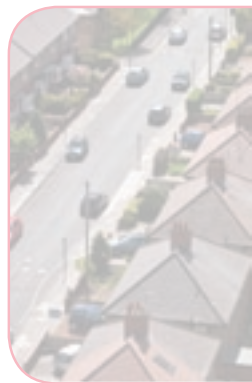


connecting with communities

The Warm Front Scheme Annual Report
2010/11





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Introduction

This report recognises the continued importance of the help and support provided by the Warm Front scheme to homes that are in, or are at risk of fuel poverty. Since the scheme's inception, over 2.3 million homes have been helped, with almost 130,000 households receiving assistance in 2010/11.

In 2010/11, the high level of demand for the scheme continued throughout the year, leading to DECC announcing in December that the scheme would be temporarily closed to new applications, due to the budget being fully allocated. Whilst we may not have been able to accept new applicants for a few months, installations continued throughout this period, and we installed 56,000 heating measures and 20,000 insulation measures for those applicants who had already registered for the scheme prior to the temporary closure.

I would very much like to express my gratitude to everyone involved in delivering Warm Front. The temporary closure to the scheme for new applications, coupled with the very cold winter weather conditions meant that we have had to work through an extremely challenging period. I would like to thank our installers, local and voluntary organisations, and all our other stakeholders for all of their support and hard work in continuing to deliver the scheme in these challenging circumstances.

I am delighted that we have agreed with DECC a contract extension to deliver Warm Front for a further two years. In April 2011, Eaga was acquired by Carillion Plc, and now operates as a wholly owned subsidiary, Carillion Energy Services. Whilst the name may have changed, our commitment to delivering Warm Front to the best of our ability, and the pride we take in the positive changes that the scheme can and does make to the daily lives of our customers remains absolutely unchanged.

The outcome of the Spending Review in October 2010 resulted in difficult funding decisions across Government. The reduction in the Warm Front budget for the final two years of the scheme has led to a number of changes to the eligibility criteria that will ensure help is targeted at the most vulnerable households living in the least thermally efficient properties. These changes are explained later in this report.

It is estimated that the number of people in fuel poverty in 2010 in England was 4 million. Against this background, the work of Warm Front has never been more important, and its impact never more meaningful. I remain hugely proud of the work we do and the way in which we do it, and I look forward to continuing to make a positive impact for our customers in the coming year.



Ross Armstrong
Central Services Director
Carillion Energy Services

Headline Impacts

In the year 2010/11, Warm Front delivered energy efficiency improvements across a wide range of households with some of the key impacts being:

- 127,930 households received assistance.
- 105,171 households received heating measures.
- 36,101 households received insulation measures.
- There was an average Standard Assessment Procedure (SAP) improvement of 27 points from 32 to 59.
- A reduction in CO₂ emissions in the average household from 7.5 tonnes per year to 6.0 tonnes per year.
- In 2010/11 each household receiving Warm Front has the potential to save £610.56 in energy running costs.*
- Based on the number of homes receiving Warm Front measures and the average reduction in running costs per property, the potential saving in energy consumption is 11.2 Giga Joules per household, each year and every year for the next 20 years.

*The energy running cost saving is calculated during the SAP calculation process. A nominal running cost is assigned to the property based on the level of insulation and heating recorded in the Warm Front survey before measures are installed and a post installation running cost is calculated based the measures that have been installed. The saving is the difference between the two values.

All measures and structural components in the property have an impact on the SAP rating / running cost and each heating and insulation measure have SAP and running cost values assigned to them.

Benefit Entitlement Checks (BECs)

- 31,903 BECs were carried out in the year.
- Of which 15,194 were not initially eligible for Warm Front, and 16,709 were already receiving one qualifying benefit.
- 6,059 households had benefits identified that made them eligible for Warm Front, and then went on to access the scheme.
- The average weekly increase in benefits per customer identified was £36.44.
- The average annual increase per customer identified was £1,894.79.

Customer Satisfaction

As part of our commitment to service excellence we regularly survey customers who have received our assistance to measure their satisfaction with the scheme. It is extremely encouraging, and a credit to those involved in the delivery chain, that customer satisfaction has remained high throughout the year, despite the challenges presented by high demand and the temporary closure. The average annual customer satisfaction score for 2010/11 was 92.3%.

