

BEST PRACTICE



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Social housing providers launch a not-for profit energy company

Scotland, UK – 5.3 million inhabitants

Fuel poverty – community energy

OurPower, a not-for profit energy provider, aims to reduce heat and fuel costs by passing benefits from the energy sector to the local communities.



Project in a Nutshell

North Scotland is an area with particularly high levels of fuel poverty and higher tariffs than other parts of Great Britain as a result of higher transmission and distribution costs for power. With a large percentage of the population being off gas grid and therefore dependent on electric power as their source of heat, this proves detrimental and increases the risk of fuel poverty. That is why different Scottish social housing providers founded OurPower. Today 43 member organisations in Scotland are signed up. Working closely with members, and in particular with their fuel poverty advisors, Our Power actively engages in fuel poverty interventions across member communities including the promotion of direct switching as well as offering this across the wider community.

Impact & Next steps

Over the last year, OurPower has saved customers an average of £75 compared to a standard variable tariff from UK's "Big 6" suppliers. In some instances, this corresponds to 2% of the household income and an average of 8% saving on their fuel bills. The £75 saved equates to a customer being able to heat their home for 65 more days using gas and 100 more days if using electricity during the peak winter months from November to February. Through working with Our Power, social housing providers are provided with an efficient void utility service which aims to optimise the letting times of empty properties, thus maximising rental income.

Replicability: Challenges & Success Factors

The main challenge for Our Power is generating sufficient scale that enables it to deliver significant impact across Scotland. Achieving that scale is often not easy for social enterprises. The third sector is often reliant on funding that does not enable growth nor sustainability. Our Power received £1 million investment from the Scotland Social Growth Fund in 2015. £4.5 million came from private investors: people could invest in Our Power to support the development of the business, thanks to a bond offer scheme eligible for Social Investment Tax Relief. The minimum chip was £500, with an expected return of 6.5% gross per year.



Creating a non-profit energy company, by following Our Power model is something more local authorities could be in the position of doing. By involving different local actors, willing to work for the benefit of the community and reduce energy poverty, new partnerships in the energy sector could be created.

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<https://our-power.co.uk/>

