



Chief Executive's Department for

# **Jigsaw Rewards Scrutiny Panel**

## **Energy Efficient Homes: Group Report**

12 February 2019

## Subject: Energy Efficient Homes

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## Scrutiny Review: Energy Efficient Homes Group Report

### The Project

Jigsaw West - “Increase energy efficiency of existing homes. We aim to reduce the number of properties whose energy efficiency rating is below D to 0 by 2018”.

Jigsaw East and South – “Fuel effective homes – the impact of fuel poverty”.

### Introduction

Separate scrutiny panels were set up for Jigsaw West (Adactus, Beech and Chorley), Jigsaw East (New Charter and Aksa) and Jigsaw South (Gedling). West scrutiny panel focussed on increasing energy efficiency of existing homes while East and South scrutiny panels focussed on supporting customers and the impact of fuel poverty.

Jigsaw South scrutiny panel disbanded shortly after the scoping meeting therefore their scrutiny review was discontinued and this report amalgamates the findings of East and West scrutiny panels. Recommendations made by the East scrutiny panel will also apply to South (Gedling).

### Background

The Government’s Clean Growth Strategy target is to ensure that as many fuel poor households as is reasonably practicable achieve a minimum SAP rating of band C by 2030 with interim targets of band E by 2020; and D by 2025. The Standard Assessment Procedure (SAP) is the Government’s recommended system for assessing and comparing the energy and environmental performance of a property. The assessment gives each property a SAP rating between A to G (A being very efficient and G very inefficient), similar to those already seen on white goods. The rating is based on factors such as the age of the property, construction, heating, lighting, and insulation and the results are produced on an Energy Performance Certificate (EPC).

The Government’s definition of fuel poverty is “a household with required fuel costs that are above average (national median level) and if they spent that amount, their remaining income would leave them below the official poverty line”.

The latest official fuel poverty statistics (based on 2016 data) report that approximately 2.55 million households are in fuel poverty in England; this represents 11.1% of the population. Levels of poverty amongst people living in rented housing are generally higher than in other tenures.

## What we wanted to know

- Was the target to reduce the number of properties below SAP band D rating achieved for Jigsaw West properties?
- What measures were carried out to improve the energy efficiency of Jigsaw West properties with below band D rating?
- What happens to difficult to improve properties (West)?
- How effective is the energy efficiency information provided to Jigsaw West customers?
- Are Jigsaw East/South customers confident to get the best energy deal?
- What else could be done to support Jigsaw East/South customers to reduce their energy costs?

## What we looked at

- Improvements to increase energy efficiency (West).
- Funding arrangements for energy efficiency improvements (West).
- Availability of energy efficiency information/advice (West).
- Scrutiny panel survey results on energy efficiency.
- Energy efficiency information available on Jigsaw Group websites.

## What we found

### 1. SAP assessments (West)

- SAP assessments are carried out by an external contractor on properties that become void and not had a survey in the last five years. The assessment has not been brought inhouse as staff do not have the necessary qualification to carry out an assessment, or the specialist equipment/software required to produce an energy performance certificate.
- West SAP ratings are recorded onto their property database known as 'Integrator'.
- An Energy Performance Certificate highlights two key areas about a property:
  - How much the home would cost to heat and power the property (depending on the lifestyle of the resident).
  - The environmental impact rating – (based on how much carbon dioxide is released into the environment because of the home).
- The energy performance certificate also includes details of potential savings that could be made if energy efficiency improvements were made namely; cavity wall insulation, using low energy lighting, using thermostatic valves on radiators, loft insulation, double glazed windows and fitting condensing boilers.
- All prospective tenants are provided with a copy of an Energy Performance Certificate at sign up to inform them of the energy efficiency performance of the property. This enables them to make an informed decision on whether or not to accept the property based on the estimated running costs.
- An Energy Performance Certificate is valid for ten years. There is no requirement to update an expired certificate while the property is tenanted; they are assessed when the property becomes vacant. At present there is no plan to update expired assessments for tenanted properties.

