



WARMWORKS
Scotland



Warmworks Annual Report 2018/19
Delivering in the present, looking to the future

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About Warmworks

Warmworks Scotland is a joint venture partnership between Energy Saving Trust, Everwarm and Changeworks. It was 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. Warmworks is contracted to deliver Warmer Homes Scotland until the end of August 2022. Each of the three partners has an equal one third stake in Warmworks and each sits, together with the Warmworks Managing Director and an independent Chair, on the Warmworks Board to ensure that the organisation fulfils its responsibilities to the Scottish Government and to the vulnerable customers that it serves.



MINISTERIAL FOREWORD

The partnership between Warmworks and the Scottish Government through Warmer Homes Scotland will continue to transform people's lives and sense of wellbeing, and the principles of fair work and opportunities means that together, we will turn our vision for a fairer Scotland into a reality.

Our National Performance Framework articulates the kind of country we want to create – one that is fairer, reduces inequality, increases wellbeing and where there are opportunities for all. To make good on that ambition, it is important we put an end to fuel poverty. It is simply unacceptable that in an energy rich country like Scotland, people are forced to choose between heating or eating.

That is why we are proud to have passed the Fuel Poverty (Targets, Definition and Strategy) Scotland Act which enshrines in law our commitment to tackle the root causes of fuel poverty and transform homes to be warmer, greener and more energy efficient. This important piece of legislation aligns fuel poverty more closely with income poverty and sets realistic, yet challenging, targets to eradicate fuel poverty while allowing us to target our resources to best effect.

In delivering Warmer Homes Scotland, Warmworks plays a crucial role in helping us to deliver on this commitment and I am pleased that good progress continues to be made both in the number of homes benefitting under Warmer Homes Scotland and in the innovative ways in which the scheme is being delivered.

Thousands more families have been helped to live in warmer, more fuel efficient homes over the past 12 months and as a result, they are seeing the real and tangible benefits of living in more comfortable and affordable homes with lower fuel bills.

And I saw for myself the difference that Warmer Homes Scotland can make to individuals living in our important rural communities when I visited a family in Kirkwall, Orkney last year. The installation of an air source heat pump now means that the family no longer worry about fuel bills, live in a warmer home, and the children can now sleep, play and study in their own bedrooms because they are warm. The work delivered by Warmworks is transformative and this story is just one of nearly 16,000 households we have helped across Scotland.

Warmworks continue to push the boundaries of innovation with the introduction of the Q-Bot underfloor insulation delivery system to the scheme as well as new innovative energy efficient measures such as ground source heat pumps, micro-hydro, micro-wind and micro-CHP to the

scheme. These measures provide important benefits to Warmer Homes Scotland customers who live in remote and rural areas that are not served by the gas grid, giving them a wider choice of heating and insulation solutions for their properties. And in response to the Global Climate Emergency work we will continue to promote and install the new renewable measures available through the scheme.

Warmworks also continues to champion Fair Work and support local businesses, improving its performance against all of its Key Performance Indicators and over-achieving on almost all of its contractual Community Benefits commitments. This high quality performance was recognised through Warmworks' nomination for a 2018 Living Wage Champions Award and winning both the Scottish and National Best Service Award: Medium & Large Organisations at the 2018 GO Awards for excellence in public procurement.

The clear commitment to high standards, person centred service, Fair Work, and care for the people it serves meant the Scottish Government was pleased to extend the contract with Warmworks to enable them to continue to deliver the Warmer Homes Scotland contract for a further 2 years until 2022. This new contract has also seen Warmworks agree to deliver additional community benefit commitments including increasing the number of training and employment opportunities and a commitment to carry out an annual Ethical Supply Chain Audit.

Through this additional investment from the Scottish Government, we want to see Warmworks continue to deliver the highest possible quality of service, to explore innovative and new technological solutions, and to focus on the contribution it can make to tackling the Global Climate Emergency. Looking forward, the partnership between Warmworks and the Scottish Government through Warmer Homes Scotland will continue to transform people's lives and sense of wellbeing, and the principles of fair work and opportunities means that together, we will turn our vision for a fairer Scotland into a reality.

Aileen Campbell MSP
Cabinet Secretary for
Communities and Local Government

INTRODUCTION

Time moves on swiftly, and it's remarkable to reflect on just how quickly the last four years have passed as we've continued our successful delivery of Warmer Homes Scotland throughout the country. There are almost 16,000 vulnerable households across the length and breadth of Scotland, thousands of people and families, that are now able to live more comfortable, safe and healthy lives thanks to the work that the scheme has made possible.

We were delighted this year that the Scottish Government extended Warmworks' contract to deliver Warmer Homes Scotland for a further two years, giving valuable stability and certainty to our team and to the supply chain of Scottish businesses that are integral to the scheme's success. We are keenly aware that this early extension of our contract represents a vote of confidence in our delivery and we will ensure that we avoid any complacency in striving to maintain our high standards of care and support for every referral that we receive.

With thousands of homes improved over the last twelve months, dozens of apprenticeships created and countless re-skilling and training opportunities made possible throughout our supply chain, it's clear that the scheme has continued to sustain a positive impact not just for the customers that have been helped, but for the wider communities that it continues to serve. With over 100 apprenticeships now having been created or sustained as a result of the scheme's work across a supply chain that has restated its commitment to paying a Living Wage across the entire contract over the last year, the Scottish Government has continued to see real and lasting benefits provided to local economies and local people. This is another critical aspect of our approach that – as detailed later in this report – we are committed to building upon and strengthening over the coming years.

It's very encouraging that we've seen another positive year in terms of our contract performance, with all of our key performance indicators (KPIs) finishing the year ahead of target. Just over 98% of applications were completed within the contracted timeframe with the Scottish Government, just under 97% of applications passed an independent quality inspection at the first time of asking and 99% of our customers reported themselves as satisfied or very satisfied with the work carried out. We have set extremely high standards for ourselves in the way that we put the customer at the heart of what we do and these statistics indicate that we have succeeded thus far – our aim now is to continue this approach and remain focused on improving our service wherever we can.

Of course, it's vital that we keep the fundamental challenge of delivery uppermost in our mind, which is that there are still hundreds of thousands of households across Scotland for whom staying warm in their home is a luxury that they cannot afford. Whilst efforts are being made across a range of sectors and organisations, the reality is that there is still a huge amount left to be done if we are to stand a chance of making this the last generation in Scotland to experience fuel poverty.

Certainly, the policy context for the Scottish Government is now well set to keep fuel poverty at the forefront of the agenda. The Fuel Poverty (Targets, Definition and Strategy) Scotland Act, passed in June 2019, commits this and future Governments to ensuring that, as far as reasonably possible, no household in Scotland should live in fuel poverty by 2040. There is also an interim target set that commits to a substantial reduction in the levels of fuel poverty in Scotland by 2030¹.

Whilst those target dates may seem a long way off, the reality is that the scale of the ambition demands that successful initiatives such as Warmer Homes Scotland will have to continue to deliver to those most in need, building on the established platform that has been created and working with local partners and local agencies to identify, support and provide assistance to those most in need. We will look forward to working with the Scottish Government to keep developing the scheme and the range of assistance it can provide to different householders in different parts of Scotland. We have already seen a number of new energy saving measures and technologies implemented over the last twelve months and we will almost certainly see more over the coming months.

