Contents

Ministerial Foreword
Introduction
Highlights & Headlines
The Year In Review
Our Customers
The Year In Numbers

For more information visit: warmworks.co.uk
Ministerial Foreword

The Scottish Government is committed to the eradication of fuel poverty in Scotland, recognising that no one who lives in such an energy-rich nation should struggle to pay their fuel bills. Since 2008, we have installed over 1 million energy saving measures in homes across Scotland that are already helping to reduce fuel bills and we intend to build on that success for the foreseeable future.

A key part of the mix is Warmer Homes Scotland; our flagship scheme which offers dedicated, hand-holding support to the most vulnerable in our society who are often most at risk of fuel poverty.

It’s been just over a year since the contract for the delivery of Warmer Homes Scotland was awarded to Warmworks Scotland and only 10 months since the first customers came through the doors. In that time, Warmworks have helped more than 1300 households and established a platform to help many thousands more in the coming years. These customers have saved an average of £350 on their fuel bills and now live in warmer, more comfortable, healthier homes.

The benefits of Warmer Homes Scotland have also been felt in the wider community with 34 Scottish businesses, sourced from Shetland to Selkirk and Stonehaven to Stornoway, working on the scheme and Warmworks and their supply chain paying their staff a Scottish Living Wage.

I am greatly encouraged by the successes Warmworks have achieved in such a short period of time and am keen to see that success grow. I welcome this first annual report and challenge Warmworks to continue to build a positive momentum, to retain their commitment to a first class service for every customer, and to work with the Scottish Government to tackle the challenges ahead.

About Warmworks

Warmworks Scotland is a joint venture partnership between the Energy Saving Trust, Everwarm and Changeworks, formed in 2015 to deliver the Scottish Government’s Warmer Homes Scotland programme, which is a national scheme designed to provide energy efficiency improvements to households that are in or at risk of fuel poverty. The contract runs for a minimum of five years. Each of the three joint venture partners has an equal stake in the business, of one third each, and each sits, together with the Warmworks Contract Director, on the Warmworks Board to ensure that the organisation fulfils its responsibilities to the Scottish Government and to the vulnerable customers that it serves.
Introduction

It seems like hardly any time at all since we began our discussions around forming a joint venture that would go on and bid to deliver the Warmer Homes Scotland scheme. Each of our organisations felt that we would be stronger together as a combined offering; bringing together our shared knowledge and experience of dealing with householders across Scotland to form Warmworks.

We were all delighted to be notified by the Scottish Government that we had been successful in our bid; although we were immediately focused on the need to establish and mobilise the new business, complete a successful transition from the previous Managing Agent and begin our delivery of the contract as we meant to continue it; with a clear and unrelenting focus on providing a first class customer experience.

More than twelve months down the line from our initial dialogue, we are pleased with the progress that has been made. We delivered a very successful mobilisation process and were ready to handle the applications to Warmer Homes Scotland that started coming in on 1st September. In the period from September to the end of March, we helped almost 1,500 households to save an average of more than £350 per year off their energy bills. We installed more than 4,000 energy efficiency improvements in homes across Scotland and answered many thousands more enquiries and calls from people who are now living in warm, dry homes as a result of the help that Warmer Homes Scotland has provided.

We held events across Scotland to generate interest in the scheme from more than 200 locally based SME companies, many of whom went on to participate in a full tender exercise to become a registered part of the Warmworks supply chain. Some 34 contractors successfully made it through that exercise, before completing a detailed and comprehensive onboarding process to become part of our registered contractor network. Every one of those companies is now working in their local communities, fitting energy efficiency improvements and giving advice to customers; whilst building closer ties with Warmworks to incorporate customer feedback.

The impact that we make in those local communities is a critical part of our approach. We are an accredited Living Wage employer, and every company in our supply chain has confirmed that they too are paying their people a
Scottish Living Wage. We have already started to ramp up the levels of apprentices employed in the delivery of Warmer Homes Scotland, and have a clear plan in place to increase the level of skills and accreditations that will be gained as a result of the work we do. As we build relationships with our third sector partners across the country in developing our approach, we are excited by the potential that exists to strengthen the ties that we’re already building with local communities.