## 2. Properties below SAP D (West)

- The target was to reduce the number of properties with a below band D energy efficiency rating to 0 by 2018. The number of properties below band D when the target was set in 2015 was 280. At 12 March 2018, 133 of the 280 properties had received energy efficiency improvements and increased their rating above band D leaving 147 properties below band D. During 2018/19 a further 35 properties will benefit from improvements and therefore reduce the total number of properties below band D to 112. In line with the new Jigsaw Asset Management Strategy these properties will be improved to above band D by 2021.
- A review of the 147 properties below SAP D revealed only 4 properties fell within band F (21-38) and 143 properties within band E (39-54).
- All properties currently with a below SAP D rating have the potential to improve their rating following improvements. Properties that cannot achieve a band D will be sold although it is not envisaged there will be any property that falls within this category.
- Before a property can be sold, permission to sell must be sought from the local authority. Some local authorities place a selling restriction on properties for example:
  - Chorley properties may only be sold to other registered providers.
  - Manchester properties must first be offered to other registered providers in the area before they may be placed for sale on the open market.
  - Preston Council places a condition that the buyer will not be eligible to apply for an improvement grant or a loan for a period of ten years and requires that the property is brought back into occupation within twelve months of the completion date.

## 3. Funding

- Asset Management has an ECO Investment budget of £100k to upgrade properties below SAP D rating over three years. This budget is in addition to the Asset Management repairs maintenance budget.
- Many of the energy saving measures have been funded through Central Government funding sources, such as Energy Company Obligation (ECO) and Sustainable Homes Index For Tomorrow (SHIFT) which looks at fuel poverty, carbon emissions and measures the environmental work of organisations; New Charter was awarded a Gold Standard accreditation in November 2018, and Carbon Literacy Project (CLP) that looks at how to reduce carbon foot print. The CLP also has a sub group that looks at different energy carbon reduction methods; Adactus was awarded a bronze accreditation.
- Asset Management actively research grant schemes and are in negotiations with Dysons regarding grant funding for cavity and loft insulation and with EES Energy Services regarding grant funding for solar schemes and community energy deals.

## 4. Energy Efficiency Improvements (West)

### a. Loft insulation

- Where a SAP assessment identifies that a property requires loft insulation, or a top up of insulation to meet the minimum standard requirement of 270mm, the contractor has instruction to install this while at the property. Loft insulation is a simple and one of the most effective ways to reduce heat loss and reduce heating bills and is effective for around forty

years. Since 1 April 2018, eight properties below SAP D had loft insulation installed/renewed and twenty-five properties are scheduled for loft installation by 31 March 2019.

- Operatives do not inspect a void property to determine if it has suitable loft insulation.

#### **b. Solid/Cavity walls**

- Not all properties have cavity walls, particularly those built before mid 1930 that are constructed with a solid wall, and therefore they are not suitable for cavity wall insulation. Solid walls let through twice as much heat as cavity walls do and are more difficult and expensive to insulate than newer cavity walls; they can be insulated either internally or externally:
  - Internal wall insulation usually involves fitting insulation boards or building a stud wall filled with insulation; this type of insulation can be very disruptive to the resident and can result in loss of floor space. Internal insulation cost can range between £3,500 and £14,500 as per Energy Saving Trust.
  - External insulation is added by fitting insulation to the outside wall and covering it with render or cladding. The cost of external solid wall insulation can range between £8,000 and £22,000 according to the Energy Saving Trust.
- A number of solid wall properties have been improved with external cladding.

#### **c. Electric storage heaters**

- Six properties that are below SAP band D rating and whose heating source is electric storage heaters have been added to the electric heaters upgrade programme. At 7 December 2018, five of the properties had been upgraded with new energy efficient storage heaters. The intention is to upgrade electric storage heaters with energy efficient ones when they next become due for replacement. The replacement cycle for electric storage heaters is 25 years.
- It is not feasible to replace all existing electric storage heaters with a gas central heating system; some residents may prefer this type of heating and/or it may be the only heating option available as properties in certain areas are 'off grid' (there is no mains gas supply in the area). If mains gas supply were to become available at a scheme, the Association would undertake a full appraisal to determine if it would be beneficial to all concerned to install gas central heating.

#### **d. Boilers**

- One of the biggest improvements in energy efficiency will come from installing a new condensing gas boiler and heating controls. For a boiler to be replaced it must have reached the end of its useful life and be beyond economic repair. The life expectancy of a boiler is approximately fifteen years.
- Condensing boilers were introduced in April 2005 and after this date non-condensing boilers could not be fitted. 323 new condensing boilers were fitted between 1 April 2018 and 31 October 2018.
- All properties with a back boiler were targeted for replacement with a condensing boiler a number of years ago. There are 43 properties remaining that have a back boiler due to

residents' refusal to have the work done. These boilers will be replaced when the properties become vacant.

#### **e. Communal Lighting**

- Communal lighting in blocks of flats and schemes is operated by sensors or a timer clock that can be adjusted for winter/summer settings. Sheltered schemes that have undergone recent refurbishment are fitted with sensor lights that activate when motion is detected. Generally, the length of time lights remain activated can be adjusted however, at present they are not checked to determine whether a maximum/minimum period was set at installation.

