



Foundations

Allocation of voluntary redress payments in the context of Enforcement cases

Written Response submitted by Foundations

August 2016

Copyright – Astral PS Limited - All rights reserved

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without the prior written permission of Astral Public Services

Document History

Revision History

Date of this revision: 24/8/16

Date of Next revision:

Version number	Previous revision date	Summary of Changes	Changes marked
1.00			No

Approvals

This document requires the following approvals.

Signed approval forms are filed in the Management section of the project files.

Name	Signature	Title	Date of Issue	Version



About Foundations

Our Mission

To share the magic about what makes good home improvement and adaptation services

Our Vision

A thriving range of home improvement agencies – supporting people to live safe, independent and happy lives in the home of their choice

Our Objectives



Identify and meet the training needs of the sector



Engage with stakeholders, providers and commissioners and facilitate networking opportunities



Represent and promote the sector



Develop tools and resources for providers and commissioners



Monitor activity, quality and performance and find out what good looks like



Develop and promote quality assurance systems



Provide an information management and workflow system

For more information visit: www.foundations.uk.com

Our Values

Our shared values guide our actions and describe how we behave:

Leadership:	The courage to shape a better future
Collaboration:	Leverage collective genius
Integrity:	Be real
Accountability:	If it is to be, it's up to me
Passion:	Committed in heart and mind
Scalable:	National solutions for a local scale
Quality:	What we do, we do well

About Home Improvement Agencies

Home Improvement Agencies (HIAs), sometimes known as Care & Repair or Staying Put schemes, help vulnerable people maintain independence in their own homes. Their services include:

- visiting clients at home or providing detailed telephone advice;
- setting out housing options to help clients decide what type of housing is best suited to their changing needs;
- checking entitlement to any financial help, including grants and charitable funding;
- project management, drawing up plans, getting estimates and liaising with others involved in any building work/adaptations needed, such as council grants officers and occupational therapists;
- provision of handyman services, to carry out small jobs around the home, help with gardening, or coming home from hospital; and
- helping to make homes more energy-efficient.

A searchable directory of accredited HIAs and handyman services is available at: www.findmyhia.org.uk

About the Disabled Facilities Grant (DFG)

Disabled Facilities Grants (DFGs) are grants provided by English local authorities to help meet the cost of adapting a property for the needs of a disabled person. DFGs are a mandatory duty of housing authorities, rather than social care authorities.

Foundations role is to lead on improvements the effectiveness and quality of the national DFG programme including:

- improving the end user experience;
- identifying and driving the take up of new DFG delivery models; and
- improving DFG delivery including reducing costs and waiting times.



Background

Energy consumers across Great Britain have benefitted from the substantial voluntary redress payments paid to charities, trusts and organisations by energy companies investigated by the regulator. Ofgem has had an increasing focus on direct compensation and voluntary redress. Ofgem wants to maximise the beneficial impacts of these payments for energy consumers, and in particular consumers in vulnerable circumstances. The consultation presents options for how best to handle any future voluntary redress payments in order to improve the current process.

This document is Foundations' response to the consultation issued on behalf of the home improvement sector.



Question 1: Do you agree with our objectives for the allocation of voluntary redress? If not, please explain why.

Foundations very much welcomes the objectives of maximising long-term benefits and targeting benefits to those most in need.

Question 2: Are there any additional objectives or criteria we should consider when making a decision on our forward approach to voluntary redress? Are there things our approach should definitely include or absolutely avoid?

Foundations would like to see some consideration of ‘whole system’ impact of proposed redress projects rather than focus exclusively on benefit to consumers of energy companies. This will require an appreciation of the outcomes of projects able to demonstrate benefits, not just to individual consumers, but of wider social value and impact on communities and services such as the NHS that sustain them.

Foundations is also keen that open and transparent bidding processes and monitoring and reporting requirements should be such that it enables small and medium enterprises and local third sector and statutory providers of services to bid and deliver under redress programmes.

Question 3: What are your views on ‘Option 1: Current process with enhanced principles’? Are there any other advantages, disadvantages, risks or costs relating to this option that we should consider?

