

HEALTH & INNOVATION PROGRAMME



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INTERIM IMPACT REPORT (SEPTEMBER 2017)

APRIL 2015 – MARCH 2017



Action for Warm Homes

Health and Innovation Programme 2015 - 2017

The Health and Innovation Programme (HIP) was a £26.2 million programme to bring affordable warmth to fuel poor and vulnerable households in England, Scotland and Wales.

The programme launched in April 2015 and was designed and administered by fuel poverty charity National Energy Action as part of an agreement with Ofgem and energy companies to make redress for non-compliance of licence conditions/obligations. To date, it remains the biggest GB-wide programme implemented by a charity which puts fuel poverty alleviation at its heart.

The programme comprised 3 funds

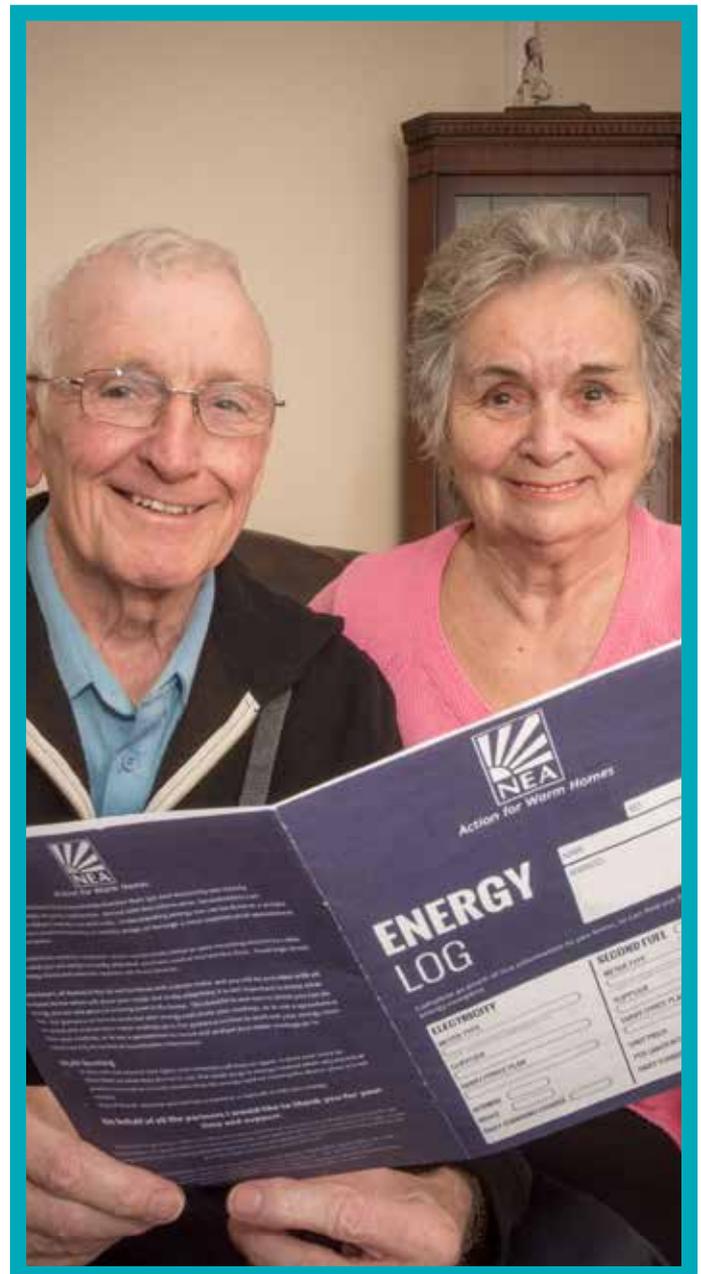
- **Warm and Healthy Homes Fund (WHHF):** to provide heating, insulation and energy efficiency measures for households most at risk of fuel poverty or cold-related illness through health and housing partnerships and home improvement agencies
- **Technical Innovation Fund (TIF):** to fund and investigate the impact on fuel poverty of a range of new technologies
- **Warm Zones Fund (WZF):** to install heating and insulation and provide an income maximisation service to households in or at risk of fuel poverty, delivered cost-effectively through partnership arrangements managed by NEA's not-for-profit subsidiary Warm Zones Community Interest Company

