



Association for the Conservation of Energy

Local delivery project

Summary of literature review prepared by the Association for the Conservation of Energy (ACE), CAG Consultants, the Centre for Sustainable Energy (CSE) and Dr Joanne Wade for Citizens Advice

1 Introduction

The Citizens Advice service provides free, confidential and impartial advice to help people resolve their problems. As the UK's largest advice provider, the service is equipped to deal with any issue, from anyone, spanning debt and employment to housing and immigration plus everything in between. We value diversity, promote equality and challenge discrimination. Citizens Advice represents the interests of consumers across essential, regulated markets; we use compelling evidence, expert analysis and strong argument to put consumer interests at the heart of policy making and market behaviour.

At Citizens Advice, we believe there is a powerful economic, social and environmental case for an ambitious nationwide home energy efficiency programme, which prioritises low-income households and which is both broader and deeper than current programmes. There is widespread consensus that the local delivery of home energy efficiency programmes and the use of area-based approaches should play an important role in making sure this national ambition is achieved, and that this is done as cost-effectively as possible.

We therefore commissioned the Association for the Conservation of Energy (ACE), the Centre for Sustainable Energy (CSE), CAG Consultants and Dr Joanne Wade to carry out a programme of participative research to investigate models for delivering energy and fuel poverty services at the local level.

The research involves a literature review of existing local initiatives, including those in other policy areas such as urban regeneration, interviews with stakeholders, a survey of local authority officers and other decision makers, and the running of five workshops around Great Britain. The research will propose governance structures for the local-level delivery of energy and fuel poverty¹ services, and will consider the implications of potential reform of the main energy efficiency programme in Great Britain, namely the Energy Company Obligation (ECO).

This report is a summary of the literature review of locally delivered fuel poverty and energy efficiency initiatives. A full copy of the review is available on the Citizens Advice website:

http://www.citizensadvice.org.uk/index/policy/policy_publications/delivering_energy_and_fuel_at_local_level.htm

¹ Fuel poverty is caused by a combination of low income, poor home energy efficiency standards and high fuel prices. In Scotland, Wales and Northern Ireland households are defined as being in fuel poverty if they need to spend 10 per cent or more of their income on energy to achieve adequate warmth and meet their other energy needs. In England, households are defined as being in fuel poverty if their fuel costs are above average and were they to spend that amount they would be left with a residual income below the official poverty line.

1.1 The literature review: an overview

The literature review addresses the following objectives:

- To assess **lessons learnt** from existing locally delivered and area-based schemes (including in other policy areas)
- To identify **guidelines** for developing a range of local delivery models
- To look for evidence that local delivery might or might not increase **consumer take-up**
- To examine the **criteria** used to allocate resources, or assist in the competitive allocation of resources, to local areas

The review focused on independent scheme literature and evaluations, rather than reports from scheme implementers, and drew on three sources:

1. Those reviewing specific energy-related locally led schemes
2. Those addressing wider issues around local delivery approaches for energy efficiency
3. Those reviewing specific area-based schemes in analogous policy areas, specifically regeneration and health, where area-based approaches have been trialled and developed over many years

Details of the sources and schemes reviewed are provided in the full literature review. The headings used to group the findings of the literature review, which are also used in this summary, are based on the main themes identified through the review itself.

This report introduces local and area-based approaches, discusses lessons learnt from existing local schemes and identifies emerging guidelines for potential local delivery models.

1.2 Introduction to local and area-based approaches

A local delivery approach is one in which:

- the people from an area are involved in delivering energy efficiency measures in that area
- a national framework enables (or requires) this to happen.

The scale of the area is open to debate, as are the organisations involved in delivery and their roles.

An area-based approach to energy efficiency involves:

- ‘the delivery of energy efficiency measures in a spatial area – which could be a street, a neighbourhood, a local authority or a group of local authority areas’²
- the delivery of measures to all or most of the households in a specific area as an alternative to the individual targeting of households.

