



# **Business Consultancy Services**

## **Review of the Delivery Mechanism of the Affordable Warmth Scheme**

Status: Final report (Draft) V0.4

Date: December 2018



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## DOCUMENT SUMMARY

### Revision History

Revision	Date	Author	Designation	Changes
0.1	Sept 2018	Mark Gilliland	Project Manager	Initial drafting
0.2	October 2018	Mark Gilliland	Project Manager	Updating of initial draft
0.3	December 2018	Mark Gilliland	Project Manager	Amendments based on Liz Semple feedback
0.4	December 2018	Mark Gilliland	Project Manager	Amendment of report template, formatting and further feedback from Liz Semple

### Approvals

Name	Designation	Date

### Distribution List

Designation	Date

# 1. EXECUTIVE SUMMARY

## 1.1 Background and Context

The Affordable Warmth Scheme (AWS) is the Department for Communities (DfC) main tool for mitigating the effects of fuel poverty in Northern Ireland. The Department works in partnership with the Northern Ireland Housing Executive and all 11 Local Councils to deliver the Scheme. Since April 2015 the Department has invested more than £51m improving the energy efficiency of over 12,000 low income vulnerable households. The scheme targets owner occupiers and households who rent their home from a private landlord.

Business Consultancy Services were asked by DfC to conduct this review upon the end of the first three years of the Scheme in order to inform the delivery of future iterations of the Scheme.

## 1.2 Terms of Reference

The terms of reference for this review were agreed with DfC:

- Examine and consider the current delivery model in terms of its effectiveness and costs;
- Consider alternative delivery models;
- Consider the value for money of the current arrangement;
- Examine the current unit cost formula for Local Council funding and its adequacy.

This report covers the operation of the scheme for the period up to March 2018.

## 1.3 Project Approach

- The approach and activities undertaken by the Review Team included:
- Face to face interviews with DfC, NIHE Central Team and 11 councils;
- Telephone interviews with stakeholders;
- Benchmarking exercise with comparator schemes in UK and Ireland;
- Analysis of all evidence and information;
- Development of findings and recommendations;
- Validation of findings;
- Consideration of alternative delivery models;
- Development of this report, to include all findings and recommendations.

## 1.4 Findings

This review identified a number of considerations for the current delivery model, which revolve around improving the customer journey for vulnerable householders, ensuring quality assurance processes are sufficient, alignment of processes and improving feedback and communication between organisations within the Scheme. Recommendations are summarised in Section 1.5 below.

Upon assessment of delivery model options, the Review Team believes that the most effective delivery model is a Scheme managed and delivered by a single delivery agent.

Establishing the value for money of the Scheme created difficulties due to the unique targeted approach that AWS uses. However, consideration should be given to greater flexibility and improved feedback between councils and UU in order to maximise the impact of targeted lists.

With regards to the unit costing methodology, it is the opinion of the Review Team that the current calculations do not sufficiently account for the work by councils prior to a visit or referral. The Review Team has requested further information from councils in order to provide a suggested unit costing methodology. However, due to the time constraints of this report, the Review Team has not received sufficient information to provide an accurate estimate. As such, these calculations will be presented to the client separately from this report.

## 1.5 Summary of Recommendations

Based on the analysis of effectiveness and value, the following recommendations are made. Further detail and evidence supporting the recommendations are contained in the relevant sections of this report,

No:	Subject of recommendation	Recommendation	Location
1	Objectives and targets	The Scheme should lower its targets in relation to NIHE surveys and number of households supported to reflect its current budget and the cost of works per household.	14
2	Objectives and targets	The managing agent should assess the energy efficiency improvements of works undertaken throughout the course of the Scheme.	14
3	Customer journey	Householders should be provided with a single point of contact throughout the process	15
4	Customer journey	The Scheme should arrange for contractors to undertake the required work	15
5	Quality assurance	The Scheme should have an approved list of contractors to deliver the required works.	16
6	Process alignment	A single process should be developed and agreed with Councils, along with a defined quarterly reporting framework to monitor activity and demand.	17
7	Input of councils	As part of the reporting framework, local councils should capture the work it undertakes prior to a referral to NIHE	17
8	Communication within the scheme	A standard, structured feedback system should be implemented across the Scheme, including regular	19

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		feedback to councils on the outcomes of referrals and feedback to UU on the accuracy of targeted addresses.	
9	Consideration of delivery models	In its future iterations, the Scheme should consider moving to a single delivery agent to manage the Scheme.	25

## 1.6 Acknowledgements

The authors of this report wish to express their thanks to the members of staff within the local councils, NIHE and DfC and external organisations consulted for their valuable contribution to the completion of this report.

## 2. INTRODUCTION

### 2.1 Background

The Affordable Warmth Scheme (AWS) is DfC's main tool for mitigating the effects of fuel poverty in Northern Ireland. The Department works in partnership with the Housing Executive and all 11 Local Councils to deliver the Scheme. Since April 2015 the Department has invested more than £51m improving the energy efficiency of over 12,000 low income vulnerable households. The scheme targets owner occupiers and households who rent their home from a private landlord.

The Department provides addresses to Local Councils detailing the main fuel poverty concentrations within each Local Council area. If a household has been identified as being in an area where fuel poverty is prevalent then they may receive a visit from Local Council staff to assess eligibility for energy efficiency measures such as insulation.

Local Councils are currently funded on a unit cost basis per referral to the Housing Executive. The original business case agreed in July 2014 outlines the objectives of the scheme:

- To deliver 11,000 surveys annually;
- To deliver energy efficiency measures to 9,000 low income households annually;
- To assist some 22,500 households in severe/extreme fuel poverty over the course of the scheme;
- To achieve an average of 15% energy efficiency gain in homes where insulation and/or heating measures have been installed.

### 2.2 Terms of Reference

In June 2018, DfC and BCS agreed the following Terms of Reference for the project:

- Examine and consider the current delivery model in terms of its effectiveness and costs;
- Consider alternative delivery models;
- Consider the value for money of the current arrangement;
- Examine the current unit cost formula for Local Council funding and its adequacy.

### 2.3 Project Approach

The approach and activities for the review were agreed with DfC:

- Face to face interviews with DfC, NIHE Central Team and 11 councils;
- Telephone interviews with stakeholders;
- Benchmarking exercise with comparator schemes in UK and Ireland;
- Analysis of all evidence and information;
- Development of findings and recommendations;
- Validation of findings;
- Consideration of alternative delivery models;

## 3. BACKGROUND

### 3.1 Warm Homes Scheme

The AWS was preceded by The Warm Homes Scheme which was first established in 2001 and was funded by the then Department for Social Development (DSD), its purpose was to improve domestic energy efficiency and therefore, reduce energy consumption in eligible private housing. The scheme was the Department's primary tool for tackling fuel poverty in Northern Ireland. The scheme had an annual target of installing energy efficiency improvements in at least 9,000 homes and consistently met that target. The Warm Homes Scheme provided a range of measures to help make homes warmer, healthier and more energy efficient. Between 2001 and 2014 the scheme helped to improve the energy efficiency of almost 120,000 homes and invested over £150 million in energy efficiency measures. The scheme achieved an average energy efficiency gain of 15% in the households assisted by the scheme as recorded by Reduced Data Standard Assessment Procedure.

