

## 1 Description

Funding GDN(s)	SGN
For Collaborative VCMA Projects:	
Date of PEA submission:	23 September 2021
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## 2 Problem(s)

### In-depth energy advocacy support needed

In south-east Scotland (Fife, West Lothian, Edinburgh, Midlothian, East Lothian, Scottish Borders) fuel poverty levels are high (19-29%). COVID-19 is exacerbating issues: with more people at home, 48% of people think they are now using more energy than normal<sup>1</sup> and incomes have been affected through furlough or job losses.

Changeworks is experiencing increased need for in-depth support for crisis energy issues. During the pandemic period demand for emergency support increased significantly – especially during lockdown periods. Comparing similar periods in 2019/20 and 2020/21 Changeworks experienced a 900% increase in supporting people to access emergency energy credit vouchers. In 2019/20 they supported people in crisis, achieving 137 positive outcomes for them and £2,080 financial savings. In 2020/21 this increased to 1,230 positive outcomes and £53,350 financial savings.

The impacts of coronavirus will be deep and long lasting, and Changeworks anticipate that demand for affordable warmth advice will grow. Changeworks are committed to working with others to provide essential services to support households in or at risk of fuel poverty.

### Energy arrears increasing

More people are experiencing energy arrears. Before the pandemic, 2015-2019, StepChange reported electricity arrears doubling (10%-22% clients) and a 5% gas arrear increase, with debt amounts increasing. Since the pandemic, data from suppliers shows the rate of customers in arrears has increased by 50% since last year<sup>2</sup> and StepChange found a substantial rise in the proportion of new clients contacting them who were behind on energy bills.

**Increased reach required** – Changeworks is aware there are particular vulnerable groups who need support and who we want to target eg.:

- Householders living in the private rented sector – 37% of whom live in fuel poverty in Scotland and have been hardest hit by COVID-19
- Householders with pre-payment meters – Changeworks has seen a five-fold increase in clients struggling to feed pre-payment meters. Ofgem COVID-19 specific surveys (April, May, October) also found the

<sup>1</sup> Includes Changeworks staffing, recruitment, management, health & safety, staff development

<sup>1</sup> % finance: HR, governance, marketing support, insurances

<sup>1</sup> Energy advice packs

<sup>1</sup> Citizens Advice (Dec 2020) [Recovery, or Ruin: the role of accessible support in helping energy consumers through the crisis](#)

<sup>2</sup> Ibid Citizens Advice, Recovery or Ruin

percentage of respondents worried that they would not be able to pay their prepayment meters due to income loss increased from 16% to 37% over the pandemic period.

- The 'debt vulnerable' – Typically women, younger people, single parents, renters, and people with poor mental health.

### **Protecting vulnerable or low-income households from carbon monoxide poisoning**

There is a direct correlation between fuel poverty and carbon monoxide poisoning. Lower income householders are often reliant on older boilers, older heaters or even gas stoves or cookers to heat their homes. 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.<sup>3</sup> People living in deprived areas are also less likely to own an audible CO alarm than homes in non-deprived areas, further increasing the risk of CO poisoning.<sup>4</sup> Older people, pregnant women, and young children have also been found to be particularly vulnerable to CO poisoning, spending more time at home and with a need to stay warm, resulting using the heating more regularly.<sup>5</sup> Social tenants are less at risk due to RSL requirements for annual gas safety checks and higher energy efficiency standards.

In partnership with SGN and SPEN we are delivering a holistic package of support services in the areas most affected in the South-East of Scotland which includes mental health and new partnership with Step Change.

## **3 Scope and Objectives**

Affordable Warmth Advocacy's aim is to empower up to 2,850 vulnerable energy consumers living in fuel poverty crises across south-east Scotland to be affordably warm and safe from the dangers of CO.

### **Objectives**

- Meet unprecedented need for in-depth energy advocacy.
- Support those in fuel poverty crises to tackle its root causes e.g. high energy costs, low income, poor energy efficiency of the home/ customer behaviours.
- Reach those in need – awareness raising of fuel poverty, energy advice, CO dangers and water efficiency – working with partners, maximising 100+ referral network, promotion activity.
- Work with others so that service users access additional support through joined-up customer journeys, e.g. Home Energy Scotland, StepChange, Age Scotland, One Parent Family Scotland, and mental health support charity referrals.

