

WARM ZONES EXTERNAL EVALUATION

FINAL REPORT – EXECUTIVE SUMMARY
MARCH 2005

Submitted to Defra and DTI by the Energy Saving Trust
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EXECUTIVE SUMMARY

Introduction

This report summarises the findings and recommendations of the evaluation of the Warm Zone pilot programme. Warm Zones is a major initiative designed to systematically reduce fuel poverty¹ on a local, area basis. The UK Fuel Poverty Strategy defines a fuel poor household as one that needs to spend more than 10% of its income on all fuel use and to heat its home to an adequate standard of warmth (defined as 21°C in the living room and 18°C in other occupied rooms, as recommended by the World Health Organisation). A household in 'severe fuel poverty' is one that needs to spend 20% or more of its income on fuel use.

Five Zones were established in early 2001 to pilot the approach over a three-year period: Stockton, Newham, Sandwell, Northumberland and Hull. The pilot period finished in March 2004, although all five pilots have continued since this date. The pilot period of the programme was part-sponsored by the Government on the basis that the Zone approach could potentially play an important role in contributing to the objectives of the UK Fuel Poverty Strategy (DTI/DEFRA (2002), *UK Fuel Poverty Strategy*, DTI).

The Department for Environment Food and Rural Affairs (Defra) and the Department of Trade and Industry (DTI) commissioned an independent external evaluation of the Warm Zone pilots. The evaluation was conducted by the Centre for Sustainable Energy (CSE) and National Energy Action (NEA), under the management of the Energy Saving Trust.

This report assesses the effectiveness of Warm Zones over the full three year pilot period. It also comments on activities since the pilot period finished to December 2004 and assesses the prospects for Zone expansion. Two interim evaluation reports are available at: www.est.org.uk/aboutest/resources/publications/.

Aims and Objectives of the Warm Zone Pilots and External Evaluation

The overall aim of the Warm Zone programme was to facilitate the efficient, integrated and appropriate delivery of practical measures to alleviate fuel poverty and improve domestic energy efficiency in defined areas. Zones set themselves two key fuel poverty targets for the three-year pilot period:

- to reduce fuel poverty by 50%; and
- to reduce severe fuel poverty by 50%.

Warm Zones also aimed to:

- achieve cost efficiencies through systematic, intensive area-by-area assessments and subsequent installations using Warm Front and other existing programmes;
- integrate energy efficiency programmes for both lower and higher income households;
- lever-in new sources of funding to enhance their resource base;
- create local and national partnerships of all interested parties; and
- provide reliable evidence for assessing the effectiveness of the pilot programme, with a view to national extension.

The evaluation aimed to:

- determine whether Warm Zones achieved what they set out to do;
- provide Government and other stakeholders with information on which to base decisions on the future of the Warm Zones concept;
- inform the design of future Zones by examining the experiences, successes and failures of the five pilot zones; and

¹ More information on the pilots is available at www.warmzones.co.uk

- provide information on the effectiveness of existing schemes in addressing fuel poverty and identify how such schemes might be refined.

Warm Zone Structures and Processes

Warm Zones Ltd was established as a not-for-profit company, consisting of a Board, central support team and the five pilot Warm Zones. The Board consisted of key stakeholders and was the company's decision-making body; however, the pilots were given considerable flexibility in recognition of their pilot status.

The operating budget for the pilots was £7m, funded from central government, fuel company sponsorship and local authorities. Funding for installed measures primarily came from central government programmes, energy companies and local authorities. Some Zones supplemented this with funds from regeneration programmes, Primary Care Trusts and other sources.

The basic Warm Zone model includes the following elements:

Set up activities – These included setting up management structures, acquiring resources commensurate with the envisaged scale of the fuel poverty task, establishing the assessment process, developing a marketing strategy and setting up monitoring and reporting systems.

Partnership working – At a local level, local authorities and energy companies were the most important partners, although health partners were also important in some Zones. Zones also established operational partnerships with installers, service providers (e.g. EEACs, benefits advice agencies) and energy efficiency programme managers (e.g. Eaga, Powergen Warm Front team, Dearle and Henderson). 'Local communities' were also Zone partners to a greater or lesser degree.