Northern Ireland's first independent review of Fuel Poverty "Defining Fuel Poverty in Northern Ireland" (Liddell, Morris, McKenzie and Rae) was published in May 2011. It reported that, in order to attain World Health Organisation (WHO) levels of warmth and comfort, more than 33,000 homes in Northern Ireland needed to spend more than a quarter of their income on heating and lighting their homes. The findings of that independent review led to a number of pilot schemes

### 3.2 Affordable Warmth Pilots

#### Affordable Warmth Pilot 1

The then Department commissioned the University of Ulster to explore mechanism for targeting assistance towards the 33,000 households most affected by fuel poverty. From April 2012 until March 2013 the Department developed and delivered an Affordable Warmth Pilot (AWP1) working in partnership with 19 local councils and using information provided by the University of Ulster to target 125 households in each council area to test if they were entitled to help from the Warm Homes Scheme. 2,145 households were targeted and surveyed by the 19 councils and were assessed in terms of their actual levels of fuel poverty and their eligibility for the Department's Warm Homes Scheme. Households which met the Warm Homes Scheme qualification criteria had the energy efficiency improvement measures delivered by the Warm Homes Scheme contractors. Households which did not qualify for the Warm Homes Scheme were entitled to loft insulation and a boiler service which was delivered by a contractor of the householders' choice or arranged by the Housing Executive.

The Tackling Fuel Poverty in Northern Ireland 2013<sup>1</sup> report evaluated the success of the first Affordable Warmth Pilot (AWP1). The combination of low energy efficiency in the building fabric and low income make them more likely to be experiencing severe fuel poverty than any other group. They comprised, therefore, the primary target for assistance under the Warm

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<sup>1</sup> <http://www.ofmdfmi.gov.uk/de/tackling-fuel-poverty-in-ni-liddell-lagdon.pdf>



Homes scheme. Whilst the Northern Ireland regional fuel poverty rate at the time was 42%, the targeting tool identified areas in NI which averaged 78% fuel poverty prevalence.

## **Affordable Warmth Pilot 2**

The second Affordable Warmth Pilot (AWP2) tested how the energy efficiency measures can be delivered and the operational delivery using local installers to carry out the work. In AWP2 energy efficiency measures were delivered by the councils working with the householder, the Housing Executive and private installers. This tested an alternative to the Warm Homes Scheme delivery and provided an evidence base on which to make decisions about future delivery of the Department's energy efficiency and fuel poverty schemes.

### **3.3 Affordable Warmth Scheme overview**

After business case approval in 2014, the current AWS commenced in April 2015. The Scheme targets owner occupiers and households who rent their home from a private landlord. To qualify for the Scheme the annual household income must be less than £20,000. If someone rents from a private landlord, then the landlord is required to make a contribution of 50% towards the total cost of the energy efficiency improvements to their property.

Using the detailed address lists developed by University of Ulster from the AWS algorithm, local council staff contact the householder; the householder is asked to make an appointment to have an initial survey completed.

- The Scheme also makes provision for vulnerable households not on the targeted list to self-refer into the Scheme. This exception allows for vulnerable households where there is for example a health related issue to be included within the Scheme.
- When the local council surveyor makes contact with the householder they complete a questionnaire and obtain evidence of householder annual income (for example recent payslips, copy of bank statement showing benefit payments). Local Council officials copy this information and pass it together with the completed survey to the NIHE.
- On receipt of the completed survey, the NIHE central team perform quality checks before assigning it to a local Grants Office.
- An NIHE technical officer will undertake a technical inspection of the house. Where the householder is unsure of an installer the Technical Officer will provide the householder with a list of installers for them to select an installer. (The NIHE will not recommend an installer).
- Once works are completed, a Building Control officer inspects the works and provides confirmation that the work meets Building Control standards allowing the NIHE to issue a payment in respect of the measures installed.
- Following receipt of a Building Control certificate the NIHE undertakes a 10% check on the measures installed.
- A NIHE Case Officer processes payments (NIHE senior officer performs a 10% post payment check).

The table below sets out the number of households receiving works by council area between April 2015-March 2018. 12,270 households have received works to a value of around £50m. These works relate to loft and cavity wall insulation, boilers, heating provision and windows.

**Table 2: AWS Objectives set out in the 2014 Business Case**

<b>Council Area</b>	<b>Number of Households by Council Area</b>	<b>Grant payable for associated cost of works (£)</b>	<b>Average cost per household (£)</b>
Antrim & Newtownabbey	901	3,011,757	3,343
Mid & East Antrim	944	3,450,384	3,655
Armagh, Banbridge & Craigavon	1,225	5,563,533	4,542
Belfast	1,380	4,749,865	3,442
Causeway Coast & Glens	1,216	5,332,997	4,386
Derry & Strabane	1,241	5,139,117	4,141
Fermanagh & Omagh	921	4,130,806	4,485
Mid Ulster	1,193	5,402,342	4,528
Newry, Mourne & Down	1,234	5,680,347	4,603
North Down & Ards	1,008	3,697,337	3,668
Lisburn & Castlereagh	1,007	3,720,846	3,695
	<b>12,270</b>	<b>49,879,331</b>	<b>4,065</b>

## 4. ANALYSIS OF EVIDENCE AND FINDINGS

For ease of navigation this section of the report is split into four key areas with analysis, findings, conclusions and recommendations for each area:

- 4.1 Examine and consider the current delivery model in terms of its effectiveness and costs;
- 4.2 Consideration of alternative delivery models;
- 4.3 Consideration of the value for money of the current arrangement;
- 4.4 Examine the current unit cost formula for Local Council funding and its adequacy.

### 4.1 Effectiveness of the Current Delivery Model

As per the Terms of Reference for this assignment, this section examines the current delivery model in terms of its effectiveness and costs. To meet the Terms of Reference of this assignment, BCS considered the following sources were the most suitable to inform the findings and recommendations.

- Performance of the Scheme against its stated objectives;
- Consultation with each of Local Council, DfC, NIHE and other stakeholders;
- Review of the process undertaken at each part of the delivery model and consideration of its effectiveness

In addition, this section will also draw upon the results of the Affordable Warmth Customer Satisfaction Survey undertaken by the NIHE Research Unit in 2017.

#### 4.1.1 Overview of Findings – Effectiveness of the Current Delivery Model

Based upon the sources above, the Review Team identified a number of potential issues within the current delivery model, most notably:

- i. The Scheme did not achieve its stated objectives;
- ii. The model does not provide enough support to the householder;
- iii. There are risks around the quality assurance of the works undertaken;
- iv. There are variations in processes delivered by Councils;
- v. The value-added work of the councils is not captured;
- vi. There are some concerns around communication and feedback between organisations within the process.

#### 4.1.2 Detail of Findings – Effectiveness of the Current Delivery Model

Further detail of the findings for this area is broken down into the following six themes with supporting evidence and conclusions for each.

- A. Objectives of the scheme
- B. Customer journey
- C. Quality Assurance
- D. Process variations
- E. Value add of Councils
- F. Communication of scheme

#### A. Objectives of the scheme

The benefits realisation section of the Scheme's business case sets out the key measurable objectives set out for the periods 2015/16 – 2017/18 (As detailed in table 1 below).

**Table 2: AWS Objectives set out in the 2014 Business Case**

Objective / Target	Target met (Y/N)	Outcome achieved
1) 11,000 surveys undertaken annually by NIHE	N	An average of 5,171 surveys undertaken by NIHE.
2) Deliver energy efficiency measures to 9,000 low income households	N	An average of 4,097 homes improved annually.
3) An average energy efficiency gain of 15% in homes where insulation and/or heating measures have been installed	Y	An average of 17% increase in the Standard Assessment Procedure (SAP) rating of the dwellings supported.