#### **f. Solar panel/eco showers**

- Consideration is being given to installing solar panels to high and low rise blocks of flats and also to sheltered accommodation as part of the new Asset Management Strategy. However, the view is it may not be feasible to install solar panels to high rise blocks of flats due to the available space compared with benefit. Installation is also dependant on a number of factors such as; the general condition of the roof (it may be unable to support the weight of the panels), and whether the property is south or south west facing in order to receive full benefit of the sun's rays.
- At Jigsaw East (New Charter Homes), over 2,500 properties have benefitted from photo voltaic solar panels that help reduce fuel costs.
- An Eco shower works by restricting the volume of water flowing through the shower head. They are not suitable if the shower is electric or it has a very low pressure. There are currently no plans to install eco showers; bathroom upgrades are fitted with an electric shower.

#### **g. Windows**

- Properties with single glazed timber windows were replaced with UPVC double glazed windows as part of a window replacement programme. 229 homes were upgraded with UPVC double glazed windows between 1 April and 30 November 2018.

#### **h. Customer satisfaction**

- Customer satisfaction is gathered for all planned maintenance work and not specifically for energy efficiency related improvements; therefore it was difficult to gauge the satisfaction rate for energy improvements.

#### **i. Informing customers**

- Residents will be informed by letter of impending improvement works for example, boiler replacement or new windows. Generally, a programme of work detailing what components will be replaced at which properties is placed on the Association's website. However, the website had not been updated with the new programme of works; it shows the one for 2015/16.

## 5. Energy information

### a. Contact Centre (West)

- The energy efficiency script guides contact centre staff on how to deal with requests for energy advice. It covers topics on energy advice visits, operating heating controls, saving energy on bills, eligibility of energy grants, smart meters, and switching energy suppliers.
- In most cases the script advises staff to raise a 'call back' with an energy advisor. It refers staff to a structure chart to enable a callback be directed to the appropriate person however, the structure chart is out of date and contains names of former employees.
- Residents seeking assistance with switching energy supplier will be referred to the Adactus website for a comparison tool and a callback will be raised with an energy advisor.
- It is permissible for residents to have a smart meter fitted in their home if a supplier can install it without making alterations for example, to pipework. Residents will be responsible for paying any associated installation costs.

### b. Jigsaw Websites

- East scrutiny panel members volunteered to 'mystery shop' each of the Jigsaw Group websites. Whilst recognising there would be some regional variations they found there was no consistency in the information provided.
- Both New Charter Homes and Aksa Homes publish a leaflet produced in conjunction with Action for Sustainable Living. Although the leaflet includes some useful information, it was first published in 2013 and some of the figures quoted and schemes referenced are no longer current.
- New Charter Homes, Gedling Homes and Aksa Homes provide information on how to source cheaper gas and electricity.
- New Charter Homes includes a link to a 'You Tube' video containing practical tips and advice; this link does not appear on the other Jigsaw websites.
- Adactus, Beach and Chorley Housing websites were reviewed by both East and West scrutiny panels. All three websites offer links to the same page providing comprehensive advice about:
  - General information and energy saving tips on gas, water and electricity for example, switching off lights, or reducing the thermostat by one degree.
  - Videos on how to read an electric meter and general information on saving energy in the kitchen.
  - A comparison service 'Billscutter' that compares energy prices from leading energy suppliers based on information provided that could save users money by switching energy supplier.
  - Charitable trusts that can help clear debt with a supplier and how to apply for a 'Warm Homes Discount' that offers a 'one off' discount on electricity bills.

## 6. What Energy Saving Schemes are available to customers? (East)

- Jigsaw East (New Charter) work with Warm Front to enable residents in Tameside to benefit from Government supported insulation schemes. Before commencing work Warm Front will send a letter to residents to advise them of the impending work. A review of the letter



revealed it was printed on New Charter letterhead paper and contained out of date contact information.

- Other Local Authority funded schemes available are:
  - Warm Home Oldham.
  - LEAP (Local Energy Advice Partnership) Nationwide.
  - Warm Homes on Prescription (Gedling).

All the above provide a similar service to help local residents (subject to eligibility) with energy saving measures such as insulation, LED light bulbs and draught proofing.