We are encouraged by what we’ve achieved so far, but we are not complacent and we know there is much more to do if we are to continuously improve the service that we provide and also to work with the Scottish Government in scheme design to increase the scheme’s impact and effectiveness on tackling fuel poverty. We will always maintain an open mind and an open door in seeking to listen to feedback and understand how and where the service we provide can get better; we look forward to working with all of our stakeholders in driving this process.

Whilst we will always have some challenges to negotiate, we should never lose sight of the people and families in the home in this process and we have already seen at first hand the impact that our help can have for customers. Some of the case studies included within this report set out in stark terms how we can affect real change for people and communities with the increased warmth, bill reductions and even lifestyle changes that we make possible.

Our aim now is to continue to create more happy customers and advocates for our service, demonstrating the difference that our interventions can make in transforming the lives of vulnerable households across Scotland.

We are focused on building on our positive start and becoming established as a trusted, effective and long-term force for the better as we strive to continue working alongside the Scottish Government in tackling fuel poverty across Scotland in a meaningful and sustainable way.

Mike Thornton, Director, EST Scotland
Teresa Bray, Chief Executive, Changeworks
Michael McMahon, Managing Director, Everwarm
1,372 households received assistance under Warmer Homes Scotland, each of them saving an average of £331 per year off their energy bills.

The average increase in SAP for households receiving at least one main measure, was 13.8 points.

More than 1,100 inefficient or broken boilers have already been replaced with brand new, energy efficient systems as part of Warmer Homes Scotland.

Of the 34 contractors registered with Warmworks, 7 are located in island areas, providing a local service as part of a national delivery network.

Warmworks is an accredited Living Wage employer, and all 34 contractors also pay their people the Living Wage.

According to EPC data, more than 1,000 of the households referred to Warmer Homes Scotland lived in a Band F or G property before coming to us for help.

More than 2,500 tonnes of CO₂ have been saved as a result of the measures installed this year, which is the equivalent to taking 645 cars off the road.
Completed Warmer Homes
Scotland Installations -
Sept 15 to Mar 16

By point location with Local Authorities underlaid
The year in review: challenges and opportunities

Warmer Homes Scotland is the Scottish Government’s flagship national fuel poverty programme. In designing the new scheme, the Government undertook a widespread and lengthy period of consultation with key stakeholders, industry representatives and other interested parties to determine how central issues, such as eligibility criteria and the range of measures available, should be determined and how the framework that governs delivery should be shaped.

Warmworks’ role is to deliver the programme in line with that framework. In the course of our day to day work, we have come into contact with thousands of householders, each with different enquiries, issues and ideas for how the programme could be changed or improved. In this section of the report, we have identified and explored some of the challenges that have been presented to us as part of our delivery. Some of these areas have already been addressed in partnership with the Scottish Government and other stakeholders, and some will require additional focus and input over the coming weeks and months as part of the scheme’s ongoing evolution.

Gas connections

In the period to the end of March, Warmworks identified 367 off-gas households that were within range of the existing gas grid, and recommended that a new connection to the gas network, together with the installation of a new, efficient gas central heating system and any required insulation measures, represented the most effective way to protect those customers from fuel poverty.

However, the cost of a new gas connection is not covered by Warmer Homes Scotland, which created a potential issue for our vulnerable customer base.

For SGN, who operate much of the gas network in our zones, the volume of households being identified for a new connection was higher than anticipated. That meant there would be difficulties for their existing operational processes and models, which could have resulted in both potential delays and sizeable financial contributions being asked of the customer in order for the work to proceed.

To tackle this potential issue, Warmworks and SGN worked together to ensure that households could get access to the Help to Heat scheme, which offers free or discounted connections to the network for households that are in or at risk of fuel poverty. Warmworks now operates as a registered partner of SGN, the first in Scotland, in processing households seamlessly through the SGN customer journey, meaning that what the customer sees is simply the connection happening efficiently and typically at no cost to them.

The partnership has since been extended to areas covered by other network providers, which means that for the lifetime of the contract, more customers will benefit from new connections to the gas grid and efficient gas heating systems.

