



Subject:	Affordable Warmth Scheme update
Date:	14 th January 2020
Reporting Officer:	Nigel Grimshaw, Director of City and Neighbourhood Services
Contact Officer:	Ian Harper, Building Control Manager

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	Belfast City Council has been engaged in a partnership with the Department for Communities (DfC) and the Northern Ireland Housing Executive (NIHE) in the delivery of the Affordable Warmth Scheme (AWS) since 2014.
1.2	The scheme aims to address fuel poverty for the most vulnerable households in the city by targeting those households that meet certain criteria, as identified by Ulster University by providing home improvement measures such as loft and cavity wall insulation, replacement boilers and new double glazed windows. While it is a targeted scheme, self-referrals are also considered. To qualify for the scheme occupant's income must be below £20,000 (gross).
1.3	The eligibility criteria for the boiler replacement element of the scheme includes:

1.4	<ul style="list-style-type: none"> • have an existing central heating boiler that is at least 15 years old; and • be aged over 65; or • receive Child Benefit for a child under 16 years of age; or • receive DLA/PIP. <p>This report provides an update on the scheme including confirmation received from the DfC of the funding allocation for 2019-2020 and the level of referrals to be provided.</p>																		
2.0	Recommendations																		
2.1	<p>The Committee is asked to</p> <ul style="list-style-type: none"> • note the contents of the report and consider delegating authority to the sign the SLA to the Director of Planning and Building Control subject to satisfactory arrangements being agreed. 																		
3.0	Main report																		
3.1	<p><u>Key Issues & current position</u></p> <p><u>Referral numbers and funding</u></p> <p>Referral numbers have changed from November 2019 with a revised target of 39 for January – March 2020 which will result in additional funding for each referral.</p> <p>3.2 In a change from what has happened to date, NIHE will only pay for each referral made, rather than provide the funding for the target number of referrals, which councils used to provide staff who work on the ground in an attempt to get referrals. Obtaining referrals requires input from the householders, and is therefore not within the control of officers. Therefore this new approach could result in BCC having to further subsidise the cost of staff where referrals targets are not met.</p> <p>3.3 Total number of referrals sent to NIHE to date for 2019 - 2020 is 144, see breakdown below:</p> <table border="1" data-bbox="276 1731 1056 2031"> <thead> <tr> <th>Month</th> <th>Number of referrals</th> <th>Referrals sent to NIHE</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>18</td> <td>18</td> </tr> <tr> <td>May</td> <td>18</td> <td>18</td> </tr> <tr> <td>June</td> <td>18</td> <td>18</td> </tr> <tr> <td>July</td> <td>18</td> <td>14</td> </tr> <tr> <td>August</td> <td>18</td> <td>18</td> </tr> </tbody> </table>	Month	Number of referrals	Referrals sent to NIHE	April	18	18	May	18	18	June	18	18	July	18	14	August	18	18
Month	Number of referrals	Referrals sent to NIHE																	
April	18	18																	
May	18	18																	
June	18	18																	
July	18	14																	
August	18	18																	

September	18	18
October	18	18
November	22	22

3.4

Targeted nature of scheme

DfC continue to work with UU to review the targeting of the scheme. Councils have raised concerns that the current model of 80% targeted will not be possible with the current funding and staffing levels, and the addresses provided by UU.

3.5

Cancellations

Each month there are a number of referrals to be cancelled where this relates to the householder not replying to NIHE where applications have not progressed, or not wanted to proceed. NIHE have agreed to inform councils of these cases to allow AW staff to follow up on their initial work with the householder prior to final closure to attempt to secure the householder cooperation.

3.6

The above issues will result in changes to the SLA and will be provided by the DfC in due course.

3.7

Background

On 22nd August 2019 the DfC confirmed that they have secured approval of a 5 year business case from 1 June 2019 to 31 March 2024 (Appendix 1). In order to adhere to the conditions on which the approval was granted assurances must be given for the following requirements.

- Service Level Agreements (SLA) to be signed off.
- As a targeted scheme the ratio of targeted addresses/self-referrals of 80/20 must be strictly adhered to.
- All non-targeted referrals should be processed using the agreed triage matrix.
- Quarterly meetings between Council Senior Officials, NIHE representatives and DfC officials will be reinstated.

3.8

On 19th September 2019 a meeting was convened with Council officials, NIHE representatives and DfC officials. During this meeting a number of issues were raised in relation to the approved business case and SLA particularly around the 80/20 ratio targeted addresses/self-referrals, notification of cancellations and the in-year financial fluctuations with no lead in time to allow adequate resourcing of the scheme.

3.9 In Belfast, the scheme continues to receive a high volume of enquiries. While the scheme is primarily targeted, the service received significant number of self-referrals, with 745 households currently on the self-referral holding list, 103 of these households reside within a targeted address.

