

| <b>Heat Networks Policy</b>                                |                                      |
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| <b>Policy Owner:</b><br>Director of Asset & Sustainability | <b>Policy Ref No:</b><br>AM-PL-009   |
| <b>Date Approved:</b><br>February 2026                     | <b>Review Date:</b><br>February 2027 |

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**1.0 Purpose**

- 1.1 In 2023 a new Energy Act was implemented and the act named Ofgem as the future regulator of heat networks.
- 1.2 Ofgem heat network regulations require heat network operators (Beyond Housing) to be registered as energy suppliers. Beyond Housing registered itself as an energy supplier in 2023.
- 1.3 Ofgem also advised that heat network suppliers (previously known as operators) must deliver minimum energy and customer service standards, manage and monitor their schemes and report on their management and finances to them.
- 1.4 The regulations were introduced to ensure that heat network suppliers (Beyond Housing) are customer focused, provide the best service, protect vulnerable customers, and have a fair and transparent cost recovery strategy.
- 1.5 The key principles of regulations set out by Ofgem aim to make sure that the same level of consumer protection is provided to those living on heat networks as for those who use more conventional utility arrangements.

The purpose of this policy is to:

- 1.6 Ensure Beyond Housing complies with the regulations and standards set by Ofgem.
- 1.7 Set out how we will effectively communicate with heat network customers to enable the effective management of tariffs, billing, metering, payments and debt recovery.

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- 1.8 Set out how vulnerable heat network customers are supported and empowered to manage their energy supply and bills in heat network properties.
- 1.9 Ensure heat network customers are aware of the debt recovery procedure.

**2.0 Scope**

- 2.1 This policy only applies to customers who live in Beyond Housing properties where heating and hot water is supplied via a heat network.
- 2.2 This policy does not replace other policies within the organisation that are applicable to ‘all’ customers.
- 2.3 This policy will highlight any nuances from the standard policy and processes that are applicable to heat network customers only; relevant policies will be signposted from this document.
- 2.4 Non-heat network utilities are excluded from this policy, activities that require the use of gas, electric and sewage management services are the responsibility of the customer.

**3.0 Definitions**

- 3.1 **Ofgem** (The Office of Gas and Electricity Markets) - the government regulator for the electricity and downstream natural gas markets in Great Britain.
- 3.2 **Ofgem consumer standards** – the standards set out by Ofgem to ensure that customers and all associated communications are managed within a fair and transparent framework.
- 3.3 **Technical standards** – Ofgem technical standards which utilities suppliers and housing associations must adhere to, to improve the reliability and efficiency of components within existing heat networks.
- 3.4 **Heat network** – referred to as a communal heat network: a network which supplies heat and on demand heats water for multiple units within a single building.
- 3.5 **Heat network customer** – customers with any type of tenancy who live in a property within a building that has a communal boiler that provides heating and hot water to individuals on demand.

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3.6 **Vulnerable customer** - The definition of a vulnerable customer outlined in this policy specifically relates to heat network customers only and any activities associated with the management of heat networks in our properties.

3.6.1 The definition below is aligned fully with Ofgem’s vulnerable customer definition to ensure compliance with standards and regulatory reporting requirements.

3.6.2 Definition - A vulnerable heat network customer is defined as any customer who identifies themselves, or a permanent resident of a customer’s home, as being at the time of identification:

- Significantly less able than a typical consumer of energy to protect or represent his or her interests in the energy market and/or;
- Significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.

3.6.3 This could be someone who is:

- Chronically ill, mentally or physically disabled or has a hearing or visual impairment, of pensionable age, under the age of 5 years old, suffering severe financial insecurity [and/or bereavement].
- We will consider additional factors such as age, health, disability, low income, severe financial insecurity, digital exclusion and bereavement in defining whether or not a customer is in a vulnerable circumstance.

3.7 **Energy supplier** – for the purpose of this policy Beyond Housing will be referred to as the energy supplier.

