

WARM HOMES FUND ROADSHOW

January 2019





AGENDA

1. Background
2. Summary of Progress to Date
3. Eligibility
4. Application Process – what we are looking for
5. Contracting
6. Timetable & Communications
7. Q & A

BACKGROUND





BACKGROUND TO THE FUND

- National Grid sale of its gas distribution business to investor group, forming Cadent Gas
- National Grid Board elected to share some of the success of the sale with consumers, by setting aside £150 million from the proceeds to support fuel poor homes
- AWS appointed to manage the fund to target Local Authorities and Registered Social Landlords across Great Britain

The Warm Homes Fund represents private not public money



FUND OBJECTIVES

- **Increased comfort** by installing affordable first time central heating solutions in the greatest number of fuel poor households
- **Reduce bills** by moving to less expensive forms of room heating
- **Improved targeting** to fuel poor homes
- **Improved partnerships** with health boards, local supply chains, consumer organisations, voluntary sector and householders
- **Improved evidence base** to focus investment and to help inform future policy development



GOVERNANCE

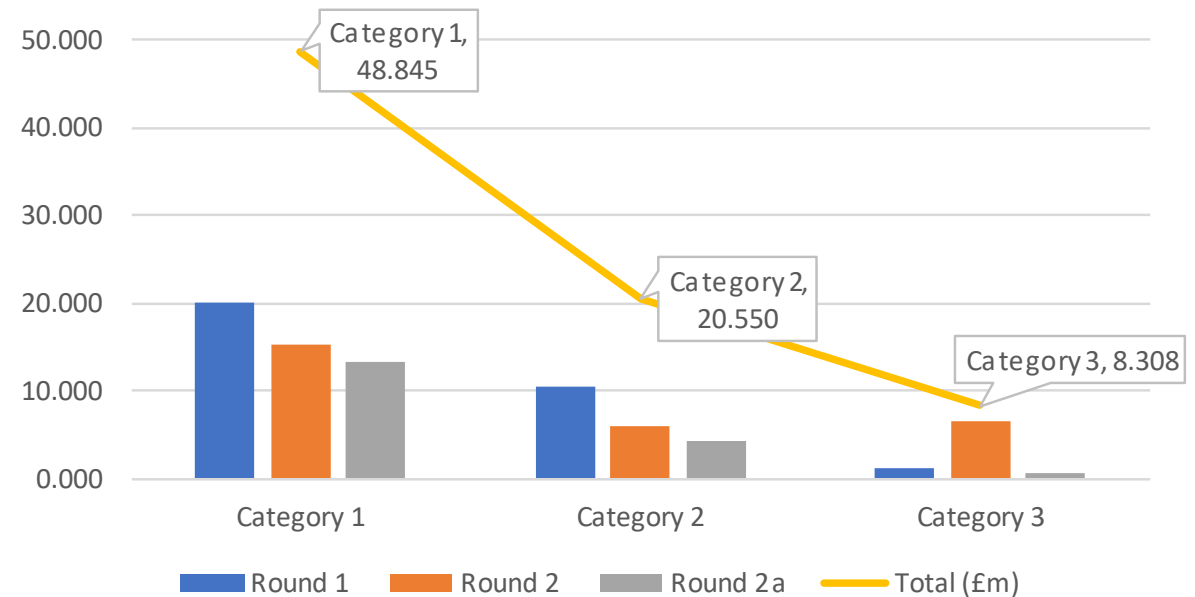
- **Governance and oversight provided by a Review Committee comprising members from AWS, National Grid and BEIS who:**
 - Determine priorities for use of funds
 - Agree application process and selection criteria
 - Approve allocation of funds
 - Monitor use of the funds
 - Approve any required enforcement action



THE STORY SO FAR....

- c.400 bids received across three rounds
- 123 bids funded with 99 individual contracts in place – potential for c.200 over programme
- Almost £78m allocated to deliver c. 22,500 measures
- Successful bids by value distributed 85% in England, 7% in Scotland and 8% in Wales
- 79% of funding allocated to LAs & 21% to RSLs
- Anticipate total investment of £350m over life of project

WHF Allocated Funds to Date (£m)



