

**Minutes from Warmfront Strategy Meeting –
Thursday 4 November 2010 @ 11 a.m.
MIC Hotel, Euston, London**

Attendance:

Shida Bassiti	Eaga
Erik Coates	Eaga, Warm Front General Manager
Rob Leeson	CAN Secretariat / Leicester City Council
Paul Maplethorpe (Chair)	Rotherham MBC

Apologies:

Darsh Chauhan	CAN Secretariat / Leicester City Council
Andy Stephenson	CAN National Chair / Durham Council
Kathy Alcock	SE CAN / Tunbridge Wells Borough Council
Richard J Smith	Doncaster Council
Sean Johnson	Home Energy LINC's Partnership

Welcome and Introductions

PM opened the meeting and RL conveyed the above apologies.
PM expressed his disappointment at the low turnout and the number of people who had not given apologies. Although it is a difficult time for people, it is still somewhat embarrassing.

1. Matters Arising from the Previous Minutes

Meetings are usually held every six months, however, it has been a year since the last meeting so many items from the previous minutes might now be out of date.

1.1 PM asked about the position on Warm Front's budget.

The Comprehensive Spending Review (CSR) has published figures of £110 million for 2011/12 followed by £100 million for the year after.

There is a commitment that Warm Front will run until the start of the Green Deal (probably early 2013).

Eaga are currently in negotiations over the strategy for spending the money and the programme for running down the scheme.

Eaga's contract is due to end in 2011. In the contract there is an option for a two-year extension until 2013, (when the Green Deal is due to start) which is currently in negotiation. Eaga had been given the impression that, worst case, WF funding would be cut by 40 to 50%. However, the reductions are, in fact, 68% in year one and 71% for the second year, compared to the 345 million for this year.

SB clarified that the current Warm Front budget remains in effect and that the Government's budget announcement referenced funding from April next year, as there have been a lot of questions asking whether the reduction was with immediate effect.

EC stated that there is a misunderstanding amongst stakeholders that there is a capacity issue with delivering Warm Front. However, it is not a capacity issue but a financial resource, budget issue. Warm Front has the capacity to deliver, but the demand over the summer is in excess of £400 million. Demand started to exceed budget at the end of last year, so a control strategy was introduced. DECC was clear that there would be no carry over of funding into the next year, which was different from previous years where Warm Front could manage demand through marketing channels to meet the overall spend budget. The spend profile was laid out in front, as the Government wanted accurate monthly cash-flow figures, so they were restricted on how much they could do per month. This resulted in the demand exceeding spend. So a waiting-list control strategy was introduced. The demand was carried over into this year and they were expecting demand to drop of a little which would close the gap. However, the demand has not reduced and there are not sufficient funds to cover it. Hence there are frustrated customers as the timeline for work is now around 6 to 8 months for central heating measures (from the point of technical survey)

Heating takes priority over Insulation under Warm Front, so, in the absence of CERT funding until the CERT extension, they couldn't allow heating and insulation measures to go in at the same time. So the insulation had to be installed after the heating measures. The CERT extension has now freed this up. Eaga has re-commenced CERT trading for Warm Front which means insulation work that attracts CERT funding can commence prior to heating work under Warm Front

1.2 17,000 people are awaiting technical assessment – 95% should be completed within the target of 21 day, so there are no major issues there. Once the assessment is complete, it feeds into the control

strategy, where the delay comes in. 58,000 customers are currently in the queue – 38,000 for heating measures and 20,000 for insulation.(as of 4/11/10)

WF is on forecast for heating but slightly below forecast for insulation.

Households assisted to date: 64,398 against target of 65,000.

Insulation: 20,500 predicted but 18,730 have been carried out. (slightly below target)

Heating: predicted 41,996 against target of 38,365 (slightly above target)

They are above target due to the new e-bid process and have done work as part of the retender last year to reduce labour prices as well as the Ofgem gas connection which has added £1.2 million of funding for gas connections.

PM asked how long gas connections take. EC said that it depends on region and network providers but it can take up to 6 months. Most providers don't prioritise vulnerable customers. PM said his LA get it done within 6 to 8 weeks so it might be worth feeding these jobs back to local authorities in some cases.

EC said that the Ofgem £1,500 voucher has helped enormously as they can now place the order direct. Total spend to date is at £289.3m which is 55% of the £435m budget.

1.3 SB added that managing the customer's expectation is very important. With their current messaging, from the first point of application and with waiting letters, the wording is very clear, that they aim to complete heating work within six to eight months and insulation work within three months. Where the customer has no previous experience of Warm Front, as long as their expectations are managed clearly, they should understand the likely wait time for work to be installed. Heating work within a few months is no longer realistic and there should not be comparisons with the waiting times from last year. Their priority is that the message to the customer should be the same from all sources.

1.4 PM said that the difficulty for LA officers is that they often only have the customer's side of the story and getting the other side can often be very difficult. We are in a unique situation at the moment and we should be making the best of this and make sure that the local authority's message is the same as Warm Front's.