The table shows that objectives 1 and 2 were not met during the period 2015/16 – 2017/18, with the Scheme achieving 47% and 46% of the target numbers. With respect to objective 3, a retrospective analysis of the energy efficiency improvements was undertaken by the Energy Savings Trust (EST) during 2018. The EST report cited the particular value of the whole-house, multi-measure approach had a significant impact on the SAP rating increase per household.

The reasons for not reaching Objectives 1 and 2 are twofold:

- **The average expenditure per household was higher than initially budgeted** – the targets set out in the business case were based on an expectation of around £1,400 per household supported, which has proved to be an unrealistic estimate. As the Scheme has taken a whole-house approach to works required, the number of homes that can be supported is constrained by the budget available. As set out in section 3,

the average cost per household supported was £4,065, nearly treble the initial expected expenditure.

- **Referrals to NIHE were limited by reduced Council quotas** – as a result of the increased expenditure and due to NIHE capacity, referrals to NIHE were limited by reduced monthly referral quotas to Councils.

As a result of these constraints, it is the opinion of the Review Team that the initial targets set were set unrealistically high and do not reflect the cost and effort of a whole-house approach. Any future iteration of the Scheme must either re-assess these objectives or the overall delivery of the Scheme, considering the following options:

	Option	Detail
1	Amend the budget to account for the higher average cost per household –	This would require an increase in budget of roughly £19.9m per annum to complete works for 9,000 homes and, as such, is unlikely to gain approval.
2	Review the whole-house approach to focus on works that provide the greatest value for money	Consideration could be given to limiting the cost of works per household to an average of £1,400 per house. This would require a move away from the whole-house approach and consider the works that provide the greatest energy efficiency. However this would move the Scheme away from its intended ethos by limiting the support it can provide to those who need it.
3	Review objectives 1 and 2 above to account for the budgetary constraints and the actual cost of works per household	Based on the current constraints, consideration should be given to reducing the targets for houses supported and the associated target of NIHE surveys. This would offer a more realistic objective against which to measure the effectiveness of the Scheme.

**Recommendation 1:** The Scheme should lower its targets in relation to NIHE surveys and number of households supported to reflect its current budget and the cost of works per household.

While the report shows that the Objective 3 of a 15% increase in SAP rating was achieved, this increase was not monitored during the course of the Scheme. As such, it was not possible to have assurance over the impact of the works undertaken throughout the Scheme. It is the opinion of the Review Team that the energy efficiency improvements should be assessed upon completion of the works. This will allow the managing agent to address any issues that may arise promptly.

**Recommendation 2:** The managing agent should assess the energy efficiency improvements of works undertaken throughout the course of the Scheme.

## B. Customer Journey – findings, conclusions and recommendations

Throughout the course of the consultation exercise, the potential vulnerability of householders has been highlighted. Bearing this in mind, the delivery model should provide as much support to the householder throughout the process.

Upon a review of the current model, it is the opinion of the Review Team that the “customer journey” should be developed to provide more support to the householder.

### **Multiple points of contact**

The householder must deal with at least three points of contact throughout the process, namely Local Council, NIHE and at least one contractor. It may also be the case that the householder is required to organise building control, creating an additional contact point. This can create confusion for a vulnerable customer as to who to contact. Councils in particular commented that they receive a substantial number of queries about the status of applications, even if they have been submitted to NIHE, suggesting householders are not clear on the distinction between councils and NIHE in the delivery model. A solution to avoid this potential confusion would be to provide the householder with a single point of contact throughout the process.

Within the current model, this single point of contact would either sit within the councils or within the NIHE. However, current systems do not allow NIHE to see potential applications before the referral stage, while councils are not aware of the position of applications after they have been taken over by NIHE. As such, this recommendation would require an IT solution to allow councils and NIHE to share some information about all applicants in the process.

### **Responsibility placed on the customer**

The responsibility of arranging contractors lies with the householder. This is notably different to the comparator schemes set out in Section 5, where all works are arranged by the managing agent. When considering that an applicant may be eligible for a number of measures, the householder can be required to contact installers, agree works and manage the sequencing of the works. At the same time, householders are not provided with a list of recommended or approved contractors. It is the opinion of the Review Team that this places unnecessary pressure on the customer. As with the previous Warm Homes Scheme and comparator schemes, the Scheme should arrange for contractors to undertake the required work. The AWS Customer Satisfaction Survey supports this view, with 70% of relevant respondents stating that they would have preferred that the NIHE managed the process on their behalf.

**Recommendation 3:** Householders should be provided with a single point of contact throughout the process.

**Recommendation 4:** The Scheme should arrange for contractors to undertake the required work

### **C. Quality Assurance - findings, conclusions and recommendations**

As stated above, there are no installers contracted to service the Scheme, nor is there a list of approved contractors to assist the householder's decision. This creates the following risks:

- NIHE currently quality assures 10% of all works undertaken. Without a finite list, the Scheme has a large number of contractors undertaking a small number of jobs. With such a wide range of contractors, it is likely that NIHE does not quality assure the work of the majority of these contractors, therefore creating obvious risks around quality.
- With a large number of contractors undertaking a small number of jobs, the scheme has limited recourse to enforce any remedial work required. The comparator review of schemes in UK and Ireland shows that these schemes currently have a system of recourse where works are of an unacceptable standard.

While the AWS Satisfaction Survey showed no concerns with the quality of work undertaken, it is the opinion of the Review Team that the current arrangement creates an unreasonable risk around the quality assurance process. A smaller number of contractors would ensure that a sample of works undertaken by all contractors could be quality assured, as well as allowing the Scheme to withhold future payment to enforce any remedial work required. As such, the Review Team recommends an approved list of contractors (arranged either in terms of functionality or geography) to deliver the required works.

**Recommendation 5:** The Scheme should have an approved list of contractors to deliver the required works.

### **D. Process Variations - findings, conclusions and recommendations**

The Review Team identified significant variations in processes delivered by councils. Key differences identified were:

- Variations in councils' focus on targeted households. Through consultations with councils, it was clear that some councils focussed on using the list of properties provided by University of Ulster and targeting these addresses, while others relied on self-referral phone calls to meet their quotas. In order to meet their "80/20" target (80% of referrals should be for targeted properties), a number of councils included any self-referral within targeted postcode areas as a "targeted" referral.
- Variations in how Councils prioritise households for referral to NIHE. A number of councils had created their own prioritisation matrices to determine which properties were submitted to NIHE each month. Many of these prioritisation matrices did not match the guidance set out within the AWS process guide, with most councils prioritising heating rather than

insulation. These variations result in an inequity of service across council areas.

- Differences in how Councils support homeowners, placing additional burden on NIHE at times. In particular, there are stark differences in how councils collect relevant information from householders for submission to NIHE, with some councils providing hands-on support to complete applications and delivering them to NIHE, while others require the householder to complete and send to NIHE themselves. This can cause delays in the process while NIHE request outstanding documentation from householders. NIHE statistics show that 16% (675) of all council referrals required a letter for outstanding documentation from NIHE in 2017/18, with over half of these letters sent to two council areas. The number of these letters varied substantially by council area, ranging from 6 in 2017/18 within one council area to 200 in another.

**Recommendation 6:** A single process should be developed and agreed with Councils, along with a defined quarterly reporting framework to monitor activity and demand.

