

# Demonstrating Quality of Life Impacts: Home Improvement Loans for those Experiencing Financial Exclusion

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Published PDF deposited in [Curve](http://curve.coventry.ac.uk) February 2016

**Original citation:**

Bos, E. and Henry, N. (2015) Demonstrating Quality of Life Impacts: Home Improvement Loans for those Experiencing Financial Exclusion. Coventry: Coventry University.

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# **Demonstrating Quality of Life Impacts: Home Improvement Loans for those Experiencing Financial Exclusion**

**A Report to Wessex Resolutions CIC**

**Final Report**

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**Centre for Business in Society**

December 2015

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# 1 Introduction

## 1.1 Wessex Resolutions CIC: Demonstrating impact

Wessex Resolutions C.I.C. is a community interest company 'improving the quality of people's lives by providing affordable home loan finance and effective money management advice'<sup>1</sup>. In operation since 2003, Wessex Resolutions currently work with 20 local authorities across the South West of England.

The provision of home loans by Wessex is distinctive in its focus on homeowners whose home is in need of essential repair or adaptation but who cannot afford to get the work done and/or are unable to access mainstream mortgage-based products. Provision supports Local Authority efforts to bring local housing stock up to minimum standards, such as that of 'Decent Homes'<sup>2</sup>, and reduce homelessness.

In 2014, as part of their membership of the Community Development Finance Association (cdfa), Wessex Resolutions supported the development of an Economic Impact Tool to demonstrate and monetise the impact value of community finance (such as affordable home loan finance)<sup>3</sup>. As an Impact Champion for the sector, they supported the further extension of this activity in 2015 through the subsequent launch of a Social Value Framework<sup>4</sup>.

During this activity, it was noted that Wessex Resolutions had a substantial database of client feedback material around 'quality of life impacts' generated by their home improvement loans - but limited capacity and capability to undertake systematic analysis of this database.

## 1.2 Aim of the study

The 'power of testimonials' and their impacts is utilised through individual case studies by Wessex Resolutions but, to date, any aggregate statement of quality of life impacts created through their activities has not been achieved.

This study provides such a statement through an analysis of a Wessex Resolutions Client Satisfaction database undertaken by Elizabeth Bos and Nick Henry of the Centre for Business in Society (CBiS), Coventry University.

Through this study, the Report continues the process of demonstrating the full impact of community finance on economic and social life in local economies and communities.

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<sup>1</sup> <http://www.wrcic.org.uk/about.php>

<sup>2</sup> See <http://webarchive.nationalarchives.gov.uk/+/http://www.communities.gov.uk/housing/decenthomes/whatis/>

<sup>3</sup> See <http://www.cdfa.org.uk/2014/10/20/measuring-impact/>

<sup>4</sup> See <http://www.cdfa.org.uk/funding-and-development/social-value-framework/>

## **2 Study methodology**

### **2.1 The data**

On completion of provision of a home improvement loan to a client, Wessex Resolutions undertakes a client satisfaction survey.

The surveys administered to clients contain both closed and open ended questions around their experience of Wessex Resolutions, the service offered, their use of the loan and its impacts on their lives.

The remit for CBiS was to analyse the open ended responses to one survey question in particular containing client feedback around the home improvement(s) and the respective impact on quality of life.

The initial question asked 'Please could you indicate the extent to which you feel your life has been improved as a result of the work which has now been completed' and provided five tick-box options ranging from 'none' through to 'a great deal'.

The follow-up open-ended question which is analysed in this report asked: 'please tell us more about how this has made a difference and how you feel the quality of your life has changed as a result'.

Responses had been recorded in Microsoft Word. In total there were six data sets ranging through the years from 2007 – 2015<sup>5</sup> and covering pretty much all of the improvement lending activity by Wessex Resolutions over this period. Within each of the data sets, the analysis focused on the response given from each client, with each having a unique Client Reference Number. Although responses were brief they were relatively unstructured 'free text'.

In total the raw data contained 663 responses (client feedback forms).

