

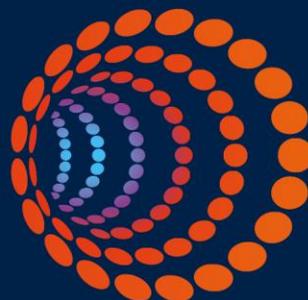
Warm Homes Fife

Proactive Servicing Pilot

Vulnerability and Carbon Monoxide Allowance

January 2024

SGN



SGN

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1 Description

| | |
|---------------------------------------|-----------------------------|
| Project title | Warm Homes, Fife |
| Funding GDN(s) | SGN |
| New/Updated (indicate as appropriate) | New |
| Date of PEA submission: | 22/01/24 |
| Project contact name: | Margaret Hamilton |
| Project contact number/email: | Margaret.hamilton@sgn.co.uk |
| Total cost (£k) | £1050.00 |
| Total VCMA funding required (£k) | £1050.00 |

2 Problem statement

Fuel poverty

Fuel poverty is a real and persistent problem in Fife: 26 neighbourhoods in Fife have high levels of income deprivation, falling within the bottom 10% of the Scottish Index of Multiple Deprivation (Scottish Government, 2020). Fife currently has the third-highest local authority share of deprivation and areas in mid-Fife have the highest levels of inequality and unemployment, and average household incomes in these areas are significantly below the Scottish average¹.

The current cost of living crisis has exacerbated the impact on households further. Research by the National Energy Agency and Energy Action Scotland found that households in the fuel poverty are being disproportionately impacted by the crisis. Fuel poor households often live on the lowest incomes and in the most inefficient homes. These conditions magnify the 'average' impact of price rises for people with the least space in their budgets to cope. In addition to the acute financial impacts, households are seeing huge negative consequences for their health and wellbeing². The Scottish Government estimated 40% of households to be in fuel poverty in September 2022³. The Child Poverty Action Group estimate that, as of January 2023, 62% of Scottish households are now in fuel poverty⁴.

Consultation on GDN's VCMA Governance Document (2023) identified there was a need to add gas servicing to the support offered to vulnerable households and that leaving customers without a working essential gas appliance (and waiting for another organisation or source of funding to repair or replace it) would be a poor outcome for those in vulnerable circumstances.

CO safety

Carbon Monoxide (CO) can pose a serious threat to health - in the UK 4,000 people are treated in hospital annually as a result of CO poisoning and around 40 deaths are caused by CO poisoning each year. Many people in the UK who use carbon fuelled appliances are not aware of the dangers of CO and do not have a working audible CO alarm.

There is a direct correlation between fuel poverty and carbon monoxide poisoning. Lower income householders are often reliant on older boilers, older heaters, or gas 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. Older people, pregnant women, and young

¹ Fife Housing Partnership, 2020, *Local Housing Strategy Interim 2020-2022*.

² National Energy Agency, 2022, *Fuel Poverty Monitor Report 2021-2022*

³ *ibid.*

⁴ <https://cpag.org.uk/news-blogs/news-listings/fuel-poverty-updated-estimates-uk>

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 regularly⁵. 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 poisoning⁶.

Collaborative and preventative approach

With the cost-of-living impacting fuel poor households, affordability to repair/replace and service gas appliances is becoming difficult for many low-income households across Fife. The Community Heating Project Fife has been supporting low-income households access gas emergency funded support and holistic energy advice to repair/replace gas safe appliances for those who have been identified at risk. In 2022-23 the project helped 79 homeowners in fuel poverty and without a working boiler; households who could not afford the cost of repairs or replacement and who did not qualify for statutory schemes. The project also helps the households gain wider support that might not otherwise have been possible. The majority of project participants referred to Greener Kirkcaldy from the Community Heating Project CIC had been without a working heating system for a considerable time but had not known where to access support. At the time of referral, the energy advisor first ensures that participants are not missing out on other forms of support, including access to grants and statutory schemes such as Home Energy Scotland's Warmer Homes Scotland. In 2022-23, nine applicants were identified as eligible for the Warmer Homes Scotland scheme and referred for new heating systems and other energy efficiency measures. Homeowners in fuel poverty who do not qualify for statutory schemes would usually slip through the gaps – the project has been addressing this need for support. However, this project has been unable to fund the proactive servicing for households due to funding constraints.