## **4 Why the Project is being funded through the VCMA**

This project will provide support to consumers in Vulnerable Situations to tackle fuel poverty issues and to address CO safety issues resulting in positive Social Return on Investment. The project will provide holistic energy efficiency advice and awareness of the dangers of CO, tailored to the needs of each householder to support energy safeguarding and reduce the risk of harm caused by CO. The project will work collaboratively with expert agencies to maximise positive impacts and deliver defined outcomes for individuals. The project will also put together forums and one to one meetings with front line support workers to help provide more awareness in communities.

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<sup>3</sup> Cited on Safelincs blog (2020) [Carbon monoxide poisoning: who is most at risk?](#)

<sup>4</sup> Kokkarinen et al (2014) Investigation of audible carbon monoxide alarm ownership

<sup>5</sup> Ibid. Safelincs, Carbon monoxide poisoning

#### 4.1 VCMA Eligibility Criteria below

This project supports people to use energy safely, affordably, and efficiently, targeting vulnerable households and delivering a positive social return on investment.

In order to qualify as a VCMA Project, a project must:

- a) have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project.
- b) either:
  - i. provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or
  - ii. provide awareness of the dangers of CO, or
  - iii. reduce the risk of harm caused by CO;
- c) have defined outcomes and the associated actions to achieve these;
- d) go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and
- e) not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding.

## 5 Evidence of stakeholder/customer support

Changeworks knows from their experience; delivering affordable warmth services, engaging with stakeholders, and from research they conducted on energy debt for the Energy Consumer Commission (ECC) in March 2021 that in-depth support is required to tackle emerging crises trends:

### 5.1 Changeworks stakeholder engagement and feedback

Changeworks has found the people they are supporting that are struggling with energy costs have been plunged deeper into crisis, while others are experiencing challenges for the first time. Changeworks saw a 900% increase in people needing emergency assistance comparing 2019/20 and 2020/21 data. For instance, in the last 2.5 weeks of 2020/21 their Affordable Warmth Team achieved £78,300 savings for service users through applications to Home Heating Support fund and Social Housing Support Fund – a big proportion used for fuel debt. From speaking to vulnerable people living with fuel poverty crises we know many would not have been able to tackle their issues without in-depth support and advocacy.

*“At the beginning I was getting bills and couldn’t manage it. I struggle to absorb certain information. I was so anxious. Without [the Advisor’s] help we would not have known about credit vouchers – this was really, really helpful for us for the month. I did not even know that I could change suppliers. I find it easier with things demonstrated rather than written down. It helps when you are struggling to have someone there to help.”*

*“Scottish Power bill for £4,000 and threatened by court action. The Advisor supported me to get all sorted – he did things I couldn’t have done. I got a refund. He dealt with it brilliantly, and I am now set up so that everything is manageable, I have a good payment plan, and I have managed to keep on top of everything.”*

Changeworks energy debt research included interviews with advice and community groups, energy suppliers and householders with first-hand experience of energy debt. They found COVID-19 is having disproportionate impacts on particularly low-income households – women, younger people, single parents, and renters – since they are more likely to experience furlough, job losses and reduced hours. Interviewees also recognised mental health as being impacted by COVID-19 and having an intensifying impact on those experiencing debts. They were told by stakeholders that those with poor mental health are twice as likely to fall behind with some or all their bills, with reduced capacity to manage debts or seek support. One interviewee said:

*“I would say things are getting worse based on the growing number of enquiries year on year. [...] We have seen a huge increase in people in need, people going into debt and being unable to afford their fuel. And the number who are self-disconnecting is rising. And so is debt, especially with electricity. It’s kind of spiralling I’d say.”*

Research conclusions recommended in-depth support – partnership working, community engagement and in-person help – to be the most effective methods for energy debt related help.

