

# WARM HOMES, BETTER LIVES

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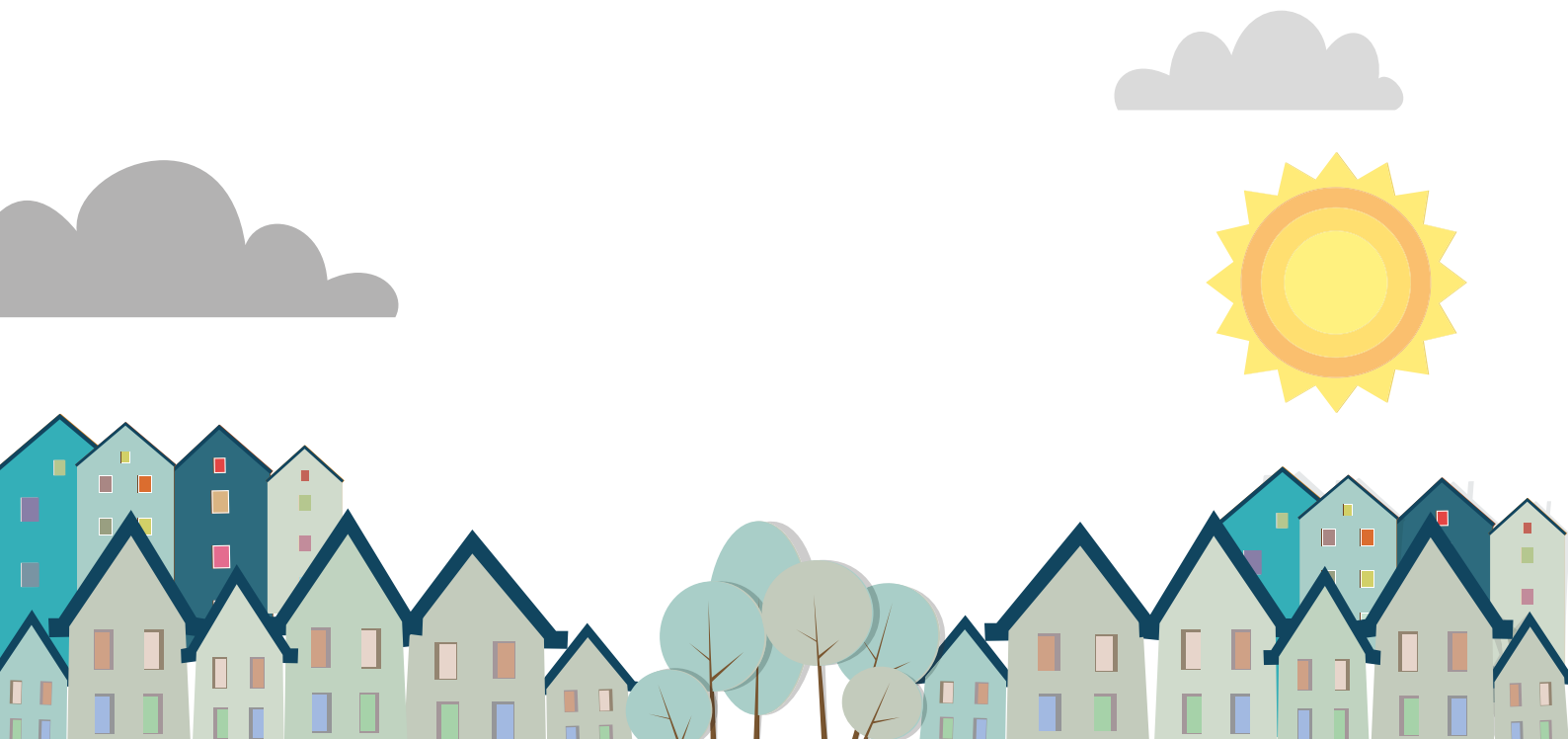
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# EXECUTIVE SUMMARY

**Over the past decade, a combination of rising energy prices and stagnant wages has led to an increase in the number of households struggling to pay their energy bills. Across England, there are 2.3million households living in fuel poverty, 10.4% of all households<sup>1</sup>.**

At its core, fuel poverty is a cost of living issue, with many families having to choose between heating their home and feeding their family. While real wages (adjusted for inflation) fell between 2003-2013<sup>2</sup>, consumer electricity prices increased by 73% in real terms, and gas prices by 128% over the same period<sup>3</sup>.

