



<b>Subject:</b>	Affordable Warmth Scheme update
<b>Date:</b>	8 <sup>th</sup> September 2020
<b>Reporting Officer:</b>	Siobhan Toland, Director of City Services
<b>Contact Officer:</b>	Ian Harper, Building Control Manager

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

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

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
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 to provide 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	<p>The purpose of this report is to give Members an update on the AWS, and outline a request from DfC regarding Belfast City Council's ongoing commitment to the scheme, contained in a letter provided in Appendix 1.</p> <p><b><u>Key issue: DfC request</u></b></p>
1.4	<p>Following the update report to Members in June there have been ongoing communications between DfC and councils regarding the scheme and resuming operations as lockdown eases. David Polley, DfC Director for Housing Supply Policy, wrote to councils on 14<sup>th</sup> August (Appendix 1) requesting that councils confirm their commitment to working on the scheme by 21<sup>st</sup> August 2020, based upon certain conditions. While no Service Level Agreement has been provided, the conditions for ongoing participation for councils (which Belfast City Council has concerns with) are as follows:</p> <ul style="list-style-type: none"><li>• They have confirmed scheme funding for 2020-2021 of £12M (across NI).</li><li>• They have set a revised referral target of 44 referrals per month for BCC</li><li>• They will continue with the payment per referral model</li><li>• They suggest reducing the targeted ratio to 60:40</li></ul>
1.5	<p>BCC and other councils have continued to outline the ongoing issues with the funding model, changing operations due to COVID-19, and the targeted approach. DfC requested on 17<sup>th</sup> July that councils move to provide 44 referrals from 1<sup>st</sup> August, on a pay per referral basis. This funding model provides no certainty for councils. With only one member of staff employed to work on the AWS, this target cannot be met without recruiting additional staff. Councils have made DfC aware that recruitment would need to take place, and therefore a lead in time required. However, with payment per referral, councils would recruit staff with no guarantee of funding to cover the staffing costs, and then bear all the risks if referrals cannot be successfully made. Therefore, it is essential that DfC commit to a guaranteed level of funding to give councils certainty.</p>
1.6	<p>A further relaxation on the targeted approach is also needed to allow self-referrals for residents in need to be processed.</p>
1.7	<p>DfC have made note of a Service Level agreement, but are awaiting feedback from councils before this is released. The full detail should be provided in an SLA for councils to consider.</p>

1.8	SOLACE met on 17 <sup>th</sup> August and discussed this letter. They have written to the DfC permanent secretary and a meeting is to be arranged to discuss the scheme and the ongoing issues.
1.9	The Director of Planning and Building Control wrote to David Polley on 21 <sup>st</sup> August outlining that this matter would be brought to committee for consideration.
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Members are asked to consider the request from DfC to confirm ongoing commitment to the scheme and the following recommendation:</p> <p>Belfast City Council will continue to participate in the scheme subject to DfC providing a fully revised Service Level Agreement for 2020-2021 for consideration which includes:</p> <ul style="list-style-type: none"> <li>a) Guaranteed full funding for covering the full costs on an annual basis to be provided by the DfC to BCC for the Scheme (removing the pay per referral proposal), and</li> <li>b) Greater flexibility in the percentage of referrals that can be submitted which are not from the targeted list to assist in meeting the target number of referrals as necessary.</li> </ul> <p>Subject to approval, Members are asked to agree the Director of Planning and Building Control will respond to DfC to confirm the BCC position.</p>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues &amp; current position</u></p> <p><b><u>Background to scheme</u></b></p> <p>Following initial pilot exercises, DfC opened the scheme to all councils to work in partnership and further develop the scheme and play a role in its delivery. The Scheme was to be of no financial burden on councils, but would bring benefits to most vulnerable citizens.</p> <p>The Council's role has been to engage directly with the citizens and provide referrals to the NIHE.</p>
3.2	<p>Over the years, the number of referrals has fluctuated, and funding reduced, making it difficult for councils to maintain staffing levels and provide continuity of service delivery. In addition, there have been ongoing issues with the targeted nature of the scheme, with BCC receiving significant numbers of self-referrals, in many cases urgent in nature. At times during the</p>

scheme, Councils have also been asked to take on additional tasks, for example additional financial checks and most recently a pilot for engagement with boiler manufacturers, with no additional funding to cover these costs.

3.3 **Current position**

An update report was provided to Members in June to outline the changes that had come into force due to the COVID-19 pandemic.

3.4 This included:

- Only urgent referrals being sent through to NIHE
- Funding for Q1 2020-2021 would match that provided for the same quarter in 2019-2020, approximately £10,900. This was sufficient to cover the salary for the Affordable Warmth Co-ordinator, who is the only staff member currently employed for the scheme.