3.8 **Energy provider** – the organisation appointed by us to provide the utilities to a property, e.g. gas and electricity required to provide heating and hot water only.

3.9 **Billing and metering provider** – the organisation appointed by Beyond Housing to administer customer energy accounts and provide customer services related to the supply of the meter.

3.10 **Colleague** – For the purpose of this policy only this is anyone employed directly by Beyond Housing or those acting on its behalf

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3.11 **Smart meter** – a digital device installed in a unit within a property by the energy provider to enable customers to be aware of their energy consumption.

**System and data definitions include:**

3.12 **UDC** – User defined characteristic – This is a flag held against the property it can relate to the person, tenancy or property.

3.13 **Vulnerability register** – a report produced by the energy supplier (Beyond Housing) and provided to Ofgem, including all heat network customers who have registered themselves as having a vulnerability aligned to the definitions outlined in this policy.

**Heat network debt management definitions:**

3.14 The definitions associated with debt on heat network accounts specifically relate to heat network customers only. They should not be used to replace any definitions used in Beyond Housing’s income management policy.

3.15 **Current debt** – heat related debt that is less than 60 days old.

3.16 **Aged debt** – heat related debt that is older than 60 days.

3.17 **Heat account credit** – credit accrued on account with energy providers due to payments being made in arrears, over or additional payments being made.

3.18 **Utilities (heat debt) debt** – debt accrued on the energy account through failure to make payments to energy providers for energy provided by them.

3.19 **Heat network tariff review** – the annual review of heat network charges to enable clear and transparent communications to customers on tariffs and charges associated with energy consumption.

3.20 **Heat network efficiency assessment** – an annual assessment required by Ofgem to demonstrate that our heat networks achieve the mandated minimum technical standards.

**4.0 Responsibilities**

4.1 **Director of asset management and sustainability** – policy owner responsible for the delivery of the policy and clear communications to any other colleagues who are involved in its delivery.

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- 4.2 **Asset Sustainability manager** – accountable for ensuring that all aspects of the policy are applied and Beyond Housing remain compliant and ensuring regulatory reports are submitted in line with the framework set out by Ofgem.
- 4.3 **Asset Services** - Will work closely with maintenance and housing colleagues, energy providers and billing and metering service providers to ensure that this policy is adhered to, and will ensure that customer communications and billing requirements are fully met by the appointed provider and communications are aligned to the required consumer standards and are effective, clear, transparent and timely.
- 4.4 **Compliance team** – Colleagues within compliance accountable for managing the repairs and maintenance services for heat network customers, to ensure that technical standards are achieved, and components are well maintained to enable service continuity.
- 4.6 **Billing and metering service provider** – responsible for billing relating to energy consumption associated with heating the property and any hot water used, collection of payments, management of debt as instructed and the maintenance of smart meters within customer properties (units).
- 4.7 **Housing officer** – responsible for ensuring that customers receive the correct documentation relating to heat networks on tenancy sign up. Ensuring that the customer is made aware of the implications of being in a property where energy is provided by a heat network and this is fully understood.
- 4.8 **Development project manager** – The heat network regulations stipulate that for any future developments (new build projects) where Beyond Housing plan to implement a new heat network, they will be required to apply to Ofgem to seek approval in advance of work progressing. The development project manager will be responsible for managing this process.

## 5.0 Legislative and statutory requirements

- 5.1 This policy has been written and reviewed with due regard to:
  - 2023 Energy Act. The Heat Networks (Market Framework) (Great Britain) Regulations 2025
  - Ofgem Guidance (2025)
  - Data protection Act 2018 and the UK GDPR - policy and procedures
  - EBDS – Energy Bill discount scheme.
  - HNMBR – heat network (metering and billing) regulations 2014.