Area-based approaches are used across a wide range of policy areas, including regeneration, crime and health. They may be especially effective in particular policy areas, where there is a strong localised or place-specific aspect to the problem and its solutions. For example, similar types of housing often form clusters or concentrations and are therefore particularly suited to area-based approaches.

Local delivery and area-based approaches may have multiple benefits. For example, the UK Green Building Council argues: ‘Conceiving and delivering (community) infrastructure at a neighbourhood scale as an integrated package represents a very significant opportunity to deliver environmental, social and economic objectives.’³ The Sustainable Development Commission advocated an ‘integrated, area-based approach to retrofitting buildings and upgrading community infrastructure’, arguing that enabling communities to renew

² (EST 2011)

³ (UKGBC and Zero Carbon Hub 2010)

their own neighbourhoods, in partnership with local government and enterprise, can deliver benefits over and above reducing fuel bills and carbon emissions.⁴

The local delivery of energy efficiency also opens up the potential for integration and realising synergies with other areas of policy that are delivered locally, such as regeneration, public health, and income maximisation advice.

Area-based approaches can be designed to identify geographic clusters of fuel-poor households. They potentially offer opportunities to target fuel poverty programmes at those in severe or extreme fuel poverty, since those most in need seldom self-refer into support programmes, when compared with households that are better off.⁵

An argument commonly levelled against area-based approaches to tackling deprivation is that, 'Most *poor people* do not live in the poorest areas. Most people who live in *poor areas* are not themselves poor'.⁶ However, with recent improvements in data and methodologies, it is now possible to identify areas at a higher resolution and pinpoint areas of concentrated deprivation, suggesting this observation may be less valid than in the past. It should be noted, though, that high-resolution, tightly focused local approaches may miss out on some of the other potential benefits of area-based schemes, such as economies of scale.

In practice, local delivery includes strict area-based schemes with a tight geographical focus, schemes that are labelled as area-based but are delivered at a fairly large geographical scale, schemes that focus on households in need across the whole local authority or multi-authority area, and schemes that combine area-based delivery with demand-led delivery across the whole local authority.

2 Governance

Governance of locally delivered schemes is a fundamental theme highlighted in the literature, coupled with scheme structures and scheme duration. Key issues include how to make sure there is coherence and dialogue between different partners (and between different schemes), and whether a statutory or voluntary approach is required.

The review recommends the following guidelines:

- Make sure the scheme is integrated with other relevant schemes to ensure a coherent and consistent approach – including schemes at local, regional and national scales.
- Promote dialogue between the different levels of governance, such as local, city, county and national, and make sure flexibility is built into scheme design, so that schemes can be tailored to specific contexts.
- Make sure central governments provide guidance and promote lesson-sharing
- Consider mechanisms for making sure local authorities take action. These may include a resourced statutory duty, incentive schemes or provision of ring-fenced funding.
- Make sure timescales are adequate – long-term schemes are likely to be more successful.

3 Objectives and targets

The review considers the setting of multiple objectives for schemes, people versus place-based objectives, aligning objectives across partners and setting targets. It also considers potential related objectives such as employment, cost efficiency, health, community cohesion and neighbourhood perception. It finds that there are benefits to maximising progress against multiple objectives and that area-based schemes can offer

⁴ (Sustainable Development Commission 2010)

⁵ (Walker et al. 2012)

⁶ (Spicker 2002) p18

particular benefits, such as community cohesion, that other schemes are not able to. However, the literature also warns against schemes becoming too complex.⁷

The review suggests the following lessons:

- Consider setting both place-based and people-based objectives, and look for synergies between energy objectives and other social goals, such as health and regeneration.
- Consider including quick-win targets to boost interest and engagement.
- Align schemes with relevant funding streams and initiatives to promote local training and employment.
- Consider setting broad eligibility criteria for the installation of free energy efficiency measures and build in a degree of flexibility to optimise cost efficiency.
- Look for opportunities to embed community cohesion, positive neighbourhood perception and other related benefits into the scheme.
- Aim to not only maximise the multiple benefits, where appropriate, of efficiency schemes, but also to measure these outcomes (also see section 7 on monitoring and evaluation).