Challenges in tackling fuel poverty come from many directions. They need to be faced by bringing together the strategies, priorities and investment being made in health, poverty and the environment.

Tackling the issue of fuel poverty locally and working in partnerships, consisting of social landlords, local authorities, health providers, environmental groups and the third sector, will help focus efforts on the poorest households, whilst providing services that meet wider needs. Strategies and funding solutions need to be strengthened to refocus delivery on the most needy homes and neighbourhoods. To help achieve this, social landlords can bring significant experience, ideas and capacity to tackling fuel poverty, with many having the potential to deliver large-scale energy efficiency programmes.

If government targets on fuel poverty, cold homes and winter deaths are to be met, it is crucial to resolve what will happen after 2017, when the current ECO scheme expires, so as to avoid continuing uncertainty about what will replace it and create a step change in investment in retrofitting the existing housing stock to much higher energy efficiency standards.



**10.4%**  
of all households living  
in fuel poverty

<sup>1</sup> DECC (2014) Fuel Poverty Statistics 2012. [Available online here.](#)

<sup>2</sup> DECC (2014) Domestic Energy Price Indices. [Available online here.](#)

<sup>3</sup> Office for National Statistics (2014). Annual Survey of Hours and Earnings. [Available online here.](#)

## This report makes the following recommendations to government:

1

To confirm the post-2017 level of investment in energy efficiency by April 2016 and to aim to sustain this level for five years. This will give 12 months to build this programme into business plans and carbon strategies, develop local partnerships and align other investment to secure the highest level of retrofit output.



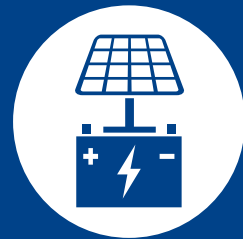
2

Within this investment, to agree that part of the package should be directed to social landlords, aimed at utilising both their existing expertise and their ability to deliver at scale.



3

To introduce a specific innovation fund within a future ECO programme to stimulate the introduction of new technology and to pilot different local delivery approaches, with the aim of increasing value for money and deepening the penetration of retrofit programmes.



4

To outline a strategy for partnership working between local GPs/ clinical commissioning groups, health and wellbeing boards, housing providers and community services to jointly tackle fuel poverty and to better target those fuel-poor households with health needs.



5

To commission independent research into the extent to which the NHS can make cash savings as a direct result of delivering a retrofit programme to secure warmer homes.



6

For DECC to publish key data on CO<sub>2</sub> reduction to measure the real cost and value of ECO funding.



# INTRODUCTION

**Key government policies on tackling fuel poverty, avoiding excess winter deaths and meeting carbon targets require massive investment in retrofit of the housing stock. Unfortunately, despite a plethora of strategies and targets, and excellent examples at the local level, the necessary investment is not sufficient nor having the impact which it should.**

Governments past and present have been criticised for failing to make significant inroads to achieving this aim, with limited funding commitments and strategic direction. As the Fuel Poverty Advisory Group has recognised, the £460m a year currently invested in energy efficiency measures in households likely to be fuel-poor is nowhere near sufficient. They refer to research showing that to improve the homes of all low income households to EPC Band C<sup>5</sup> by the government's target date of 2030, would cost £1.7bn a year – almost four times the current level of investment. Within the current financial climate we must be realistic, making what is available go further and re-work not reinvent our partnership approaches, to focus on those most in need.

Social landlords have demonstrated that they are adept at using their own investment, alongside government and other funding, to improve the energy efficiency of their housing stock. Within the previous funding regimes of CERT (Carbon Emissions Reduction Target) and CESP (Community Energy Saving Programme) social landlords played a key role in improving the energy efficiency of communities; but more must be done in persuading all landlords to improve their property portfolios.

The government's reluctance to use direct public-sector investment has meant that we have been reliant upon the obligations put on the energy companies to deliver recent retrofit programmes. Whilst driving some improvement,

this approach has proved to be politically vulnerable as these major programmes have led to short-term energy price increases, even though they offer long-term savings for households. This lack of visibility in the real value of fuel poverty and carbon reduction funding has led to cuts in the ECO scheme and is clearly a factor in the recent abandonment of the Green Deal. At the moment, it is unclear whether there will be a replacement for ECO when it ends in 2017 so, taken together with other policy changes like the dropping of the zero carbon target for new homes, there is a generally pessimistic climate for low carbon investment.

