

## **Appendix 1: Staffordshire Warm Homes Fund Limited Liability Partnership**

1. This supporting paper sets out the formation and administrative functions of the proposed Staffordshire Warm Homes Limited Liability Partnership (LLP) to manage £3.785million to tackle fuel poverty.

2. The paper provides the following details:

**Section 1** An overview of the main stakeholders and their role, with emphasis on the role of Ministry of Wellbeing Community Interest Company (MOW) and its strategic ambition

**Section 2** Formation of Staffordshire Warm Homes Fund LLP

- Overview and rationale
- Tax implications, set up and running costs
- Risks and mitigations
- A Members Agreement is being drafted with key points include in Section 2 below

**Section 3** Contractual arrangements between the Affordable Warmth Solutions (AWS) and Staffordshire County Council (SCC) and between the proposed Staffordshire Warm Homes LLP and E.ON.

- Main Recipient Agreement already executed but further documentation within the schedules needs to be completed and executed regarding draw down approval and actual release of funding from time to time during the period;
- Short Form contract between Staffordshire County Council and LLP with Recipient Agreement Appended subcontracting down the contractual obligations;
- Services Contract between LLP and E.ON regards identification services and performance of selected measures ensuring all liabilities and risks from identification, payment of funds, and performance of services measures sits with E.ON.

**Section 4** Administrative arrangements including:

- Administrative resources and how they will be allocated across the key stakeholders
- Process and triggers to manage financial flows between AWS, LLP and E.ON
- Eligible household selection process and evaluation criteria
- Data management requirements

## **Section 1 – Stakeholders and Ministry of Wellbeing**

3. The main stakeholders are:
  - Staffordshire County Council – lead bidder on behalf of 8 District Councils and 6 Registered Social Landlords
  - Ministry of Wellbeing Community Interest Company (MOW) – enabler of this commercial-public sector partnership with E.ON
  - E.ON LLP - co-bidder bringing co-funds on condition that it the sole delivery partner for all measures
  - Beat the Cold (BTC) - a local charity with provenance in tackling fuel poverty who will work with E.ON and local system partners to support eligible clients
  - Local public services – including for example, CCGs, Police, Fire & Safety, voluntary providers who will refer vulnerable clients to the programme. This will help to achieve the greatest impact on health and wellbeing

### **The role of Ministry of Wellbeing (MOW)**

4. MOW is a community interest company set up by SCC's Public Health and Prevention Lead. SCC has been supporting MOW with resources in kind with the intention is that it becomes a self-sustaining not for profit trading entity that can create a range of public-commercial partnerships to improve health and wellbeing in Staffordshire
5. Staffordshire Warm Homes Fund is one of several emerging wellbeing projects that MOW is developing. MOW supported the Staffordshire Warm Homes Fund bid by offering the potential for a new commercial-public partnership that can access resources not accessible to the public sector through its normal procurement processes.
6. As a commercial entity, MOW is not subject to public sector procurement legislation and can therefore respond quickly to tight bid deadlines. This will facilitate additional bids to bring further funds into Staffordshire.

## **Section 2 – Formation of Staffordshire Warm Homes LLP**

### **Overview**

7. The partnership will be a limited liability partnership between SCC and Ministry of Wellbeing Community Interest Company (MOW) with joint decision making save for those matters that require a Section 151 officer sign off, in accordance with meeting the conditions of the Affordable Warmth Solutions (AWS) recipient agreement, which will be the exclusive decision of SCC.
8. The liability of the LLP will be nominal so there is no financial risk to SCC or MOW through the incorporation and limited liability within the LLP Act 2000.

9. The LLP will be governed by statute and through the Members Agreement and the duties of both partners clearly laid out and neither party can act without the agreement of the other.
10. As the LLP is a separate legal entity it is not governed by the procurement regulations that SCC are subject to.
11. As co-funder, E.ON will require assurances from SCC on its delivery of s151 responsibilities through the LLP.

## **Rationale**

12. An LLP is the best type of legal entity to undertake the work as there is limited liability for both partners.
13. In addition, an LLP does not have a separate tax liability unlike a limited company but has the advantages similar to a limited company detailed above. However, Staffordshire County Council will bring its own tax consequences as a partner of the LLP.
14. An LLP provides SCC with a scalable operational model for fund management. Because it is an independent legal entity it can, with its partner, MOW, bid for funds above the concession threshold of £4.5 million to fund activities specific to Staffordshire that support wellbeing of residents.
15. It is also replicable as a model that MOW can use to support other programmes and public-sector organisations seeking commercial partners and funds. It will also be attractive to commercial sector as a route to improving their social contribution which is an important board governance agenda. For SCC it positions the Council and its District partners as innovators for 21<sup>st</sup> century local government.

