

Energy Support

In partnership with South
Lanarkshire Council

Vulnerability and Carbon Monoxide Allowance

July 2024



SGN

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1 Description

Project title	Energy Support - In partnership with South Lanarkshire Council
Funding GDN(s)	SGN
New/Updated (indicate as appropriate)	New
Date of PEA submission:	July 2024
Project contact name:	Margaret Hamilton
Project contact number/email:	Margaret.hamilton@sgn.co.uk
Total cost (£k)	£57,764.67
Total VCMA funding required (£k)	£57,764.67

2 Problem statement

Fuel poverty continues to be a stubborn problem that blights many households across Scotland and in South Lanarkshire, despite falling energy prices.

It is believed that in 2022 31% of all households in Scotland were in fuel poverty, which represents 791,000 households, of which 18.5% were in extreme fuel poverty, representing 472,000 households.ⁱ

In South Lanarkshire, the most recent Local Authority analysis of the Scottish Housing Condition Survey (2017-19)ⁱⁱ shows that 22% of all local authority households are in fuel poverty, with this figure rising to 36% of all other social landlord households, and 35% of private sector households. It is also understood that 9% of all Local Authority households are in extreme fuel poverty, with 11% of other social landlord households and 20% of private sector households.

We know fuel poverty can disproportionately affect certain types of households, based on their household composition, with the number of non-family households experiencing fuel poverty in South Lanarkshire being 25% of all those types of householdsⁱⁱⁱ. For older households, this figure is 19% and for family households it is 17%. For those affected by extreme fuel poverty, these figures are 12% for non-family households, 9% for older households and 4% for family households.^{iv}

Households which are worst affected are those on low-income bands; these make up a significant proportion of South Lanarkshire Council Money Matters client group.

The effects of fuel poverty can also contribute to poorer mental and physical health, increased issues with problem debts, can lead to people avoiding turning off their heating to reduce energy usage and can, in the worst-case scenarios, lead to people not being able to sustain their tenancies, and even premature deaths.

Money Matters' client group tends to be from those in lower income bands, with a high-level of them reporting physical and mental health issues. A significant number, one-third, are also households where there is at least one dependent child.

Statistics below show that 73% of all Money Matters clients have health issues and 13% are carers with only 22% registered with their energy provider's Priority Services Register.

It has been identified there are several unmet needs amongst the Service Users of the Money Matters Advice Service:

- Due to the high level of clients that report both physical and mental health issues, it is believed the current level of registration on energy and water providers PSR is too low and should be higher
- 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.

- A need to tackle the issue of over dependency on emergency energy top up vouchers, that has arisen during both the Covid 19 pandemic and the Cost-of-Living Crisis and in the long-term is not a demand that can be sustained.
- Due to the energy and cost-of-living crisis, South Lanarkshire Councils Money Matters Advice Service has seen a significant increase in demand for its services, in relation to money, energy and welfare benefit advice.

Money Matters Advice Service is for South Lanarkshire residents and employees only. The Service has always aided energy customers as part of its core money and welfare right services and currently employs only one FTE Energy Adviser.

3 Scope and objectives

The Project will provide an additional energy advisor for South Lanarkshire Council, supporting households referred to Money Matters Advice Service. The advisor will support weekly community hubs across South Lanarkshire which provide warm places for households, and access to advice services. The project will also provide PSR and CO awareness training to 65 other advisors.

Households are referred into the Service either by telephone through the Community Wellbeing Team, who act as triage for the wider Service, or by using an online form integrated with a Case Management System, allowing referrals to be immediately imported into the system. Money Matters work with a range of partner agencies across South Lanarkshire, including other Council, and other public and third sector service providers, who regularly refer onto the Service.

The households will be supported in three main areas:

- **Energy Safeguarding:** The project will provide gas safety advice including awareness of the dangers of carbon monoxide to support energy safeguarding and reduce the risk of harm caused by CO and identify households who should register on the Priority Service Register. This would aim to increase the current level of PSR registration from 22% to 30%.
- **Crisis Support:** Reducing dependency on Emergency Energy Vouchers by increasing capacity to provide budgeting and income maximisation advice to those households who are repeat users and have required three or more energy vouchers in the previous 12 months. The project will provide emergency energy top up vouchers where appropriate, whilst households engage with the Service.
- **Energy Advice, Income Maximisation & Energy Debt:** Provision of energy advice and provide those who are supported by the project with Money and Welfare Benefit Advice Service, including benefit checks to maximise income and minimise expenditure. Energy Advice would be in relation to:
 - Metering and billing Issues
 - Energy debt issues
 - Budgeting to address over-dependency on energy top up vouchers
 - Energy Saving and Income Maximisation Advice

4 Why the project is being funded through the VCMA

The service 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, awareness of the dangers of CO and reduce the risk of harm caused by CO and identify clients who should register for the Priority Service Register. The project will work collaboratively with expert agencies to maximise positive impacts and deliver defined outcomes for individuals, including where appropriate making referrals to South Lanarkshire's four Citizen Advice Bureaux, Home Energy Scotland, and other appropriate services.