Assessment – At the heart of the Warm Zones approach is door to door assessment whereby assessment teams systematically contacted households, mainly face to face on the doorstep, on a street by street, ward by ward basis throughout a local authority district² to assess income and required fuel costs to provide a measure of the fuel poverty status of the household. This information is then used to target the provision of energy efficiency measures, benefits and other advice to those who are eligible and/or have the greatest need with respect to fuel poverty status and to report against Warm Zones' targets.

Progress against the Government's target for fuel poverty reduction, as set out in the UK Fuel Poverty Strategy is monitored using defined, detailed calculations using data from the English House Condition Survey (EHCS). It is not realistic to replicate this level of data collection through a door to door assessment; Warm Zone assessment is therefore restricted to a core set of data. As such, the assessment of fuel poverty, both before and after intervention, is an approximate measure. Nevertheless, at its best, Zone assessment data was useful for:

- Targeting assistance at those assessed to be most in need with respect to the approximate measure of fuel poverty at the individual household level; and
- Giving Zones the capacity to monitor progress on fuel poverty reduction through providing an approximate measure of local need and feedback on the extent to which that need was met.

The assessment process also allows Warm Zones to establish whether households claimed Warm Front or priority EEC qualifying benefits, establish eligibility for certain Zone-specific schemes, ascertain householder interest in the various forms of advice

² There were some variations to this model, e.g. Hull did not use door to door assessment in social housing, Northumberland and Stockton used self assessment in some cases (remote rural areas in Northumberland; a large estate of new build in Stockton).

offered by the Zone (e.g. benefits, energy) and more generally engage householders to encourage take up of assistance offered.

Referral – This followed assessment and aimed to give householders' access to the various forms of help e.g. Warm Front, priority Energy Efficiency Commitment (EEC), Zone-specific schemes (aimed at certain fuel poor households ineligible for Warm Front/priority EEC), EEC discount schemes for the 'able to pay' sector, energy and/or benefits advice.

'Hard' (energy efficiency) measures – Zones either project managed or facilitated access to a number of energy efficiency programmes whereby energy efficiency measures were installed for households meeting scheme criteria. These included Warm Front, EEC, local authority social housing programmes (for which the decent homes standard was the primary driver), local authority private housing programmes (for which private housing sector renewal strategies were the primary driver) and Zone-specific schemes, e.g. Newham Warm Zone grant, the special insulation measures scheme (SIMS) in Hull, Northumberland and Sandwell.

'Soft' (benefits, energy, debt advice) measures – The provision of benefits advice became an increasingly important element of the Zone approach during the pilot period. Some Zones provided a full benefits advice service to all assessed households requesting it, paid for with Zone funds. This service was more extensive than the standard 'benefit checks' offered by some fuel companies or under Warm Front.

Integration of hard and soft measures – This represented an important element of the Zone approach and was intended to save costs, increase scheme impact, extend the range of Zone beneficiaries and improve customer service. In practice, most Zone integration efforts focused on extending the range of beneficiaries, with a particular focus on fuel poor clients not eligible for Warm Front or priority EEC.

The evaluation identified four variants to the basic model. These were intended to 'test' different possible approaches for achieving effectiveness and to understand in what circumstances this was possible. However, they were also in part driven by the resources available to individual Zones.

The **full control** model adopted by Stockton involved direct management of Zone processes and the delivery of most local energy efficiency activity, e.g. Council programmes, British Gas EEC measures and certain elements of Warm Front. Stockton was sponsored by Transco, who also seconded the Zone Director. The Zone developed a strategic approach in which resource acquisition was linked to baseline assessment of need, and outcomes closely monitored.

The **facilitation** model adopted by Sandwell and Northumberland involved the Zones facilitating access to existing programmes, which were managed by their respective managing agencies. Both Zones were sponsored by npower, which also provided EEC measures and seconded the Zone Directors and other staff. Sandwell largely relied on installers to provide 'free' assessments on the expectation that they would get work from 'leads' provided to the Zone. Northumberland employed its own assessors, with some assessments funded by installers.

The **service management** model adopted by Hull involved the Zone contracting out key Zone functions to other agencies. Hull was sponsored by npower, which also provided EEC measures and seconded the Zone Director. National Energy Services was responsible for assessing private properties, as well as data management and surveys. Hull developed a 'desktop' assessment model that enabled it to calculate fuel poverty levels among local authority tenants in receipt of benefits.

