

**Report of the Director of Environment and Neighbourhoods**

**Report to Executive Board**

**Date: 24<sup>th</sup> April 2013**

**Subject: Wrap Up Leeds – Final Report**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. In October 2011 Executive Board agreed to allocate a capital budget of £1.3m to deliver a free insulation scheme open to all private sector householders. This aimed to install between 6,500-13,000 insulation measures and attract between £1.3m and £3.9m of private investment to the city. It was designed to save householders between £1.1m and £2.2m in energy costs per annum, create local jobs, reduce fuel poverty and lower CO<sub>2</sub> emissions
2. Wrap Up Leeds was launched on the 23<sup>rd</sup> January 2012 and in 11 months insulated 10,007 lofts and cavity walls, at a cost of just £379k. The project has insulated more houses than originally agreed, for significantly less than the allocated budget. It also secured over £3.3m of private sector investment, reduced heating costs by almost £1.4m pa, created around 120 person years of employment, lifted c500 people out of fuel poverty and reduced CO<sub>2</sub> emissions by over 5,600 tonnes pa. It also achieved high levels of customer satisfaction and demonstrated the value of the Council as a trusted 'brand'.
3. In addition, other utility companies promoted their offers heavily within Leeds (sometimes using the Wrap Up Leeds brand) resulting in the insulation of at least another 10,760 lofts and cavity walls, making an impressive combined total of over 20,767 insulation jobs.

4. The project demonstrated the value of a strong partnership with a locally based supply chain and the need for simple marketing through local channels, with clear evidence of local authority support.

### **Recommendations**

5. To note the contents of this report and the success of the Wrap Up Leeds project.

## **1 Purpose of this report**

- 1.1 To provide a summary of the achievements and lessons learnt from Wrap Up Leeds to Executive Board.

## **2 Background information**

- 2.1 Full Council passed a resolution in July 2010 to develop and deliver a free cavity wall and loft insulation scheme for all viable private sector properties across the city (the Home Insulation Scheme, later rebranded Wrap Up Leeds) based on the successful Kirklees model. This aimed to insulate c64,500 homes over a 3-4 year period with an estimated budget requirement from Leeds of £13m.
- 2.2 Significant effort was devoted to securing finance and delivery partners, but policy changes at a national level (notably the change from CERT to the Green Deal ) combined with the austerity challenge meant that the originally envisaged 3-4 year free citywide insulation programme was no longer deemed viable.
- 2.3 Therefore Executive Board supported a refined scheme in October 2011 which was designed to retain the original desire to make free insulation open to all private sector householders. This had a budget of £1.3m and aimed to fund between 6,500-13,000 insulation measures (depending on the outcome of the procurement) and attract between £1.3m and £3.9m of private investment to the city. It was designed to save householders between £1.1 and £2.2m in energy costs per annum, create local jobs, reduce fuel poverty and lower CO<sub>2</sub> emissions.
- 2.4 A competitive tender was therefore run using the DEEP Framework mini-bid process to find a delivery partner able to both attract CERT funding and offer free insulation across the whole of Leeds.

## **3 Main issues**

- 3.1 Wrap Up Leeds was awarded as a turnkey contract to Yorkshire Energy Services (YES) in late December 2011. YES were ultimately responsible for promotion, customer sign-up, survey, managing installer sub-contractors, snagging and customer satisfaction. However, the council worked closely with YES at all times (particularly to help steer marketing and promotion) and the council took responsibility for choosing the order in which ward marketing would take place.
- 3.2 Due to the excellent CERT contributions that YES were able to secure from utilities and the low installation prices from the local installer network, the council agreed a new installation target of up to 15,000 lofts and cavities by the end of December 2012.
- 3.3 Between contract award in late December and launch on the 23<sup>rd</sup> of January, all scheme branding was agreed and marketing activity developed. This allowed us to launch the scheme within a month of contract award and led to significant levels of early interest from residents. However, within three months of the launch of the free Wrap Up Leeds offer, other utilities that were under pressure to meet their CERT targets also launched competing 'free' schemes, some even offering cash-backs to residents in receipt of qualifying benefits. These offers were

analysed and all had flaws: Wrap Up Leeds remained the only truly free offer (regardless of house size, income levels, scaffolding requirement and additional loft requirements). However, some companies marketed their offers extremely aggressively (including some falsely claiming to be working on behalf of Leeds City Council). We took action against all companies falsely using our brand and issued a press release on 14<sup>th</sup> May 2012 warning residents to check identities etc. Other companies had genuine offers (some of which were better than Wrap Up Leeds for certain residents). Their contribution needs to be taken into account in calculating the beneficial impact of insulation measures over the year.

