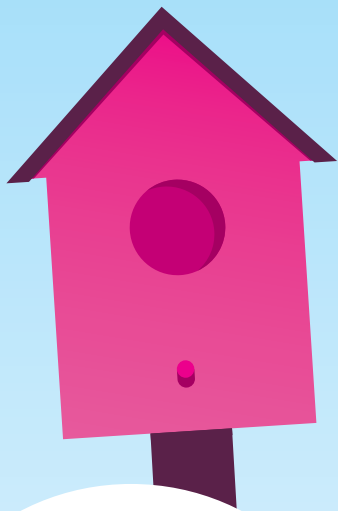


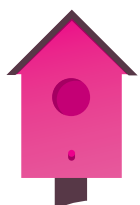


# Nest Annual Report

2017 – 2018



Rhan o raglen Cartrefi Clyd Llywodraeth Cymru  
Part of the Welsh Government Warm Homes programme



**Nyth  
Nest**  
Gwneud  
Cymru'n  
Glyd  
Making  
Wales  
Cosy



## Ministerial Foreword

I am pleased to introduce the Warm Homes Nest Annual Report for 2017-18.



The Report captures the achievements made in 2017-18, whilst my comments cover the successes of the Welsh Government Warm Homes Nest scheme for the period 2011-2018.

Tackling fuel poverty is a challenge with Wales having some of the oldest, traditionally constructed homes and with a high number of solid wall, hard to treat and off-gas properties. The most effective way we can tackle fuel poverty with the powers we have, is through improving the energy efficiency of domestic properties and the Nest scheme forms part of our fuel poverty strategy. Over the seven years our significant investment in Nest has totalled in excess of £134 million

The Nest scheme was created in 2011 to tackle fuel poverty which has a significant impact on the health, social and economic well-being of householders. Nest offers two methods of assistance. Firstly, Nest provides impartial advice and support for those householders who call the Nest helpline. Secondly, for those living in private sector housing, owned or rented, on a low income and with an energy rated property of E, F or G the household can be provided with a tailored package of free energy efficiency

measures. These are installed, inspected and 12 months' aftercare is provided at no cost to the householder.

The Nest scheme aims to increase a property to a C energy rating where appropriate and cost effective to do so, this helps to reduce energy bills, builds resilience to future energy price rises and provides increased comfort and improves health and well-being. It also helps to reduce the likelihood of a householder living in fuel poverty in the future or suffering the ill effects of living in a cold home.

The Nest scheme was specifically designed to deliver social, environmental and economic benefits at its core and I am proud Nest, on so many levels, continues to be a success story. Over the seven years Nest has helped over 105,000 households through its advice and support services and 33,600 households have been helped with tailored energy efficiency measures. Nest has also levered in additional funding of over £11m through the Energy Company Obligation (ECO) which has allowed more low income households to be helped with energy efficiency measures. Reducing demand for energy from the built environment is a central and crucial part of the Welsh Government's transition to a low carbon and prosperous

economy. Environmentally Nest has created 44 green jobs by providing opportunities for small and medium heat engineering and insulation companies to be employed on the scheme, as well as delivering skills training through its apprenticeship programmes.

The independently commissioned research with Swansea University involving evaluating the impacts of Nest on health outcomes has demonstrated householders' health and well-being has been improved following a Nest install at a property and I have agreed funding for a further three years' research until March 2020.

Fuel poverty data in 2017 showed fuel poverty levels for Wales had fallen from 29% to 23% and I hope this positive downwards trend will continue when updated fuel poverty levels in December 2018 are expected. This data will help to inform an updated Fuel Poverty Plan I am committed to producing.

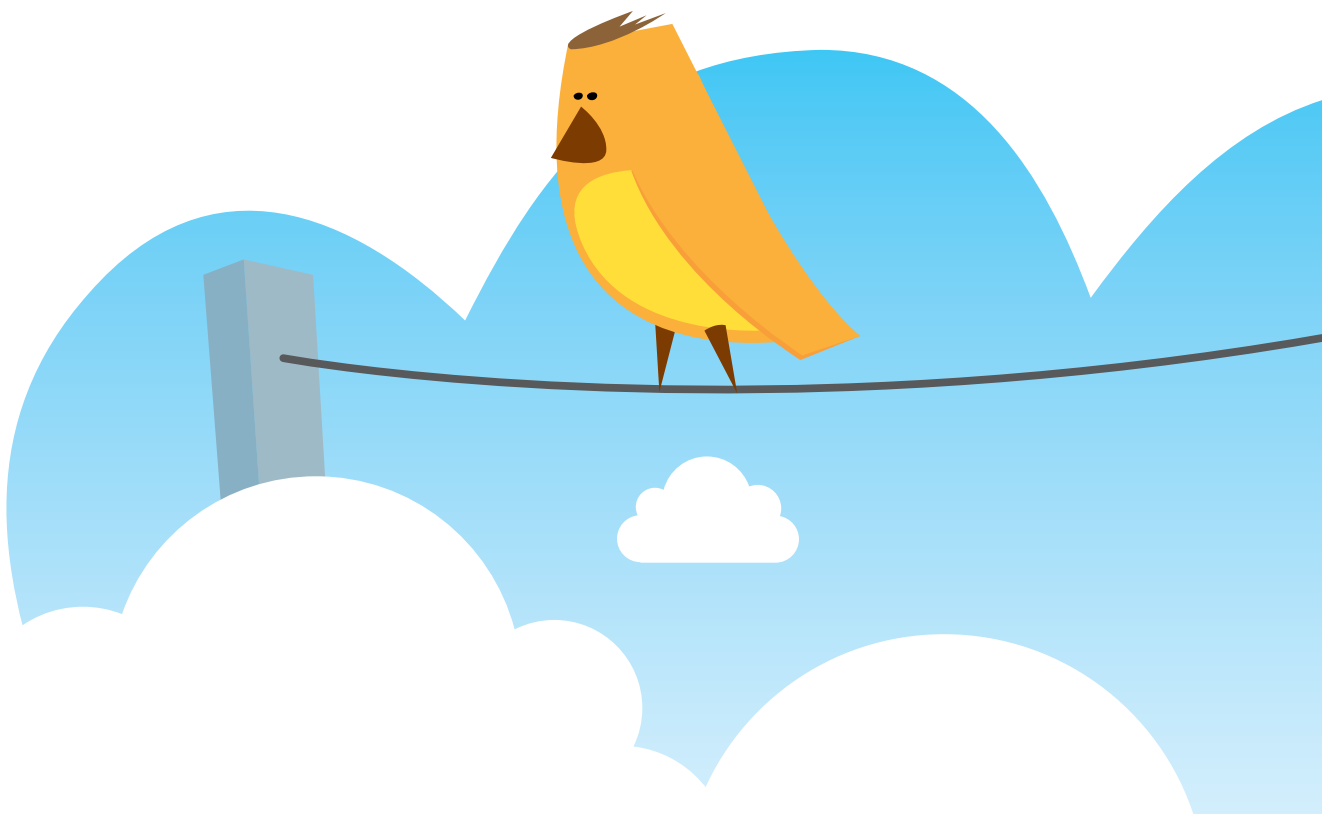
Following a competitive procurement process British Gas was re-appointed as the Nest scheme manager for the new five-year Nest contract which started from 1 April 2018. British Gas will continue to work with Energy Saving Trust as its main sub-contractor. There are some key differences

to the original Nest contract which will strengthen the scheme. These include the maximum level of funding for a property will be determined by the energy rating of the property in addition to whether it's an on-grid or an off-grid property. Householders will receive an Energy Performance Certificate (EPC) after efficiency measures have been installed as well as being provided with a specific package of in-home advice which also includes behaviour change.

