

Housing charity Peabody triples heating charges to its poorest residents claiming they can keep warm from their neighbours' heating.

Housing Association Peabody plans to triple the heating charges to its residents on one of Britain's most deprived and poorest housing estates. The increase is not caused by the general increase in gas prices from the Ukraine war. It will be caused by handing over charging to a profit making subcontractor who will add in a £350 a year per home 'management fee' they will hand back to the charity.

Peabody currently charge pensioners living in small one bed flats about £406 a year for their heating and hot water. When the subcontractor takes over this will increase to £1,323 a year for the same amount of heating and hot water. When global gas price increases get added next year the charge will rise still further.

"How are those who only have a state pension expected to be able to pay this extra money, who are not out a lot and are affected by the cold?"

"I have to fit cardboard all around my back door and front door when winter comes"

Strawberry Vale Estate in East Finchley was built in the 1980's with 268 flats and houses. It is in the most deprived 11% of estates in the UK. Some residents moved here when the estate was built and are now in their 80's. Some families live in severely overcrowded conditions e.g. a family of seven in a two bedroom flat.

The estate was built with a gas powered communal heating system. Residents are currently charged for the cost of the gas used by the estate boilers with charges spread across the estate according to property size. Annual charges to tenants range from £406 (one bed flat) to £820 (5 bed house).

Peabody plans to install 'heat meters' in peoples' homes. The meters will charge residents for the amount of heat they take from the communal heating system for their heating and hot water. The meter installation and charging will be handed over to a commercial subcontractor, Switch2. Switch2 will add a new £187 a year standing charge as well as tripling the charges and demand all payments in advance. They will turn off residents' heating remotely if they fall into arrears.

Peabody Director of Sustainability, Richard Ellis, wrote to me in an email on 2nd September that the cost of the gas would be charged on to residents increased by 180%, effectively tripling the heating charges. Part of this increase will be a new Peabody 'management fee' equal to half the cost of the gas used (about £125,000 a year) an average of over £350 a year per home.

Peabody Group Energy Manager, Amita Mehta, wrote in an email on 8th Sept. that residents only need heat for '8 to 11 hours a day' and residents will save money by 'only paying for what they use'. Richard Ellis wrote in his email on 2nd September that residents will also benefit from 'heat gains into flats from the rest of the building' – they will be kept warm by their neighbours!

Neither has denied that there will be a 180% markup of the gas charges. Residents are being given no choice by Peabody and are not protected by OFGEM which does not cover communal heating.

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