Working in partnership with SGN, we will expand the support offered through the Community Heating Project Fife and offer gas appliance servicing to low-income households. This initiative will build on the success of Greener Kirkcaldy's existing energy advice service, extending support to the most vulnerable and hard-to-reach households and will address the increase in demand for support from Fife households that are struggling to heat their homes affordably.

3 Scope and objectives

This project will support 10 low-income owner occupiers who cannot afford boiler servicing over a period of two months across the winter period. It is intended to complement and link to other key fuel poverty and energy advice support services across Fife, including our Safe and Warm initiative. Without this service, eligible households would not have access to working or effective heating through the winter months with consequences for their health and wellbeing.

Referrals for gas servicing will be made in circumstances where an advisor has identified an essential gas appliance that has not been serviced in the last 12 months in the owner-occupied home of a customer in a vulnerable situation and where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes and where sufficient funding is not available from other sources to fund essential gas appliance servicing. We will ensure that households meet the income thresholds and qualifying benefits detailed in the Energy Company Obligation (ECO4) Guidance: Delivery Document.

Households that receive boiler servicing through the project will also be provided with in-depth support from our Safe and Warm initiative. This includes advice on energy efficiency and financial support, plus referrals to other sources of well-being support, from income maximisation to befriending services and registration to the priority services register. Where appropriate, people will be referred on to statutory and local schemes to improve the energy efficiency of their homes, including Home Energy Scotland's Warmer Homes Scotland programme and Greener Kirkcaldy's 'handy' service.

⁵ SafeLink's, 2020, *Carbon monoxide poisoning: Who is most at risk?*

⁶ Kokkarinen et al, 2014, *Investigation of audible carbon monoxide alarm ownership.*

The project will also raise awareness of the risks of CO in the home and fuel poor households who do not have a CO monitor will receive one free. Vulnerable households that require additional support will be referred through SGN for CO monitors and locking cooker valves and to fire safety visits through their partner support.

The project will achieve sustainable, measurable outcomes for the people it works with, supporting them to achieve a warm and safe home affordably and making them more resilient to future risks of fuel poverty.

The project will:

- Provide gas servicing to enable vulnerable households to stay warm safely.
- Deliver free and impartial energy advice and support to vulnerable households in Fife.
- Identify and tackle under-heating, and those at risk of self-disconnection, thereby reducing the risks of cold-related ill-health.
- Raise awareness of CO risks and identify ways to make the participant's homes safer to live in.
- Ensure vulnerable participants are on the priority services register for energy and water and they can access broader relevant support services.
- Tackle fuel poverty holistically, increasing participants' ability to manage their energy use and costs going forward.
- Increase the level of knowledge of our services amongst other local support agencies.

4 Why the project is being funded through the VCMA

This partnership service goes above and beyond our core responsibilities as a Gas Distribution Network and is eligible under the VCMA funding criteria as it will provide energy crisis support, access to energy efficiency and CO advice, empowering vulnerable households to use energy safely, efficiently, and affordably.

This partnership aligns to the shared GDNs commitment to deliver support services customers aligned to our shared 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 pillar 1 (outcomes also in 2, 3 and 4).

5 Evidence of stakeholder/customer support

5.1 Experienced delivery partners with skills and access to target group

Greener Kirkcaldy has been providing in depth energy advice to fuel poor Fife households since 2012, and works closely with Home Energy Scotland, Fife Council's Housing Services, and many of the 200 other referral partners. To date, they have provided in-depth energy advice to over 10,000 households, helping them save energy and money, maximise their income, tackle fuel debt and access other support services.

