

From: David Polley

David.Polley@communities-ni.gov.uk

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

Date: 22 December 2020

Dear Council Affordable Warmth Scheme Senior Managers

AFFORDABLE WARMTH SCHEME

I am writing to you as a group in response to several issues raised by Councils either collectively or individually following my recent correspondence dated 11 December.

Referrals from Councils

I understand the disappointment regarding the reduction in referral numbers from 44 per council area per month to 32 and the impact this could have on staffing. Some Councils have highlighted that they have incurred costs on the Scheme this year which this level of referral in the remaining months will not cover. However, as previously indicated this reduction in referral numbers is based on both budgetary obligations and our commitment to managing applicants' expectations. Making a referral to NIHE provides the householder with an anticipation that their application will be processed as soon as possible and when this is not the case the householder is understandably disappointed and the reputation of the scheme and its delivery partners is also impacted.

However I want to make you aware that there is potential to cover any difference between your (eligible) AWS expenditure costs and your income from referrals, given that this stems from the impact of COVID-19. When your Council is applying to my local government colleagues for Coronavirus assistance, you should set out these costs in delivering your Council's Affordable Warmth Scheme for quarter 3 and

quarter 4 on a separate line in your general COVID-19 lost income claim. Please note that you should submit this via the ALGFO representative Alfie Dallas in Derry City and Strabane District Council as this is being collated centrally via the ALFO representative, prior to submission to DfC Local Government Finance. Obviously this claim should exclude costs already met by the NIHE or the one off, additional payment earlier this year.

Flexibility for referral numbers for December

The issue of flexibility over the Christmas period was raised. This was discussed at a recent monitoring meeting with NIHE but the issue remains, as in previous years, that if December referrals are delayed until January or February it is highly unlikely that they will be approved in this financial year and thereby impact on the referral numbers for the new 20/21 financial year.

Targeting

As stated previously I am still in discussion with Department of Finance (DoF) colleagues on a refreshed approach to targeting in the Scheme. We are in the process of commissioning a study, which will include engaging with Councils, to help inform a way forward. I hope we will be in a position to update you on this at a senior officials meeting with the Department which will be scheduled towards the end of January. In order to meet the conditions of the current approved business case you should continue to aim for 80% of your referrals to come from the targeted lists provided by the Department.

Service Level Agreements (SLAs)

I have attached a Service Level Agreement to reflect the 32 referrals per month for the remainder of this current year. I should be grateful if each Council area would sign and return the SLA to awe@communities-ni.gov.uk before 15 January 2021.

We have committed to working in partnership with you to draft the service level agreement for 2021-22. Unfortunately other work pressures have meant that we have not been in a position to start this work, I would propose to add a discussion on the process and timescale for this as an Agenda item at our forthcoming meeting

Budget 2021/2022

As indicated in my previous correspondence the budget for 21/22 has not yet been agreed but our planning assumption remains that the budget next year will be between £12 and £16m which, at the upper end of the budget, would require approximately 30 referrals per month from each Council.

The Affordable Warmth and Energy team will be in contact soon with a proposed date for the next meeting with NIHE and Councils in the New Year.

Thank you for your feedback and for your continued support in these difficult and challenging times.

Yours sincerely

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

David Polley
Director Housing Supply Policy