4 Eligibility, targeting and criteria

One of the perceived benefits of local delivery is that local agencies, through local knowledge, are well placed to define their target communities and geographies. Our proposals will need to consider how they can support these abilities while ensuring consistency and quality across localities. The review considers the challenges involved in targeting fuel poverty. It considers the use of proxies such as the Index of Multiple Deprivation (IMD) or the number of people claiming benefits, and the potential for building in energy efficiency criteria.

The review considers whether schemes should target leading areas, or areas in most need. Should schemes help all households in the area or just certain eligible people? Should schemes be based on rigid area boundaries or be more fluid and community-based? What size should the area be? Should there be offers for neighbouring areas or extensions to the target area? The review found that data quality and availability is a key challenge for most schemes.

An area-based approach circumvents the need to identify individual households as vulnerable, which risks stigmatizing people and may prevent those in most need coming forward for help. However, it also inevitably leaves fuel-poor households living in low-risk areas with little hope of help in the medium term. It also results in relatively more affluent households receiving support.⁸

The Department of Energy and Climate Change's (DECC's) evaluation of the Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP)⁹ commented that area-based approaches involved a trade-off between the cost-effectiveness of tackling a whole street and the inclusion of many households who may not be fuel-poor, some of whom could contribute to measure costs. Phasing in an area-based approach until it reaches a point where it has parity with the current programme is one option. A two-track system of targeting, with individual- and area-based approaches operating in parallel, could maximise cost-effectiveness whilst protecting those most vulnerable to fuel poverty.¹⁰ The Scottish Government's Home Energy Efficiency Programmes include both forms of targeting. However, problems

⁷ (Energy Action Scotland 2015)

⁸ (Platt, Rosenow, and Flanagan 2012)

⁹ These were energy supplier obligation schemes, replaced by the Energy Company Obligation in 2013 (Ipsos MORI et al. 2014)

¹⁰ (Liddell and Lagdon 2013)

arise from the fact that the eligibility criteria for the Scottish Government's Energy Assistance Scheme differ from those used by ECO Affordable Warmth, where the criteria are set by the UK Government.

Of course, if an area-based scheme is designed to roll out to all areas (as opposed to just certain areas, as in these case studies), then the issue is not who to target, but who to target first. The establishment of non-area specific referral systems could make sure those in need outside priority areas receive help. For example, the National Institute of Health and Care Excellence (NICE) draft guidance on cold homes proposes health and wellbeing boards should establish local referral systems for those suffering cold-related ill health. The Scottish and Welsh governments could consider transposing the NICE guidance to suit their public health structures.

The review suggests the following guidelines:

- Make sure there is good-quality local stock data. In Scotland, the EST provides local authorities with detailed fuel poverty and stock data, including EPCs, free of charge; in England and Wales, local authorities have to pay for EPC data.
- Develop criteria relevant to energy efficiency and fuel poverty: the IMD is ill-suited to this task.
- Be flexible in defining area boundaries.
- Consider introducing separate criteria for urban and rural areas to encourage rural action.
- Consider whether the scheme should address all areas within a locality in turn, or adopt a twin-track approach of establishing both area-based delivery and non-area referral schemes.
- Consider how to address resentment from households living in homes just outside eligible areas.
- Schemes may be more effective and influential among policy makers and consumers if they target wider issues of poverty at the same time as targeting fuel poverty.

5 Community engagement and promoting take-up

The review considers how locally led schemes address engagement with their target communities, promoting take-up and maintaining it over time. It looks at engagement strategies, community events, overcoming stigma, providing advice and assessments, reaching all tenure and property types and the performance of past schemes in terms of take-up. The review suggests that flexibility in implementation and variety in communication methods is key to engagement and the promotion of take-up. This activity – a perceived central advantage to local delivery – requires a wide range of partners and capabilities for successful engagement with the target community and/or area.