I am confident the Nest scheme will continue to provide valued assistance to those householders in Wales struggling to heat their homes and will help to reduce the numbers of those in fuel poverty.

### Lesley Griffiths AM

Cabinet Secretary for Energy, Planning and Rural Affairs



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# Executive Summary

In 2017–18, the Welsh Government invested £19.5 million in the Welsh Government Warm Homes Nest scheme to improve the energy efficiency of housing stock and support low income households across Wales. Households supported by Nest benefit from improved health and wellbeing, and reduced fuel bills.

For 2017–18 the Nest scheme provided over 15,600 households with free, impartial advice and signposting to a range of support services; a total of over 112,600 households since the scheme started in 2011. This is 7,600 households higher than the 105,000 households expected over the seven years of the scheme.

Over 4,600 of the households helped this year had their homes improved with a package of free home energy efficiency measures. This brings the total number of the hardest to heat homes benefiting from energy efficiency improvements to over 33,900 properties.

This report sets out the achievements of the Nest scheme in providing advice and support to fuel poor households in 2017–18.

## In 2017–18, the Nest scheme's main achievements were:

- Over 15,600 households received free and impartial energy saving advice
- Over 4,600 households received a home energy improvement package, with an average energy bill saving of £408 per year
- Average increase in energy efficiency rating of over 37 SAP points
- Average modelled reduction in energy units of 16,952 per household
- Benefit Entitlement Checks resulted in a £544,500 potential increase in benefit take-up
- Leveraged £1.56 million of ECO funding through the scheme
- 100% of installations were completed by Wales-based installers
- The scheme directly supported 44 jobs and apprenticeships

## Priorities for the Nest scheme in 2017–18 were:

- Work with a range of partner organisations to ensure the scheme reaches those households in most need
- Develop engagement with the health sector to help trial a health conditions pilot for people suffering from respiratory or circulatory health conditions which are often made worse by living in a cold or damp home
- Leverage additional funding into the scheme from the Energy Company Obligation (ECO) to help more low income households to benefit from home energy efficiency improvements
- Continue to contribute to Welsh Government's energy and poverty strategies
- Operate within the values set out in the Well-being of Future Generations Act including collaboration, integration and prevention

*"I am an OAP plus I have some health problems so for the coming winter it will give me peace of mind that I will be able to keep myself warm."*

*Rhonda Cynon Taff resident*

The Nest scheme is managed by British Gas, working with the Energy Saving Trust, on behalf of the Welsh Government.

# Targeting and Marketing

The Nest scheme’s marketing and communication activity aims to reach households in need of support who are living in very energy inefficient properties.

The marketing approach includes a range of advertising to raise awareness of the scheme, targeted activity utilising the available data and working with local authorities across Wales, and collaborative partnerships with a wide variety of organisations to help reach households.

The multi-tiered approach aims to be as targeted and cost effective as possible and looks to reach target customers and support them to understand the scheme and contact the Nest advice team.

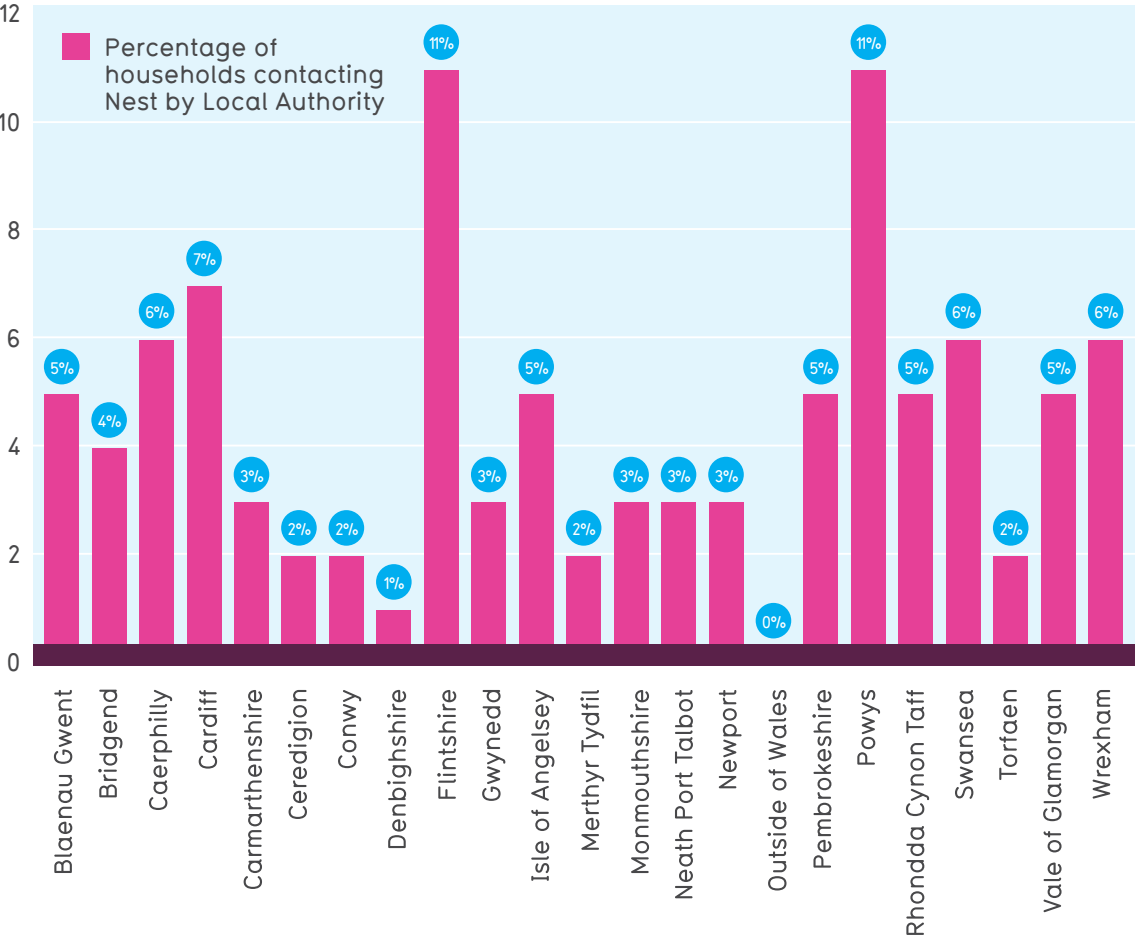
Over the past year, marketing activity achieved significant reach across Wales, particularly through targeted and digital advertising, and generated over 83,000 website visitors; the highest level since the scheme began.

The Partnership Development Managers maintained and developed relationships with 298 partner organisations during the year and delivered over 600 events including public outreach and drop in events and partner development meetings. Through these relationships, the Partnership Development Managers are able to raise awareness of the scheme and undertake targeted activities in many of the most deprived areas of Wales.

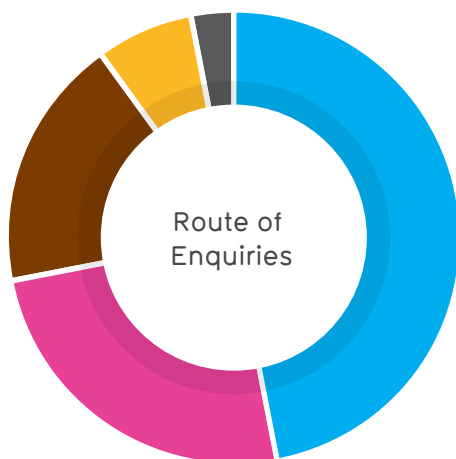
These activities build a cohesive campaign to reach eligible households directly or through a range of partner organisations which help the scheme to reach those most in need.

