



Title of Report:	UPDATE ON AFFORDABLE WARMTH SCHEME
Committee Report Submitted To:	ENVIRONMENTAL SERVICES COMMITTEE
Date of Meeting:	13th OCTOBER 2020
For Decision or For Information	FOR DECISION

Linkage to Council Strategy (2019-23)	
Strategic Theme	Resilient Healthy and Engaged Communities
Outcome	Improved Energy Efficiency of homes and reduction in Fuel Poverty
Lead Officer	Head of Health & Built Environment

Budgetary Considerations	
Cost of Proposal	Circa £48168
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	21656
Staffing Costs	£48168

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose of Report

- 1.1 The purpose of this report is provide members with an opportunity to re-consider the previously submitted report (ES 200908) on the Affordable Warmth Scheme following receipt of correspondence from Department for Communities (DfC) dated 14th August 2020. See appendix 1 attached. A response has been prepared and issued as per Appendix 2. Updated information is provided at paragraph 6.0.

2.0 Background

- 2.1 Since the inception of the Affordable Warmth Scheme, which was designed to target those most vulnerable in our society in relation to fuel poverty and provide them with support in improving the thermal performance of their dwelling, Councils have worked with their partners (NIHE and DfC) to deliver a successful Scheme.
- 2.2 Over the life of the scheme (some 7 years), council's role has evolved, developed and become more involved with additional duties and responsibilities in making successful referrals for home improvement works to be carried out. At the same time, the amount of financial funding to support the councils in delivering has been reduced year on year. From an original staffing level of five full time members, this has now been reduced to one.
- 2.3 All councils agreed to be partners in the Scheme as they clearly saw the benefits to their citizens. The original delivery model and Service Level Agreement was based on the cost neutrality to the councils of this Departmental initiative.
- 2.4 Councils recognise the number of local residents that have benefited from improvement measures as a result of successful applications and indeed the economic benefit to local installers and suppliers.

3.0 Current Business Plan

- 3.1 Unfortunately, councils are currently in disagreement with the Department on future funding proposals. The Department has recently agreed an internal 5 year business plan for the future of the Scheme, but this is based on a 'pay per referral' model. In short, the Department have imposed a model where councils are only paid for referrals made. This moves the financial risk from the Department to councils and was not what was initially agreed with councils in that scheme delivery would be at no cost to the local ratepayer. The original agreed partnership arrangement included a flat rate, lump sum for delivering the councils role on an annual basis. This allowed councils to recruit and support the Departments Scheme in a balanced and financially fair way. This imposed arrangement now requires a minimum of 18 referrals per month over the course of the year to be submitted to ensure cost recovery.
- 3.2 In the most recent correspondence from the DfC, council was advised that it would be required to make 44 referrals to the Northern Ireland Housing

Executive each month from August 2020 in order to maximise the budget available (£12M) to spend across the province. It is the DfC's view that the target is achievable should councils fulfil their agreement to work on Emergency referrals during the period when restrictions to the scheme were in place and to process normal referrals as far as possible. In order to meet this demand, a further 2 units of staff would require to be recruited and trained, with the likelihood that it would be 8-12 weeks before fully operational.

- 3.3 Additionally, achieving 44 referrals per month would necessitate an easing in the current scheme restrictions (it is currently targeted with at least 60% of referrals coming from a targeted list) with the remainder self-referrals that meet the scheme criteria. Open promotion of the scheme is not permitted.

4.0 COVID-19

- 4.1 Due to COVID-19, the proposed model of delivering a set number of referrals a month was suspended by the Department who asked councils to continue to refer emergency cases only through COVID-19 and make preparations for reinstatement on the lifting of lockdown. The Department made a payment of £10.9k for the first quarter of 20/21 to support this function, although this was only after representation to Council and not before it was necessary to furlough the staff member.
- 4.2 Correspondence dated 25th June 2020 from David Polley, DfC, indicates the Departments intentions of stepping up the Scheme (in due course), but asking councils to take additional responsibility of ensuring access for Officers of both Council and NIHE and ensuring manufacturer's reports are available for faulty heating systems. This in itself doesn't sound overly burdensome, however when we consider a targeted Scheme with a current ratio of 6 door knocks to each successful referral, (some councils are finding a higher ratio) the front end work to achieve a successful referral is mounting at a time when the Department appear intent on only paying for each successful referral. It is also felt that this additional requirement could dissuade vulnerable citizens from wishing to participate in the referral process as well as add additional financial burden to the ratepayer at a time of already mounting council costs due to COVID-19.
- 4.3 Council has worked diligently to carry out risk assessments and revised visit protocols to recommence service delivery. This has placed additional burdens on staff and vulnerable clients which again affects the numbers of referrals a surveyor is able to process. Council has continued to process Emergency applications where possible and has reintroduced normal service delivery from mid-August 2020.
- 4.4 Whilst the current health pandemic prevails, there remains uncertainty around service delivery in any sector or geographical area with surges in cases, the development of local clusters and the potential re-imposition of restrictions. Whilst our own business continuity plans take account of this, it would appear that the DfC does not recognise this fact.