Yet at the same time, the challenges of fuel poverty, winter deaths and meeting carbon targets remain in place, and pressures to address them are likely to continue. While the average household claiming benefits has lost over £1,500 each year through welfare reform<sup>4</sup>, energy efficiency measures have the potential to put money back into the pockets of those with the lowest incomes. Government is committed to reducing red tape but it needs to recognise where regulation is required to support long-term strategies and ambitions. Achieving energy efficiency levels of Band C across the housing stock by 2030 will only happen where regulated milestones are established for landlords, whether social or private, as the rented sectors are where the majority of low income and vulnerable households live.

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<sup>4</sup> Local Government Association (2013) *The Local Impacts of Welfare Reform*. [Available online here](#).

<sup>5</sup> One of the commonest forms of measuring energy efficiency is the one used for Energy Performance Certificates (EPCs), which rate properties from Band G (the worst) to Band A (the best).

# The Three Challenges



POVERTY



HEALTH



ENVIRONMENT

The national challenges or drivers for a more comprehensive approach to energy efficiency and affordable warmth are: tackling fuel poverty, cutting excess winter deaths and meeting carbon reduction targets. Linking strategies in these three areas does add to the complexity of the fuel poverty issue, but creates clear opportunities to bring together budgets and outcomes.

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## The Poverty Challenge



- About 2.4m households are in fuel poverty in the UK and more than 3m families cut back on food in order to pay their fuel bills.
- Under the government's 2015 fuel poverty strategy, **Cutting the cost of keeping warm**, a new fuel poverty target is 'now focused on the energy efficiency of fuel-poor homes'.
- Under the fuel poverty strategy, as many fuel-poor households 'as reasonably practicable' should be living in houses with an EPC rating of E or above by 2020, then band C by 2030.
- There is a major focus on non-gas homes and the links between fuel poverty and health.
- In practice, ECO did not work for many low income or non-gas households. Not only is the number of ECO installations in decline, but fewer of them (only 5%) are benefiting low income or fuel-poor households<sup>6</sup>.
- Fuel poverty also impacts on targets associated with the child poverty agenda. Poor quality housing and insufficient heating increase the risk of severe ill-health for children, whilst also reducing life chances in terms of learning and education.
- By 2017 ECO will have delivered only a tiny proportion of the necessary insulation measures to address government carbon reduction targets.

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<sup>6</sup> ACE (2015) Left out in the cold. [Available online here.](#)

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## The Health Challenge

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- Energy efficiency and affordable warmth are vital to health, and their importance is reflected in the government's **Cold Weather Plan** and in more detail in the **NICE guidelines on excess winter deaths**.
- The Marmot Review of **The Health Impact of Cold Homes and Fuel Poverty** showed that excess winter deaths are almost three times as high in the coldest homes compared with the warmest.
- The Cochrane Review of **Housing Improvement as an Investment to Improve Health** showed evidence of improved health from measures targeted at cold homes and people with respiratory disease.
- There is evidence of cost savings to the NHS by schemes that tackle fuel poverty:
  - The government's **interim fuel poverty strategy** in 2013 costed the health benefits of various interventions (e.g. cavity wall insulation produces health savings with a net present value of £969 per household).
  - In one local level evaluation, a warm homes scheme in Northern Ireland was estimated to save the NHS 42p for every £1 spent.<sup>7</sup>
  - The King's Fund **estimates** that £1 spent on home improvement saves the NHS £70 over ten years.
- Fuel poverty and reducing excess winter illness and death are considered to be 'core business' for health and wellbeing boards (HWBs) and are included in joint strategic needs assessments (JSNAs) and joint health and wellbeing strategies.<sup>8</sup>
- The NICE guidelines require every health and wellbeing board to:
  - Have a strategy for tackling cold homes, with the aim of bringing them up to EPC band C as a minimum and band B desirable.
  - Establish a single point of contact for people living in cold homes, especially those in high-risk categories, and to provide tailored services including home insulation and energy advice.
  - Arrange that non-health workers (e.g. housing professionals) visiting cold homes help to identify and refer them; to set up training for housing professionals in dealing with cold homes.
  - Avoid discharging vulnerable patients into cold homes.
- Working in partnership with HWBs, housing associations need to help set the needs assessments and strategies to tackle cold homes at a local level.