The project delivers against SGNs 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 customers in energy crisis, helping those in fuel poverty to access financial crisis support, and other services including the Priority Services Register, awareness of the dangers of Carbon Monoxide and energy efficiency advice, empowering vulnerable 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 pillar 3, with outcomes in 2 and 4.

5 Evidence of stakeholder/customer support

5.1 Money Matters Advice Service

Money Matters Advice Service is South Lanarkshire Council's Welfare Rights and Money Advice Service.

Since early 2021, Money Matters Advice Service have developed a new strategy to tackle fuel poverty in South Lanarkshire, particularly in response to the Cost-of-Living and Energy Price Crisis.

This has included:

- Employing a specialist energy adviser to deal with complex energy issues and providing energy saving advice.
- Providing a holistic money and welfare benefit advice service to maximise the income and reduce the expenditure of clients.
- Development of a Community Wellbeing Team that acts as a triage service for clients when they initially contact the service or are referred to the Service. This includes providing emergency support through Cash First payments, fuel bank referrals and food bank referrals.
- Providing support to five Community Hubs, that provide warm spaces to people and allow drop-in services for residents of South Lanarkshire.
- The distribution of over 5,000 fuel poverty leaflets across South Lanarkshire.
- In addition, it has run a campaign to increase take up of registration by clients on their energy providers Priority Service Register.

In 2023/24, Money Matters Advice Service:

- Assisted 12,692 unique clients
- Answered 21,006 telephone calls
- Received 4,829 digital referrals from clients and referral partners
- Made 6,432 referrals for emergency energy vouchers that were successful.
- Issued 1,914 food bank vouchers
- Opened 2,509 debt advice cases and 11,134 welfare benefit cases

The Service also dealt with 444 specialist energy cases through its energy adviser, dealing with metering, billing issues, and providing energy saving advice.

The Service also generated total annual financial gains for its Service Users of £24.2 million providing a return on investment of £7.37 for every £1 spent.

5.2 Housing and Homeless Services

One of the most significant referrers to Money Matters is South Lanarkshire Council's Housing Services, who combined with Homeless Services, make up 7% of all referrals to the Service.

Money Matters Advice Service has a special relationship with Housing Services, which is aimed at reducing homelessness and fuel poverty and providing energy advice to South Lanarkshire tenants. This involves providing them with a holistic service of Money, Energy and Welfare Benefit advice. It also means keeping cases open longer to contact hard to engage clients and to liaise with housing officer to monitor and progress cases.

Money Matters also plays a significant role in the Council's approach to assisting tenants to establish new tenancies and ensure they are sustainable by providing Money, Energy and Welfare Benefit advice to maximise income and minimise expenditure.

5.3 SGN's Vulnerable Customer Steering Group

Our VSG has helped shape our vulnerability strategy and priorities for GD2 and how best to utilise the VCMA to help those most at risk of living in a cold and unhealthy home. It is with guidance and support from our dedicated VSG that SGN use data to prioritise and target communities living with a health condition made worse by living in a cold and damp home. This partnership is built on data and covers both geographic areas where there is compelling data that identifies vulnerable customer needs, both due to fuel poverty and health indicators.

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

The Energy Support initiative will focus on supporting Money Matters Advice Service users in the following areas:

- Awareness of the dangers of carbon monoxide to support energy safeguarding, and reduce the risk of harm caused by CO
- Identify households who should register for the Priority Service Register
- Reducing dependency on Emergency Energy Vouchers by increasing capacity to provide budgeting and income maximisation advice to those clients who are repeat users and have required three or more energy vouchers in the previous 12 months
- Providing all clients who are supported by the project with a Money and Welfare Benefit Advice Service, including benefit checks to maximise income and minimise expenditure
- Increasing capacity to provide Energy Advice for households in relation to:
 - Metering and billing Issues
 - Energy debt issues
 - Over-dependency on energy top up vouchers
 - Energy Saving and Income Maximisation Advice

The project would aim to:

- Increase the number of households registered with their energy provider's Priority Service Register to 30% of all unique households
- Support households with the provision of energy top up vouchers where appropriate
- Provide a further 300 households with specialist energy advice
- Reduce the number of households requiring four or more emergency energy vouchers in any 12-month period by 75%
- Increase awareness of, and provision of CO detectors across South Lanarkshire, particularly by private sector tenants, promoting them through Community Wellbeing Team and in partnership with other existing partners.

