



Case Study

Argyll Community
Housing Association



Introduction

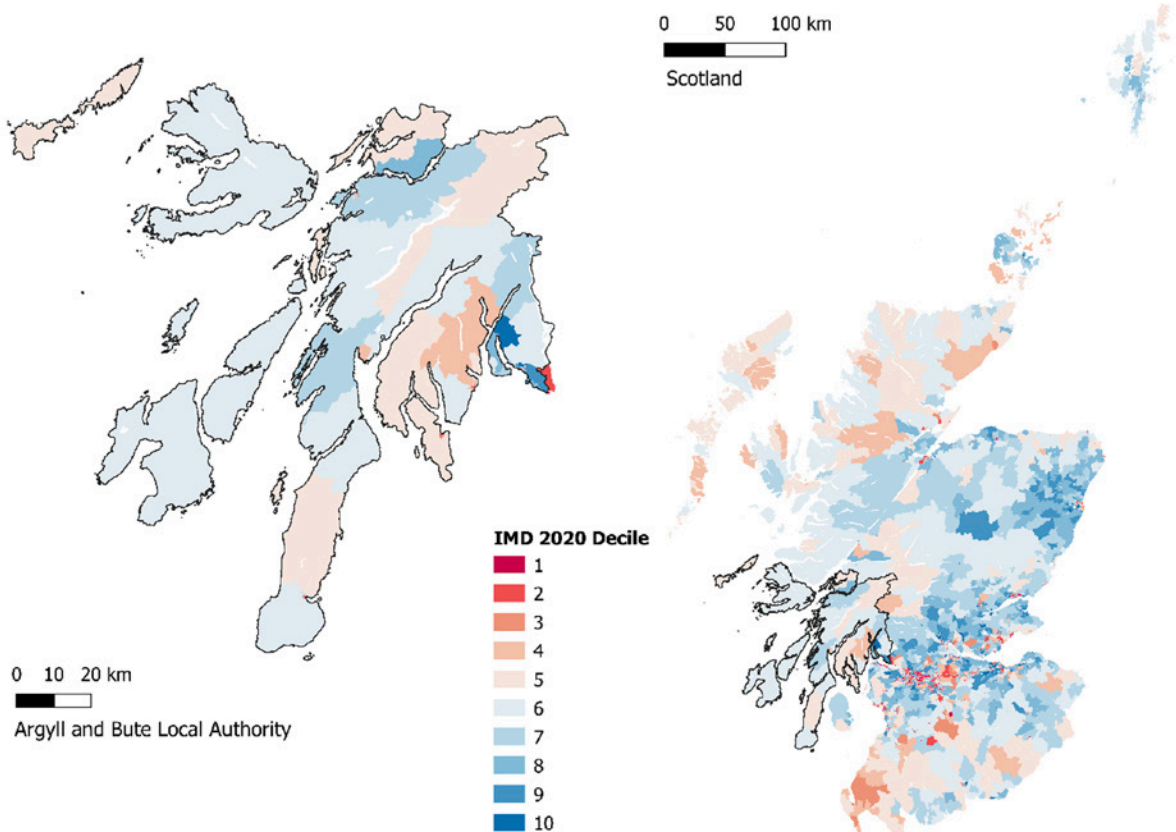
Argyll Community Housing Association (ACHA) is a Registered Social Landlord that provides more than 5,000 affordable homes for rent. It houses over 10% of the population of Argyll and Bute, and employs around 200 staff. ACHA was successful in a bid for Category 2 funding in Round 3 of the Warm Homes Fund, and delivered over 500 air source heat pumps to its properties over the course of the project. It was involved in several of the evaluation activities, including household questionnaire fieldwork, indoor environmental monitoring, and an interview with the evaluation team. The evaluation team also interviewed several of their beneficiaries to learn more about their experiences.

What were the aims and objectives?

ACHA's WHF project was focused on geographically specific issues affecting fuel poverty in Argyll and Bute. This region includes several small islands that have no gas infrastructure, and even in main towns such as Campbeltown and Oban, there is a limited gas network. As a result, expensive electrical heating is often the primary heating type for households across the area, including in ACHA's housing stock. The map below shows Argyll and Bute Local Authority broken down into its constituent

Index of Multiple Deprivation (IMD) deciles, showing a varied profile with pockets of high deprivation, especially in the east of the local authority..

