

Bright Futures Energy Champions Citizens Advice

Vulnerability and Carbon Monoxide Allowance

October 2024

SGN



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1 Description

Project title	Bright Futures Energy Champions
Funding GDN(s)	SGN
New/Updated (indicate as appropriate)	New
Date of PEA submission:	October 2024
Project contact name:	Kerry Potter
Project contact number/email:	Kerry.potter@sgn.co.uk
Total cost (£k)	£1,950,000
Total VCMA funding required (£k)	£1,950,000

2 Problem statement

In 2023, there were an estimated 3.17 million households living in fuel poverty in England, based on the LILEE metric (Department for Energy Security and Net Zero, February 2024). This is an increase from 3.1 million in 2021 and doesn't take into consideration the cost-of-living crisis that has hit households throughout the winter of 2022-23 and beyond. National Energy Action's July 2024 figures show 5.6 million UK households are in fuel poverty, based on the definition of low-income households spending more than 10% of their income on their energy bills. Fuel poverty is driven by energy efficiency, energy costs and income. It is recognised that nearly half of low-income households are still living in hard to heat homes, and the rate of improvements was well below what is needed to lift people out of fuel poverty by a target date of 2030.

Typical energy bills under the January to March 2024 price cap were almost 60% higher than in winter 2021/22 and with a further 10% increase from October 1st 2024 and a forecast increase again for 2025 energy costs remain unaffordable for many. DESNZ have also reported "after considering energy rebates, energy efficiency and household changes the overall required energy costs increased by 27 per cent between 2022 and 2023 in real terms".

Nationally, Citizen's Advice helped over 220,000 people with crisis support in 2023 – their highest figure to date, this trend has continued in 2024. They are reporting a marked increase in people presenting with complex problems, and multiple debts so when someone presents with energy issues, such as affordability, billing, and customer service, they also need support in other areas.

The majority of people supported through Citizens Advice energy advice services last year were vulnerable and experiencing fuel poverty as a result of the cost-of-living crisis. Citizens Advice continues to advocate for people who have been pushed into negative budgets due to the ongoing affordability crisis in the energy sector. The data from service users shows that the cost-of-living crisis is affecting everyone, but it's not affecting us all equally. Citizens Advice are seeing more people than ever with crisis support but racially minoritised and disabled people are less likely to come to us for help.

Finding and delivering solutions to this issue is urgent given current energy price rises, cost of living increasing and the reduction in the number of households receiving Winter Fuel Payment.

Local Citizens Advice teams have reported that they are finding it particularly challenging to meet the high demand to deliver energy safeguarding services in the SGN region. Local teams are concerned that with the price cap has increased, bills will go up over the winter months and many are still struggling financially, making difficult choices whether to feed their families or heat their homes. This will potentially to dangerous practices, with deadly consequences, so it's important that access to advice on income maximisation, energy efficiency and CO safety and awareness is available to all that need it.

Citizens Advice Data Insights energy statistics have shown that only 31.5% of people that visited Citizens Advice for help and advice were from marginalised client groups, such as those with disabilities or people of colour, compared to 68.5% of people that were not from such groups.

3 Scope and objectives

By working in partnership SGN and Citizens Advice will work together to help households at risk of health and wellbeing consequences from living in a cold home achieve a warm home immediately and make progress on the journey to long term resilience to a warm, energy efficient home.

This project will focus on households from under-represented and marginalised communities that are most at risk from cold homes and are most at risk of being left behind.

Citizens Advice's network of local Energy Advice Hubs in the SGN region within the partnership will deliver:

- Increased capacity of the existing Citizens Advice Energy Advice Programme (EAP) enabling more clients to be supported with in-depth energy advice – behavioural, providing information on how to save energy by personal action this includes:
 - Energy tariff advocacy – supporting people with energy bills, debt, switching, fuel bill renegotiation and support to be an active energy consumer
 - Carbon Monoxide awareness sessions and the provision of the Energy Advice and CO Safety packs for eligible customers
 - Benefit entitlement checks to ensure clients are receiving the appropriate benefits and grants based on their individual circumstances
 - Support to access energy services including the Priority Services Register (PSR) as well as onward referrals for customers who would benefit from the gas safety locking cooker valve (LCV)
 - Onward referral support to address other barriers to living in a safe and warm home, this could include but is not limited to; emergency funds, housing support, food vouchers etc.
- A new caseworker outreach service to improve access to and provide energy and income maximisation advice to vulnerable and marginalised client groups. The development of this new and innovative service will have inclusion at the forefront providing an accessible service to client groups who are most isolated from support and living in deprivation. Caseworkers will liaise with local organisations who are supporting marginalised client groups and provide face to face outreach to clients who would benefit from crisis support, energy advice and income maximisation advice. They will deliver a combination of casework level advice to the clients who need more intensive, handholding support with energy matters. They will also be able to offer clients the option of one face to face appointment where clients have the capability to take the action on the energy advice given
- Comprehensive energy advice suited to the client's individual circumstances including PSR sign up and CO safety advice
- Energy efficiency advice and support
- Income maximisation advice such as benefit calculations
- Applications and access to any local or national schemes for white goods, furniture programmes, boiler upgrades
- Referrals to other Citizens Advice services such as Help Through Hardship (food poverty support), debt and housing

The partnership will directly alleviate the financial stress caused by rising fuel bills for households at a time of need. It will increase understanding of the energy market and the options available to help reduce bills and provide referral pathways into other services delivered by Citizens Advice.