We are aware of the contribution that new measures and new technologies will also make to the Scottish Government's wider ambitions as part of Energy Efficient Scotland and the drive to make Scotland zero carbon by 2045. Taking this scheme forward and ensuring it can remain an effective part of the network of solutions that will be required to achieve the Scottish Government's ambitions on climate change, energy provision and fuel poverty will require continued investment on all fronts, alongside widespread awareness raising and continual service enhancements. We are extremely encouraged to have such a solid foundation in place from which to build for the future.

With the policy framework becoming clearer, we will continue to contribute to the debates and discussions that will emerge around how delivery mechanisms can be developed and refined. At the heart of that discussion should always be the householder and how they live in their home; remembering that there are no silver bullets and every person must be treated as an individual if their needs and circumstances are to be successfully met. As you'll see later in this report, their stories are always diverse and challenging

in their own way – away from the numbers and the statistics, our ability to make a lasting, meaningful difference to every one of our customers will rightly be the yardstick by which we are measured.

We remain thankful for the Scottish Government's support and commitment to Warmer Homes Scotland as a key part of its delivery framework. Their consistent drive for the highest quality levels of customer care, their willingness to look at new measures and new technologies that are appropriate for the scheme and their public support for the work that the scheme has made possible; these have been crucial factors in what has been a productive and successful twelve months.

Similarly, we have again been grateful for the high-quality and customer-focused service provided by our network of registered, locally-based sub-contractors over the last year, who are also featured later in this report. Their engagement and willingness to take feedback on board whilst consistently going above and beyond for those customers who needed it most – these are the factors that have driven our collectively high quality and customer satisfaction scores and make the scheme a trusted, safe source of support for those who need our help.

With the extent of the Government's ambitions for fuel poverty now becoming more visible and the size of the issue of fuel poverty remaining as pressing as ever, our challenge is

clear. We need to be focused on maintaining our high standards, focused on providing a service that is fit for the future and able to make a lasting and long-term difference to people's lives and above all focused on providing the best possible experience for the customers that we serve. That is our challenge as the future develops and emerges; we must ensure that we remain resolute in our pursuit to succeed.

David Green OBE, Independent Chair of Warmworks Board
Mike Thornton OBE, Director, Energy Saving Trust Scotland
Teresa Bray, Chief Executive, Changeworks
Michael McMahon, Chief Operating Officer, Sureserve Group plc

¹The Act is available at <http://www.legislation.gov.uk/asp/2019/10/section/1/enacted>. The targets set out in the Act are that, by 2040, as far as reasonably possible, no household in Scotland is in fuel poverty and, in any event—

1. (a) no more than 5% of households in Scotland are in fuel poverty,
2. (b) no more than 1% of households in Scotland are in extreme fuel poverty,
3. (c) the median fuel poverty gap of households in Scotland in fuel poverty is no more than £250 adjusted in accordance with section 5(5) to take account of changes in the value of money.



3,818



households received assistance from Warmworks as part of Warmer Homes Scotland from 1st April 2018 to 31st March 2019. Each of these households saved an average of £313 per year off their energy bills and total cost savings were £1,128,168.

9.7



The average increase in SAP (which stands for Standard Assessment Procedure and is the measurement of how energy efficient a property is, as shown on an Energy Performance Certificate (EPC)) for households receiving at least one main measure was 9.7 points.



Warmworks has retained its status as an accredited Living Wage employer and every one of our 21 local sub-contractors have re-stated their commitment to pay their people the Living Wage.

A+

According to EPC data, more than 677 of the households referred to Warmer Homes Scotland this year lived in a Band F or G property before coming to us for help.

Warmworks carried out surveys and installed and inspected measures in every local authority area in Scotland.

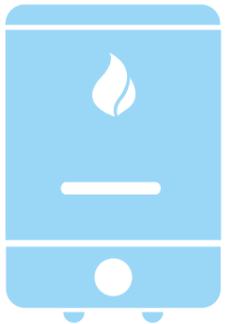


8 sub-contractors registered with Warmworks are located in island areas, providing a local service as part of a national delivery network.



We have now created over 100 **apprenticeships** in the supply chain, which are roles that will provide training opportunities and additional skills.

More than 3,430 inefficient or broken boilers have already been replaced with brand new, energy efficient systems as part of Warmer Homes Scotland.



MORE THAN 6,000 T^{CO2} SAVED!

More than 6,000 T^{CO2} has been saved as a result of the energy efficiency measures installed this year, such as a gas boiler or loft insulation. This is the equivalent to taking 1,285 cars off the road.

Warmer Homes Scotland is a central part of the Scottish Government’s programme of activity aimed at addressing fuel poverty. The scheme spent just over £24m in the last twelve months in helping just under 4,000 households across the country, meaning that it represents a significant investment from public expenditure that needs to be effectively directed towards those who need it most.

With this in mind, the Scottish Government continues to set the agenda in terms of budget availability and finance; as part of that responsibility they also lead on related policy areas such as marketing spend, the eligibility criteria for the scheme and the types of measures that the scheme can offer, engaging and consulting with stakeholders as required.

Warmworks’ remit is to deliver Warmer Homes Scotland in line with the parameters that the Government sets. We continually engage with customers, stakeholders and partners in taking on feedback and comments, seeking input on how the scheme or our approach to delivery might be changed or improved and these regularly feed into our strategic discussions with Government.

Furthermore, the Scottish Government continues to carry out its own internal annual review of Warmer Homes Scotland, the most recent of which can be found on its website. This is in addition to the ongoing independent audit programme run by Pennington Choices, which reports monthly to the Scottish Government against a variety of key performance indicators for the scheme. Warmworks has continued to welcome the scrutiny and oversight of Warmer Homes Scotland as part of ensuring its overall effectiveness against the overarching policy objective, which is to help people to live without the scourge of fuel poverty.

In the section of the report below, we have sought to draw out some of the most common topics and discussion points that have consistently emerged from these processes of review, consultation and stakeholder engagement over the past twelve months. These are:

Quality and consistency across Scotland

It remains a critical priority for the Scottish Government that Warmer Homes Scotland is not only equally available and accessible across all parts of Scotland, but that the service is of the same consistently high quality in all regions. This means working with a locally-based supply chain of registered sub-contractors and holding all of them to the same high standards around customer care, compliance and the quality of installations being provided; all of which has again been managed through a detailed suite of key performance indicators.

The map on page 7 shows that the scheme’s reach is continuing to be consolidated across a broad geographic canvas. The table below takes this point further in demonstrating how the scheme is delivering on its aim to provide a truly national service, with several of the more remote and rural regions – where fuel poverty and extreme fuel poverty are often at their most pronounced – actually receiving disproportionately higher amounts of focus and assistance under the scheme:

Region	Warmer Homes Scotland Completed Applications	Population (mid 2016)	Applications per 1,000 People
Islands	216	71,950	3.01
Highlands	347	321,900	1.09
North East	626	1,003,570	0.62
South West	370	520,080	0.71
South East	815	1,364,860	0.61
Strathclyde and Central	1,444	2,122,340	0.68
Scotland Total	3,818	5,404,700	0.70

Operational KPI performance has remained very strong in each of these regions. In the 2018/19 scheme year, 98% of applications were completed within the target of 65 days, including the more remote areas of the country. Just under 97% of completed applications in all areas passed an independent quality inspection at the first time of asking and 99% of customers declared themselves satisfied or very satisfied with the work carried out; based on 86% of all applicants responding to a post-completion customer satisfaction survey.

