

# Children 1<sup>st</sup> - Keeping children warm and well

Vulnerability and Carbon Monoxide Allowance

March 2024  
SGN



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## 1 Description

Project title	Keeping children warm and well
Funding GDN(s)	SGN
New/Updated (indicate as appropriate)	New
Date of PEA submission:	4 March 2024
Project contact name:	Margaret Hamilton
Project contact number/email:	Margaret.hamilton@sgn.co.uk
Total cost (£k)	£372,202
Total VCMA funding required (£k)	£372,202

## 2 Problem statement

Against a backdrop of the UK's energy prices doubling in the past 12 months it is currently estimated that there are over 6.7 million households living in fuel poverty in the UK. Sadly, over a million people in Scotland live in relative poverty and around a quarter of them are children. This means almost 250,000 of Scotland's children are officially recognised as living in poverty.

According to Scottish Government research, 69% of these children live in working households. A family with children aged five to 14 are considered living in poverty if, after housing costs, they are living on less than £360 a week or £18,700 a year for a single person, or less than £485 or £25,300 a year for a couple. (CPAG, 2024)

Rising costs hit families with children particularly hard and they face energy bills on average 30% higher than other households. Children are already at a disproportionately high risk of poverty and the cost-of-living crisis means thousands more are at risk of being plunged further into poverty.

In 2023 Children 1st worked with almost 1,000 families to improve their financial wellbeing, helping over 1,400 children. This support resulted in identifying over £1.5 million of unclaimed entitlements, a life changing amount of money for these families. Additionally, advisors supported parents and carers with almost £800,000 of crippling debt and provided over 300 fuel vouchers for families in crisis.

Poverty creates a vicious cycle and research by the Child Poverty Action Group and Prof Donald Hirsch estimates the wider societal costs of child poverty based on costs to the economy due to the greater risk of unemployment and lower earnings potential of adults who grew up in poverty and the additional amount spent on public services to help address the damage done to children growing up in poverty. The research estimates that this year child poverty will cost the UK a staggering £39.5 billion. (Hirsch, 2023)

Households with children have a high prevalence of fuel poverty with one in five households with children experiencing fuel poverty in 2020 in the UK. The impact of this is significant on the development and wellbeing of children. Fuel poverty impacts on the growth and development of infants and a wider health impact from living in homes that are cold. In addition, living in a cold home has been shown to impact on children and young people's mental health as well as their parents. Furthermore, the impact is much wider, for example, a child experiencing illness will miss days at school and will also find it harder to study or do homework impacting on their education. Broader than this is the impact on the whole family and the opportunity to participate in other activities such as mixing with friends or school trips, or adequate clothing can all be impacted when finances are stretched. (Alice Lee, 2022)

For families, poverty generates ongoing insecurity and uncertainty about being able to meet their most basic needs – paying rent, affording household bills, keeping food on the table and their homes warm in the winter. It can be isolating and worrying for parents and children.

Children 1st are finding many families' complex circumstances mean they require consistent, long-term support to tackle issues including:

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- Disconnection of their energy supply
- Managing energy tariffs, meters, energy budgeting
- Liaising with energy suppliers to resolve debt, tariff deals, priority register registration
- Applying for home energy efficiency improvements
- Grant eligibility checks and application support
- Enhanced energy awareness within the home

Low-income families are often very effective at budgeting, but a tight budget can be shattered by unforeseen circumstances – illness, broken boilers, a global pandemic, or a cost-of-living crisis. Spiralling energy costs can also have a devastating impact. Just this month (January 2024), an increase in the cost of domestic energy in England, Wales and Scotland has taken effect, adding pressure to household budgets in the new year. A higher price cap, set by regulator Ofgem, from now to April means gas and electricity costs will be 5% higher than the last three months, when it is darker and colder, and many families are facing debt after Christmas spending. Arrears and borrowing to pay essential bills are a serious problem especially at this time of year.

### 3 Scope and objectives

The objective of the initiative is to minimise the health and wellbeing impacts on children and families who are living in fuel poverty across Scotland and ensure they have the required energy safeguards in place.

SGN and Children 1st are delivering a partnership from 1 April 2024 to 31 March 2026.

The scope of the initiative delivered by Children 1st will provide energy advisory and safeguarding support to families who are struggling to afford to maintain a safe and warm home. Children 1st will upskill their financial wellbeing advisors who support their Parentline, expand their community based- advisor service in two areas identified, Ayrshire and Glasgow.