What it involved

- **Grant programmes** to facilitate the delivery of a range of heating and insulation measures and associated support. Grant recipients were encouraged to source match and/or gap funding to increase the number of households assisted and to enhance the support provided to them
- **Free training** to equip frontline workers with the skills needed to support clients in fuel poverty
- **Outreach work and community engagement** to provide direct advice to householders on how to manage their energy use and keep warm in their homes

In addition we undertook substantial **monitoring and evaluation** work, to assess the effectiveness and measure the performance of the technologies, and to understand the social impacts of the programme. Our **communications programme** helped partners to promote their schemes locally as well as share best practice with others. The programme generated a considerable amount of **knowledge and insight** which will be made freely available to help support future policy and delivery.

Proper investment of advanced payments allowed us to generate interest which, along with efficiency savings, was reinvested back into the programme in the form of additional grants and support which helped us further exceed our targets.



Key achievements (to 31 March 2017)



8,700 households receiving at least one measure (forecast to increase to over 9,000 during 2017/18; exceeding the target by 36%)



10,603 measures installed



70 grants awarded



1,448 frontline workers trained, with the potential to reach **450,240** people per annum



2,090 people provided with advice and support through community engagement activities



£5.304 million additional income confirmed as secured for WZF clients following benefits entitlement checks, and forecast to exceed £6m per annum in 2017/18



c.£11.316 million total match and gap funding secured, equivalent to an additional 44p for every £1 spent



Out of the 5,932 properties where a SAP* assessment was conducted, **96.3%** of households had an increase in SAP points. **68.4%** of households assessed moved up one or more EPC bands



Significant improvements in residents' comfort, wellbeing and energy affordability**

* SAP

The Standard Assessment Procedure (SAP) is the methodology used by Government to assess the energy performance of dwellings expressed on a scale of 1 – 100: the higher the number, the lower the running costs. It was not appropriate to undertake SAP assessments in all properties; this includes where lower-cost measures were designed to add comfort; or where newer products had not been subject to test regimes and approval processes which allow them to be included in the Product Characteristic Database, which allows for SAP to take account of the product through the property's SAP assessment.

**Impacts evaluation

NEA sought to evaluate the impact of interventions on householders, and the experiences of partners, across all three funds. Interim results are presented in this report and the full report will be available in autumn 2017, with further final TIF project reports in autumn 2018.

Further impacts and insights are available in the individual Fund and project reports, available at www.nea.org.uk/hip/

Technical Innovation Fund

The **Technical Innovation Fund** provided charitable grants to help install and evaluate a range of innovative technologies in households and at a local community level, using measures that would not traditionally be within scope of current mandated schemes. NEA worked with the delivery partners to help evaluate the impact of the measures they installed and provided a programme of training and community engagement with local residents.

Funding was available for the installation of high cost (large) and low cost (small) in-home measures in fuel poor and vulnerable households across England and Wales, with the aim of reducing the cost of heating their homes, and addressing the underlying causes and symptoms of fuel poverty.

Applications for grant funding under this programme were invited from local authorities, housing associations, charities, community interest companies and community organisations. These not-for-profit organisations were also encouraged to work with other partners including manufacturers of the products they wished to install.

200 expressions of interest were received, and 78 bidders were selected by the Technical Oversight Group to complete a Call for Proposal application. 44 projects were awarded funding in 2016 (with an additional two programmes granted funding in 2017). A grant fund programme of up to £5.1 million was available to meet the capital and installation costs of the technologies and the grant recipients agreed to work with NEA to ensure that appropriate monitoring and evaluation could take place. NEA also delivered a programme of community engagement and support in each project area.

A total of 19 types of measures and 66 products were involved in the programme. Where possible, there was a focus on rural and off-gas communities, and EPC band E, F and G properties. TIF beneficiaries were predominantly (82%) living in social housing. 522 (24.1%) were living off the mains gas network and reliant on more expensive heating fuels. 61% of the residents had incomes under £16k.