The **area management** model adopted by Newham involved two Area Managers delivering the Zone programme in different parts of the Borough. Newham was sponsored by EDF Energy, which also provided EEC measures and seconded a key member of staff. Newham largely relied on installers to provide 'free' assessments. The Zone developed a 'desktop' assessment model that identified 'non-fuel poor households', thus reducing the size of the total assessment task. The Zone was embedded within Newham Borough Council's structure. The Zone therefore did not face the same data protection constraints experienced by other Zones, e.g. access to benefit records.

Zone impact – headline findings

The table below shows that the pilot Warm Zones removed approximately 7% (7,782) of fuel poor households from fuel poverty as estimated by the evaluation based on Warm Zone assessments.³ This varied from 2% in Hull to 23% in Stockton. The target was 50%. Warm Zones removed 10% (1,917) of the severely fuel poor from that category, although nearly all remained within fuel poverty. This varied from 3% in Hull to 37% in Stockton. The target was 50%.

Households removed from fuel poverty	Hull	Newham	N'land	Sandwell	Stockton	All WZs
Households in fuel poverty	21,340	24,869	20,097	29,637	13,110	109,053
Households removed from fuel poverty	447	1,120	872	2,345	2,998	7,782
% fuel poor removed from fuel poverty	2.1%	4.5%	4.3%	7.9%	22.9%	7.1%
Households removed from severe FP	119	271	155	563	809	1,917
% severe fuel poor removed from severe FP	2.7%	5.9%	5.4%	9.9%	37.4%	9.7%

Target attainment was limited by many factors, chief among which were:

- incomplete roll-out of the assessment programme
- a substantial number of households identified as fuel poor by Zones did not meet the eligibility criteria of the mainstream energy efficiency schemes
- Zones were only able to secure a limited amount of alternative funding towards measures for these households and therefore a substantial number could not be referred on for assistance
- large Zone variations in the level of resources available for hard and soft measures
- the measure packages delivered did not have sufficient impact to remove many households from fuel poverty⁴.

Warm Zones reached many more fuel poor and near fuel poor households than would normally have been reached under a 'business as usual' scenario (BAU). If Warm Zones had not been in place, an estimated 3,490 households would still have been removed from fuel poverty through EE measures alone under a BAU scenario (i.e. not taking into account the effect of income and fuel price changes on fuel poverty). With the Warm Zones in place, an estimated additional 7,782 households were removed from fuel poverty through energy efficiency measures. About 11,300 households in total were therefore removed from fuel poverty over the pilot period. This figure represented over three times the BAU rate on average and varied from 60% to 700% additionality between the different Zones. The additional impact

³ The measurement of fuel poverty used by the Warm Zones, from where the evaluation has drawn its results, is based on Zones' assessment data. This is a much less detailed calculation than the official Government definition, which is calculated from a carefully defined data set and methodology drawing on the English House Condition Survey.

⁴ The Warm Zone pilots operated during the first phase of Warm Front and EEC. The next phases (which run from 2005-8) may address some of the issues identified.

achieved by the Stockton and Sandwell Warm Zones is significant, delivering more than additional 7 and 2.5 times the BAU amount respectively.

Hull apart, Warm Zones are judged to be reasonably cost effective, with the most efficient judged to be very cost effective. Over and above the installed cost of energy efficiency measures, Warm Zones spent an average of £1,110⁵ (£485 in Stockton's case, £3,002 in Hull's case) for every household removed from fuel poverty. Hull's figure was exceptionally high. If its result is excluded, the average becomes £995 for the remaining Zones. These figures include the administration costs of Warm Front jobs referred by Zones. An estimated 'benchmark' for a cost effective fuel poverty programme over the same period would be about £875 per household removed from fuel poverty.

The average cost effectiveness figure for Zones does not take into account the 'added value' provided by Zones. This includes their catalytic role in encouraging significantly increased levels of energy efficiency and fuel poverty activity in a local area, their ability to access the 'hard to reach', increased energy awareness and knowledge among the general public in Zone areas and provision of a local fuel poverty monitoring tool.

The provision of energy advice through the Warm Zones has also had an impact on general awareness and understanding of energy efficiency; however, it is likely that only about half the total opportunity for giving energy advice was taken. Those who recalled receiving energy advice were significantly⁶ more knowledgeable about energy efficiency than both those who did not receive advice and a sample of comparable households living outside the Warm Zone area. A third said they now gave a higher priority to keeping the home warm, conserving energy and keeping fuel bills low.

