

Policy recommendations from CEE Energy Efficiency and Heat Working Group.

Dear Miatta,

We hope you will be a champion for the power of community energy within your portfolio but also of the importance of treating energy holistically. The Local Power Plan/GB Energy is very clean power dominated. This must be a demand-side as well as supply side transformation and it must involve and benefit everyone, especially those in most need.

We are delighted the £13.2bn for Warm Homes Plan was ring-fenced in the Spending Review. The Warm Homes Plan must have community energy built into policy, guidance and funding, recognising the vital role for community energy's trusted local intermediaries and delivery partners such as [People Powered Retrofit](#). Long-term funding must be accessible to those community organisations.

Energy efficiency work often saves much more carbon than equivalent spend on renewable energy. Community fuel poverty work has been show to deliver at least [£9 of social benefit for every £1 spent](#). Community energy is [4-5 times more effective at engaging people on energy efficiency](#) than the corporate energy sector according to government commissioned research.

Low carbon heating is as difficult to do as retrofit. Community energy is leading the way, especially targeting left behind communities, with projects such as [Net Zero Terrace Streets](#), the [Community Heat Development Unit](#) and the Bishop's Castle Heat Initiative pioneering onshore wind enabled district heating - which can now go ahead since the wind ban has been lifted and they have got planning permission for their turbine!

CEE convenes Energy Efficiency and Heat Working Groups supporting work and knowledge-sharing across the sector and inputting to our policy recommendations (below). We would love to facilitate more visits to, for example, Net Zero Terrace Streets and the Community Heat Development Unit.

The best local climate action happens where local authorities and the public sector collaborate well with community energy organisations.

We need a clear statutory duty on local authorities to act on climate change, including responsibility for local energy efficiency, heat decarbonisation and retrofit planning. We need a net zero test in planning and to mandate Ofgem to prioritise net zero and equity (social value) as statutory objectives in its regulatory decisions.

General/Warm Homes Plan

1. Community energy must be built into policy, guidance and funding, eg the Warm Homes Plan. Involve community groups in co-designing the Plan using **local survey data and lived experience**. Recognise and fund community organisations as trusted and embedded delivery partners, including for outreach, coordination, and design. Recognise and fund the role of **energy champions** as part of the outreach and education workforce.

Funding

The business model for energy efficiency advice, retrofit for the unable to pay, and low carbon heat is difficult. It will not evolve and vital work will not happen without funding for community participation.

2. Guarantee **multi-year funding** to enable stable, long-term community sector participation.
3. Reform funding application processes (e.g. Energy Redress) to better support **small and community organisations**, including simplified application pathways.
 - a. Especially: open up the main Energy Redress fund to Community Businesses (not just charities) so they can apply directly.
4. Include **community partnership working** as a scored criterion in government and Ofgem-funded programme assessments.

Energy efficiency/fuel poverty/advice

5. Direct Warm Homes Plan funding to **fuel-poor, hard-to-treat homes**, especially in solid-wall, off-gas, or low-income/high-deprivation areas, using blended criteria (IMD, EPC, SAP, etc.).
6. Recognise and promote the **health benefits of warm homes**, referencing evidence such as NHS Confederation's 17:1 return on investment.
7. Fund **community-led engagement and advice delivery, and co-design programmes** to boost uptake and build local trust.
8. Enable local trading initially with modification P441 to allow the [Energy Local](#) model to spread.
9. Do not require landlords to be actively engaged where a tenant needs retrofit.

Retrofit

10. Ensure the Warm Homes Plan supports a '**fabric + heat + generation + flexibility**' **model** and promotes a **one-touch retrofit approach** with **good (community) support before and after**. (See Retrofit at Scale comment about skills below)

11. Provide long-term funding for **One Stop Shop (OSS)** models that deliver retrofit services, with community energy groups embedded in delivery.
12. Prioritise and support **place-based, street-by-street, neighbour-led retrofit delivery** to increase uptake, share learning, reduce costs, and support local supply chains.
13. Follow [Retrofit at Scale](#) advice to resource local, community-owned, integrated multi-skilled teams to do retrofit. (40% of the cost of retrofit is overheads and duplication due to too many people and companies being involved).
14. Improve the **accuracy and availability of housing data** (e.g. EPC data) to better target retrofit interventions. Fund **community-generated data collection and verification**, including thermal imaging and home surveys.
15. **Zero-rate VAT** on key domestic retrofit measures, including:
 - a. High-performance window upgrades (e.g. triple glazing, vacuum glazing)
 - b. Draught proofing and airtightness works
 - c. Professional energy advice, retrofit planning and design services
 - d. DIY purchases of approved retrofit materials
16. Extend zero-rating for Energy Saving Measures beyond 2027.
17. Ensure government retrofit schemes support **'good enough' shallow retrofit models**, especially where they enable clean heat systems (e.g. 3–6kW heat pumps).
18. 'Draught-busting' must be enabled by policy and funding. It falls between the two stools of energy advice and whole-house retrofit. It is low-tech, low-cost, yet highly effective. [The CHEESE Project](#) calculates that £100 of 'draught-busting' kit well installed by volunteers following a scientific thermal imaging survey (costing £250), can save 30% a year on energy bills, potentially many hundreds of pound in the first year.
19. **Reform ECO** requirement for a whole EPC point upgrade. (very difficult to get low D to C on the budget - could do many more much needed retrofits).
20. Include **windows and glazing replacement** as eligible measures under government schemes (e.g. ECO, Warm Homes Plan), where cost-effective.
21. **Reinstate PSDS** with strong recommendation to work with community energy. Encourage CE participation in recent £630m allocation.
 - a. Reform **PSDS funding rules** to allow anchor buildings (e.g. leisure centres) to share spare heat with neighbouring properties.
22. Ensure that retrofit outcomes are measured not only in carbon savings, but also in **comfort, health, and social value**.

Heat

23. Funding for communities to help shape, own and benefit from clean heat solutions, including:
 - a. funding for a Community Heat Officer in each community, employed by a community energy organisation, Net Zero Hub or Climate Hub or other community organisation.
 - b. funding for feasibility studies, where the community organisation is the client.
24. Fund **local demonstrators, case studies, and pilots** to showcase blended finance and community ownership in heat decarbonisation.
25. Create a **Rural Gigawatt Voucher Scheme**, modelled on rural broadband rollout, to support low-carbon heat in remote and off-gas areas.
26. Expand and fund the [Community Heat Development Unit \(CHDU\)](#) to support early-stage feasibility for community-led heat networks.
27. Prioritise funding for **street-by-street shared ground loop pilots** (e.g. [Net Zero Terrace Streets](#)), including in low-income, hard-to-treat areas.
28. Introduce a **community right to shared ownership** in new and existing heat networks, drawing on successful models from renewable energy schemes.
29. Ensure that heating solution calculations are made including the likely additional cooling required, so that solutions that do both can be prioritised. In particular ground source heat pumps can provide cooling and can expel heat into the ground rather than into the air.

Smart Local Energy Systems

30. Require and fund each Council to produce a **Local Area Energy Plans, in partnership with community organisations, which include planning for retrofit**, to be integrated into national and regional strategies. There must be quality control to ensure genuine engagement. Enable LAEPs to be recognised in planning.
31. Obligate landlords to either install, or to allow tenants to install Smart Meters
32. Fund the development and trial of **community-led energy management platforms and local aggregators** to support demand-side flexibility and grid balancing, aligned with GB Energy's 12–15GW flexibility target.

Contact

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