SUMMARY OF PROGRESS TO DATE

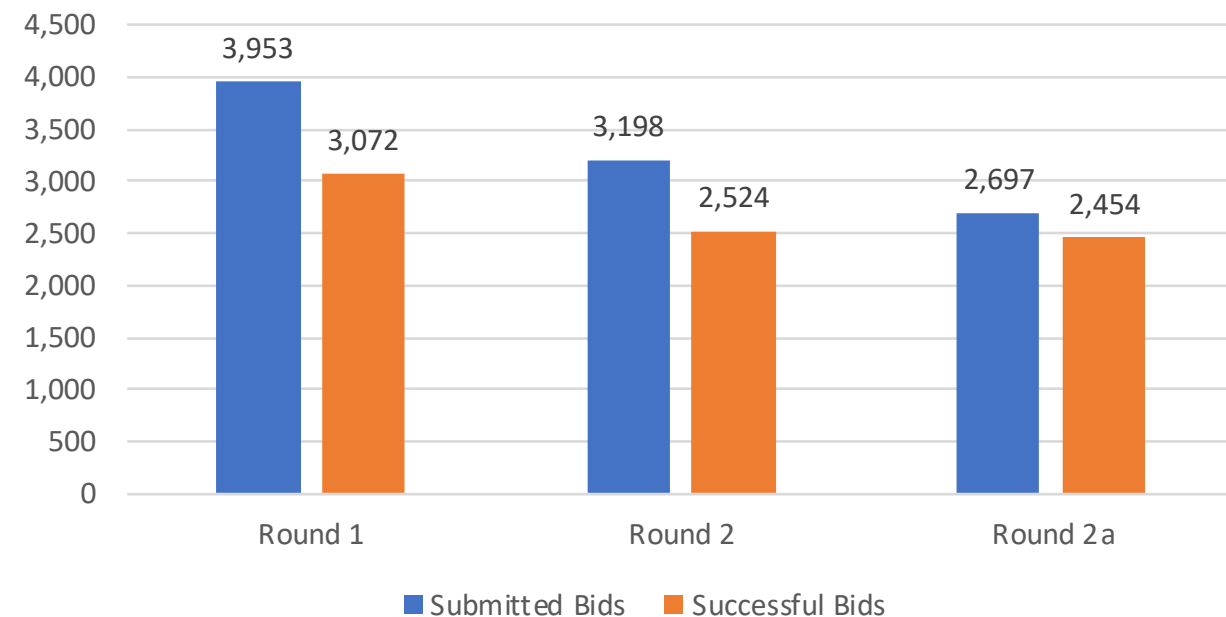


CATEGORY 1 SUMMARY (URBAN)



- Comprises natural gas heating solutions but doesn't preclude other solutions where gas connections are uneconomic
- Clear downward trend in average cost per measure to WHF of both submitted and successful bids
 - More than 30% cost reduction in submitted bids between rounds 1 and 2a
 - 20% cost reduction in successful bids over the same period
- Cost is a key driver in ensuring we get best value from the fund but not the only criteria

Average Cost per Measure - Category 1 (£)

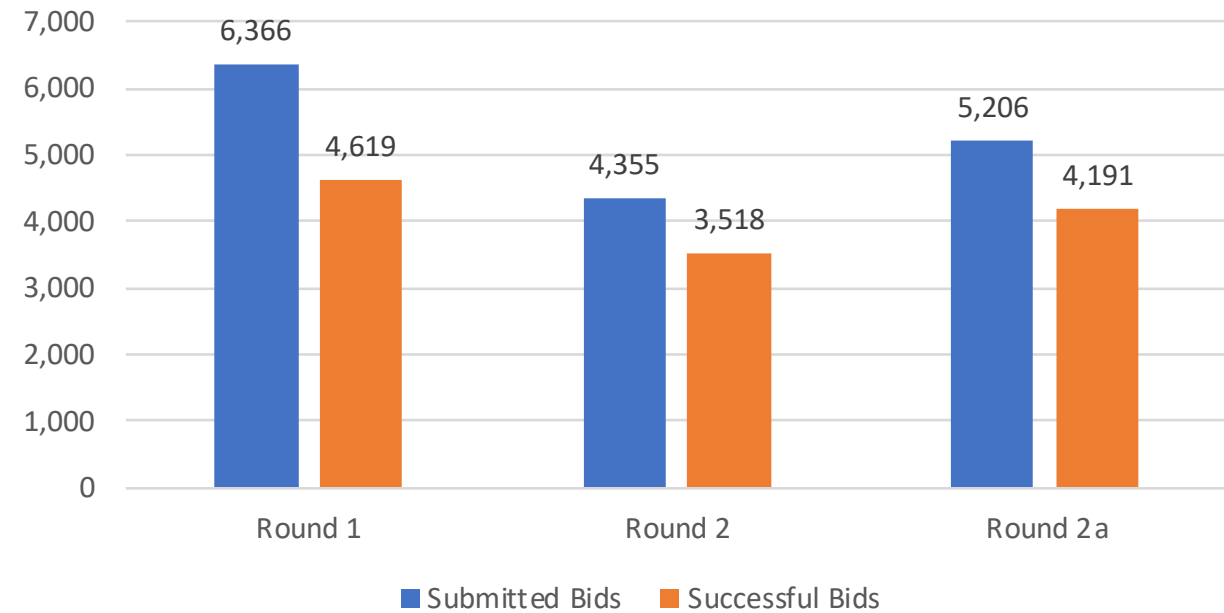


CATEGORY 2 SUMMARY (RURAL)



- Mainly non-gas heating solutions in homes more than 2km from a suitable gas main
- Lower volume and value of bids than category 1 reflecting challenge of identifying fuel poverty in rural areas
- Proportionally more funding awarded in Scotland and Wales
- Greater variation in prices due to nature and mix of technologies and ECO3 changes re: oil

Average Cost per Measure - Category 2 (£)





