



Department
of Energy &
Climate Change

ECO Affordable Warmth Group Additional Data Matching Opportunities

ECO Steering Group – February 2014

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Background

- Following feedback from the sector via bilateral discussions with suppliers, Energy UK, Green Deal Providers and through the ECO Steering Group, **confirmation of eligibility prior to the installation of measures** is seen as the highest priority in terms of utilising additional data matching to deliver support more cost effectively to fuel poor and vulnerable households.
- Pre-installation confirmation of eligibility was preferred over the other forms of data matching, including post-installation confirmation and geographical 'hot spot' mapping.
- DECC, DWP and Ofgem want to support and facilitate further data matching, recognising that the Government has a role in assisting with solutions which enable cost-effective delivery and improve the customer journey for those seeking or receiving Affordable Warmth measures.

Benefits of additional data matching

Confirmation of eligibility prior to the installation of measures would have the following benefits:

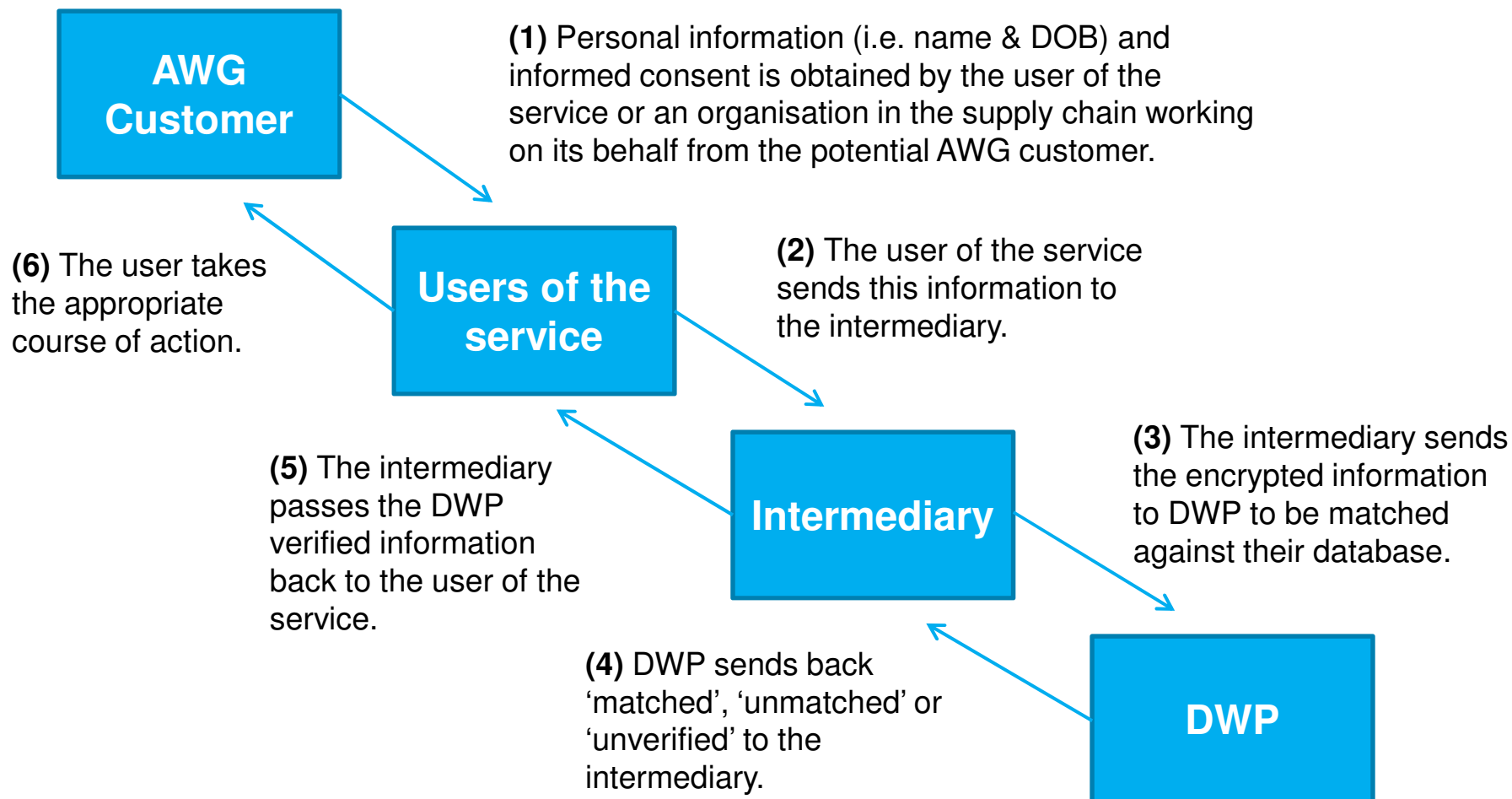
- Has the **potential to reduce the impact of pass-through costs** to all bill payers;
- A **better customer experience**, as the customer will not be required to show evidence of their benefit/tax credit letter to prove entitlement;
- A **reduced administrative and data protection burden** on suppliers and the supply chain, who will not need to obtain and retain proof of benefit;
- A **reduced administrative burden on the ECO administrator/independent monitoring agents**, who at audit will not need to see evidence of a customer's eligibility over and above a 'Unique Reference Number'; and
- Increased assurance that **measures are only being delivered to those vulnerable consumers that are eligible.**