5.0 Service level Agreement

5.1 There is no service level agreement in place with Councils. The last signed SLA on behalf of Causeway Coast and Glens Borough Council was September 2018 and the funding agreed at that time for the period 2018-2019 was agreed in July 2018. This was on a flat rate basis. There has been no engagement on a revised SLA for either 2019-2020 or 2020-2021. The Department intention was to have the SLA formally agreed before the end of August, but at time of writing no documents have been provided for consideration.

6.0 Update Information

6.1 DfC have acknowledged that the change to the funding model has transferred risk to Councils from the Department. The Department is working to confirm AWS budgets over the longer term to provide more certainty for Councils. Following a meeting with SOLACE on 22 September, DfC officials have undertaken to establish if there is scope to revisit this model so that payments are made to Councils on a 50/50 flat rate/ referral basis.

6.2 The Scheme has an approved budget of £12m for the 2020/21 financial year. However, the impact of COVID in the first three months of the year, and the lower than expected number of referrals submitted in the period after lockdown ended (from July to 17th September (Qtr2) 450 referrals were received across all councils against requirement of 1397) has threatened a significant underspend. Given the need to fully maximise the budget potential to address fuel poverty, and the risk to livelihoods from failing unnecessarily to restart economic activity in a timely way, the Department agreed with SOLACE that they should continue working together to maximise the budget spend in 2020/21.

6.0 Recommendation(s)

It is recommended that Council endorse the response at Appendix 2 to the report.

It is recommended that Council continue to negotiate with the Department for Communities to deliver this scheme in partnership on the basis that it will be no cost to Council.

It is recommended that should Council agree to delivering 36 referrals per month to NIHE, with the recruitment of 1 additional unit of staff be undertaken immediately and to remain in post for the remainder of the financial year 2020-2021 at which time it will be reviewed.

From: David Polley

David.Polley@communities-ni.gov.uk

**Level 3
Causeway Exchange
1-7 Bedford Street
Belfast
BT2 7EG**

Our ref:

Date: 14 August 2020

Chief Executives and
Senior Officials (Affordable Warmth Scheme)

Dear Chief Executive

AFFORDABLE WARMTH SCHEME

You may be aware that I have been engaging extensively with the Council Officers responsible for assisting with the delivery of the Department's Affordable Warmth Scheme. I am conscious of the difficult situation we have all had to cope with during the current health crisis however it is more important than ever that collectively we continue to assist the most vulnerable and in particular those in fuel poverty.

You will recall that in May I set out proposals for temporary arrangements for emergency referrals during the COVID-19 pandemic i.e there would be a flat rate payment for the period April to June of £10.9k per Council. These arrangements were agreed on the condition that Councils would be in a position to meet an agreed monthly target rate of referrals once restrictions were lifted.

In June I wrote again to ask when Councils would expect to be in a position, following your own risk assessments etc. to re-open the Scheme and to send referrals to the Housing Executive as soon as possible (previously set at 39 per month). Furthermore in July the Department emailed all Council Senior officers in an effort to confirm how many referrals could be made. Most Councils responded to say this would depend on the method of payment going forward and would not make any commitment until after a scheduled meeting with the Department on 5 August.

My team confirmed at this meeting that there is now a confirmed budget of at least £12m to spend on the Affordable Warmth Scheme before the end of the financial year. Council officers were also informed that to maximise the budget available that each Council would be required to make 44 referrals to the Housing Executive each month from August. It was our view that this target is achievable should Councils fulfil their agreement to work on emergency referrals during the period when restrictions to the scheme were in place and to process normal referrals as far as possible. As agreed Councils will be paid per referral (£222.92). As far as possible the majority (at least 60%) of these referrals should be from the targeted list however the Department is currently reviewing this requirement.

