



HEAT SUPPLY AGREEMENT PRINCIPLES

The Heat Network is a forum to discuss and share good practice about district and communal heating within social housing. We aim to bring together our own communal heat experiences and share the lessons we've learnt with colleagues across the sector. We also act as a conduit for social housing input into national heat network policy.

This document outlines what we believe to be the core principles that should be borne in mind when creating Heat Agreements. It does not replace any professional or legal advice: we merely want to share the lessons we've learnt with colleagues across the sector, so the same mistakes are not repeated.

Heat Supply Agreement Sections

In broad terms, a heat agreement has three sections:

- 1. The contract to take heat/hot water:** this can be a 1-page document that is signed when the customer signs a tenancy agreement or lease
- 2. Terms and Conditions:** who's responsible for what, service levels, payment methods, faults and maintenance, access, moving in and out, data protection
- 3. Further Information:** tariff, complaints, contact information

These three sections could all be in one document or in separate documents. The advantage of having separate documents is that sections can be updated independently. For example, if the tariff changes, only the Further Information document would need updating and re-issuing, with the other two documents remaining the same.

Below we outline what our members tend to include in each of the Heat Agreement sections. It is meant as a guide rather than a definitive list. Consideration should also be taken as to how the heat agreement dovetails with other contracts you may have in place such as the tenancy or lease.

Contract potential inclusions

- The heat network operator's name, address and contact details
- A short statement to say that heat and hot water will be supplied
- The customer's name and address
- Meter number
- Signed and dated declaration from customer, including:
 - I have read and understood this document
 - I understand I am obliged to take heat/hot water from this system
 - I will pay landlord/nominated agent for the heat/hot water
 - I will not tamper with equipment. I will provide access for maintenance and repair
 - I will provide a meter reading when I leave
 - I will pass on this declaration to the new leaseholder

Terms and Conditions potential inclusions

- Who owns and is responsible for what? For example, who is responsible for repair and maintenance of each part of the heat network such as the heat source, distribution pipework, heat interface unit (HIU) and radiators in the property.
- Confirmation that customers cannot take heat or hot water from another supplier/source (except in any exemption scenarios that may need to be outlined)
- Metering and Billing
 - Meter and Billing agent and contact details
 - How to set up a heat account
 - Billing method: credit, Pay-As-You-Go or other arrangements
 - Frequency and content of bills and annual statements (for all types of billing)
 - Payment options (eg online, phone, direct debit, Paypoint/Payzone etc.)
 - Access to consumption and account information (eg via an In-Home Display or Resident Portal/App)
 - Emergency and Friendly credit arrangements
 - Ad hoc or admin charges (eg lost payment cards, missed direct debits etc.)
- Repairs and Maintenance
 - How to report a fault
 - Response times
 - Access arrangements
 - Planned and unplanned supply interruptions arrangements/standards
- Support for vulnerable customers
- Who is responsible for other utilities (eg water and electricity)
- Sub-letting arrangements (for any leaseholders)
- What to do when a customer moves home
- Data protection statement
- Limit of liability

Further Information potential inclusions

- What is communal heating? Why is it in this building? How does it work? What are the benefits?
- Tariff
 - What the tariff is, how it's calculated and how often it will be reviewed.
 - How usage is measured and estimated running costs (with caveats)
 - Comparison/benchmarking with other utilities
 - How value for money is ensured (eg competitive procurement of gas, metering and billing agent, not-for-profit, etc)
- Complaints process
- Useful contact information

Additional considerations

- You may need different types of heat agreement, for example for tenants or for leaseholders, or for different heat network management arrangements (eg own-managed, ESCO, etc)
- You should have a clear timetable and process for reviewing/updating the heat agreements either on a regular basis or at particular trigger points (eg when a tariff changes)