The scheme continues to generate far more letters of thanks than letters of complaint. However we are committed to thoroughly investigating each complaint and expression of dissatisfaction that we receive with a view to resolving the individual customer's issues as well as implementing actions to address the root cause of the complaint. We use this information and feedback to work closely with all elements of the delivery chain to ensure that they have full visibility of their roles and responsibilities in providing improvements to service.

To continually raise standards we maintain an Installer Rating system, which ranks our installers on the basis of four elements of their service provision:

- Quality of work, as determined by inspection pass rate.
- Number of upheld customer complaints.
- Timeliness of work.
- Health, Safety and Environmental Performance.

Installers are encouraged to take ownership for their customer service delivery and are able to access their ranking and compare it to their peers. Where an installer is underperforming with respect to others it is reflected in their ability to bid for new work until their performance is improved.



customer satisfaction
has remained high
throughout the year



Warm Front Customers

Mrs W from Cheshire

In December 2010, Mrs W applied to Warm Front as her heating was no longer working. Following a survey, Mrs W received a new replacement boiler, including programmer and controls as well as an upgrade to their gas run. These measures made a real difference to their home, as Mr W explained,

“ I would like to thank the Warm Front Team for installing my new combi boiler! I am so pleased with how my boiler was fitted. There was no mess and the engineer was pleasant, tidy and very patient in taking time to explain its functions as did the electrician who came to fit the thermostat. They put dust sheets down and any mess was kept to an absolute minimum.

This is an excellent scheme and has changed both my children’s and my own life. The combi boiler is quiet, clean and energy saving - a dream come true. The whole exercise has taken a weight off my mind as I would not have been able to afford one myself. ”

Mrs J from Suffolk

Mrs J from Suffolk applied for a boiler replacement in October 2010; this included installing a new more energy efficient boiler, three additional radiators complete with thermostatically controlled valves, and upgrading controls. The new system was also power-flushed to ensure optimal efficiency. Mrs J was delighted with the work carried out and explained,

“ We are highly delighted not only with the system but the two young men themselves. They are a credit to themselves and an asset to your firm, without any doubt the best fitters ever to work in our house. Clean, hardworking great attitude and informative. Thank you so much. ”



Working with Partners

Targeting assistance towards those greatest in need is a critical part of the Warm Front scheme objectives. The Warm Front Networking Team does this by developing effective and sustainable partnerships with a wide range of organisations who are trusted by the community and works with them to find and engage the most vulnerable members of society.

The Networking Team have worked closely with local, regional and national partners to build and maintain relationships and referral networks to target the assistance the Warm Front scheme provides.

Maintaining our relationships with Local Authorities and other stakeholders has proved to be pivotal to the success in reaching those who most need assistance. Local Authorities have assisted in providing additional funding for those customers who have been required to make a contribution towards their Warm Front application.

A few examples of our partnership work are detailed below:

Durham County Council

Durham County Council have adopted an approach whereby they constantly promote Warm Front to any new eligible benefit applicant by enclosing Warm Front literature. They also inform all residents of Warm Front through the council tax notification on a yearly basis, and by undertaking a targeted annual mailing campaign backed with regular community events. As a result Durham County Council have a high level of Warm Front recipients.

Essex Village Agents

Part of our work targeting the hard to reach communities has involved us working with Village Agents across England. In particular, one project in Essex saw the Networking Team provide training and awareness raising sessions to volunteers within the community who support vulnerable people applying for Warm Front.

North Somerset Affordable Warmth Project

The group hosts a number of regular community events involving many key partners such as the Fire Service, Age UK, DWP and the Pension Service to provide advice and information on services and assistance available to local residents, which includes Warm Front.



developing effective and sustainable partnerships

Changes to Warm Front Delivery

In the Spending Review 2010 Government committed to fund a smaller, targeted Warm Front scheme for the next two years. The scheme and associated activities has a budget of £110million in 2010/11 and £100million in 2011/12.

To ensure that the help available is better targeted at those most vulnerable to fuel poverty, the Government has revised the scope of the Warm Front scheme as described in UK Fuel Poverty Strategy 2001.

The scheme is now targeted at households on certain income-related benefits and living in properties that are thermally inefficient.