The review suggests the following guidelines:

Securing engagement

- Carry out intensive promotional work tailored to the local context.
- Use door-knocking, and involve local champions.
- Include a direct mailing to all targeted households, which is endorsed by the local authority.
- Have a 'trusted' organisation representing the scheme, and carry out resident engagement through trusted local actors such as local authorities and community groups.
- Utilise local networks to promote the services offered and gain access to householders – this is particularly important in rural and more deprived urban areas.
- Make sure private landlords are engaged in schemes.

Securing take-up

- Have a clear and specific scheme offer.

- Offer free energy efficiency measures for low-income households.
- Consider offering other support, such as income maximisation advice, alongside measures.
- Take a whole-house approach, for example, reward proactive property owners.
- Make sure there is flexibility and freedom to provide a package of measures and solutions tailored to the stock and households in question.
- Address administrative barriers such as multiple ownership.
- Plan for additional and unanticipated works and variations.

Sustaining take-up

- Take-up will be greater where the customer journey has fewer 'steps' (separate interactions) and involves fewer separate partners (such as scheme promoters, managers and installers); and when the scheme includes partners with direct experience of working together and delivering similar schemes.
- Provide ongoing support to residents throughout the scheme, for example assessments, form filling, explanation of works being carried out, minimising disruption.
- Liaise with social and private landlords on behalf of residents.
- Provide related advice by, and cross referrals between, relevant frontline staff and community groups regarding (a) energy behaviours including use and maintenance of technologies (b) maximising income through switching energy tariffs, benefits, jobs advice and training (c) advice on health and safety.
- Offer participatory behaviour change programmes, such as training or action learning groups, in order to build understanding of energy technologies and behaviours.

6 Partners, networks, management and delivery

The review considers the practical implementation of schemes, including the involvement of partners. It addresses management and time, supporting local projects, assessing community capacity, roles and personnel, procurement and legacy. The main issues identified relate to capacity, capability, and connections (even including charisma) of the actors involved in delivering schemes locally. The review suggests it is important to build capacity, particularly in areas that have not been active in the delivery of energy efficiency and fuel poverty services.

The review suggests the following guidelines:

Partnership working

- Use local partnership or multi-agency approaches to coordinate delivery.
- Identify clear roles and responsibilities for each partner.
- Identify key people and convince them of why a locally led approach is worthwhile at an early stage.
- Build on existing relationships to facilitate the development of proposals.

Local authorities and registered social landlords

- Giving a central role to local authorities can generate additional funding and further benefits such as in-kind contributions, and endorsement and promotion of the scheme. Local authority expertise can also make sure areas and households needing help are effectively targeted.
- Engage with multiple landlords if the social housing in the area is owned by several housing associations.
- Draw on expertise within local authority and registered social landlord partners, such as project management, energy efficiency expertise, construction knowledge and experience, and tenant liaison skills.
- Registered social landlords can potentially provide support to private sector households, particularly those living in homes close to their properties.

Community organisations

- Partner with existing community organisations – local knowledge helps make sure schemes and messages are relevant to property types and householders.
- Link with services offered by local organisations to strengthen the support offered to households and the effective dissemination of information.
- Use incentives to involve wider community groups – this can help secure interest from parts of the community otherwise hard to engage.
- Allocate appropriate time and resources to make sure community groups are comfortable with endorsing the scheme. Consider the training needs of volunteers.
- Involve community groups from the outset. This will help make sure measures are suitable for households, increase participation, ensure promotional material is tailored to the residents of certain areas, and provide local and trusted assessors.
- Build in flexibility, to encompass the many varied skills and contributions that local, particularly community-led, organisations can make to local delivery.

7 Monitoring and evaluation

The review considers the different evaluation criteria that may be used by schemes and explores the capacity and resources required for monitoring and evaluation. The Monitoring and Evaluation for Sustainable Communities project recommended national scale co-ordination of monitoring and evaluation and the aggregation of data on impacts, both regionally and nationally.¹¹ It is important that monitoring and evaluation are built in at the start of scheme design. Area-based approaches offer particular challenges and opportunities, but many deliver additional benefits such as community cohesion and capacity building.

