

Executive Summary
Evaluation of *Healthy Homes, Healthy Lives*
Part I: Social impact

July 2024

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Project background

The **Healthy Homes, Healthy Lives** (HHHL) project was one of five 'Trailblazers' funded by Innovate UK under its Healthy Ageing Challenge. This programme aims to help older people remain active, productive, independent, and socially connected across generations for as long as possible by enabling businesses, including social enterprises, to develop and deliver beneficial products, services, and business models.

HHHL aimed to help older homeowners repair and adapt their homes to be safe and energy efficient. The goal was to improve their housing conditions and allow them to live independently for longer. The project focused on the areas of London and Brighton. HHHL's lead organization was the London Rebuilding Society. This small London-based social enterprise, founded in 2000, had long experience of running home improvement projects for older people, mostly in East London.

HHHL was allocated a project grant of £3,968,583 by Innovate (not all of which was spent), and match funding was initially provided in the form of loans to LRS from the Joseph Rowntree Foundation (JRF) and the Charities Aid Foundation (CAF). The external funding was to support the activities of project collaborators, particularly LRS as lead organisation; it was not expected directly to fund repairs.

Project aims and collaborators

The implementation phase of HHHL ran from April 2021 to end-March 2024¹. The aim was to develop an integrated package to help low-income older homeowners living in homes in disrepair. The project initially focused on asset-rich, cash-poor older people, who can struggle to find resources for repairs and home improvements to meet their health and energy needs. LRS was to offer a 'handholding' service (also known as person-centred support) including providing advice, surveying the property, engaging contractors and supervising repair works on behalf of the homeowner.

The repair works were to be funded by innovative equity release mortgages developed as part of the HHHL project. In an equity release mortgage the borrower's home serves as security for the lender, and homes are conventionally valued in their existing condition. Most ER providers will not lend on properties in significant disrepair, making such finance inaccessible to the target market for this project. HHHL proposed instead to use a post-works valuation (PWV) model, where the valuation would be based on the estimated property value *after* completion of repairs and improvements². This would enable the project to support customers whose properties were not in good enough condition to qualify for standard forms of equity release. LRS is not itself an ER lender and would not advise customers about equity release; rather it would refer them to specialist advisers as necessary.

LRS provided the handholding service and was the lead organisation, in charge of managing this complex collaboration. Besides LRS, there were five collaborators:

- Brighton & Hove Energy Services Cooperative (BHESCo), a community-based social enterprise in Brighton that helps people meet their heat and power needs, promoted HHHL in Brighton and the South Coast, referred customers, and carried out energy surveys.

¹ There was also an earlier feasibility study involving LSE (2020-2021) but not the other collaborators.

² Some ER lenders had previously offered PWV-based products on a limited basis, but they were never a mainstream product.

- Key Group (one of the UK's largest equity release lenders) and its lending arm More2Life were to develop a PWV product to support smart green home improvements.
- Just Group, another major later-life lending company, aimed to develop a PWV product to finance domiciliary care in collaboration with LRS.
- VRM Technology, a technology SME, was to produce an integrated software platform for customer relations, to track construction, and to monitor energy use in customer properties.
- LSE was to carry out ongoing market research and to conduct the project evaluation. This evaluation consisted of two parts: a social impact evaluation (of which this is the executive summary) and a process evaluation.

What 'success' would look like

The HHL proposal set out the following aims and impacts (some reworded here by LSE):