6.2 Success Criteria

Between December 2024 and November 2025, **10,000** unique households will have access to the Service, of which approximately **3,000** will have access to basic energy advice, and energy safeguarding including PSR and CO awareness, and **300** households will receive one-to-one in-depth support helping them to use energy safely, affordably, and efficiently.

The project will provide:

- **3,000** Basic Energy Advice
- **3,000** PSR Conversations
 - 1,000 PSR Registration Energy
 - 1,500 PSR Registrations Water
- **3,000** CO Awareness conversations
 - 150 CO alarms distributed
- **300** households receiving Energy Advice on
 - Metering and billing Issues
 - Energy debt issues
 - Budgeting to address over-dependency on energy top up vouchers
 - Energy Saving Advice
- **300** households will receive income maximisation advice
- **300** households will receive Emergency crisis support with the provision of energy top up vouchers
- **300** households will receive Benefit Advice, including benefit checks

In addition:

65 Advisers trained:

- 1 x City and Guild in Energy Awareness
- 65 x CO awareness
- 65 x Priority Service Register

Distribution of over 5,000 fuel poverty leaflets across South Lanarkshire

7 Project partners and third parties involved

Money Matters Advice Service, who will deliver this project, has over 48 partners across South Lanarkshire, many of whom refer onto the Service.

This includes

- South Lanarkshire Council Social Work
- South Lanarkshire Council Housing

- South Lanarkshire Council Homeless Services
- East Kilbride, Hamilton, Lanark and Cambuslang and Rutherglen Citizen Advice Bureaux.
- Lanarkshire NHS (Including midwives, Community Link Workers, Primary and Secondary Care Services)
- MacMillan

MMAS is also a member of various partnerships and networks in South Lanarkshire, including the South Lanarkshire Fuel Poverty Group and South Lanarkshire's Child Poverty Action Group.

Money Matters Advice Service currently chairs the South Lanarkshire Fuel Poverty Group, which has representatives on it from various council services and third sector and community organisations and meets quarterly. This includes South Lanarkshire four Citizen Advice Bureaux (East Kilbride, Lanark, Cambuslang, Rutherglen, and Hamilton).

Many of the solutions to fuel poverty include greater insulation in properties, more energy efficient heating systems and a better understanding of how to heat homes efficiently, with another major solution being the types of services Money Matters Advice Service specialises in providing, such as holistic Money, Energy and Welfare Benefit Advice.

8 Potential for new learning

Monitoring and evaluation

Money Matters Advice Services operates the Case Management System Advice Pro. A bespoke version of the programme would be designed for this project, enabling reporting to be tailored for monthly returns.

This would include:

- Additional income generated
- Amount of energy debt households assisted with
- Energy debt written off
- Energy bill monthly reductions
- The number of households offered emergency top up vouchers
- The number of carbon monoxide detectors distributed

The design of the Case Management System would also record soft outcomes, including:

- How people feel about the service when they begin their journey, and compare this with how they feel at the end
- How households are managing their bills after the provision of advice
- Do households have a greater understanding of how they can save on their energy usage at the end of the process

Learning

The project will provide an end of project report, highlighting the learning from the project, supported by statistical information, and show gains achieved by the project as well as lessons learned.

The project will also provide information on the return on the investment in terms of financial gains for households.

The partners will review progress monthly and quarterly to learn, share best practices and address any delivery issues.

9 Scale of VCMA Project and SROI Calculations

Social Value Measurement

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 of £15.33

Total cost	£57,764.67
Total gross present value	£943,086.51
Net present value	£885,321.84
SROI	£15.33

10 VCMA Project start and end date

The project will run from 1st December 2024 to 30 November 2025

11 Geographic area

South Lanarkshire

12 Approval

SGN has worked alongside South Lanarkshire Council 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 £15.33 for each £1 invested, this will be monitored closely to ensure we adhere to the VCMA governance criteria.

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.

ⁱ Scottish Housing Condition Survey 2022, <https://www.gov.scot/publications/scottish-house-condition-survey-2022-key-findings/pages/3-fuel-poverty/>

ⁱⁱ Scottish House Condition Survey: Local Authority Analysis 2017-2019 <https://www.gov.scot/publications/scottish-house-condition-survey-local-authority-analysis-2017-2019/>

ⁱⁱⁱ Scottish House Condition Survey: Local Authority Analysis 2017-2019 <https://www.gov.scot/publications/scottish-house-condition-survey-local-authority-analysis-2017-2019/>

^{iv} Scottish House Condition Survey: Local Authority Analysis 2017-2019 <https://www.gov.scot/publications/scottish-house-condition-survey-local-authority-analysis-2017-2019/>