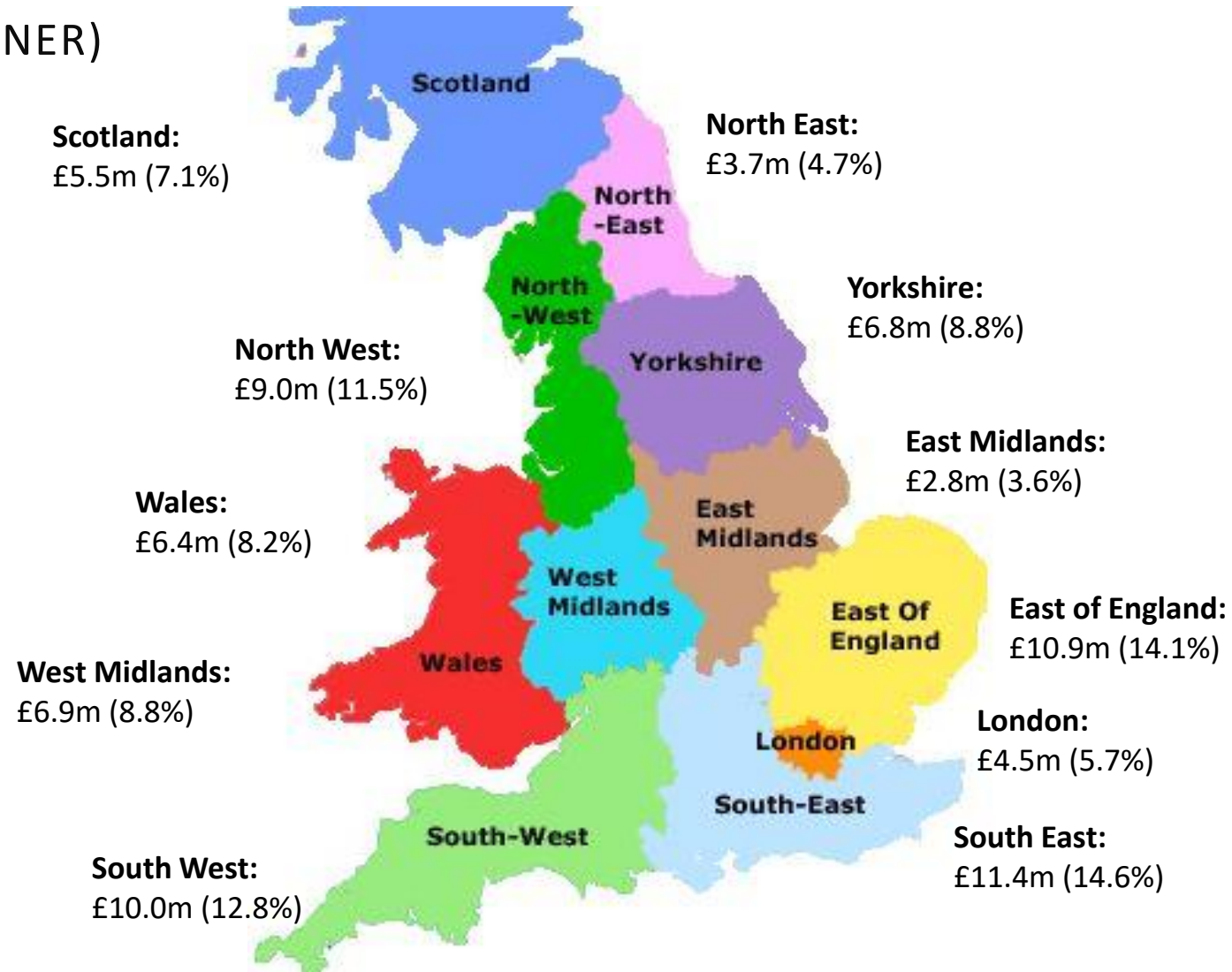
CATEGORY 3 SUMMARY

- Energy Efficiency & Health Related Solutions – national or regional initiatives that bring together relevant organisations and charities to target and support fuel poor homes
- Funding for new central heating systems will come from categories 1 and 2 rather than category 3
- R1 bids lacked ambition but significant improvement in R2
- Features of category 3 bids are that they:
 - connect vulnerable people to resources through regional collaboration
 - can include emergency fund to cover measures not eligible under category 1 or 2
 - have a clear end to end process including feedback mechanisms to ensure accountability
 - demonstrate long term vision and scalability



GEOGRAPHIC AWARDS

(BY LEAD PARTNER)



Total Awards: £77.7m

ELIGIBILITY





ELIGIBILITY

- Households would need to meet one or more of the following criteria:
 - They are within the 25% most deprived areas in the UK measured by the respective government's Index of Multiple Deprivation (IMD)
 - Eligibility for support under HHCRO in England, Scotland or Wales, Nest in Wales or Home Energy Efficiency Programmes in Scotland
 - Eligibility for support under a published Local Authority ECO Flexible Eligibility Statement of Intent
 - In fuel poverty based on the respective government's definition or indicator

Should you require a gas connection, ensure you liaise with the relevant GDN for confirmation of eligibility



ELIGIBILITY – CATS 1 & 2

We will fund:

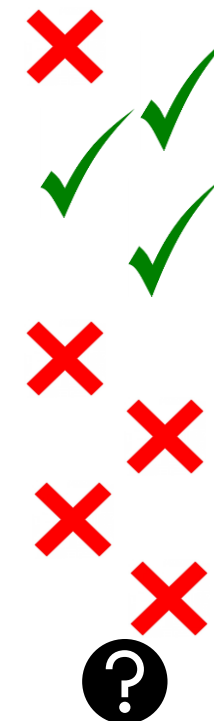
- Households which do not use gas as their primary heating source; and
- Households that do not have a central heating system currently installed

We will not fund:

- Boiler repair
- Replacement of inefficient boilers
- Installation of electric storage type heating systems

Are these heating systems eligible for replacement?