3.4 Inevitably, this competition did impact on the forecast Wrap Up Leeds uptake rates and made work for the doorstep assessors much more difficult. This was compounded by utility funding partners initially agreeing to extend the CERT deadline to December (from the original deadline of October) only to suddenly withdraw funding with only 24 hours notice. This left us with almost 300 customers who had been surveyed and had installation dates agreed. The council therefore committed an extra £93k (from scheme savings) to ensure these customers did not miss out.

3.5 Despite these challenges, Wrap Up Leeds led to very significant amounts of insulation being installed in private homes right across Leeds. In total, 8,098 properties received a total of 10,007 insulation measures, as shown in the

Wrap up Leeds: Processed to	Ward	Total Customers Contacted	<60mm LI Installed	>60mm LI Installed	CWI Installed	Total No. Of Measures installed	Total HH's with installed measures	Number of Customer Care Returns	Average Customer Care Score
20/02/2013	Adel and Wharfedale	486	187	32	142	361	215	50	5.43
20/02/2013	Alwoodley	1983	156	61	157	374	292	178	5.46
20/02/2013	Ardley and Robin Hood	876	93	42	111	246	208	7	5.46
20/02/2013	Armley	3072	176	43	132	351	275	66	5.33
20/02/2013	Beeston and Holbeck	1813	101	60	97	258	215	21	5.49
20/02/2013	Bramley and Stanningley	1154	134	29	156	319	253	9	5.35
20/02/2013	Burmantofts and Richmond Hill	2465	198	54	100	352	284	47	5.63
20/02/2013	Calverley and Farsley	732	104	19	114	237	196	5	5.40
20/02/2013	Chapel Allerton	1950	152	59	170	381	297	206	5.43
20/02/2013	City and Hunslet	1051	45	32	28	105	99	2	5.33
20/02/2013	Cross Gates and Whinmoor	1478	163	60	165	388	304	197	5.59
20/02/2013	Farnley and Wortley	2191	140	74	152	366	290	21	5.32
20/02/2013	Garforth and Swillington	550	193	56	267	516	396	256	5.54
20/02/2013	Gipton and Harehills	1936	61	34	91	186	149	105	5.52
20/02/2013	Guiseley and Rawdon	520	90	26	111	227	190	10	5.51
20/02/2013	Harewood	340	80	35	77	192	162	65	5.50
20/02/2013	Headingley	197	36	13	28	77	60	26	5.42
20/02/2013	Horsforth	995	103	36	116	255	214	13	5.63
20/02/2013	Hyde Park and Woodhouse	483	47	8	37	92	71	11	5.51
20/02/2013	Killingbeck and Seacroft	4256	216	83	224	523	412	261	5.59
20/02/2013	Kippax and Methley	1591	114	43	127	284	223	131	5.57
20/02/2013	Kirkstall	1690	115	40	140	295	228	171	5.46
20/02/2013	Middleton Park	4363	185	124	194	503	407	10	5.68
20/02/2013	Moortown	1511	192	45	177	414	301	57	5.53
20/02/2013	Morley North	482	111	41	181	333	270	14	5.59
20/02/2013	Morley South	462	94	46	145	285	223	13	5.54
20/02/2013	Otley and Yeadon	2466	165	34	160	359	258	63	5.51
20/02/2013	Pudsey	1462	122	40	152	314	255	16	5.51
20/02/2013	Rothwell	1478	112	49	143	304	234	150	5.48
20/02/2013	Roundhay	614	155	34	176	365	299	141	5.39
20/02/2013	Temple Newsam	2240	171	65	149	385	289	92	5.38
20/02/2013	Weetwood	432	65	32	84	181	160	9	5.62
20/02/2013	Wetherby	262	78	30	71	179	148	56	5.59
	<b>Overall Totals</b>	<b>47582</b>	<b>4154</b>	<b>1479</b>	<b>4374</b>	<b>10007</b>	<b>7877</b>	<b>2479</b>	<b>5.59</b>

summary table below:

