



Department
of Energy &
Climate Change

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www.gov.uk/decc

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Dear colleagues

COMMUNITY ENERGY REVOLUTION

Today the Department of Energy & Climate Change (DECC) is publishing the first ever **Community Energy Strategy**, accessible here:

<https://www.gov.uk/government/publications/community-energy-strategy>

The Strategy sets out a bold vision for community energy – one where community projects could supply enough electricity for up to 1 million homes by 2020 and make significant contributions to reducing energy bills and fuel poverty – and includes measures to help communities and local authorities to scale up activity.

Community energy is already growing rapidly – from insulating homes, reducing bills through energy saving ‘drop-ins’ and collective switching schemes, to generating sustainable electricity and heat through community co-operatives and social enterprises. Local authorities have a huge stake in its continued success: it can help deliver local economic regeneration, a stronger sense of community, and other policy priorities such as improving public health and the energy efficiency of housing.

Local government is uniquely well-placed to support, partner and invest, and to provide a positive planning and policy environment to help drive a community energy revolution. Local authorities know the problems, opportunities and stakeholders in their area best and can work as a trusted voice. DECC is committed to a sustainable and significant expansion of the sector in the years ahead and local leadership will be key to helping deliver community energy projects across the country.

Many local authorities have already grasped this opportunity. Some innovative examples include:

- **Barnet Council** has partnered with a social enterprise to help deliver a Green Deal programme and improve the health of residents living in cold homes.
- **Bath & North East Somerset Council** is committed to community enablement and partnership working and has a Cooperation Agreement with Bath & West Community Energy, resulting in several successful community energy projects.

- **Cambridge County Council and the other Cambridgeshire authorities** are breaking new ground with the Mobilising Local Energy Investment programme, which includes community low carbon energy generation and saving schemes.
- **Lambeth Council** has supported three pioneering urban solar co-operative projects on Council housing estates in Brixton, South London.
- **Lancashire County Council** has invested £12 million of their local government pension fund in the Westmill Solar Co-operative in Oxfordshire.
- **Oxford City Council and Oxfordshire County Council** and the Low Carbon Hub have entered into an exciting partnership – OxFutures – that aims to leverage investment of £25 million into local energy projects over the next two years.
- **West Sussex County Council and the other Sussex authorities** are pressing ahead with a pilot of a community energy model by which they develop the renewable energy project and when it is completed they sell the working installation to the community, potentially through a local share issue.

Community Energy Strategy

Today's Community Energy Strategy announces important new measures to support communities and local authorities, including:

- A new £10 million **Urban Community Energy Fund** (complementing the £15 million **Rural Community Energy Fund** launched in July) to provide 'at risk' finance for community energy projects.
- A '**One Stop Shop**' information resource for community energy and partners, to be developed with community energy groups using seed funding from DECC.
- Additional funding of £1m for the **Big Energy Saving Network** to allow it to continue to support eligible third sector organisations and community groups to deliver outreach to vulnerable consumers, helping them to reduce energy costs.
- A new £100,000 **community energy saving competition** to incentivise communities to develop innovative approaches to saving energy and money.
- A dedicated **Community Energy Unit within DECC** to lead on this policy area and work with communities and local authorities.
- A commitment from the renewables industry to substantially increase **shared ownership of new onshore renewables developments**.
- Working groups to **identify unnecessary bureaucratic barriers** to community energy, and recommend how they can be tackled.
- A national **Communities and Local Government Conference** in June 2014, delivered in partnership by DECC, Oxford City Council, Oxfordshire County Council and the Low Carbon Hub.

In addition, in recent months we have already announced:

- The **£80m Green Deal Communities scheme**, which provides a new opportunity for community groups to partner with their local authorities to get involved in improving energy efficiency in their local area.
- Powers in the Energy Bill to enable us to **increase the maximum FITs threshold from 5MW to 10MW for community renewable projects**. We intend to consult on the use of this power in spring 2014.

Today's Strategy encourages local authorities and communities to be bolder. Where community, business and the public sector pull together to tackle local energy issues, more can be done for less.

We have identified three concrete areas in which local authorities can catalyse and scale up community energy activities, while also helping them meet their own goals:

Guidance, coordination and administrative support

- Provide a dedicated point of contact for community energy groups.
- Use of local authority convening power and venues for community energy events that bring together community groups, Council teams and others including LEPs, local businesses, housing associations and landowners.
- Stimulate collective action by marketing and supporting community initiatives that help increase local trust and confidence.

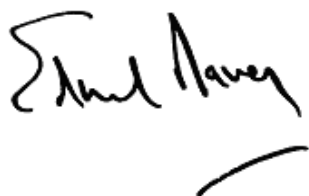
Partnerships and investment

- Lease of Council-owned land and buildings for the development of community renewables projects.
- Consider partnership and service level agreements with community groups and other social enterprises to deliver community energy programmes.
- Provide capital and working capital loans for community projects from Council resources or prudential borrowing (for example from the Public Works Loan Board).

Planning and local energy strategy

- Develop and implement a community energy strategy at the local or regional level.
- Encourage and support neighbourhood forums to include local energy and sustainability issues in Neighbourhood Plans.
- Identify strategic sites for community energy as part of Local and Neighbourhood plans with community consultation.

Through the Community Energy Strategy, Government is supporting local authorities and community groups to lead action locally. Community energy has a bright future in the UK. We need to think innovatively and creatively about working together to tackle the energy challenge. How we act now will determine the strength and resilience of our communities, local energy infrastructure and services for generations to come.



**Rt Hon Edward Davey MP,
Secretary of State for Energy & Climate
Change**



**Councillor Mike Jones,
LGA Housing & Environment
Chairman**