Working together in partnership with SGN, Children 1st will support children and families by:

- Upskilling the financial wellbeing advisors to support families helping them to sign up to the Priority Services Register and promoting the service widely across Parentline and a multi-channel approach such as social media
- Providing access to financial wellbeing advisors who are multi skilled and can offer support across multiple areas including debt, welfare rights, income maximisation and budgeting - via Parentline, webchat, email, text, or video call and in family homes
- Providing access to a dedicated energy advice service for families that understand what support is available to help them address energy issues. This will be achieved by upskilling the team with City & Guilds level 3 energy awareness training to fully incorporate energy advice into the national financial wellbeing offer
- Providing emergency support to families who are in crisis and unable to pay their energy bills via a hardship fund - fuel vouchers to keep them safe and warm
- Raising awareness of the dangers of carbon monoxide through financial wellbeing advisors, Parentline and social media. Providing free carbon monoxide alarms where appropriate
- Offering intensive, longer-term support through multi-agency joined-up approaches where families have complex issues and a dual whole family wellbeing and financial/energy support approach is critical to their recovery

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

The project delivers against SGN's Vulnerability Strategy, by providing targeted support to households most at risk of living in fuel poverty based upon their personal circumstances and their geographical location.

The partnership service aligns to our strategic ambition to support young families in energy crisis, helping those in fuel poverty to access financial crisis support, and other services including the Priority Services

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Register, awareness of the dangers of carbon monoxide, and energy efficiency advice, empowering low-income households to use energy safely, efficiently, and affordably.

This partnership aligns to the SGN commitment to deliver support services customers aligned to our four strategic pillars:

1. Services Beyond the Meter
2. **Supporting Priority Customer Groups**
3. Fuel Poverty & Energy Affordability
4. Carbon Monoxide Awareness

This project aligns to strategic pillars 2 (with outcomes in 3 and 4).

## 5 Evidence of stakeholder/customer support

### 5.1 Children 1st track record of support

As Scotland's children's charity, Children 1st have a proven track record of supporting society's most vulnerable children and families, and they are trusted to do so.

While Children 1st work with all families, their priorities are families of three or more children, families where there is a disabled adult or child, families where the youngest child is under one years old, lone parents, minority ethnic families and young mothers under the age of 25.

This work is integral to Children 1st's long-term strategy for supporting families through offering in-house energy advice where low financial wellbeing puts children in jeopardy of abuse, harm and neglect due to prolonged family poverty. It also supports their work in line with Scottish Government's promise to end child poverty by 2030.

Families with lived experience of poverty and intergenerational trauma poverty don't traditionally engage well with multiple agencies. Children 1st provides a 'one stop' shop for families, helping them to reach their financial and energy related goals. They have the expertise to build trusting relationships with families that means they will have a higher likelihood of following through with the work needed to address their financial and energy needs than if they are referred elsewhere or have multiple points of contact. Families from these backgrounds often need urgent energy and financial wellbeing support to achieve a strong, stable foundation on which to begin their journey to break their cycle of poverty and trauma.

When families can afford to pay the rent every month, put food on the table and keep homes warm, the impact on children is significant. They sleep better, they are healthier, they can concentrate better at school, and their development is better supported.

To effectively support children, we must be able to effectively support their primary caregivers. With the right tools and resources, families can strengthen their financial and family wellbeing. This will not only help realise children's human rights but will enable children to thrive now and in the future.

### 5.2 Children 1st Family Stories

Families have told Children 1st it takes time to build trust and tackle their problems, which are often complex and changeable.

In 2023, Children 1st supported a mother with complex need including low income, housing, child maintenance support request and energy/other financial debt. The financial wellbeing advisor completed a housing application for her to move to a larger property better suited to her family's needs. They supported her while she requested an appropriate level of child maintenance to cover her children's needs and contacted the energy provider on her behalf to request a reduction of her energy debt and secured £1,500 from the Home Heating Fund towards this. She is currently awaiting energy provider decision to accept a reduction/repayment plan option. Once resolved, Children 1st will continue working with the mother on helping with energy usage in the home, her other financial debts as she wishes to tackle one issue at a time to

manage her stress levels. Her case remains open as the charity work alongside her to achieve financial stability and whole family wellbeing.

Last year, Children 1st supported a family with complex needs and whose first language was Romanian. This was a young family with two children under 10, dad is working full time and mum was not able to work due to ongoing health issues. Mum received notice from energy provider that her direct debit was due to increase to £390 per month which would push the family into financial hardship.

With support from the financial wellbeing advisor, they contacted the energy provider to advocate on the family's behalf and submitted an income and expenditure and made a realistic offer of what the family could afford to pay to cover ongoing usage and pay something towards arrears. They also made an application to the home heating fund and obtained a grant to reduce the debt by £1,300. By obtaining this grant this reduced the monthly payments further as no extra was needed to go towards the debt.