### **2.2 Database cleaning and preparation**

Review of the 663 responses highlighted that some had incomplete returns or did not contain sufficient information for coding (see below) for the analytical purposes of this study.

Some client forms detailed more than one home improvement and / or more than one quality of life impact. These responses have therefore been 'double counted'; all responses can be attributed to a client reference number (when given) and a year. The final number of entries which form the basis of the analysis totals 681 entries, representing almost the complete population of Wessex Resolutions home improvement loan clients since 2007.

### **2.3 Data coding**

Initially, the aim was to use the software package NVivo for database analysis. On investigation this was deemed inappropriate for this particular project for a number of reasons: responses from Word would have to be transferred to Excel; an initial stage of manual coding would need to take place on a substantial sample of the 663 responses anyway reflecting substantial variation in language and text used. If the initial coding worked then this would be applied to all the data, and then a further sample checked. This process would need to take place twice as within each response there was the noted home improvement(s) as well as quality of life impacts.

Given this, and due to the nature of the responses and the subtleties involved in determining the improvements and impacts, it was felt that 'old fashioned' coding by hand utilising Excel was appropriate and valuable. In future, NVivo would be able to undertake a more sophisticated analysis involving case notes for example which could contain more demographic data about each client.

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<sup>5</sup> 2007-2011; 2011-2012; 2012-2013; 2013; 2014; 2015.

Coding focused on two aspects – the property improvement undertaken (for example, roof repairs, thermal comfort such as heating systems, etc.) and reported impact/s on quality of life (for example, feeling safer, comfort, etc.). It should be recognised that these impacts are self-reported (are respondent’s ‘truths’ but may not cover all impacts, for example). In addition an element of subjectivity (on the side of the analyst) in coding responses should be raised; although the different stages of coding combined with the high sample percentage mitigates for this.

Each of the six initial data sets were analysed independently, and coding was undertaken in three stages. Following the transfer of the data into Excel, the improvement(s) to the property were coded first. Then, the impact(s) on quality of life were coded. Once this had been done for each of the data sets, the final stage involved aggregating the responses from all the data sets to provide a complete database. This included a final check of the data.

Coding utilised two ‘drop down’ menus based on the home improvement categories provided in advance by Wessex Resolutions C.I.C, and quality of life categories devised by the research team following a review of quality of life indicators commonly used in Government programmes and activities.

Whilst the home improvement categories remained fixed, the quality of life indicators were revised following the analysis of the first two (smaller) data sets. At this stage, ‘wellbeing’ was removed as all of the quality of life indicators were seen to contribute to an overall sense of wellbeing. ‘Empowerment’, ‘cost saving’, ‘proud of home’, ‘feeling valued’ were additional categories arising from the analysis which were subsequently added to the coding menu.

**Table 2.1 Wessex Resolutions Client Satisfaction Database: Coding Categories**

Home improvement	Quality of Life
Disabled facility adaptations Electrics (upgrading/ rewiring) Flooding repairs Replacement bathrooms and kitchens Roof repair or replacement Structural repairs (underpinning/ gables/ walls) Thermal comfort (windows/ doors/ heating/ damp proofing)	Peace of mind Health Comfort Safety Independence / ability to help myself Community / relationships with family and friends Knowledge of how things work Confidence Improved appearance of home / proud of home Empowerment Cost saving (long term) Feeling valued / thankful

*Note:* Structural repairs include repaired or replacement windows and doors, and solar panels have been classified under thermal comfort and were only present in some of the (earlier) data sets (2007-2011 and 2011-2012).

To present findings on the final quality of life impacts, ‘independence’ was taken as a merging of the following initial coding categories: independence, empowerment, knowledge and confidence, and ‘improved relationships’ taken to represent: community, relationships and feeling valued<sup>6</sup>.

<sup>6</sup> It should be noted that further data relating to ‘feeling valued’ is also apparent in responses to a subsequent question in the client feedback survey related to their assessment of the advisor.