The rurality and remoteness of many of ACHA's social housing properties was also described as a challenge, and intersected with broader issues related to fuel poverty – an ageing population, relatively low wage levels, and old, poorly insulated housing. In many ways, the challenges of retrofitting ACHA's social housing stock were the same as those faced by many WHF projects working in rural areas, although few were as remote as Islay, Arran or Mull.



Who did it involve?

Project delivery staff described the partnership and working relationship between ACHA and an energy company, SSE/OVO, as fundamental to the design and delivery of the project. Even after SSE was subsumed within OVO, they drove the development of the project and the initial bid for WHF funding, drawing on their track record and project delivery experience. Once funding was secured, OVO procured three contractors to conduct installations, and explained how they used strict standards and criteria to ensure contractors and other project delivery staff members had the requisite knowledge and experience to work in a remote, challenging area.

Home Energy Scotland also played a small but nonetheless significant role in the project. As the centralised organisation providing energy advice across Scotland, it would refer potentially suitable properties to ACHA, which would in turn refer them to OVO to begin their journey through the installation process. Beyond this, social housing properties that might be suitable for intervention were identified by ACHA through its analysis of pre-existing housing stock data – a process that led to the identification of approximately 1,000 homes that would benefit from a new heating system..

How was it funded?

In addition WHF funding, ACHA provided the necessary match funding from its own capital budgets. However, there were important pots of gap funding that ACHA and SSE were able to access to improve the installation experience for households. ACHA introduced a 'Disturbance Allowance' for remedial works, such as redecoration or the replacement of floorboards that were removed during the installation. For complex installations requiring a significant amount of work to the property, it funded beneficiaries to temporarily relocate to a suitable housing association property or hotel, to minimise the cost and disruption they would experience. Finally, and perhaps most importantly, ACHA provided an electricity costs allowance to support tenants who would be most at risk of struggling to pay the electricity bills associated with an air source heat pump. Through introducing these sources of funding, ACHA helped to curtail some of challenges experienced by

households that have been identified across the evaluation as a whole, such as remedial and aesthetic issues, the cost of electricity (especially after October 2021, when energy prices rose), and the disruption faced by some vulnerable households while their installation was taking place.

What were the impacts on households?

Findings from the evaluation show that:

- Before their installation, 73% of questionnaire respondents couldn't easily keep their whole homes warm. Afterwards, 83% of respondents said they now could.
- 87% of questionnaire respondents from ACHA said the temperature in their home is now more comfortable than it was before.
- Before their installation, energy modelling data shows that 98% of ACHA beneficiary households were likely to be living in fuel poverty. Afterwards, this likelihood fell to 56%, and the average fuel poverty gap for households defined as living in fuel poverty fell from an average of £383 to just £60.
- CO2 emissions dropped from an average of 2,160 kg/yr per household to an average of 1,043 kg/yr, demonstrating the environmental impact of replacing old, inefficient heating systems with air source heat pumps.

Who did it help?

The evaluation interviewed several ACHA tenants about their experiences, including Lily, Molly, and Margaret. Technically defined, these women were all living in fuel poverty prior to their intervention. Two were living in EPC D rated homes, one in an E rated home. Their modelled running costs varied; Lily's home had a modelled running cost of almost £2,700, while Molly and Margaret's homes cost nearly £2,000 to run. Their fuel poverty gaps were all well over £400.

All three tenants were using storage heaters to heat their home, and they all struggled at times to heat it to the level they needed. They *“weren't very good at keeping the house warm”*; as Lily said, *“I still had to use an electric heater, fire, in the sitting room.”* Molly also had issues with her immersion heater, which she would have to manage carefully to get hot water at the time she wanted. All three had experienced, or were worried about experiencing, problems with damp and mould because of the inadequacy of their storage heaters. Margaret remembered how *“every so often, [I'd] leave my wardrobe doors open”* and find spots of mould growing on her clothing; while Lily said she would frequently *“have concerns about whether the bathroom might be getting damp or whether there's any mould. There wasn't ever any mould, but I always felt that it was, you had to take care to keep it aired, keep windows open, keep the door open so that it didn't get kind of damp and mouldy.”*

Now, after their installations have taken place, their homes have been transformed. *“It's the warmest house I've ever had,”* said Lily. Margaret agreed, telling us that *“the difference is palpable. If it's cold outside, if I've been out and I come in, as soon as I open the inside door it's just lovely, the house is warm. You can feel that it's warm. It wasn't always like that before.”* Molly has hot water whenever she wants, and doesn't need to keep a close eye on her immersion heater anymore: *“This heating system is fine, it keeps it just right, you could have about three baths a day if you had to, if you had a bigger family or whatever.”* All three feel that they have a better level of control over their heating systems than they did before, whether they like to manually adjust the controls on their heat pump, or leave it to autonomously heat their homes.