- Gas boiler
- Solid fuel (open fire)
- Solid fuel (boiler)
- Electric storage heating
- Electric boiler
- Heat pump
- Heating oil
- LPG heating
- Warm Air





ELIGIBLE COSTS – CATS 1 & 2

Where efficient, we will fund:

- Costs relating to the installation of a new central heating system
- Gap funding in relation to insulation measures
- Measures such as solar panels and battery storage provided that they are secondary to installation of a central heating system installed via the bid
- Reasonable project management, administration and marketing costs which are properly justified

We will not fund:

- The cost of, or any shortfalls in, the cost of the gas connection (FPNES)
- Insulation measures which can be funded through other schemes
- Excessive project management fees
- Costs relating to ineligible technologies or households
- Costs which should be borne by the landlord e.g. maintenance
- VAT relating to the delivery of measures in social housing

APPLICATION PROCESS



APPLICATION PROCESS



Section A: Details of Lead Bidding LA / RSL		Guidance
Name of Lead Bidder		<p>Name of lead bidder: This section should be completed by the authority / association bidding for funds, if a solo bid, or by the authority which is taking the lead role in any consortium bid.</p> <p>Contact details: These should set out the details for the day to day contact for the project who will lead on engagement with AWS.</p>
Primary Contact		
Name		
Address		
Post Code		
Telephone Number		
E-mail Address		
Alternative Contact		Please also enter the details of an alternative contact from the lead bidder in the case where the primary contact is not available.
Name		
Telephone Number		
E-mail address		
Section B: Additional Bidding Authorities / RSL's / Partner Organisations		
Name of other Bidder		If the bid is a consortium bid, please enter the names of other bidders here.
Name of other Bidder		
Name of other Bidder		
Name of other Bidder		
Name of other Bidder		
Name of other Bidder		
Name of other Bidder		
Name of other Bidder		
Additional Categories	<input type="checkbox"/>	<p>This box should be ticked if the LA or RSL is applying for more than one category and therefore filling out another application form.</p> <p>Where bids cover multiple categories, bidders should make it clear in the application form whether bids have any dependencies or can be considered in isolation.</p>
Dependant on another category	Category 2 <input type="checkbox"/>	
	Category 3 <input type="checkbox"/>	

Contact Details:

- Any communication about the bid will be directed to this person
- Encourage consortia bids
- Identify partner organisations
- Identify dependencies on other bids
- Identify Gas Distribution Network – has initial dialogue taken place?

APPLICATION PROCESS



Section C: Summary of Bid						
How many first-time central heating systems is the project planning to deliver?						The numbers of first-time central heating systems should equate to the total number of measures identified in section E1. Measures to be delivered.
Please indicate the anticipated split between social housing and private/private rented (by percentage)	Social Housing Tenure	%	Private Rented Tenure	%	Private ownership	%
Describe the proposal and how it will fit with the WHF objectives with reference to the fuel poverty strategy						<p>The WHF is keen to encourage LAs to invest in fuel poor private tenured properties as well as their own housing stock.</p> <p>In this section, please provide an overview setting out how the project will help deliver the objectives of the WHF. Bids should consider how the project will contribute towards the approach set out in the appropriate Fuel Poverty Strategy for England, Scotland or Wales including:</p> <ul style="list-style-type: none"> • How it targets worst case properties chosen to receive measures. (e.g. those in E, F and G rated properties). • Why the measures being installed are the most cost-effective option for the properties being targeted in terms of either being low cost and therefore maximising installation numbers or the lowest running cost therefore having the biggest impact on reducing the fuel poverty gap. • Detail of any engagement which has already taken place with vulnerable households or how these households will be targeted. • How it will lead to better targeting of fuel poor schemes. • How it will lead to sharing of learning amongst the wider number of organisations delivering to the fuel poor. • How it will improve partnerships between organisations so that future delivery of fuel poverty projects can build on these. • How the proposal builds on existing funding to deliver support to more households.