### 3 Findings, Conclusions and Recommendations

#### 3.1 Finding 1: Improving housing stock base standards

*“I can now lock my back door which I wasn’t able to do before the new one was fitted. I felt vulnerable and unable to sleep properly before, now I feel much safer.”*

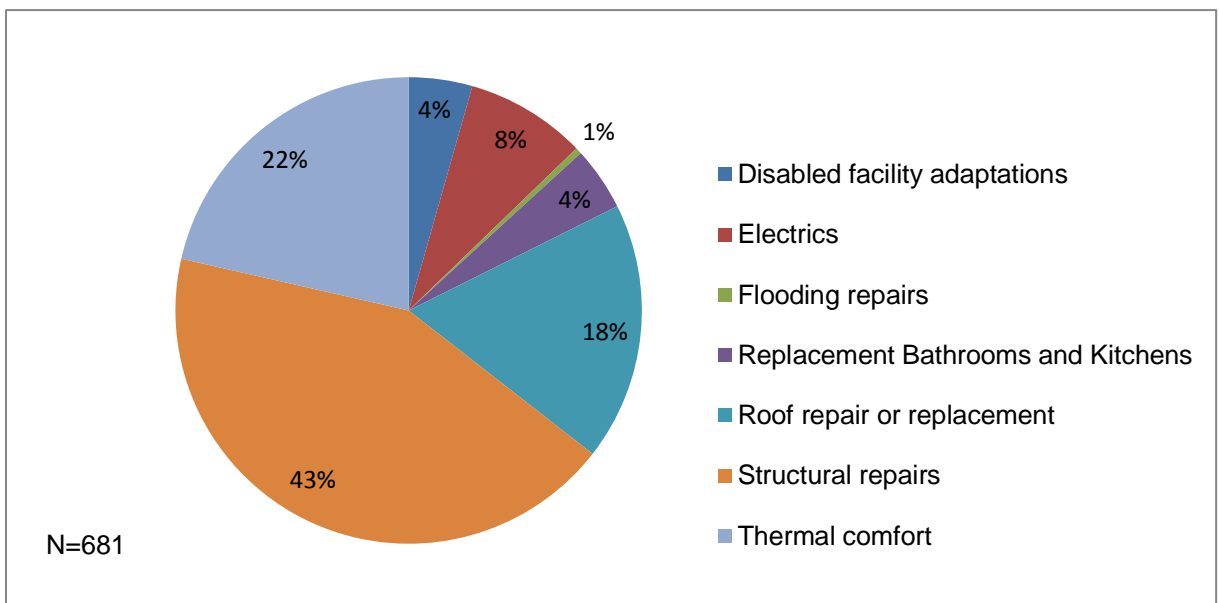
*“It is wonderful to have a weather proof roof I used to have mice coming in eating electrical wires and the kitchen was always flooded when it rained. I had to use bowls and buckets to catch the water.”*

Based on 681 responses, Figure 3.1 outlines the range of home improvement activity supported by Wessex Resolutions loans over the last decade.

Almost half of loans (43%) have undertaken ‘structural repairs’, which includes underpinning, gable ends/walls, etc. A further 22% of activity has involved thermal comfort improvements such as repairing or replacing windows and/or doors and heating systems. Almost a fifth of activity (18%) has involved roof repair and replacement. In contrast, replacement bathrooms and kitchens account for only 4% of activity.

In summary, it can be seen that Wessex Resolutions loans are supporting improvements to housing stock to maintain basic standards of provision and liveability.