## **Tax implications**

16. The LLP will not be registered for VAT.
17. Whilst the different arrangements have different VAT positions the net result is there is no disadvantage to the project through choosing option A, B or C.
18. The award by AWS accommodates the cost of unrecoverable VAT at £230,040. If the VAT was recoverable through Option A, B or C this value would not be included in the award.

19. Irrecoverable VAT build into the WHF budget is sufficient to cover up to 10% of schemes if delivered via through RSLs and private landlords properties. If we exceed more than 10% through these channels we will need to recover the WHF VAT through the private landlords and/or RSL's.
20. Where customers receiving First Time Central heating (FTCH) on some standard specification requests extras, they will be invoiced separately to cover these costs. The extras will incur VAT and need to be met by the customer. This will be explicit in relevant discussions and correspondence.
21. E.ON have confirmed advance of £225,000 (circa 12%) from their co-funding for cashflow purposes profiled across two years. This will be paid into the LLP bank account.
22. Subsequently E.ON invoices will be for the net amount of average cost measures less E.ON's contribution but will separately identify the gross line elements for transparency. These invoices will include draw down of the advance in accordance with an agreed schedule around that between the LLP and E.ON. The invoices from E.ON will include VAT. This element of VAT is irrecoverable by the LLP but is included in the AWS funds.
23. AWS will pay the LLP on a quarterly basis in arrears. This is their standard practice based on similar contracts. E.ON will not be paid until AWS pay funds to the LLP account.
24. It is unlikely that the LLP will make a profit as funds reflect measures completed. If there is a small net surplus, under an LLP it will revert to its corporate members and managed under their respective tax positions.
25. MOW is a trading partner itself and will be VAT registered

### Set up and running costs

26. The estimated cost of set up and management of the LLP across 2 years is provided in Table 1.

### 27. Table 1 – Estimated LLP Set up and running costs

	Year 1 £	Year 2 £	Comments
Formation of LLP & Registration on Companies House	50	0	
SCC Finance support	5,000	5,000	SCC in kind support
Internal Audit	600	600	SCC in kind support
Company Accounts & HMRC Returns	200	200	
Bank Fees	100	100	
Insurance	300	300	
Legal Costs	7,000	1,000	SCC Legal team plus external MOW costs
Accommodation/Utilities	3,220	3,220	SCC In kind support
Equipment	3,200	3,200	SCC In kind support
Sundry cost	200	200	Travel, incidentals etc
<b>Total</b>	<b>19,870</b>	<b>13820</b>	

28. Some of these costs would be incurred by SCC and either offset by income from the LLP for SCC staff time or be provided in-kind in support of the Staffordshire Warm Homes Fund.

### Risks and mitigations

29. This is a new operating model and partnership. While E.ON have a strong track record in delivering warm home measures there are a small number of risk to be managed . These are listed in Table 2 below

30. Receipt of both the Category 3 £156,000 and Administration budget £167,534 by the LLP is subject to delivering the targets. Failure to achieve this means the money is not forthcoming from AWS. In this case all liabilities will be passed to the partners and will not be retained by the LLP.

### 31. Table 2 – LLP and programme risks to be managed

No	Risk	Mitigation
1	MOW is a new entity	SCC will support development through in-kind support where required. Seed funding with working capital already approved
2	LLP is a new entity with systems and processes to be established	Experienced and dedicated programme manager to establish good governance and processes SCC LLP representative brings procurement expert oversight will be available SCC finance and internal audit in-kind support SCC voting and financial controls within LLP provide additional assurances
3	Failure to reach target activities and loss of AWS funding	Wide reaching county support to identify and refer eligible households E.ON experienced delivery team and local BTC expertise and capacity actively leading operational delivery
4	Reputational risk to SCC and District partners from disgruntled non-eligible households	The aim of the WHF and eligibility criteria clearly advertised through local partners and media channels The impact of the WHF on vulnerable individual and households evaluated and shared Where not eligible E.ON will offer other energy support where possible
5	Demand exceeds available funds	Further WHFs requested from AWS with further co-funding from E.ON

### Members Agreement

32. The Members Agreement will state 50:50 partnership between SCC and MOW. It will include clauses setting out under what conditions SCC have veto to meets its s151 obligations.

