

## Welsh Government / Warm Zones Energy Efficiency Scheme

### List of questions from Local Authorities and answers

Updated to 18 August 2016

**Question 1:** I'm interested in where you stand on external wall insulation for WAG's new scheme?

**Answer 1:** When the potential measures were discussed it was decided that the scheme should be designed specifically to address private sector properties which lack modern efficiency central heating systems. Conventional insulation measures (lofts and cavities) were included as we did not want to provide a modern central heating system and walk away from basic, cost-effective insulation measures.

We also included such basic insulation measures in social properties within the scheme (the rules of the funding prevent us from providing heating systems in the social sector) to help with community cohesion.

**Question 2:** Could you please confirm what role Warm Zones will play in arranging installation work. Will you use your own contractors to deliver measures to properties we identify, or, do you simply want oversight of council appointed contractors to confirm appropriate to undertake work?

The scheme manager role outlined is being interpreted differently by different readers at our end.

**Answer 2:** Warm Zones cic (WZcic) will be responsible for the complete scheme manager role of this programme. As indicated in the scheme Guidance Document the role of the local authorities involved will be to identify the properties to be included in the scheme and the initial liaison with the householders. WZcic will then manage the surveys of the properties, the installation of the work by the contractors and the impact reporting to the Welsh Government.

WZcic has a national framework of contractors to deliver all the measures required which has been procured following a competitive tendering process. If our contractors can deliver the required measures in the successful areas, then they will be used. In areas where we do not have full coverage, if the local authority has a list of suitable contractors then these will be used providing they meet the minimum WZcic requirements. In areas where there is no list of suitable contractors, WZcic will undertake a procurement exercise to select suitable contractors.

**Question 3:** Do Heating System Upgrades" include boiler replacements?

**Answer 3:** Yes.

**Question 4:** If boiler replacements are included, do the households receiving them and boilers to be replaced have to meet HHCRO conditions?

**Answer 4:** No, eligibility is based solely on living in a CSCO 25% area.

**Question 5:** There was no Excel Spreadsheet included in the email that was forwarded to me, could you forward me one please.

**Answer 5:** This has now been circulated.

**Question 6:** The application form mentions also completing a Project Plan. Is this the spreadsheet or another form?

**Answer 6:** This is the spreadsheet circulated on 3 August.

**Question 7:** Who would appoint, manage and pay the contractors. WZcic or the council (we would act as the council's managing agent with funding flowing through the council).

**Answer 7:** WZcic will appoint, manage and pay the contractors. No funding will flow through the council.

**Question 8:** Could you please confirm what role Warm Zones will play in arranging installation work. Will you use your own contractors to deliver measures to properties we identify, or, do you simply want oversight of council appointed contractors to confirm appropriate to undertake work?

**Answer 8:** Warm Zones will appoint and manage the contractors for this scheme. We have a national framework of contractors which has been competitively procured. However, the coverage in parts of Wales may be patchy. Where there are gaps we are happy to work with local authority procured contractors providing they meet our minimum standards. If there are no such contractors in these areas, we will undertake a limited tendering exercise

**Question 9:** Would you support installation of air source heat pumps under this scheme? Is it boiler swap only or full system install (as in cases where previously no gas was available or property was electrically heated or had fires only?)

**Answer 9:** The scheme can fund any heating measures in private sector properties including air source heat pumps, first time central heating systems and replacement of inefficient boilers. There will be both a value for money and suitability of measure judgement applied to each project submitted as we would like to help as many households as possible. As such, some measures which are reasonably determined to be unduly expensive and/or unsuitable for the home or its occupants may not be supported by this scheme.

**Question 10:** Will you be procuring the contractors for these projects or will it be up to the local authorities?

**Answer 10 :** Warm Zones will appoint and manage the contractors for this scheme. We have a national framework of contractors, however, the coverage in parts of Wales may be patchy. Where there are gaps we are happy to work with local authority procured contractors providing they meet our minimum standards. If there are no such contractors in these areas, we will undertake a limited tendering exercise.

**Question 11:** Is this a capital and / or revenue funded scheme? Can we apply for revenue funding to fund the required officer time to support this project?