*“It’s not the cheapest way but it’s by far the most effective way to provide support. What we want to do is make sure that any assistance isn’t just a sticking plaster. What’s vitally important is that we resolve their energy crisis, but we also equip them to manage it themselves in the future.”*

Advice organisation

- In 2020/21 our partners Home Energy Scotland had over 2,700 referrals in their South-east advice centre for fuel energy credit vouchers and a 107% increase in people on low incomes looking for support.
- Changeworks partners StepChange have also seen an increase in energy arrears since 2017. StepChange found 16% of their service users were behind on paying their gas bills, and the average amount of bill arrears grew from £531 to £637 for gas (2015-19)<sup>6</sup>. StepChange also shared their research on impacts that COVID-19 has had, and is having, on their service users<sup>7</sup> and their findings include a substantial rise in the proportion of new service users behind on utility bills, such as gas and electricity.

## 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 providing essential emergency funding for customers in vulnerable circumstances should remain one of our top priorities due to the impact of Covid 19 on our most vulnerable customers in relation to affordability. In addition, our stakeholders wanted to see us approach affordability broader than ‘gas’, as customers who face financial hardship need support with all their utilities, and water, gas and electricity should be approached as essentials services.

## 5.3 Customer Engagement Group 2019/20

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.

## 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 the regions in our geographic area that are most in need, and to support those most likely to need support from their utility company. One such group is those with critical and long-term health conditions. This approach has been endorsed by our strategic panel as it looks to provide a holistic and empowering service in partnership with other utilities and support organisations.

## 5.5 SGN RIIO GD2 Business Plan

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

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<sup>6</sup> StepChange (2020) *Scotland in the Red 2019 report* [[WWW](#)]

<sup>7</sup> StepChange (2020) *COVID-19 client data report* [[WWW](#)]

stakeholders emphasised the importance of partnerships to increase the value of our allowance in generating positive outcomes for customers. Feedback from our Customer Service & Supporting Vulnerable Customer – Shaping the Business Plan Qualitative Workshops recommended tier-two initiatives should include supporting those most vulnerable to living in a cold and unhealthy home, as well as connecting with NHS prevention and community support teams.

## 6 Outcomes, associated actions, and success criteria

### 6.1 Outcomes

Affordable Warmth Advocacy will provide in-depth fuel poverty support to up to 1,126 vulnerable consumers in crisis (e.g. with fuel billing issues, fuel debt, pre-payment meter self-disconnections) and raise awareness of fuel poverty, energy advice top tips and the dangers of CO to at least 1,620 people across south-east Scotland. After support people will be able to heat their homes safely, efficiently, and affordably.

Affordable Warmth Advisors will deliver quality in-depth support to up to 1,126 people living in fuel poverty, providing advice on the following:

- energy efficient behaviours, including heating system advice
  - energy efficient measures and how to access these e.g. Home Energy Scotland (HES) referral to access Warmer Homes Scotland and SGN Help to Heat support.
  - how to tackle high fuel costs by better: understanding energy bills and meters, accessing discounts (e.g. WHD), accessing energy vouchers, tariff/supplier switching, and water efficiency
  - support to untangle and resolve fuel billing issues
  - fuel debt advocacy and signposting/referrals for wider debt advice
  - access to hardship funds (where available)
  - PSR sign-ups
  - the dangers of CO and how to be safe
  - tackling and preventing condensation and dampness
  - signposting/referrals to wider support e.g. income maximisation advice, mental health support (e.g. Penumbra, Scottish Association for Mental Health, Health in Mind), Age Scotland.
- Changeworks will work closely with partners StepChange to provide holistic debt support through a cross-referral relationship. Last year 1,340 StepChange south-east Scotland clients had fuel debt. Our StepChange partnership will ensure clients receive specialist fuel debt support (Changeworks) and wider debt advice (StepChange). StepChange also signpost to the Mental Health Foundation.
  - Changeworks will work with Scottish Association of Landlords to reach private rented tenants, promoting support to their 1,500+ members in the south-east.
  - Changeworks will work closely with HES partners to ensure clients receive holistic energy support through a cross-referral relationship – in-depth billing and debt support (Changeworks) and access to grants/schemes for energy saving measures (e.g. through Warmer Homes Scotland) and wider advice on transport, water saving and renewables.

The project will also target and make fuel poverty, energy saving advice and dangers of CO information accessible to at least **1,620** people via various activities e.g. delivering briefings to front-line staff, attending relevant forums and networks to distribute information, articles in targeted newsletters, local bulletins, social media, and local radio. Changeworks has existing contacts for instance with Midlothian Financial Inclusion Network, Scottish Borders Council health and social care and NHS Healthy Living network.