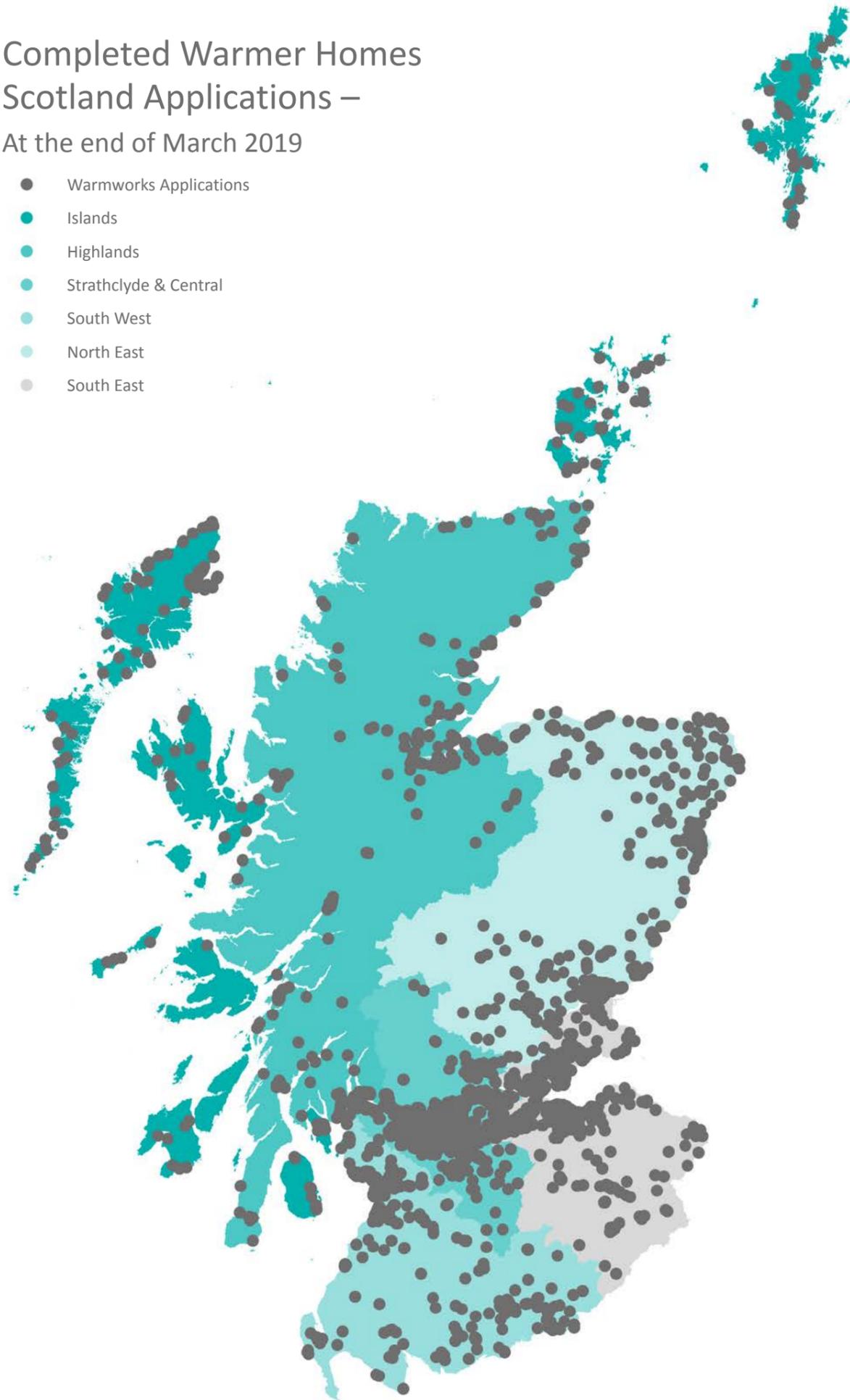
As part of ensuring a consistent, high-quality service, Warmworks has maintained the positive working relationships that we have in place with local authorities and stakeholders in island communities over the course of the year. Established local partnerships such as the successful relationship we have with Tackling Household Affordable Warmth (THAW) in Orkney can serve to increase local trust and engagement in the programme, helping to target assistance towards those who need it most. By continuing to employ and strengthen partnerships with local surveyors, local installers and local quality inspectors, and by working with stakeholder groups in local areas, we can help to give customers in those communities the more bespoke and personalised service that they often need.

Exploring new technologies

The last twelve months have seen a number of new energy saving measures added to the scheme as we look to ‘future proof’ the range of technologies we can offer to customers. In order to address the fact that fuel poverty is a more prevalent and often more severe issue in remote, rural locations, the Scottish Government took the decision to expand the number of renewable technologies that can be recommended on the scheme, which is aimed to support

Completed Warmer Homes Scotland Applications – At the end of March 2019

- Warmworks Applications
- Islands
- Highlands
- Strathclyde & Central
- South West
- North East
- South East



THE YEAR IN REVIEW: CHALLENGES AND OPPORTUNITIES

customers in off-gas areas. That means that the scheme can now provide measures such as ground source heat pumps, micro CHP and micro wind turbines to households where it is a suitable and effective part of a package of measures that will reduce their energy bill.

In addition, the Scottish Government and Warmworks have recently agreed to introduce the Q-Bot technology into the Warmer Homes Scotland scheme, which is a robotically applied underfloor insulation product that can have a significant impact on household energy efficiency. Several of the new technologies that the scheme is introducing offer a real opportunity to expand both the scope of the scheme and the nature of its lasting impact for the householders it serves – we will report back in more detail on some of these measures in next year's report.

External audit and verification

Warmworks is subject to a number of external checks and audits as part of managing Warmer Homes Scotland. The Scottish Government's independent quality assurance auditor, Pennington Choices, continued to undertake checks and inspections on Warmworks' own quality regime this year and we were very encouraged that more than 96% of the 1,165 post-installation inspections that were carried out by Pennington Choices during the year passed at the first time of asking.

In addition, as a registered holder of the ISO:9001, ISO:14001 and ISO:45001 accreditations for quality management, environmental management and health and safety management respectively, our processes have been subject to regular external audit from independent certification bodies over the last twelve months, all of which have successfully passed and several of which highlighted areas where we are demonstrating best practice.

We believe that our primary responsibility in providing a service to some of the most vulnerable households in Scotland means that we have to aim to continuously improve what we do, even beyond the very high results we've achieved in the last year.

Temperature monitoring work

Warmworks' contract with the Scottish Government requires that 10% of all completed households opt into a detailed programme of temperature monitoring, comparing heating patterns and bill changes over a twelve-month period before and after work has been installed. This work has continued over the last twelve months, with 376 additional households signed up to take part in this work and a total of 950 households signed up since the scheme began in 2015.