#### **E. Value-add of councils - findings, conclusions and recommendations**

The rationale for council involvement is clear in that councils provide a unique local knowledge and have networks available in order to maximise uptake of the Scheme. Consultation with each Council highlights their commitment to the Scheme and the amount of work that goes into support local residents, with councils stating that they make up to three household visits for each referral to NIHE. Currently, there is limited information captured by the Scheme about the range of activities undertaken by councils, nor about the level of engagement required to encourage take-up.

As will be discussed in Section 7, significant effort is required for each referral to NIHE with multiple visits to households often required to undertake multiple visits to support applicants. However, this added-value of councils is not captured anywhere by councils, nor is it requested as part of a return by NIHE or the Department. It is the opinion of the Review Team that councils should capture and report on the following:

- i. The number of visits undertaken to households, including follow-up visits required;
- ii. The number of self-referral phonecalls received;

**Recommendation 7:** As part of the reporting framework, local councils should capture the work it undertakes prior to a referral to NIHE



## F. Communication within the Scheme - findings, conclusions and recommendations

Through consultation with councils, it was clear that the level of interaction between councils and NIHE Grants Offices varied across council areas. Councils commented that they would like to see more formalised feedback around the outcomes of the referrals they make to NIHE. The following points were raised:

Councils were at times frustrated to around delays in hearing reasons for cancellations. In particular, councils believed they could support in getting in touch with householders who had failed to respond to NIHE after referral, having already developed a relationship with the client. While cancellation numbers due to a lack of response have decreased substantially in 2016/17 and 2017/18, they still account for 27% of all cancellations in 2017/18. Councils also commented that, with early communication about cancellations, they may be in a position to submit another referral to replace the cancellation.

As the first contact to the client, councils commented that they often receive requests for updates on the status of applications. Once a referral is made to NIHE, councils do not have an understanding of expected timelines and must contact NIHE for an update. Feedback on the quality and timeliness of these updates was variable across council areas.

In addition, the Review Team saw limited evidence of any structured feedback to University of Ulster about the quality or accuracy of the addresses provided to councils for targeting.

While improvements have been made in the level of communication between NIHE and councils, it is the opinion of the Review Team that a more formalised approach to feedback on outcomes of council referrals. This would serve two purposes:

- Using the relationships they have developed with the client, councils may be able to address any difficulties or concerns generating cancellations after referrals.
- Regular feedback will allow councils to keep householders up to date with the status of works and likely timelines if regular estimates are provided.

At the same time, it seems prudent that there should be regular feedback to UU on the accuracy and quality of lists provided to councils for targeting. This would ensure lists could be adjusted based on feedback where required in order to make targeting as effective as possible.

**Recommendation 8:** A standard, structured feedback system should be implemented across the Scheme, including regular feedback to councils on the outcomes of referrals and feedback to UU on the accuracy of targeted addresses.

## 4.2 Consideration of Alternative Delivery Models

This consideration of alternative models will draw from the following sources:

- Comparison with other schemes targeting fuel poverty in the UK and Ireland;
- Consideration of potential weaknesses identified with the current delivery model in Section 4 of this report and the ability of each option to mitigate against the risks presented by these weaknesses. These risks are set out Section 4.1 are summarised in Section 4.2.2 below.

### 4.2.1 Comparison with other schemes

The Review Team undertook a comparison exercise with other schemes targeting fuel poverty in the UK and Ireland. The detail of comparator schemes in Scotland, Wales and the Republic of Ireland is set out within Appendix 2.

It should be stated that the AWS appears to be a unique scheme in relation to its emphasis on a targeted approach, with the comparator schemes relying on marketing the support available and relying on applications. This is a stark difference and, as such, some aspects of these delivery models may not be suitable to a targeted model. However, the following themes were considered relevant across the comparators:

- While the range of measures available varied slightly, all schemes also follow a “whole-house” approach in relation to the works that are required. Figures around cost of works were difficult to obtain, however the average value of works undertaken in Scotland was £4,500.
- As with AWS, all schemes implement measures at no cost to the householder.
- All schemes have a minimum eligibility requirements based on an assessment of welfare payments or benefits.
- As stated above, all schemes rely on householders to apply for the scheme and market the support to generate demand.
- All schemes appoint a contractor in some form and are responsible for arranging all measures.
- All schemes provide a single point of contact for the customer.

#### 4.2.2 Delivery model options

In assessing each delivery model, the Review Team has taken account of the potential limitations of the current delivery model as set out in Section 4 of this report. These risks are summarised as follows:

- i. The customer journey is not suitable for a vulnerable householder, with multiple contact points required throughout the process;
- ii. Quality assurance cannot be guaranteed for all contractors;
- iii. There are a number of process variations across council areas;
- iv. Communication between different organisations within the process is limited at times;
- v. There is a potential inequity in distribution across councils.

The following 6 options have been identified by the Review Team as potential delivery models for AWS.

1	Retain current delivery mechanism;
2	Current arrangements with a “cluster” model of around 4 councils each;
3	Remove the call handling function from councils;
4	Decentralise Scheme for councils to manage;
5	Wholly delivered by NIHE;
6	Outsourced to a delivery agent

The table below sets out a consideration of each model, showing the potential impact on each of the issues identified in Section 4.2.

**Table 3: Consideration of delivery models**

Description	i. Customer Journey	i. Quality Assurance	i. Process Variations	i. Communication between process points	i. Inequity of distribution	Cost implications
1. Retain current delivery mechanism	Continued as is					
2. Current arrangements with a “cluster” model of four councils each	- Multiple contact points for the householder	- Current arrangements would not mitigate concerns over quality assurance	- Fewer process variations and process alignment would be more straightforward	- Current concerns around communication would still exist	- A clustered approach could allow councils to prioritise across a larger population, allowing a greater focus on areas of greatest need	- A clustered approach should create some efficiency through economies of scale - There would be some minor up-front costs in order to share information across councils
3. Remove the call handling	- A dedicated call handling function could act as a single	- Current arrangements would remain and would not	- Some reduced variations from an aligned call handling	- Current concerns around communication would still exist	- Current arrangement would remain and would	- Taking the call handling function from councils

Description	i. Customer Journey	i. Quality Assurance	i. Process Variations	r. Communication between process points	r. Inequity of distribution	Cost implications
function from councils	point of contact for a householder throughout the process - A householder would still be required to arrange and coordinate installations	mitigate concerns over quality assurance	function, however the key variations would remain later in the process		not mitigate concerns around inequity	would reduce the cost of delivery for each councils, while savings could be made through economies of scale
4. Decentralise Scheme for councils to manage	- A decentralised scheme would provide a single point of contact within the Council - This could be set up with end-to-end support	- Depending on how it is delivered by each council, a model could be created to ensure greater quality assurance through reduced number of contractors	- This option would exacerbate the current concerns with process variation	- This option would mitigate the issues with communication between process points	- This option would not mitigate concerns around inequity	- A decentralised scheme would be a particularly costly method to deliver the Scheme, with multiple organisations involved across all aspects of the process

