

Southern Housing Group response to the Minor Alterations to the London Plan, consultation draft May 2015

Southern Housing Group is broadly in support of the changes introduced via the New National Technical Standards, in particular where they apply cross tenure, introducing a more level playing field between private and affordable housing providers. We are pleased, therefore, to see the GLA adopting the new national space, access and water standards, although we note that the matter of viability of standard M4(2) in smaller schemes will prove to be challenging, particularly for affordable housing.

In this response we are focussing on London Plan Policy 5.2 Minimising Carbon Dioxide Emissions, specifically with regard to the Mayor's energy hierarchy, as outlined in policy 5.2A.

Item 5.16 in the consultation document states that the second step of the hierarchy, to supply energy efficiently, should be met by prioritising decentralised energy, as outlined in policies 5.5 and 5.6. We would urge the GLA to reconsider their position on the use of decentralised energy as we feel that this has led to the introduction of communal heating systems as a preference over alternative systems in many situations where such an approach has proved to be unsuccessful, both in terms of achieving the stated objective of reducing carbon emissions and also in terms of providing a reliable and cost-effective form of heating to residents.

Southern Housing Group has been developing and managing new build schemes with communal heating systems since 2008, with over 1600 units completed or in the pipeline. This experience has led to significant learning and, as a result, the systems we are installing now are considerably better than those used at the outset, notably improving our approach to metering and billing and reducing heat loss from heat distribution networks. Despite a large amount of work focussing on detailed design and specification, we still find that in practice, communal heating systems perform significantly below the modelled, theoretical levels of efficiency. From monitoring of communal systems and comparative units with individual gas boilers we know that they use approximately twice as much gas (and therefore associated Carbon Dioxide Emissions) as a traditional, efficient, individual gas boiler. This evidence indicates that communal heating systems are not the best approach to reducing carbon emissions in new build schemes and in fact this current approach increases emissions versus other design approaches. The exception to this would be district/communal heating schemes that are fed by a source of waste heat (or current schemes, which are joined to a heat network); to date, deployment of such schemes has been very limited in London due to the capital investment required and practical difficulties of harvesting and using the waste heat.

In turn, the inefficiencies of the communal heating systems has led to significantly higher heating bills for residents than should be expected in a new build property as the landlords operating the system look to recover the costs of running the system. From our experience, other design approaches such as fabric first solutions to reduce heat demand combined with a small, individual heating and hot water system provide the most cost effective system for residents.

Southern Housing Group have also experienced difficulties maintaining systems, and, when they do fail, the issue is amplified as all the residents within a block will lose both heating and hot water, for what can be considerable periods of time. In practice we have found that maintenance charges for communal systems are comparable or worse than those of individual gas systems- costs that are either passed on to residents in those schemes or affect the financial viability of managing the units. This means that our residents in new

schemes with communal heating systems are receiving a lower standard of service at a higher cost than those with individual gas boilers.

In addition, Which? Have recently carried out research into residents' experiences of living with communal heating systems, and they too have concluded that the approach often does not benefit residents, many of whom are experiencing high bills without the option to change supplier. The problem is further compounded on estates built by private developers, whose principal objective is to reduce capital costs; we have found that developers will often enter into very long term contracts with suppliers who will install systems for a minimal charge and recoup their costs via a long-term maintenance and billing contract, which results in very high service charges. Thus residents are paying increased costs for a system that often performs worse than a traditional gas boiler without the option to search the market for a supplier that better suits their needs in terms of price and service offered.

We have compared our experiences with a number of other affordable housing providers, gathering significant amounts of information to validate our position, and have found that most large, developing RSLs in London are in a similar position and agree that communal heating systems simply aren't the best solution for the majority of new build housing schemes.

As a result of this experience, our own internal design guidelines seek to avoid the use of communal heating systems wherever possible. Whilst we recognise that the larger, district systems may be effective, as long as there is a mixed demand for heat and power and sources of low carbon heat, we feel that, on the whole, communal systems for housing only schemes should be avoided, and we would seek to revise the wording of 5.16 such that the priority applies only to very large, mixed use sites that fall within the context of 'major regeneration, leaving the choice of heating system on other schemes to be led by meeting the twin objectives of reducing carbon emissions and reducing costs in use.

In addition, we would like to comment on Policy 5.2, Minimising Carbon Dioxide Emissions, Item B:

The table under item B, for residential buildings, states that the energy standards are to be a minimum of 35% reduction on the 2013 Building Regulations until such time as the zero carbon regulations are introduced. The position up to now has been to require Code level 4, which is effectively a 19% improvement over Part L 2013. This policy would therefore introduce a higher Fabric Energy Efficiency standard than was previously required, for a one year period, before the introduction of zero carbon in the building regulations. The zero carbon standards are likely to equate to Code 4 standards, so it would be bizarre to introduce a higher standard for a year. According to the ministerial statement of 25th March, no planning authority can impose any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings, beyond those already in existence. We would therefore urge the GLA to reconsider the contents of this table and revise the figures, such that their requirement is simply to continue with Code 4 equivalent standards until such time as the Building Regulations are updated.