3.6 The key outcomes from running Wrap Up Leeds were:

- Attracting over £3.3m of private sector investment into the city through utility CERT funding;
- Reducing residents home heating costs by almost £1.4m pa, over the lifetime of the measures (typically 20 years+);
- Creating or sustaining c120 person years of employment;
- Potentially lifting c500 people out of fuel poverty;
- Reducing CO<sub>2</sub> emissions by over 5,600 tonnes pa.

3.7 One of the most encouraging aspects of Wrap Up Leeds was the very high level of customer satisfaction. Over the 12 month life of the programme, only 52 complaints were received, all of which were successfully resolved. None of these were deemed to be serious breaches. This is equivalent to 1 complaint for every 192 measures installed or 1 complaint for every 915 customers contacted. In addition, 1,354 customer compliments were received and the overall customer satisfaction score was 5.59 (with 6 being excellent) from the 2,479 customer satisfaction returns. Eighteen different factors were assessed, with none falling below 5.

3.8 In addition, YES also promoted other linked services to vulnerable customers and made a total of 1,315 fire safety referrals and 183 to Adult Social Care (Telecare).

3.9 To put the achievements of Wrap Up Leeds in context, we contacted the six energy companies with CERT obligations (British Gas, EON, EDF, NPower, Scottish & Southern and SSE) to find out how many loft and cavity wall installations received CERT funding in 2012. We have had responses from 5 of these 6 companies, summarised in the table below:

	Virgin loft insulation (less than 60mm of existing insulation)	Loft top up (between 60mm – 160mm of existing insulation)	Loft (combined)	Cavity wall insulation	Total
Wrap Up Leeds	4154	1479	5633	4374	10007
Other CERT funding	n/a	n/a	8082	2678	10760
Total	n/a	n/a	13715	7052	20767

3.10 During 2012 an impressive total of over 20,767 main insulation measures were installed through Wrap Up Leeds and related CERT activities. Regardless of who

undertook the work, residents will still benefit from warmer, healthier homes with lower fuel bills.

### 3.11 Key learning from the project included:

- Energy policy and incentives changed dramatically throughout this programme, often with little or no notice. Having a strong relationship with a responsive organisation allowed us to rapidly change our offer and approach to cope with these changes.
- Wrap Up Leeds worked with local small to medium sized installers. The very high level of customer satisfaction and very low level of complaints is testament to the quality that this local installer network brought. The fact that they were local, often coming from the communities they were helping, seems to have motivated installers to do a really good job.
- We trialled a number of different approaches to marketing Wrap Up Leeds and found that although both 'direct mail' and 'doorstep assessments' were relatively expensive ways of generate referrals, these channels collectively produced the most measures. However, some other activities also generated good levels of interest and were very cost effective. These included online activity, press releases, installer self-referrals, marketing via large employers and word of mouth.
- Feedback from residents indicated that although many were bombarded with competing insulation offers, having the backing of the Council meant that they trusted Wrap Up Leeds more than other offers.
- Establishing and generating interest in a free insulation programme such as this takes time. One of the most common reactions on the doorstep was disbelief that the Council was offering anything for free. Once homes in a neighbourhood had been insulated, word of mouth marketing quickly generated additional leads and made work on the doorstep much easier.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Due to the short timescales available to the programme, residents were not formally consulted as part of the brand development or initial marketing material development. However, these were designed using tried and tested techniques that have proved successful in many other local authority areas.
- 4.1.2 The marketing material and approaches were also refined as a result of the direct feedback to doorstep assessors and call handlers and led to an extension of the working day for assessors to fit round people's lifestyles and greater use of installers to also promote the scheme to neighbours when working in an area.
- 4.1.3 The very low level of complaints and overwhelmingly positive customer feedback indicates that the Wrap Up Leeds engagement process was good.