Description	i. Customer Journey	i. Quality Assurance	i. Process Variations	r. Communication between process points	r. Inequity of distribution	Cost implications
5. Wholly delivered by NIHE	<ul style="list-style-type: none"> <li>- This would provide a single point of contact for the householder</li> <li>- If NIHE were to continue with current policy, the householder would still be required to arrange contractors</li> </ul>	<ul style="list-style-type: none"> <li>- If NIHE were to continue with current policy of not having a list of approved contractors, concerns around quality assurance would not be addressed</li> </ul>	<ul style="list-style-type: none"> <li>- This option would remove process variations</li> </ul>	<ul style="list-style-type: none"> <li>- This option would mitigate the issues with communication between process points</li> </ul>	<ul style="list-style-type: none"> <li>- This option would potentially mitigate concerns around inequity</li> </ul>	
6. Outsourced to a delivery agent	<ul style="list-style-type: none"> <li>- This would provide a single point of contact for the householder</li> <li>- An outsourced approach should ensure the end-to-end process is provided by the Scheme</li> </ul>	<ul style="list-style-type: none"> <li>- Provided the delivery agent provides the work themselves or sub-contracts the work to a finite number of installers, concerns around quality assurance would be mitigated</li> </ul>	<ul style="list-style-type: none"> <li>- This option would remove process variations</li> </ul>	<ul style="list-style-type: none"> <li>- This option would mitigate the issues with communication between process points</li> </ul>	<ul style="list-style-type: none"> <li>- This option would potentially mitigate concerns around inequity</li> </ul>	

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### **Delivery Method Preferred Option**

It is the opinion of the Review Team that the most effective delivery model would be a Scheme managed by a single organisation, with responsibility for all aspects of the process. This would address the findings set out within the previous section, namely:

- This would remove any variation in process and provide a single service to all council areas;
- This would offer a single point of contact to the homeowner throughout the process;
- The organisation could manage contractors and ensure an effective quality assurance process;
- This would mitigate any issues with feedback and communication across the process.

In addition, the same time, a single organisation could deliver significant economies of scale.

**Recommendation 9:** In its future iterations, the Scheme should consider moving to a single delivery agent to manage the Scheme.

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### 4.3 Consideration of the value for money of the current delivery model

In attempting to ascertain the value for money of the current delivery model, the Review Team encountered the following challenges:

- i. Due to the commercial confidentiality, comparator schemes were not in a position to share their overall delivery costs. As such, it has not been possible to undertake a direct comparison to establish value for money;
- ii. During this review, it became clear that the AWS is a particularly unique scheme. The targeted approach undertaken by this scheme is not replicated in UK and Ireland, nor was it delivered in this manner in any previous fuel poverty schemes in Northern Ireland. As other schemes rely on marketing and self-referrals, it is probable that they are more cost-effective than a targeted scheme that relies on a number of home visits and direct contacts to generate demand. It is therefore difficult to comment definitively on value for money without this direct comparison.

However, based on consultations with councils, there were suggestions that the accuracy of the targeted addresses given was variable. As such, a number of councils felt that they were spending significant time and resource on visits and calls that have no outcomes. At the same time, it was clear that some councils had exhausted their targeted lists and were re-targeting households, which has proved to be an ineffective process. Since March 2018, we understand that additional targeted lists have been provided which may have mitigated some of these concerns. However, as stated in Section 4.1, consideration should be given to more frequent feedback to University of Ulster to ensure accuracy of targeted lists. Consideration should also be given to more frequent updates of lists once a council has exhausted the list once.



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## 4.4 Current unit costing formula

Local Councils are currently funded on a unit cost basis per referral to Housing Executive. Local Councils have argued that the funding they get from the Department to deliver their part of the scheme is inadequate and have offered an increased unit cost for use on the Scheme.

As set out in Section 4.1, the time and resource undertaken by councils is not captured as part of any reporting framework. As such, there is a lack of understanding of the true cost of the work undertaken by Councils. In particular, the volume and time spent on each visit, as well as the volume of phone calls are not captured. As a result of this, time and cost of targeted activities against self-referral activities cannot be captured also.

In order to provide a suggested unit cost, BCS requested volume, timing and costing information from councils. At the time of writing, BCS has not received a sufficient response to undertake this calculations. As such, the unit costing analysis will follow this document as a separate deliverable upon receipt of all council information returns.

### Update for January 2019

In October 2018, councils were requested to provide the following information:

- Total number of visits per year and the total number of properties associated with these visits. If possible, split between targeted and "self-referral";
- Total number of calls made or received per year and the total number of properties associated with these calls. If possible, split between targeted and "self-referral";
- A breakdown of the average time taken per call / visit and the grade of staff normally used for these activities;
- If possible, a summary of the "in-kind" financial contribution from your Council. This is essentially those resources / investment in the scheme over and above the current funding from DfC.

The calculations were undertaken in two parts:

- 1) **Variable costs** – this relates to the costs that can be directly attributable to a an individual referral, taking into account of staff time involved in visiting households and answering calls.
- 2) **Fixed costs** – this relates to those costs not directly attributable to individual referrals. The fixed costs take into account a range of costs provided by councils, including:
  - Staff costs outside of those staff who answer calls and undertake visits;
  - IT costs;
  - Printing and postage costs;
  - Insurance and rates;
  - Subsistence.

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The calculations were applied to an assumed referral rate of 673 referrals per Council per year, as set out in the recent 5 year business case. Based on the calculations, it is estimated that Councils should receive £105,000 per annum in order to achieve this referral rate.

The table below shows the suggested funding for differing referral rates, along with the unit cost. The table shows a decreasing unit cost as referral rates increase. This is due to the “fixed” element of the costs being allocated across a greater number of referrals.

**Table 4: Suggested funding per referral rate for Councils**

Number of referrals	Total cost	Cost per referral
300	£66,876.37	£222.92
400	£74,501.83	£186.25
500	£85,353.89	£170.71
600	£96,205.94	£160.34
700	£107,058.00	£152.94

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## 5. SUMMARY OF THE REVIEW

The Affordable Warmth Scheme was established in April 2015 and has successfully provided energy efficiency improvements to low income households in its first three years.