Oil tanks and bases

Many customers that are referred to Warmer Homes Scotland have oil central heating systems that need to be repaired or replaced. Following changes to building regulations, it is not now advisable for an oil boiler to be replaced if the accompanying tank and/or base do not meet the updated standards. The scheme regulations allow for oil central heating systems to be replaced but not the oil tank or base, which would be the customer’s responsibility to upgrade to the required standard.

Anticipating the challenges this would represent for customers in off-gas areas who rely primarily on oil, Warmworks has worked with the Scottish Government and OFTEC to adopt a system where in many cases, the customer can be issued with an advisory notice informing them that they need to bring their tank and/or base up to current standards, but the installation of a new boiler can still proceed.

However, there will still be a number of customers whose tank and/or base is so far removed from the required standard that they need to have a new tank and/or base installed before work can go ahead. Warmworks is continuing to work with the Scottish Government to keep this issue under discussion as part of scheme design going forward, to ensure that low income customers who typically cannot meet the cost of upgrading the tank and/or base do not ultimately miss out on a new heating system.

Interaction with HEEPS: ABS

Warmer Homes Scotland operates within the overall HEEPS umbrella, acting as the national fuel poverty scheme but working alongside HEEPS: ABS, which covers a wide range of locally managed programmes.

In island communities across Shetland, Orkney and the Western Isles, Warmworks has launched formal
partnerships with local authorities to ensure that Warmer Homes Scotland is delivered seamlessly in conjunction with the HEEPS: ABS offering. This interaction includes the sharing of survey information, discussion over the allocation of certain works and the co-ordination of awareness-raising activities and provision of customer information.

Clarity of message and accessibility to both Warmer Homes Scotland and HEEPS: ABS initiatives is crucial for the vulnerable customer base that we serve. Going forward, the Scottish Government may wish to consider ways in which the successful interactions established in island communities can be developed or replicated elsewhere in order to drive a more seamless experience for customers in other areas.

Marketing and promotion
The Scottish Government has responsibility for the marketing and promotion of Warmer Homes Scotland. The scheme was successfully launched as part of a national campaign in September 2015, and there have been a number of awareness raising activities since then. However, referral levels across the winter months were not as high as previous years’ activity through equivalent schemes and with Warmer Homes Scotland still a new brand and a new proposition to customers, it will be important for the Scottish Government to thoroughly evaluate the success of its marketing efforts in planning activity and maximising visibility of the scheme in our target demographic group going forward.

Balance of activity in urban and rural areas
Taking on board feedback from the consultation process, the Scottish Government designed Warmer Homes Scotland in a way that ensured it would cover all of Scotland, and to provide the same level of customer service in every region.

Warmworks has made solid progress in establishing a truly national delivery framework, with contractors based in every local authority area and specific installers in each of the more remote and island regions. With fuel poverty typically more prevalent and often more severe in remote, rural areas, it will be important for the Scottish Government to continue to focus on the proportional benefits being delivered to rural communities in comparison to more urban areas. This means that factors such as the nature of the marketing and targeting activity, the range of measures available and the availability of additional support for vulnerable customers will all be significant as the scheme progresses.

Enabling measures
There are some customers that present themselves to Warmer Homes Scotland who would benefit from certain measures, but whose properties require additional enabling works to take place before any installation can take place. These works can include lifting of flooring, clearing of lofts or moving items around the home, all of which are not covered under Warmer Homes Scotland directly.

For the vulnerable customer base that we serve, the difficulties they face in undertaking some of these works themselves mean that their applications have to be cancelled, and they miss out on all of the improvements that could have been installed at their homes.

Working with Scottish and Southern Energy (Power Distribution) (SSEPD), Warmworks has established an enabling fund that can be accessed to generate additional funding for enabling works to be carried out, which would then ensure the main measures could be completed, as part of Warmworks’ standard process. SSEPD has already committed a minimum of £160,000 over the lifetime of the contract, which means that a wide range of customers will be able to benefit from the full range of recommended improvement works and start to see lower bills and warmer home.
Our Customers

Sometimes it’s easy to focus on and discuss the headline numbers behind scheme delivery, but that risks losing sight of the fact that behind every one of those numbers is a customer, a family and a household that needed our help. We’re extremely proud of the difference that our work can make, and over the next few pages we’ve drawn out some of the feedback and the stories that our customers have given.
After several winters of feeling the cold, Mrs K, a householder from Glasgow, spoke to one of her friends locally who talked to her about Warmer Homes Scotland. They mentioned the kind of work that might be available under the scheme in terms of more efficient heating, and so she contacted Home Energy Scotland in January 2016 to see whether she might be able to benefit from the help that was available.