33. The Members Agreement will also define the role of each member organisation and its representatives who will be from the two partner organisations. At this stage it is proposed to appoint on behalf of:

- a. SCC - Ian Turner, Head of Commercial and Property
- b. MOW – Karen Bryson, CEO

## **Section 3 – Contractual arrangements**

### **Affordable Warmth Solutions and Staffordshire County Council**

34. The principle source of funding for the project comes from Affordable Warmth Solutions (AWS) which is a Community Interest Company Established in 2008 by National Grid (Cadent) to tackle fuel poverty. The remainder of the funding is from the delivery partner E.ON.
35. The funding from AWS is secured through a recipient agreement. The Council entered in to the agreement on 17<sup>th</sup> December. This was on a no commitment basis until measures physically start to be delivered. The Agreement does not become live and operational unless or until the funding requests are made under the Agreement.
36. The contractual arrangement outlined below, and the administrative arrangements described in section 4 are intended to provide assurance to SCC that the obligations within the recipient agreement can be met.

### **SCC and LLP**

37. Although SCC is a partner in the LLP there needs to be a contract for an audit trail between SCC and the LLP. Whilst SCC is a member of the LLP in the capacity as an LLP member SCC also has other (fiduciary) obligations to the LLP. However, as a local authority accountable for these funds SCC needs a contractual remedy in case of any default by the LLP. The Members Agreement will position the LLP with powers for finance and contractual responsibility for E.ON

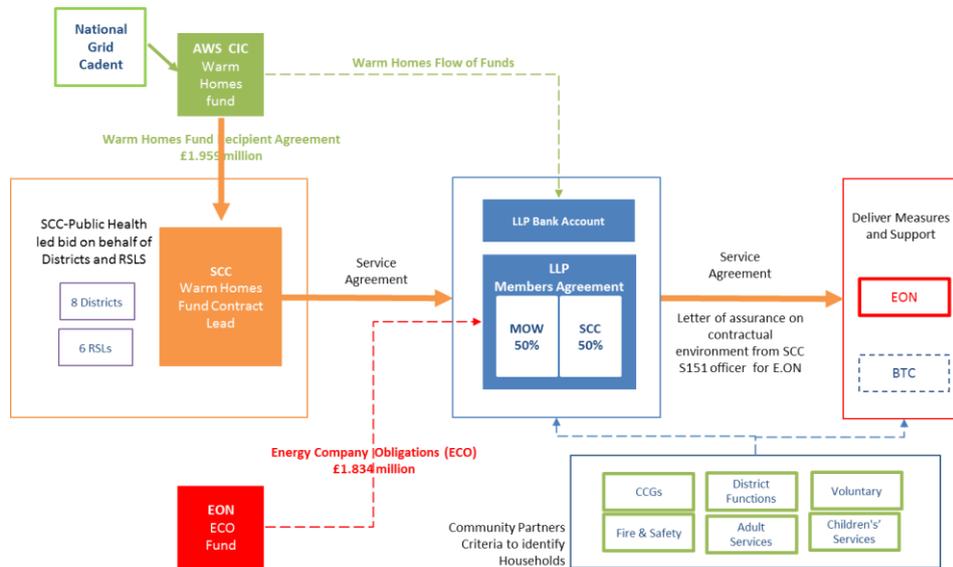
### **Staffordshire Warm Homes LLP and E.ON**

38. This contract will take the form of a usual Services Agreement between LLP and E.ON. However, some of the most critical elements in terms of contractual provisions to be included in this contract are:
  - a. Ensuring that the correct measures are identified to ensure maximum fuel poverty reduction and compliance with the funding requirements;
  - b. A delivery contract with E.ON to deliver the measures and provide their ECO funding;
  - c. A clear line of accountability and liability to E.ON to include liability for services regards identifying measures and service users, liability for performance of the measures and respective indemnities;
  - d. Due to the stringent reporting requirements and ability for AWS to withhold funding if certain conditions are met, contractual protection for the LLP from E.ON such that sums are not payable to E.ON from the LLP unless or until the funds are received by the LLP from AWS.
39. The above process for identification of measures is outlined in Section 3 specifically with the selection process and eligibility. The detailed process for

directing likely eligible customers towards a full assessment for eligibility is under development with county partners.