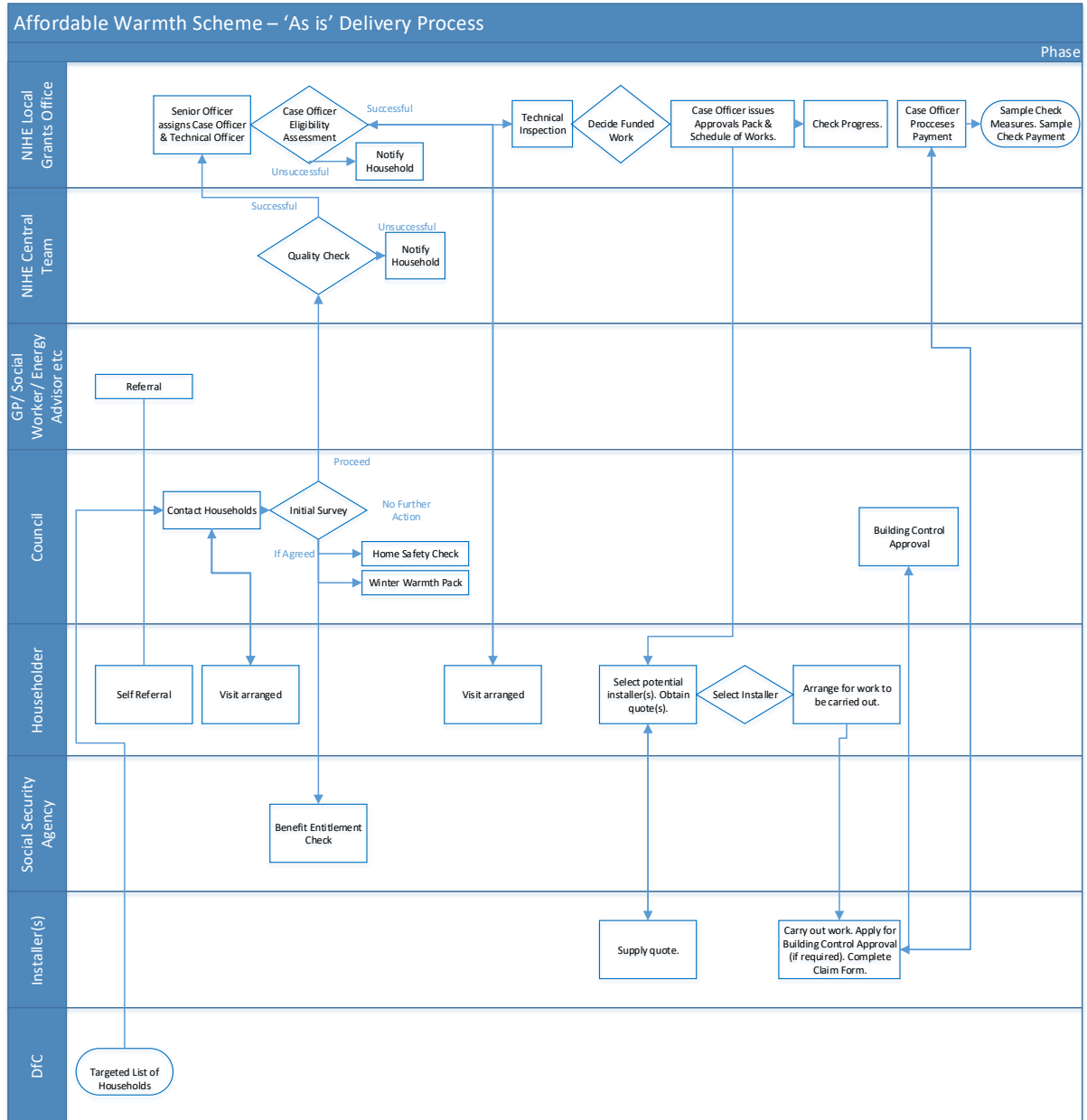
This review has looked at the current delivery model and has identified a number of potential issues or key process risks. These issues identified and the associated recommendations revolve around improving the customer journey for vulnerable householders, ensuring quality assurance processes are sufficient, alignment of processes and improving feedback and communication between organisations within the Scheme.

Upon assessment of delivery model options, the Review Team believes that, in order to address the issues identified above, the most effective delivery model is a Scheme managed and delivered by a single delivery agent.

Establishing the value for money of the Scheme created difficulties due to the unique targeted approach that AWS uses. However, consideration should be given to greater flexibility and improved feedback between councils and UU in order to maximise the impact of targeted lists.

It is the perspective of the Review Team that the implementation of the recommendations set out in this report will improve the Scheme's ability to deliver its objectives and to support those in fuel poverty, as well provided greater coordination throughout the Scheme.

# APPENDIX I: AWS DELIVERY PROCESS



## APPENDIX II: COMPARATORS SUMMARY

Geography	Scotland	Wales	Rol
Responsible Department	<ul style="list-style-type: none"> <li>Scheme under jurisdiction of the Directorate for Housing and Social Justice</li> </ul>	<ul style="list-style-type: none"> <li>Scheme under jurisdiction of the Cabinet Secretary for Energy, Planning &amp; Rural Affairs</li> </ul>	<ul style="list-style-type: none"> <li>Scheme under jurisdiction of the Department of Communications, Climate Action and environment</li> <li>Scheme is partly financed by Ireland's EU Structural Funds Programme cofounded by the Irish Govt and EU</li> </ul>
Scheme	<b>Warmer Homes Scotland</b>	Welsh Government <b>Warm Homes Programme</b> – includes Arbed and NEST	<b>Better Energy Warmer Homes</b>
Overview of Scheme	<ul style="list-style-type: none"> <li>The scheme was opened on 1st September 2015</li> <li>Scheme designed to tackle fuel poverty across Scotland by providing home energy efficiency measures to households who are living in, or at risk of living in, fuel poverty</li> <li>Scheme provides measures including insulation, heating and micro-generation to those households who are at most in need of help to heat their homes</li> </ul>	<ul style="list-style-type: none"> <li>NEST scheme – provides householders living in Wales with access to free advice and support to help them reduce their energy bills</li> <li>Scheme in operation since 2015 and closed on 31 March 2018 – unclear as to replacement scheme if any</li> </ul>	<ul style="list-style-type: none"> <li>Scheme provides free energy efficiency upgrades for eligible homes</li> <li>Aim of the scheme is to make eligible homes warmer, healthier and cheaper to run</li> </ul>
Scheme offer	<ul style="list-style-type: none"> <li>Variety of energy efficiency upgrades are available under the scheme – no standard package is in place</li> <li>Measures can include (not exhaustive):</li> </ul>	<ul style="list-style-type: none"> <li>Scheme offer is designed for individual properties – no standard package is in place</li> <li>Measures can include:</li> </ul>	<ul style="list-style-type: none"> <li>Variety of energy efficiency upgrades are available under the scheme</li> </ul>

Geography	Scotland	Wales	Rol
	<ul style="list-style-type: none"> <li>○ Boiler replacement (biomass, gas, gas &amp; oil fired condensing)</li> <li>○ CO detector</li> <li>○ Insulation (attic, floor, cavity, external / internal / hybrid wall)</li> <li>○ Draught proofing</li> <li>○ Mechanical ventilation</li> <li>○ Hot water systems</li> <li>○ Flexible thermal linings</li> </ul>	<ul style="list-style-type: none"> <li>○ New gas boiler</li> <li>○ Central heating system</li> <li>○ Insulation</li> <li>○ Newer technologies such as air source heat pumps</li> <li>○ Windows / doors are <b>not</b> included</li> </ul>	<ul style="list-style-type: none"> <li>● Upgrades will depend on factors including age, size, type &amp; condition of property</li> <li>● Surveyor will determine which upgrades can be installed and funded</li> <li>● Measures can include: <ul style="list-style-type: none"> <li>○ Insulation (attic, cavity wall, external / internal wall)</li> <li>○ Lagging jackets</li> <li>○ Draught proofing</li> <li>○ Energy efficient lighting</li> <li>○ Heating upgrades (central heating, heating controls)</li> <li>○ Ventilation</li> <li>○ Window replacements</li> </ul> </li> </ul>
Overall aim of scheme	<ul style="list-style-type: none"> <li>● Every householder in Scotland eligible for the scheme</li> <li>● If householder meets eligibility criteria they will be able to avail of a package of energy efficiency improvements at <b>No Cost</b> to the householder</li> </ul>	<ul style="list-style-type: none"> <li>● Every householder in Wales eligible for Nest advice &amp; support</li> <li>● Applications only accepted for residential properties – property cannot have been used for business purposes 12 mths prior to the application</li> <li>● If householder meets eligibility criteria they will be able to avail of a package of energy efficiency improvements at <b>No Cost</b> to the householder</li> <li>● No age criteria is applied</li> </ul>	<ul style="list-style-type: none"> <li>● Every householder in Rol eligible for the scheme</li> <li>● If householder meets eligibility criteria they will be able to avail of a package of energy efficiency improvements at <b>No Cost</b> to the householder</li> </ul>
Eligibility requirements	<ul style="list-style-type: none"> <li>● Homeowners or the tenants of a private-sector landlord</li> <li>● Live in the home as their main residence;</li> </ul>	<ul style="list-style-type: none"> <li>● Own their own home or rent from a private landlord</li> <li>● Individual or someone they live with receives a means tested benefit</li> </ul>	<ul style="list-style-type: none"> <li>● Own and live in their own home</li> <li>● Home must be principal / main private residence</li> <li>● Home located in Rol</li> </ul>

