



Case Study

Leeds City
Council

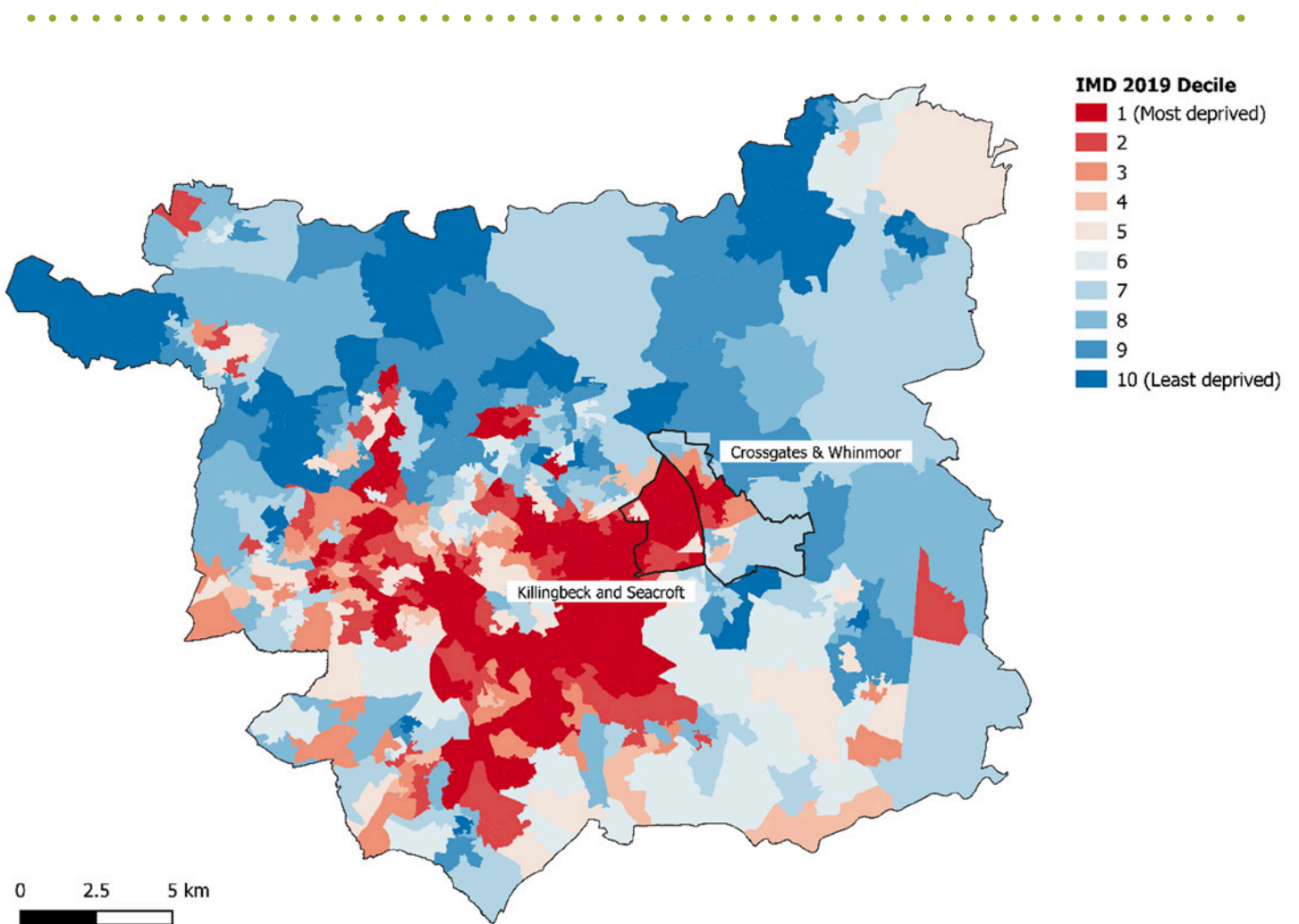


Action for Warm Homes



Introduction

Leeds City Council's project was focused on the Swarcliffe housing estate; it aimed to extend mains gas to the estate through a Category 1 bid to the WHF. Swarcliffe was first developed by Leeds City Council in the 1950s; it is located to the north-east of the city centre, covered primarily by the LS14 postcode. The map below shows the deprivation profile of Leeds according to the Index of Multiple Deprivation (IMD). The LS14 postcode is spread across two highly deprived wards, as the map highlights.