**Breakdown of outputs:**

Output breakdown	Yr1	Yr2	Yr3	Project total
	2022	2022/23	2023/24	
	Jan-Mar	Apr-Mar	Apr-Mar	
	Q2	Full year	Full year	
Service users supported by Affordable Warmth Advisors	126	500	500	1,170
Service users reached through awareness raising activity	180	720	720	1,680

**6.2 Success criteria**

Success criteria			Indicators	
Stakeholder	Impact	Outcome	Client survey responses	Advisor activity record
Service users	Wellbeing & Legacy	Skills gained to maximise opportunities to be affordably warm	80% service users receiving in-depth support tell us they are: <ul style="list-style-type: none"> <li>- following energy efficient behaviour best practice</li> <li>- warmer in their homes.</li> </ul>	# referrals for grants for measures (e.g. heating systems, insulation) # supported to set up energy accounts best suited to needs
		Reduced anxiety	75% service users receiving in-depth support tell us they are less worried about their energy bills	# people provided with an advice leaflet/signposting to a mental health organisation who can provide further support
		Increased feeling of empowerment	80% service users receiving in-depth support tell us they have increased knowledge about how to deal with energy issues	
		CO safety	80% service users receiving in-depth support tell us they understand the risks of CO	# provided with a new CO alarm
		Priority Service Register access improved		# applicable service users informed / referred PSR
	More manageable energy costs	Service users receiving in-depth support provide us with examples (service user quotes)	# energy accounts set up # accessed suitable tariffs # accessed WHD £ savings due to e/e measures £ behaviour change savings	
Financial resilience	Increased disposable income		£ saved from grants accessed, fuel billing/debt issues resolved # referrals to income maximisation	
		Improved financial skills	80% service users receiving in-depth support tell us they have increased knowledge about how to deal with energy issues	
Environment	Climate change mitigation	Lifetime CO2 reduction resulting from project activity	80% service users receiving in-depth support report good energy efficiency behaviours	Carbon saving metric associated with advice delivery used Carbon saving assumed from referrals for measures (Energy Saving Trust)
Partners	Customer journey improvement	Evaluation used to continually improve service user experience	95% of service users receiving in-depth support satisfied with service	Satisfaction score separated out to show PSR scoring from data collected
	Collaboration	Hard-to-reach group in need of support reached		Up to 2950 people aware of and/or engaged and supported with energy issues Data recorded about 1210 clients supported through in-depth support, e.g. demographics and vulnerabilities Service users receiving in-depth support have vulnerability proxy
		Joined-up working		Cross-referrals New partnerships / ways of working formed
	Employment	Staff employed on the project		Number of jobs created (i.e. employed on project)



## 7 Project Partners and third parties involved

**Changeworks** is Scotland's leading environmental charity with 35 years' experience delivering solutions for low carbon living and empowering the most vulnerable people to be affordably warm.

Changeworks' Affordable Warmth Service is a specialist service supporting vulnerable people by providing holistic, bespoke, and in-depth energy advice to tackle fuel poverty. The team's approach is focused on empowering people to gain sustainable life skills to tackle issues themselves. Staff have the skills and experience to deliver robust outcomes:

- Scottish National Standards accredited to deliver Type 1 Utility Debts advice
- City & Guilds Energy Awareness and Renewable Energy certified (Level 3) and receive comprehensive in-house training
- Disclosure Scotland checked and have training in: Child Protection, Protection of Vulnerable Adults, Lone Worker Safety, and Equalities

### **Home Energy Scotland advice centre, South-east (HES)**

(Advice service funded by Scottish Government)

HES will refer suitable households for Affordable Warmth Advocacy support. HES will deliver joined-up delivery with Changeworks to ensure clients access holistic support that comprehensively tackles fuel poverty issues.

### **Scottish Association of Landlords (SAL)**

(Landlord and letting agent membership organisation)

SAL will target private sector landlords to raise fuel poverty awareness and encourage project support information to be forwarded to tenants.