Measures included:

- Heating improvements
- Energy storage
- Communal heating
- Fabric improvement
- Controls
- Complementary products

Key achievements to March 2017



£4.5m awarded in grants for capital measures installation



£2.5m additional match and/or gap funding secured, representing an additional 49p for every £1 spent



2,166 households receiving at least 1 measure (forecast to increase to 2,204 households during 2017/18)



2,681 measures installed (forecast to increase to 2,719 measures in 2017/18)



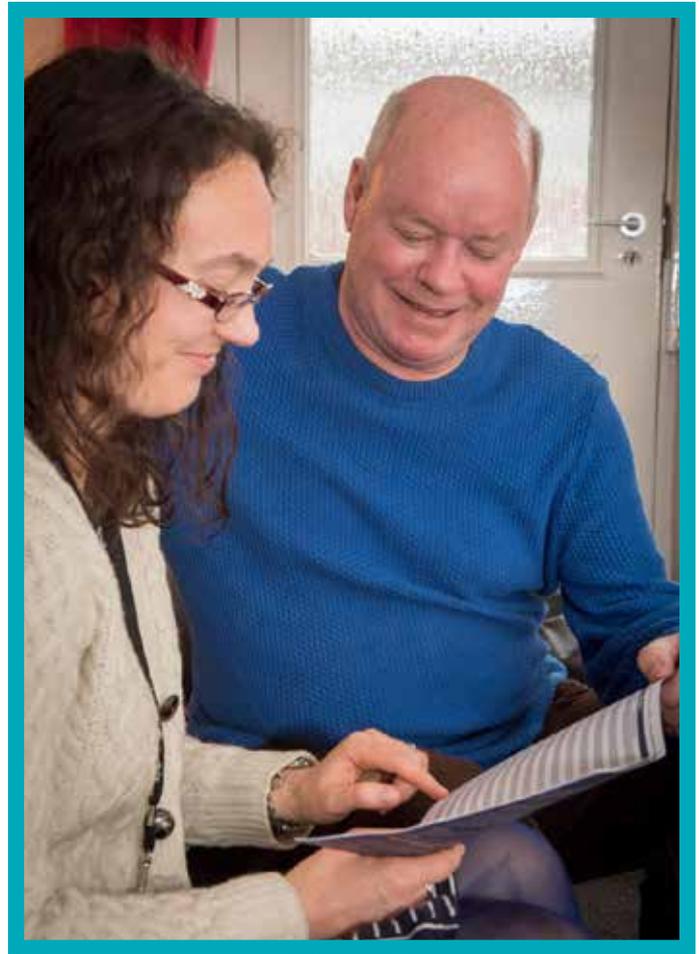
SAP ratings increased between **1-25 points** (where appropriate to measure)



Impacts

Analysis of the initial household surveys indicate the TIF programme has brought about significant benefits with high levels of satisfaction reported across the programme.

- A large majority (78.2%) of households have experienced **increased thermal comfort** as a result of TIF interventions.
- Almost three quarters (72.9%) of households thought the **affordability of their energy bills had improved** since receiving their measures, with over a third (35.4%) agreeing that it had improved a lot while a further (37.5%) thought it had improved a little.
- While almost half of households (48%) thought their **energy bills were manageable** before they received measures, this increased to over half (61.7%) after installation of the TIF measures.
- The majority (85.5%) of households were **satisfied or very satisfied** with the assistance they had received from the TIF programme overall.



Mr M: (19): *“It helps because the house is genuinely warmer. Before the heating [was installed] I just got so cold, studying wasn’t an option. I am currently studying for a degree in Health and Social Care. With a warm room studying is so much easier; I don’t feel rushed, before I got done as quickly as possible as my hands were so cold I couldn’t type.”*

“With the help of NEA there are now over 75 [households] that have reduced their energy bills and increased the standard of living for the tenants living there. Many of [those] have saved £100’s on their annual bills, and do not now dread the onset of winter as they did previously...we now have happier tenants and a more sustainable tenancy for NCHA [Nottingham Community Housing Association], with less complaints and a SAP rating in line with their targets.” **John Kilburn, Operations Manager, Greenvision Energy Ltd**

Warm and Healthy Homes Fund

The **Warm and Healthy Homes Fund (WHHF)** built on the NG6 guidance and quality standards (QS117) issued by NICE for addressing excess winter deaths and the health risks associated with cold homes. WHHF also aimed to address some of the priorities identified in the Fuel Poverty Strategy for England, and to help meet commitments to tackle fuel poverty in Scotland and Wales.