40. This also sets out the approval process which includes a pre-qualification step with AWS for its Warm Homes Fund targets to ensure that measures meet payment criteria before work is undertaken through the services agreement with E.ON
41. The services agreement between the LLP and E.ON will be established by negotiation with E.ON as co-funder and joint bidder.
42. The principle elements of the contract will ensure
  - a. All liability for workmanship, materials and the like are borne by E.ON
  - b. All liability for other losses and damage is borne by E.ON
  - c. No delivery work to implement measures is commenced until pre-qualification with AWS has taken place
  - d. Contract terms ensure that payments are not due until after funding submissions have been made to AWS and the monies has been received by the LLP.
  - e. There will be no contractual liability for the LLP to pay for any work or associated costs that are not covered by, and fully compliant, with the Recipient Agreement.
  - f. Also, the typical public sector contractual obligations around FOI, Fraud, GDPR, Slavery, Bribery etc will be included
43. The Services Agreement will be drawn up by Staffordshire Legal Services and not entered in to by the LLP until approved by the Director of Corporate Services
44. A short form contract with the LLP will be in place with the role, function and contractual requirements between SCC and the LLP clearly defined which will simply mirror and append the Recipient Agreement. It is a key principle of this Agreement that the LLP will be liable for the delivery and Staffordshire County Council's compliance with the Recipient Agreement. Whilst AWS are content for Staffordshire County Council to subcontract its obligations to a third party the contractual relationship and liability between SCC and AWS cannot be novated or assigned.
45. Conditions of a successful bid was compliance with a schedule of measures completed on time. A key focus of programme management function will be to work closely with county partners and E.ON to ensure performance against targets. The opportunity for further funds lies with achieving these targets. However, failure to achieve levels of activity runs the risk of loss of remaining allocated funds.
46. Diagram 1 below sets out the contractual relationship and accountabilities for the fund. AWS have confirmed that while their Recipient Agreement is with SCC, SCC can sub-contract and redirect funds into a named bank account by the Council, in this case the LLP Bank Account
47. E.ON's contribution will be managed through a contract with the LLP

## 48. Diagram 1 - Contractual relationships



## Section 4 – Administrative arrangements

### Staffordshire Warm Homes Fund Overview

49. The Warm Homes Fund of £3.795 million comprises two funds (Table 3):

1. Affordable Warmth Solutions (AWS) - £2,358,255 million. This comprises £2,190,721 for Category 1; £167,534 for Category 3. Within this there is £230,040 irrecoverable VAT and £167,740 programme management costs.
2. E.ON Energy Company Obligations (ECO) - £1.834 million. This includes £500,000 for Warm Homes Discount (WHD). VAT is not included in the E.ON co-funds and will be covered by E.ON

47. **Table 3 – Staffordshire Warm Homes Fund**

Warm Homes Fund ...	... made up of						
	Cat 1 Urban	Cat 3 Health	WHD Industry Initiative	Total (Gross)	Warm Homes Measures	Irrecoverable VAT	Management budget
	£	£	£	£	£	£	£
Affordable Warmth Solutions	2,190,721	167,534	0	2,358,255	1,960,475	230,040	167,740
EON	1,202,599	132,000	500,000	1,834,599	1,834,599		
<b>Total (Gross)</b>	<b>3,393,320</b>	<b>299,534</b>	<b>500,000</b>	<b>4,192,854</b>	<b>3,795,074</b>		

Ring fenced for home heating measures and advice

## Administrative resources

48. There are three sources of funding available to support administration of the Fund (Table 4)

- a. Category 3 – within this fund, £156,000 is specifically allocated for direct customer support and advice through Beat The Cold (BTC) and MOW/SCC/Public Health
- b. WHF Administration - £167,740 allocated to both Category 1 and Category 3 programme delivery
- c. In-kind support by SCC and E.ON £153,812

### 49. Table 4 – administrative resources

Summary of WHF Delivery Costs		£
1	Cat 3 direct client support and advice - 2 WTE	156,000
2	Programme Administration Fund	167,740
3	In kind support	153,812
<b>Total</b>		<b>477,552</b>

50. The administrative functions that require resourcing are:

- Marketing the Fund
- Finding and assuring eligible households
- Management of the Recipient Agreement
- Management of the Fund

