

Next Generation case study: Gloucestershire Community Energy Coop – funding heat pumps in social housing

April 2022

About Gloucestershire Community Energy Coop:

The aims of the Gloucestershire Community Energy Co-op (GCEC) are to enable local communities and individuals to take part in exciting renewable energy schemes across the county, and to encourage energy saving initiatives. By installing solar panels on community buildings, and developing suitable sites for wind and hydro schemes, we aim to give everyone in Gloucestershire a chance to benefit from low carbon, locally generated electricity and renewable heating.



The Next Generation project focused on enabling the installation of heat pumps and solar panels with battery storage in council-owned homes.

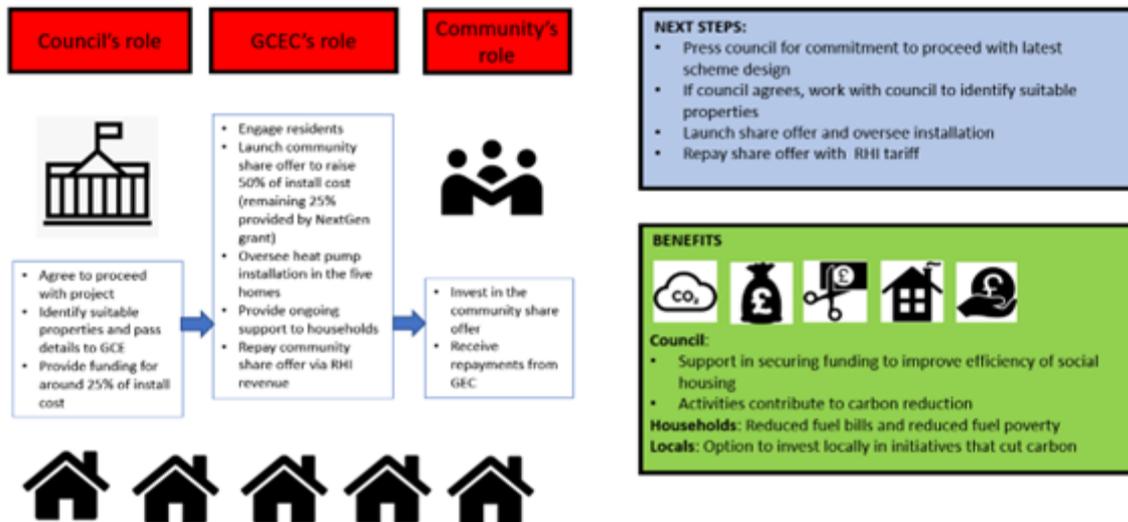
About this innovation project and its impact:

The objective was to install a ground-source heat pump, utilising the non-domestic Renewable Heat Incentive (RHI), plus PVs and batteries in Stroud District Council-owned sheltered housing. However, Covid delays meant it was not possible to get a scheme off the ground within the timeframe of the non-domestic RHI, so the objective switched to air source heat pumps (with lower install costs) funded through the domestic RHI (which ran for a further year). However, various delays relating to partnership agreements and insurance requirements meant the project ran out of time to get everything in place in order to make use of this. The project was therefore unable to progress to installation.

However, the project has successfully:

- Developed a financial model for how community energy groups could theoretically fund heat pumps in social housing.
- Increased capacity and confidence within GCEC in terms of taking on more complex projects; as a result of their experience on this project, they are now close to implementing another project in a local school.
- Helped increase the ambition of the council and contributed to the council winning Social Housing Decarbonisation Scheme funding to undertake an innovative retrofit.

Gloucestershire Community Energy Co-op (GCEC)



GCE CE Innovation model diagram v2, Apr 2021

Advice for other groups considering this approach:

- Relying on local authorities to supply properties and/or funding can present challenges. Senior council support is critical for any project reliant on council involvement. An enthusiastic and supportive officer may struggle to get commitment from the rest of the organisation unless there is already senior-level buy in.
- Work up a partnership agreement and think about things like insurance at the earliest possible stage. For projects involving social housing, the council has to act as a responsible landlord and ensure that risk and insurance are managed. This can result in a level of insurance that may seem excessive to a community energy organisation and it may take some time to reach an agreement on this.
- Consideration was given to going out to owner occupiers to try to secure installations in that sector instead of social housing. However, GCEC did not feel they were operating at a large enough scale to undertake the level of marketing that would be needed to overcome the barriers of cost of installation and potential reticence around adopting new technologies.
- Leisure facilities are more likely to offer a financially viable model than housing, in terms of heat load and also being less complex in terms of not having to deal with households.
- Government funding streams are subject to change so there is a need to act quickly to be able to take advantage of available funding. However, councils are not always able to make swift decisions, particularly when they have other priorities such as Covid to deal with.

Key messages for policy makers

- Template legal agreements would be helpful.
- There is potentially a very important role for community energy organisations to play in terms of demonstration projects.

If you want to know more:

Contact Peter Boait, GCEC Chair, peter.boait@btinternet.com

For the final project report, financial models and templates from this another Next Generation projects, see: <https://www.next-generation.org.uk/resources>