Experience gained during the course of their work has shown:

- Many people locally, especially older people, people with disabilities and health conditions and low-income households, under-heat their homes and are at risk of cold-related ill-health.
- It only takes a small, unexpected expense to trigger a crisis for households in 'in-work' poverty or people with insecure work.
- People in under-heated homes are more at risk of CO as they are more likely to reduce ventilation in order to retain heat and less likely to be aware of the causes and dangers of a poorly ventilated home.

- Other local support agencies often do not have the knowledge to identify fuel poverty or the skills to provide in-depth energy support.

Greener Kirkcaldy has been the lead partner of a two-year Fife-wide heating project (April 2022 and March 2024) that provides support to low-income owner-occupiers who cannot afford essential boiler repairs or replacements, or other heating repairs. It is part of a strategic Fife-wide approach to tackling fuel poverty and supporting low-income and vulnerable households struggling with home energy costs.

Greener Kirkcaldy's 2023 participant survey evidences the impact of their support. 54% had enhanced heating needs, needing heating on at a higher temperature or for longer periods due to ill health, disability, old age, or families with children under the age of five. As a result of receiving support, 75% feel warmer or more comfortable at home and 85% feel more confident managing their home energy use after receiving advice. 51% felt that the service had helped improve their physical health and 54% had better mental health as a result.

5.2 Vulnerable 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 Vulnerable Steering Group (VSG) has provided ongoing guidance to SGN, reiterating importance of impactful partnerships that co-ordinate activities with others to support those most in need.

5.3 Update RIIO-2 Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document

In 2023, Ofgem proposed changes to the VCMA Governance Document which would allow more vulnerable consumers to benefit from essential gas appliance servicing. The proposed changes will enable GDN's to fund and/or deliver further essential gas appliance servicing in the homes of customers in vulnerable situations. The proposed changes are restricted to households where it is the obligation of the occupier (and not a landlord) to service the essential gas appliances, and the customer is unable to afford the costs of regular essential gas appliance servicing through their own financial means. The policy enables a GDN or its Project Partners to identify an essential gas appliance due for servicing in the home of a vulnerable consumer with a health condition that makes them more vulnerable to health risks associated with cold homes.

6 Outcomes, associated actions and success criteria

6.1 Outcomes

The planned and measurable outcomes for the partnership are:

- People supported through essential gas servicing free will have effective heating and reduced risk of cold-related ill health.
- People supported through the one-to-one sessions will be empowered to manage their energy usage and costs to reduce the risk of further fuel poverty.
- People supported will be less at risk of utility disconnection helping them manage affordable warmth within their home.
- People will feel safer in their homes as they will have access to CO awareness and carbon monoxide detectors, helping them become more aware of the risks of Carbon Monoxide and how to mitigate these.

- People living in fuel poor households will have greater access to emergency funding and support through fuel vouchers and food workshops.
- People supported will have access to measurable immediate and ongoing financial savings improving their household income, health, and wellbeing.
- People within the community will have an increased awareness of priority service register with an expected increase in registrations.
- Increased knowledge of support services including non-energy support by vulnerable households amongst Fife residents and other local support agencies.
- Produce community specific energy safeguarding materials to fuel poor households helping them access support services required specific to their needs.

1.1 Associated actions

Households will be identified through our Safe and Warm initiative.

6.2 Success Criteria

10 households will be supported with essential gas servicing and access to one-to-one in-depth support helping them to use energy safely, affordably, and efficiently.

Our project will provide access to:

- Free gas servicing for eligible households
- Energy Efficiency advice, including energy usage, tariffs etc
- Priority Service Register registration
- CO Safety conversation and access to a working CO alarm where required
- Income Maximisation and benefit entitlement reviews
- Distribution of a “safe and warm” energy saving guide to households.