The project encompassed a range of property types: mainly mid- and end-terrace homes, but also some flats and semi-detached properties, split approximately equally between private and council ownership.

What were the aims and objectives?

Swarcliffe was one of the last large estates in Leeds without mains gas. The majority of all-electric council estates built in the 1950s and 1960s had been connected to the gas network in recent

decades, as part of a wider council strategy to improve its social housing properties and reduce fuel poverty. The aim of the Category 1 project was therefore to bring mains gas to one of the last remaining estates in the council's remit without it, and provide funding for both council tenants and private properties. The project was underpinned by the council's significant experience in delivering fuel poverty programmes in the past, especially the UK Government's Central Heating Fund, and a previous WHF project that was delivered collaboratively by a group of local authorities, led by West Yorkshire Combined Authority.

The Swarcliffe project also has special relevance for this evaluation because it is an example of an area-based scheme that was enabled by – and might not have happened without – the inclusion of the Index of Multiple Deprivation (IMD) within WHF eligibility criteria. The Swarcliffe estate contains Lower Super Output Areas (LSOAs) that are all within the top 10% of most-deprived LSOAs in England. As will be discussed, Leeds City Council took extra steps to ensure that its project was delivered to those who most needed support with their energy costs, and the Swarcliffe project shows the benefits and advantages of the IMD as an eligibility criteria in fuel poverty projects.

Who did it involve?

The Swarcliffe project was underpinned by several historic working relationships. First and foremost, three key teams within Leeds City Council worked together to develop and deliver the project: the council's private sector, and sustainable energy and air quality teams; Housing Leeds, which looks after Leeds' housing projects; and finally the Private Finance Initiative (PFI) team, who manage a relevant portion of social housing properties. The sum total of local knowledge held within each team was described as important for delivering the project, as it meant that local issues were well understood beforehand and could be designed into the project from the beginning.

External to the council, key relationships were with Communitas, which facilitated the extension of the gas network to the estate and supported with Fuel Poor Network Extension Scheme (FPNES) voucher access; and Engie, which was the main delivery partner working on the project. In discussions with Leeds City Council delivery staff, these external partnerships were described as vital in determining what was possible for the project, in terms of costings and ability to deliver.

How was it funded?

Leeds City Council match-funded the project, and ECO funds were also utilised. However, ECO was described as a challenge, both because of its changing rules and the complexity of accessing the funding itself for complex projects such as Swarcliffe. FPNES vouchers were also key to funding and enabling the gas network to be extended to Swarcliffe, as discussed above.

What were the impacts on households?

Data from the evaluation shows that:

- Before their installation, 89% of questionnaire respondents couldn't easily keep their whole homes warm. Afterwards, 91% of respondents said they now could.
- 89% of questionnaire respondents from the Swarcliffe project said the temperature in their home is now more comfortable than it was before.
- 93% of Swarcliffe questionnaire respondents said their heating system is now easier to use than it was before, and 91% said they now have better control over their heating.
- Before their intervention, 65% of questionnaire respondents said they couldn't keep warm at home, and it affected their physical health. Post-intervention, 45% of respondents said their physical health is now better than it was before.
- The average running cost per household fell from £2,695 to £1,148 after intervention.

Who did it help?

The Swarcliffe project supported people such as Carly, who lives in a privately rented property on the estate. She first moved into the property in 2019, and was immediately greeted with storage heaters that she didn't know how to use and couldn't afford. She described experimenting with them when she moved in, finding that *“one of the first nights that I moved in, it used I think about £9 electric. And there was just no way I could afford that every night, so ... I couldn't use them.”* Instead, Carly used two plug-in radiators, one upstairs, one downstairs, although she would take them both downstairs if she was especially cold. Carly didn't hate the plug-in heaters, saying that *“if you had both of them in the same room quite close together, and you were like, a few metres away, they were alright. But,”* she continued, *“if you walked into the kitchen, it'd be stone cold.”*

Carly's experience with her storage heaters is reflected in the energy modelling data for her home. Pre-intervention, the modelled running costs for her home were just over £2,800, and she was technically defined as living in fuel poverty, with a fuel poverty gap of over £750. When the evaluation team spoke

to her, Carly was in receipt of Universal Credit, and described her household budget – in addition to her energy costs – as extremely difficult to manage. Furthermore, it was all the more important for her to keep her home warm because of her young son. As she remembered, *“when I had the electric storage heaters, my son didn't have his own room. Just because even if did let him go in his own room it'd be too cold.”* The temperature of her home and her inability to affordably use her storage heaters therefore had an impact not just on her, but also on her son.