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- 5.2 Beyond Housing is regulated as an energy supplier by Ofgem, all legislation and regulations as defined by Ofgem in relation to Heat Network management must be complied with.
- 5.3 Ofgem require the energy supplier (Beyond Housing) to provide the required reports to them monthly, quarterly and annually as defined in their reporting criteria. This will enable Ofgem to assess the organisations compliance with both the consumer and technical standards. The asset services manager is responsible for ensuring these reports are submitted.
- 5.4 Beyond Housing is required to comply with the standards set out by Ofgem to avoid fixed penalties issued for non-compliance.

**6.0 Policy detail**

- 6.1 This policy is applicable to all heat network customers. All properties that are part of a heat network will be identifiable on Beyond Housing’s systems via the HEANET UDC.
- 6.2 If there is a vulnerable heat network customer in a Beyond Housing property, the heat network UDC will be HN VC.

**6.3 Metering and Billing**

- 6.3.1 Heat network customer accounts are managed by the metering and billing provider appointed by Beyond Housing.
- 6.3.2 Heat network customers are charged for the gas, electricity and water required to provide heating and hot water via a communal boiler.
- 6.3.3 The property and location will determine the costs charged for the heat network: electricity, gas and clean water charges may be incurred. These charges do not include use of gas and electricity for day to day use for example cooking or watching TV or wastewater management.
- 6.3.4 The bill issued by the metering and billing provider will clearly articulate what is included in the charges for the heat network.
- 6.3.5 Heat network customer tariffs are reviewed annually in September of each year; any additional charges or reductions in cost will be communicated in January or a minimum of 31 days in advance of any changes. This enables new tariffs to start on the first Monday of April.

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## 6.4 Key Communications

6.4.1 Beyond Housing will communicate with and advise heat network customers about the support that can be offered to vulnerable customers, in the following ways: Initial tenancy/lease sign up, during annual review process and on our website.

6.4.2 All communications to heat network customers must be approved by the Asset Sustainability manager and must include contact information for the statutory appointed Energy Ombudsman (Ofgem) and Citizens Advice.

## 6.5 Complaints and compliments

6.5.1 Heat network customers who are dissatisfied or have a complaint or compliment relating to heat networks (charges or services) will be required to follow the Beyond Housing complaints procedure.

6.5.2 Heat network customers who have exhausted Beyond Housing’s complaints procedure and are not satisfied with the outcome will need to pursue their complaint with the Energy Ombudsman (Ofgem).

## 6.6 Vulnerable customers in a heat network context

6.6.1 This section of the policy document outlines the approach/ framework Beyond Housing apply when supporting **heat network customers in vulnerable circumstances**, it specifically relates to heat network customers.

6.6.2 Beyond Housing is committed to ensuring that ‘all’ vulnerable customers get the support they need. This policy should not be viewed as separate to the ‘vulnerable circumstances policy’ and should be used only to identify any nuances that are specific to our heat network customers.

6.6.3 The policy sets out:

- What the definition of a heat network customer in a vulnerable circumstance
- How to identify heat network customers in vulnerable circumstances and changes in their status
- What support is available for our heat network customers.

## 6.7 Identifying heat network customers in vulnerable circumstances

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6.7.1 Beyond Housing will seek to identify customers in vulnerable circumstances at all touch points within the customer journey: Tenancy sign up (move in) or if their personal circumstances change during their tenancy period (live in) or when they terminate their tenancy (move out).

6.7.2 Housing officers will be required to provide clear information about what support is available to customers at all stages of the customer journey. Beyond Housing colleagues understand that vulnerability is not static, and a person can become vulnerable at any time.

6.7.3 As a minimum, Beyond Housing will consider vulnerable circumstances as outlined in the vulnerable customer definition.

## 6.8 Supporting vulnerable heat network customers

6.8.1 There are different levels of support that heat network customers may need, depending on their specific circumstances: not all vulnerabilities require the same response. These can be considered in three main categories listed below alongside Beyond Housing responsibilities:

### 1. Customers identified as vulnerable to the cold:

- Do not have their supply suspended/ cut off for non-payment during winter and early spring.
- Are issued with alternative heating in advance of a planned interruption that is due to take longer than 6 hours or between 31<sup>st</sup> October and 31<sup>st</sup> March.

