

Heat Pump Ready Deliberative Workshops Summary Report

October 2022



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1 Introduction

This summary report outlines the key findings from the Heat Pump Ready workshops which took place throughout September 2022 in 11 project areas.

1.1 Aims of the workshops

These workshops form part of the wider **Heat Pump Ready - Stream 3** project, led by the Carbon Trust, in partnership with Ipsos and Technopolis Group.

HPR Stream 3 seeks to provide **support and learning activities** for Stream 1 and Stream 2 projects, as well as ongoing monitoring and evaluation.

As one of the early pieces of work, deliberative workshops have been carried out in all 11 Stream 1 locations to gain **specific local feedback** from members of the public to give Stream 1 projects **valuable local insights**.

This feedback is intended to **support Phase 2 applications and ongoing work** for each Stream 1 project.

The **key aims** of the workshops were to:

- Gain an understanding of local consumer attitudes to heat pumps as a heat source,
- Understand the viability of using a heat pump for consumers, and
- Explore the **barriers and how these might be overcome**, including reactions to potential funding models

1.2 Methodology

Research was conducted in 11 areas, where potential Stream 1 projects will be implemented. The 11 local areas comprise:

- Newcastle, Tyne and Wear
- Sunderland, Tyne and Wear
- Leeds, West Yorkshire
- Oxford, Oxfordshire
- Greenwich, London
- Bristol
- Teignbridge, Devon
- Fenland, Cambridgeshire
- Blairgowrie, Peth and Kinross
- Cherwell, Oxfordshire
- Bridgend, South Wales.

In each area, Ipsos held two online deliberative workshops held a week apart from each other. Each aimed to recruit 25 participants, that reflected the local population by age, gender, ethnicity, housing tenure and housing type. Within the plenary sessions information was shared, and there was a chance for participants' questions to be answered by an expert. In depth discussions were held in three breakout rooms in each workshop.

Participants were given the following information to deliberate:

- Workshop 1: how heat pumps work, customer journey considerations
- Workshop 2: the role of heat pumps in meeting Net Zero targets, and funding models.

Participants were offered an incentive for their time (£100 across both workshops).

1.3 Summary of key findings

Participants across the workshops supported net zero ambitions. However, they considered that the significant barriers to adopting heat pumps make it "hard for them to do the right thing".

Participants applauded the efficiency of the heat pumps. They liked the idea of heat pumps using natural energy sources, and the potential for lower bills. Those with oil heating systems were more likely than others to have already sought out quotes for installing heat pumps as they were more likely to see them as a cost effective alternative in the face of rising oil prices.

However, cost was identified as one of the major barriers; the cost of heat pumps and their installation which was considered to be beyond most people's reach. There was a clear view that whilst living more sustainably sits with people's values, it is not their priority. Their main priority is ensuring financial stability and a good quality of life for their households. People do not want to get into debt particularly at a time of economic instability. Participants considered that the funding models presented in the workshops do not go far enough to make the heat pumps affordable for the majority. The work that would be needed to be done to make a home suitable for heat pumps was also seen as a significant barrier as it would be both costly and disruptive.

Participants needed more convincing that heat pumps should be a priority for government. The focus on domestic carbon emissions and heat pumps felt new, and participants wanted to understand how it compared with net zero policies around transport, farming and diet, and renewable energy sources. While participants welcomed the use of renewable energy to heat their homes, heat pumps' reliance on electricity made them question whether they are the best solution. Many said they would prefer to see more of the national grid powered by renewables and more insulation in homes prioritised.

In some of the workshops, distrust of the government undermined participants' willingness to support heat pumps. There were concerns that individuals might invest in heat pumps only for the government to decide in a few years' time that they are no longer the way forward, as they said they have seen with diesel cars. Or that the government want people to invest in a technology that is expensive and the infrastructure lacking, as they said they have seen with electric vehicles. Participants wanted to see government leading the way by installing heat pumps in public buildings such as schools and hospitals and requiring heat pumps to be installed in new builds.

2 Workshop findings

2.1 Main barriers to deployment

2.1.1 Cost

The costs associated with installing heat pumps were considered to be prohibitive for most and exacerbated by the additional and significant costs required to adapt homes for their use such as insulation, fitting underfloor heating and new pipes and radiators.

