, a heating charge is defined as a payment made by a resident towards the cost of providing heat and hot water for their individual use within their property.
- 1.6 The aim of this Policy is to identify FCHO's approach to setting heating charges for its residents that is fair, transparent, consistent and compliant with regulatory and good practice requirements.

2 Policy Details

- 2.1 The Policy will set out the methods for calculating the heating charge. It will also set out details of how this charge will be reviewed annually.
- 2.2 The resident's tenancy agreement, or lease defines the heating charge that FCHO will provide, and how FCHO will recover.
- 2.3 For the purposes of this Policy, heating charges are defined as a Usage Charge.
- 2.4 FCHO will review the heating charge each year based on proposed budgets, so they are as accurate as possible.
- 2.5 FCHO will carry the risk of overspends of the said heating charge. Where the actual cost of providing the heat and hot water is more than the amount charged, FCHO will not recover this amount from users.
- 2.6 FCHO will inform all users of the networks to any changes to their charge in accordance with their tenancy agreement or lease.
- 2.7 Heating charges are a usage charge and therefore not subject to Section 20 consultation requirements.

3 Policy Objectives

- 3.1 The objectives of this Heating Charge Policy are:
 - Heating charges will be set at a level that aims to recover the cost of the heating, and where this is not the case, Board are informed, and appropriate approvals sought.

4 Method for Calculating the Heating Tariff

- 4.1 A heating tariff or charge is not a Service Charge but a usage charge and should be set to cover the costs of the service provided.
- 4.2 The Heat Tariff is set each year in line with the budget process and reflects the budgeted costs of providing heat and hot water to all residents connected to the Heat Network.
- 4.3 The Heat Tariff calculations are set in line with regulatory instructions as to what costs can be included.

5 Collection of Heating Charges

- 5.1 Each property has a heat meter which records individual usage and residents will only be charged for actual usage.
- 5.2 Residents currently pay in advance (prepay) but FCHO reserves the right to implement monthly billing if needed or if regulations change.

6 Performance Measure and Targets

- 6.1 FCHO will monitor heating charge costs and income generated under this Policy.
- 6.2 Reports will be submitted to Board as part of the budget setting and monitoring process.

7 Roles and Responsibility

- 7.1 The Executive Director of Corporate Services is responsible for the effective implementation of this Policy.
- 7.2 It is the responsibility of the Board to take appropriate decisions in relation to heating tariff setting in accordance with recommendations, relevant guidance and legislative requirements from the Executive Director of Corporate Services and the Chief Executive Officer.
- 7.3 Reports will be prepared for the Board with recommendations for annual changes to heat tariffs based on FCHO's Heat Charge Policy.

8 Monitoring and Review

- 8.1 FCHO will set the heat tariff in a fair and reasonable manner in line with current legislation, and best practice.
- 8.2 This Policy will be reviewed annually, unless legislation or sector developments require an earlier review. This will ensure that the Policy continues to represent best practice and the objectives of FCHO.

9 Legislative or other Guidelines

- 9.1 FCHO will comply with the legislative guidelines as they are published.

10 Equality and Diversity

- 10.1 This policy is intended to provide a fair approach to the setting of heat tariffs, ensuring that no customer experiences discrimination. This is irrespective of gender, age, race, sexuality, disability, religion, marital status/civil partnerships, pregnancy/maternity and economic status, and in line with the nine protected characteristics part of legislation under Equality Act 2010.
- 10.2 A key element of the Equality standards involves carrying out an Equality Impact Assessment on FCHO policies, ensuring that they do not have an adverse impact or promote any form of discrimination to particular groups or associated protected characteristics. An Equality Impact Assessment has been carried out on this Heat Charge Setting Policy and will be reviewed annually.
- 10.3 FCHO is committed to providing clear and easily understandable information. Support will be provided to customers who have difficulty reading or understanding this Heat Charge Setting Policy.