4 Why the project is being funded through the VCMA

This project is proposed for funding through the Vulnerability and Carbon Monoxide Allowance (VCMA) as it aims to provide energy advice to those residents who have previously not been able to access it and who may

be in crisis. This project aims to tackle this by evolving current energy advice services to suit the accessibility needs of clients via outreach support.

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 support to marginalised communities who may be in crisis, providing information on using 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 all of the strategic pillar 3 (with outcomes in 2 & 4)

5 Evidence of stakeholder/customer support

5.1 Citizens Advice Cost of living

Since the start of the cost-of-living crisis Citizens Advice have supported people that have been pushed into fuel poverty from the increased rise of rent and energy costs. As inflation and energy bills begin to fall, we are still supporting record numbers of people where the impacts of the cost-of-living crisis continue to devastate households, especially those that are vulnerable.

The number of people needing crisis support through a food bank referral peaked in January 2024 to over 33,000 in a single month and between January and June of this year we've helped over half a million (550,756) people with cost-of-living issues such as energy debts, food banks, charitable support and homelessness.

The Energy Caseworker service has delivered specialist energy and income maximisation advice to some of these people, helping those individuals to access a range of services to tackle fuel poverty and financial hardship, with a long-term strategy of ending fuel poverty. Those people that have been supported through this service have experienced high levels of disadvantage and vulnerability and are from areas that experience deprivation.

5.2 Citizens Advice Strategic Alignment

Data from Citizens Advice's current energy advice services last year shows that there are customer groups underrepresented in receiving support and this isn't reflective of the need in the community and the service users. Detailed below is the demographic breakdown of users of the service:

- 72% of clients supported were white British
- 7% are black British
- 8% are disabled
- 56% are living with a long-term health condition

Together this partnership's ambition is to diversify our client demographic data and continuously review this throughout delivery. This project will include outreach and will help to build trusted relationships across many communities. It will allow us to engage with the local Citizens Advice network in the SGN region to explore opportunities to improve accessibility for underrepresented client groups. The service aligns with one of the Citizens Advice service missions of 'closing the gap' and ending disparities in access and experience for marginalised people.

As a result, we will be able to gather more data and insights into experiences for marginalised communities. We can use this data to advocate and target solutions for marginalised communities and develop advice that is fit for the future.

'Citizens Advice Quote'

'This funding opportunity will enable Citizens Advice to pilot intensive support to marginalised client groups who are especially affected by the cost-of-living crisis, closing the gap for more people'

5.3 SGNs Vulnerable Steering Group

Our Vulnerable Steering Group has helped us shape our vulnerability strategy and our priorities for GD2 from strategy into delivery. With their guidance we intend to prioritise key initiatives to support our most vulnerable customers.

With a data driven approach to identify communities most likely to suffer detriment from living in a cold and unhealthy home, it was identified that we should extend our programmes that support residents across SGNs geographic areas including rural communities where there are barriers to accessing support and require targeted engagement.

In 2023 our strategic steering group re-iterated the vital impact we could have by coordinating our activities with others to identify and support those most in need, those most impacted by the cost of living and energy cost crisis. In 2024, this message was reiterated, with an increased focus on ensuring that eligible households were getting the support they need, including help to access income related benefits and energy efficiency schemes that will help vulnerable households today, and tomorrow.

6 Outcomes, associated actions and success criteria

6.1 Outcomes

Through this partnership the Citizens Advice local Energy Advice Programme teams working within the SGN region to directly support at least **6,577** vulnerable people over 18 months with in-depth energy and income advice that improves their financial independence, their health and wellbeing, and increases their confidence to manage their household utility costs.

This target will be achieved by;

- Support at least 2,277 households via the Citizen Advice Energy Advice Programme
- Support at least 4,300 households with skilled Citizens Advice caseworkers in the community offered specialist energy outreach support to marginalised and underrepresented groups
- Based on current delivery of similar programmes outcomes for customers will include:
 - Report financial outcomes for every client of at least £1,000
 - Ensure all clients are aware of PSR and support with sign up
 - Provide benefit entitlement calculations to 100% of clients
 - Provide energy efficiency advice to 100% of clients
 - Advise each client on at least 7 separate issues related to energy and cost of living to improve the lived experience for the household today and tomorrow.