**Answer 11:** This is a capital scheme and no revenue funding will be provided to the local authorities involved. To participate the local authorities will have to cover the cost of officer time and any other input.

**Question 12:** What advice and support can warm zone offer- i.e. are you able to advise on the progress made with regards to the application form or is it to respond to queries to the application form itself?

**Answer 12:** The support provided will largely be confined to responding to queries on the application form. We are also able to provide some technical support on the measures to be installed.

**Question 13:** The document states that it is 'targeted on the provision of efficient heating systems for private sector properties which lack modern efficient central heating systems' what does it mean? When I first read this I took it to mean full central heating systems?

**Answer 13:** The measures include the provision of full heating systems – where appropriate to do so - as well as replacement boilers and modern heating controls.

**Question 14:** Does this include gas re-connections where properties have been disconnected from gas and had electric heating systems (very inefficient) installed?

**Answer 14:** We do not envisage funding gas reconnections as there is already a funding stream to do this via the license obligations of the gas distribution companies.

**Question 15:** Some of the worst houses in DCC require re-connection, Nest will not install heating system if not connected. Can this project bridge that barrier?

**Answer 15:** See answer to the question above.

**Question 16:** Some areas were recently part of a Welsh Government Warm Homes scheme, will this be taken into account as not all properties were targeted within these areas

**Answer 16:** Any properties not included within Welsh Government Warm Homes schemes can be included should the Local Authority decide to target its bid in these areas.

**Question 17:** Are these not NYTH eligible properties and therefore duplicating an existing scheme?

Nest/Nyth targets energy efficient properties, in houses on benefits. There would be considerable overlap.

**Answer 17:** See answer to the above question.

**Question 17:** If no ECO is available why is the scheme targeting ECO eligible areas only?

**Answer 17:** The funding for this scheme comes from the fines imposed by Ofgem on a number of electricity generators for the failure to meet their Community Energy Saving Programme targets. It has been agreed that the funding can only be spent in households within the CSCO 25% areas. The Regulator also specified that ECO could not be used to match fund this programme as this would effectively mean that the license obligation of one company was being used to supplement the delivery of another company's obligation.

**Question 18:** If not WHQS or ECO funding, what other contributions would be required to provide? ECO funding is currently (mostly) providing full funding for loft and cavity insulation

**Answer 18:** The guidance document makes reference to other contributions which can be leveraged in.

**Question 19:** 'Also social properties will be eligible for insulation measures'- does this include CWI and can we offer energy saving and welfare benefit advice to their tenants?

**Answer 19:** The Guidance Document confirms that CWI is an allowable measure under the scheme. WZcic can offer energy and welfare benefit advice to the households assisted under the programme. However, if a local authority can separately fund the provision of these services this would leave more funding for physical measures.

**Question 20:** Could we have greater clarity on measures? Does this mean full central heating systems into houses with current electric heating? Can this include adding heating controls to properties without them? What about smart meters and thermostats?

**Answer 20:** It will be possible to install full central heating systems under the scheme where appropriate to do so. Any systems they replace would have to be non working or inefficient. Heating controls (including thermostats) are also allowable. There is a separate smart meter roll out scheme so these are not fundable under the WG/WZ scheme.

**Question 21:** External Wall is not included although previous application for capital funding to WG have been EWI schemes- why has this changed?

**Answer 21:** Please refer to the answer to Question 1.

**Question 22:** There are many solid wall properties, which have the worst energy performance and highest fuel bills and greatest proportion of fuel poverty, why exclude them? Many exposure 4 areas of Wales are unsuitable for CWI

**Answer 22:** See answer to the question above.

**Question 23:** For advice on suitable matched funding contact WZcic

Please advise and does this include?

- WHQS- clarity required on what can be funded as all measure above is a requirement of WHQS
- Can we therefore offer Energy advice to social tenants?
- VVP- can this be used as match funding?

**Answer 23:** The guidance and application form sent out with the invitation for bids refers to linking this funding with other projects or programmes such as WHQS, VVP and housing renewal, as well as LIFT, apprenticeships or other WG, UK Government or LA initiatives. The guidance also confirms the measures that are covered by the funding.

WZcic will work with LAs on developing their proposals and an important part of this will cover arrangements for customer engagement and the provision of energy advice.