Bid Summary:

- Opportunity to “sell” the proposition
- Relate to the objectives and the evaluation criteria set out in guidelines
- Be clear about how targeting fuel poverty
 - Social v Private Rented v Private
- What are the likely eligibility criteria of households?
- Any households identified already?
- Be clear and precise – focus on “summary”

Section D: Breakdown of Total Project Costs and Funding

(embedded excel spreadsheet in word document – double click to open to add data)

Round 3 WHF Bid Application Financial Template

Bidder Name
 Bid Category

Please also complete the second tab - Cost Breakdown

Total Net Project Costs
 Irrecoverable VAT
 Total Project Costs

Note - green cells = calculations = PLEASE DO NOT ENTER DATA IN THESE CELLS

Analysis of Funds Requested from WHF

	CH Measures	Project Mgt Costs	Admin & Mkg	Other @
Net Project Costs				
Irrecoverable VAT				
Total Funds from WHF				

Funds requested from WHF
 Bidders Own Funds
 Other Funds (details below)
Validation check - should be ZERO

Other Costs @ - please detail and ensure this ties in with Section E2 below

Other Funds - Details Required

Staff Resources in Kind
 ECO Funding
 Other Energy Efficiency funding
 Consortium members contributions 1
 Consortium members contributions 2
 Other Funds - Details Required
 Other Funds - Details Required
 Other Funds - Details Required
 RHI Income stream funding
 Private Landlord capital contributions
Validation check - should be ZERO

Comments

for example HEEPS/NEST/Arbed

WHF Note:
 if additional lines are required add here to include in totals and validation check

FOR INFORMATION ONLY

Gas Grid connections Assumptions

Total amount of FPNES funding to be relied upon for Gas Grid connections required for measures
 If there is any anticipated shortfall in funding for required household connection - please explain how this gap will be funded?

Please confirm whether discussions are already underway with the GDN supplier for new connections? Yes/No

Any additional comments to add regarding new connections required?

RHI Funding Assumptions

Please explain the use of and beneficiaries of any expected RHI Funds which may be sought?

Section D: Breakdown of Total Project Costs and Funding – Guidance

Notes

(to be read in conjunction with “Guidance for Bidders – Updated November 2018)

An embedded excel spreadsheet has been included in the word document below, for submission of the financial data for the project.

Total Net Project Costs: This should set out, in £s, the total cost of the project net of all VAT and excluding any costs associated with gas connections.

Irrecoverable VAT: Any VAT in relation to the net project costs that will not be recoverable from HMRC, which is therefore to be included in the Total Project Costs.

Analysis of Funds Requested from WHF: set out here, in £s, the breakdown of the net project costs and any irrecoverable VAT, for which funding is being sought from the WHF. This figure should not include funding sourced from elsewhere.

The monies requested from WHF should be broken down as follows:

- Central Heating Measures
- Project Management
- Administration & Marketing
- Other

Please provide an explanation of Other costs.

Bidders Own Funds: Please provide details of bidder's existing budgets being used to fund the project.

Other Funds: Please provide detail of other funds and sources being used in the wider project. Where additional funds are being provided please insert additional lines as necessary.

FPNES Assumptions: Please provide for information purposes, the total amount of gas distribution network contribution and any shortfall details.

RHI Assumptions: Please provide for information purposes, an explanation of the use of and beneficiary of any RHI funding which is expected to be secured in relation to the measures being installed, for each type of property tenure.



Application Process

Section D: Breakdown of Total Project Costs and Funding

(embedded excel spreadsheet in word document – double click to open to add data)

Cost Breakdown – The second tab captures the assumed breakdown of costs and funding for a typical installation by tenure. Please complete this tab based on the tenure and technology being applied for.

Technology	Tenure														
	Social Housing					Private Rented					Private Ownership				
	Installation Cost	Own Funds	ECO Funding	Other Funds	WHF Contribution	Installation Cost	Own Funds	ECO Funding	Landlord Contribution	WHF Contribution	Installation Cost	Own Funds	ECO Funding	Other Funds	WHF Contribution
Condensing Gas Boiler															
Condensing Oil Boiler															
Condensing LPG Boiler															
Air Source Heat Pump															
Ground Source Heat Pump															
Biomass Boiler															
Heat Network															
Other (please list)															

RENEWABLE HEAT INCENTIVE



WHF expectations re: RHI income:

- **Social Landlords** – Anticipated income should be used as a source of ‘own use funds’ and used to offset the amount requested from WHF. Alternatively, should be used to fund additional investment in fuel poverty (to be captured in the application)
- **Private Landlords** – We don’t believe private landlords should ‘profit’ from the scheme so any contribution they make up front should match the likely income from RHI. Alternatively they should commit to making additional energy efficiency improvements to the property
- **Owner Occupiers** – If they can afford an up front contribution they should benefit from the RHI in order to reduce future bills. The RHI income will be lost if no householder contribution is made

APPLICATION PROCESS



Section D: Breakdown of Total Project Costs and Funding

(embedded excel spreadsheet in word document – double click to open to add data)

Total Net Project Costs	950,000	Note - green cells = calculations - do not enter data			
Irrecoverable VAT	15,000				
Total Project Costs	£ 965,000				
		Analysis of Funds Requested from WHF			
		CH Measures	Project Mgt Costs	Admin & Mkg	Other @
		450,000	20,000	10,000	-
		12,500			
Funds requested from WHF	492,500	Total Funds from WHF	462,500	20,000	10,000
Bidders Own Funds	50,000				
Other Funds (details below)	422,500	Other Costs @ - please detail and ensure this ties in with Section E2 below			
Validation check - should be ZERO	-				
		Comments			
		for example HEEPS/NEST/Arbed			
Other Funds - Details Required					
Staff Resources in Kind	50,000				
ECO Funding	150,000				
Other Energy Efficiency funding					
Consortium members contributions 1	22,500				
Consortium members contributions 2					
Other Funds - Details Required	150,000	WHF Note: if additional lines are required add here to include in totals and validation check			
Other Funds - Details Required					
Other Funds - Details Required					
RHI Income stream funding					
Private Landlord capital contributions	50,000				
Validation check - should be ZERO	-				