Mrs K suffers from rheumatoid arthritis, which is made much worse by the effects of living in a cold property. She explained to us:

“Basically, I had storage heaters and I was not getting the proper heat, I have rheumatoid arthritis so the cold can make this worse as the heat coming from the radiators wasn’t getting to my hands.”

Home Energy Scotland referred Mrs K on to Warmer Homes Scotland and a surveyor from Warmworks visited her the following week. The surveyor carried out an EPC and discovered that the SAP rating of her property was 21, before explaining that there were a number of recommended improvements that could be installed that would significantly increase the energy efficiency of her home. Mrs K was very pleased with the initial survey visit:

“He [the surveyor] was so good, he explained everything, said don’t be frightened to call as we can go through things with you. He explained what the heating would do, where it could go and explained everything about what is going to happen, and what the next stage entails. He was on time, so that was definitely not a problem, he made me feel at ease too, so it was great to hear that some explained things the way that I could understand.”

“Mrs K from Glasgow said:

“Excellent, excellent, excellent, the work that was given was so good. They lifted carpet which was relaid after, I was surprised how clean the house was afterward, they respected my property, they respected what I had in my property.”

For more information please contact
Tel: 0800 156 8568
Email: enquiries@warmworks.co.uk
Web: www.warmworks.co.uk
The Warmworks surveyor explained that, although Mrs K had always used electric storage heating, there was gas in her area and it would be possible to connect her home to the gas grid, meaning she could benefit from an efficient, new gas boiler. SGN were contacted and carried out the gas connection works at no cost to Mrs K, before the installation of her new boiler then took place.

She was pleased that all of the workmen were on time and were very polite. For safety reasons, they agreed with her that she would spend the day of the installation at her neighbour’s house. They said they would contact her if they had any issues during the day, but she explained that the work was completed efficiently without any problems – they were done within a day. She was really pleased with the service she received:

“Excellent, excellent, excellent, the work that was given was so good. They lifted carpet which was relaid after, I was surprised how clean the house was afterward, they respected my property, they respected what I had in my property.”

Once the work was complete, the Warmworks inspector visited to check the work that had been done, make sure that Mrs K was happy with everything and also answer any questions that she might have around the system or how it worked. She told us:

“The inspector was a very nice gentleman, very helpful. He went over everything and asked if I was happy and had any issues. He also came exactly when he said he would.”

With the works now completed and inspected, Mrs K has seen her SAP rating improve to 58, which represents a significant increase on the pre-installation rating and shows that her home is now much more energy efficient. She will also see her bills start to reduce, as she’s got greater control over the amount of heat she needs to use:

“My son set the thermostat heat, it’s marvellous. It’s an all-round warm, a cosy warm, a cuddly warm, it just feels like the place is cosy. I’m now sleeping longer in the morning as the property is so nice.”

She advises anyone that’s thinking of applying to “carry on and go for it!”

For more information about Warmer Homes Scotland or to make an application, customers can contact Home Energy Scotland free on 0808 808 2282.

Added Value:
The SAP Rating of the property has gone from 21 to 58 - now a band C. Massive improvement in the efficiency of the property

Measures Installed:
- Central Heating System (Electric to Gas)
When Mrs A, a 75-year-old householder from Crieff, saw her boiler break down in the middle of winter, she was concerned about what might happen with the cold weather starting to take hold, and made a call to Home Energy Scotland in early February 2016 to see what help might be available. She explains her situation:

“Well, the boiler that was here was broken and beyond repair, I also had no hot water without the heating being on as well. So someone mentioned there was a scheme where I could get a new boiler and I just went for it.”