### 2. Customers with additional communication requirements have access to:

- Beyond Housing colleagues who are trained to communicate with customers in vulnerable circumstances
- Multi-channel access (including written, verbal and face to face communication) to the organisation during interruptions in supply and/or emergencies
- If remote heat meter reading is not possible, and if the customer cannot take a heat meter reading themselves, Beyond Housing will arrange for the billing and metering supplier to attend and physically read the meter.

### 3. Customers in financial difficulty have access to support and are signposted to citizens advice, to help them understand -

- Their heat consumption, how they might reduce it, their bills and how to make payments and if necessary
- Any debt accrued and how this has occurred

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- How to access further support by providing information and or signposting via various mediums to the relevant organisation who can help with income maximisation, including schemes such as the Warm Homes Discount, Cold Weather Payment, Winter Fuel Payment and other available material
- How to set up a payment plan with the metering and billing provider to help them to pay off any debt they may have accrued if required.

## 6.9 Billing and debt recovery

6.9.1 Beyond Housing will take a preventative, proactive and supportive approach when dealing with heat network debt. In shaping our approach to income/ debt recovery, we have adopted Ofgem’s Ability to Pay Principles in line with the heat network debt recovery procedure. which details the following:

- Credit billing
- PAYG billing
- Assisting customers with income maximisation
- Suspension of service
- Disconnection
- Discretionary debt write off

## 7.0 Underpinning procedures

7.1 Please refer to the following documents for the underpinning procedures relating to the management of heat networks:

- Complaints and compliments policy and procedure
- Heat Supply Agreement
- Vulnerable circumstances policy
- Digital tenancy - sign up procedure
- Repairs and Maintenance procedures, contracts and contract management process.
- Heat Network procedure
- Heat Network - debt recovery procedure

## 8.0 Controls and reporting

8.1 This section includes the **controls** identified to assess the effectiveness of the policy and where testing of the controls is **reported**.

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| Control   | Line of defence | Responsible (Job role)                   | Reported to:  |
|---|-----------------|--|---|
| AS0003/2900: Regulatory reporting in line with Ofgem’s compliance framework                 | 1 <sup>st</sup> | Asset and Sustainability Manager         | Ofgem/ Block management – Building safety committee     |
| AS0003/2901: Annual heat network tariff review  | 1 <sup>st</sup> | Asset Services Manager                   | Heat network customers/ Beyond Housing website/ Finance |
| AS0003/2902: Vulnerability register   | 1 <sup>st</sup> | Asset Services Manager                   | Ofgem   |
| AS0003/2903: Automated data report collection, monitors, flags anomalies and validates data | 2 <sup>nd</sup> | Asset Services Manager/ Performance Team | Asset and Sustainability Manager/ Energy provider       |

## 9.0 Consultation

- 9.1 The content of this policy is regulatory and Beyond Housing is unable to change regulations defined by the governing body. For consultation on referenced policies applicable to all customers please refer to individual policies.
- 9.2 All customers were notified in April 2025 of the pending changes, new regulatory requirements and the support available to them via the ombudsman and citizens advice. No follow up queries or complaints were received.
- 9.3 All colleagues will receive awareness training and those who directly engage with heat customers as part of their duties will receive more detailed training on this policy.

## 10.0 Approval and revision

- 10.1 This policy will be subject to a review ever three years, or in response to a change in legislation or best practice, whichever happens first.

**Accountable**

Executive Director of Housing & Property Services

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|                                    |                                    |
|------------------------------------|------------------------------------|
| <b>(Exec member):</b>              |                                    |
| <b>Responsible (Policy owner):</b> | Director of Asset & Sustainability |
| <b>Approval body:</b>              | Board (new policy)                 |

| Version | Date          | Information |
|---------|---------------|-------------|
| 1       | February 2026 | New policy  |
|         |               |             |
|         |               |             |