1.5 PM said that LA's can install a heating system at a moments notice so it is a different mindset.

EC made the point that it is meant as a fuel poverty measure and not an emergency service. The scheme doesn't provide after-cover beyond two years and customers are given the opportunity to extend cover privately, but the grant is still there should they need it.(See notes in 1.1 timescales are not caused by capacity limitations within the scheme, but by the nature of a budget limited demand lead scheme.

1.6 PM suggested a pie chart showing the national position to circulate to chairs, for use at meetings. SB will action this.

1.7 Renewable heating (item 2 – 13/10/10 minutes)

PM asked about the current position on the air-source heat pump and renewables trials.

WF still have a commitment to trial new technologies for the scheme. The air-source heat pump trial has been completed. NEA has carried out the monitoring and the findings have been presented to DECC. DECC are looking at what should be in the next part of Warm Front. Although it is possible that Warm Front will be told to continue as before.

They have conducted a trial of external wall insulation for 100 park homes – average cost around £5,700. This is finishing this month and will go to DECC for consideration. This doesn't seem to be particularly cost effective considering the homes have a lifespan of 10 to 15 years, although park homes are an important sector of the community and WF is limited on assistance for them. PM suggested that it might be better to focus on park home heating which is mainly LPG.

1.8 New surveying process (item 3 – 13/10/10 minutes)

This was rolled out across the country. PM has, personally noticed that complaints have dropped off virtually to zero since. Often customers would be at odds with installers and surveyors over where to install boilers but complaints over this have now virtually disappeared.

There have been good results in terms of savings; however, not enough work has yet been carried out to say whether this is sustainable. 1,587 jobs have been carried out. £635,000 has been saved - average of £380 per job. However, this might be due to installers still bidding competitively for work offered on e-bid.

PM has noticed a drop-off in requests for top-up contributions, which might be due to this.

1.9 Re item 4.2 of 13/10/10 minutes. For properties off the gas network, Why does LPG only have a grant maximum of £3,500? EC said that if they are off the gas network a replacement LPG system is no more expensive than a standard gas installation. A new install might be more expensive but the regulations don't allow for new LPG installations. However, they are hoping to be able to provide new LPG installations under the regulation change.

1.10 Re reliability of Ideal boilers (item 4.3 – 13/10/10)
Ideal have launched their new Logic boiler around nine months ago and improved the Isar which they had most problems with. Warm Front are very happy with the new boilers but have split the distribution of boilers between Ideal and Worcester, as prices are now competitive.

1.11 NI 187 & HECA data
The Government is no longer collecting data on NI187.
SB apologised that the HECA data report was delayed. This was due to IT problems and LA boundary changes. The CAN Executive will be asked at the next CAN meeting whether they will still require this data in the future.

1.12 (RE Item 4.5 13/10/10 minutes) Does WF carry out pre and post SAPs on all their jobs? And if so, can this data be shared with LAs at property level on a regular basis?
Warm Front capture this data and use it to calculate carbon savings for HECA reports. A third-party company is used. EC will obtain a cost for it if CAN members still require it. There would be one six-monthly report per region.

1.13 The over-60s £300 voucher scheme will continue at least until March 2011.

2. Warm Front Update

See section 1, above, for budget information.

The Benefit entitlement check continues to prove very popular amongst customers. On average saving £47,500 per month across 2,500 people, which has had a very positive benefit for customers.

As mentioned in item 1, Ofgem's £1,500 scheme has saved £1.4 million.

The CERT Extension scheme is delivering a positive impact.

Total number of jobs that generated a customer contribution in September was 840 and August was 765. This remains fairly static. Roughly 4% of work has generated a contribution. The majority are funded via Warm Front, if less than £25, and 262 local authorities still have a budget for this, so the majority doesn't actually go back to the client.

Currently there are 2,038 customers with outstanding contributions. Average value is £840. However, the majority are returning applicants who have had previous WF assistance. In 2008 the queue stood at around 18,000 (roughly 8% of work).

Last month, 262 customers benefited from LA budgets, totalling £105,000.

The E-bid process is going well but is not particularly popular with installers as it creates rivalry. This is expected to settle down as the capacity of installers quoting very low prices is reached, leaving opportunities for others.

The Warm Front scheme is due to end in 2013. It is still too early to understand how things will change and be wrapped up. There is a commitment to continue Warm Front until the Green Deal is in place, which will go out to tender. There is a concern amongst Warm Front contractors that the utilities will manage Green Deal themselves which could be detrimental to the industry as a lot of work will be done in-house. There will possibly be a loan paid off via the utility bill; however, this might cause administrative difficulties over who does what, customers switching suppliers, whether bills will be written off if customer dies, or what will happen in cases of non payment or inability to pay loan (in particular fuel poor) etc.

