

The Health of the Nation: analysis of cost effectiveness and success factors in health-related fuel poverty schemes

Research Summary

This research aimed to contribute to an evidence base on health-related fuel poverty schemes which can inform both policy and practice. Provision of local support is not universal, and schemes are limited in how many households they can support because of constrained resources. Most schemes operate with less than 1 FTE and many have faced issues around stop-start in policy and funding. Continuity builds both trust and scale.

Background

Fuel poverty is a complex issue based on the interplay of household income, energy prices and the energy requirements of a household.

Some aspects of fuel poverty are inherently local and many local authorities, and others, have recognised this. Local support services for those in fuel poverty have been part of the solution for some time. Nonetheless, provision of local referral schemes is patchy across the country. Even where schemes exist, it is difficult for them to accurately target support to those who are in fuel poverty and to monitor the effectiveness of interventions.

The broad cuts required of local authorities and the limitations they have in raising additional revenue mean local resources for scheme delivery are being squeezed. This research sought to shed light on costs which are usually invisible, and therefore offers insights for local fuel poverty scheme commissioners and managers to assess how best to deploy the resources they do have.

Research aims and methodology

The research aimed to:

- Develop an evidence base for cost-effective referrals into health-related fuel poverty schemes
- Help improve both the effectiveness and the cost effectiveness of current and future schemes
- Analyse referral routes and processes to identify factors which indicate where referral routes are more successful
- Use the evidence base to inform policy development, national funding scheme design and project development and delivery.

The methodology incorporated:

Literature review: identifying over 240 local fuel poverty schemes around the UK and conducting a review of the policy drivers and performance indicators which encourage action on fuel poverty.

Research with health-related fuel poverty scheme providers: online surveys and semi-structured interviews, augmented by evaluation reports, financial information and publicity materials provided by scheme managers, thinktanks and campaigners in the fuel poverty sector.

Referral organisations research: an online survey issued to networks of charities and health practitioners.

Analysis: data was analysed through a process of coding responses to identify areas of commonality or difference. Survey findings and emerging themes were tested during the interviews. An extensive cross-referencing exercise was conducted to assess relationships between different factors. The cost analysis cross-matched varying data to allow for calculations and comparisons.

Stakeholder workshop: a discussion of initial findings with policymakers, influencers, scheme managers and others to gather views on their implications for policy and projects.

Findings

Scheme objectives and focus

Schemes tend to combine multiple objectives, often reducing fuel poverty and improving health. Schemes were more focused on the health and social outcomes of interventions rather than carbon reductions.

Schemes draw on a variety of local strategies to inform their objectives, but there is significant variation in how this is done.

Duration

Schemes that are sustained usually manage to offer a basic level of service, supplemented as other funding becomes available or by creatively patching together services offered by different local organisations.

Fear of stop/start is very real and can deter managers from projects that take time to build.

Scale

Some local schemes are operating at scale. All but four of the schemes in our sample

generate over 200 referrals per annum. Over a quarter of the schemes in our research were achieving 800+ referrals each year.

The limiting factor in relation to size seems to be about managing scarce resources, rather than an inability of organisations to reach those in need.

Targeting

Most schemes are targeted towards households based on specific criteria. This is most commonly a combination of health and income criteria.

No schemes were specifically using the Low Income High Costs or 10% definitions to target households, although some were using these retroactively for monitoring purposes.

Many schemes allow their staff some flexibility and discretion when dealing with individual household circumstances. This means that people in need do not miss out, even if they are not technically in fuel poverty.

Services

Schemes are able to offer a range of services. Three quarters of the schemes studied offered more than eight services to households.

Most schemes have some element of “tiered” service, with different offers available based on different eligibility criteria or in response to a fluctuating level of funding.

Referral networks

There appear to be four main models of referral network based on the main source of referrals received: public sector led; health led; charity and voluntary sector led; or referrals mostly received from individuals.

Setting up referral networks is the most time-intensive element of developing a scheme.