The full list of qualifying benefits can be found at: www.direct.gov.uk/warmfront

In addition to the income-related benefits, the property in which a customer lives must also have a Standard Assessment Procedure (SAP) rating of 55 or below. This is assessed and confirmed by the technical survey in the home.

If at survey it is identified that the problems relate to a gas heating system that could easily be repaired within a 3 hour time limit then the Warm Front engineer will carry out the work whilst at the customers home.

If the issues cannot be solved at the initial visit then an installer will be allocated to the customer within 21 working days of the survey; the installer will then be in touch to agree an installation date.

The scheme continues to offer new or replacement gas heating systems, oil or alternative technology systems for off-gas properties and the full range of insulation measures. In addition to these the scheme regulations now permit the grant can be used for other measures, including Liquid Petroleum Gas as both a replacement and new alternative, and services to connect properties to the gas grid.

To ensure best value for money, and that measures are targeted at those households most in need of assistance, a number of changes have been made to the customer journey:

- All work will be allocated to installers through the competitive e-bid arrangements. Moving all work to the electronic auctions system (e-bid) will drive greater competition in the supply chain and greater value for money.
- The scheme will no longer provide benefit entitlement checks. Given the reduction in the budget for the scheme, the decision was taken to focus on measures that can deliver immediate heat and warmth into customers' homes, as well as potentially lowering their energy bills. Customers will still be signposted to other services and stakeholders that provide access to benefits advice, such as Citizens Advice.
- The scheme will no longer provide Compact Fluorescent Light bulbs as a measure, again to allow scheme funds to be targeted at measures that have the greatest positive impact for customers.
- The scheme will provide aftercare for one year and one annual service visit, instead of two years aftercare and two annual service visits. This means that customers will continue to have access to 12 months of 24/7 aftercare and support, as well as receiving a free annual service to prolong the life of the system. A gas heating system will have a 2-year warranty.
- The scheme will continue to provide all insulation measures (including loft top-up, draughtproofing and hot water tank jackets). We will continue to trade insulation measures with the energy companies through the Carbon Emissions Reduction Target interaction arrangements with the amount reimbursed being recycled back into the Warm Front budget.
- We will inspect 10% of gas installations and 5% of all other heating installations and insulation measures. Safety, for our contractors and our customers, remains our number one priority and all engineers who carry out installations under Warm Front are Gas Safe registered. However, this additional independent safety check will continue to verify that work is being installed safely, efficiently and in line with manufacturers' guidelines and scheme specifications.

The scheme re-opened, reflecting the above changes, on 14 April 2011, with the new eligibility criteria and customer journey rolled out across the country.