Headline trends emerging from this work over the last twelve months include first, a significant reduction in the amount of households who are underheating their homes following the installation of measures under Warmer Homes Scotland, and secondly we are seeing that most households

also see a more even, neatly distributed pattern of usage following the installation of measures as opposed to the less efficient, more scattergun approach to heating the home that may have been in place before. This reflects the greater degree of controllability and efficiency that households can benefit from once work has been done.

The headline conclusions emerging from this year's temperature monitoring work are encouraging as they support the impact that the scheme is having across Scotland. First, helping to tackle the underheating problem that many fuel poor households face is important, as this can create and worsen existing health conditions. Secondly, the evidence that the scheme is providing greater controllability to a household heating regime is another factor that can help to reduce costs over the long term.

The detailed results and analysis from participating households is passed back to the Scottish Government to help shape the direction of future policy and programmes.

Extra financial support and enabling funds

Now into its fourth successful year, our partnership with SGN has continued to enable our customers to access their Help to Heat scheme, which offers free or discounted connections to the gas network for households that are in or at risk of fuel poverty. In 2018/19, this support meant that more than 171 households were able to benefit from a new gas connection and a new, efficient gas central heating system without having to pay anything towards the cost of the connection. SGN's backing has added up to £297,021 of additional investment into the scheme and has given those customers a more reliable, cost-effective means of heating their homes.

We have also benefitted from the support of both SGN and Scottish and Southern Electricity Networks (SSEN) this year through the 'enabling funds' that are in place to help customers who need additional work carried out before measures can be installed; often work that they couldn't do themselves such as lifting flooring, clearing lofts or moving large items around the home. Funding for enabling works is not available under Warmer Homes Scotland but with the support of SGN and SSEN's enabling funds, 78 customers this year have been able to get extra help to have the much-needed work completed in their homes.

SSEN provided £15,210 into their enabling fund, which covers the geographic areas they supply and SGN provided a further £11,779 to cover the other areas of Scotland. If this support had not been made available, many of the vulnerable customers that have been helped would have potentially had to cancel and miss out on the full range of measures they needed. Often these customers are the most vulnerable and most in need of extra care, making the support from the enabling fund for them even more important.

We look forward to continuing to work with SSEN and SGN over the lifetime of the contract.

✓ **98%** of applications were completed within the target of **65 days**.




24M

of Scottish Government funding spent in assisting just under **4,000** households in the last twelve months.



At Warmworks, we always strive to deliver a first-class customer service. This section looks beyond the numbers and statistics and focuses on our customers and their experience of Warmer Homes Scotland.



Customer:

Mrs E

Location:

Irvine

Measure(s) installed:

External wall insulation & energy advice

Date of installation:

December 2018

Added Value:

Mrs E's home went from a SAP rating of 57 to 69, which should make her home a lot warmer and much more energy efficient.

Measures Installed:

- External wall insulation
- Energy advice



For more general information, please contact:
T: 0808 156 9568
E: enquiries@warmworks.co.uk
W: warmworks.co.uk

Mrs E was exploring her options with regards to upgrading the energy efficiency of her property but everything she had found so far was too expensive for her to do herself. Her husband's nephew recommended that she contact Home Energy Scotland (HES) to see if she might qualify for any assistance.

Upon answering a few questions from HES, it was determined that Mrs E qualified for assistance under the Warmer Homes Scotland scheme. It was at that point that she was referred to Warmworks for an initial survey of her home to be undertaken.

"The surveyor was great and explained what energy efficiency measures our home would benefit from. We thought we might benefit from external wall insulation and the surveyor mentioned that as well."

The initial survey confirmed that Mrs E would receive external wall insulation, with a small contribution required. The contribution was discussed fully with Mrs E before the installation was arranged.

"We had to pay around £200, which is very little when compared to getting the work completed privately. That was quoted as being thousands of pounds and we don't have that type of money."

Shortly after, Warmworks appointed Eurotech to carry out the work and a technical survey was arranged to discuss in detail what the installation entailed and the preparation work that needed to take place before the work could commence.

"The technical surveyor from Eurotech was wonderful, in fact I was so impressed with the team that I emailed your company to say how well they treated our home and how good the work was."

On the day of the installation, the team from Eurotech arrived early and got to work straight away.

"A manager called every morning to make sure that we were okay with the work proceeding and that everything was still acceptable. They were very professional and got on with the work as soon as they arrived."

"From start to finish, it took around two weeks, which we already knew as Eurotech informed us that it would take that long as it is a careful procedure."

A few days later, an inspector from Warmworks visited Mrs E's home to assess the installation and confirmed that it was installed to the correct specifications. The property went from a SAP rating of 57 to 69, which should make the home a lot warmer and much more energy efficient.

Speaking about her overall experience of the scheme, Mrs E said:

"I really can't fault it at all. Everyone was very professional in everything they did - from the smallest job to the biggest job."

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





Customer:

Mr T

Location:

Inverness

Measure(s) installed:

Gas-fired heating system
& energy advice

Date of installation:

January 2019

Added Value:

The SAP rating in Mr T's home went from 58 to 71, which means it should be a lot warmer and more comfortable.



Measures Installed:

- Gas-fired heating system
- Energy advice

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W: warmworks.co.uk

Mr T was growing increasingly frustrated with his heating system as it wasn't heating his home adequately and he was spending lots of money on it. He decided to visit his local Citizens Advice Bureau to see if they could help. The staff at the Citizens Advice Bureau recommended that Mr T contact Home Energy Scotland (HES) to see if he qualified for assistance in improving the energy efficiency of his home.

"We were cold in the house and spending so much money on heating. We also didn't know how to work the heating we had; that's when we decided to visit Citizens Advice Scotland."

After having a short conversation with HES, it was determined that Mr T was likely to qualify for help under Warmer Homes Scotland and he was referred to Warmworks for an initial survey to be carried out on his home.

Once the initial survey was completed, it was confirmed that Mr T qualified for a new gas-fired heating system, that would be installed at no cost to him. As Mr T was moving to a heating system that used gas, a gas connection was required. This can often be a difficult process to undertake without assistance and so a representative of Warmworks liaised with both Mr T and the gas supplier to ensure that the gas connection went ahead without any delays.

"We were a bit confused so we phoned the office and were advised a regional representative would come to the house and help us. She sorted out our gas connection and got us ready for the installation."

Warmworks then appointed a local sub-contractor, McInnes Group (McInnes), as the installation company who would carry out the work. Before the work could begin, the team from McInnes went to Mr T's home to carry out a technical survey, which went into greater detail about the installation, including where things will be installed and any preparation work that needed to take place prior to getting started.

"They told us where the heaters would go and what we needed to do. They were great and explained everything well. Nicola, Warmworks' regional representative, also came around to help us get things organised. At the end of the survey, we were given a date for our installation."

Mr T had this to say about the installation:

"They were great and I cannot praise them enough. Everyone was lovely and so helpful. I would class them as friends and recommend them to everyone I know. I have never seen people work so hard and fast. They arrived at 8am and didn't leave until 7pm."

Shortly after the installation was completed, an inspector went to the property to ensure that everything had been installed correctly and to the correct specifications.

Mr T's home is now much more energy efficient, having gone from a SAP rating of 58 to 71, which also means it should be a lot warmer and more comfortable.