FOR INFORMATION ONLY

Gas Grid connections Assumptions

Total amount of FPNES funding to be relied upon for Gas Grid connections required for measures

If there is any anticipated shortfall in funding for required household connection - please explain how this gap will be funded?

Please confirm whether discussions are already underway with the GDN supplier for new connections? Yes/No

Any additional comments to add regarding new connections required?

RHI Funding Assumptions

Please explain the use of and beneficiaries of any expected RHI Funds which may be sought?

Breakdown of Budget:

- Build up the ex VAT costs including all materials & project management
- Costs should relate to in-house measures only ie. no gas connection costs
- Identify irrecoverable VAT separately
- Set out how project will be funded – validation should be zero
- Detail other funds – validation should be zero
- Describe how RHI income will be used, particularly if not included in other funds

APPLICATION PROCESS



Section E: Measures to be delivered

Summary of installations under the bid: In this section please set out a summary of what measures you intend to install under the project. This should include details of whether you intend to install one technology or a range and how measures will be assessed as appropriate for the property. Please include detail on both the heating source and the distribution system.

Please provide a brief summary of the installations you intend to deliver under the bid.

E1: Central Heating Measures

Please set out below which of the eligible measures you intend to install under the bid and estimated delivery numbers where available

Condensing Gas Boiler		Installation numbers: Please provide estimates, or exact numbers where known, of the numbers of each eligible technology you expect to install under the scheme.
Condensing Oil Boiler		
Condensing LPG Boiler		
Air Source Heat Pump		
Ground Source Heat Pump		
Biomass Boiler		
Heat Network		
Other (please list below)		
Please provide an outline of the existing heating measures in the targeted houses		Existing eligible measures: Please provide information on the current housing stock to receive measures under the fund. What is the typical building type and what is the typical heating source being replaced. Please outline the likely environmental benefits of replacing the existing heating measures.

E2: Additional Energy Efficiency Measures

Measures to be delivered:

- E1 – details of measures proposed and what is being replaced
- Ensure eligibility in line with guidance

- Oil still an option for fuel poor rural homes
- In discussions with Committee on FP, BEIS & other industry bodies to identify solution
 - Carbon offsetting arrangements to be put in place
- Ring fence funding for **private sector** FP homes
 - E, F or G properties with income threshold to be determined
 - Social housing minimum 50% contribution

APPLICATION PROCESS



E2: Additional Energy Efficiency Measures – included in the Funds Requested from WHF

Please include below an estimate of the type and number of additional measures you are looking to install as part of the project.

Number of additional measures		Summary of additional measures (WHF): Please set out any additional measures you would wish to deliver as part of the project if funding were available from WHF. The costs of these measures should be included in "Other" costs in the Excel Analysis of Funds Requested from WHF in section D.
Please provide a summary of additional measures you would wish to deliver with additional funding from the WHF		
Please provide an explanation why funding is not available elsewhere.		

E3: Other Measures and Funding – Non-WHF Funded Measures

Please include below an estimate of the number of additional measures you are looking to install as part of the project.

Cavity Wall Insulation		Summary of additional measures (other funds): Please set out any additional measures you intend to deliver as part of the project that will not be funded by the Warm Homes Fund. Where Gas Grid Connections are included, please indicate approximate distance from existing gas mains (if known).
Solid Wall Insulation		
Loft Insulation		
Other Efficiency Measures		
Gas Grid Connections		
Distance from existing mains		
Other (please list below)		

Please provide a summary of additional measures you intend to deliver to maximise benefit to the householder and to allow a whole house approach.

Measures to be delivered:

- E2 - only include energy efficiency measures where funding required from WHF and include explanation
- E3 – measures being funded in full or in part by other schemes

APPLICATION PROCESS



Section F: Project Management

Please provide a list of the key milestones and expected dates for the project including any approval points required and expected delivery points.		Please provide a list of the milestones for the delivery of the project. Please also highlight any key interdependencies for the delivery of these milestones. One of these key milestones should be a project completion date.
Please provide an outline of the delivery model for the project including detail on the proposed delivery partners and their procurement status		Please set out how the project will be delivered with a focus on the partners to be used to deliver different elements of the project. Please also state how many commercial partners (installers etc.) will be procured or if these are already in place. Please provide assurance that this was done in an open and fair way. Please outline how delivery bodies are to be managed to ensure they deliver the desired outcomes in a cost-effective manner. Please describe any additional community impacts through local sourcing of contractors.
If the delivery model described above differs in any way for social, private rented or private tenure, please describe how it differs.		Set out the differences in the delivery model between: social, private rented or private tenure
Please provide an outline of the governance of the project		Please provide a brief outline of the governance structure of the project. Who will have oversight of the project and responsibility for monitoring against performance. Will a Project Manager oversee internal and external works?
Please provide an outline of the communication plans for the project. What are the intentions for marketing.		Please set out the planned communications for the project. Briefly describe the approach you will take in disseminating information to the key stakeholders and for handling feedback.
Please provide an outline of training and post implementation support provided to households receiving new measures		Please provide details of any guidance and support to be provided to households to make best use of the new heating system. Are any ongoing service checks included in the bid?