The chart below shows the breakdown of initial enquiries by local authority area.

Enquiries by Local Authority



The chart below illustrates the marketing channel that generated initial enquiries to Nest. Targeted activities were supported by a range of awareness raising activities including media coverage, radio advertising, social media and digital promotion. These contributed to 47% of initial enquiries from 'word of mouth' and 10% through the website or media activity. The activities delivered by the Partnership Development Managers and the work of the partner organisations directly generated 20% of all enquiries during the year and 25% were as a result of partner mailings.



- 47% Word of mouth
- 25% Partner Mailing
- 18% Partner Activity
- 7% Website
- 3% Press and Radio
- 0% ESAS Callback Request

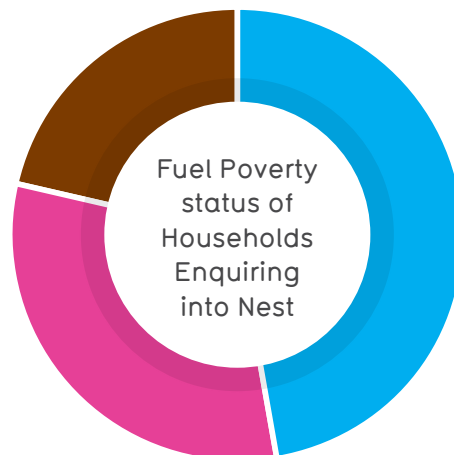
*“Nest was really helpful – not only the installation but also putting me in touch with other help.  
Swansea resident*

### Fuel Poverty

The level of reported fuel poverty from households at initial enquiry indicates that 79% of householders who contacted Nest were living in fuel poverty (48% in fuel poverty and 31% in severe fuel poverty) which is consistent with previous years.

Householders who need to spend more than 10% of their income on energy costs are regarded as living in fuel poverty and in severe fuel poverty if they spend more than 20% of their income.

Householders who contact Nest are asked to provide their income at the time of application so the data can be used alongside modelled running costs<sup>1</sup> for their household.



- 48% In Fuel Poverty
- 31% In Severe Fuel Poverty
- 21% Not in Fuel Poverty

These figures should be treated with caution as only 62% of the householders who contacted Nest in 2017-18 agreed to provide income details. In addition, where the household income was provided, no validation was undertaken to confirm that the stated income was accurate.

1. Modelled data for the household's running costs is used rather than actual spend because in reality many customers turn off their heating to manage their energy costs.

# Partnerships

## The Nest Partnership Development Managers work in partnership with a range of organisations to communicate the benefits of the scheme and reach households in need of support.

The Nest partner organisations provide a vital link to households in need of support who are often socially excluded or experiencing multiple challenges. Our collaborative approach and the range of support and sign-posting available through the Nest scheme contribute to multi-agency support for many households in Wales.

The Partnership Development Managers work with a diverse range of organisations including national charities, regional health boards, local authorities and community associations. For example:

- Local Authorities (e.g. housing, financial inclusion and energy officers)
- Socially excluded people (e.g. Carers Association, Communities First and Foodbanks)
- Older People (e.g. Age Cymru, Care and Repair and Age Connects)
- Health sector (e.g. Local Health Boards, community health services and Wales Ambulance Service Trust)
- People with long-term illnesses (e.g. Macmillan, MS Society, Mencap, British Lung Foundation, Dementia Friends)
- People recovering from mental illness (e.g. Hafal, Gofal, and Mental Health Matters Wales)
- Families with Young Children (e.g. Barnados, Flying Start and family centres)
- Unemployed People (e.g. Job Centre Plus across Wales)
- Advice-services (e.g. Citizens Advice, Money Advice Service and Pennysmart)

The Partnership Development Managers cover the whole of Wales and look to establish partnerships which will help reach people in need of support and generate awareness of the Nest scheme. They deliver drop-in advice services, meetings, talks and events. During 2017-18, the PDMs attended nearly 650 events and reached over 10,000 participants.

During 2017-18, a pilot to test health based eligibility criteria was undertaken. The Partnership Development Managers worked with health professionals, building relationships with local health boards, GP surgeries, health visitors and community discharge teams. The health professionals' role was to identify people with a chronic cardiovascular or respiratory condition living on a low

income and in an energy inefficient home and refer them into the Nest scheme.

The pilot built on commissioned Welsh Government research which identified the energy efficiency measures installed by Nest is helping to prevent cold related health conditions with a knock on reduction in the use of healthcare services. The findings of the initial pilot were not sufficiently conclusive on the best health referral route to support a Wales-wide roll-out as had been hoped. A further 12-month pilot is taking place during 2018-19 to test health referral processes during seasonal NHS pressures.

The following examples of successful partnership working and public engagement illustrate the range of partners and sectors that Nest works within:

### Local Authorities

The Partnership Development Managers have established relationships with local authorities across Wales. Working in partnership, Nest is able to reach households in need of support and undertake targeted campaigns and publicise the scheme with local authorities. In many cases, local authorities include Nest on their websites and through advice services. They also deliver direct mail campaigns and provide outreach and drop-in events in libraries and civic buildings.

### Health – Powys Teaching Health Board

A partnership with Powys Teaching Health Board was established as part of the health criteria pilot. The Partnership Development Managers delivered staff briefings with community and district nursing teams across the county and worked with the Powys Respiratory Service to communicate the health pilot. They also visited several Powys hospitals to give staff briefings and set up public information stands in foyers. The health board's communication team supported the activity and send an email to all staff based in Powys to highlight the benefits of the Nest scheme.

### Advice Services – Citizens Advice Conwy

The Partnership Development Managers work with Citizens Advice across Wales recognising the important role they play in supporting households. Citizens Advice provides telephone advice, home visit services and community based face to face events.



During the year, Nest worked with Citizens Advice Conwy and supported their 'Open Door' days where members of the public can drop-in for a range of advice and support. The events are delivered in community hub venues including libraries and community halls.

### Third Sector – Community Networks

Community based networks, set up in partnership between local authorities and community councils, aim to enable access to a wide range of services, assistance and support schemes in their county. Nest works with community organisations and networks across Wales including, in the past year, Community Agents in Wrexham and Powys Community Connectors, a project delivered by Powys Association of Voluntary Organisations. In both cases, Partnership Development Managers briefed staff members on the scheme and attended public outreach events.

## Advice and Support

In 2017-18, Nest provided over 15,600 households with tailored advice and referrals to third party services.

The Nest advice team gather information from each customer to identify the most appropriate advice and support to be provided. This includes energy saving and water efficiency advice, a package of free home energy efficiency improvements, and signposting and referrals to a range of support services.