If scheme objectives stress the multiple benefits of energy efficiency, then metrics are required to measure each of these, for example, employment, health, community cohesion and comfort. Data may need to be collected from multiple partners, areas and scales, so it is important that clear data gathering processes are established and shared between partners from an early stage.

The review suggests the following lessons:

- Plan monitoring and evaluation from the beginning of the scheme, drawing on community and partners' inputs.
- Ensure consistency in monitoring across areas, for example, through national-level oversight.
- Provide resources and other support to enable partners to participate in evaluation.

8 Conclusion

The literature review informs and guides the rest of the research project, including data collection through surveys, interviews and workshops. The issues raised in this review formed the basis for topic guides and question plans, which enabled the project team to gather rich, experience-based data to complement the information presented here. The lessons drawn from the review feed into the development of models for the local delivery of energy efficiency and fuel poverty schemes.

¹¹ (Hobson, Hamilton, and Mayne 2013)

References

- Bradley, William, and Peter Smith. 2012. *The Warm-Up*. London: Demos.
http://www.demos.co.uk/files/The_Warm-Up_-_web.pdf?1332860609.
- Energy Action Scotland. 2015. *Reaching the Target to End Fuel Poverty by 2016*. Glasgow: Energy Action Scotland. Accessed January 24.
<http://www.theclaymoreproject.com/uploads/associate/365/file/EAS%20Publications/Reaching%20the%20Target%20to%20End%20Fuel%20Poverty%20by%202016.pdf>.
- EST. 2011. *Area Based Approach - Best Practice Guide*. London: Energy Saving Trust.
<http://www.energysavingtrust.org.uk/content/download/2775/64282/version/1/file/ABA+Best+Practice+Guide.pdf>.
- Hobson, Kersty, Jo Hamilton, and Ruth Mayne. 2013. "Monitoring and Evaluation for Sustainable Communities: Project Summary Report." Research project. *Monitoring and Evaluation for Sustainable Communities*.
http://www.geog.ox.ac.uk/research/technologies/projects/monitoringandevaluation/monitoringandevaluation_HEIF_summary_report.pdf.
- Ipsos MORI, CAG Consultants, UCL, and EST. 2014. *Evaluation of the Carbon Emissions Reduction Target and Community Energy Saving Programme*. London: Department of Energy & Climate Change.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/350722/CERT_CESP_Evaluation_FINAL_Report.pdf.
- Liddell, Christine, and Susan Lagdon. 2013. *Tackling Fuel Poverty in Northern Ireland: An Area-Based Approach to Finding Households Most in Need*. Belfast: Office of the First Minister and Deputy First Minister. <http://www.ofmdfmi.gov.uk/tackling-fuel-poverty-in-ni-liddell-lagdon.pdf>.
- Platt, Reg, Jan Rosenow, and Brooke Flanagan. 2012. *Energy Efficiency: Who Pays and Who Benefits?*. London: Institute for Public Policy Research.
http://www.ippr.org/assets/media/images/media/files/publication/2012/12/energy-efficiency-whopays-whobenefits_Dec2012_10051.pdf.
- Spicker, Paul. 2002. *Poverty and the Welfare State. Dispelling the Myths*. London: Catalyst.
- Sustainable Development Commission. 2010. *The Future Is Local - Empowering Communities to Improve Their Neighbourhoods*. London: Sustainable Development Commission. http://www.sd-commission.org.uk/data/files/publications/SDC_TFiL_report_w.pdf.
- UKGBC, and Zero Carbon Hub. 2010. *Sustainable Community Infrastructure*. London: UK Green Building Council. http://www.ukgbc.org/sites/files/ukgbc/private/documents/UK-GBC_Legal%20Frameworks%20SEI_Report_Final.pdf.
- Walker, Ryan, Paul McKenzie, Christine Liddell, and Chris Morris. 2012. "Area-Based Targeting of Fuel Poverty in Northern Ireland: An Evidenced-Based Approach." *Applied Geography* 34 (May): 639–49. doi:10.1016/j.apgeog.2012.04.002.