51. Table 5 sets out these how administrative resources will be allocated across these functions and lead organisations

### 52. Table 5 – allocation of administrative resources

Funding Category		LLP Partners		LLP	BTC	EON	TOTAL	Commentary
		MOW	SCC					
1 <b>Category 3 AWS Funds</b> Staff support	WHF Client Support ***		53,744	53,744	78,000		131,744	MOW budget proposed contribution to public health 0.5WTE ; BTC 1 WTE
	WHF Programme Lead - Client Support ***	24,256		24,256			24,256	MOW budget for Programme Manager client facing time
	<b>Total Client Support</b>	<b>24,256</b>	<b>53,744</b>	<b>78,000</b>	<b>78,000</b>		<b>156,000</b>	
2 <b>WHF Administration</b> To market the fund, find eligible homes manage the contract and funds	MOW Programme Lead	29,140		29,140			29,140	MOW Admin and Project Management
	Marketing the Fund			65,000			65,000	LLP and EON marketing
	Assessing for eligibility Legal			7,000		66,600	66,600	EON dedicated CRM line Will cover contribution to SCC and external legal teams
Total Project Management	29,140		101,140		66,600	167,740		
<b>Total WHF Staff and Admin Costs</b>				<b>179,140</b>	<b>78,000</b>	<b>66,600</b>	<b>323,740</b>	
3 <b>Inkind contribution</b> Set up and specialist support	SCC Programme Lead		31,886				31,886	Ian Turner , Head of Commercial and Property, 48 days based on 2 days/month
	MOW Programme Lead		31,886				31,886	Karen Bryson, ADPH/CEO Ministry of Wellbeing - 48 days based on 2 days/month
	SCC Finance, Audit and Legal		12,200				12,200	S151 Officer sign off, internal audit
	Accommodation and Equipment		12,840				12,840	SCC Accommodation and IT
	EON Marketing Other County partners					65,000	65,000	CCG, NHS, Fire&Safety, Police, Childrens, British Legion,
<b>Total In-kind support</b>		<b>88,812</b>		<b>-</b>	<b>0</b>	<b>65,000</b>	<b>153,812</b>	
<b>Warm Homes Fund Staff and Administration includes in kind</b>				<b>179,140</b>	<b>78,000</b>	<b>131,600</b>	<b>477,552</b>	

53. Category 3 funds cover 2 FTE posts across the 2-year period to provide client facing support to help identify eligible households and support those who subsequently enter into the WHF scheme. Support will include:
- On the ground co-ordination of the household identification with local partners
  - Liaison between the client and Cadent and E.ON on the ground delivery teams
  - Advice on best tariffs particularly where E.ON is not the energy supplier or a client with a new connection who chooses another energy provider
  - MOW-funded Public Health team member to work along-side Beat the Cold (BTC) to support clients through the warm homes programme, on issues such as eligibility, best tariffs or advice on home low level installations
54. WHF Administration will cover:
- Project management through an experienced MOW procurement manager
  - Management of the contract with E.ON
  - System and process development, management and assurance - specifically eligibility approvals, validation, purchasing and invoicing, performance management and reporting
  - Marketing and promotion of the WHF
55. In-kind support was a criteria of bid submission. This will cover :
- SCC - LLP Director level representation and management
  - MOW – LLP Director level representation and management
  - Financial and assurance support, including S151 overview and approvals, internal audit and technical accounting support as needed
  - Legal support on all contracts with AWS, LLP and E.ON
  - On the ground support from CCG commissioners, Frailty Hubs, Children’s Social Care, Police and Fire and Safety front line staff, British Legion, voluntary sector as well as bran partners
  - E.ON marketing support including On the Road van and marketing collateral
56. Funding will be provided from the LLP to MOW, BTC, E.ON and SCC in the form of contributions towards costs of services. The LLP will administer and keep records of all costs associated with the WHF management

## Project management and delivery

57. **Project and contract management lead** to manage, monitor and report is costed at £53,396 (excludes VAT) (Table 6). This role will also support Category 3 delivery team and contract with BTC. MOW will be given a contribution from LLP towards costs. As MOW will be VAT registered it will reclaim VAT There will also be input from SCC finance to check pre-qualification, funding requests and invoice payments compliance on an in-kind basis.

## 58. Table 6 - Project and contract management costs

	Budget	Per Year	Per Week	No of Days
	£	£	£	#
Programme Management	53,396	26,698	513	104
VAT	10,679	5,340	103	
<b>Total</b>	<b>64,075</b>	<b>32,037</b>	<b>616</b>	104

59. **Legal advice** for development of the LLP, service agreements between AWS, SCC, LLP (or detailed in the Members Agreement) and E.ON. We will contribute to SCC Legal team up to £7,000. If further funds are required a separate discussion for in-kind support with SCC will be requested. Separate legal advice and set up costs will be required for MOW, to enhance the existing limited working capital tagged from public health funds

## **Marketing and promotion**

60. Fuel poor residents span all tenures and house types. Our primary focus is to increase comfort and lower bills for individuals. Local privately-owned households are the primary target in this round of funding.

61. Experience in previous fuel poverty related schemes suggest that engaging and enabling signup can be a challenging process. There are several reasons why an individual may refuse first time central heating despite being eligible for a fully funded measure.

62. We have identified 52 Lower Super out-put Areas using deprivation indexes and other indicators that signal health risk amongst residents. AWS and E.ON mapping tools has also been used to identify electrically/alternative source heated properties.