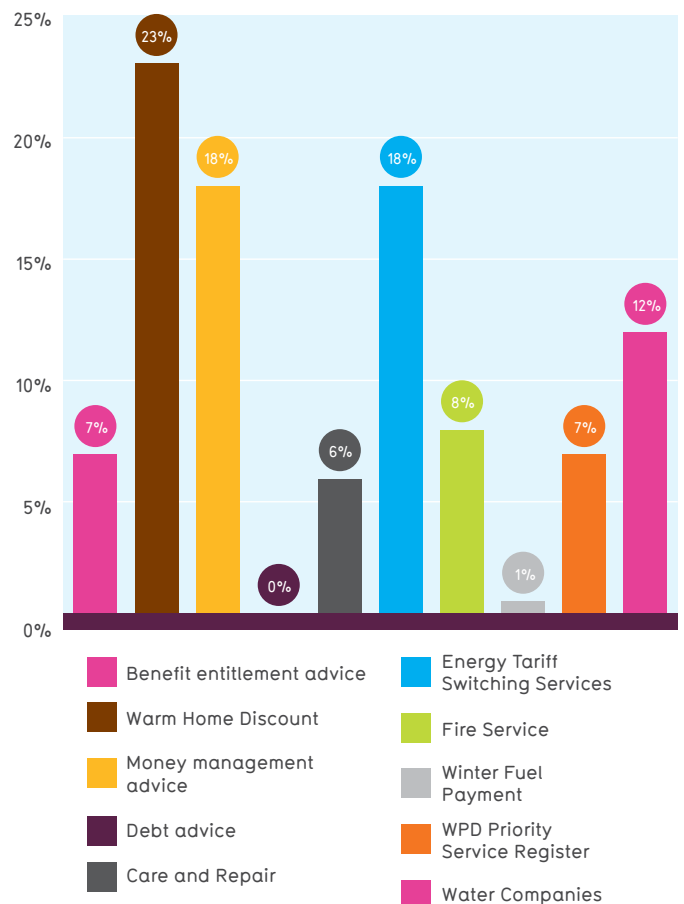
### Third Party Support

Over 9,700 households were referred or recommended to contact one or more third party service in 2017-18. These services include:

- **Benefit Entitlement Checks** – Riverside Advice provides a review service for Nest customers to help them maximise their income
- **Money management advice** – the Money Advice Service provides customers with independent advice about debt management and handling their income and outgoings more effectively
- **Care and Repair services** – Care and Repair provide eligible customers with access to a 'handyman' service, caseworker service, help with grants and temporary heating
- **Energy tariff advice** – Simply Switch provides customers with independent advice regarding the most effective tariff and supplier for the customer's circumstances
- **Warm Home Discount** – the major energy suppliers provide eligible customers with a discount on their energy bill
- **Priority Service Register** – eligible customers are referred to Western Power Distribution to receive additional support in the event of a power cut
- **Fire and Rescue Services** – vulnerable households are able to access an in-home fire safety check through North and Mid and West Wales Fire and Rescue Services

- **Water affordability schemes** – Nest refers customers to a range of affordability schemes operated by Dŵr Cymru Welsh Water and Dee Valley Water
- **Other advice services** – customers not eligible for a Nest home energy efficiency improvement package are directed to other appropriate organisations such as Energy Saving Advice Service for further support

### Households Receiving a Third Party Referral/ Recommendation



## Benefit Entitlement Checks

During the year, 1,425 households were referred for a Benefit Entitlement Check and 373 households were found to be eligible for new or additional benefits averaging £1,460 per household. This equates to a potential increase of £544,500 in benefit take-up this year and over £3.2 million in the past seven years of the Nest scheme.

Benefit Entitlement Checks	
Number of householder Referrals	<b>1,425</b>
Number of householders eligible for new/additional benefits	<b>373</b>
Average increase to annual household income	<b>£1,460</b>

## Care and Repair Services

Care and Repair agencies provide a range of services to help older people live in homes that are safe, secure and appropriate to their needs. Nest signposted and referred 1,362 households to Care and Repair in 2017-18.

Care & Repair Services	
Number of householder referrals	<b>1,362</b>
Number of householders using Handyman service	<b>40</b>
Number of householders using temporary heating service	<b>1</b>
Number of householders using Grant Help	<b>1</b>
Number of householders using caseworker service	<b>137</b>
Number of householders receiving advice only	<b>11</b>

## Warm Home Discount

Over 5,000 customers were referred to their energy supplier for the Warm Home Discount, compared to 4,270 in 2016-17. Nest has received confirmation that 419 customers qualified for the discount with total savings of £58,660.

Warm Home Discount	
Number of householder Referrals	<b>5,047</b>
Number of householders receiving Warm Home Discount	<b>419</b>
Value of Warm Home Discount	<b>£58,660</b>

## Fire and Rescue Services

Nest referred 1,702 customers to North Wales and Mid and West Wales Fire and Rescue Services of which 576 received a home fire safety check, compared to 358 in 2016-17.

Fire Service	
Number of householder Referrals	<b>1,702</b>
Number of householders receiving home fire safety check	<b>576</b>

## Water Companies

Nest refers customers to affordability schemes from Dŵr Cymru Welsh Water and Dee Valley Water including HelpU, Water Direct, Customer Assistance Fund and Water Sure.

During 2017-18, 2,532 customers were referred with 473 benefiting from support and arrears reduction with potential savings of over £96,000. This represents a significant increase on 2016-17 where 77 customers were found to be eligible for support.

Water Companies	
Number of household referrals	<b>2,532</b>
Customers benefiting from HelpU	<b>457</b>
Customers benefiting from Water Direct	<b>2</b>
Customers benefiting from Customer Assistance Fund	<b>1</b>
Customers benefiting from Water Sure	<b>13</b>

## Other Advice Services

Customers who did not meet the eligibility criteria for Nest but were likely to be eligible for ECO were directed to the Energy Saving Advice Service (ESAS). Those customers who were not in receipt of benefits were referred to Resource Efficient Wales for further support. During the year, 1,384 households were referred.

Other Advice Services	
Number of Household Referrals	<b>1,384</b>

# Home Energy Improvement Packages

Welsh Government's aim to bring households out of fuel poverty is achieved through the funding of home energy efficiency improvement installations which improve the property reduce household energy bills.

Customers contacting Nest for advice and support are assessed for their eligibility to receive a package of free home energy efficiency improvements which may include a replacement boiler, central heating system and / or insulation.

The criteria for home improvements are that a household member is in receipt of a means tested benefit and that the property is privately owned or rented with an indicative energy rating of E, F or G.

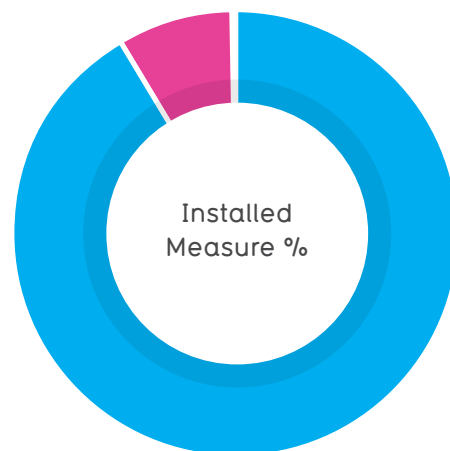
Households living in rented properties are able to benefit from the full range of support available through the scheme, subject to private landlords being required to be registered with Rent Smart Wales.

A fully qualified assessor will visit the customer's home to confirm their eligibility, complete a whole house assessment and identify the most appropriate and cost effective measures for the property and the customer. The Nest team ensures that all required permissions and consents (landlords, planning etc.) and third party requirements (gas connections, asbestos removal etc.) are completed prior to agreeing the installation dates with the customer.

Under the supervision and management of the Nest team, a network of Wales-based installers provides the installation services. An inspection of the work is undertaken once the Nest team receive confirmation that the package of measures has been installed. Should the Nest inspector identify any defects in the works, they ensure any required remedial work is completed quickly and effectively.

Nest home energy efficiency improvement packages are designed for individual properties so there is no standard package of measures but could include a new boiler, central heating system, loft insulation or cavity wall insulation and some may include newer technologies like air source heat pumps and external wall insulation.