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<sup>7</sup> Liddell, C. (2008) The Impact of Fuel Poverty on Children. London: Save the Children. [Available online here.](#)

<sup>8</sup> Public Health England (2014) Cold Weather Plan for England: Making the case. [Available online here.](#)

## The Environmental Challenge



- Some 625,000 homes per year need to be brought to near-zero carbon emissions by 2050 to comply with targets in the Climate Change Act, i.e. achieving EPC ratings of at least band B for all dwellings by this date.
- But targets are not being met and the Committee for Climate Change points out that insulation of solid walls is almost 500,000 homes below target<sup>9</sup>.
- The problem now is that the 2050 target is still in place but with no long-term programme to achieve it (and question marks about whether government still sees the target as a priority).
- Social housing poses a more modest (if still significant) challenge, it accounts for just 18% of total housing stock and already has higher average SAP ratings (66/65 for HAs/LAs, compared with 59/58 for owner-occupiers/private landlords).
- The cost of a retrofitting programme to bring social housing to 2050 standards is estimated by the NHF to be £80-100bn, or £2.3bn p.a. to 2050<sup>10</sup>.

### RECOMMENDATION

**For DECC to publish key data on CO<sub>2</sub> reduction to measure the real cost and value of ECO funding.**

<sup>9</sup> Committee for Climate Change (2015) Meeting Carbon Budgets: Progress in reducing the UK's emissions. London: CCC.

<sup>10</sup> NHF (undated) Retrofitting social housing: Scaling up the opportunity in partnership [Available online here](#). London: NHF. [Available online here](#).



# SOCIAL LANDLORDS – CHANGE AGENTS

**As well as potential investment, social landlords bring to a programme of energy efficiency and retrofit a wealth of experience together with long-term commitment to communities to a programme of energy efficiency and retrofit. There are a number of areas where social landlords can and must contribute significantly to local delivery, to support, facilitate or even deliver a future programme for a local community across all tenures (social, private rented and home owners).**

## **Local knowledge**

Social landlords are well established in the communities where they operate, they know their customers and they are key providers across a range of local services. They are well networked, often delivering or funding a range of health and wellbeing programmes. The delivery of local, community-wide retrofit programmes, for many, would be a natural next step.

## **Data**

In terms of targeting fuel-poor families, social landlords already hold sufficient insight data to be able to target households where poverty levels are likely to be high. Combining data resourcing between social landlords, health and other key agencies not only achieves wider outcomes but delivers better value and identifies those most in need. Retrofit might only be part of the solution, and social landlords will also be in a position to support and engage other services that might be needed such as money advice, employment support or mental health services.

## **Innovation**

Social landlords are often ahead of the curve in terms of new technology. Over the years, Orbit has been quick to embrace new sustainability products as they have come to market, often looking overseas for ideas and development opportunities. Building the first large-scale social housing Passivhaus scheme in the UK and being key partners in developing low-energy off-site manufactured refurbishment solutions demonstrate our commitment to supporting new product or design initiatives. This is a field which is developing very quickly, especially in other countries; the experience and examples reflected in this paper will very soon be overtaken by new and better ones.

## **Delivery**

Social landlords already manage large-scale maintenance programmes for their stock, and over recent years, a number have also expanded to deliver major retrofit programmes. This capability to deliver city or district-wide retrofit programmes across rented and private households already exists within many social landlords, and would be relatively easy to scale up. Orbit worked with Coventry City Council and other social landlords to deliver a community-wide refurbishment programme under both CESP and ECO funding regimes. Social landlords also have experience in liaising and engaging with households, explaining complex ECO criteria and addressing concerns for customers whose homes are subject to maintenance programmes. Combined delivery produces economies of scale, creating more jobs and supply chain growth.

## **Investment**

Whilst social landlords require financial support to deliver the scale of work needed to bring all households up to EPC band C by 2030, they do have the ability to bring in additional investment beyond investment from government. As charities with a social purpose, they potentially have access to further grant and income streams, whilst investing any operating surplus back into the homes and services provided. Many have a large asset base to borrow against if necessary, to attract further investment through match funding arrangements and have experience of exploring new income options such as on-bill financing or the green energy bond.

The box below illustrates the many ways in which social landlords and local communities have pulled together strategies and investment to support retrofit programmes.

### Differing ways to fund retrofit

#### ECO and Green Deal

ECO is now winding down to its end date of March 2017. With the ending of the main Green Deal in July 2015, the only remaining funding stream (apart from the remaining stages of ECO) is Green Deal Communities, which is operating in 23 local authorities.

