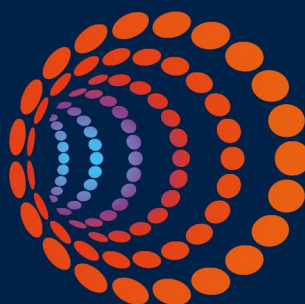


# MoneyHouse and MoneyCast - MyBnk

Vulnerability and Carbon Monoxide Allowance

Nov 2021

SGN



**SGN**

Your gas. Our network.

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## 1 Description

Funding GDN(s)	SGN
For Collaborative VCMA Projects:	NA
Date of PEA submission:	01 December 2021
Project contact name:	Kerry Potter
Project contact number/email:	<a href="mailto:Kerry.potter@sgn.co.uk">Kerry.potter@sgn.co.uk</a>
Total cost (£k)	
Total VCMA funding required (£k)	

## 2 Problem statement

During 2021 it is estimated that three million English households are living in fuel poverty (Dept for Business, Energy and Business Strategy). Nearly half of low-income households are still living in hard to heat homes, and the rate of improvements is well below what is needed to lift people out of fuel poverty by the target date of 2030.

Many young people do not have the essential information, sources, or support networks in place to avoid poverty, including fuel poverty. According to Child Poverty Action group (2020) there were 4.2 million children living in poverty in the UK in 2018-19. That's 30 percent of children. The relationship between poverty and fuel poverty is clear, with a lack of education surrounding these issues, the opportunity for change in the future seems distant. Specific groups are at greater risk of falling into poverty cycles including young people not in education, employment or training, refugees, unaccompanied asylum-seeking children, and care leavers. With 1 in 3 care leavers losing their home within the first year of independence (Young and Homeless, 2018), concern grows around informing these vulnerable groups on how to manage their money to maintain their home and living standards. There is a direct correlation between fuel poverty and carbon monoxide (CO) poisoning. National Energy Action and Gas Safety Trust research found 35% of low income and vulnerable households surveyed exceeded the 10ppm threshold for carbon monoxide levels.

The needs of these young people are not only changed by their individual circumstance but can also be affected by their geographical location. Pockets of deprivation across the UK see young people entering independence often in debt or at risk of living beneath the poverty line through mismanagement of their money.

Support needs to happen at the right time. Young people moving into independence must ensure that they have positive money and energy habits from the offset before they end up in a difficult debt cycle. There are 12.8 million households in the UK with less than £1500 in savings (The Money Charity, 2020) suggesting that even for those who would like to better insulate their homes, it is unlikely they have the funds to do so. As a result, it is essential that young people are educated with regards to how they can be as energy efficient as possible and drive down their energy consumption costs.

The energy market is complex, with recent events, compounding this issue. Young people have an awareness of switching providers and looking for the best cost, however with uncertainty around individual providers futures, this notion has been made redundant. Over the last 9 years, messaging to vulnerable young people has been about highlighting the importance of comparing energy providers and switching where appropriate or necessary. In light of recent events, this information now does not stand and it's more important than ever for young people to understand why and how switching providers isn't always the best option for them.

For young people in a debt cycle, it is essential they understand their rights to energy access should they default on bill payments, on landlords' requirements linked to gas and CO safety, and also the importance of managing their money to pay bills as part of their contractual agreement with organisations. But with

vulnerable young people entering independent living with little to no support network – who do they rely on to pass this information on?

### 3 Scope and objectives

SGN's partnership with MyBnk will deliver direct financial education to vulnerable young adults aged 16-25. Through The Money House young people will be directly educated in money management, with the aim of maintaining their homes as they live independently, ensuring they manage their money efficiently.

MyBnk are seasoned experts in financial education for young people aged 5-25. With a vision of a financially capable generation, over 60% of MyBnk's work is with young adults most in need aged 16-25 – those on the precipice of independent living with the need for useful, impartial information that allows them to take decisive action and make informed choices throughout their adult lives. Together the partnership will empower the next generation of these vulnerable young adults by giving them the skills, confidence and knowledge to be more efficient with money and energy. Energy, like money, can be earned, saved, and used – they are both essentials of everyday life.

The partnership will see all young people that successfully complete The Money House eligible for a Level 1 (Level 4 in Scotland) qualification in Personal Money Management and receive a further entry-level qualification around skills for employability.

The Money House course will have dedicated and tailored material, as part of a 5-day course, delivered in a real life or simulated flat that mimics the sort of environment these young people are likely to live in as they move to independence. The course involves practical application with tasks such as learning how to read and report from energy meters. The additional material for the course will include a maximum of 1 module (2 hours of content, added to the Household Costs module) covering: information on signing up to the Priority Services Register (PSR), the Warm Home discount, winter fuel payments, tariff and energy switching, debt support, information on smart meters, gas safety including CO safety and signposting for whom to contact in an emergency. All young people taking part in The Money House course would be eligible for PSR as a Young Adult Householder which would see them getting a dedicated response should they fall into arrears.