Speaking about his overall experience of Warmer Homes Scotland, Mr T said:

"It is early doors, but we are hoping to see a reduction on our bills. The house is definitely warmer, and we are very happy with the work that was carried out. We no longer have a system that we cannot control or work and feel much better in our home. I would highly recommend the service."

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





Customer:

Mrs R

Location:

Bathgate

Measure(s) installed:

Loft insulation & gas-fired heating system, energy advice

Date of installation:

October 2018

Mrs R, a householder from Bathgate, was living with a young child in a home with a broken heating system and no insulation, meaning her family was constantly cold. After realising she couldn't go through another winter in these circumstances, she contacted Home Energy Scotland (HES) to see whether she would qualify for assistance.

After speaking with HES, Mrs R was referred to Warmworks for an initial survey to be arranged to assess her home for help under Warmer Homes Scotland. It was at this survey where it was confirmed that Mrs R qualified for a full gas-fired heating system and loft insulation under the scheme, which would be installed at no cost to her.

Mrs R said:

"We were very cold; the house was old and had no insulation and the heating was not working anymore. Before we got help, it was a really bad time for me and my child."

Warmworks then appointed one of its sub-contractors, Everwarm, to carry out the work and a technical survey was arranged. This survey goes into greater detail about the installation, including where things will be installed and any preparation work that needs to take place before the work is started.

On the day of the installation, Everwarm arrived early to get started and worked hard throughout the day to minimise disruption to Mrs R and her family.

"They arrived first thing in the morning as advised and got started with the work. I left the property for the day and Everwarm called me in the afternoon and explained that the work was completed. It was such a great job and I was so impressed how they got everything completed so quickly."

The installation was inspected a few days later and found to be installed to the correct specifications and in line with Warmworks' quality standard. The SAP rating in Mrs R's home went from 5 to 58, which means that she is now living in a significantly warmer, more energy efficient home.

Mrs R has really noticed the difference in terms of the quality of life the whole family enjoys, but particularly her youngest child. "My little one is a lot happier now as she used to cry because she was so cold; to see a difference in her face is great. We don't have to wear two coats anymore just to stay warm.

"The struggle my family had was awful, we were going through a tough time, so to be able to turn on the heating and know you will be warm within minutes is an amazing feeling."

I have also noticed my bills have dropped too and it's been great to have a bit more money to spend on other things."

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 in Mrs R's home went from 5 to 58, which means that she is now living in a significantly warmer, more energy efficient home.

Measures Installed:

- Loft insulation
- Gas-fired heating system
- Energy advice

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 T: 0808 156 9568
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 W: warmworks.co.uk



Customer:

Mrs C

Location:

Orkney

Measure(s) installed:

Air source heat pump & energy advice

Date of installation:

January 2019

Mrs C had been relying on her electric heating system for years and was becoming increasingly frustrated with its performance and the amount she had been paying each month to keep the house warm. After hearing about Home Energy Scotland (HES), she decided to get in touch to see if she qualified for assistance.

Following a short phone call with HES, it was determined that Mrs C was likely to qualify for help under Warmer Homes Scotland and her details were passed to Warmworks for an initial survey of her home to be arranged.

“The survey was carried out and the surveyor told us what energy efficiency measures our property qualified for and explained each one in great detail. We had a few questions, but the surveyor was very helpful and was able to answer any questions we asked him.”

At the end of the survey, it was confirmed that Mrs C would receive an air source heat pump under the scheme, with a small contribution of £500 to be put towards the cost of installation.

“We had to pay a contribution of £500 but this was fine as we had looked into it privately and it would have cost us thousands of pounds to get it installed, not including the preparation work which would have cost more.”

Warmworks then appointed a local sub-contractor, RS Merriman, to carry out the work. The first step towards the installation was a technical survey, which goes into detail about the installation, including where things will be installed and any preparation work that needs to take place before the work begins.

“The technical surveyor from RS Merriman was great; he explained the air source heat pump system in detail, including how it worked and why it would suit our property. This gave us more confidence in our decision.”

On the day of the installation, the team from RS Merriman arrived early and got straight to work. The installation took around one week to complete. Mrs C had this to say about the installation:

“They were professional, very helpful and gave us a good warning as to when they were going to turn off the electricity and water. They also cleaned up after themselves.

There was never a time when we thought they would try to take a shortcut to get the work completed. Also, they supplied us with heaters when they were carrying out the work but due to the good weather, we did not need to use them. To offer them in the first place without asking just demonstrates how professional they were.

Overall, they were a fantastic group of lads who did their company proud – very modest fellas.”

A few days after the installation, an inspector from Warmworks visited Mrs C to check how everything was installed. He was able to confirm that it had been installed to the correct specifications and passed Warmworks’ quality checks.

Mrs C’s property went from a SAP rating of 44 to 63, which will make a big difference in terms of the warmth and comfort of her home, as well as increasing its energy efficiency.

Speaking on her overall experience of the scheme, Mrs C said:

“It was fantastic from start to finish, so we are more than happy. Now we can go on different tariffs and switch from one to the other if needed. We have more heat distribution throughout the home as there are radiators everywhere that will heat each room to a certain temperature. The system itself is working wonders.

We are so pleased with the whole service and outcome and could not ask for anything more. Five stars from us.”

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:

Mrs C’s property went from a SAP rating of 44 to 63, which will make a big difference in terms of the warmth and comfort of her home.



Measures Installed:

- Air source heat pump
- Energy advice

For more general information, please contact:
T: 0808 156 9568
E: enquiries@warmworks.co.uk
W: warmworks.co.uk

OUR SUB-CONTRACTORS

In delivering Warmer Homes Scotland, Warmworks manages a Scotland-wide supply chain of more than 20 sub-contractors, all of whom have played a vital role this year in ensuring that applicants receive a first-class service under the scheme. Warmworks has always sought to include local companies in our delivery of the scheme – this has been vital to its success. The vulnerable customers that we serve expect to receive a service that feels local, personalised and tailored to their needs, meaning that we have to be able to operate with a national scale but a local service.

This year has again demonstrated the scale of the scheme's reach, with around 20% of all activity taking place in Highlands and Islands. More than that though, from Kirkwall to Kirkcaldy and from the Isle of Mull to Melrose, customers should expect a high standard of service irrespective of where they live.

We were also delighted that our supply chain maintained its commitment to pay all staff engaged in delivering this contract the Living Wage during 2018/19, as they have every year since the scheme was launched.

Procurement

Warmworks' initial procurement exercise to secure its supply chain was concluded in August 2015, when contracts were agreed for an initial three-year period. In 2018/19, we carried out a full review of the supply chain and awarded two-year contract extensions to 19 sub-contractors from our existing framework, in addition to awarding contracts to two new sub-contractors in certain regions where extra capacity was required. All of the 19 companies on the existing framework that were awarded contract extensions reflected individual discussions that were designed to examine their willingness and desire to continue the contract, as well as our own internal review based on the capacity needed to fulfil the current levels of demand on the scheme. We also considered the historic KPI performance and customer care levels provided by each sub-contractor over the life of the contract, ensuring that we rewarded the best performing and most consistently engaged companies in our supply chain.