#### FIT and RHI

Feed-in and renewable heating subsidies can play a part in funding retrofit schemes by providing a revenue source towards meeting loan costs. Stockport Homes is using RHI, anticipated to generate income of £10.5m over the next 20 years, as a ring-fenced fund to invest in energy efficiency measures.

#### Fuel poverty

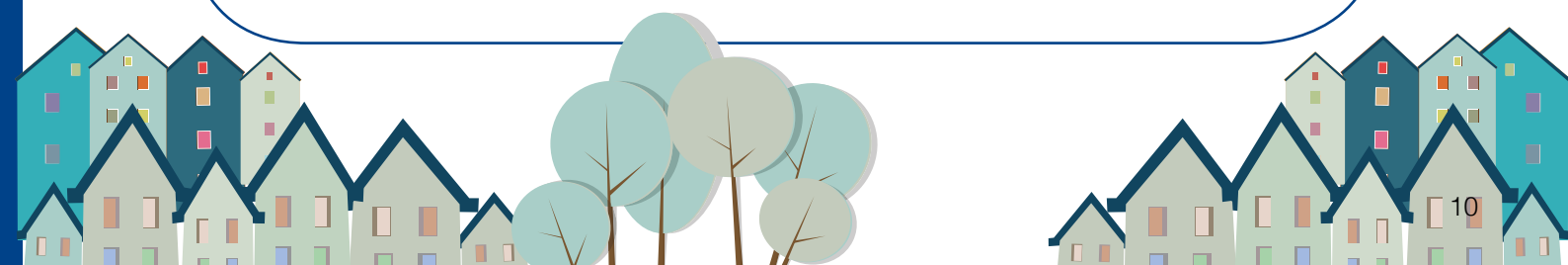
As noted above, the fuel poverty strategy carries limited funding in itself. One source is the **Warmth on Prescription fund**, which offers £1m of funding to link fuel poverty work with health needs. Another is the £25m **Central Heating Fund** available to local authorities to use for properties that are off the gas grid.

#### Funding for community-based schemes

Funding is available for community energy projects, whether in **urban areas** or **rural areas**. There are resources on the **PlanLoCaL2** website to enable communities to do basic feasibility exercises.

#### European Regional Development Fund

The main focus of the ERDF is on smaller-scale investments to achieve 'whole place' energy solutions, improved energy efficiency and low carbon innovation. The range of priorities includes innovations in low carbon retrofit. ERDF has supported a range of energy or retrofit projects in social housing, such as **The Rickmond flats project** in Kirklees – an 11-storey tower block upgraded to near Passivhaus standards.



# EPC BAND A-C? MAKING IT HAPPEN

**How can the challenges and drivers outlined be used to provide the basis of a strategy for the social sector or for individual landlords? Fuel poverty and health are clearly the main current drivers, although for neither of them is resource availability clear. A strategy should therefore prioritise these two drivers while still contributing to the third: the environmental challenge. It should also consider other key targets such as those relating to mental health, child poverty and poor educational attainment – all symptoms of cold homes.**

This section outlines the role and offer that social landlords can and must make in a future home retrofit programme. It also identifies how social landlords can develop a new programme with government, health and local authorities, incorporating strategies that fit with the government's regional devolution agenda.

## ***Landlords' stock strategies***

Firstly, all social landlords need to drive low carbon strategies through existing business plans and specifically their asset management plan. Typically, business plans focus on interim targets much nearer and lower than the 2050 target level. Orbit's own ambition is to raise all stock to band C much sooner than the government Fuel Poverty Strategy target of 2030, in recognition that its customer base is more vulnerable and susceptible to falling into fuel poverty than other tenures. Currently 93% of Orbit's stock is band D or above.

The targeting of work programmes needs to find a balance between the efficiency of delivering at whole-street or whole-community level, whilst also targeting households that are the fuel-poorest. By combining data and insight to identify and prioritise fuel-poor communities, there is a greater opportunity for social landlords, in partnership with local and health authorities, to deliver whole-street or community programmes working across tenures.

Social landlords already run cost-efficient large-scale maintenance programmes and, working in partnership, have the potential to achieve economies of scale that were not always delivered through the current ECO programme.

## **Examples of landlord whole-stock approaches<sup>11</sup>**

- Orbit has 94% of stock band D or above, and is focussing on new Dutch-led innovation such as Energiesprong and renewable energy to get all homes to band C.
- Poole Housing Partnership has invested so that all its stock is now in the top quartile of energy efficiency. It is now prioritising renewable energy and associated technologies.
- Gloucester City Homes has raised the energy efficiency of its stock from an average of band D to band C saving tenants around £388,000 annually in heating costs.