## 7. Energy Advice Service (West)

- A free Energy Advice Service was set up in November 2015 to tackle fuel poverty and to ensure residents are able to heat their homes adequately and affordably. This service is promoted via the website and is available for residents to get one-to-one energy efficiency advice in their homes. It includes help and advice on how to use heating controls effectively, reducing energy usage, switching energy supplier for a cheaper tariff, as well as other low cost measures residents can take themselves such as; using energy efficiency light bulbs, timer plugs for chargers and draught excluders for internal doors.
- Since the energy advice service was introduced in 2015, 158 energy advice visits were carried out to residents' homes. General energy advice was provided to a further 930 residents through information sharing at 26 sheltered scheme coffee mornings.
- Referrals to the energy advice service were mostly self referrals from residents following promotion of the service. Other referrals were made from the following departments; ASB, Asset Management, Finance (Money Advice), Supported, Sheltered, Contact Centre and Internal Affairs.
- 66 members of staff received energy advice training. Staff will give energy advice that is relevant to their role for example, letting officers will assist new tenants to read their meters, gas engineers will show residents how to use their heating controls and money advisors will deliver advice on how to pay bills and apply for grants to clear debts.
- An evaluation of the energy advice service for the period 1 April 2017 to 31 March 2018 revealed the take up for home visits was low with only nine visits. However, all nine residents were given information that was new to them and following the visit their situation improved; four residents saved money due to the service.
- All nine residents were satisfied with the service; three rated the service as 'good' and seven as 'very good'.

## 8. New Tenant Information packs (West)

- The 'New Tenant Information Pack' contains a list of general telephone numbers such as gas and electricity grid, United Utilities, Citizens Advice Bureaux, Warm Front (energy grants) and debt advice. However, it does not include a contact number for the Group's free Energy Advice Service.
- The Responsive Repairs Responsibility list states the bleeding of radiators is tenant responsibility however, information or guidance is not provided on how to do this and the Group does not offer a radiator venting service. The decision not to provide guidance was

made a number of years ago due to a potential of leaks by bleeding/venting that could be caused by not tightening the vent screw sufficiently or dropping the vent screw. Also, it is considered that radiators should not need to be vented often and if they do it could be a sign of underlying issues that need addressing by a heating engineer.

## 9. Scrutiny survey results

- Two surveys were commissioned via Jigsaw Rewards; one by East scrutiny panel and one by West scrutiny panel. Both surveys were very similar in content to establish what residents thought about energy efficiency of their homes. 183 residents participated from across different regions living in different types of dwellings; 95 West residents and 88 East residents (including 9 Gedling and 2 Akxa customers). Their responses are as follows:
  - Most participants said they had double glazed windows and doors.
  - Participants felt they were losing the most heat from their doors and windows.
  - West participants felt they lost the least heat from their floors and roof. This varied by construction type and by the age of the property. Those in flats felt they lost the least heat whereas those in older properties felt they lost the most heat.
  - Only one third of all participants knew whether or not they had cavity wall insulation whereas over half knew whether or not they had loft insulation.
  - Almost half of West participants said they were satisfied that everything had been done to make their home energy efficient. This was higher for those in newer properties (92% in homes that are less than 10 years old).
  - One third of all participants said they had not been shown how to use their heating controls and this was no lower in newer tenants.
  - Above 50% of East participants said they have a 'smart meter'. One third said they have a prepayment meter which is normally the most expensive method and often includes a debt recovery arrangement.
  - 20% of East participants said they have never changed their energy supplier.
  - 20% of East participants said they have solar panels.
  - West survey asked participants to read the energy efficiency information on the website (Adactus/Beech/Chorley) and comment on how useful they found it. Most responding (83%) said they found the information useful and made suggestions for other things they would find useful; mainly information on how to bleed radiators and how to set a thermostat.
- When asked what could be done to improve the energy efficiency of their homes, comments include:
  - "Better fitting front and back doors".
  - "Double or triple glazed windows".
  - "Timing plugs to reduce energy waste from appliances".
  - "Draft excluders fitted to doors".
  - "Thicker curtains. More central heating. Triple glazing for windows".
  - "Having regular checks on homes ensuring we are energy efficient and educating tenants on best practices for staying warm".
  - "Check whether or not the radiators are working as efficiently as they should be".

- “Solar heating, better insulation around letterbox or new letterbox with a spring to stop it opening when windy ... install window shutters like they have in Germany, Holland, France, etc.”
- “Replace windows with newer triple glazed ones. Cavity wall insulation. New front and back doors with better seals making them more draught proof”.
- “My flat is super efficient I just can't get my head around it! I love it and I hardly use heaters even in winter.....”
- East customers were asked what else they would like to see in the energy efficiency area of their website; the most popular answer was energy saving tips followed by reducing dampness and condensation and where to find help and advice about energy.