WHHF consisted of three strands:

- The **Partnerships programme** awarded 11 health and housing partnerships across England and Wales with grants to assist households most at risk of fuel poverty and cold-related illness. Up to £4,000 per property could be used to provide high value heating and or/insulation measures.
- The **Small Measures programme** awarded eight Home Improvement Agencies (HIAs) across England and Wales with a share of a grant fund. Up to 10% of the grants could be used by partners for overheads in recognition that they had no statutory duties to participate in fuel poverty programmes. £500 per property could be used to install a range of low-cost energy efficiency interventions including: heating controls; boiler repairs; draught-proofing; loft insulation; small products such as LED light bulbs and ECO kettles; and washing machines.
- NEA's sister charity **Energy Action Scotland** was awarded a grant to manage a programme of high value and low-cost interventions across three areas in Scotland with high levels of fuel poverty.

NEA managed a competitive bidding process aimed at health and housing partnerships and HIAs in the summer of 2015. A rigorous selection and due diligence process, overseen by an independent Oversight Group, ensured that charitable grants were awarded to partners who had demonstrated in their proposal that they could administer and deliver a successful project to benefit fuel poor households. **22 lead partners** received a WHHF grant for **25 projects** to identify households most in need and facilitate the installation of capital measures.

NEA designed health-based eligibility criteria based on the NICE guidance to ensure that WHHF assistance was targeted to low-income households in, or at risk of fuel poverty, with either a long-term health condition or a

diagnosed disability, exacerbated by living in a cold home. It was expected that householders would receive a measure(s) that was fully funded by the grant. Where additional expenditure was required, partners utilised their gap funding to ensure the full cost was covered and the beneficiaries did not have to make a financial contribution. This enabled the programme to reach the poorest households and minimised any potential barriers to take-up.

Key achievements to March 2017



Energy efficiency interventions to **2,319 households** across Great Britain, forecast to increase to 2,509 households during 2017/18, exceeding our programme target by **21%**



A total of **3,550 capital measures** installed including new heating systems, insulation and low-cost items/works such as heating controls, repairs and draught-proofing (forecast to increase to 4,108 measures in 2017/18)



£2.035m additional gap and/or match funding secured, representing 52p for every £1 spent by the grant.



In total **86%** of homes under the Small Measures programme and **68%** of homes under Partnerships were reached as a result of referrals from third parties highlighting the importance of localised referral networks



93.4% of households experienced increased SAP, of which a quarter had improved between 16 and 40 points

Impacts

100% of partners involved in the Partnerships programme thought that their WHHF grant helped to alleviate fuel poverty in their locality.

- WHHF brought about **considerable improvements** to households' ability to keep their home at a comfortable temperature. 89.4% of households assisted under the Partnership programme, and 74.2% of those receiving small measures, said that the temperature of their home was a little or a lot more comfortable.
- More than two thirds of those receiving measures under the Partnerships programme said that the **cost of their energy had improved** to some extent. Almost a third of those receiving small measures also said that their energy bills were more affordable.
- Almost half of households benefiting from the Partnerships programme said that their **existing health condition/disability had improved** since receiving an intervention. Households receiving small measures were more likely to have reported that there had been no change, although two fifths said that their physical and mental health had improved.
- 93.4% households benefiting from the Partnerships programme experienced **increased SAP**, of which a quarter had improved between 16 and 40 points. 44.2% of households increased a full EPC Band.
- 18 out of 22 project partners felt that the funding they had received from the WHHF had enabled them to **identify and better develop referrals and partnerships** with health and social care practitioners and other partners.



“We’ve been without working central heating for twenty years and I still wonder how we managed to cope... Our children’s friends used to sit in the house with their hats and scarves and you could see their breath. I used to dread winter coming. Having the central heating installed has made a huge difference to all our lives.”