SB's networking team would obviously like to continue to offer their support on any general matter concerning Warm Front e.g. budget, timelines etc. However, there have been some area contact changes. SB will pass on an updated contact list for circulation.

Warm Front continue to offer a dedicated Stakeholder Enquiries telephone and email address. A customer calling for an application query should always be directed to the Warm Front freephone 0800 number. If you are taking a customer specific household enquiry you can phone the Stakeholder enquiry telephone or email. This stakeholder enquiry phone number and email is specifically for stakeholders and not for the general public/Warm Front customers

Where enquiries are none-household specific and more 'scheme general' please contact the networker. For example, the stakeholder enquiries team have received requests for a full update on all applicants over the last year. The stakeholder enquiries team are a small resource where a named contact will follow up cases and they are not able to look at more general reporting questions, so please direct these enquiries to the networker.

PM asked what the situation was with regard to private landlords. SB said that they continue to report to local authorities where landlords have been asked twice and have refused permission or not responded to a request for permission. However, this is in low volumes. It is hard to see statistically whether someone who rents is not as encouraged to apply for the scheme. EC has had various enquiries from ministers on this; however, it is very difficult to tell how many potential renting customers are put off.

3. Issues Raised by Members

3.1 Timescales

EC reiterated that he would like to make it clear that there is not a slowdown as such, but there only appears to be, due to amount of work in the queue and the limitation with set budget.

Customer messaging for timelines are that we aim to complete heating work between 6-8 months following the technical survey and we aim to complete insulation work within 3 months

3.2 Post spending review budget breakdown

Do WF know what their budget breakdown will be for the next couple of years, post spending review? Have they thought about how they are going to handle reduced budget and phaseout?

As mentioned above, there are two years left on Warm Front but it is still too early to say how the scheme will be run down.

3.3 Is there any feedback on people asking for top ups?

As mentioned above, EC has the figures by region; They are quite low numbers and no region is significantly different from another. There are 2,000 outstanding nationally across 64 LAs.

3.4 Use of Renewables?

Are WF now seriously looking at the use of renewables instead of oil central heating?

EC asked whether this was addressed to Eaga as a company or Warm Front. Eaga are big on renewables but it is up to Government to determine what measures are installed in the last two years of Warm Front.

The Alternative technology committee is to review trials undertaken and make recommendations on any inclusion of new measures for the scheme to DECC

3.5 Clients waiting 9 months

Some clients in Wakefield have been waiting for nine months.

EC said these seem like extreme cases and might be due to gas connection, contribution or other landlord issues that are holding these up. He requested to have specific cases submitted to be able to answer this question fully.

SB reinforced the message to please submit specific cases falling outside of the 6 to 8 months timescales to the Stakeholder Enquiries team.

Often there is some confusion over timelines. E.g. where a customer considers their first discussion with their home improvement agency, for example, as the start of the Warm Front process, however, the Warm Front referral might not have been submitted for some time after that. There are also instances of a customer cancelling and then reapplying but have they overlooked this when calculating the timeline.

As mentioned, it is very important that Warm Front's message is aligned with that given to customers by the Local Authority, i.e. that the waiting time is currently 6 to 8 months for heating and 3 months for insulation (from point of survey)

PM asked if they could have copies of the letters that Warm Front sends to customers about this so that they can be sure they are giving the same message. SB will provide copies of these.

Re whether the Government is aware of the delayed jobs, PM mentioned that there was originally a deadline of 6 months. Has it been agreed with DECC to extend that? EC said that DECC are fully aware of the control strategy that is in place and have signed off the communications to customers.

3.6 Lack of flexibility with £300 discount voucher for the over 60s

After being told of the waiting times, one family said that they would pay for the work for their older mother but were told they could not get the £300 discount. Eaga said this was in the scheme rules set by DECC and the money for the £300 discount scheme was ring fenced and only available for able to pay market.

EC confirmed that this is correct. If you qualify for Warm Front you go through that route, if you do not qualify then you are entitled to use the £300 Heating rebate voucher.

3.7 Meeting Venue

Due to the difficulty for some members of travelling to London, it was proposed that meetings could be held in various other regions.

SB and EC said they were happy to attend meetings outside of London, hence it was agreed that we look at alternative venues for forthcoming meetings.

4. Updates from Eaga

4.1 Renewable and other pilots

Please see above.

4.1 Website and Portal

There is an IT phone number on the portal for a password resets but SB's team should be the first point of contact for most other portal issues, such as training, setting up new accounts etc.

5. Any Other Business

EC and SB expressed their thanks for the opportunity to feedback on some of the issues and for CAN's support for these events. PM thanked them and said that he had found the meeting useful.

EC suggested there might be more information available on the Comprehensive Spending Review by early to mid-December.

Information on the position of the scheme, the information on the £300 voucher scheme, information on customer messaging, including copies of the letters used, and the contact details and the support available for stakeholder and network enquiries will be distributed to CAN members.

6. Date of next meeting

April 2011 – Venue and date tbc