Geography	Scotland	Wales	Rol
	<ul style="list-style-type: none"> <li>• Have lived there for at least 12 months (unless in receipt of a DS1500 certificate);</li> <li>• Not have received support for energy efficiency measures through Warmer Homes Scotland or HEEPS ABS funding in the last five years</li> <li>• Live in home with an energy rating of 64 or lower and which has a floor area of 230m2 or less</li> <li>• Live in a home that meets the tolerable living standard set out in the Housing (Scotland) Act 2006 or, where the home does not meet the tolerable living standards</li> <li>• Meet one of the following conditions: <ul style="list-style-type: none"> <li>○ Pensionable age, have no working heating system and be in receipt of a passport benefit eg. Universal Credit, Working Tax Credit, Housing Benefit, Personal Independence Payment</li> <li>○ Aged over 75 and in receipt of a passport benefit</li> <li>○ Pregnant and/or have a child under 16 and in receipt of a passport benefit</li> <li>○ Have a disability and be in receipt of any level of Personal Independent Payment (PIP)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Home is energy inefficient and expensive to heat (equivalent to an E, F or G energy efficiency rating)</li> <li>• Meet one of the following conditions: <ul style="list-style-type: none"> <li>○ Child tax credit (income below £16,105 per yr)</li> <li>○ Council tax reduction (exemption &amp; discount do not qualify on their own)</li> <li>○ Housing Benefit</li> <li>○ Income Based Jobseeker's Allowance</li> <li>○ Income Related Employment &amp; Support Allowance</li> <li>○ Income Support</li> <li>○ Pension Credit</li> <li>○ Universal Credit</li> <li>○ Working Tax Credit (income below £16,105 per yr)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Home built and occupied before 01/01/2006</li> <li>• Receipt in <b>one</b> of the following welfare payments: <ul style="list-style-type: none"> <li>○ Fuel allowance</li> <li>○ Job Seekers Allowance for over 6 mths <b>and</b> have a child under 7 yrs old</li> <li>○ Working Family Payment</li> <li>○ One Parent Family Payment</li> <li>○ Domiciliary Care Allowance</li> <li>○ Carers Allowance <b>and</b> live with the person that is being cared for</li> </ul> </li> <li>• Householder must <b>not</b> have participated in or received the benefit of works to their house under the scheme in the part</li> </ul>

Geography	Scotland	Wales	RoI
	<ul style="list-style-type: none"> <li>○ Have a disability and be in receipt of high rate Disability Living Allowance (DLA) (care or mobility component)</li> <li>○ Have a disability and be in receipt of low/medium rate Disability Living Allowance (DLA) (care or mobility component) and be in receipt of an income-related benefit</li> <li>○ A carer in receipt of Carers Allowance;</li> <li>○ Injured or disabled serving in the Armed Forces and be in receipt of Armed Forces Independence Payment/War Disablement Pension</li> <li>○ Have an injury or disability from an accident or disease caused by work and be in receipt of Industrial Injuries Disablement Benefit</li> </ul>		
What approach is adopted in operating the scheme	<ul style="list-style-type: none"> <li>● Scheme is marketed and individuals / households apply</li> </ul>	<ul style="list-style-type: none"> <li>● Scheme is marketed and individuals / households apply</li> <li>● Nest scheme works in partnership with local authorities, health boards, charities and community organisations to help reach households</li> </ul>	<ul style="list-style-type: none"> <li>● Scheme is marketed and individuals / households apply</li> </ul>
Targets / KPI's	<ul style="list-style-type: none"> <li>● KPI's include: <ul style="list-style-type: none"> <li>○ Referral To Completion time (65 days)</li> <li>○ Right First Time, high quality Installations</li> <li>○ Customer Satisfaction - high levels of Customer satisfaction and low levels of complaint.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● 2015-16 Nest scheme received £25.5m and improved 6,162 homes</li> <li>● No further info available from publicly available sources eg. internet</li> </ul>	<ul style="list-style-type: none"> <li>● Approx. 135,000 homes have availed of support</li> <li>● No further info available from publicly available sources eg. internet</li> </ul>



Geography	Scotland	Wales	RoI
	<ul style="list-style-type: none"> <li>○ Sliding scale of payment is made based on performance in relation to the above eg. no payment if performance is</li> <li>● KPIs are linked to the performance element of the management fee eg. sliding scale of payment is made. No payment made for performance less than 85% in relation to referral to completion time of 65 days</li> <li>● Service Level Agreements also in place covering areas such as complaints, inspections, remedial work, response to telephone calls and priority customers</li> </ul>		
Scheme management	<ul style="list-style-type: none"> <li>● Scheme is managed by Warmworks Scotland LLP - a managing agent that was procured through an open procurement process.</li> <li>● Warmworks deliver all aspects of the customer journey once they receive the referral from Home Energy Scotland (HES). This includes confirming eligibility, carrying out surveys, carrying out installations and carrying out post installations inspections to ensure the quality of the work is up to the standard expected under the contract.</li> <li>● HES are the sole referral agent for the contract. HES are responsible for the provision of and advice and referral</li> </ul>	<ul style="list-style-type: none"> <li>● Scheme operated for Welsh Government by British Gas</li> <li>● Energy Saving Trust sub contracts to British Gas to provide the 'front end' assessment service</li> <li>● Small / medium sized enterprises across Wales are sub contracted by Nest to install agreed energy efficiency measures</li> </ul>	<ul style="list-style-type: none"> <li>● Scheme operated / administered by SEAI</li> <li>● SEAI assigns a contractor to complete works on individual homes – contractors are drawn from a select list appointed by SEAI</li> <li>● Contractor is responsible for completion of works recommended by an initial surveyor</li> <li>● Eligible householders and contractor enter into a written contract clearly identifying and agreeing scope of works</li> </ul>

Geography	Scotland	Wales	RoI
	<p>service and any marketing required for the scheme</p> <ul style="list-style-type: none"> <li>• Pennington Choices are responsible for the quality assurance auditing of the scheme.</li> </ul>		
Works Value	<ul style="list-style-type: none"> <li>• Average value of works undertaken is £4,500.</li> <li>• Actual spend varies widely as each household is offered a bespoke package of measures based on needs of the property, the available fuel sources and the circumstances of the household</li> <li>• Expected that this figure will rise with increasing costs and introduction of some more costly energy efficient measures such as ground source heat pumps to the scheme</li> </ul>	<ul style="list-style-type: none"> <li>• 2015-16 Nest scheme received £25.5m and improved 6,162 homes</li> </ul>	<ul style="list-style-type: none"> <li>• Approx. 135,000 homes have availed of support</li> </ul>
Scheme Administration	<ul style="list-style-type: none"> <li>• Scottish Government has a team of 3 staff who are responsible for managing the delivery of Warmer Homes Scotland. The Grades are C1, B3 and B2.</li> <li>• Each member of the team feeds in to the overall Fuel Poverty and HEEPS work streams however, their main focus is the delivery of Warmer Homes Scotland</li> <li>• They are responsible for all aspects of delivery of the scheme including: <ul style="list-style-type: none"> <li>○ Dealing with Ministerial Correspondence</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• No further info available</li> </ul>	<ul style="list-style-type: none"> <li>• Scheme operated / administered by SEAI</li> <li>• SEAI assigns a contractor to complete works on individual homes – contractors are drawn from a select list appointed by SEAI</li> <li>• Contractor is responsible for completion of works recommended by an initial surveyor</li> <li>• Eligible householders and contractor enter into a written contract clearly identifying and agreeing scope of works</li> </ul>