In terms of the addition of new companies to the existing framework, the procurement exercise was limited to specific geographic regions and required trades and potential sub-contractors were invited to submit pricing and complete single stage tender documentation. Details of the successfully appointed sub-contractors are provided [opposite](#):

Name of sub-contractor	Services they will supply	Area they will cover
Nordri	Electric heating repairs and upgrades	Shetland Islands
Eurotech Insulation Rendering Systems Ltd	External wall insulation	Central Scotland

This process was undertaken as a key part of Warmworks' partnership-driven approach with our sub-contractors – we work closely with all members of our supply chain to provide training opportunities in a number of areas and help them hone and expand their skill sets. That is why we are proud of the growth and development that we've seen in many businesses of all shapes and sizes in our supply chain and our aim is to continue to build on this successful delivery infrastructure as we move forward. You can see this in practice in the case studies included below.

Performance Management

The performance of Warmworks' sub-contractors is assessed using a tailored performance management system, which has been specifically designed to ensure that issues with performance and quality are highlighted at the earliest opportunity.

This performance management system continued to work well over the last twelve months in terms of driving high levels of performance within the supply chain. This is evident in the fact that the average performance score of our sub-contractors was 96% in 2018/19, which is a notable increase on the previous year's score of 90%.

Reflecting this high standard, there were no sub-contractors or members of the supply chain who went through any kind of formal corrective actions or contractual performance processes during the twelve-month period.

Challenges

Due to the high standards that we expect from our supply chain and the scale and complexity of the work carried out under Warmer Homes Scotland, sub-contractors can face challenges in fulfilling their obligations under the scheme. Specifically, sub-contractors in 2018/19 have had to overcome the challenges that came with the introduction of new measures, such as renewable energy systems, and the fluctuation in referral volumes experienced throughout the scheme year.

Warmworks places a significant focus on regular, open, and constructive conversations with our supply chain. This means that when challenges are faced, we work together to overcome them, ultimately ensuring that our high standards are met and retained.



Alex Murray Construction Ltd (Alex Murray) – providing a first-class service to island communities

Alex Murray is a sub-contractor under Warmer Homes Scotland that covers the Western Isles. This is a challenging area geographically and often includes complex installations given the make-up of the housing stock.

Despite facing these challenges, the team at Alex Murray has been able to increase their skill set with regards to installing renewable energy systems, such as air source heat pumps. As part of their commitment to the wider community, they have also taken on six apprentices since the scheme began and this year, provided three work placements for young people, which means that their impact will extend beyond the lifespan of the scheme.

They have consistently demonstrated their commitment to the scheme's quality standards and were the first island sub-contractor to achieve an overall performance management score of 98% in the 2018/19 scheme year.

Their achievements are further evidence that Warmer Homes Scotland delivers high-quality service to all customers, irrespective of location and that island sub-contractors play a vital role in ensuring that communities across Scotland reap the wider benefits of the scheme.

Steven Murray

“Working with Warmworks on Warmer Homes Scotland has allowed us to further the training and development of our workforce, particularly around renewable technologies, and we've seen great benefits from this in terms of the quality of work we deliver. This year, we renewed our commitment to developing the young workforce by providing three work placement opportunities, in addition to the six apprentices we already have in our team.”

To see young people coming through the ranks and learning new skills that will set them up for life has been a real joy for us as a business. We look forward to continuing our work in this area and to making a difference to vulnerable people's lives throughout the Western Isles for many years to come.”

Case studies

Mclnnes Group (Mclnnes) – scaling up to meet demand

Mclnnes is a sub-contractor that covers the Highlands and North East Scotland under the Warmer Homes Scotland scheme. During the year, another one of our sub-contractors had to scale back their work on the scheme, which meant that a gap had to be filled to ensure that customers were not impacted.

Warmworks met with representatives of Mclnnes and it was agreed that they would expand the scale of their work on the scheme from covering the Highlands, to also covering the whole North East of Scotland.

This was a very challenging task and involved the sourcing of appropriately qualified and accredited engineers who were able to uphold the standards expected under the scheme. Mclnnes was able to mobilise quickly and employ additional staff to help them deliver in this area. This expansion of services meant that Mclnnes tripled their normal workload; most notably, however, was the fact that the performance and quality of their work were not impacted.

This demonstrates their commitment to delivering a high-quality service under Warmer Homes Scotland and underscores the need for the consistent support and guidance provided to them by Warmworks.

Lachlan Mclnnes

“We were delighted to have been given the opportunity to expand our services under Warmer Homes Scotland. Although it presented some challenges, with support from Warmworks, we were able to mobilise quickly in hiring and training new members of the team to allow us to cover this region. It is a testament to the team's hard work and our commitment to delivering the high standards that Warmworks expects, that we were able to hit the ground running while at the same time ensuring the quality of our workmanship was not compromised.”



OUR COMMUNITIES

We have renewed our commitment to communities across Scotland in our delivery of Warmer Homes Scotland in 2018/19. In the same way as previous years, ensuring that real and sustainable community benefits are generated by the scheme remained a central aim of the Scottish Government and a key part of Warmworks' delivery model.

We are pleased to have been able to build on previous work to strengthen the scheme's impact on Scottish communities over the last year. This has been achieved by maintaining and strengthening existing partnerships alongside developing new strategic relationships that are designed to complement the range of services being offered under the scheme.

Our communities work is focused across two areas; first our progress against contractual targets set by the Scottish Government in relation to jobs, training, placements and apprenticeships and secondly our efforts to build partnerships with community and voluntary groups. Progress across both work areas over the last twelve months is outlined below.

Employment Skills Plan – progress to date

Integral to our Communities Strategy is our Employment Skills Plan – a contractual document between Warmworks and the Scottish Government. It sets out Warmworks' ambitions between now and the end of the contract in areas such as jobs and apprenticeships created, training and re-skilling opportunities made possible and work placements generated for graduates and school-age children to learn more about the skills and trades that deliver Warmer Homes Scotland.

We are pleased that this year, working alongside our supply chain, Warmworks has outperformed in 14 out of the 16

targets set for us by the Scottish Government. The two remaining targets remain on track to be achieved by the end of the Contract. This work is a real credit to the supply chain who have not only maintained their high standards of delivery but who have also committed to the recruitment, training, and development of their locally-employed staff.

This year also saw the scheme reach a milestone of having employed more than 100 apprentices since it was launched in 2015 - a major highlight and one that ensures that the scheme's legacy will have a lasting impact. These apprenticeships cover gas and electrical engineers as well as other construction-focused trades.