63. Finding eligible homes and individuals is critical for success. We have started early discussions with E.ON to map the range of partners and options available to promote the scheme and encourage people to enquire about eligibility, refer a family member, friend or neighbour - or for front line staff to consider who may be eligible as they go about their daily work, seek consent to refer or encourage the person to make direct contact with the E.ON call centre to enquire about eligibility .

64. The specific marketing channels proposed includes:

- E.ON On the Road Vans – highly visible within target communities, starting with the councils already identified 52 LOSAs and mapping tool to identify non-gas supplied properties
- Direct mailing in eligible properties
- Social media channels including for example Facebook, Instagram
- Promotional campaigns with county brand partners – such as local football clubs, supermarkets and public-sector organisations
- Beat the Cold Charity Support - through existing local council networks and community knowledge to promote revised and extended eligibility
  - CCG, Police and Fire & Safety referrals – through Community Hubs, NHS and Social Care partners, Districts, local community safety networks, BI teams, data and insights
  - Promotion to Registered Social Landlords (RSLs) who are eligible
  - Ministry of Wellbeing Promotion - through commercial and public-sector partners

43. Design will also define and streamline the process for self-assessment and referral, front line roles and mechanisms; data protection, data sharing, data processing and consent arrangements in line with GDPR requirements

**Process and triggers to manage financial flows between AWS, LLP and E.ON**

65. SWH LLP will manage the flow of funds as described below

66. Access to AWS funds will be through submission of quarterly invoices in arrears for measures completed. Contract terms with E.ON will mean that payments are not due until funding has been claimed and received and liability for payments will be linked to measures being pre-approved and funding having been received.

**Working Principles**

67. The following principles are embedded in the back off contracts between AWS-SCC and LLP-E.ON

- E.ON will deliver all measures and invoice the LLP on completion.
- Payment for cost for measures completed will be split between AWS and E.ON funds
- AWS will pay an average gross cost of measures
- Full reconciliation at end of the funding period
- E.ON will pay the full Gross cost of measures, to be reflected in a standard specification included in the Service Level Agreement between the LLP and E.ON
- Cashflow risk will be facilitated through invoice payment periods – with sufficient time for payment between an invoice from E.ON and release of funds by AWS into the SWH LLP bank account. Payment to E.ON will only be made on receipt of funds from AWS into the SPV bank account to meet these costs.

68. In addition

- To manage cashflow risk to the SWH LLP, E.ON will deposit one eighth of the total value £225,000 (split across 2 years) in LLP bank account.
- This will support management of a £50,000 retention imposed by AWS to manage their funding risk.
- This will also manage cashflow associated with AWS programme management budget of £167,000 to be paid in arrears based on average measures.

**69. Table 7 - Funding flow and mechanisms**

Direction	Source	Period	Payment	Type	Comments
IN	<b>AWS</b>	Quarterly on invoice by SPV	50% of measures completed at average Gross value of all	Arrears	Average gross cost - reconciliation and review at

			planned measures		regular intervals and at project end
IN	<b>AWS</b>	Quarterly on invoice by SPV	1/8 <sup>th</sup> Management costs £20,875	Advance (tbc)	For administration and marketing
IN	<b>E.ON</b>	One off upfront element of co-funding on invoice from SPV at point of first purchase order to E.ON	Agreed upfront sum of 1/8th of E.ON ECO funds £225,000 due from E.ON split over 2 years for cash flow and £50k retention	Advance	Payment period will be agreed with E.ON to help manage cash flow
OUT	<b>SPV</b>	Quarterly payment on invoice by E.ON (invoice will be net of E.ON match funding – but separately identified on invoice). Invoice is based on average cost of measures for AWS	Average Gross value of 50% measures from AWS; Gross value 50% from E.ON	Arrears	Payment period will accommodate flow of funds

### Eligible household selection process and evaluation criteria

70. Fuel poor residents span all tenures and house types. Our primary focus is to increase comfort and lower bills for individuals. Local privately-owned households are the primary target in this round of funding. We will promote eligibility through targeted and regular Press Releases

71. There are strict criteria for access to both the Warm Homes and Energy Company Obligations (ECO) funds. These are set out in the Table 8 below along with Local Authority flexible eligibility which we anticipate 25% of properties will be eligible.

72. These also align with Private Rented Sector Minimum Energy Efficiency Standards which requires private landlords to meet certain energy efficiency requirements for their tenants.