Central heating systems continue to represent the majority of works undertaken by the Nest scheme. These installations include multiple measures e.g. boiler, radiators, room thermostats, heating controls, thermostatic radiator valves and pipe work where required.



92% Central Heating Installation

8% Standard Insulation

0% Enhanced Insulation

*"I am very grateful to the Welsh Government for allowing such a generous package."*

Newport resident

# Household and Property Characteristics

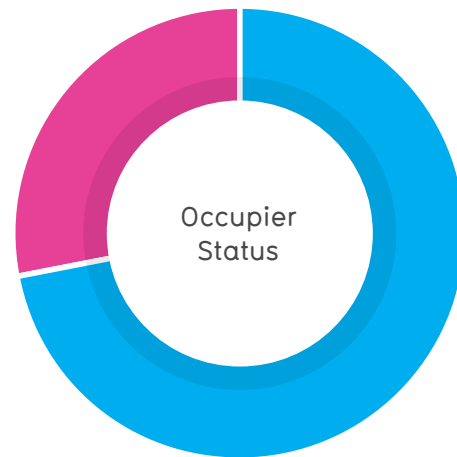
Nest aims wherever possible to bring people out of fuel poverty.

At the time of application householders are asked to provide their income which is assessed against modelled running costs<sup>2</sup> to estimate the levels of fuel poverty within households supported by the scheme.

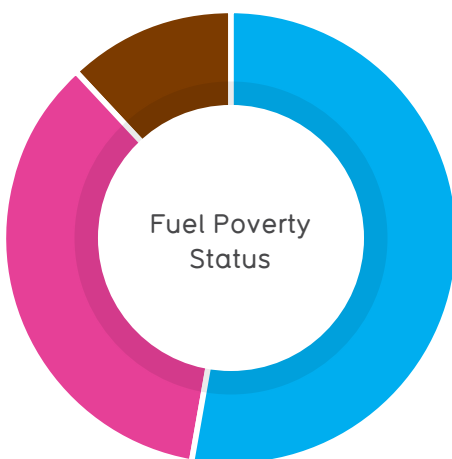
The chart below shows the breakdown of tenure for households receiving a home energy efficiency improvement package; 72% were owner occupied and 28% were privately rented.

Households which spend over 10% of their income on energy bills are regarded as living in fuel poverty and households spending over 20% are classed as living in severe fuel poverty.

Prior to receiving home energy efficiency improvements, 47.2% of households contacting Nest were found to be living in fuel poverty. This includes 11.8% of households living in severe fuel poverty.



- 72% Owner
- 28% Privately rented



- 52.8% Not in Fuel Poverty
- 35.4% In Fuel Poverty
- 11.8% In Severe Fuel Poverty

*"I was in the depths of winter and had been without heating for six weeks so you can imagine the relief that we felt. This scheme is there to help people when they need it most."*

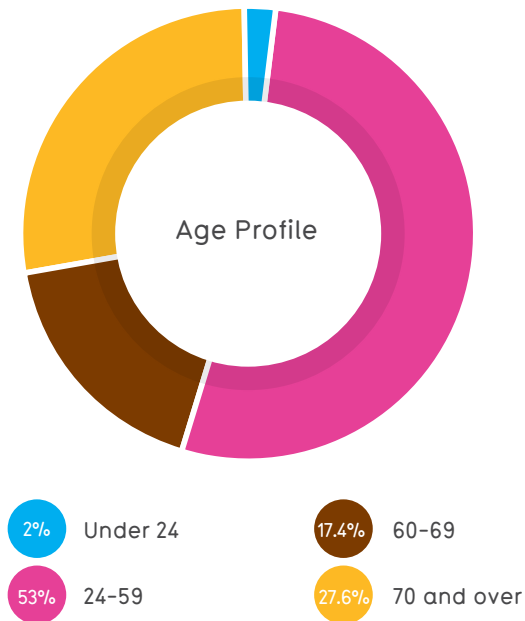
Cardiff resident



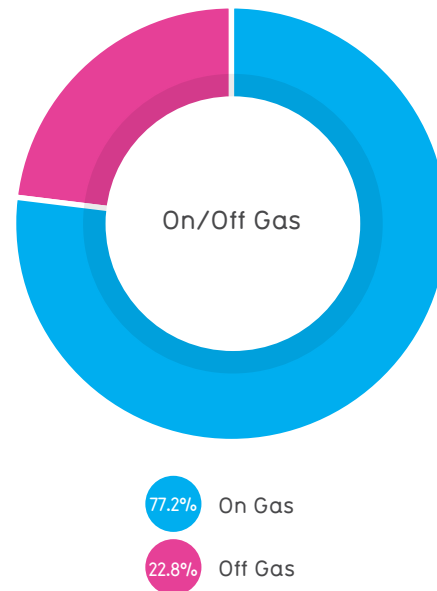
<sup>2</sup> Modelled data for the household's running costs is used rather than actual spend because in reality many customers turn off their heating to manage their energy costs.

The chart below shows the breakdown by age of householders receiving a home energy efficiency improvement package. Over half of householders were of working age (53% aged 24–59 years) which is slightly higher than the previous year (50.2% in 2016–17).

During the year, there were small decreases in those aged between 60 and 69 years (17.4% compared to 19% 2016–17) and over the age of 70 years (27.6% compared to 29.3% in 2016–17).

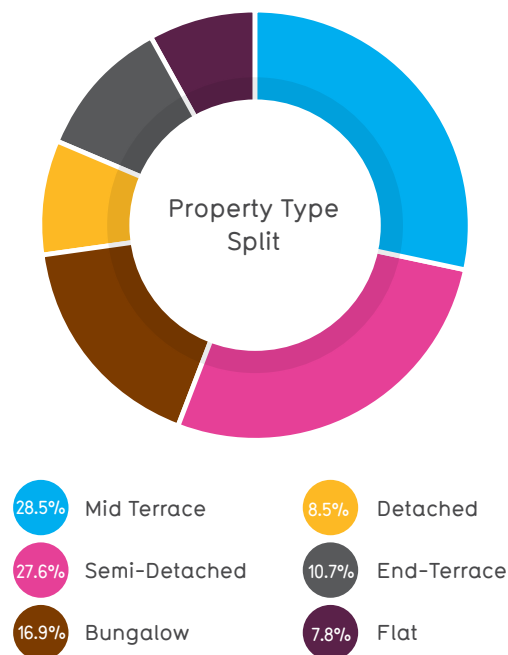
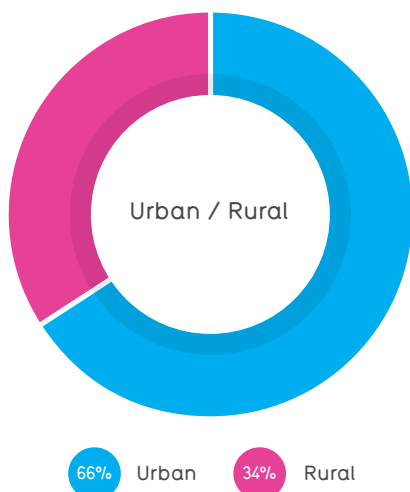


The proportion of customers who were not connected to the mains gas grid prior to receiving measures under the scheme was 22.8%, a slight decrease from 23.8% in 2016–17, as illustrated by the chart below.



The breakdown by property-type of households who have received a home energy efficiency improvement package is shown in the graph below. Terraced (mid and end) properties continue to be the largest single property type treated under the scheme, accounting for 39.2% (39.8% in 2016–17) of all installations. 2017–18 saw a slight increase in the number of bungalows (16.9% compared to 16% in 2016–17) and small decreases in the number of semi-detached (27.6% compared to 29% in 2016–17) and detached (8.5% compared to 9% in 2016–17) properties.