The graph below demonstrates the progress made by Warmworks and our supply chain in each of the target areas of the Employment Skills Plan:

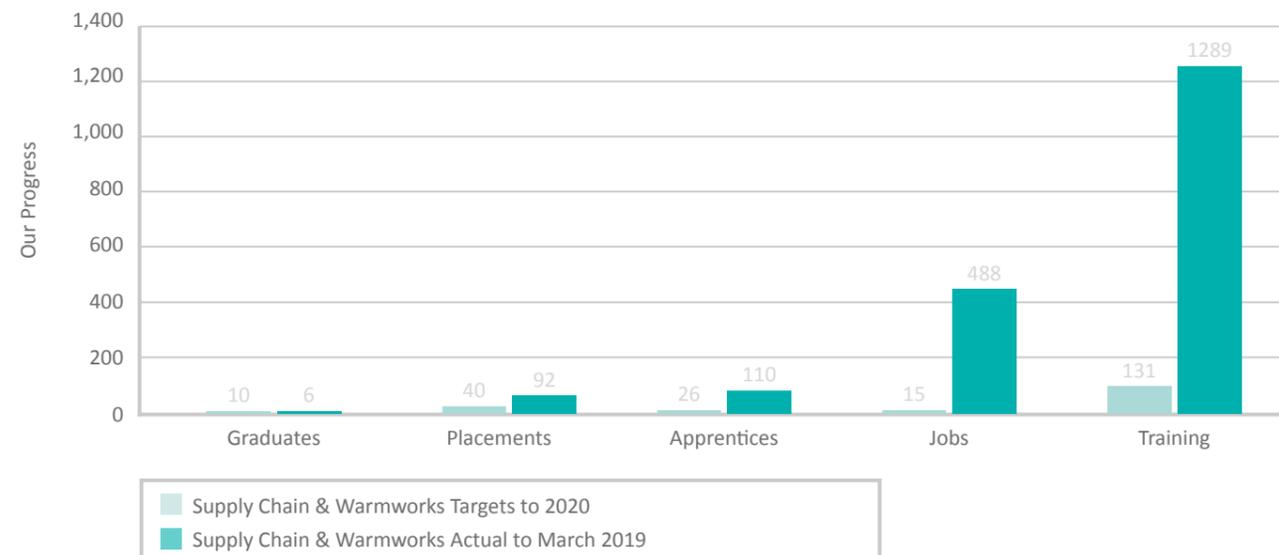
Expanding our commitments into the future

In fulfilling our ongoing commitment to community benefits and the extension to Warmworks' contract to deliver Warmer Homes Scotland until 2022, Warmworks and the Scottish Government have agreed to build on the considerable success in this area by further increasing our employability targets.

This means that in the next year, we will not only continue to work towards our original targets outlined in the graph above, but we will also increase most of them, with a particular focus on increasing training and re-skilling opportunities. Our training target will now also place extra emphasis on core skills, Scottish Vocational Qualifications and renewable technology training.

In addition, we will also work to increase the amount of work placements for young people and apprentices under Warmer Homes Scotland and continue to create opportunities for all staff, both new and existing, as part of our work in this area.

Supply Chain & Warmworks Targets



Building partnerships

Building lasting partnerships has always been a strategic aim for Warmworks and this year was no different. Fuel poverty is a complex issue and one which cannot be solved by one organisation alone. That is why we are committed to working with a wide range of stakeholders, such as Scottish Fire and Rescue Service, Skills Development Scotland, Young Scot, Energy Skills Partnership, MCR Pathways, The Wise Group and Tackling Household Affordable Warmth (THAW), in order to make a real and lasting change in communities across Scotland.

Below we have included a few examples of our collaborative projects and initiatives in the last year.

Year of Young People 2018

In seeking to lend our support to this unique initiative, Warmworks set out to enhance its community impact by focussing on opportunities for young people. We knew the best way to do this would be to build on the robust and long track record of our supply chain, as well as the experience of some of our own senior managers in recruiting, retaining and managing a younger workforce.

As part of this commitment, we set ourselves a target of providing an additional 50 opportunities for young people under Warmer Homes Scotland, over and above what we would have made possible under 'business as usual'.

We are pleased that we exceeded this target with a total of 79 opportunities created - here is a breakdown of those opportunities:

Supply chain: 56 opportunities

Warmworks: 23 opportunities



19 APPRENTICES



4 PLACEMENTS

32
WORK
PLACEMENTS



5
JOBS

18
SPECIAL EVENTS



1
GRADUATE
POSITION

OUR COMMUNITIES

Here are some examples of how we've built lasting partnerships in the last year:



Communities Award - CMBS Home Improvements (CMBS)

Thanks to the ongoing collaboration with Developing the Young Workforce, we were delighted when the regional team in Lanarkshire joined up with Warmworks' sub-contractor, CMBS, in South Lanarkshire to create four work placements for students from Rutherglen High School. A few of them had learning difficulties and other challenges that CMBS managed with great sensitivity and care. Their experience was very positive with one young person saying: "...Working with CMBS was one of the best days of my life."

On top of their contract-leading performance on the contractual target areas around creating jobs and apprenticeships, this initiative highlighted the overall commitment CMBS has to community benefits, culminating in them winning our annual Communities Award.



The Trussell Trust

Warmworks has always sought to add value to the community by taking part in or supporting employees in undertaking charitable initiatives. Over the years, we have been working with The Trussell Trust to collect donations of food and toiletries for those in need, which are then distributed to food banks across Scotland.

Since our first food/toiletries collection two years ago, we've helped donate seven large boxes of essential goods to food banks in Methil, Fife and Ibrox Parish and South West Glasgow.

Recently, Warmworks' employees voted for their annual charity of choice. It was a close vote; however, we are delighted that The Trussell Trust has been chosen as Warmworks' charity for the 2019/20 scheme year.

We look forward to strengthening our relationship with The Trussell Trust and to making a bigger impact in those communities that need it the most.



4

work placements for students were created at Warmworks' sub-contractor, CMBS.

THE TRUSSELL TRUST

was voted Warmworks' charity of 2019/20.