Participants expected that there would be an initial outlay which would be covered by the future reduction in energy bills. However, with the rising costs of electricity and after being shown a table which showed how the prices compared with current heating systems, participants started to think that they may not see a return on their money for at least 20 years, if not longer. This was identified as a big disincentive. As one participant stated, “you cannot rely on people’s moral compass” there has to be an incentive.

“We’d all like to cut out fossil fuels, but heat pumps feel like a luxury, and one we can’t afford.”

2.1.2 Disruption

Participants were concerned about the disruption to their homes to make them suitable for heat pumps. Potential works required include insulation, larger radiators, losing space, redecorating, possible complementary technologies such as underfloor heating. They were worried about the cost and inconvenience of doing this work. Those living in older houses were particularly concerned about the amount of work needed, or if their house was even suitable for the technology.

Some questioned whether they would have to move out of their house while it was being undertaken, and that this would be an additional cost.

2.1.3 Space and security

Space was also identified as a concern, particularly for those in smaller households e.g. flats and terraced houses. Some said they did not have the space for the cylinder inside the house or were not sure where they would put the pump outdoors. There were also concerns about the security of the heat pumps outside either from the elements or, in some areas, from theft and vandalism.

Many of those in older properties had combi boilers now and had reconfigured the space where the old boiler used to be. They were unwilling or unable to lose that space for a water cylinder. Newer buildings had never had any space allocated to a water boiler, and it was harder for those residents to envisage where a water cylinder might go.

2.1.4 Noise

Participants were worried about the amount of noise the system would generate. They did not want a noisy system themselves but were also particularly concerned about annoying their neighbours.

2.1.5 Hot water cylinder

Those who had combi boilers were used to having hot water on demand. They were concerned that moving back to water cylinders would take them back to a time of waiting for a bath or shower until the water in the cylinder had heated up. They felt that was a step back in time. Those with larger

households did not see how this could work, although some participants said they would get used to the additional planning that would be needed.

A lower, steadier level of heating divided opinion. While some liked the idea of this, others disagreed. A few said they would miss being able to adjust the heat to their needs, while a few others questioned how energy efficient this would be as it would mean a more constant drain on their electricity and impact on their bill.

2.2 Reflections on wider benefits of heat pumps in the Net Zero context

2.2.1 Newness / distrust / lack of information

When presented with the information that outlined the wider societal benefits of heat pumps and the environment, there was general support from participants with some saying there should be more urgency to reduce carbon emissions. There was some surprise that 21% of carbon emissions are the result of domestic energy use. Most could see that this should be addressed, but there was some pushback in a couple of the workshops. Some resented this being put on the individual over government and industry. Enthusiasm for action to address this was also met with questions as to whether heat pumps are the best solution for reaching the government's net zero ambitions.

One reason for this is the 'newness' of heat pumps; for some people the workshop was the first time they had heard of them and so they were quite wary of their effectiveness. The technology was seen as untested and unfamiliar, and people voiced the risks of being an early adopter. The significant financial costs and disruption to the home led many to feel that they would be making a big sacrifice for a technology that they considered would evolve and improve and get cheaper as take up increased.

People were concerned about the lack of qualified engineers for installation and maintenance. This was a particularly significant issue for those living in rural areas and/or more remote locations who said they struggled with access to plumbers and engineers as it was. They were worried that if anything went wrong they could be left without heating and hot water for weeks. This led some across all the workshops to draw comparisons to the slow uptake of electric cars which they said was partly down to lack of infrastructure and high prices for consumers. This 'newness' also meant there was a lack of trust in those installing the heat pumps. For traditional heating systems, consumers can ask friends or family for recommendations for trustworthy boiler fitters, but it was considered that this would not be the case for heat pumps, which led to further insecurities.

Participants questioned why they hadn't heard more in the media or why more effort had not been made to educate the public. They felt as though the importance placed on heat pumps and the information available was not sufficient. It was therefore suggested that more could be done to offer consumers with non-biased information, which could include honest reviews from people who had gone through the experience of having a heat pump installed in their homes. They said this should be given in the context of alternative renewable energy and heating solutions, so that they could make informed decisions which were appropriate to their housing type and financial situation.

Indeed, people were more familiar with other types of renewable or green energy, which led them to question why heat pumps were being prioritised. These forms of energy were seen as less disruptive, and people also liked the self-sufficient element to them, which was something they did not see with heat pumps.