Framework for additional data matching

- Both DECC and DWP agree that in order to reduce complexity, lead times and overall cost an organisation will need to be contracted by the users of the service to act as an intermediary between themselves and DWP.
- DWP simply do not have the resources to scope out, design and operate various data matching services for a multitude of organisations.
- By placing all referrals under the one system it will also reduce the risk of data leakage.
- DECC reserves the right to procure for the services of an intermediary ourselves under a cost-recovery model if the market is unable to organise itself in a timely manner and there is sufficient demand. Such a procurement would take between four to six months to complete.



Framework for additional data matching



Options available

- DWP have endorsed two options for this data matching service: **bulk data check** or an **individual real-time check**.
- DECC is unable to extend the Energy Saving Advice Service to include this new service because it would require a new procurement process to be undertaken for the whole service which is not possible in the foreseeable future.
- Under either option, after the personal information (gained with informed consent) is sent to DWP a customer will be flagged as:
 - **‘matched’** - meaning they are eligible against the AWG criteria;
 - **‘unmatched’** - not eligible against the AWG criteria; or
 - **‘unverified’** - meaning their eligibility could not be determined and there will still be a need to sight benefit/tax credit letters.
- We are not in a position to provide any costings arising from the use of an intermediary at this stage. This would be for service users and the intermediary to explore and agree with assistance from DWP.

Options available – Bulk Data Check

- **Referral time:** Data would be collated and sent to DWP by the intermediary and results returned within approximately five working days.
- **DWP costs:** Approximate first year costs of £170k including fixed set up costs and operating costs (£16.5k based on one data run per week).
- **Timeline:** It would take approximately 3.5 months once DWP receives a detailed business requirement from the intermediary / service users.
- **Personal information required:** Name, Date of Birth and address.
- The bulk data check is currently employed by ESAS and Home Energy Scotland.
- ESAS has a match rate of 76 per cent.

Options available – Real Time Check

- **Referral time:** The referral could be immediate – from the point of the intermediary receiving the data, inputting it into the benefits database and returning the response to the user.
- **DWP costs:** Approximate first year costs of £650k including fix set up costs and operating costs (£7.2k based on 20,000 referrals per month)
- **Timeline:** It would take at least 6 months to develop and be operational once an intermediary has been established.
- **Personal information required:** Name, Date of Birth and National Insurance Number.
- We envisage intermediary costs being a much higher figure for the real-time check compared to the bulk data check.

Proposed gateway criteria

- There are now 8 obligated suppliers and 130 GDPs involved in delivering ECO measures.
- Unless there is a manageable number of organisations involved in the initial discussions we feel it will be too difficult for users to agree and contract an intermediary.
- As such and if required, a gateway criteria will be used to restrict the number of GDPs who can participate in the initial discussions only. The gateway criteria will not be used to restrict access to the service once operational.
- It is a proposed criteria and we are open to changes to the criteria which achieve a similar outcome in terms of the number of GDPs involved.

Proposed gateway criteria

Criterion	Description
Users must either be an obligated supplier or a GDP	Access will only be to obligated suppliers and on-boarded GDPs, other organisations in the supply chain will not have access but will benefit
User pays service	Users must be willing to pay for the set up and operating costs of the data matching service
Green Deal Finance Company system checks	GDPs will need to have completed system checks required to access Green Deal Finance
DPA compliant	Users will need to be DPA compliant in how they handle personal information and show how they intend to do so
Ability to audit consent	Users of the service must be willing to seek informed consent from the customer using a form of words agreed by DWP
Cost transparency	Users of the service should be willing to supply cost information at regular intervals to ensure the benefits of the service can be accurately evaluated
Improving the AWG customer journey	Users should be willing to adhere to DECC/DWP customer service expectations – this will be discussed and agreed at a later date

Next steps

- Following this meeting a letter will be sent out to all obligated suppliers and GDPs formally announcing that DECC and DWP have agreed on options and a framework for additional data matching.
- The letter will ask organisations to express their desire to participate in initial discussions with responses required by **Wednesday 12 March**.
- It will also outline that if we receive interest from a multitude of organisations that will inhibit timely progress, we will use the proposed gateway criteria to initially reduce the number of organisations involved in discussions.
- A meeting with DECC, DWP, Ofgem and those organisations which expressed an interest in pursuing additional data matching (and met the criteria, if needed) will meet in **early April** to discuss this proposal in greater detail and seek agreement on the options available.



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Any questions?