The breakdown by urban and rural<sup>3</sup> classification of customers receiving a home energy efficiency improvement package is shown in the chart below and indicates that 66% of households were living in urban areas and 34% living in rural areas. These percentages reflect the population distribution in Wales and the same as in 2016–17.



<sup>3</sup> The definitions of Urban and Rural are based on accepted classifications available from the Office of National Statistics

# Improving energy efficiency

Nest home energy efficiency improvements have delivered estimated energy bill savings averaging £408 per household per year, making a real difference to fuel poor households.

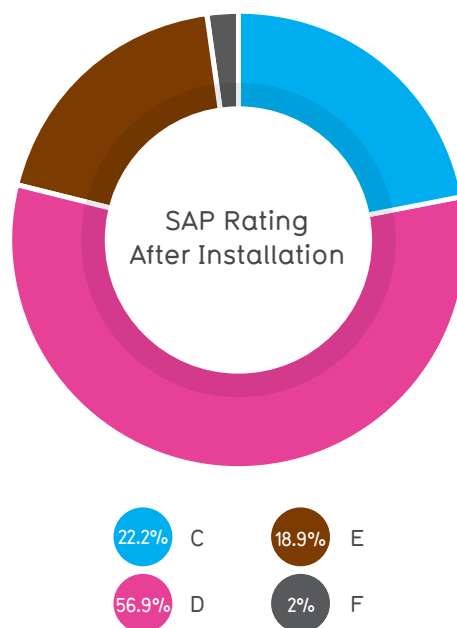
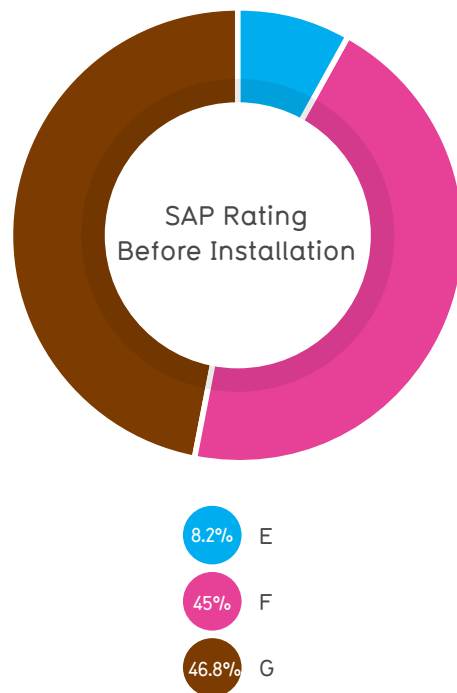
These charts show the breakdown by SAP band for households both before and after receiving home energy efficiency improvement packages. All of the properties receiving measures were very energy inefficient households - rated E (8.2%), F (45%) or G (46.8%). These figures illustrate an increase in the percentage of G rated properties (43.3% in 2016-17) which are the most energy inefficient.

After the installation of the home energy improvement package, 79% of properties were increased to a B to D-rating and a further 18.9% to an E-rating and 2% F-rating. Some properties which received improvements may remain in an E to G-rating because it has not been possible to demonstrate value for money for the more enhanced measures required. In 2017-18, no properties remained in a G-rating.

The Nest scheme calculates the effects of energy efficiency improvements on the homes using an RdSAP rating<sup>4</sup>. The software measures the SAP rating before and after suitable measures are installed. The aim is to install a package of measures to increase the energy rating of a property towards a SAP rating of C where possible and when it is cost effective to do so. The actual measures installed are remodelled to account for any amendments to the original package due to technical issues or customers changing their mind.

The Nest assessor establishes the current SAP rating of the property and the potential SAP rating if a home energy efficiency improvement package is installed. Band A properties are very energy efficient and will have the lowest running costs whereas band G properties have poor energy efficiency ratings and consequently will have higher running costs to maintain the same standards of heating and lighting.

Benefits are based on modelled outcomes and the actual reductions and savings will depend on the individual customer's behaviours. It is often the case that households in fuel poverty do not heat their homes effectively and therefore in some cases the benefit to the customer will be increased comfort and wellbeing through the ability to heat the home more effectively rather than a reduction in fuel bills.



<sup>4</sup> RdSAP and SAP - The Standard Assessment Procedure is the UK Government's methodology for assessing and comparing the energy and environmental performance of dwellings. The reduced data SAP (RdSAP) was introduced later as a more cost effective tool to assess existing dwellings.

The chart shows the breakdown of modelled energy savings per household receiving measures by local authority, with an estimated average saving of £405 per year or 16,952 megajoules per annum (up from 15,521 in 2016-17). It also shows the breakdown by lifetime carbon emission

reductions for households receiving a home energy efficiency improvement package. Total lifetime emissions are modelled to reduce by 256k tCO and vary from 2.5k tCO in Monmouthshire to over 29k tCO in Rhondda Cynon Taf and Carmarthenshire.

Local Authority	Sum of CO <sub>2</sub> Lifetime Saving (tCO)	Average of Energy Use Saving (megajoules)	Average of Fuel Cost Annual Saving
Anglesey	8006	16693	£470
Blaenau Gwent	9427	16890	£400
Bridgend	12886	16490	£332
Caerphilly	14326	17391	£386
Cardiff	13998	15790	£314
Carmarthenshire	29166	19884	£435
Ceredigion	10234	17977	£509
Conwy	12343	14692	£395
Denbighshire	9454	14287	£494
Flintshire	7537	15899	£395
Gwynedd	12422	15983	£488
Merthyr Tydfil	5876	16992	£400
Monmouthshire	2561	14982	£540
Neath Port Talbot	14152	19679	£365
Newport	7494	18296	£358
Pembrokeshire	12918	16791	£439
Powys	11762	17388	£447
Rhondda Cynon Taff	29355	18159	£357
Swansea	15896	19892	£370
Torfaen	4649	15895	£333
Vale of Glamorgan	5571	15692	£358
Wrexham	6626	17196	£394
<b>Grand Total</b>	<b>256189</b>	<b>16952</b>	<b>£408</b>

*“From the first phone call right through to the installation everybody was so helpful and friendly and within a matter of weeks the job was carried out. It’s much warmer and a lot cheaper to run as our old system”*