3.5 Below are the referrals submitted to NIHE (urgent only being provided up to 1<sup>st</sup> August):

- April – 1
- May - 9
- June - 9
- July - 6
- Aug – 12

3.6 COVID 19 has affected our society and will affect those most vulnerable, and who are likely to avail of the AWS. Officers are now conducting interviews remotely, by electronic means and on phones, and any on-site work will involve maintaining social distancing. This is not easy with some of the most vulnerable and can mean additional engagement with family members, or longer contacts to establish if they meet the Scheme criteria.

3.7 Following the June update there has been ongoing communication with the DfC regarding the scheme, and council officers have responded and engaged on each matter.

3.8 On 25<sup>th</sup> June DfC wrote to councils asking when they would be in apposition to reopen the scheme on a more normal basis. The target number of referrals was not provided at that stage, as the budget had not be confirmed. However DfC stated that they would return to the payment per referral model. They also confirmed that councils should work to the 80:20 ratio for targeted referrals.

3.9	<p>BCC staff responded by confirming that Health &amp; Safety risk assessments were being carried out to ensure staff safety in carrying out all site duties, including those for the AWS which involve engaging with residents and collecting the required information. As such, site visits would not be possible at that stage, likely to recommence around the start of August. It was requested that DfC provide detail on the ongoing funding to be provided and continue with the Q1 funding approach and provide guaranteed funding for the scheme. The concerns regarding the pay per referral funding model and the targeted ratio were raised.</p>
3.10	<p>BCC received an email from DfC on 17<sup>th</sup> July, confirming funding of £12M for the overall scheme and a referral target for councils of 44, required to be met from 1<sup>st</sup> August. A meeting involving DfC, NIHE and council managers convened on 5<sup>th</sup> August at which the ongoing issues were discussed and councils again outlined the need for secure funding.</p>
3.11	<p><b><u>Funding</u></b></p> <p>There have been ongoing issues with scheme funding. The scheme was initially designed to be cost neutral to councils, fully funded by the DfC. However, given the changes to the scheme over the years, fluctuating referral numbers, reduced funding and staffing levels, and the practical out workings, BCC has had to use its own Building Control staff to deal with the significant amount of communications for self-referrals from residents interested in the scheme, effectively subsidising the scheme. This is exacerbated by COVID and with only one staff member employed to work on the AWS. We are receiving increasing numbers of requests about the scheme, which is placing additional burden on existing building control staff.</p>
3.12	<p><b><u>Payment per referral</u></b></p> <p>DfC have confirmed a change to the payment methodology, and will now only pay per referral made, rather than set annual funding. This change moves the financial risk substantially from DfC to the councils, as providing referrals is not wholly within the gift of councils. There is significant work in engaging with citizens which may not lead to a referral. This affects the ability to recruit and retain staff. Members wrote to the Minister in February requesting a meeting to discuss this matter, but with COVID-19 this has not taken place.</p>
3.13	<p><b><u>Targeted approach</u></b></p> <p>The methodology for the scheme is a targeted approach, using an algorithm to identify addresses where it was likely those most in need and in fuel poverty may live. The DfC dictate that 80% of referrals must be from the targeted list. This approach involved significant</p>

	<p>cold call door knocking and has not provided to be workable, given issues with the accuracy of the targeted address lists given, the success rate of the door knocking exercises, and due to the high number of self-referrals received. The 80:20 ratio for targeted referrals has not worked for BCC and while it is welcome that the DfC have moved to change this to 60:40 in the most recent correspondence, this will not allow for many self-referrals for people in need to be considered, who will be left on a waiting list. It would entail further door knocking to be carried out, without any guarantee of uptake, subsequent referral and therefore funding.</p> <p><b><u>Financial &amp; Resource Implications</u></b></p>
3.14	<p>DfC provided funding for Q1, but have now returned to the payment per referral model, therefore the financial risk falls to the councils. The Building Control service is using already stretched staff to subsidise the scheme to deal with the queries and self-referrals currently being made.</p>
3.15	<p>The DfC provided funding for Q1 of £10,900, matching the same quarter for last year, which covered the current direct staffing costs for the scheme (Affordable Warmth Co-ordinator). The DfC will only pay per referral submitted to NIHE from 1 July 2020. The financial risk therefore falls to the councils to cover staffing costs.</p>
3.16	<p>Given the current levels of queries and self-referrals being received, the Building Control Service have had to ask already stretched staff to assist the coordinator. This is an ongoing subsidy the council has put into a scheme which was set up as cost recovery for councils.</p>
3.17	<p><b><u>Equality or Good Relations Implications/Rural Needs Assessment</u></b></p> <p>There are no equality, good relations or rural needs issues.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
	Appendix 1 - Letter to Councils AWS 14 <sup>th</sup> August 2020