Stockton and Sandwell demonstrate that the Zone models they adopted were capable of achieving a significant 'stretch' in fuel poverty reduction (an additional impact of almost seven times the business as usual amount in Stockton and more than twice the business as usual amount in Sandwell). Furthermore, this was achieved cost effectively in Stockton's case (15% below the 'benchmark' when both measures and administration costs are included). The evidence therefore suggests that a well constituted Warm Zone that adopts the Stockton model and follows best practice, as identified from the pilots, will bring about a significant increase in fuel poverty reduction. The model remains cost effective at fuel poverty concentrations as low as 10-12% of district populations. The achievements of the pilot Zones other than Stockton and Sandwell were considerable; however, expansion of their models cannot be supported.

Reasons for Zone impact

Zone success against the 50% fuel poverty reduction target depended on a high rate of conversion from one stage of the Zone process to the next, e.g. assessment, referral, fuel poverty impact of measures installed. There were gaps in Zone performance at each stage which had a cumulative effect. Underlying factors such as partnership strength, management skill and resource availability were important determinants of some of these.

Pre-launch planning and development was critical to Zone success. Only Stockton benefited from this; other Zones spent much of their first year on developing such

⁵ This includes the additional cost of Warm Front administration where relevant, but does not take into account any extra-Zone administration costs of fuel company schemes.

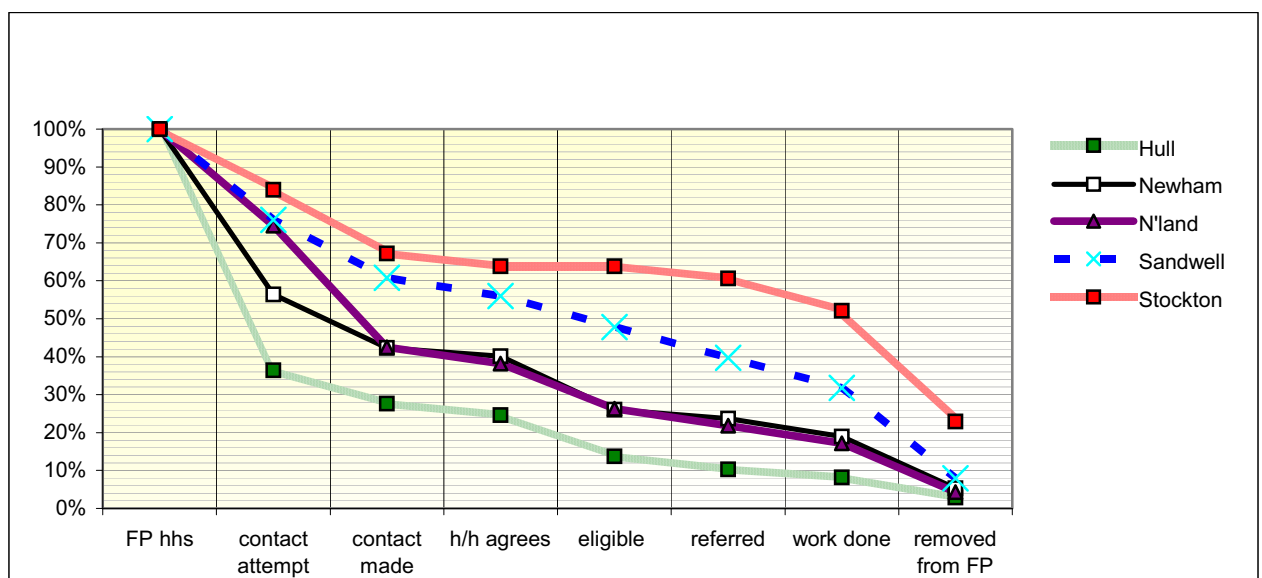
⁶ In this report "significant" differences or relationships between two factors or indicators always means statistically significant at least the p=.05 level, i.e. there is at the most only a one-in-twenty probability that the difference or relationship is due to chance.

activities leading to delays in the start of the assessment and measures delivery process. Northumberland and Hull in particular were further affected by mergers of their sponsoring fuel companies.