### What we liked

- New tenants are provided with an Energy Performance Certificate for their property.
- External funding secured for energy efficiency improvement.
- New Charter received a gold standard accreditation from SHIFT for environmental sustainability.
- Adactus was awarded a bronze accreditation for energy carbon reduction by Carbon Literacy Project.
- Contractors instructed to install/top-up loft insulation where necessary while at a property undertaking a SAP assessment (West).
- New Charter partnership with Warm Front to enable customers to benefit from insulation schemes.
- Solid wall properties had external cladding fitted to improve their energy efficiency (West).
- Replacement of old electric storage heaters in West properties with energy efficient storage heaters.
- Consideration being given to install solar panels to Jigsaw West blocks of flats.
- West properties with back boilers were targeted and replaced with condensing boilers.
- West properties with single glazed windows were upgraded with UPVC double glazed windows.
- West Sheltered schemes when refurbished were upgraded with a sensor lighting system.
- Availability of general energy efficiency advice including how to get out of fuel debt.
- Jigsaw West’s Free Energy Advice Service.

### What concerned us?

- Failure to meet the target to reduce the number of West properties to below band D by 2018.
- The New Tenant Information Pack omits details of the (Jigsaw West) Free Energy Advice Service.
- Void operatives at Jigsaw West do not inspect void properties for suitability of loft insulation.
- A number of Jigsaw West residents refused an upgrade to their back boiler.
- Although Jigsaw West’s Responsive Repairs Responsibilities states bleeding radiators is tenant responsibility no guidance/advice is provided on how to do this.

- Up to date information on impending improvement work is not available on the Group's website.
- No checks are completed to ensure the timer clock/sensor operating communal lights in Jigsaw West blocks of flats/schemes is set at an appropriate level.
- Inconsistent energy efficiency advice given across the Jigsaw websites.
- Out of date information provided in the Warm Front letter to East residents.

## Recommendations

1. Include information on the energy advice service in Jigsaw West's New Tenant Pack.
2. Revise the energy efficiency contact centre script at Jigsaw West to include staffing changes.
3. Update the Group's website with details of the current programme of works.
4. Carry out a check to determine if a void property with a valid energy performance certificate has sufficient loft insulation (West).
5. Review the energy efficiency information held on Jigsaw East & South's websites to ensure consistent advice and information is provided.
6. Make a copy of the recent EPC available to download from the Customer Hub.
7. Remind residents, as winter approaches of energy saving practices, how to stay warm in the winter months, and the availability of the free energy advice service at Jigsaw West.
8. Make use of the annual gas service/safety checks to deliver information leaflets about LEAP and other local energy saving schemes available for Jigsaw East customers.
9. Promote LEAP and other local energy saving schemes using notice boards within communal areas, Home and Community Hubs, and within the Neighbourhood Engagement roles at Jigsaw East.
10. Consideration be given to offer advice/guidance to residents on how to safely and effectively bleed radiators.
11. Ensure up to date information is provided by Warm Front in their letter to Jigsaw East customers.
12. Remind residents how to use their heating controls when carrying out an annual gas service.
13. Review lighting arrangements in Jigsaw West blocks of flats/schemes (timing clock/sensors) to ensure operating times are set at an appropriate level.

## Glossary

- SAP – the standard assessment procedure used to measure the overall energy efficiency of a home.
- EPC – energy performance certificate produced following an energy efficiency survey.
- Integrator – the database containing SAP information on Jigsaw (West) properties.

## Appendix

### Staff Interviews

The following interviews were carried out with staff:

Name	Role	Date interviewed	Topics covered
Michael Sinnott	Assistant Director of Asset Management	26/10/18 17/12/18	Energy improvement works ECO Funding Solar panels Storage heaters Communal lighting
Stephen Fryer	Planned Programmer	31/10/18	SAP ratings SAP assessments Integrator database Properties below SAP D
Dean Wall	Voids & Lettings Manager	5/11/18 26/11/18	Voids loft insulation check New tenant information pack EPC
Michelle Nuttall	Programme Co-ordinator	6/11/18	Boiler replacements
Lloyd Stephenson	Performance Manager – Gas	6/11/18	Boiler replacements Properties with old style boilers
Natalie Twomey	Environmental Changes Manager	8/11/18	Energy advice Home visits referrals
Karen Hewitt	Property Sales Co-ordinator	7/12/18	Property sales
Marcia Stock	Head of Retirement Living	17/12/18	Communal lighting

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N. Leftwich

Jennifer Livesey

Michael McDonagh

C. Murray

Dot Shepherd

Gordon Turner

J. Quinn

### Staff

Ryan Hague

Stephen Watts