THE YEAR IN REVIEW: TRENDS AND ANALYSIS

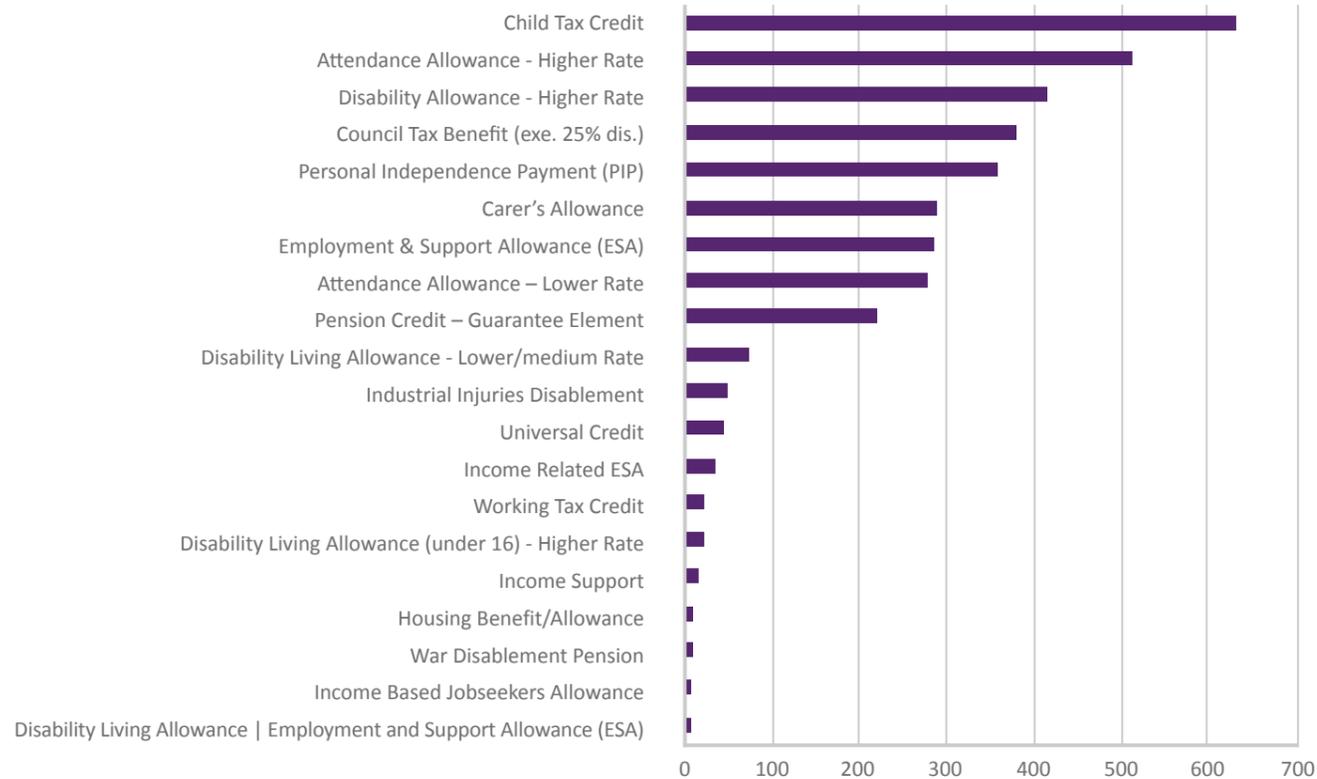
About our customers: age and location

The graph below shows the households that received assistance under Warmer Homes Scotland in 2018/19, split by the age of the eligible applicant and the geographic region in which they are based.



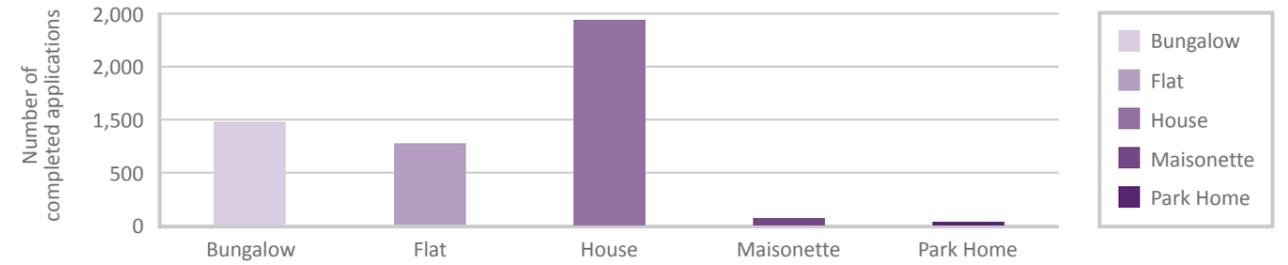
About our customers: the qualifying benefits they receive

The graph below shows the breakdown of households that received assistance under Warmer Homes Scotland in 2018/19 and gives details of the main benefit being claimed by the eligible person to make them qualify for the scheme. Note that some householders will receive more than one benefit and this graph only captures the lead benefit.



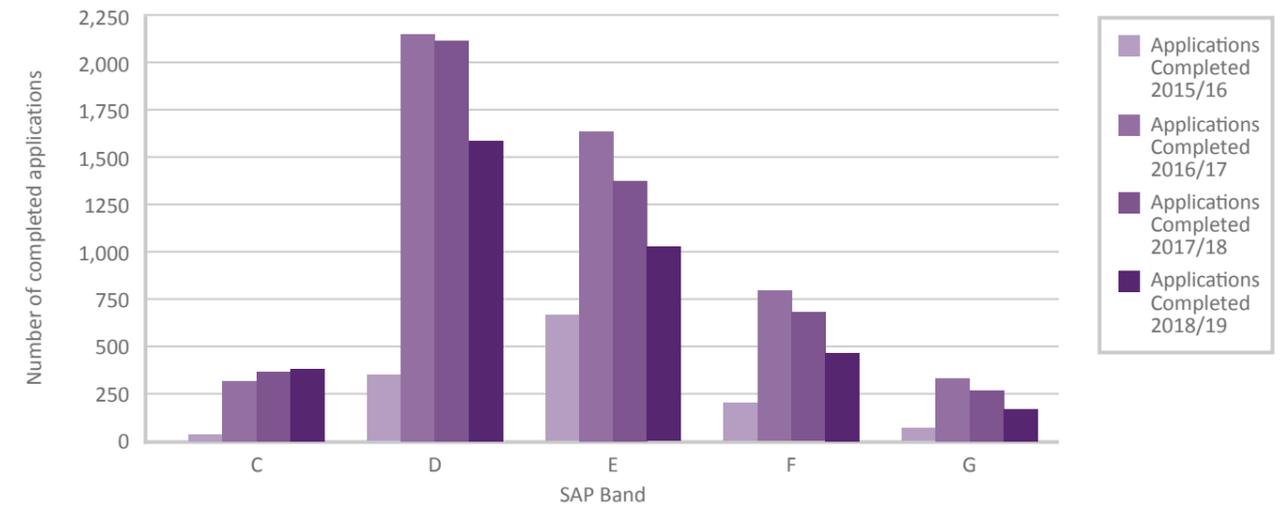
Homes: about the properties we've helped

The graph below shows the split of the different property types that were helped under Warmer Homes Scotland in 2018/19, using the property type definitions specified by the Scottish Government.



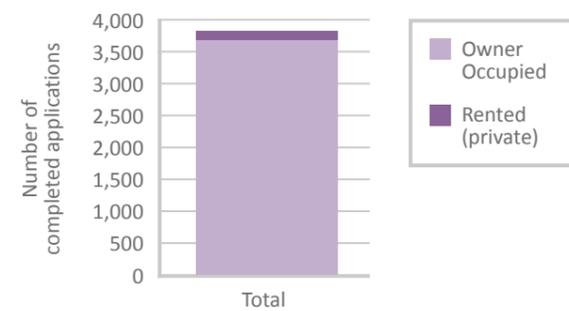
Homes: number of completed applications to Warmer Homes Scotland by SAP band

The graph below shows the households that received assistance under Warmer Homes Scotland in 2018/19, split by the SAP band (as shown on a standard Energy Performance Certificate) of the property prior to any energy efficiency improvements being installed. Note that households with a recorded initial SAP band of C or D would in reality have had lower SAP ratings because their main heating system was broken.



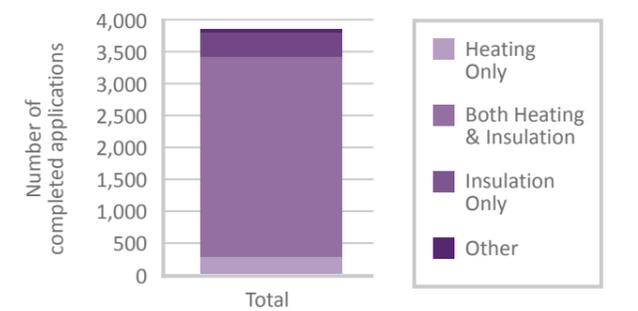
Homes: number of properties we've helped by tenure

The graph below shows the households that received assistance under Warmer Homes Scotland in 2018/19, split by the tenure of the household.



Measures installed: mix of heating/insulation

The graph below shows households that received heating measure(s) only, insulation measure(s) only or a combination of heating and insulation measures.



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