Foundations agrees that the current system has worked well. However we welcome the regulator’s thoughtful approach to improving that system by introducing processes that will provide more open and transparent access to redress initiatives for greater numbers of individual beneficiaries and small and medium sized CVS and other organisations.

Question 5: What are your views on ‘Option 2: Responsibility given to a third party with appropriate expertise’? Are there any other advantages, disadvantages, risks or costs relating to this option that we should consider?

As the preferred option, Foundations supports this option as long as possible conflicts of interest are managed and a third party redress fund manager ensures a range of CVS, third sector and other organisations are able to bid and provide innovative and cost-effective projects and benefits to greater numbers of people.

To that end Foundations should like to see consideration of the following:

- i. The construction of a framework of providers from which energy companies, regulator and third party fund manager are able to choose a mix of providers and delivery models depending on type of beneficiary or the geography to be targeted.
- ii. Access to that framework to be ‘light touch’ in order to minimise onerous bidding processes for small and medium sized third sector and statutory service providers and organisations. This will maximise the number of organisations able to deliver on

redress initiatives while at the same time underpinning the selection of providers by means of a qualifications questionnaire.

- iii. Evaluation criteria in bidding processes whether for access to the framework envisaged above or one-off open bids should include some consideration of impact.
 - a. At its most basic, this would be a value for money consideration which looks at the relative cost of delivering £1 of benefit to individual beneficiaries.
 - b. However, in order to consider the wider impact these redress initiatives are capable of having Foundations should like to see some consideration of social value and impact in the wider health and care system when considering likely providers.
 - c. Lastly in order that we learn from what works, Foundations should like to see a requirement for redress projects to be independently evaluated to academic research standards.

An example of such an approach may be found in the evaluation of a recent project delivered through the HIA sector by the Foundations Independent Living trust. A final project report is embedded into this document as an icon. Academic evaluation is expected to be published later this year.



Adobe Acrobat
PDFXML Document

Question 6 How should the costs of the third party associated with allocating redress be funded?

Foundations would support an approach by the regulator that continues to seek the maximum benefit to consumers and organisations by ensuring the financial burden of fund management is taken by the company under investigation. Minimising the costs by the use of interest payments on redress funds would seem sensible.

Question 7: Should the company that made the redress payment have an input into the approval of recipients under this option?

Foundations considers that one of the strengths of the current system is that Energy Companies have to take responsibility in constructing the projects delivering redress. We believe that this is beneficial in enabling the industry to engage with a range of third sector, voluntary and other organisations in delivering social benefits to a range of individual recipients. Foundations the system benefits in three ways:

- i. It forces the industry to deal directly with the social context in which it operates
- ii. It provides a means whereby Energy companies and third sector providers build networks, innovate on delivery and learn from one another. This builds capacity in both the third sector and energy companies in more effective delivery of social benefit.
- iii. It builds relationships for joint delivery not predicated on penalties or forced redress such as Npower's Health through Warmth programme.

Question 8: How can we ensure that smaller potential recipients can bid and are not disadvantaged compared to larger potential recipients?

Please see our thoughts on this in the answers above.

Question 11: What are your views of the idea of using part of voluntary redress payments to support specific schemes? What are the advantages, disadvantages, risks or costs relating to this idea? What existing schemes could be considered under this approach?

We can see the attraction to government of supporting specific schemes currently funded through general taxation by means of voluntary redress payments. Foundations prefers an approach that maximises the use of voluntary redress payments for the provision of nonstatutory and discretionary support to those most in need. However, were the regulator to decide to use redress payments to support specific schemes Foundations would urge Ofgem to consider funding projects in the wider arena which relate to energy use such as the NHS and Public Health England cold weather plans in operation during winter months.

Question 12: Which of the options in this consultation do you think should be used and why?

In summary: Foundations would greatly support the efforts by the regulator to make the current system work even better. We particularly like the efforts to retain what works well in the current system while making that a little more open to small providers, transparent in its decision making processes and accountable in its reporting. As such we will have further recommendations if a decision to create an independent redress fund manager envisaged under option 2 is to be procured and created.



Foundations

The Old Co-op Building,
11 Railway Street,
Glossop,
Derbyshire, SK13 7AG

www.foundations.uk.com