*“Your help literally saved us and my family a lot. First, from the stress from the extra expense that they forced us to increase our direct debit which was enormous, there was no way we could pay all the that from one salary plus universal credit. I don't think I would have applied elsewhere because I had no idea of such help. I am very happy to be able to express my gratitude to you, to you Monica for all the support and help given during the whole period.”*

### 5.3 SGN's Vulnerable Customer Steering Group

During the shaping of the SGN business plan we committed to support at least 250,000 vulnerable households to use gas safely, affordably, and efficiently over GD2. During 2023, following ongoing engagement with Ofgem, SGN's Customer and Stakeholder Engagement Group and Vulnerable Steering Group we increased this commitment to support 500,000 vulnerable households, those most at risk of living in a cold and unhealthy home. SGN have used data and insights to develop our programme, this has underpinned how this commitment to support those most in need from a strategic ambition into an extensive partnership-based delivery programme.

As we've progressed our portfolio of projects throughout GD2, our strategic steering group reiterated the vital impact we could have by co-ordinating our activities with others to support those most in need, those most impacted by the cost of living and energy cost crisis. The VSG have recommended that we look at ways in which we can build stronger links with other organisations including collaborating with other utilities, health services and charities to deliver support services that tackle the fuel poverty gap and the underlying causes of fuel poverty.

## 6 Outcomes, associated actions and success criteria

### 6.1 Outcomes

- Families living with intergenerational trauma and poverty, including and those at risk of poverty, will have increased household income and reduced levels of debt, including energy debt
- Whole families impacted by trauma and poverty will have greater confidence about managing energy usage, their utility bills and will experience less financial stress
- By providing high-quality, bespoke advice and support with energy issues, families will improve their living standards, increase the comfort and warmth of their homes, reduce energy costs, and feel empowered to mitigate the impact of low income and poverty, to improve their quality of life
- Families will be able to recover from crisis situations more quickly by accessing support from the hardship fund
- More families with young children registered on the Priority Services Register
- Increased awareness of the dangers of carbon monoxide among families with young children

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- Upskilling of Children 1st financial wellbeing team to enhance existing energy knowledge and advice
- Increased insights to support the Children 1st policy team to provide an evidence base to identify issues which require systemic change in policy and practice to reduce poverty for children and families in Scotland.

### 6.2 Success Criteria

Ultimately, the project will reduce families' financial pressures which puts children at greater risk of harm, ill-health, and wellbeing. Addressing root causes of ongoing fuel poverty, increasing energy efficiency awareness, helping families stay connected and tackling their energy issues will lead to positive outcomes for children and families marginalised by trauma and poverty.

Children 1st will support 1,600 families over the duration of this project, supporting 800 families each year, experiencing significant financial and energy challenges across Glasgow, Ayrshire and nationally via Parentline.

- Energy Health Checks exploring the challenges families face and ensuring that they get the support needed to address this through:
  - Access to fuel vouchers to help those families struggling to heat their homes
  - Supporting families with energy advice such as tariffs, energy debt and energy saving options
  - Supporting families maximising income – work with families to increase their income
  - Supporting families to work with Home Energy Scotland on energy efficiency opportunities for their home
  - Supporting families to sign up for the Priority Services Register
  - Providing access to fuel bank foundation grants (200 families @£87 per voucher)
- Work with families on safety
  - Work with families on safety aspects in relation to their energy ensuring families understand the risks of carbon monoxide.
  - Ensuring that all families we connect with will have access to a free carbon monoxide alarm where appropriate.
- Income and debt levels can change significantly depending on a family's individual circumstances. Collectively, by managing problematic debts and successful awards of unclaimed benefits and grants approximately £1 million will be put back into family's pockets

We will break this down fully in each monitoring period with the success criteria reported each month around the outcomes per year:

- 800 families supported with energy advice, heating controls, energy tariffs etc
- 800 families supported with income maximisation and debt management
- 800 families with PSR conversations with 50% success rate of being added to PSR for energy and water
- 800 families supported with carbon monoxide conversations
- 800 health and wellbeing conversations
- 175 carbon monoxide alarms gifted to families
- 270 families supported from the fuel bank foundation
- 180 families supported with grant funding via Home Energy Grant funding
- 40 families supported with energy efficiency measures for the home through Home Energy Scotland
- 175 families supported with emergency crisis funding - fuel vouchers

#### Additional outcomes Year 1

- 11 Children 1st colleagues trained in carbon monoxide awareness – Gas Safe Charity
- 11 Children 1st colleagues trained on the Priority Services Register
- 3 Children 1st colleagues achieve Energy Efficiency City & Guilds Certificate

## 7 Project partners and third parties involved

The Children 1st financial wellbeing team work closely with the charity's local family wellbeing hubs and benefit from a number of local partnerships with social work departments, health and social care partnerships and local providers. The team have developed strong links with community pantries, food banks and various community initiatives all working towards addressing poverty. For example, the charity has a long-established relationship with Govan Law who provide support to families in relation to their housing needs alongside Children 1st financial wellbeing support.