1. **Improving the homes of older homeowners, and thereby improving their lives:** The proposal anticipated that over the course of the project the owners of 250 homes would be assisted in some way, and that 108 age friendly homes would be created.
2. **Addressing a market failure:** The development of five PWV-based products and the person-centred support service aimed to address a market failure by offering (low-income) older owners of homes in disrepair access to products and services commonly only available to the better off or those living in homes in better condition. The five PWV-based products were:
 - 1 Smart green home improvement scheme: a product focussing on LRS's standard practice of doing a green retrofit, with the addition of the installation of smart technology for energy monitoring.
 - 2 Space for lodgers: would allow homeowners to make part of their homes suitable for lodgers and thus generate extra income.
 - 3 Splitting homes: would enable homeowners to split their homes in two, again generating extra income.
 - 4 Creating space for care in the home: would allow a homeowner to make part of the home suitable for a live-in carer.
 - 5 Home improvements with finance for domiciliary care: would allow home adaptation to meet the owner's needs while releasing equity for domiciliary care.
3. **Creating a scalable and replicable approach:** HHL was to operate initially in London and Brighton and then expand across the country, funded by external investment secured in the later phases of the project. New customers would be identified through collaborations with financial services organisations and referrals from local authorities and voluntary sector organisations. By the end of March 2024, LRS was projected to be sustainable and ready to scale up significantly.

Key changes in the course of the project

Over the course of the project there were some changes to the way the project worked:

- PWV loans were designed but none were launched. The original plan was for JUST and Key Group to develop new PWV products in collaboration with LRS. These new products required funding, either from the collaborator's own resources or from external investors—often pension funds or insurance companies. However the financial market disruption caused by the short-lived Liz Truss government led to a 50% reduction in the number of ER products on the market, and funders' focus was on how to revive the existing markets rather than considering any new, niche products. In addition, the introduction of the new consumer duty by the FCA made product innovation more challenging. Although significant work was done on the design of a new PWV product, it was not introduced in the course of the project.
- The target customer demographic was widened. The realisation that PWV loans would not become available led LRS to reassess its offer and target market. Local market research suggested that customers from a range of income groups might be interested in the person-centred support service as a standalone product, paid for by clients' own resources, standard equity release loans and/or grants. LRS developed three archetypal customer personas:
 - **High need**—no savings, low income, often with other vulnerabilities, homes in poor repair
 - **Heat or eat/Stay or go** – somewhat better circumstances but still struggling
 - **Self-funders** – more savvy, have savings, want LRS to provide a service

The first two were typical LRS customers but the third was a new group: better off customers with (slightly) higher incomes and potentially some savings to use for home improvement. In the third year of the project, LRS began to reach out to this new customer demographic, offering a standalone handholding service to organise and supervise repairs.

There were also some changes within the group of collaborators:

- VRM Technology was wound up and replaced in June 2022 by Ecowise, an SME tasked with developing a project management and monitoring platform.
- Because of the challenges of developing and launching new PWV products, the role of Key Group/more2life was restricted to referring potential customers through its TERE network, and potentially providing equity release advice to HHHL customers.

Evaluation methodology

LSE developed a Theory of Change (ToC) to guide the evaluation. The ToC is a standard evaluation tool that aims to capture the predicted interactions between project activities and short- and long-term outcomes. This ToC was adapted to reflect the changes in the project over time.

Data collection for the social impact and process evaluation took place through:

- Interviews with HHHL collaborators, customers, and other relevant actors (35 in all)
- Two focus groups with HHHL collaborators

- Observations of five HHHL community engagement events and two online outreach events
- Collection of project records and administrative data from HHHL collaborators

Main findings on social impact

Goals and achievements: Changing the financial offer for consumers

Addressing a market failure

The initial business plan indicated that collaborators would develop five PWV-based products in the course of the project, but four were eventually dropped³. When HHHL finished in April 2024, Just was working on a PWV product with the option of a care annuity, which might also allow borrowers to create space for live-in care. If and when this product enters the market, a hitherto underserved group of homeowners will have better access to finance to adapt their homes to energy and health needs.

Creating a scalable and replicable approach

The business plan originally projected that HHHL would be working across the country by the end of the project and that the scheme would become self-sustaining. In the event HHHL operations took place only in London and Brighton and financial sustainability was not achieved.

HHHL has provided LRS with important lessons and contacts. It has worked with collaborators Just and Ecowise on potential products and tools that could be used in future endeavours.