**Question 24:** For the schemes being applied for as part of this project, local authorities will be responsible for identifying the properties to be included in the scheme together with the required measures and engaging with residents”

Can this cost be included as revenue within the bid?

**Answer 24:** No, please see answer to the question 11.

**Question 25:** Clarity on revenue funding required and project roles and responsibilities required.

If we are identifying properties, engaging residents, procuring and managing funds, what Project Management functions will WZcic be fulfilling?

**Answer 25:** The scheme Guidance Document states that the local authorities will be responsible for identifying properties and the initial engagement with households. WZcic will be responsible for procuring and managing the contractors, managing the funds and reporting on the expenditure and outputs of the scheme to the WG.

**Question 26:** “Once projects are approved in principle, WZcic will work with the authority to produce detailed designs and budgets.”

Who will be procuring and project managing the scheme and what does ‘work’ with mean? “Once projects are approved in principle, WZcic will work with the authority to produce detailed designs and budgets.”

**Answer 26:** WZcic will be procuring the contractors to work on the scheme and will manage the projects.

**Question 27:** Should we not be identifying/quantifying detailed projects and budgets in advance of applying for funding to deliver it?

**Answer 27:** The more detail the local authorities can put into their bids the better. If an authority can identify and quantify detailed projects in their bids, then this would be a considerable advantage. WZcic is prepared to provide assistance with this aspect of the programmes if it is required.

**Question 28:** Can-Do Toolkit".and Value Wales toolkit

Who will be responsible for reporting on this?

Greater clarity on role definition is required. Who is doing what?

**Answer 28:** It will be for the Local Authority to complete the Value Wales toolkit and then include this when reporting back to WZcic on the progress of a scheme. In this respect the only difference between this and the *Welsh Government Warm Homes LA grant scheme* is that for this particular stream of funding LAs will be reporting back to WZcic rather than the WG.

**Question 29:** Will WZcic therefore be procuring the contractors and be responsible for delivering the project on behalf of the Council?

**Answer 29:** Yes. WZcic will be responsible to the WG for the delivery of this programme. As the programme will be largely delivered in private sector properties, WZcic will not be delivering the programme on behalf of the council.

WZcic has a national framework of suitably qualified contractors who have been procured following a competitive tender process. All contractors meet the requirements of WZcic accreditations, including, ISO 9001 and 14001, OHSAS 18001 and all are PAS 2030 registered. All work undertaken under this programme will be to an equivalent or higher standard than ECO. The programme is overseen and audited by Ofgem.

**Question 30:** Will WZcic therefor be procuring the contractors and responsible for delivering the project on behalf of the Council?

**Answer 30:** See answer to the question above.

**Question 31:** Local Authorities understand the requirements and qualifications of contractors to deliver works. These arrangements may cause concerns with Local Procurement arrangements.

**Answer 31:** WZcic also has these competencies and runs this type of programme for a living. As no funding will come through the local authority there will be no procurement issues.

**Question 32:** Please use the resource available through the WZcic when putting your schemes together

Could advise what resource is available?

**Answer 32:** WZcic can provide further information on the funding available and the type of work which is fundable through the scheme. We can also provide some technical information on the measures should this be necessary.

**Question 33:** Again, clarity on project roles and level of support being offered. Will WZcic project manage a potential 22 projects across Wales? Do they have the capacity to do this more effectively than the project managers in-house in the LA's that regularly manage our own projects?

**Answer 33:** This is a competitive bidding process and it is envisaged that only 3 or 4 schemes will be approved across Wales. WZcic has the capacity to project manage this number of properties across Wales. Significant numbers of local authorities are happy for WZcic to manage their domestic energy efficiency programmes.

**Question 34:** Remember to include the excel project plan

No excel project plan included with email

**Answer 34:** This has now been circulated.

**Question 35:** 1There is a new column on estimated carbon savings

No excel sheet included

**Answer 35:** This has now been circulated

**Question 36:** Who will be assessing the application WG or WZcic or both?

This would be useful to know. Also, will we be provided feedback on the submissions?

**Answer 36:** The applications will be assessed jointly by the WG and WZ. Feedback will be provided on request.