

Scrutiny Committee Recommendation -

Open Invitation to Question Director of Warm Wales on ECO3 Proposal Detail to Local Members & Powys Plumbing Group

Questions & Response to Cllr. Corfield:

- 1. How many ECO type schemes has WW administered on behalf of Local Authorities (LA) (County Councils) up to now. Which LA's were those and how many have signed up WW to administer ECO3.**

Warm Wales has not previously administered an ECO scheme but has a strong track record of delivering similar OFGEM regulated schemes (both currently and historically) such as the Fuel Poor Network Extension Scheme (FPNES) and Arbed Phase 1. Warm Wales has been delivering the FPNES since 2009 and has assessed and administered over 12,000 applications. The skills and experience gained through the delivery of this project is directly transferrable to the administration of an ECO scheme. This is explained in more detail in subsequent questions.

- 2. How thorough are your 'means testing' processes when weighing up whether applicants meet the qualifying criteria.**
 - a) Are bank statements looked at.**

Yes, we access all income and savings to assess vulnerability.

- b) Benefits/Pension records checked, etc.**

Yes, we access all income and savings to assess vulnerability. These include:

- Pension Guarantee Credit
- Income-based Jobseekers Allowance
- Working Tax Credit (an upper earnings limit applies)
- Child Tax Credit (an upper earnings limit applies)
- Income-related Employment and Support Allowance
- Income Support
- Universal Credit
- Council Tax Reduction

- c) Is the application form one where a series of tick boxes is the standard format whereby the applicant fills it in and essentially 'self certifies'.**

There is no self-certification without the provision of appropriate and adequate evidence by the applicant. Application form attached in Appendix 1 to the proposal from Warm Wales.

- d) What is the competency standard of your staff/doorstep canvassers carrying out the 'means testing' of applicants. Do they hold relevant accountancy type qualifications or have substantial relevant previous experience of such work. Also, from reading WW proposal there would appear to be a reliance on 'Apps' rather than paper records for the means test process. This is all well and good and I am well aware we live in a digital age, but when PCC undertake verification checks of a sample of these applications, digital is not necessarily better. I must also point out that Government Departments insist on original paper records such as birth, marriage certificates when verifying an applicant's eligibility even when there is no monetary value involved whatsoever.**

Warm Wales will be working with Utility company accredited/vetted partners who have experience of canvassing for ECO type work throughout the UK. Staff will have experience in delivering previous work to a high standard allowing us to have confidence that the assessment/survey will be accurate. We always require sight of original paperwork however, we will accept electronic evidence of relevant documents taken during home visits and then emailed to head office for assessment.

- 3. I understand WW has run other schemes not dissimilar to ECO3, such as Ofgem's Fuel Poor Network Extension Scheme. However, with regard to question 1. above, how aware is WW that there is a difference running a scheme for a large Utility company than running one for a LA. A large utility company is not held as accountable to the local economy and residents as a LA is. It will not be WW who takes the flak if things go wrong it will be PCC.**

Along with substantial industry knowledge, reputation and embedded community and industry links, Warm Wales has experience of delivering similar projects besides the Fuel Poor Network Extension Scheme. This is highlighted under the section 'Confidence in Eligibility Check' within the Warm Wales ECO3 Certification Proposal within the Cabinet Report. Warm Wales has delivered large scale schemes on behalf of Welsh Government and Local Authorities, such as Arbed phase 1.

Arbed is the Welsh Government's key energy efficiency measures scheme. The Arbed 1 Scheme was set up to take a 'whole house' approach to install energy efficiency measures and renewables across Wales. £60 million of funding was invested in Arbed 1 from a range of sources and the scheme included properties owned by Registered Social Landlords (RSLs), Local Authorities (LAs) and owner-occupied homes. Warm Wales was responsible for approximately £6m of the total fund. The strategic objectives of the Arbed 1 Scheme were to:

- reduce fuel poverty;
- reduce carbon emissions;
- support the energy efficiency and renewable supply chain and encourage recruitment and training in the sector.

Warm Wales was commissioned by five RSLs and two LAs to help deliver their Arbed 1 projects. Warm Wales' role was to undertake scheme design, project management and provide design advice working alongside contractors, RSLs/LAs and energy suppliers.

Questions & Response to Powys Plumbing Group:

We'd specifically like answers to the following questions:

a) Will EVERY application received by Warm Wales be thoroughly vetted before any work is approved and, if so, please outline what this process will involve?

Yes, every application will be assessed to ensure eligibility. The procedure is explained in greater detail within the highlighted section 'Confidence in Eligibility Check' within the Warm Wales ECO3 Certification Proposal within the Cabinet Report.

b) Precisely what checks will be undertaken by Warm Wales to ensure the declared household income figure is accurate?

As described in the proposal, Warm Wales will undertake similar checks as those employed when assessing applications for the OFGEM accredited Fuel Poor Network Extension Scheme (FPNES).

We assess the combined income over a year, after any tax and National Insurance is paid, of all the people living in a household (this includes all wages, benefits, pensions, interest on savings or any other money received – after tax and any National Insurance payments.)