Furthermore, as these technologies are more well established they were generally seen as more reliable forms of energy. There was a sense of frustration that heat pumps were the only option being discussed for decarbonising domestic heating; some suggested they would prefer to see support for a system which used other green energy sources such as solar panels. People wanted to see a 'bigger' plan and felt heat pumps were limited by their barriers. They wanted to understand how heat pumps sit in the mix, and to understand what the alternatives are rather than be presented with just the one option.

“It seems to me like solar and wind or more attractive options; there’s less disruption and you’re more self-sufficient.”

Furthermore, participants questioned whether steps had been missed in the move towards heat pumps, particularly in terms of insulating homes properly. Many said they would only consider a heat pump if they could get the maximum efficiency out of it, which would mean getting better insulation. Given the high cost of installing heat pumps, many said the priority should be on achievable, incremental steps and that in the first instance the priority should be getting all houses insulated.

“Insulation of houses should be prioritised. If homes are not insulated properly any benefits of any heating system are reduced.”

2.3 Reaction to funding models

As previously highlighted, cost was one of the most significant barriers participants mentioned. Participants felt that government and energy companies should be doing more to give consumers an incentive particularly in the current economic climate. People were clear that their main priority was to meet the cost of living before investing in technology which promises wider environmental benefits. There was mixed feedback when participants were presented with the funding models as the different schemes came with various benefits and drawbacks; the general feeling was that none of them went far enough.

“This just feels like another pressure, at a time when people can only think about paying their bills next month.”

The funding models presented to participants are summarised below:

Funding models

Model	Explanation
Standard model	Consumer pays for system in full at installation. Ongoing costs are for maintenance and electricity consumption
Grant	Consumer gets a £5,000 grant to pay towards the system, and consumer pays remaining costs. Ongoing costs are for maintenance and electricity consumption
0% Interest Loan	Consumer given a loan to pay for installing the system. Ongoing costs are for maintenance and electricity consumption and loan repayments
Asset leasing	A service provider charges a monthly fee to lease a heating system. The monthly fee includes routine maintenance and repairs
Communal Heating System	A 3rd party operator owns a larger communal heating system which is connected to several homes. The consumer pays a connection fee to the operator, plus metered consumption of electricity. The operator is responsible for maintenance of the heating system
Heat as a Service Plan	Consumers pay for the service they want, rather than metered consumption. For example keeping a certain room at 20°C heat for 4 hours a day. Cost of the heating appliance would be incorporated into the contracted cost (in the same way a mobile phone handset is part of contracted cost).

2.3.1 Grants

The grant was acknowledged as helpful but £5,000 was not seen as sufficient to offer a real incentive for people to choose a heat pump over traditional heating systems. Participants felt as though more financial help was needed to also cover the costs of adapting the home and redecorating if required.

Some said they would want the grant to go straight to the installer, so that it was less money that they had to find in the first place. A grant was preferred over cashback for the same reason.

2.3.2 0% Loan

Participants were concerned about being tied to a financial loan, especially when facing the current cost-of-living crisis as many felt insecure about their future finances and employment situations. They wanted to understand more about the loan terms and period before they could respond in more detail, but generally they feared they would be “saddling myself with a second mortgage”. A couple of break out groups worried that they would be left paying off an old heat pump system while the technology improved and the costs dropped as take up increased.

Some suggestions around the loan included:

- Making it work in the same way as a student loan whereby the recipient has to be earning over a certain amount before making contributions
- Ensuring monthly payments did not exceed what otherwise would have been paid out in energy bills.

2.3.3 Asset leasing

There were mixed responses to this model. While participants liked that there would be no initial outlay, some feared it might become more expensive over time and they would never ultimately own the heating system. Some also pointed to the impact this may have on selling the home, they felt as though it might make it more difficult if the potential buyer didn't want a heat pump. They also asked what would happen if they decided they didn't want to continue with the lease, and how easy it would be to revert back to other technologies if they did not like the heat pumps.

A couple of the break out groups also assumed that included in the asset leasing would be an upgraded system every few years, as with a car leasing system.

2.3.4 Communal heating systems

Some participants thought this could be suited to flats where people often do not own the space where the heat pump would be installed. Others thought it could work well in new build estates as buyers could agree to the communal system before moving into the home. However, many people thought it would be too binding, especially if costs increased unexpectedly. A few worried about how this would be done fairly.

2.3.5 Heat as service plan

There were mixed reactions as some participants thought this could be a good way of controlling their energy use which would make budgeting easier. However, it was also seen as inflexible; people didn't want to pay for heating during warmer periods or when they go on holiday.

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