<sup>11</sup> These examples come from Perry, J. (2014) It's not easy being green. Coventry: National Federation of ALMOs.

### ***Focussing on fuel poverty, cold homes and health impacts***

Explicitly targeting fuel-poor households and/or households with relevant health risks (normally considered as chronic obstructive pulmonary disease, heart disease or being aged 65+) cuts across different strategies and targets. It creates a multiplier effect with the cost of one intervention achieving a range of strategic outcomes. Linking with child poverty targets will also help address another key area where recent progress has been slow.

Working in partnership across sectors including the health service is critical, both in terms of accessing data to target fuel-poor households and building relationships with health and wellbeing boards who are charged locally with developing partnership working.

Combining data on assets and customers and linking with available NHS health and wellbeing insight will improve targeting. Partners need to develop neighbourhood-level data-sharing protocols to enable poverty hotspots to be identified accurately for targeted interventions to take place.

Local innovation, and the effective deployment of local resources (NHS staff, housing officers, police and third sector) to develop schemes such as 'warmth on prescription', would enable programmes to engage with hard-to-reach groups and address previous barriers to ECO (e.g. support to clear lofts in readiness of insulation work).

More work is needed to evidence the health benefits of warm homes. Research that accompanied the Affinity Sutton **FutureFit** programme should be extended to evidence the actual performance of previous retrofit schemes, the impact of community involvement and one-to-one work with households and the cashable savings in terms of health costs.

### **Examples of health-led approaches**

- 'One touch' approaches which co-ordinate service delivery to ensure maximum impact (health, energy efficiency and energy advice)<sup>12</sup>.
- Partnership delivery mechanisms set up through the **Warm Homes, Healthy People fund** (2012/13).
- Use of primary care data in the West Midlands to target fuel-poor households<sup>13</sup>.
- **Healthy Homes on Prescription**, a partnership with GPs and Liverpool City Council using a software system alert to identify patients vulnerable to cold weather.
- Warm Homes Oldham links ECO finance for works with council, social landlords and NHS funding for the scheme – over three years it has carried out up to £10k of retrofit work in over 1,000 homes, with **measured savings** to the NHS.

## **RECOMMENDATION**

**For government to commission independent research into the extent to which the NHS can make cash savings as a direct result of delivering a retrofit programme to secure warmer homes.**

<sup>12</sup> Kuholski K, Tohn E, Morley R. Healthy energy-efficient housing: using a one-touch approach to maximize public health, energy, and housing programs and policies. *Journal of Public Health Management and Practice* 2010; **16**(5 Suppl): S68-74.

<sup>13</sup> Bull A, Mahmood H, Cush N. Identifying people at risk of fuel poverty to prevent excess winter deaths. *Nursing Times* 2010; **106**(49-50): 12-3.

## Local delivery

The attraction of linking in with devolved local government arrangements is that they can provide the vital links with health services (especially where budgets are being devolved, as in Greater Manchester); this also contributes to government priorities. Such arrangements help partners target hard-to-reach groups, through partnering with local GPs, housing providers, the third sector and local community services such as libraries and schools.

Where devolution arrangements are at an early stage (e.g. in the West Midlands) there is potential for social landlords to help shape new agendas and rethink some of these programmes based on previous learning.

### Examples of city-wide or sub-regional strategies

- The best developed is probably the **Greater Manchester Retrofit Strategy** which aims to get 90% of the area's whole stock to band B by 2035 and the remainder to band C, with all social stock attaining band B by 2030.
- The GLA has **a specific team** to provide free support to social landlords / private sector to increase scale of domestic retrofit. It provides a **toolkit** for London Boroughs on using local powers to maximise energy efficiency retrofit.
- Local authorities have to report progress in meeting carbon targets through the HECA process. Gateshead set a target of reducing its carbon emissions from homes by 20% by 2020 and progress on this and other measures is reported in its **HECA monitoring report**. Several LAs have been using the Green Deal Communities programme, e.g. **Plymouth**.

There is real potential for a top-down strategy to also have a bottom-up element that could be experimental, cross-tenure and innovative. It could pilot approaches that have potential for broader-scale delivery, inclusive of hard-to-reach clients and hard-to-treat properties. The government recognises the importance of bottom-up action in its formal **Community Energy Strategy** and there are local strategies, such as Greater Manchester's, which promote community-led approaches.