Bridgend resident

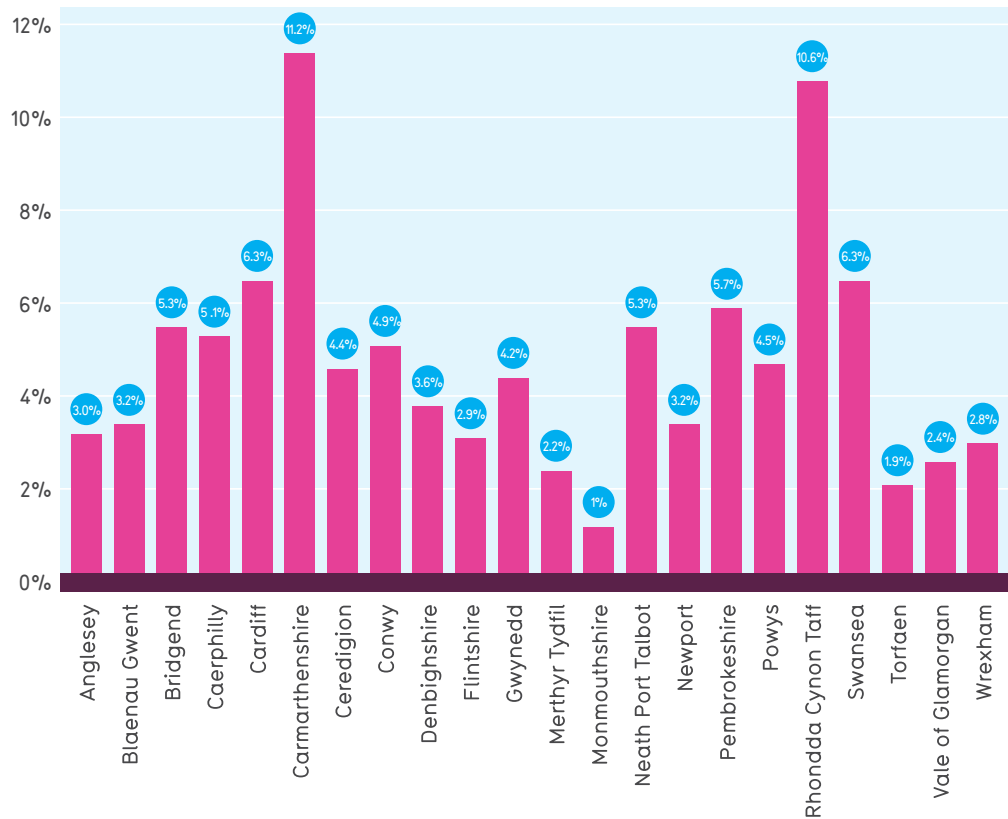


# Welsh Government Investment

During 2017-18, the Welsh Government invested £19.5 million through Nest measures.

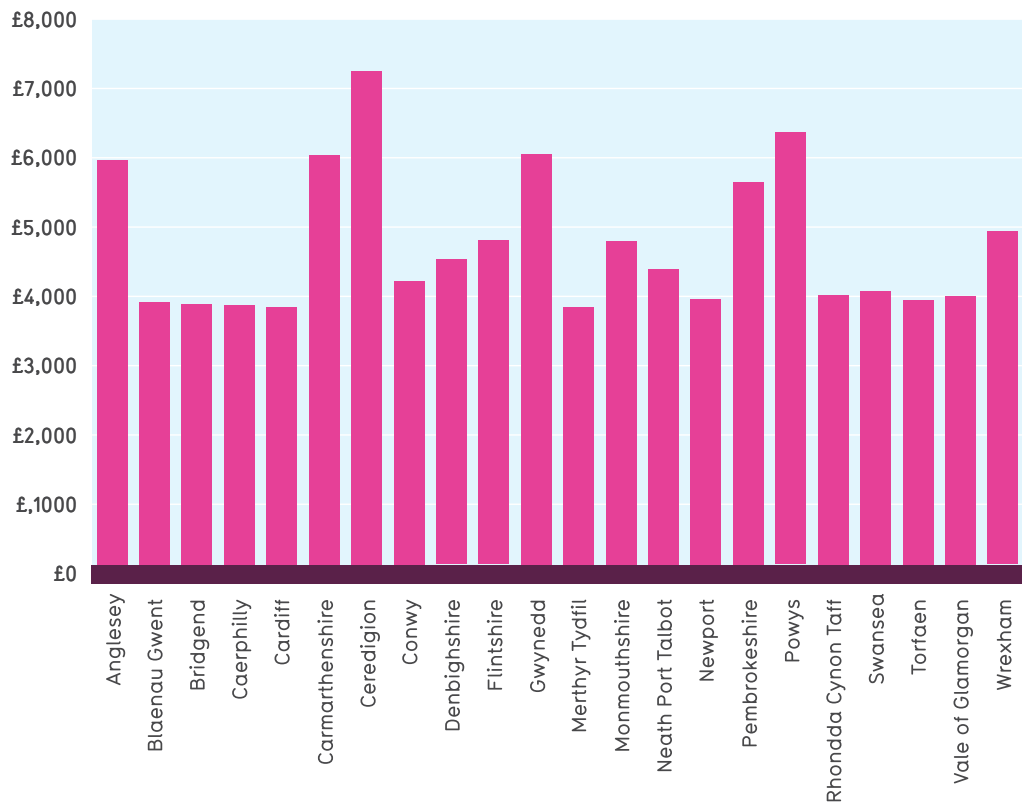
Installation profile by local authority

The graph illustrates the percentage of installations completed by local authority area.



Local authority average spend profile

This chart shows the average spend on home energy efficiency improvements by local authority.





## ECO Funding

Energy Companies Obligation (ECO) is part of the UK Government’s domestic energy efficiency obligations for major energy suppliers.

Nest and the Welsh Government continued to work closely together to maximise the ECO funding leveraged into Nest. During 2017-18, Nest successfully leveraged £1.6 million of ECO funding into Wales allowing Nest to support more households and increase the total funding, fuel and

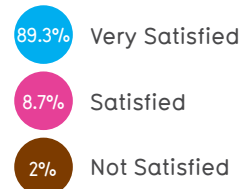
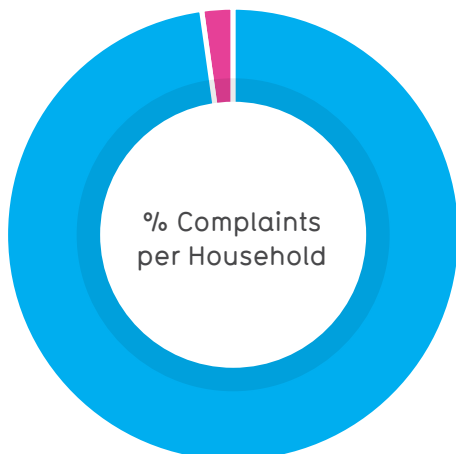
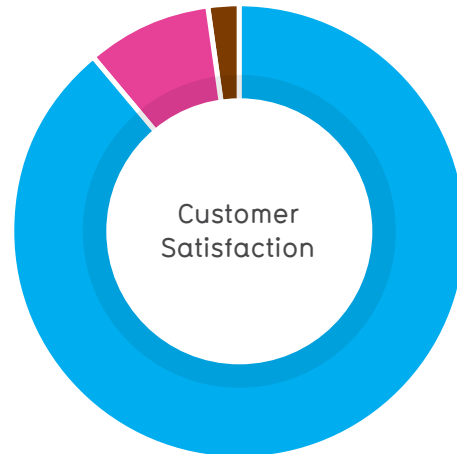
carbon savings to households across Wales. The funding leveraged from ECO is a combination of the Home Heating Cost Reduction Obligation (HHCRO) and Carbon Emissions Reduction Obligation (CERO).

## Householder Satisfaction

Customer satisfaction with Nest has been consistently high over the life of the scheme. In 2017-18, 98% of customers reported satisfaction with the advice services and installations provided by Nest.

All householders advised by the scheme are issued with a postal survey and asked to rate the service according to their satisfaction. Householder satisfaction is recorded and managed including any complaints relating to each stage of the customer journey.

The charts below show the complaint volume represented just 2.2% of all customers receiving a home energy efficiency improvement package and the majority of customers (97.8%) were satisfied or very satisfied with the installation service provided.



## Equality and diversity

The Nest scheme aims to reach all parts of society to ensure that all households in need of support are aware of the services available and are able to access the scheme.

The work of the Partnership Development Managers, in particular, positions the scheme alongside a range of partners delivering essential support to households across Wales. The advice and sign-posting available from Nest often contributes to a multi-agency solution for families facing multiple challenges.