### **StepChange (UK's leading debt charity)**

StepChange will work with Changeworks to deliver holistic support that helps individuals experiencing debt problems resolve issues and build financial resilience. StepChange will refer clients with energy arrears in the south-east to Changeworks to receive specialist fuel debt support and receive Changeworks referrals for clients with wider debt issues.

*"StepChange provides generalist energy arrears advice but does not hold specialist expertise to drill into the root causes of energy debt. We welcome the opportunity to refer clients to Changeworks who have this specialist knowledge and can offer our clients holistic support in this area."*

Relationship Manager, StepChange

### **SPEN - Scottish Power Energy Networks - DNO**

## 8 Potential for new learning

*Details of what the GDN(s) expect to learn and how the learning will be disseminated.*

### **Monitoring and evaluation**

The following activities will be in place to monitor and evaluate project progress and impacts (please see indicators in outcomes table above for more detail):

- Quantitative and qualitative service user outcomes and demographics/ vulnerabilities recorded/monitored
- Service user before-and-after-support surveys and follow-up calls
- In-bound and out-bound referrals from/to partners and other services recorded/monitored (e.g. for benefits advice, energy saving measures)
- Feedback, indicators, outputs, and outcomes reported on quarterly

- Project progress monitored: e.g. monthly Advisor 1-to-1s, quarterly partner meetings.

### Learning

We are keen to learn from activity and for successes to be incorporated into future delivery and promoted to others. Below are opportunities we see for replication, learning and sharing:

- Partnership working will generate new joined up working practices and lessons learned to be replicated in future work.
- Evaluating delivery will support learnings and successes will be shared.
- Our Client Advisory Group<sup>8</sup> feedback will help shape activity and learnings shared.

Sharing of learnings will be disseminated via project progress/annual reporting, case studies, newsletters, website, briefings to organisations and to members across our relevant networks e.g. Energy Action Scotland, Scottish Federation of Housing Associations, local financial inclusion networks and at the annual showcase event.

## 9 Scale of VCMA Project and SROI calculations

Referral outcomes: Target in depth support to 1126 clients over 2.5 years and 1620 people to sue energy safely, affordably, and efficiently. Marketing campaigns through various platforms will help broaden the reach of advice further.

Based upon recent programmes that followed a similar model we would expect to see customers who access the services achieve the following however we anticipate that with the nature of need we could expect higher representation in the PSR outcomes and income maximisation outcomes based upon working with this community of people in crisis. Performance against these assumptions will be monitored closely throughout the programme.

### Social Value Measurement

In addition to the SROI independent report produced by SIA partners, 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.

The project is currently forecast to deliver a positive SROI based on a subset of outcomes

## 10 VCMA Project start and end date

### January 2022-March 2024

Project starts in October 2022. We anticipate needing two months for project set-up – recruitment and training of Affordable Warmth Advisors. Service users will start to be supported from December.

Proposed costs and duration are for project delivery for just over 2.5 years initially (October 2021-March 2024). However, we would be keen to continue delivery beyond this period. We would welcome opportunities to build on successful outcomes and to use learnings to modify project approaches as necessary and apply to remain in SGN's VCMA portfolio of funded projects until 2026.

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<sup>8</sup> Our clients are asked to join an Advisory Group to analyse our service – considering whether current methods of delivery are the most effective means of meeting the aims of the service, reaching its target service users, and enabling accessibility. Clients will be asked what might make the service more attractive to service users and alternative methods of delivery applied to current methods and reviewed for improvements.



## 11 Geographic area

**South-east Scotland**, covering six local authorities: East Lothian, Edinburgh, Fife, Midlothian, Scottish Borders, West Lothian.

The project will deliver support where there is high level of demand (e.g. Edinburgh), areas needing in-depth services (e.g. Midlothian), yet anticipate supporting less service users where services duplicate (e.g. Fife's Cosy Kingdom project).

SGN data mapping found the following areas in the top 3 priorities:

- Disability relating to benefits including child and mental health: Central and Fife, Borders, Edinburgh, and Lothian
- Age: Under 5, over 65, over 80: Midlothian, West/East Lothian, Scottish Borders
- Financial: West Lothian

## 12 Approved by

Rob Gray - Director of Stakeholder Relations and Communications