Relative Zone success was directly related to the amount of resources, both operational and measures, available to Zones. Only Stockton secured the bulk of the resources it considered necessary for the scale of the fuel poverty reduction task it faced, most of which was secured at the beginning of Zone operations. Other Zones found that they had to demonstrate 'success' to attract the very funds upon which success depended. The level of their resources bore little relationship to the difficulty of the fuel poverty task faced by the different Zones.

Nevertheless, Zones were a catalyst for drawing down a considerably higher level of energy efficiency funding than might have occurred without the Zones' presence. Stockton benefited from considerable EEC and local authority funds. Sandwell was very successful in securing resources from regeneration programmes, whereas other Zones had little success. Regeneration funding was not available in Northumberland.

The following graph illustrates Zones success at moving between each of the key stages of the Zone process, with respect to removing fuel poor households from fuel poverty:



Zones improved their assessment procedures considerably over the pilot period with a resultant increase in response rates. Zones needed to achieve a contact rate of at least 80% to have any chance of meeting their targets and only Stockton came close to this. Only Stockton completed its assessment task during the pilot period, although Sandwell completed most of its task. All Zones agreed that direct management and control of assessors represented best practice.

The accuracy of assessment and monitoring of Zone impact on fuel poverty were important elements of the Zone approach and need considerable improvement, although they are not factors that explain relative Zone success. Zones also faced problems in overcoming the limitations of housing/energy efficiency management software available at the time of the pilots.

Referral success rates were sometimes affected by factors outside Zone control, e.g. lack of feedback on the outcome of Zone referrals, delays in installation, and the perceived stigma of making benefit claims. However, Zones were able to improve

the situation by offering feedback and support to clients. Zone referrals to Warm Front showed significantly lower-than-average wastage rates.

Many fuel poor households did not receive any assistance. This included households in 'hard to treat' housing and those not eligible for Warm Front or priority EEC. The 'eligibility gap' was partly explained by households not claiming the benefits to which they were entitled. Zones made some progress in establishing new fuel poverty schemes to address the eligibility gap. However, there were insufficient opportunities amongst alternative funding sources to make a significant difference in this area. Thus, several major factors outside Zone control contributed to limited Zone impact. The next phases of EEC and Warm Front, which start in April and June 2005 respectively, should address some of these problems⁷. However, under-claiming of Warm Front/priority EEC passport benefits, particularly among pensioner households, remains a serious problem.

The extent (or not) to which Zones offered energy advice, tariff advice, under-occupancy strategies were not major contributory causes of Zone under-performance. Zones' early failure to offer good quality benefits advice did contribute, but was later addressed. Benefits advice work was much more cost effective than energy efficiency measures in reducing fuel poverty. For example, the average successful benefit claim achieved through Zone advice work was £1,200 pa. However, far fewer households received additional benefits (perhaps 5% of those in fuel poverty) than received energy efficiency measures (over 80% of those in fuel poverty).

Zones integration work mainly focused on addressing the eligibility gap, although they were only partially successful in doing this. Zones did, however, set up a number of innovative schemes. Stockton was able to offer measures to all fuel poor households identified and Sandwell to most. Zones made little progress on integration to increase the fuel poverty impact of measures on eligible households or to tackle 'hard to treat' properties, although the latter was mainly due to lack of provision in mainstream schemes. Thus, a significant proportion of households remained in fuel poverty.

Post pilot developments

Warm Zones Ltd was transferred to NEA at the end of the pilot and set up as a wholly owned subsidiary not-for-profit company. All 5 pilot Zones have continued operations, although only Stockton adhered to the original Zone model of transferring Zone activities to a 'Comfort Zone' embedded within the local authority. This provides a reduced level of Zone activity to reach the small number of households not yet contacted and to continue addressing fuel poverty.

One further Zone was established during the pilot period (Redcar and Cleveland), two Zones were established just after the pilot finished (Newcastle and Warm Wales Neath and Port Talbot) and several more are planned for the near future. Newham Zone has expanded into 7 neighbour local authority areas and has become the East London Warm Zone.