If well designed, the benefits of community-led approaches can be to:

- Get community buy-in and trust by working with the community to raise consciousness and get collective commitment.
- Use community knowledge, surveys and services to identify and include vulnerable households and those with health needs.
- Enhance people's awareness of how to use new systems and technology, secure energy cost reductions, and manage their money.
- Have more chance of engaging owner-occupiers and landlords.
- Facilitate whole street/block retrofits and deliver at scale with cost-effective procurement and high-quality design, installation and monitoring, using materials with guaranteed performance.
- Offer efficient, least disruptive installation (e.g. off-site manufacture, no one decanted).
- Improve neighbourhood aesthetics.
- Include the most vulnerable, removing barriers such as loft clearances or distrust in schemes.
- Put together more attractive funding packages and/or attract one-off funding.
- Provide practical research evidence (as with Affinity Sutton's FutureFit) to inform locally based approaches.



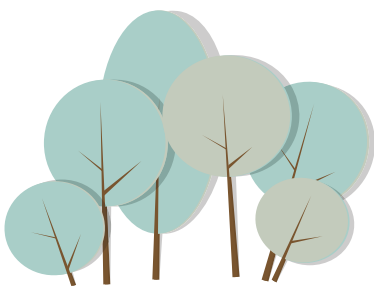
## Area-based approaches

There is general agreement that not only whole-street but whole-area approaches are most cost-effective, but there has been little recent experience of this in England (an **EST guide** to area-based approaches is now six years old). Some recent/current approaches include:

- Orbit's ECO programme in South Warwickshire enabled 15 private home owners in one village to be included in the external wall insulation programme, taking advantage of contractor rates similar to Orbit.
- The **Warm Zones** approach – a community-interest company which currently runs street by-street projects.
- **Arbed**, which is running a three-year, ERDF-funded programme in three areas in Wales.
- Scottish Government funding through **HEEPS** makes specific allocations for area-based schemes, some managed by HAs.
- The CESP scheme (now ended) allowed whole area schemes, e.g. Leicester insulated outside walls and installed new boilers in a 1,000 home mixed-tenure estate.
- Coventry City Council led a partnership of private and social landlords, including Orbit, to deliver a CESP programme in excess of 1,000 homes.
- There are some international examples of such schemes: **Sustainable Järva** is a social landlord-led, whole-area approach in Stockholm.

## RECOMMENDATION

**For government to outline a strategy for partnership working between local GPs/ clinical commissioning groups, health and wellbeing boards, housing providers and community services to jointly tackle fuel poverty and to better target those fuel-poor households with health needs.**



### Local innovation

One area where social landlords are particularly strong is the area of innovation and testing new technologies developed in the UK and other countries. Social landlords continue to test new low-cost, high-impact technology to ensure that investment results in genuine savings in heating and other running costs in the long-term.

#### On-site innovations

There is scope for innovation in on-site approaches to retrofit. There are many examples, none of which have yet been used on a large-scale and some of which emphasise a high proportion of off-site work. For example:

- **'Room in a day'** renovations – an approach pioneered in France (which can be seen on [YouTube](#)) which aims to raise the EPC rating of each room treated to band C in a single day.
- **The renovation train** – a different approach at scale, pioneered in Holland, which in the pioneer project took 10 days per house to retrofit 150 units using prefabricated components.
- **Passivhaus EnerPHit** – Orbit created the first UK social housing refurbishment adopting these internationally recognised low energy design standards
- **Guaranteed performance contracts** – another French approach which seeks to remove consumers' doubts about the effectiveness of products and retrofit works.
- **Superhomes** – which uses retrofit of privately owned homes by enthusiasts to spread interest/enthusiasm within communities/neighbourhoods.
- **Over-time eco-renovation** – which establishes a long-term low carbon plan for each house and works towards it in stages, recognising that most householders will not achieve the highest EPC bands in a single project.

## RECOMMENDATION

**For government to agree that part of the package should be directed to social landlords, aimed at utilising both their existing expertise and their ability to deliver at scale.**

#### Local delivery agencies

There is strong interest in redesigning ECO, which is currently set up as a periodic auction process (a mechanism that works for energy companies, but does not necessarily create access to households that are the most fuel-poor). Most advocates call for ECO funds to be allocated to local level. One approach is for LEPs to have access to ECO funds as proposed by [Respublica](#), and match these to ERDF and other funding sources. The government has recently urged LEPs to apply for EU structural funds. Equally, there is scope for city regions to have access to integrated health and social care budgets and link these with LEP money to finance schemes.