Stop-start conditions jeopardise the ability of scheme providers to sustain relationships with referral partners and damage trust.

Quality

Good quality referrals tend to come from partners who are used to operating with referral systems and so have a familiarity with the process.

Good quality referrals also tend to come from partners who spend more time with the resident, particularly in their home.

Monitoring

Schemes find it easier to monitor activity and outputs rather than outcomes.

Most schemes were not specifically monitoring whether a resident was taken out of fuel poverty as a result of an intervention. Rather they were monitoring based on proxy indicators (eg, presumed savings from switching supplier).

Health and wellbeing questionnaires were a common method of evaluation, often issued both before and after interventions. Only a small number of schemes were looking at longer term evaluation of health outcomes.

Staffing

Schemes are achieving a lot with limited resource, but they are often having to repeat the same activities as a result of stop-start funding and policy conditions.

More than half of schemes in the survey had less than 1 full-time equivalent (FTE). Most schemes had fewer than 2 FTE staff.

Costs

Schemes which have been running for less than a year typically have a smaller budget

than those that have been running for longer (5 years or more).

Costs per customer vary significantly in the 200-400 referral range but become more settled once schemes are achieving 600+ referrals.

A benchmark cost per customer of £100-£150 was suggested by our research; this includes the cost of providing advice services to households, but not the cost of energy efficiency measures. This is the first time this benchmark has been calculate; it should only be used with caution due to limitations with the data set.

Funding

Schemes are reaching a significant number of householders but can only fund a limited number of energy efficiency measures.

Fuel poverty and carbon reduction targets become more challenging and costly to meet because of missed opportunities to insulate homes having identified people in need.

Referring organisations

Organisations value a variety of services, particularly the provision of advice which creates agency for the resident.

Referral partners place a higher value on inputting into how the scheme works than on receiving feedback on specific referrals.

Conclusions

Continuity of schemes helps create stronger referral networks. Referral networks work best where there is trust in the scheme. Networks can be flexible over time, enabling the scheme to refocus eligibility within the same referral network as funding or policy change.

A broad referral network means that schemes should be better able to generate more referrals, respond to new opportunities and remain resilient against changes.

Referral partners value variety in terms of the offer, because it makes it more likely that a scheme is going to have a service that can benefit their client group.

Schemes are reaching people in need but, without additional funding, they are limited in the support they can provide. There is a need to move away from 'low hanging fruit' to find policy routes which will offer more detailed support for fuel poor households.

Fluctuations in funding for energy efficiency measures mean that households need to be re-identified should funding become available. The current approach focuses on the cost of an individual measure, rather than on the full cost of delivery per household. Were the latter approach taken, this would highlight the cost per home of targeting and outreach, and could help drive a more strategic, cost-effective approach to increasing energy efficiency and addressing fuel poverty.

Small schemes are managing to operate effectively but are under increasing resource pressure. Putting in place a base-level scheme which can operate with less than 1 FTE and link in to other support services seems to be a good way to protect options. This provides a base on which a scheme can expand and contract subject to resources and funding.

The level of fuel poverty in an area is not the limiting factor when it comes to size of project; rather the issue is the lack of resources.

Monitoring and evaluation tend to be the elements which are cut from schemes. This

has a longer term impact as schemes are less able to demonstrate their value.

Improved data sharing and the ability to access follow-up information would help to provide evidence for the efficacy of schemes.

A large amount of costs are getting passed around the public sector, principally from the health sector to others. A better cost-benefit analysis of the benefits of local fuel poverty schemes is needed to try and drive meaningful NHS engagement with them.

The lack of a clear statutory function in this area for local authorities acts as a constraint upon resources. This has a clear postcode lottery implication, further entrenched as organisations with resources are then better placed to bid for other sources of funding.

Project outputs

The full Health of the Nation research report and executive summary, along with guidance for fuel poverty scheme managers and policymakers, can be downloaded from www.eagacharitabletrust.org/health-nation-analysis-cost-effectiveness-success-factors-health-related-fuel-poverty-schemes/.

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