Goals and achievements: Improving customers' homes and lives

The proposal projected that owner occupiers of 250 homes would be assisted within the timescale of the project, with 108 age friendly homes created. These projections were regularly scaled down over the course of the project, reflecting changes in the external context⁴. As of 4 March 2024 there had been 268 enquiries from potential customers; there were 16 open cases and 1 completed case as of 4 December 2023. The number of home improvements realized through HHHL was thus a small fraction of original projections. These outcomes need to be assessed in the light of the contextual factors discussed in the process evaluation.

Looking at outcomes in more detail, 68 older homeowners received advice of various sorts, including around energy efficiency, equity release and applying for grants. One home was upgraded and repaired, and works were underway in two further homes at project end. Parts of the 'smart green home improvement scheme' were implemented in at least one home, although this did not include installation of energy monitoring equipment.

For the evaluation we interviewed three current customers and two potential customers who made enquiries but decided not to proceed. The interviews highlighted a number of positive impacts—whether demonstrated or expected--on customers. These include:

- Demonstrated
 - Receipt of free advice and guidance

³ The reasons for this are discussed in Part II of the evaluation, covering process evaluation.

⁴ See Part II of the evaluation, covering process.

- Improved safety in the home (including removal of a Category 1 hazard in one case)
- A warmer home with less humidity
- Customer can stay longer in their home
- Improved customer mental and emotional wellbeing
- Expected
 - Lower energy bills
 - Improved financial situation (through releasing financial resources via ER)
 - Improved functionality of the home
 - Increased home value

Some clients said that without HHHL, they would not have been able to find the service and support they needed and would have had no choice but to sell their homes. Selling and moving could have myriad negative consequences for their way of life.

Some minor negative impacts were identified, including the stress of works (waiting, hassle of having workers in the house); confusion about the different people and organizations involved in the process and some mild physical health issues (cough from the dust of the work).

Wider impacts

It was initially hoped that HHHL's activities would generate positive second-order effects on the family and friends of project clients, on their neighbours and community, on local authorities and local charities/agencies, and on the NHS and local authorities' adult social care services. In the event we identified few significant wider effects. In part this reflects the fact that HHHL did not develop as anticipated and very few cases were completed. It is also the case that the evaluation had to be completed within the timeline of the project itself, and most of these wider impacts are likely to only occur (long) after the project has been completed.

We did identify two categories of wider impact:

- Positive impacts on project collaborators, who developed their skills, knowledge and expertise, and increased their ability to help customers
- Expected positive impacts (or reduced negative impact) on the environment as a result of the energy efficiency-related works in at least one customer case

Conclusions

HHHL aimed to support older homeowners to carry out their home improvement projects. In funding HHHL, Innovate recognised the potential of organisations like LRS and its work to help older homeowners in need, who are often left to their own devices.

In the event many of the HHHL's goals were not realised as predicted (or in some cases, at all), and actual outcomes were a fraction of the initial projections. Much of this can be attributed to the totally unexpected financial, economic and regulatory conditions that transpired in the course of the project; these are discussed in more detail in the process evaluation.

Even so the project did result in valuable learning about social impact--albeit based on a small number of cases. The offer of a standalone handholding service to project-manage improvements for older people is clearly one that deserves more exploration. As discussed in the process evaluation, the

project demonstrated that some homeowners are interested in such a service in principle. The next step will be to dig further into how much they would be willing or able to pay, and whether that would cover the costs of such a service so that it could be replicated across the country.

HHHL has demonstrated that there is a need for the types of support the project provided. Although only a limited number of homeowners were assisted, the evidence demonstrates that there are many more who could potentially benefit. But perhaps the key lesson is that it can be hugely challenging to help older homeowners with few resources and high needs. The limited amount of grant funding now available is not enough to address homes with major structural problems. Many homeowners are uncomfortable with the idea of equity release, and in any case those with homes in poor condition would not all qualify for existing products. New PWV loans that could overcome this barrier did not emerge through HHHL, despite enjoying a three-year development period and financial backing from Innovate.

Overall, the project raises a range of questions about the capacity of market or semi-market-based solutions to address this type of healthy ageing challenge. The issue of poorer older households living in inadequate housing may be one that government will have to address. This project provides many lessons which will be valuable in developing the necessary broader based approach.