The Committee on Climate Change (The CCC) has said that experience from Green Deal Communities suggests that local authority-led delivery may be most effective. This offers opportunities for better integration of energy efficiency, fuel poverty and low-carbon heat approaches. The CCC has called on DECC to consider a larger role for locally-led delivery. The Labour Party proposed a central pot of money to fund local area-based energy efficiency programmes and invite local or regional organisations to apply for it. ACE and IPPR have also **set out** a bigger role for local authorities in delivering the new version of ECO.



### ***Making better use of data***

One way of delivering targeted local solutions, but delivered at a joined up and planned sub-regional level, would be through sharing data sets and identifying poverty hot spots within local communities. Building local partnerships and then layering already published data around health, deprivation and fuel poverty against local data for rent arrears, council tax arrears and age of house, for example, would give indicative areas in which a programme could concentrate.

Retrofit is likely to be only part of the solution, but the advantage of joined-up local delivery is that multiple providers would deliver a more holistic support. Examples of community-led approaches can be seen in the box on the right. These not only tackle the infrastructure improvements needed to a house, but also address behaviour change and maximise the use of green technology. Such local engagement can take place once hot spots are identified, bringing local innovation to a planned sub-regional programme.

### **Examples of community-led approaches**

There is a growing number of community-led approaches to retrofit, some of them noted below. Social landlords could encourage and facilitate such approaches:

- **Cambridge Retrofit** is a public-private partnership to promote 'at scale' retrofit in Cambridge. It has developed a database of Cambridge stock, engaged with partners and is now moving forward with inaugural projects. This project aims to retrofit 13,000 properties by 2020 (and has subsequent targets for later years).
- **Severn Wye** is a not-for-profit agency working in Wales/the South West on community energy-saving initiatives. It has developed a community retrofit toolkit working jointly with other bodies in two other EU countries.
- **GM Carbon Co-op** has worked with 12 owner-occupiers around Greater Manchester to transform their homes into high spec, '2050-standard' eco show houses, retrofitted to achieve emission reductions of 80%.
- **Hook Norton Low Carbon** demonstrates what a focused community group can deliver – from low interest loans for home energy reduction, car club, biodiesel tanks, energy reduction advice, solar PV, and thermal systems. to community buildings.

## **RECOMMENDATION**

**For government to confirm the post-2017 level of investment in energy efficiency by April 2016 and to aim to sustain this level for five years. This will give 12 months to build this programme into business plans and carbon strategies, develop local partnerships and align other investment to secure the highest level of retrofit output.**





# SO WHAT NEXT?

**The 2015 government Fuel Poverty Strategy set many challenges and appeals for local delivery, innovation and partnership working. Piloting an approach locally – a future ECO model – would give valuable insight into how effective a local energy efficiency model could be.**

Such a project could:

- Test the 'localism' model through sharing data to identify poverty hot spots.
- Demonstrate that a holistic energy efficiency package can help counteract the income losses that result from welfare reform and improve health outcomes for low income families.
- Build local stakeholder interest including the health and wellbeing board, CCG, local authority and third sector.
- Measure the impact of retrofit for people suffering from health problems.
- Deliver a flexible package of holistic and bespoke energy efficiency interventions including home retrofit, heating system modernisation (e.g. replacement of storage heaters), solar energy, smart metering, low-cost LED lighting and energy and budgeting advice.

Through using a pilot project to test key elements of government strategy pre-2017, we could demonstrate how practically the strategy could be delivered at a local level. The project evaluation would also explore various financial models and how co-investment from key partners in housing, health, energy and the environment can together improve the lifestyles and health of the some of the poorest people in the UK.

If successful, it would be advantageous within a future ECO programme to incorporate a specific fund for area-based innovations to encourage competition/trials in several different geographical areas and mixes of stock. When meeting long-term targets in a field where technology is always improving, space for innovation is vital in order to influence future delivery and maximise impact of investment.

## RECOMMENDATION

**For government to introduce a specific innovation fund within a future ECO programme to stimulate the introduction of new technology and to pilot different local delivery approaches, with the aim of increasing value for money and deepening the penetration of retrofit programmes.**

<sup>11</sup> These examples come from Perry, J. (2014) It's not easy being green. [Available online here.](#)  
Coventry: National Federation of ALMOs.

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