Evidence will be required for all including bank statements to show income and savings. If the individual is working, we would require a copy of their P60's for evidence of income.

When assessing income from benefits we will also require copies of all of benefit award letters to evidence accurate applications.

- Income - this will be done after tax either weekly, or monthly or yearly.
- Housing costs and whether support is received to pay your housing bills is also assessed
 1. Housing costs each year (mortgage, rent & council tax)
 2. Housing help each year (mortgage support in £, housing benefit in £, council tax reduction)

c) Will every application that includes an EPC rating for the property be cross referenced against the EPC database by Warm Wales? If the property doesn't have a current EPC rating what checks will Warm Wales carried out to confirm that the points based declaration on the application form has been completed accurately? (Under ECO2t many properties were allocated inaccurate points values by the home surveyors' in order to get them to 'meet' the qualification criteria for the scheme).

Yes, each application will be cross referenced against the Ministry of Housing, Communities and Local Government's EPC register.

Warm Wales will be working with Utility company accredited/vetted qualified surveyors to conduct all surveying work. This will include the checking of self-assessed applications where the property has no registered EPC. Should it arise that there are discrepancies in any submitted work, that agent /surveyor will be struck off the scheme and excluded from any further work involving Warm Wales.

d) What checks will be undertaken by Warm Wales to determine the eligibility of a householder who claims to part of a vulnerable group?

Warm Wales will require documentary evidence to establish if a householder is a member of a vulnerable group. This will be assessed using Powys Council's Statement of Intent and target households containing people from the following list:

A member of the household is/has

- i. Aged over 60 (proof of age necessary)
- ii. Children under 5 and those in primary and secondary school education or is pregnant
- iii. Respiratory disease (COPD, asthma)
- iv. Cardiovascular disease (e.g. ischaemic heart disease, cerebrovascular disease)
- v. Moderate to severe mental illness (e.g. schizophrenia, bipolar disorder)
- vi. Substance misusers
- vii. Dementia
- viii. Neurobiological and related diseases (e.g. fibromyalgia, ME)
- ix. Cancer
- x. Limited mobility
- xi. Haemoglobinopathies (sickle cell disease, thalassaemia)
- xii. Severe learning disabilities
- xiii. Autoimmune and immunodeficiency diseases (e.g. lupus, MS, diabetes, HIV)

The above list reflects the National Institute for Health and Care Excellence (NICE) 2015 guidance on excess winter deaths and illness caused by cold homes. A signed declaration by doctor or health practitioner will be necessary to confirm any health-related issues listed above (iii – xiii).

e) How soon after the start of ECO3 will PCC undertake the first audit of the scheme, and what will it involve? How many audits are planned over the 2 years lifespan of this scheme and what percentage of applications will be checked? Will the applications be chosen at random and, if so, who will choose them? Will the results of the audits be made public and, if so, how soon after completion of the audit will this happen?

An audit will initially be conducted after the first month and subsequently on a quarterly basis, where a random sample of 10% of ALL applications will be assessed for their accuracy. This will be conducted by Powys County Council who will also be responsible for selecting the applications to be checked.

f) It was local plumbing and heating contractors who first identified that the ECO Flex agents were widely abusing the ECO2t scheme. Should it become evident that something similar is occurring under ECO3 what procedures have council officials - or Warm Wales - put in place to allow local contractors the opportunity to report any such incidents in the future?

Warm Wales will be working with reputable partners and do not anticipate issues regarding ECO flex agents because we will be working with Utility company accredited/vetted partners. Contrary to the comments in the opening narrative 'Our understanding of PCC's ECO3 proposals is that it'll again be the same ECO Flex agents' the selection of ECO agents has not been confirmed. However, we will be working with partners who are Utility Company accredited/vetted and can demonstrate exceptional working practices. Should the unlikely situation arise where issues are highlighted, we welcome dialogue with concerned parties.

g) What sanctions will be imposed by PCC on any ECO Flex agent found to be involved in persistent fraudulent or unethical behaviour on the ECO3 scheme in Powys?

Any evidence of fraudulent activities from agents will result in their exclusion from participation in the scheme and the reporting of such activities to the appropriate authorities.

h) Do any of the staff or directors of Warm Wales have any current, or historic, connection to the ECO Flex agents involved in running the ECO2t or ECO3 schemes anywhere in the UK?

No, they do not.

i) Warm Wales state that they are a 'community interest company (or CIC)' and exist to 'benefit a community, or with a view to pursuing a social purpose, rather than to make a profit for shareholders'. With this in mind can they explain precisely which communities, if any, in Powys will benefit from any profit they make from running the ECO3 scheme in the county?

As stated on our website, as a CIC Warm Wales does not aim to make a profit for stakeholders but rather raises funds to deliver further work related to the ethos of the organisation, namely to alleviate fuel poverty and reduce carbon emissions. If the opportunity arises to deliver additional work within Powys, Warm Wales will welcome the opportunity.