To monitor the impact we will:

- Monitor outcomes against services provided ensuring that those trained on the support services are confident in their ability to identify and support eligible customers to relevant help including confidently promote the benefits of the Priority Services Register, SGN additional services and CO safety.
- Monitor outcomes of gas servicing and the identification of households most in need, gathering insight around energy usage, fuel poverty and CO safety.
- Generate learning reports from insights generated from participant engagement and local partnerships.
- Work closely with our partners to ensure that we all understand the issues faced to continue to develop our services in the community based on need.

7 Project partners and third parties involved

Greener Kirkcaldy

Greener Kirkcaldy, the lead delivery partner, is a community-led charity and development trust working locally to combat the climate emergency, tackle fuel poverty and food insecurity, delivering a range of projects, activities, and training skills to meet the needs and goals of local people.

It has an established energy advice service, experienced in by providing holistic, bespoke, and in-depth energy advice to tackle fuel poverty and empowering vulnerable people in Fife to gain the confidence and skills to manage their energy. Staff have the skills and experience to deliver robust outcomes.

Community Heating Project CIC

The Community Heating Project is a Community Interest Company is run by RGM Heating. All labour is charged at an agreed, transparent rate with no profit or markup added to this or any required materials and separate from RGM heating accounts - 100% of the money raised through the Community Heating Project CIC goes towards helping vulnerable people in Fife with their heating and hot water.

SGN

Greener Kirkcaldy and SGN will work closely in partnership to support to the project, providing training and access to broader referral partners and direct services for customers including, but not limited to, Locking Cooker Valves, CO alarms and access to the Fuel Poor Network Extension Scheme.

Scottish Power Energy Network

Regional electricity distribution network operators providing programme funding and support to the delivery team including, but not limited to, access to the energy PSR.

Home Energy Scotland

Home Energy Scotland will act as a referral partner for the project, providing additional energy efficiency and water saving measures. SGN and Greener Kirkcaldy have a good working relationship with Home Energy Scotland and partnership agreements in place.

FORT partner network

A Fife-based network of over 200 partners providing additional support services that can be accessed directly through the Fife Online Referral Tracker system.

8 Potential for new learning

Monitoring and evaluation

As a partnership we will work closely to ensure that we all understand the issues faced by hard-to-reach households and the Fife community and adapt the support provided to address barriers to a safe and warm home.

We will produce data and insight from the gas servicing winter initiative, evaluating its impact and use these to make recommendations

Through ongoing monitoring we will:

- Keep comprehensive records of all activities undertaken and the number of households taking part in each.
- Use customer satisfaction surveys to evaluate the impact project activities have on the households taking part.
- Collate feedback captured through other communications, including in-person and through online platforms.

We will include findings in an annual report, alongside insights from our two-year VCMA project.

Learning

This project will complement our existing VCMA project. We are keen to learn from this project and for the successes to be incorporated into future delivery initiatives and promoted to others. We will use the data and feedback acquired to create best practices for supporting hard to reach households in fuel poverty and to evaluate the impact of the gas servicing initiative. Partnership working will generate new joined up working practices and lessons learned will be replicated in future projects.

9 Scale of VCMA Project and SROI Calculations, including NPV

Social Value Measurement

Social Return on Investment calculations

Working with leading social impact research consultancy SIA partners, we have used their bespoke social value bank of financial and wellbeing outcomes applicable to our services for vulnerable customers. The approach used to estimate social value is 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.

Carrying out a high-level assessment using this methodology against a subset of the predicted outcomes and recognising that the project has outcomes we don't currently have social values mapped for, we still forecast a positive net SROI of £16.11

| Calculation | Totals |
|---------------------------|------------|
| Total Cost of Project | £1050.00 |
| Total gross present value | £17,968.20 |
| Net present value | £16,918.20 |
| SROI calculation | £16.11 |

10 VCMA Project start and end date

The project will run from 01/02/2024 to 31/03/2024.

11 Geographic area

Fife

12 Internal Governance and project management evidence

SGN has worked alongside Greener Kirkcaldy 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.

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.