The new Zones have drawn extensively on the experiences of the pilot Zones. For example, they have put considerable efforts into pre-launch preparation and all offer benefits advice as a core Zone service. The new and post pilot Zones have also improved various Zone processes, such as combined assessment/surveys, use of hand held electronic assessment tools, using assessment information to offer products to the 'able to pay' sector and offering loft clearance services. Health sector partners have increasingly 'bought into' the Zone approach, recognising that

⁷ For example, Warm Front now offers Benefit Entitlement Checks to households enquiring about Warm Front but not currently claiming a Warm Front passport benefit.

affordable warmth action can make a valuable contribution towards meeting health improvement objectives.

All of the new Zones had access to additional (to mainstream) funds. These included regeneration, European and Government regional office programmes and funds released through the ALMO⁸ process. This is an important issue for Zone expansion, i.e. it will not occur unless substantial resources (which might include EEC, as well as more innovative sources) are assembled for measures installation. This represents a key role for local partners, supported by a central Warm Zone development team.

Recommendations

The evaluation provides the evidence to show that there is considerable value in the Warm Zone approach. In certain circumstances, a well operated Warm Zone can represent a cost effective means of reducing fuel poverty, particularly when the added value provided by Zones is taken into account (catalysing energy efficiency and fuel poverty activity in a local area, accessing the 'hard to reach', potentially providing a useful local fuel poverty monitoring tool etc).

The circumstances required to ensure Zone success are:

- Evidence of clustered concentrations of fuel poverty within a locality that can benefit from Zones' high impact approach. These are more likely to be urban in nature, although Warm Zones covering rural areas can be viable if there are substantial 'pockets' of concentrated fuel poverty.
- The development of a local strategic and integrated approach to fuel poverty reduction.
- Access to sufficient resources for measures to have a significant impact on the problem, for example significant funding from EEC, ALMO, regeneration programmes.
- The demonstration of need in both the social and private housing sectors. The Zone approach may not always be required in the social sector; however, Zones should still play a role in synchronizing and monitoring activity in the two sectors, e.g. address local contractor capacity issues.

Stockton was the closest pilot to fulfilling these circumstances, although Sandwell demonstrated the potential within the Zone model to take advantage of emerging local opportunities (initially Warm Front in the social sector; latterly, the securing of regeneration funds for energy efficiency works). Both achieved a significant increase in the estimated fuel poverty reduction in their areas. The Stockton pilot has already demonstrated this can be achieved cost effectively however the evidence suggests that following the Sandwell model and incorporating best practice can also be cost effective. The achievements of the other Zones were also considerable; however, the evaluation cannot support replication of their models.

The model adopted by those Zones developed more recently most closely resemble the Stockton pilot, although they have also adopted specific elements of best practice from the other pilots, e.g. use of regeneration funds, combined assessment/survey where practicable, procedures for improving the accuracy of assessments (although further improvements are still required).

We consider that over 3-4 years with existing programmes, a well constituted Warm Zone should be capable of achieving a 20-25% reduction in fuel poverty as estimated by the Warm Zones through the assessment process, and achieving this cost effectively. This would increase to 30% with the new Warm Front and EEC

⁸ Arms Length Management Organisation: a company set up by a local authority to manage and improve all or part of its housing stock. The company is owned by the local authority and operates under the terms of a management agreement between the authority and the ALMO.

programmes (which start in 2005). This would be in addition to the reduction that would be expected under a BAU scenario.

The evaluation notes that Zones are likely to continue to expand, with or without central government support. However, we recommend that further Government financial support is provided for 2 principal reasons:

- It would provide a strategic approach to Zone expansion, whereby the location of future Zones takes place in areas of greatest need rather than follow a more ad-hoc development pattern as dictated by other interests.
- Formal Government backing would help such Zones secure the necessary partnerships and resources required.

The evaluation considers that an expanded Warm Zone programme could play a valuable role in providing local structures for delivering part of the Government's Fuel Poverty Strategy. We recommend that the Government should provide seed corn funding for up to a further 25 Zones (a larger number would lead to resource displacement from non Warm Zone areas⁹). However, we accept that further Zones beyond this figure could be established, without Government support.

The evaluation considers that a modest amount of seed corn funding targeted at areas of most need can lever in considerably greater resources for fuel poverty and energy efficiency work through the Warm Zone model.

The evaluation recommends that the Government set up a process by which local consortia (local authorities, local strategic partnerships, PCTs etc) representing areas with greatest need are invited to bid for seed corn funding of around £100,000 per Zone which will primarily pay for Zone set-up and development costs.