Delivery Plans:

- Governance and control mechanisms to keep project on track and within budget
- Status of contracts with partners and installers
- Experience of delivery model
- Is model the same for all types of tenure?
- Ensure partner roles are clear and costs are consistent with guidance and social imperative
- Demonstrate an understanding of delivery risks and planned mitigation

APPLICATION PROCESS



Section G: Supporting Documentation

This section should be used to attach any Supporting Documentation required to add to the understanding of the proposition. Insert documentation as an embedded attachment.

Reference	Document Title	Insert Attachment as embedded document

Supporting Documentation:

- Encourage all key information to be captured within the application
- Additional supporting information should add value to the proposition
- Reference and attach in Section G

APPLICATION PROCESS - CAT 3



Section C: Summary of Bid	
How many households are being targeted?	This should include an estimate, or exact figure where known, of the total number of households benefiting under the project being funded by the WHF.
Describe the proposal and how it will fit with the WHF objectives, how it will target the worst-case properties and/or the most vulnerable households, with reference to the fuel poverty strategy.	<p>In this section, please provide a brief overview setting out how the project will help deliver the objectives of the WHF. Specifically, bids should consider how the project will contribute towards the approach set out in the appropriate Fuel Poverty Strategy for England, Scotland or Wales.</p> <p>Including</p> <ul style="list-style-type: none"> • How it will lead to sharing of learning amongst the wider number of organisations delivering to the fuel poor. • How the proposal builds on existing funding to deliver support to more households. <p>Detail of any engagement which has already taken place with vulnerable households or how these households will be targeted</p>
Give an outline of the benefits that the project will deliver.	Describe the tangible benefits that the project will deliver. How will it link to other schemes which may make physical measures available?
Please describe how the success of the project will be measured.	What determines whether the project has been successful?
Please describe what the WHF funding is being specifically requested to support.	Describe how the WHF funding will be utilised (e.g. additional resources, continuation or expansion of existing schemes, physical measures etc)

Bid Summary:

- Opportunity to “sell” the proposition – ambition and innovation
- Relate to the objectives and the evaluation criteria set out in guidelines
- What benefits will be delivered?
- How will success be measured?
- What will the WHF money be used for?
- Be clear and precise – focus on “summary”

Section D: Breakdown of Total Project Costs and Funding

(embedded excel spreadsheet in word document – double click to open to add data)

Total Net Project Costs	105,000
Irrecoverable VAT	5,000
Total Project Costs	£ 110,000

Note - green cells = calculations - do not enter data

Funds requested from WHF	89,000
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Bidders Own Funds	6000
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Other Funds (details below)	15,000
<i>Validation check - should be ZERO</i>	-

Other Sources of Funds - Details Required

Staff Resources in Kind	
ECO Funding	15,000
Other Energy Efficiency funding	
Consortium members contributions 1	
Consortium members contributions 2	
Other Funds - Details Required	
Other Funds - Details Required	
<i>Validation check - should be ZERO</i>	-

Analysis of Project Costs and Funding - £

	Employees	Project Mgt Costs	Emergency Fund	Admin & Mktg	Other @
Net Project Costs	50,000	10,000	4000	20,000	4,000
Irrecoverable VAT	1,000		-		
Total Funds from WHF	51,000	10,000	4,000	20,000	4,000

Other Costs @ - please detail below

Training and conferences

Comments

for example HEEPS/NEST/Arbed

WHF Note:

if additional lines are required add here to include in totals and validation check

Emergency Fund Costs

Please provide below details of the types of expenditure expected to be incurred on the project to be funded from the Emergency Funds and the number of households expected to benefit.

APPLICATION PROCESS



Section H: Declaration

In submitting this application:

We confirm that, to the best of our knowledge, the information provided is fair and accurate and that we will inform WHF if any information comes to light which would materially impact the evaluation of the proposal.

We confirm our understanding and are able to comply:

We understand that the decision regarding provision of funding is entirely at the discretion of Affordable Warmth Solutions. Any funding provided is subject to contract.

We declare that the households meet the criteria set out in the Guidance for Bidders - Updated November 2018 documentation and that the households targeted are considered to be fuel poor.

We confirm that we are able to comply with the terms and conditions of the Recipient Agreement and the data submission requirements of the Funding Use Report.