Post-intervention, many aspects of Carly's situation have not changed – she is still in receipt of Universal Credit, and still has to watch her household spending. But the installation of gas central heating has transformed how warm her home is. *“It's crazy how much it heats up in such a short amount of time,”* she said. *“The whole house, every single room in it will feel red hot within five minutes and then I turn it off.”* Her son is happier – *“he never complains that's cold or anything anymore”* – and Carly has been able to let him stay in his own room without worrying about the temperature. Her new system is also far more affordable than her storage heaters, and energy modelling data for her home now shows her modelled annual running costs are just over £1,300. This has enabled her to spend more on other things, and she feels less stressed about her household budget and keeping her son warm: *“It's just a massive relief off your back when you don't have to worry about that anymore.”*

Carly's example shows the benefits of first-time central heating systems delivered through the Swarcliffe project, and it is now more likely that her son will grow up healthier, happier, and warmer at home.

What were the main enablers of success?

As an area-based scheme, one of the key enablers of success was the WHF's inclusion of the IMD as an eligibility criterion. Swarcliffe is one of the most deprived areas in Leeds, and among the top 10% most deprived places in England. Much of the LS14 postcode covers Swarcliffe, with these particular areas falling within the top 5% of deprivation. As Leeds City Council delivery staff explained, within Swarcliffe, the majority of homes that were EPC band D or below qualified. Leeds monitored the income

levels of households signing up for the scheme, along with other household characteristics, to confirm that it was targeting the right households – most of which met the UK Government's criteria of low income, as used in schemes such as the Green Homes Grant, or contained another vulnerability. This check made the project team confident that they were helping fuel-poor and vulnerable households.

Moreover, the use of IMD was described as having other advantages. Extending the gas mains to Swarcliffe required a critical mass of signed-up homes to ensure the project was financially viable. If not enough homes signed up, there was a risk that it would obtain insufficient FPNES vouchers to maintain the business case for delivery. In other words, IMD functioned as a smooth pathway to achieving critical mass, ensuring that the project as a whole could go ahead as planned. Had it not been in place, the financial viability of the project would have been compromised, perhaps fatally. Leeds City Council's strategy was therefore to make use of the IMD criteria to reach the critical mass required for financial feasibility, and simultaneously conduct income checks on interested households, to ensure its funds were primarily being spent on those most likely to be in fuel poverty.

In this regard, it is interesting to compare the outputs of the energy modelling analysis and questionnaire findings. Energy modelling analysis shows that 41% of Leeds' Category 1 beneficiaries were technically defined as fuel poor prior to their intervention. Post-intervention, this fell to 29%. In contrast, 89% of questionnaire respondents from the Swarcliffe project reported not being able to keep their homes warm in winter or when it was cold outside, pre-installation. Before the intervention, 65% of questionnaire respondents also said they couldn't keep warm at home, and it affected their physical health. Similarly, data collected by Leeds City Council identified that 67 households had cold-related health conditions prior to their intervention. This shows that different indicators of fuel poverty and fuel poverty risk sometimes tell different stories, and should be appraised in tandem to understand the needs of particular households and areas.

What are the lessons we can learn?

- Although wider findings of the evaluation show that IMD is less effective at targeting fuel-poor households (defined through the LILEE metric), the example of Leeds shows its utility in developing and delivering area-based schemes to deprived areas.
- However, the use of IMD as an eligibility criteria can be supported by additional work to monitor the income levels of households within the chosen area, to ensure that funds are directed at households most likely to be living in fuel poverty.
- Internal and external partnerships are both critical to the successful delivery of area-based schemes – each partner brings their own pool of local knowledge, experience and expertise.
- Changing ECO requirements and their complexity pose a challenge to the delivery of first-time central heating projects. Simplicity and synchronisation between different funding mechanisms are therefore important to ensure successful delivery
- Different indicators of fuel poverty and fuel poverty risk tell us different things about households' ability to keep warm and well, and multi-indicator approaches are therefore useful when evaluating and appraising project outcomes.

What is the project doing next?

Currently, Leeds City Council is shifting away from the installation of gas central heating systems towards low-carbon solutions – especially heat pumps – in line with its zero-carbon commitment. Given that a large proportion of the city is connected to the gas network, there may also be a role for hydrogen in decarbonising the housing stock. In either approach, the council will focus on how to bring the benefits of energy efficiency and new heating systems to residents, while propelling the city towards a decarbonised future.