The Nest team works with Local Health Boards, discharge teams and GP surgeries and community hospitals. The Nest Partnership Development Managers have developed existing and established new partnerships within the health sector recognising the impact a cold home can have on a person's health and wellbeing.

The Nest Partnership Development Managers established relationships with a number of third sector organisations working with people with specific communication needs including Learning Disability Wales, Deafblind, RNIB, and Swansea Hard of Hearing Group.

The team also worked with charities supporting people with long-term illnesses, including Macmillan, MS Society, Mencap, British Lung Foundation, and Dementia Friends, recognising the financial difficulties people with specific conditions can face. There has also been a growth in engagement with charities working with people recovering from mental illness, including Hafal, Gofal, and Mental Health Matters Wales.

Nest continues to maintain relationships with organisations which support older people in Wales. The Partnership Development Managers worked closely with Age Cymru and Age Connects agencies and with Care and Repair where a two-way referral process ensures that householders have access to the distinct services provided by both organisations.

Alongside the partnership engagement activities, information on the Nest scheme is available in a number of different formats including easy-read, braille, audio, large print and digital and in multiple languages. These resources are supported by Language Line to provide interpretation for those customers whose first language is not English or Welsh and through minicom or the Next Generation Text service for customers who are deaf or speech impaired to ensure that everyone has access to the scheme.

These activities underline the Nest scheme's commitment to operate within the values set out in the Well-being of Future Generations Act including collaboration, integration and prevention.

*"I have been without proper heating and hot water for 2 years. This scheme has already had a major positive impact upon my life. Heat helps reduce the pain I experience in my muscles and joints which can leave me incapacitated."*

Conwy resident



# Delivering Additional Benefits

As a Wales-based employer, the Nest team looks to support the communities it works in and inspire young people with a range of employment initiatives.

Community Benefits deliver outcomes in addition to the core purpose of the contract. The Welsh Government's commitment to deliver 'community benefit' outcomes from procurement activity is designed to ensure that wider social and economic issues are taken into account when spending public money. The intention is to achieve the very best value for money in the widest sense by targeting opportunities for recruitment, training and education for those furthest from the jobs market, local supply chain development, and support for education and community regeneration activity.

Community Benefits can include environmental measures to do with energy and waste/recycling, social aspects such as utilising local unemployed people on the workforce, the provision of training for apprenticeships, and economic, such as using the Sell2Wales website to advertise Tier 1 opportunities to local SMEs.

Community Benefits can include delivery of the following:

- Targeted Recruitment and Training Initiatives
- Educational Support Initiatives
- Vocational Training
- Supply Chain Development
- Community and Environmental Initiatives
- Supported Business, Third Sector and Voluntary Initiatives
- Social Enterprise and Co-operative Initiatives
- Equality and Diversity Initiatives
- Poverty Initiatives

The Welsh Government Warm Homes Nest scheme achieved a Welsh local multiplier of £2. This multiplier measures how the Nest scheme spending generates local economic impact and benefit to communities. For every £1 spent on the Nest scheme, £2 has been returned in economic benefit.

British Gas, the Nest scheme manager, is required to encourage the participation of Welsh SMEs when procuring site contractors and other suppliers. This approach has resulted in the creation of 12 jobs and 32 apprenticeships being employed to work on the Nest scheme. The scheme for the period 2011/18 delivered training including 8,422 apprenticeship weeks and a further 47 training opportunities through work experience.

During 2017-18, members of the Nest team completed training to become STEM Ambassadors who aim to inspire young people in STEM subjects (science, technology, engineering and mathematics) and help them to identify career opportunities. In September, the Nest STEM Ambassadors attended the Institute of Physics' Lab in a Lorry road-show at Rhydywaun School

in Rhondda Cynon Taf and worked with over 350 students on practical science experiments.

In October, Nest welcomed a group of Ebbw Fawr Comprehensive students completing Inspire 2 Achieve to its site. Inspire 2 Achieve is a new European Structural Fund project, delivered by Careers Wales, which aims to increase awareness amongst eligible young people of employment opportunities. Business Class is a Business in the Community programme, delivered by Careers Wales that creates mutually beneficial and collaborative partnerships between businesses and schools. During the year, Nest continued its partnership with Abertillery Comprehensive School and worked with 483 students and eight staff members by:

- Delivering a careers lab session for a group of Year 11 students
- Facilitating a customer service best practice session for their administration, reception and business team
- Holding a health and safety workshop for the caretaking staff that work across their 5 campuses
- Conducting an employability practice programme with their Year 11 cohort of 120 pupils
- Supporting Welsh Baccalaureate pupils to complete their 'Global Environment Challenge'

The Nest team's collaboration with Business in the Community's Business Class provided the opportunity to take CRE8 to North East Wales, replicating the approach undertaken with the Heads of the Valley schools cluster last year. CRE8 is an inter-school competition aimed at improving school pupils' understanding of work and career choices where students design an energy efficient product from recycled materials. Preliminary events were held in November and December and eight schools took part in the CRE8 final held in Glyndwr University in January. Lesley Griffiths, Cabinet Secretary for Energy, Planning and Rural Affairs, attended the finals event and spoke with each of the participating teams about their energy efficient product.

Nest also took part in Business in the Community's Responsible Business Week and hosted an event with Chwarae Teg to celebrate the women from the Nest team who had successfully completed the Agile Nation 2 development programme. Nest also took part in Business in the Community's Give and Gain Day where Nest volunteers attended Ysgol Gynradd Rhyd Y Grug in Aberfan and undertook a variety of activities including painting and grounds clean up.

## Looking ahead

For 2018-19, following a European procurement process, British Gas has been appointed as scheme manager for the Welsh Government's new Nest contract which is in place for the next five years.

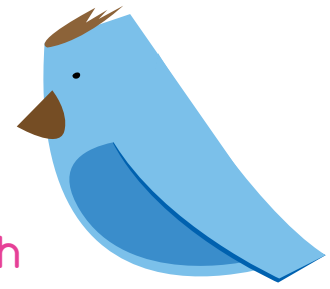
The scheme will continue to tackle fuel poverty in Wales and will:

- Work with a range of partner organisations to ensure the scheme reaches those households in most need
- Develop engagement with the health sector to fully test the professional health referral process for a further 12-month period for people suffering from chronic health conditions affecting their circulatory or respiratory system which are often made worse by living in a cold or damp home
- Investigative work will be done exploring the range of mental health conditions affecting the people of Wales and whether householders with specific mental health conditions would benefit the most from receiving a package of energy efficiency measures through the Nest scheme
- Leverage additional funding into the scheme from the Energy Company Obligation (ECO) to help more low income households to benefit from home energy efficiency improvements
- Continue to contribute to Welsh Government's energy and poverty strategies
- Operate within the values set out in the Well-being of Future Generations Act including collaboration, integration and prevention

The Nest team will continue to develop its community benefits activities including its partnership with Business in the Community's Business Class programme and the collaboration with the North East Wales schools cluster through the CRE8 programme.

The team will increase opportunities to promote employment and learning for young people and will introduce a scholarship programme, in partnership with Careers Wales, for a Welsh speaking school leaver who will be given the opportunity to gain additional qualifications.

Working with our network of Wales-based installers and suppliers, Nest will also lead a team of volunteers to undertake a community regeneration project and revitalise a community building or area in collaboration with local partners.



*“Having a more reliable and efficient system is a weight off our minds. My wife feels the cold so not having to worry about the temperamental system is just a lot better.”*

**Lampeter resident**