Furthermore, this partnership will deliver broader social impact as we support and empower young people to break the cycle of debt. The partnership will also enable the expansion of The Money House from the London and South to other areas of great need including Glasgow, the first Money House in Scotland where data highlights the greatest needs for a foundation programme for young people.

The partnership will see tailored episodes of MyBnk's MoneyCast – an interactive stream of MyBnk experts and special guests discussing key areas of finance for young people. For this partnership, the material would centre on money management related to energy, bills, and fuel poverty. The MoneyCast would provide the opportunity for young people to ask questions in real-time and receive a response from a MyBnk expert. It is important to note that MyBnk are an impartial organisation who seek to inform.

The partnership overall, aims to educate 16–25-year-olds, helping them realise the power they have to manage their money and energy efficiently and start good habits that will last a lifetime.

MyBnk are a leading financial education charity, working with over 30,000 young people per year focused on developing financial capability. The partnership will work together to deliver material centred around assisting some of the UK's most vulnerable young people manage their money and energy efficiently and helping them to understand the distinct relationship between money and energy and how smart choices can lead them to a more prosperous future.

### 4 Why the project is being funded through the VCMA

This project will provide support to young people in crisis and empower them to avoid unsafe practices and avoid fuel poverty through tailored guidance at the right time in their lives. The partnership will provide at risk young people with access to key services including the PSR (Young Adult Householder) and interventions that address fuel poverty and broader safeguarding / wellbeing services, whilst delivering a positive Social Return on Investment. The project will provide holistic utility efficiency advice and CO safety interventions,

empowering each young person and their extended community with resources to use energy safely, efficiently, and affordably. The project will work collaboratively with expert agencies to maximise positive outcomes including financial literacy, avoiding poverty, increasing the health and wellbeing of the individual supported and delivering defined outcomes.

## 5 Evidence of stakeholder/customer support

### 5.1 MyBnk Financial literacy – Head of Berkley Foundation

We asked existing partners about the impact the MyBnk approach has on young people's financial resilience. "We are delighted with the results of this report, which demonstrate the significant impact The Money House is having on the lives of vulnerable young Londoners. This is a shining example of how the public, private and voluntary sectors can work together to help young people gain the skills and confidence to sustain their first homes, and I look forward to seeing the programme grow and develop over the coming years." **Sally Dickinson, Head of Berkeley Foundation.**

### 5.2 Moving Forward Together – Stakeholder Workshops held during 2018 and 2020

Sharing our top 5 scenarios with our stakeholders during our engagement workshops in 2018, they agreed that support for customers in vulnerable circumstances should remain one of our top priorities especially our most vulnerable customers in relation to affordability.

### 5.3 Customer Engagement Group 2019/20 & SGN RIIO-GD2 Business Plan

Shaping our business plan to support customers in vulnerable circumstances we have committed to, over the 5-year price control, supporting over 250,000 vulnerable customers to use gas safely, affordably, and efficiently. We have a three-tiered approach and tier 1, 2 and 3 priorities include providing independent support to help vulnerable customers with access to affordable energy. In the process of shaping our RIIO GD2 Business Plan we engaged stakeholders and customers about our plan to support 50,000 customers each year through a three-tiered approach, and what services/initiatives should be included within each of those tiers. During our Positive Impact round table event our stakeholders emphasised the importance of partnerships to increase the value of our allowance in generating positive outcomes for customers.

### 5.4 Vulnerable Steering Group

During 2020/21 our Vulnerable Steering Group has helped us shape our vulnerability strategy and our priorities for GD2. For year 1 we prioritised key initiatives to support our most vulnerable customers and they recommended we work with established charities that support people most in need. It is with guidance and support from our dedicated Vulnerable Steering Group that SGN prioritise financial vulnerability as one of our key areas of focus and to do this where data identifies communities that require this support. Feedback from our Customer Service & Supporting Vulnerable Customer – Shaping the Business Plan Qualitative Workshops suggested potential tier two initiatives should include supporting those most vulnerable to living in a cold and unhealthy home.

### 5.5 MyBnk Stakeholder feedback – outcomes and measurement

*"Often in this job I have to tell organisations their interventions may not be getting the results they set out to achieve. That is not the case with The Money House. It is very gratifying to see such positive outcomes and the values generated by this project are testimony to the quality of the intervention which is clearly having a major impact on the lives of the young people concerned."* **Keith Burge, Managing Director, ERS.**

*"There is a real lack of cost benefit analysis in financial education, including with young adults transitioning into independent living – but this report provides a fantastic contribution to the growing evidence base. The Money House is an excellent example of providing vulnerable young people, such as those leaving care, with the skills and knowledge they need to manage their money and stay out of problem debt. By providing them*

*with the awareness and confidence to seek advice, the programme has made strides in helping them with their transition to independent living. The findings from this programme will undoubtedly inform the practice and delivery of young people's financial education."* **Sarah Porretta, UK Financial Capability Director at Money Advice Service.**

## 6 Outcomes, associated actions and success criteria

### 6.1 Outcomes

We aim to support those in need with access to practical help that improves their financial independence, their health and wellbeing, and increases their confidence to manage their household utility costs. In total we plan to support 680 young people through the residential course The Money House, and over 6,000 young people via dedicated online sessions and podcasts.