Mrs V, who received a new boiler and radiators through the WHHF.

“Without the WHHF I suspect that the funding for Warm Homes work would have been significantly cut or even deleted for this year. The success of the WHHF led to significant political interest and media and communications good news stories raising awareness of both the important of the issue and the wider issue of the health system as a whole.”

WHHF partner representative.

Warm Zones Fund

The **Warm Zones Fund (WZF)** was delivered by NEA's not-for-profit subsidiary Warm Zones Community Interest Company (WZcic). WZcic is a not-for-profit managing agent, working in partnership with a range of organisations in the private, social and third sectors to design, manage and deliver various affordable warmth programmes, with a particular focus on those in fuel poverty and other vulnerable homes.

The WZF involved working in partnership with local agencies to install heating and insulation measures in households in or at risk of fuel poverty. As well as receiving physical measures, householders were also provided with energy advice and offered benefit entitlement checks. It operated across Great Britain in all tenure types and had an emphasis on the following:

- **Simplified, streamlined delivery** to ensure that the maximum number of homes could benefit from the measures and services as soon as practicable
- Filling some of the gaps in provision left by the **Energy Company Obligation**, particularly the provision of solid wall insulation, loft top-ups and heating to a wider range of households; and **no overlap** with ECO or other relevant energy efficiency schemes administered by Ofgem
- Demonstrating **quality** and **value for money**

Although the eligibility for the WZF was area-based, with all eligible homes in the 25% most deprived Lower Super Output Areas by income; working with partner organisations, WZcic was able to effectively target the scheme on the properties with the lowest energy ratings. As a result, 46% of the properties improved were in the most energy inefficient homes within these low-income areas (EPC bands F or G).



Achievements and impacts

A full social impacts evaluation is ongoing however the WZF succeeded in achieving the following:



4,215 homes received a substantive measure, forecast to increase to 4,316 during 2017/18, exceeding the target of 2,955 by 46%



4,372 measures were installed, against a target of 3,560



2,700 households received benefits and/or energy advice, forecast to increase to 2,832 during 2017/18, exceeding the target by 89%



£5.304 million additional income was secured for WZF clients following benefits entitlement checks. This total is forecast to exceed £6 million per annum during 2017/18



Improved energy efficiency:

almost all of the F and G-rated homes were improved to at least Band E, with over 27% improved to Band C. Over 82% of E-rated properties were improved to at least D-rated with over 41% improved to band C or above



99.5%

Quality and satisfaction:

There was a 97.1% quality assurance pass rate, and 99.5% of customers rated it 'excellent' or 'good'

Working with Solihull Community Housing

WZcic worked with Solihull Community Housing (SCH) over two phases of a project to install external wall insulation measures in 101 homes, part-funded by the WZF. The provision of the WZF grant made it possible for Solihull to utilise more of its own internal capital funding and approve works that would not otherwise have gone ahead.

WZcic worked closely with SCH and the approved EWI installer, providing substantial project management throughout. This has now provided the basis for an ongoing partnership between WZcic and Solihull Community Housing that will help benefit many more of Solihull's tenants.



Mr & Mrs M, Stoke

Mr & Mrs M both have chronic health problems which greatly impact on their quality of life.

Mr M has heart problems, arthritis in his spine and suffers from breathlessness and fatigue.

Mrs M suffers from osteoporosis and asthma.

They had an old gas boiler that was unreliable and expensive to run. They were struggling to properly heat their home which was exacerbating their health problems.

Using the WZF, Warm Zones was able to install a new, high efficiency gas boiler with controls suitable to Mr & Mrs M's needs. This lifted their property into EPC Band C, in line with the wider aims of the government's fuel poverty strategy.

Warm Zones also carried out a benefits entitlement check with the couple. Initially they were reluctant as they assumed that they would not be entitled to anything, even though they had a low fixed income based on a small private pension. However, it was quickly identified that they were entitled to significant additional benefits and the Warm Zone benefits advisor helped them complete the forms and submit their applications. Mr & Mrs M were then each awarded higher rate Attendance Allowance which in turn meant that they qualified for Pensions Credits and Council tax benefits. These gains totalled £13,370 in additional income.