The charity's approach is to support families in being financially resilient which also involves feeling confident about how to access support in the future and they will make appropriate connections with families to local support.

Part of wider advice networks such as Advice UK and CPAG, and Money Advice Scotland, Children 1st also have a partnership with Home Energy Scotland to support families moving towards more energy efficient homes as well as access to financial assistance. In partnership with the Fuel Bank Foundation, vouchers are distributed to families to cover energy costs.

Other partners supporting this partnership are;

- Gas Safe Charity
- Scottish Power Energy Networks
- SGN – including access to SGN's wider support from their partnerships through VCMA

## 8 Potential for new learning

### Monitoring and evaluation

Monitoring and evaluation are at the heart of Children 1st's work and the charity has recently redesigned the way in which they record their work. Alongside families, the charity built a rights based, respectful and intuitive approach to recording based on stories and measuring what matters to families, transforming the language used and avoiding jargon.

Using Advice Pro software, Children 1st now have the ability to report in a way that reflects how they help families make a difference in their lives. This database will provide qualitative and quantitative data and evidence to show how the project is having an impact to the children and families being supported.

Information provided will include:

- Case studies of children and families supported
- Benefit entitlements identified
- Debt managed
- Fuel vouchers issued
- Hardship fund distributed
- Number of families receiving energy advice
- Uptake of Priority Services Register
- Carbon monoxide alarms distributed

### Learning

Upskilling the Children 1st team with City & Guilds energy advice training will support Children 1st's long-term strategy and agenda around tackling child poverty and their consortium work through the Child Poverty Action Group. It will help the charity maintain momentum in working alongside Scottish Government to fulfil their promise to end child poverty by 2030 making full use of the insights and evidence of what impacts families the most to help lift children out of poverty and prevent more families falling into the poverty trap.

The Children 1st Chief executive and senior leaders are engaged with policy forums at local authority and national government level including the Scottish Government's Family Support Strategy Group. Children 1st's insights on families' needs, project learnings and best practice is widely respected, and drives change to



improve families' access to support. Additionally, their dedicated policy team have a strong track record of creating change at all levels of government; evidence from this project will be leveraged to achieve greater system-change to better support groups most marginalised and impacted by fuel poverty.

## 9 Scale of VCMA Project and SROI Calculations, including NPV Social Value Measurement

We worked with leading social impact research consultancy SIA Partners to carry out an assessment of the financial and wellbeing outcomes applicable to our services for vulnerable customers incorporated in this partnership using the DNO methodology/rulebook with additional proxies developed for GDN activity. Carrying out an in-depth assessment of the predicted outcomes we forecast a positive net social return in investment (SROI) of £1.69.

Total cost	£365,908.73
Total gross present value	£983,352.14
NPV	£617,443.42
SROI	£1.69

## 10 VCMA Project start and end date

The project will run from 1 April 2024 to 31 March 2026.

## 11 Geographic area

Scotland-wide via Children 1st Parentline, additionally, face to face community financial wellbeing and energy support in Glasgow and Ayrshire – areas identified as highly deprived and priority areas for SGN.

## 12 Internal Governance and project management evidence

SGN has worked alongside Children 1st to co-design this partnership and ensure that its ambition contributes to the delivery of our Vulnerability Strategy, the guidance from our Vulnerable Customer Steering Group and adheres to the updated VCMA governance criteria. The SROI has been externally assessed by SIA Partners using the DNO / GDN common rulebook at £1.69.

To support the partnership to deliver the success criteria outcomes as detailed, the partners will review progress monthly and quarterly to learn, share best practices and address any delivery issues.

The PEA has been reviewed and approved by the business lead Linda Spence and the Director of Customer Services Maureen McIntosh.

Alice Lee, I. S. (2022). *Fuel poverty, cold homes and health inequalities*. London: Institute of Health Equity.

CPAG. (2024). *Poverty: Facts and Figures*. Retrieved from CPAG.ORG.UK: <https://cpag.org.uk/child-poverty/poverty-facts-and-figures>

Hirsch, P. D. (2023). *The Cost of Child Poverty in 2023*. CPAG.