It is essential that if we are to maximise the available budget Councils need to start delivering immediately in line with the above arrangements and my team have worked closely with Councils and NIHE to make this happen. Whilst some councils have responded more positively than others the level of co-operation has been disappointing. The Department would prefer Councils to continue delivering the scheme in line with the agreed terms and conditions however should this not be possible then the Department reserves the right to review and potentially seek alternatives to the current delivery model

I should therefore be grateful if you would confirm by Friday 21 August 2020 if your Council is in a position to continue to deliver the Affordable Warmth Scheme in your Council area in line with the conditions set out.

If we do not receive a response by 21 August we may assume that you no longer wish to remain in your role as a delivery partner of the Affordable Warmth Scheme. It would also be our intention to have the SLA formally agreed before the end of August and performance against targets will be monitored monthly. I should be grateful if you would copy your response to Avril Hiles, Head of the Fuel Poverty Team.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'David Polley', written in dark ink.

David Polley

Our Ref.: ES/48/AMcP/af

19th August 2020

By Email Only

Department for Communities
Level 3
Causeway Exchange
1-7 Bedford Street
Belfast
BT2 7EG
FAO Mr D Polley

Dear David

Ref Your Correspondence dated 14th August 2020 received by email

Your above correspondence refers. I am responding directly as David Jackson is currently on leave. Whilst I acknowledge that you have issued a number of letters in May and June, you will appreciate that Councils have continued to engage and respond to all requests made. My department has been engaged in communications with your staff dating back to the onset of the current health pandemic on the 19th March 2020, and previously to this regarding continuing concerns which remain unresolved.

Causeway Coast and Glens Borough Council remains supportive of the principles of the Affordable Warmth Scheme and the benefits it delivers to the most vulnerable in our society. Council recognises the number of local residents that have benefited from improvement measures as a result of successful applications and indeed the economic benefit to local installers and suppliers. However, despite the concerns raised by my officer and other Council Senior officers regarding operational changes made to the scheme, these matters appear to have been ignored and remain an issue as regards delivery.

In summary these are as follows:

- The current payment model imposed by the Department arbitrarily and without agreement from Councils has moved the risk from the Department to Councils. Engagement in this scheme by Councils was on the understanding that it would be at no cost to Council. The current pay per

referral method provides no security to Council in respect of employees and other costs.

- There is no current Service Level Agreement (SLA) in place with Councils. The last signed SLA on behalf of Causeway Coast and Glens BC was 11th September 2018 and the funding agreed at that time for the period of 2018-2019 was confirmed in a letter dated 2nd July 2018. This was on a flat rate basis. There has been no engagement on a revised SLA for either 2019-2020 nor the current year 2020-2021 as alluded to in your correspondence.
- Your correspondence suggests that the restrictions on submission of referrals from an 80:20 split from the targeted list to 60:40 is a step in the right direction, but it will still cause difficulties for Councils that have exhausted those lists and still await revised lists being issued. Further restrictions on marketing the scheme continue to leave Councils frustrated.
- Councils have worked diligently to carry out risk assessments and revised visit protocols to recommence service delivery. This has placed additional burdens on staff and on vulnerable clients which again affects the number of referrals a surveyor is able to process. Causeway Coast and Glens Borough Council has continued to process Emergency applications were possible following the re-engagement of staff from an imposed period of furlough as a result of the Department's lack of commitment to cover salary costs.
- Whilst the current health pandemic prevails, there remains uncertainty around service delivery in any sector or geographical area with surges in cases, the development of local clusters and the potential re-imposition of restrictions. Business Continuity Plans will have taken account of this and I am disappointed that the Department does not seem to recognise this fact.

With the continuous reduction in funding of this element of partnership delivery, staffing levels have had to be reduced to a single unit within this Council. Should funding change and more security be given over the medium to longer term period, then Council may be in a position to increase that level. However there will be a lead in time to ensure adequate training and consistency in delivery of approximately 8-12 weeks.

However, as it currently stands, Causeway Coast and Glens Borough Council, will continue to deliver **18 referrals per month** (based on current staffing levels) subject to the Department establishing meaningful engagement and agreement around the terms and conditions of scheme delivery.

Council would be keen to ensure that any alternative delivery model is fully equality assessed and ensured equitable delivery to all citizens across Northern Ireland.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Aidan McPeake', written in a cursive style.

Aidan McPeake

Director of Environmental Services

Causeway Coast and Glens Borough Council

Riada House, 14 Charles Street, Ballymoney, BT53 6DZ