**Figure 3.1 Home improvements undertaken utilising Wessex Resolutions loans, 2007- 2015**



#### 3.2 Finding 2: Enhancing quality of life through home improvements

*“I no longer have damp walls which is making my breathing and coughing easier. The house is now warm.”*

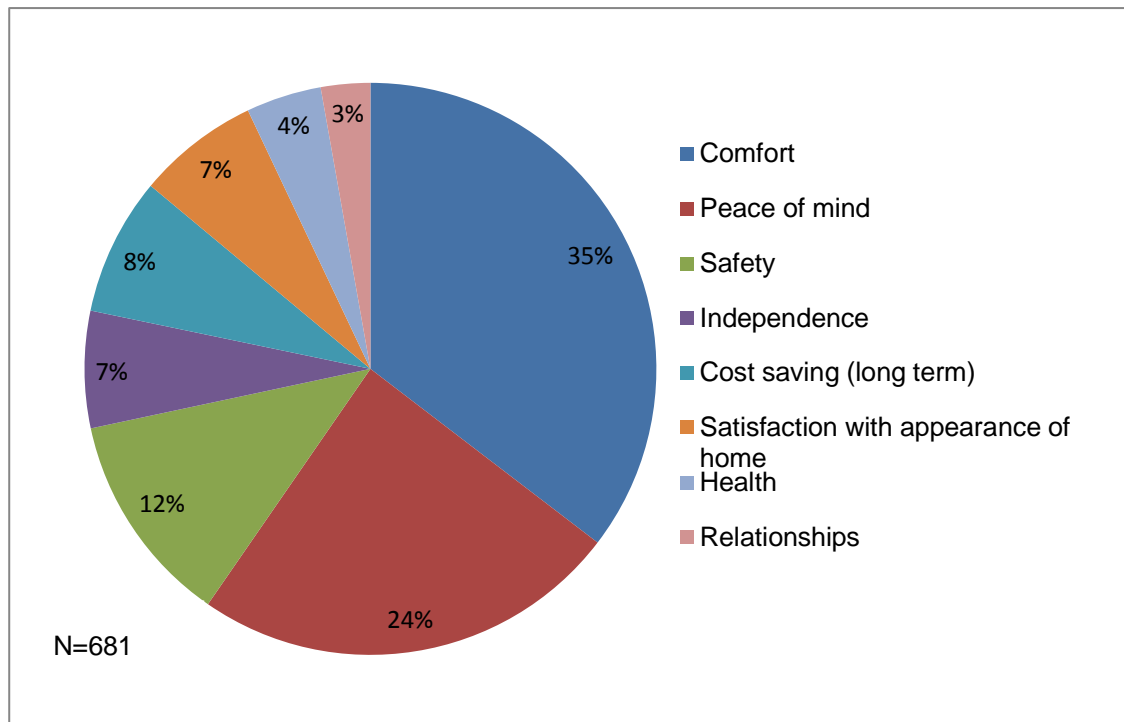
*“Taken a big worry off our shoulders knowing that the roof is now water tight and the payments are going to be affordable.”*

Representing client’s self-reported impacts on their quality of life, Figure 3.2 (overleaf) demonstrates the range of quality of life impacts achieved through Wessex Resolutions home improvement loans.

In particular, using free text and not prompted, 59% of respondents reported either 'comfort' or 'peace of mind' impacts from their home improvement, and a further 12% reported 'safety'.

Whilst the ranges of quality of life impacts reported are highly likely to be inter-related (for example, peace of mind and health), it is clear that Wessex Resolutions home improvement loan clients consistently report an overall contribution to their quality of life and well-being through their engagement with Wessex Resolutions.

**Figure 3.2 Quality of life impacts of home improvement loans provided by Wessex Resolutions, 2007- 2015**



### 3.3 Finding 3: Types of quality of life impact tend to be closely related to the type of home improvement

Table 3.3 shows the relationships between specific home improvements and quality of life impacts.

'Structural repairs' accounts for well over 40% of all quality of life impacts reported and within this category 41% of respondents reported 'comfort'. Yet, in addition, within 'structural repairs' there was a wide range of other quality of life impacts reported including 'peace of mind' and 'safety' (each a further 15% of structural repair impacts), 'satisfaction with appearance of home' (11%) and 'cost saving' (9%).

In contrast, other home improvements tended to be dominated by one form of quality of life impact. For example, 'peace of mind' accounted for 62% of 'roof repairs or replacement' impacts, 'independence' accounted for 53% of reported 'disability facility adaptations' impacts and 'safety' and 'peace of mind' accounted jointly for 71% of impacts for clients undertaking improvements to 'electrics'.