## 73. Table 8 - Warm Homes Fund and Local Authority Flexible Eligibility Criteria

### Affordable Warmth

A. Receive one of the following benefits
Pension Credit Guarantee Credit Element
Income-related employment and support allowance (ESA)
Income-based jobseeker's allowance (JSA)
Income support
Working and Child Tax Credits
Universal Credit

OR B. Receive Child Benefit				
On the condition that the claimants annual income from all sources does not exceed the amount set out in the table below				
Type of claim	Number of qualifying children for which the person is responsible:			
	1	2	3	4 or more
Single claimant	£18,500	£23,000	£27,500	£32,000
Member of a couple	£25,500	£30,000	£34,500	£39,000

OR C. Receive one of the newly introduced benefits	
Armed forces independence payment	
Attendance allowance	
Carer's allowance	
Disability living allowance	
Severe disablement allowance	
War pensions mobility supplement	
Industrial injuries disablement benefit	
Personal independence payment	
Constant attendance allowance	

### Flexible Eligibility

#### 2. Eligibility Criteria

To be eligible under flexible eligibility, a household must have:

- A low income as determined by table 1 below, and high costs, as determined by the need for a measure to be installed as detailed in point 2.2

OR

- A health condition, as noted at point 2.3 and low income as determined by table 1, and the need for a measure to be installed, as detailed in point 2.2

OR

- Be living within 100m of a gas connection, requiring the first time installation of a gas central heating system, with a household income of £39,000 or less, and household savings are £8000 or more (single person household) or £12,000 or more (multiple person household)

### Social E, F & G

Measures can be delivered into any property with an EPC Rating of E, F or G.

\*Alignment with Private Rented Sector Minimum Energy Efficiency Standards (separate requirement on private landlords to meet certain energy efficiency requirements)

Therefore EPC F & G rated properties only eligible for "high cost measures" e.g. SWI & renewables measures

EPC E & above – any ECO measures including FTCH

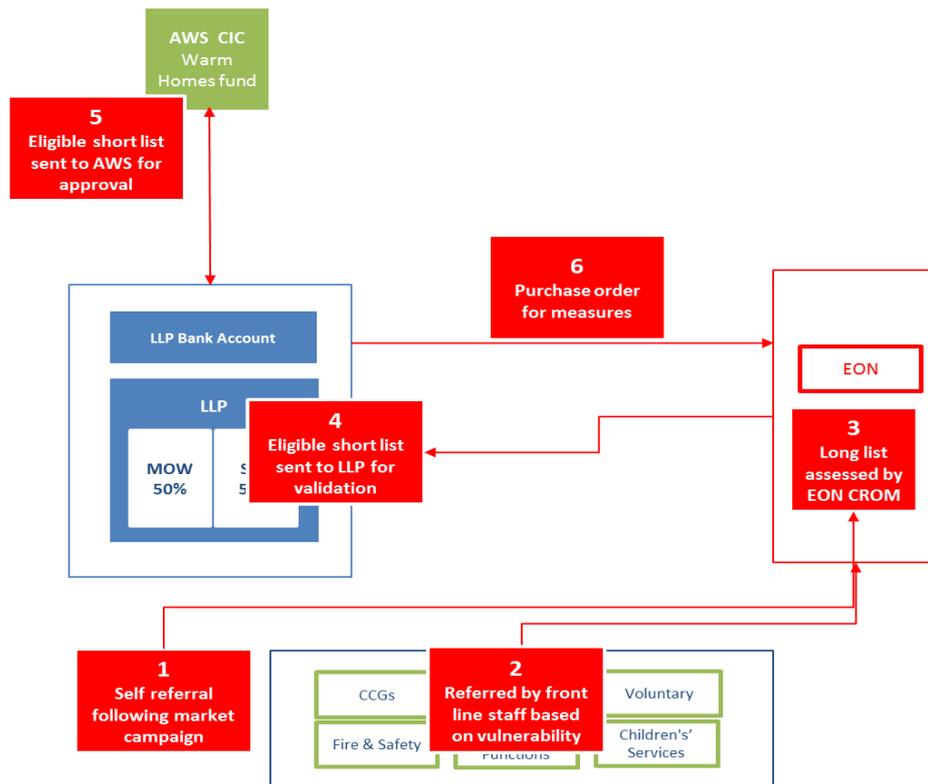
Broken heating systems not allowed

74. It is important to note that

- EPC F & G rated properties only are eligible for "high cost measures" such as Solid Wall Insulation (SWI) & renewables measures
- EPC E & above – any ECO measures including First Time Central Heating (FTCH)
- Repairing broken heating systems is not allowed
- Once the landlord has improved the property up to minimum standards, the remaining measures in the programme can be funded. For example, loft insulation paid for by the landlord might bring the EPC rating sufficiently high enough to then allow us to fund the first-time central heating measures

75. The sequencing of steps from initial interest to approvals for measures is provided in the Approvals Sequencing Diagram 2.