This combination of a new gas boiler and the significant income gains secured by Warm Zones has had a transformative effect for Mr & Mrs M, who are now able to afford to both heat their home and get the extra support they need to better manage their health problems. This should mean that the couple will be able to continue to live in their home and help reduce their need for other local health or social care support.

The Warm Zone Fund report is available at www.nea.org.uk/hip/
For more information on WZcic visit www.warmzones.co.uk

Other activities

As well as awarding and managing a large grant programme, NEA also delivered a range of other activities to increase the reach of the Health and Innovation Programme and ensure that it will continue to benefit communities well into the future.

Resident and community engagement

2,090 additional households received energy advice and support directly from NEA. This equipped them to check their energy consumption and bills; compare tariffs and switch supplier; apply for assistance including the Warm Home Discount and Priority Services Register; identify low-cost solutions and behavioural changes which can save energy; and understand how to use any new measures they had received most effectively.

“Being able to support Jenny and advise her on the best ways to save energy and reduce her bills will really make a long-term lasting impact as well as enable her to take control of her energy use.”

Liz Lamming, NEA project development co-ordinator, who helped one resident save £334 by changing supplier and applying for the Warm Home Discount rebate.

Training

NEA and Energy Action Scotland delivered training and awareness sessions to **1,448** frontline workers, to provide them with the skills to identify and assist local communities with their energy needs. Evaluation demonstrated that it resulted in a **significant improvement of knowledge** and **increased capability to advise others on fuel poverty**. 98.7% of those attending said that their knowledge of fuel poverty was now ‘fairly good’ or ‘excellent’ after the training, compared to only 38.5% beforehand. 98% rated the training session overall as ‘excellent or ‘fairly good’.

We estimate that those trained will go on to provide energy advice to around **450,240 people per year**.

“I found the training really useful; it’s opened my eyes to the health implications of a cold home and helped me to recognise the signs of fuel poverty. I am now able to discuss these issues with service users that I visit and signpost them to the correct sources of help available” Lateefat Junaid, Community Support Worker, Leicestershire County Council.

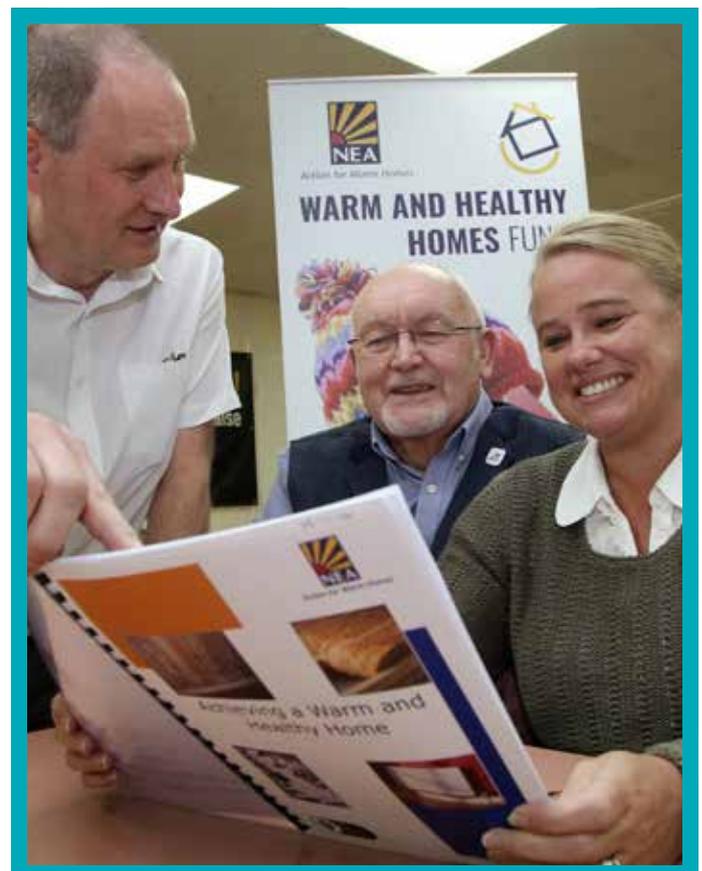
Communications and sharing of best practice

NEA provided communications expertise to support our delivery partners with local promotion as well as identify and maximise opportunities to share best practice and insights. This included promoting projects to thousands of our stakeholders using our own communication channels, and inviting grant recipients to attend and speak at events including the NEA Annual Conference.