## **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An EDCI screening was carried out in October 2011, prior to the launch of Wrap Up Leeds (appendix 1). This indicated that the project was likely to have an overwhelmingly positive impact, particularly on the health of older and less affluent people.
- 4.2.2 The programme was delivered in a way that ensured that all private residents had an equal chance to benefit from the initiative. The citywide marketing campaign was designed to attract interest from all social groups across Leeds. This was supplemented by intensive marketing campaigns and door-to-door promotion by uniformed assessors to ensure that those without access to normal media outlets, those without English as a first language or those with other barriers were able to hear first-hand about the offer. This campaign started in some of the most deprived wards and worked to the less deprived wards.
- 4.2.3 The table in section 3.5 shows a good spread of installations across the city, with the highest number of installations in two of the most deprived wards, Killingbeck and Seacroft and Middleton. Low figures in a number of wards are reflective of hard to treat stock types (particularly solid walled terraces with attic rooms) and prevalence of privately rented properties. The EDCI screening highlighted this issue and recommended developing a future scheme that would support these property types. This is already happening through the Green Deal Demonstrator and will be expanded with the Green Deal interim framework due to be established by the end of April.
- 4.2.4 Discussions with ALMOs and housing associations indicate that all practicable cavity walls have already been insulated and the vast majority of lofts filled. However, any social housing tenants who enquired were referred to their housing manager to check that they had sufficient levels of insulation.

## **4.3 Council policies and City Priorities**

- 4.3.1 Wrap Up Leeds supports a number of the existing targets and priorities contained in the Council's Policy Framework, namely:
- Vision for Leeds.
  - Health and Wellbeing City Priority Plan.
  - Sustainable Economy and Culture City Priority Plan.
  - Regeneration City Priority Plan.
- 4.3.2 The scheme also supports other city strategies, most notably the Climate Change Strategy, Affordable Warmth Strategy and the Council's Environment Policy.

## **4.4 Resources and value for money**

- 4.4.1 The total direct cost to the council of delivering Wrap Up Leeds was £378,646. This represents a cost to the council of just over £38 per measure installed through the scheme. Savings of £920,000 from the original budget of £1.3m will

be used to bring forwards future energy efficiency programmes, particularly those focused on the Green Deal and ECO.

4.4.2 The spend can be broken down into £121,352 for marketing and customer contact, £145,915 for main insulation measures and £111,379 for enabling measures (such as scaffolding, funding for oversize properties, loft clearance, etc).

4.4.3 Staff resource to establish, monitor and manage the scheme was provided by the existing Fuelsavers Team. This represented circa 2 FTE at an average PO1 grade for a year.

4.4.4 Wrap Up Leeds has attracted over £3.3m of utility CERT funding and will save householders almost £1.4m pa on home heating costs.

#### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 Not applicable.

#### **4.6 Risk Management**

4.6.1 The two main risks identified at project inception were:

- Not securing utility finance or a delivery partner.
- Lack of demand for insulation measures.

4.6.2 The procurement exercise generated significant variations in costs (the most expensive tender was almost 5 times as expensive as the winning tender) due to the variability in installation costs and ability to attract CERT funding.

4.6.3 The twin-track approach (ward-by-ward marketing and the citywide campaign) meant that we were confident of generating interest from Leeds residents. However, the rapidly changing competitive environment meant that inquiries dropped off significantly in the middle months. We therefore met with YES and corporate communications colleagues to review and change both the offer and the marketing approach, leading to strong levels of enquires right up to scheme end (and beyond).

### **5 Conclusions**

5.1 Wrap Up Leeds has insulated more houses than originally agreed, for significantly less than the allocated budget. It also secured over £3.3m of private sector investment, reduced heating costs by almost £1.4m pa, created around 120 person years of employment, lifted c500 people out of fuel poverty and reduced CO<sub>2</sub> emissions by over 5,600 tonnes pa.

5.2 The project demonstrated the value of a strong partnership with a locally based supply chain and the need for simple marketing through local channels, with clear evidence of local authority support.

5.3 These lessons learnt have been applied to the current Green Deal Demonstrator and will be used for future Green Deal and ECO projects.

## **6 Recommendations**

6.1 To note the contents of this report and the success of the Wrap Up Leeds project.

## **7 Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.