Nevertheless, Table 3.3 does show how the same impact as reported by clients, such as 'peace of mind', 'comfort' or 'independence' can be achieved through more than one form of home improvement.



**Table 3.3 Home improvement and quality of life impact**

	Home improvement							
	Disability facility adaptations	Electrics	Flooding repairs	Replacement kitchens and bathrooms	Roof repairs or replacement	Structural repairs	Thermal comfort	TOTAL
<b>Quality of Life Impact</b>								
Peace of mind	3	16	<b>3</b>	6	<b>76</b>	44	24	172
Health	3	2	0	2	4	10	8	29
Comfort	5	3	0	<b>10</b>	22	<b>121</b>	<b>80</b>	241
Safety	3	<b>23</b>	0	2	5	43	6	82
Independence	<b>16</b>	5	0	5	5	10	4	45
Cost saving	0	4	0	0	2	26	20	52
Relationships	0	1	0	1	6	6	5	19
Satisfaction with appearance of home	0	1	0	4	2	33	1	41
<i>TOTAL</i>	<i>30</i>	<i>55</i>	<i>3</i>	<i>30</i>	<i>122</i>	<i>293</i>	<i>148</i>	<i>681</i>

### 3.4 Conclusions

Since 2007, Wessex Resolutions has provided almost 700 home improvement loans to those struggling to raise finance in an affordable manner through other means in South West England.

Loans are almost entirely used to ensure housing stock meets basic standards – structural repairs, replacing windows and doors, fixing roofs, heating systems, making electrics safe, etc.

Client satisfaction returns are unequivocal in highlighting the quality of life and well-being impacts of such housing improvements, most commonly expressed by householders as comfort and peace of mind.

Unsurprisingly, whilst structural repairs was dominant in generating quality of life impacts what can be seen is strong relationships between the range of improvements and their impact – such as electrics delivering safety and adaptations delivering independence.

### 3.5 Recommendations on Reporting and Data Systems

The analytical challenge for this study was to take essentially unstructured written comments by clients, and search and code the responses against a potentially substantial and wide-ranging set of terms or labels; in this case quality of life impact terms. This is a time-consuming and iterative (if rich) process to put an explicit organisational and analytical framework on a set of data which, implicitly, does have some order. Recent advances in software packages for qualitative data analysis aid this process but still have limitations.

To avoid a repeat of this process, and given this and other studies around housing interventions and their quality of life impacts, it is recommended that Wessex Resolutions go through an explicit process of defining the expected quality of life outcomes from their home

improvement loan activity (possibly through a 'logic model' process, and as demonstrated in their recent development of client feedback material for their money advice services).

A 'menu' of expected outcomes should be agreed by the organisation and which are then utilised in monitoring and client materials. Ideally, this might include asking clients at point of loan application to provide numerical and/ or qualitative statements on current quality of life outcomes - with quality of life questions and the statement process being repeated on completion of home improvement activity to provide 'before and after' comparison<sup>7</sup>.

Ideally, this process might take place online, through a hand-held device or computer-assisted telephone interviewing such that data input would automatically feed a database (such as Access, Excel or SPSS) and essentially allow real-time analysis and reporting.

'Free form' summary statements could still be collected for case study and strapline messages and as the basis for subsequent exploration, if required, but consistent, comprehensive and aggregated reporting of quality of life impacts would be achieved also in an efficient manner.

In turn, just as with the database created through this study, individual Client Reference Numbers would allow for further assessment through linking of client demographic and socio-economic characteristics, loan and repayment details, home improvements undertaken and quality of life impacts reported - as part of market development, and service and performance assessment.

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<sup>7</sup> It is noted in passing that this process might support also the planned updating of the CDFAs Community Finance Economic Impact Tool; see <http://www.cdfa.org.uk/2014/10/20/measuring-impact/>