Local consortia will be expected to provide matched funding (as a minimum) towards core costs (assessment, welfare rights, management etc) and demonstrate how they intend to contribute towards measures programmes. It is envisaged that the development process will identify further funds, e.g. EEC, regeneration programmes etc. Local consortia will also be expected to demonstrate a commitment to partnership working and community involvement in Zone processes and commit themselves to active engagement with Zones throughout Zones' period of operation.

Local consortia that establish Zones will be expected to demonstrate achievement of two key targets:

- **A 30% reduction in fuel poverty** as measured through the Warm Zones assessment process, to be achieved over a 3-4 year period. Prospective Warm Zones need to demonstrate how results will be additional to the impact that could be expected under a BAU scenario. Periodic evaluation will be required to identify whether results continue to be additional.
- **An average SAP 65 improvement target** for all Zone interventions

The evaluation considers that the 30% target is challenging but also achievable, given that future Zones will have an improved toolkit (Warm Front, EEC etc) at their disposal (increased budgets, enhanced measures etc), can benefit from further interaction between programmes to increase fuel poverty impact,¹⁰ will be expected

⁹ There is no basis for establishing a universally "acceptable" level of resource displacement. The figure of 25 "typical" Zones is based on the number that would be expected to consume approximately the total increment of Warm Front II and EEC II spending over their pre-2005 predecessors, so that resources available to non-Warm Zones would neither improve nor deteriorate in cash terms.

¹⁰ The Government's Fuel Poverty Action Plan (Defra (2004), *Fuel poverty in England: the Government's Plan for Action*) refers to the fact the Warm Front Scheme Manager will be encouraged to work more closely with other energy efficiency schemes, including EEC, to ensure that fuel poor households receive the maximum possible benefits.

to provide benefits advice from the outset and will have the benefit of learning from the experiences of the pilots.

The evaluation endorses the good practice models already developed by Warm Zones. These include considerable pre-launch development activity, direct management and control of assessors and benefits advice workers, partner and community support for assessment, provision of local accessible contact point for clients, provision of support services such as loft clearance and provision of hard measures (as far as possible) to all fuel poor households, as well as those on passport benefits.

The evaluation recommends that Zones should make considerable improvements to their procedures for monitoring the estimated fuel poverty impact of the Zones (assessment, data systems, integrating feedback of measures impact etc). This is vital for effective management of the Zones within a local strategic and integrated approach to fuel poverty reduction. Warm Zones should work closely with managing agents and advice providers on how their systems can best work together to facilitate this improvement.

The evaluation recommends that all future Zones should hold a competitive bidding process for 'preferred Zone EEC supplier'. Criteria should reflect value for money, flexibility and additional services offered, as well as competitive measures prices.

The evaluation supports recent Zone efforts to use assessment information to offer energy efficiency products to the 'able to pay' sector (in line with the original Zone objectives). However, we have concerns about Zones promoting only one company's EEC product to this sector. This may undermine the credibility and neutrality of the assessment process, which critically depends on local authority endorsement and being perceived as not tied to any particular company. We recommend that Ofgem and energywatch give an opinion on whether this may or may not be construed as 'anti-competitive'.

Zones should carry out regular customer follow-up surveys and use this information to inform internal monitoring and evaluation activities.

The evaluation recommends improved integration of Warm Zones and Warm Front and priority EEC within the scope of the new rules for the two schemes, e.g. electronic Zone access to managing agents' systems detailed feedback on measures installation, adopting common systems for marketing and surveys wherever feasible and joint working to encourage integration of measures for maximising their fuel poverty impact on individual clients (taking into account standards of data management required for Warm Front by the Government).

Warm Zones should form part of a local strategic approach to eliminating fuel poverty. This should include the following elements:

- Assessment of fuel poverty need
- Assessment and acquisition of resources required, identification of gaps, regular review of resource requirements
- Allocation of resources according to assessment results
- Planned and coordinated delivery of measures packages (ideally across housing tenures to maximise potential contractor synergies)
- Follow up and monitoring of estimated fuel poverty impact
- Knowledge of all other energy efficiency programmes delivered in the local area, including those in which the Zone has little involvement
- Integration with local affordable warmth strategy
- Integration with related local policies and strategies, e.g. Community Strategy, Housing Strategy, sustainable development, social inclusion, health equalities.