6.2 Success Criteria

Measurable outcomes from the Energy Advice Programme;

- **2,277** clients supported to use energy safely, efficiently, and affordably via one-to-one energy and CO awareness discussions
- **2,277** clients will be more aware of the risks of CO and how to mitigate these following one-to-one CO awareness discussions

- **2,277** clients will be offered a benefit eligibility calculation and advice on how to maximise their income by supporting grant applications, identifying charitable support, checking water tariffs and budgeting advice
- **390** energy and CO safety packs issued to eligible households
- **730** clients supported with tariff or supplier, ensuring they are getting the best price for their energy usage
- **2,026** clients supported with fuel bill renegotiation and payment options for fuel debt
- **1,366** eligible clients supported to access and receive Warm Home Discount – due to automatic payments fewer clients require this advice
- **1,600+** PSR Registrations

Measurable outcomes from the Community Caseworker Programme;

- **4,300** clients supported to use energy safely, efficiently, and affordably via one-to-one energy discussions. We estimate at least 50% of these one-to-one appointments will be face to face and 50% via telephone
- **All** clients will be more aware of the risks of CO and how to mitigate these following one-to-one CO awareness discussions
- **All** clients to be made aware of the PSR and where appropriate, provided support with sign up – expectation of 10% supported to sign up (430)
- **All** clients to be provided with a benefit entitlement calculation and advice on how to maximise their income by supporting grant applications, identifying charitable support, checking water tariffs and budgeting advice.
- **All** clients to be provided with energy efficiency behavioural advice and some clients will receive practical measures and support
- **All** clients to report financial outcomes of at least £1,000
- **All** clients to be advised on at least 7 separate issues related to energy and cost of living
- At least **3,225** clients will be supported through casework providing up to 5 separate appointments
- Approximately **1,110** energy and CO safety packs issued (following a one-to-one energy and/or CO safety discussion)

Over the 18 months our ambition is to:

- Improve access for underrepresented groups by going to them
- Target customer groups living in deprivation, to reduce fuel poverty and maximise income
- Increase knowledge of energy matters within communities

We forecast that these interactions will result in:

- Closing the gap for energy advice in the SGN region
- An increase in the diversity of people served by Citizens Advice across the South East
- Marginalised communities will know where to go for support through word of mouth and publicity
- Relief from fuel poverty

7 Project partners and third parties involved

- **SGN** – Lead gas network providing funding and support to the delivery team, including training, access to broader referral partners, and direct services for customers including but not limited to the Priority Services Register, Locking Cooker Valves, CO alarms
- **Citizens Advice** - Lead delivery partner, managing relationship with all local Citizens Advice offices.

8 Potential for new learning

Monitoring and evaluation

- The partners will work closely to ensure that we're monitoring outcomes against the success criteria by delivering monthly reporting against agreed outcomes, including identification of good practice and case studies, details of organisations where outreach is being delivered
- Comparison of client demographic data against other energy advice services to show an ongoing improvement in diversity over the delivery period
- Client feedback to be gathered periodically during the service delivery taking into account the vulnerability of the client groups
- Citizens Advice will visit delivery partners and hold workshops to identify innovative ways to evaluate the impact of this service.

Learning

- We expect to better understand the access needs for marginalised client groups
- We will use the project lifetime to develop materials in multiple languages based on the needs of the communities being supported
- We will deliver this project with equity, inclusion, and diversity at the forefront of our support offer

SGN will share the outcomes via stakeholder mechanisms including the SGN Safe and Warm partnership network, the GDN Vulnerability Working Group as well as via the VCMA Annual Showcase and VCMA Annual Report.

9 Scale of VCMA Project and SROI Calculations, including NPV

We and the other Gas Distribution Networks worked with leading social impact research consultancy SIRIO Strategies on the development of the Industry Standard Social Value Framework and supporting GDN Rulebook. We have used that GDN Rulebook to carry out an assessment of the financial and wellbeing outcomes applicable to our services for vulnerable customers incorporated in this partnership. Carrying out an assessment of the predicted outcomes we forecast a positive net Social Return on Investment of £11.84.

Social Value Measurement

Total cost*	£1,903,136.57
Total gross present value	£24,431,895.11
Net Present Value (NPV)	£22,528,758.54
SROI	£11.84

**Accounting for inflationary factors over the term of the project.*

10 VCMA Project start and end date

The project will run from October 2024 – 31 March 2026.

We anticipate a phased mobilisation period with all delivery partners in place by January 2025.

11 Geographic area

SGNs Southern England network. We currently have 62 local Citizens Advice offices in the SGN region.

Citizens Advice will sub grant to 16 local offices through an application process. We will also ensure no duplication of services in one area.

12 Internal governance and project management evidence

SGN has worked alongside Citizens Advice 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 assessed internally using the GDN Rulebook developed by SIRIO Strategies as part of the Industry Standard Social Value Framework. As detailed above we have reviewed the current partnership scope which has been forecast at adding an additional £11.84 for each £1 invested, this will be monitored closely to ensure we adhere to the VCMA governance criteria.

SGN and Citizens Advice will meet monthly and quarterly to review outcomes, learn, share best practices, and address any delivery issues.

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