She was impressed that the Warmworks surveyor arrived on time and when they said they would, making sure they’d checked all arrangements with her. The surveyor found that her property had a SAP rating of 38, which indicated that there were a number of improvements that needed to be made in order to make the home warmer and more energy efficient.

The first recommendation the surveyor made was to change her broken boiler. The appointed installer was Richard Irvin & Sons, who sent their technical surveyor to explain to Mrs A how the installation would proceed and what would be involved.

“He explained what I would need to move, and it was no problem at all. He told me everything that was going on and explained everything that was going to happen.”

When the installation team arrived from Richard Irvin, Mrs A was really pleased with the way they handled the job, working efficiently and effectively to get everything done in a day. She told us:

“The workmen were coming and going all day, as when one job was finished another workman was there to start something else, despite this there were no problems all day.”

For more information please contact
Tel: 0800 156 8568
Email: enquiries@warmworks.co.uk
Web: www.warmworks.co.uk
able to follow his instructions quite well. They were very polite and clean; I can’t see how the squad that came out could have improved. The carpet fitter arrived, lifted the carpets and came back later to put the carpets back down, all the personnel that arrived did so right on time."

When the work was complete, an inspector came out shortly afterwards and answered any other questions that Mrs A had. Mrs A’s property has now improved to a SAP rating of 66, which is an increase of 42%. When we asked Mrs A what she would say to anyone that was thinking of applying to Warmer Homes Scotland for help, she said:

“I’ll give them your number and tell them to call right now!”

For more information about Warmer Homes Scotland or to make an application, customers can contact Home Energy Scotland free on 0808 808 2282.

Added Value:
The SAP Rating of the property has gone from 38 to 66 - now a band C. Massive improvement in the efficiency of the property

Measures Installed:
- Central Heating System
Mrs J, a 98-year-old householder from Bonnybridge, had wanted to change her old, inefficient boiler for a long time, and when her daughter spoke to Home Energy Scotland in January this year they told her about Warmer Homes Scotland and the help that the scheme can provide.

Mrs J’s daughter indicated that she would like to act as her mother’s primary contact throughout the application process, and this was made clear at every stage. Every representative in the customer journey, from the Warmworks surveyor through to the installer of the measures and the inspector, made sure that she was contacted first and all arrangements were made with her directly.

She was worried about the impact of another winter for her mother, who had lived in her end terrace property in Banknock for many years with an increasingly inefficient heating system. With winter in full flow when the application was made, the Warmworks surveyor visited a week later. Mrs J’s daughter said that:

“The surveyor was very efficient, really good. They were really good with my mother and took her age into account.”

The Warmworks surveyor identified that Mrs J’s property had a SAP rating of 51, meaning that additional energy efficiency improvements were required and available under Warmer Homes Scotland. The main area to be upgraded was the installation of a new, efficient gas fired condensing boiler.

When the installer from TK Murray arrived, they carried out an initial technical survey and agreed where the boiler would go and how many radiators would be fitted. Mrs J’s daughter was impressed with their willingness to be flexible and work with her mother’s requirements:

“Mrs J from Bonnybridge said:
“The surveyor was very efficient, really good. They were really good with my mother and took her age into account.”

For more information please contact
Tel: 0800 156 8568
Email: enquiries@warmworks.co.uk
Web: www.warmworks.co.uk

www.warmworks.co.uk
“The installer stated that they could work around us and accommodate our needs, so they ran pipework under the stairs and floors instead of fitting it to the walls. When the installers arrived, they were very good, particularly with my mother, she is 98 so she does need time. The workmen were prompt and made us aware of where they would be working so they could minimise any disruption.”

Mrs J’s daughter explained that the installers cleared up all of the rubbish and took it all away. She also felt that one of the major differences with the new boiler is how quiet the system is, and you don’t hear any noise from it, unlike the old boiler. She told us:

“This has made a huge difference for her [my mother]. The family have all noticed a difference in how warm the place is. Anyone thinking of having the work carried out should definitely go for it, especially if they get the workers we did.”

Mrs J’s property has now improved to a SAP rating of 61, which is an increase of 20%. The fact that her home is so much more energy efficient will really start to show in the form of lower bills and a greater peace of mind for the next time winter comes around.