Declaration:

- Includes an additional declaration confirming applicants are able to comply with:
 - Terms and Conditions of the Recipient Agreement
 - Data submission requirements of the Funding Use Report

Fuel Poverty

- Clear idea of the communities and properties being targeted
- Referral routes for identifying households & how households are likely to qualify
- Meets objectives of WHF
- Working alongside Gas Distribution Networks (as appropriate)
- Targeting households most in need & whole house approach
- **It is not an energy efficiency or stock improvement programme**

Value for Money

- Attracting 3rd party funding sources
 - Use of own funds where possible
 - Landlord contributions in recognition of obligations
 - Driving down supply costs
 - Creative use of future income streams
 - Justified third party costs
- Not replacing 'in-flight' project funds or funding excessive project management**

Delivery

- Engagement of appropriate internal functions e.g. Procurement, Finance, Legal
- Ambition and engagement with neighbouring authorities
- Clear understanding of the end to end process & focus on customer experience
- Track record of delivering fuel poverty programmes (or similar)
- Strong internal governance
- Understanding of the barriers to delivery and mitigations
- **Be realistic about delivery forecasts**



Category 3

- Evidence of innovation and how it will address fuel poverty
- Clear evidence of engagement and partnership in the [local] area
- Realistic cost:benefit justification
- Clarity of end to end process – in particular benefit realisation
- Evidence of how the project could provide a model for future delivery of a fuel poverty programme
- **Not looking to replace existing funding, technology development or research/evaluation**

APPLICATION SUMMARY



- Read the guidance and the application form notes thoroughly
- Keep track of the FAQs
- Be succinct – we know what fuel poverty is
- Only use appendices if absolutely necessary
- Confidence in and accuracy of costs
- Know that you can accept and comply with Recipient Agreement
- Once submitted, don't chase us for confirmation of receipt!

CONTRACTING



CONTRACTUAL ARRANGEMENTS



Key Principles:

- Relationship is governed by a Recipient Agreement
- Payments are made retrospectively for measures installed based on an average cost per measure
- Payments are made quarterly based on completion of a Funding Use Report
- Funding Use Report provides progress against key milestones and data relating to installations
- 5% of the funding amount (subject to a maximum of £50k) is retained until satisfactory completion of a Project Closure Report

CONTRACTUAL ARRANGEMENTS



Practical Application

- In categories 1 and 2 the average cost per measure and your planned installation profile generates a quarterly instalment
- We will pay you as follows:
 - under delivery or on-target performance we will pay you for the actual measures delivered
 - In event of over delivery we will pay up to 20% more than the cumulative planned instalments at that point
- The total funding amount will not be exceeded
- For category 3, non-emergency funds are paid equally over the life of the agreement. Emergency funds are reimbursed as incurred



EXAMPLE

WHF award £2,000,000 to deliver 500 central heating systems (average cost per measure £4,000)

Period	Planned Installations	Cumulative Plan	Actual Installations	Cumulative Actual	Payment
Period 1	100	100	150	150	£456,000
Period 2	200	300	250	400	£934,000
Period 3	200	500	100	500	£560,000
Period 4	0	500	0	500	£50,000

Plan + 20% = 120 measures
Gross £480k less 5% retention

Plan + 20% = 360 measures
Max retention £50,000

Balance of measures - 140
Max retention £50,000

Release of retention



DELIVERY & REPORTING

- Funding Use Report Completion
 - Timeliness & Accuracy
 - Quality of narrative so that we have a clear understanding of status, any issues and plans to get back on track
 - GDPR responsibilities
 - Data sampling and audit
- **Failure to meet 80% of forecast may lead to withdrawal of funding**

The Warm Homes Fund Programme will close on 31st May 2022 so measures need to be installed by the end of 2021

TIMETABLE & COMMUNICATIONS



TIMETABLE 2019



Round 3

3 Dec 2018 – 8 Feb 2019

11 Feb – 22 Mar
Review Committee w/c
25 Mar

Notification w/c 1 Apr
Target for contracts to be
in place by end Apr

Round 4a

Extensions to existing
Contracts
Mid February to June

July - Advise Review
Committee of extensions

July – Contract Extensions
Finalised

Round 4b

Summer –
Deadline End Sept

October
Review Committee early Nov

December 2019

COMMUNICATIONS



With WHF:

- Please use our email address:
 - whf@awscic.org.uk
- Key documentation and FAQs are available via the WHF website:
 - www.affordablewarmthsolutions.org.uk/warm-homes-fund/overview

With local stakeholders:

- Subject to a contract being in place:
 - Any press releases should be agreed by WHF
 - Marketing literature should be agreed with WHF
 - We encourage use of the WHF logo and name in marketing literature



CONTACTING GDNs

Scotia Gas Networks (SGN)

SGN run the gas distribution network in Scotland and the south of England including south London

0800 912 1700
www.sgn.co.uk/HelpToHeat

Wales & West Utilities (WWU)

WWU run the gas distribution network in Wales and the south west of England

0800 912 2999
www.wwutilities.co.uk/Warm_Home_Assistance



Northern Gas Networks (NGN)

NGN run the gas distribution network in the north of England

0113 272 7330
www.northerngasnetworks.co.uk/warm-and-informed

Cadent Gas Limited (CG)

CG run the gas distribution network in north London, central and north west England

0121 592 0181
www.affordablewarmthsolutions.org.uk



QUESTIONS |