Monitoring and evaluation

Monitoring and evaluation enabled us to assess the impacts of the scheme on our partners and beneficiaries and to understand the effectiveness of the technologies installed, as well as demonstrate to Ofgem and the HIP Fund Control Committee (which had oversight of the programme delivery and expenditure) that we were performing against a set of agreed performance targets.

We also gained a significant amount of knowledge on designing and implementing a scheme of this size and type, with a lot of lessons learnt along the way. This is captured in greater detail in individual Fund reports, however a selection of insights is included opposite.



Theme	Insights
Engaging and supporting vulnerable customers	<p>The beneficiary must always be kept at the core of programme delivery. Vulnerable customers need additional time and support through the referral, installation and post-installation period. This is particularly essential when installing innovative technologies that require active input by the resident.</p> <p>Measures delivered should be integrated with welfare benefits advice and other relevant signposted services in order to provide the wider range of support required by many lower income households.</p>
Scheme delivery, eligibility and targeting	<p>We have been able to compare grant eligibility criteria and the administrative processes of the WZF programme with the more prescriptive and administratively intensive approaches in the ECO scheme. The simplified, streamlined administration process for WZF offers many advantages including greater certainty for partners; reduced administration and delivery costs; improved customer experience; and greater scope to build more integrated and locally responsive programmes better aligned with the requirements of local partners. The WZF also demonstrated that there is significant demand for heating improvements.</p>
Innovation	<p>TIF demonstrated that there is wide variance in attitudes to innovation among social housing providers. Further investment in similar programmes would help to distil and address concerns and better inform the deployment of innovative technologies across UK housing stock.</p> <p>Very few innovative technologies are SAP-accredited. If improving SAP remains a key driving factor in improving energy efficiency of housing it can prohibit innovation and uptake. The accreditation process needs to speed up whilst ensuring the products impacts are properly verified.</p>
Health	<p>Using health-based eligibility criteria ensures that grant funding can be targeted to the most vulnerable and those whose health is impacted most in cold homes. The ability to implement 'at risk' or crisis assistance to households which fall short of stringent eligibility criteria should be introduced in other programmes.</p> <p>New funding streams from national or local Government should be recurrent to sustain and build on partnerships within the health sector.</p>
Management and governance	<p>Watertight due diligence on delivery partners is vitally important to protect partners and programme beneficiaries. To avoid delays in programme delivery, partners should be guided through this process at an early stage in any bidding process.</p> <p>Given the time taken to agree contracts, procure contractors and 'set up' projects, future funding pots should ideally run for a longer period of time to enable partners more time for delivery and assisting their clients.</p>
Gap and/or match funding	<p>Gap and/or match funding helps to widen the scale and deepens the impact of the programme. It also helps address some of the additional ancillary costs that can be incurred when installing measures into vulnerable households and significantly reduces the need for client contributions.</p>

Looking forward

Delivery of the Warm and Healthy Homes Fund will continue in 2017-18.

The results of the technical monitoring and evaluation will be analysed and published on the NEA website. 14 projects will be monitored in 2017-18 to allow comparisons between winter periods, and two further trials have been approved to utilise remaining grant funds.

The Warm Zones Fund will continue to benefit households through the additional partnership funding that WZcic was able to lever into the programme.

Over the coming months and years we will also be working to ensure that all of the knowledge and insight helps inform national policy and practice.

NEA would like to thank all partners, installers, manufacturers and referral agencies who have participated in our Health and Innovation Programme. We would also like to extend our thanks to Ofgem and the programme funders, the Technical Innovation Fund and Warm and Healthy Homes Fund Oversight Groups, who assisted in the selection of our partners, and to Energy Action Scotland for overseeing delivery of the Warm and Healthy Homes Fund in Scotland.

All of the information on the Health and Innovation Programme is available at www.nea.org.uk/hip/



Action for Warm Homes

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