The energy modelling data reflects these improvements. Molly's home has been lifted to an EPC C, taking her out of fuel poverty and reducing her running costs to just over £1,700, a decrease of approximately £1,000. Moreover, while Molly and Margaret's homes are still in EPC band D and they are still technically defined as fuel poor, their running costs have both dropped to just over £1,400. Their SAP ratings are both at the upper end of EPC band D, and their fuel poverty gaps have shrunk to £60 and £89 respectively. Although they are both happy with the temperature of their homes after their interventions, the modelling data suggests that if their incomes cannot be increased through one method or another (e.g. through income maximisation work), further insulation would be

required to lift them out of fuel poverty. This is of little concern to them though, as they are happy with their new heat pumps.

Lastly, Lily, Molly, and Margaret all described their installation experiences as positive. Molly narrated how she spoke in detail with her surveyors about where her radiators would be placed, and was pleasantly surprised when she asked if one radiator could be on a different wall in her living room – they agreed instantly. *“I wanted it in a different position,” she said, “and didn't know if I would get that, or not. They said, ‘Yes you can, it's not a problem.’”* Margaret had just redecorated, and was worried that a heat pump installation might leave a bit of a mess – worries that turned out to be unfounded. *“I had just decorated my sitting room before I even knew I was getting this heating in, and new carpets, and was a bit worried, really thinking about the cost if anything happened, but it is absolutely spotless.”*

What were the main enablers of success?

Several factors were identified in shaping the success of ACHA's WHF project. Firstly, the strengths and experience of OVO in project management and delivery were described as critical, especially compared to the more 'in-house' approach the project might have taken in different circumstances. OVO's reach and experience enabled a capacity to deliver across the whole of Argyll and Bute, and the speed at which contractors could be mobilised to survey for and install air source heat pumps was another benefit. This form of partnership-working was also supported by consistently good data-handling and administration processes, good reporting, and good, honest communication practices. OVO's ability to tap gap-funding sources and arrange alternative accommodation while during works also provided tenants with the support they needed throughout typically complex installation works.

On ACHA's side, a skilled Tenant Liaison Officer was seen as essential. Their qualities and dedication – whether doing home visits, building rapport and engagement with tenants over the phone, or keeping tenants up to speed with what was happening and when – was deemed essential to the whole installation process. ACHA delivery staff noted that this built good relationships with tenants that would persist into the future, as well as enabling the security of tenancies and improving tenant satisfaction.

What are the lessons we can learn?

- A dedicated project team should be assembled, including a skilled Tenant Liaison Officer and Clerk of Works, with sufficient administrative staff capacity to manage the project smoothly; and a good Project Manager to tie everything together.
- A strong working relationship with a private sector body (e.g. an energy company) can enable cost-effective delivery at a large scale.
- Devote as many resources and time as possible to looking after households during the installation process, and ensure that sufficient gap funding is available to undertake remedial works, support them with electricity costs, and relocate them for a short time during the installation if it is required.
- Work with good contractors who understand the challenges associated with fuel poverty and energy vulnerability in social housing, and who have a track record and demonstrable experience of treating customers with respect and dignity.

What is the project doing next?

Working with OVO on the WHF has led directly to positive collaboration on other projects. As the WHF was being delivered, ACHA and OVO secured funding from the Social Housing Decarbonisation Fund to undertake 130 whole house retrofits. They were also working together on an external wall insulation project, to deliver insulation to over 600 multi-tenure properties in the Oban area. Moving forward, ACHA and OVO intend to collaborate to focus more on whole house solutions, mixing together solar PV, underfloor, external wall, and loft insulation, as well as heating systems with smart controls, with the overall aim of bringing each property up to an EPC rating of B. Working together on the WHF was described as a critical enabler that has developed the scale and capacity to deliver more retrofit measures, better and faster, in the future.