3.10 Correspondence issued from DfC to Councils on 23rd October 2019 (Appendix 2), addressed some of concerns raised during the meeting on 19th September 2019 .

- Payment to Councils has increased from £191.00 to £222.92 per referral from 1 June 2019 to 31 March 2020,
- To the end of October referral rate was 18 referrals per council per month. Following a review of the available budget DfC confirmed the number of referrals will change as detailed below, increasing by an additional 59 referrals over a 5 month period:

Month	Number of Referrals
November 2019	22
December 2019	10
January 2020	39
February 2020	39
March 2020	39

3.11 The increase in unit cost and the additional referrals will result in a financial increase of £18,898, if referral targets are met. The overall funding remains equally split between the 11 council areas, and no consideration is taken on the variations in number of households waiting to be considered, or the nature of the measures involved.

3.12 The additional funding is welcome by the council however it is insufficient to fully cover the current salary costs to administer the scheme. The service is currently considering how we can resource the team based on the additional in-year funding of £18,898 to meet the new referral targets.

3.13 The Building Control Service also continues to subsidise the administration of the AWS as it handles the significant number of calls about the scheme. This remains in the region of £40,000 per year.

3.14	<p>The team continue to triage the cases, in line with a process agreed with DfC, to ensure that the most vulnerable are helped. The triage should ensure that referrals are made for those most vulnerable, with broken boilers or the elderly but significant numbers of eligible households will not avail of the scheme at this time.</p>
3.15	<p>However, councils continued to communicate concerns with the scheme and these were discussed at a meeting convened on 5th December 2019 with Council officials, NIHE representatives and DfC officials.</p> <ul style="list-style-type: none">• Payment to each Council – Councils noted a change in this process, where now councils will only get paid for the referrals made. To date an annual budget was agreed and paid on a quarterly basis, allowing councils to have certainty of funding when recruiting staff and make best efforts to provide the target number of referrals. The change to payment by referral means an annual budget is not secured which in turn causes difficulty in securing resources. <p>Final referral numbers can be outside council’s powers, as there is still an onus on the householders to provide information in a timely fashion. This could lead to councils carrying out significant work, in an effort to get referrals submitted, without a final referral being possible, and therefore no payment for this work.</p> <p>Councils, including officers from Belfast, informed the DfC that If this position is not changed they would have difficulty if administrating the scheme.</p> <ul style="list-style-type: none">• Increase in referrals – Again, while welcoming additional referrals to provide assistance to more vulnerable households, all Councils raised the difficulty this imposes on existing resources and recruiting additional resources to meet an in-year increase, without a secure budget. The DfC have asked all Councils to confirm if they can deliver the increase of 21 referrals from January to March 2020. BCC staff are looking at methods to use the potential additional funding to provide the additional referrals.• Referral cancellations – referrals that have previously been assessed by councils and NIHE but then later cancelled will not receive an additional fee payment if the household reapplied for the scheme. In such cases, the old ID number will be reused and the file reactivated. This causes concern for Councils as an additional visit and

	<p>gathering of information would be required and no payment would be provided for this work.</p> <ul style="list-style-type: none"> • Target and Self-referrals – The DfC have approached UU to review the targeted list taking into consideration the entire street that would be linked to a post code/s within an area. The Department will write to all Council's once this action is carried out. This should increase the targeted list however if the ratio of 80/20 remains it will cause difficulty for Belfast. • Fixed repairs scheme – The NIHE have proposed a new process for Council's to administer for broken boilers under 15 years old, therefore not meeting the criteria for the AW scheme. This includes the Council's providing the boiler manufacturer detail's to house owners/landlords, who will be required to pay a call out charge and to agree repair options including charges. If the manufacturer concludes the boiler cannot be fixed they will provide a report to the house owner/landlord and at that point they can then go forward to the Affordable Warmth Scheme. Our recommendation to DfC is that this duty should be carried out by NIHE and only those that qualify for the scheme be passed to councils. The Department is to review this process and write to all Council's. <p><u>Financial & Resource Implications</u></p>
3.16	<p>The DfC will provide a revised total of up to £60,153 in funding for 2019-2020 if councils sign up to the revised referral targets. This is insufficient to cover current employee costs to administer the scheme. DfC have also confirmed that method of payment will change to a per referral basis, which will potentially leave councils subsidising salary costs if referral targets are not met.</p>
3.17	<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>There are no equality, good relations or rural needs issues.</p>
4.0	Appendices – Documents Attached
	Appendix 1: Letter to Councils AWS 22 nd August 2019
	Appendix 2: Letter to Councils AWS 23 rd October 2019