Geography	Scotland	Wales	RoI
	<ul style="list-style-type: none"> <li>○ Managing all aspects of the delivery of the contract including financial management</li> <li>○ Managing all aspects of the delivery of the Quality Assurance contract including financial management</li> <li>○ Producing and annual review of the scheme</li> <li>○ Dealing with the policy issues that arise from the operation of the scheme and the strategic direction of the scheme.</li> <li>● An individual at C2 level oversees the above work as part of their wider remit to manage fuel poverty policy and the wider HEEPS programme.</li> </ul>		
<b>Scheme Costs</b>	<ul style="list-style-type: none"> <li>● Total spend to end of September 2018 – approx. £76.2 million.</li> <li>● 2015/16 (part year from Sept) – approx. £7.6 million</li> <li>● 2016/17 – approx. £30.8 million</li> <li>● 2017/18 – approx. £29.5 million</li> </ul>	<ul style="list-style-type: none"> <li>● 2015-16 Nest scheme received £25.5m and improved 6,162 homes</li> </ul>	<ul style="list-style-type: none"> <li>● Approx. 135,000 homes have availed of support</li> </ul>
<b>Overall administration Costs</b>	<ul style="list-style-type: none"> <li>● Administration costs are included in the management fee paid to Warmworks and are commercially sensitive so cannot be released separately</li> </ul>	<ul style="list-style-type: none"> <li>● No info available</li> </ul>	<ul style="list-style-type: none"> <li>● No info available</li> </ul>
<b>Contractor list</b>	<ul style="list-style-type: none"> <li>● Contractor list this is operated by the managing agent, Warmworks Scotland LLP.</li> </ul>	<ul style="list-style-type: none"> <li>● No info available</li> </ul>	<ul style="list-style-type: none"> <li>● SEAI assigns a contractor to complete works on individual homes – contractors are drawn from a select list appointed by SEAI</li> </ul>

Geography	Scotland	Wales	RoI
	<ul style="list-style-type: none"> <li>• Currently 21 contractors are in place throughout Scotland.</li> <li>• Warmworks operate their own performance management system that is linked to the inspections the Scottish Government require.</li> <li>• The Scottish Government ensure the quality required is delivered via Pennington Choices inspections.</li> </ul>		<ul style="list-style-type: none"> <li>• Contractor is responsible for completion of works recommended by an initial surveyor</li> <li>• Eligible householders and contractor enter into a written contract clearly identifying and agreeing scope of works</li> </ul>
Previous schemes	<ul style="list-style-type: none"> <li>• Previous scheme was Energy Assistance Scheme – this closed at end of March 2015</li> <li>• In designing Warmer Homes Scotland, the Scottish Government carried out numerous consultation and stakeholder engagement events to get the widest range of views possible to feed in to the design of the new scheme.</li> </ul>	<ul style="list-style-type: none"> <li>• No further info available</li> </ul>	<ul style="list-style-type: none"> <li>• No further info available</li> </ul>

## APPENDIX III: REASONS FOR CANCELLATION AFTER REFERRAL TO NIHE

Cancellations and Reasons						
Cancellation Reasons	2014/15	2015/16	2016/17	2017/18	2018/19 YTD	Total
All Scheme Measures Present	113	618	151	122	92	1,096
Allowance Insufficient	0	1	4	1	1	7
Applicant Deceased	3	41	28	34	10	116
Applicant Ineligible	12	59	13	9	8	101
Application Form Not Returned	0	224	29	15	86	354
Boiler Ineligible	2	8	13	8	3	34
Boiler Replaced without NIHE Approval	0	0	0	1	3	4
Change of Circumstances	4	50	15	16	6	91
Could Not get Installer	0	1	2	1	0	4
Current Boiler Working Sufficiently	0	1	1	1	1	4
Documentation not Complete	0	64	11	47	57	179
Duplicate Record or Application	2	10	10	16	5	43
Failure to Respond	8	1,042	767	249	309	2,375
House For Sale/Sold	0	7	14	17	3	41
Income over £19,999.00	232	1,491	226	103	48	2,100
Ineligible Tenure	20	18	4	7	1	50
Landlord Does Not Wish to Proceed	3	103	33	9	2	150
Landlord not Registered with DSD	0	152	0	0	0	152
No Access	0	8	5	5	1	19
No Reason Recorded	6	197	129	48	87	467
Other Funding Applied For	2	16	14	11	1	44
Private Tenant Vacated Property	3	33	10	8	7	61
Property Not Occupied	2	23	10	7	8	50
Resident not interested	70	359	124	58	24	635
Technically not viable	6	13	8	4	3	34
Too much disruption	0	50	21	15	5	91
Unable to contact Landlord	7	7	0	0	0	14
Unsuitable Property	5	32	8	6	2	53
Work not Commenced	0	0	106	82	57	245
Work not Completed	0	1	16	12	4	33
<b>TOTAL PER YEAR</b>	<b>500</b>	<b>4,629</b>	<b>1,772</b>	<b>912</b>	<b>834</b>	<b>8,647</b>



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## **AFFORDABLE WARMTH SCHEME-Energy Efficiency Measures Available**

<b>Priority 1: Insulation, Ventilation, Draught Proofing</b>	
Installation or topping up of Loft Insulation to 275mm	Roof/Loft/Eaves ventilation
Provision of hot water cylinder jacket	Draught proofing of doors/windows
Installation of cavity wall insulation	Removal and replacement of ineffective cavity wall insulation
<b>Priority 2: Heating</b>	
Provision of natural gas or oil central heating where no central heating exists	Conversion of solid fuel/LPG/economy 7 to natural gas or oil
Conversion of economy 7 to high efficiency electrical storage system	Boiler replacement/system upgrade for householders over 65, or who have a child under 16 years of age, or who receive disability living allowance and where an existing central heating boiler is at least 15 years old
<b>Priority 3: Windows</b>	
Replacement of single glazed windows	Repair or replacement of double glazed windows that are defective
<b>Priority 4: Solid Walls</b>	
Provision of solid wall (internal/external) insulation	

Further information is available at the link below:

<https://www.midulstercouncil.org/Community/Affordable-Warmth>



Council Senior Officials

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4 April 2019

## **AFFORDABLE WARMTH SCHEME FUNDING 2019/2020**

Dear Senior Officials,

The capital budget for the Affordable Warmth Scheme for 2019/2020 has been confirmed as £12m. The average spend per household has now risen to £4,500.

The reduced budget and the higher average spend per household means that we will need fewer referrals from Councils in 2019/2020. Each Council will be paid £41,256 for a total 216 referrals, 18 per month, over the year.

This referral rate will be kept under review as the year progresses.

I hope this is helpful in allowing you to plan and manage the scheme over the year.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Oliver McHugh", written in a cursive style.

**Oliver McHugh**