The partnership will be embedded within MyBnk's young adults programme with The Money House working with vulnerable young people (care leavers, NEET's, asylum seekers) aged 16-25, nationally. MyBnk will work closely with SGN to address the barrier young people face in using energy efficiently and affordably – always ensuring their safety.

The partnership will provide the following outcomes, with young people being:

- Supported by their utilities Priority Services Register - providing them with the security and support they would need in the event of an unplanned outage (young adult households)
- Able to set up their utility accounts to select the best utility tariffs for their personal circumstances
- Able to manage and pay their own utility bills going forward and avoid going into debt with a 45% reduction in young people incurring bank charges and missing bills, and a 27% increase in confidence in managing money
- More awareness of the risks of Carbon Monoxide and how to mitigate these as assessed by the CO standard survey
- Less likely to hold unmanageable levels of debt that could negatively impact their financial management for the future with a 22% increase in those borrowing safely, and avoiding 'loan sharks'
- Lower stress levels, and improved health and wellbeing, and therefore better life chances/quality of life.

### 6.2 Success Criteria

To support young people at a key point in their lives, where they are at risk of falling into debt, poverty, and homelessness. We will address the issues that would prevent these young people from managing a safe and warm home, long term.

- Year 1 – 180 young people through direct delivery of The Money House (150 in London / 30 in Scotland)
- Year 1 – 2,000 young people reached via MoneyCast – messages on energy affordability and safety
- Year 1 – Successfully measure the personal impact of the support provided to young people demonstrating a shift in skills and confidence they now feel in being able to maintain a safe and warm home, including:
  - Young people offered the support to assess eligibility and sign-up to the PSR with an expectation of 60% registration
  - Young people provided the practical skills to manage their utilities safely, efficiently, and affordably, including who to call in an emergency, smart meters, relevant energy schemes, how to check if you are on the best tariff, tariff switching and ways to conserve energy safely
  - Young people provided with information on how to manage budgets, identify eligible benefits, and supported where eligible for debt support and/or access to income related benefits
  - Be more aware of the risks of Carbon Monoxide and how to mitigate these as assessed by the CO Standard survey

- Year's 2 and 3 we will look to deliver the remaining engagement adapting the programme resources to meet current needs

To monitor our impact in line with the above, we will:

Monitor young people's outcomes against services provided, demographics, vulnerabilities and needs. Have dedicated CO safety questions as part of MyBnk's base and end line surveys, with an opportunity to understand retention of knowledge through follow-up surveys which are conducted 3-6 months after the course.

Work closely with our partners to ensure that we all understand the issues faced by young people enabling us to continue to develop our services by need.

## 7 Project partners and third parties involved

- MyBnk – programme lead and delivery partner providing the advisory teams and the facilities to support young people in residential courses and social engagements.
- SGN – lead gas network providing funding and support to the delivery team, including training resources, access to broader referral partners, and direct services for customers including but not limited to CO training materials and alarms and access to the Priority Services Register
- Broader funding partners – include Berkley Homes, Pimco, JP Morgan and broader referral partners such as Local Authorities, DePaul and CenterPoint. As well as future partners and referral partners over the 3-year partnership.

## 8 Potential for new learning

### Monitoring and evaluation

The following activities will be in place to monitor and evaluate project progress and impacts:

- Quantitative and qualitative service user outcomes
- Service user before-and-after-support surveys and follow-up engagements
- Feedback, indicators, outputs, and outcomes reported on quarterly
- Project progress monitored: these include monthly and quarterly partner meetings to share ideas and challenges through individual and organisational partnership case studies.

### Learning

We are keen to learn from this project and for successes to be incorporated into future delivery as well as shared with other sector participants. We intend to share an annual report across electricity, gas and water networks and with local authorities in addition to sharing project impacts and case studies during our annual showcase event.

## 9 Scale of VCMA Project and SROI Calculations

MyBnk have been successfully delivering targeted programmes for young people since 2007. During the pandemic, Mybnk developed virtual versions of all programmes and developed online material. We anticipate with the challenges forecast during winter 21/22, and with uncertainty in the energy market that we will need to target 16–25-year-old vulnerable young adults who are likely to experience fuel poverty, debt and future financial uncertainty without intervention.

### Social Value Measurement

The MoneyHouse programme has been assessed externally on SROI with every £1 spent generating £3.36 in social value and we are looking to build on this assessment throughout the partnership.

In addition, working with leading social impact research consultancy Simetrica we have developed a bespoke social value bank of financial and wellbeing outcomes applicable to our services for vulnerable customers. We will continue to measure all the outcomes for patients using this approach, which is used to estimate social

value based on best practice endorsed by HM Treasury for the evaluation of social policy and utilises values from the Treasury's 'Green Book' where applicable.

## **10 VCMA Project start and end date**

The project will run from November 2021 to November 2024

## **11 Geographic area**

The programme reach will cover our Southern and Scotland regions with The Money House residential programmes in London and Glasgow.

## **12 Approval**

Rob Gray - Director of Stakeholder Relations and Communications