## 76. Diagram 2 – Approvals sequencing



## Approvals Process and management of finances

77. There will be 8 quarterly invoice and payment transactions for 1,000 measures across between January 2019 and December 2022. On average this is 125 measures per invoice per quarter.

78. Value for money in the project is established through the bidding process. The mix of measures, numbers and bid value was attractive to AWS as it delivered an average funding value of £2,227 per boiler installation. This met AWS criteria and secured the largest apportionment of funds available in the bidding round to SCC

79. SWH LLP will develop a transparent validation and processing system within the WHF LLP using a simple database to manage, track, validate and reconcile proposed measures, eligibility, approvals, invoicing and payment.

80. The designed process for validating invoices and management of budgets will meet the reporting and assurance requirements by AWS and SCC.

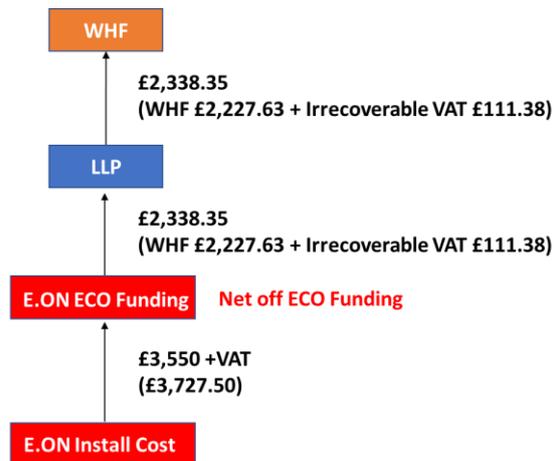
81. Within the LLP:

- MOW will provide management capacity to build and manage a bespoke client, activity, pre-approvals, contract management process including reconciliation of invoices to purchase order
- Identified measures will be collated into a proposed programme of activity by MOW resources.

- The proposed programme of work will be agreed between LLP and E.ON.
- The proposed programme will be notified to SCC finance prior to submission and if required as part of recipient agreement signed off by S.151 Officer
- The programme will be submitted to AWS for pre-approval.
- SCC finance will be notified of successful pre-approval
- The approved measures will then be ordered under the contract with E.ON via a purchase order process. The PO will be raised by the MOW project management team and approved by the SCC director in the LLP.
- The works can then be undertaken by E.ON. The MOW project management team will monitor delivery reports from E.ON and report against progress quarterly to the LLP.
- On completion of Measures E.ON will invoice the LLP for the amount net of E.ON co-funding
- MOW project management team will prepare a request for funding from AWS on the completed measures. This will be reviewed and approved by the LLP directors.
- The funding request will then be passed to SCC finance sign off by S.151 Officer ahead of submitting to AWS in accordance with the recipient agreement
- On receipt of funds from AWS the E.ON invoice will be paid by agreement of both LLP directors.
- Payments will be made by internet banking with access only from SCC LLP director (or authorised substitute)
- Accounts will be spreadsheet recorded. All electronic records will be held in SCC shared filing and paper records of purchase orders and invoices will be held for 6 years post project completion, or in accordance with SCC records retention policy if not stipulated by AWS
- LLP will report activity, finances and programme performance quarterly and 6 monthly to SCC cabinet members.
- SCC will be paid an average funding rate of £2,227 per measure. Any over funding will be reconciled at the end of the programme.

82. The example below illustrates the preferred option for flow of funds between AWS and E.ON via the LLP for measures completed and approved.

### 83. Diagram 3 – Example to demonstrate flow on funds in and out of LLP



\*VAT assumed at 5% in this scenario given it's a private owner occupier receiving grant funding for a qualifying measure

### Data management requirements

84. Management of the Warm Homes Fund will require use of personal data to allow referral to E.ON Customer Services for eligibility assessment and any subsequent measures delivered by E.ON and/or AWS.
85. The LLP will also require client data to track and manage all approvals, invoicing and assurance processes associated with the programme.
86. The LLP also proposes to work with BRE and Keele University to assess the impact of warm homes on use of NHS and social care service, personal wellbeing including financial and emotional benefits
87. Data will be anonymised where possible in line with GDPR. The LLP will consult with SCC IGU on GDPR compliance within contracts
88. Therefore, programme governance and contract with E.ON will set out data protection responsibilities and liabilities in line with GDPR and SCC data sharing and processing requirements, ensuring that
  - a. Client consent to be approached by E.ON is given and recorded
  - b. The client is aware of and gives consent for E.ON to hold their data for the purposes of delivering the WHF measures
  - c. The client is aware of and gives consent for LLP to hold and use their data for evaluation and research