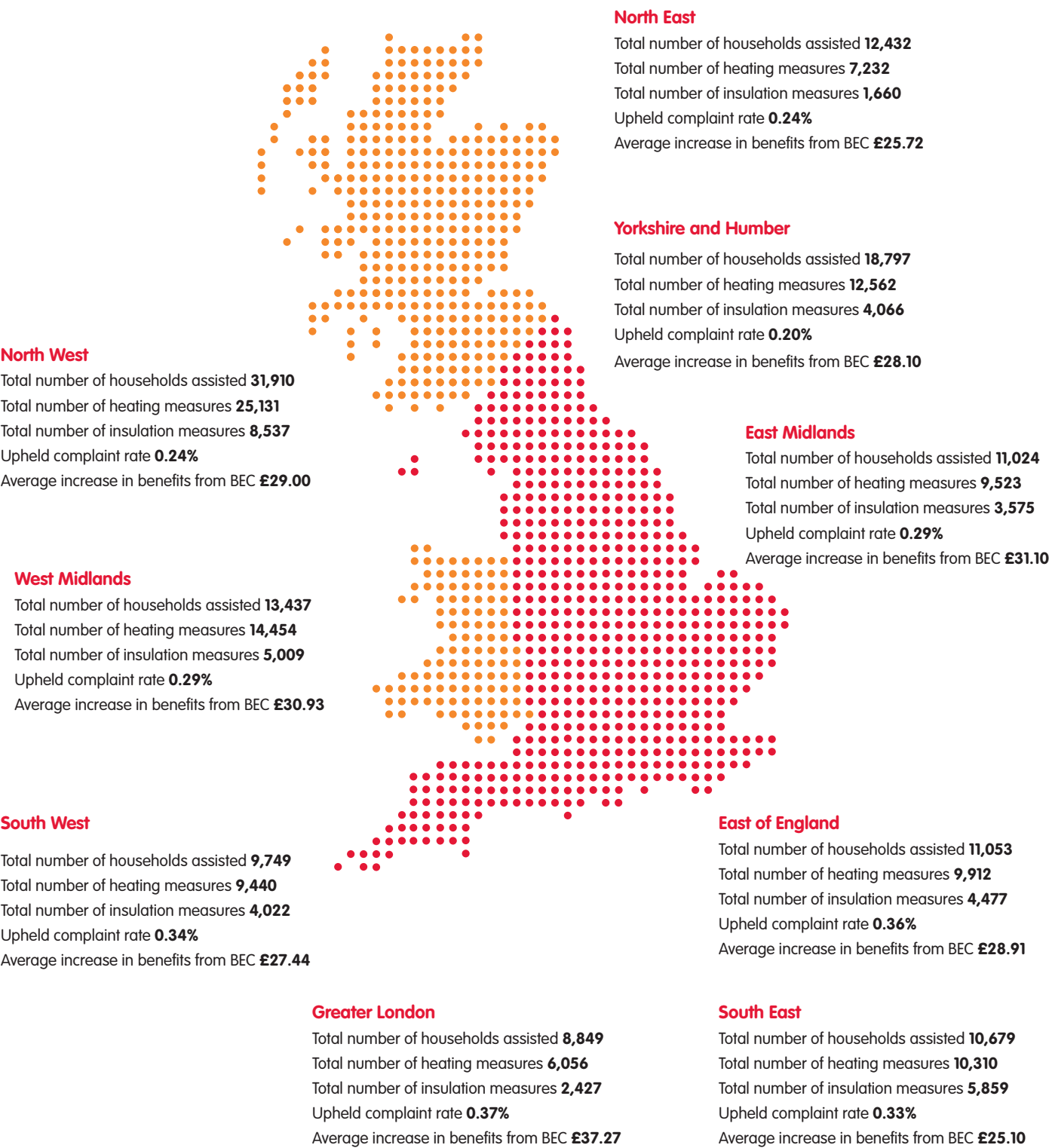
Whilst these changes impact upon the range of services provided by the scheme, what will not change is our commitment to providing an excellent standard of service to our customers.

Warm Front serves some of the most vulnerable homes in society, with specific needs and circumstances that we constantly strive to better understand and meet. The newly focused eligibility criteria and scheme changes will help us in our aim to allocate the scheme's resources to those homes that need our help the most.

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Regional Performance



Looking ahead...

With the new eligibility criteria for the scheme now in operation, the next two years will see Warm Front more tightly focused on some of the most vulnerable people in some of the least energy efficient housing.

The continued upward trajectory of energy prices means that more and more people are vulnerable to fuel poverty. It remains the case that the best long term solution to this is to make lasting and sustainable changes to improve the energy efficiency of the UK's housing stock. In this context the work of Warm Front has never been more important.

We can only continue to deliver the scheme to customers with the dedication and support of our installer base, and the work in communities of stakeholders and partners. We look forward to these partnerships continuing to develop over the coming year.

Warm Front is there to help those low income, vulnerable customers who live in the most thermally inefficient housing and who look to the scheme to offer assistance because no other means of support is available to them. We look forward to continuing to serve our customers in the year ahead.

Summary

2,291,300 households have been assisted since the start of the scheme.
127,930 households assisted in 2010/11.

Breakdown of measures

Measure type	Scheme Yr	Full Scheme
Cavity Wall Insulation	8,589	489,961
Draughtproofing	10,658	576,294
Electric Central Heating	4,661	73,154
Factory Insulated Dual Immersion Hot Water Tank (FIDIHWT)	251	8,631
Gas Wall Heaters	67	24,697
New Gas Central Heating	10,380	185,487
Hot Water Tank Jackets	1,037	157,867
Loft Insulation	20,385	720,985
Boiler Replacements	76,227	454,828
Heating Repairs	12,199	114,686
Oil Central Heating	835	3,791



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