For more information about Warmer Homes Scotland or to make an application, customers can contact Home Energy Scotland free on 0808 808 2282.
When Mrs B, a householder from Stewarton in Kilmarnock, got a letter from her energy supplier advising her to get in touch with Home Energy Scotland, she called them straight away, and they referred her on to Warmworks for help under Warmer Homes Scotland.

Mrs B was initially surveyed in November 2015, and was pleased that the surveyor who visited from Warmworks was attentive and respectful, taking time to let her know how long the process would take and checking that she understood the process. The survey indicated that her end terrace property had an initial SAP rating of 54, and further measures were identified that would improve the energy efficiency of her home.

The biggest improvement that was recommended was external wall insulation (EWI). Built in the 1960s, Mrs B’s home was of solid wall construction; meaning it would benefit from the savings that EWI would offer. The installer that Warmworks appointed to do the work was MP Rendering, and they quickly made contact with Mrs B to arrange a technical survey. Mrs B explains:

“The second surveyor [the technical surveyor from MP Rendering] stuck to the agreed time and was very polite. They [MP Rendering] were absolutely wonderful, I was delighted with them.”

Many customers are put off from having EWI installed because of preconceived worries around the amount of mess and disruption, or the amount of cleaning up work they think will be required afterwards.

Mrs B told us that the work itself was completed within three days, and she was pleased with how efficiently the work was done. She was also pleased that there was actually very little mess or disruption to worry about:

“I’ve now turned down the thermostat by a few degrees as the house can actually keep a heat better, before the bedrooms could get very cold, but now it’s nice and warm!”

Customer:  
Mrs B.  
From Kilmarnock

Project: Warmer Homes Scotland  
Measure(s) Installed: External Wall Insulation  
Dates Delivered: November 2015

www.warmworks.co.uk
“Everyone that has come out has been so helpful! No mess left behind, nothing at all. Over the years I have had a lot of workmen round, so I know the mess that can be made so I was amazed how clean they left it. Every day I went out and cleared little bits and bobs away, but I couldn’t really believe it… MP Rendering cleaned up everything, all the rubbish and things like that”.

With the works now completed and inspected, Mrs B is seeing the benefits that the EWI can bring. The SAP rating of her property has increased to 67, making it a band C in terms of the EPC band. She’s also noticed a difference in her heating bills, as she’s been able to reduce how much heating she uses:

“I’ve now turned down the thermostat by a few degrees as the house can actually keep a heat better, before the bedrooms could get very cold, but now it’s nice and warm!”

For more information about Warmer Homes Scotland or to make an application, customers can contact Home Energy Scotland free on 0808 808 2282.

**Added Value:**
The SAP Rating of the property has gone from 54 to 67 - now a band C. Massive improvement in the efficiency of the property

**Measures Installed:**
- External Wall Insulation
“Working as part of the team delivering Warmer Homes Scotland is busy, challenging and rewarding at the same time. No two days are the same because no two customers are the same, everyone’s circumstances are different and that means understanding each individual home and the service we need to provide.”

Ewan McCafferty, Warmworks Surveyor
The year in review: trends and analysis

About our customers: age and location
The graph below shows the households receiving assistance under Warmer Homes Scotland, split by the age of the eligible applicant and the geographic region in which they are based.

About our customers: the qualifying benefits they receive
The graph below shows the breakdown of households receiving assistance under Warmer Homes Scotland, and gives details of the main benefit being claimed by the eligible person to make them qualify for the scheme. As a caveat though, it is important to point out that some householders will receive more than one benefit, and this graph only captures the lead benefit.
Homes: About the properties we’ve helped
The graph below shows the split of the different property types that have been treated under Warmer Homes Scotland, using the property type definitions specified by the Scottish Government.

Homes: number of applications to Warmer Homes Scotland by SAP band
The graph below shows the households receiving assistance under Warmer Homes Scotland, split by the SAP band (as shown on a standard Energy Performance Certificate) of the property prior to any energy efficiency improvements being installed.

Homes: number of properties we’ve helped by tenure
The graph below shows the households receiving assistance under Warmer Homes Scotland, split by the tenure of the household.