

Warm & Well together with Better Housing, Better Health

Vulnerability and Carbon Monoxide Allowance

August 2023

Updated June 2024

SGN



SGN

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1 Description

Funding GDN(s)	SGN
New/Updated	Updated June 2024
For Collaborative VCMA Projects:	NA
Date of PEA submission:	01/09/2023 Updated June 2024
Project name:	Better Housing, Better Health
Project contact number/email:	Kerry Potter Kerry.potter@sgn.co.uk
Total cost (£k)	£223,000 Updated costs June 2024 (Additional costs) = £1,164,000 Total costs = £1,378,000
Total VCMA funding required (£k)	£223,000 Updated costs June 2024 (Additional costs) = £1,064,000 Total VCMA funds = £1,278,000

2 Problem statement

In 2022, there were an estimated 3.26 million living in fuel poverty in England, based on the LILEE metric (Department for Energy Security and Net Zero, 2023). This is an increase from 3.1 million in 2021 and does not take into consideration the cost-of-living crisis that has hit households throughout the Winter of 2022-23 and beyond. National Energy Action state the figure as 6.7 million UK household since October 2022, using the 10% of income measure.

Living in a cold home has significant and demonstrable direct and indirect health impacts. There is strong evidence that shows it is associated with poor health outcomes and an increased risk of morbidity and mortality for all age groups. (Public Health England).

For the most vulnerable individuals in the UK, the very idea of home should encompass comfort and security. However, it's most likely that it's vulnerable customers that are living in a cold and poorly insulated home. As the cost of living continues to escalate, driven by soaring energy expenses, this crisis disproportionately affects low-income households. Nearly one in three UK households is struggling with the financial weight of fuel poverty, which extends into other essential areas such as food and heating.

Navigating the available support services proves to be an intricate challenge for those most in need. Variances across local authority regions, rapidly changing government policies, coupled with the complexities of accessing support, can be too much for many customers to manage independently. Many vulnerable households remain excluded from vital assistance, trapped in the cycle of poverty and living in a cold and unhealthy home as a result.

This grave situation underscores a simple belief: no one should endure cold and discomfort within their own home. Yet, for countless individuals in the UK, this is a daily reality. The National Energy Foundation (NEF) recognises the urgency of the matter and is committed to bridging the gap. Our mission extends beyond providing mere advice; we envision comprehensive assistance that leverages partnerships and funding to not only mitigate fuel poverty but also elevate overall warmth and wellbeing. By tackling income disparities, managing financial burdens and debt, and enhancing energy efficiency and warmth, we're dedicated to delivering tangible, lasting change to the lives of those who deserve it most.

Updated June 2024

Typical energy bills under the January to March 2024 price cap were almost 60% higher than in winter 2021/22. Although the price dropped in April this year, with no further cost of living payments scheduled, we can say with some certainty that the effects of the cost-of-living crisis will continue to be felt by the most vulnerable in our community. Even with recent changes to energy price cap, the annual energy cost for a typical household in the UK is £1,690. Nearly half of low-income households are still living in hard to heat homes, and the rate of improvement is well below what is needed to lift people out of fuel poverty by a target date of 2030.

DESNZ have also reported that rising housing costs have brought an estimated 51,000 households into fuel poverty this year and “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. The change in energy prices after government support is estimated to have increased fuel poverty by around 238,000 households over this period.”

Nationally, Citizen’s Advice helped over 220,000 people with crisis support in 2023 – their highest figure to date. They are also seeing 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. As the cost-of-living crisis continues, driven in no small part by energy expenses, this crisis disproportionately affects low-income households. Nearly one in three UK households is struggling with the financial weight of fuel poverty, which extends into other essential areas such as food and heating.

Navigating the available support services proves to be an intricate challenge for those most in need. Variances across local authority regions, rapidly changing government policies, coupled with the complexities of accessing support, can be too much for many customers to manage independently. Many vulnerable households remain excluded from vital assistance, trapped in the cycle of poverty and living in a cold and unhealthy home as a result.

3 Scope and objectives

In direct response to the distressing reality of cold and poorly insulated living spaces, and the profound challenges faced by the most vulnerable individuals, NEF and SGN are joining forces in a dedicated partnership to directly support 2,500 vulnerable individuals whilst engaging with at least 10,000 households on where to get extra help to maintain a safe and warm home. This collaboration aims to introduce an integrated and comprehensive warmth and wellbeing support service, known as Better Housing Better Health (BHBH), into regions where urgent interventions are needed.

The heart of this partnership is in improving access and amplifying resources to tackle the root causes of fuel poverty. With a strategic focus on areas flagged by SGNs vulnerability data, particularly those marked by significant deprivation and fuel poverty, this partnership seeks to make a meaningful impact by supporting those in need address the underlying causes of fuel poverty.

To identify those in greatest need, NEF will engage with over 10,000 households using a combined strategy of targeted direct marketing and referrals from network partnerships. The primary aim is to identify at least 2,500 households where we can provide personalised energy sessions, tailored to the specific needs of each household. This approach ensures that individuals receive tailored and effective support, addressing the unique challenges they face in achieving warmth and wellbeing.

Scope:

- **Dedicated Helpline:** Establish a dedicated helpline offering personalised assistance and guidance to households grappling with fuel poverty, providing a reliable point of contact for immediate support.
- **Tailored Case Worker Support:** Offer comprehensive case worker support that includes expert energy efficiency advice, thorough assessments of eligibility for energy efficiency grant-funded schemes, determination of eligibility for the fuel poor network extension scheme, assistance with energy bill

advocacy, crucial carbon monoxide safety conversations, installation of locking cooker valves, and access to the Priority Services Register.

- **In-person Outreach:** Deploy dedicated outreach teams to engage with communities in need directly, delivering on-the-ground support, informed advice, and valuable information about available resources to those most vulnerable.
- **Comprehensive Support Services:** Ensure a holistic approach by facilitating access to health, income, and housing support services that extend beyond energy-related concerns. Connect households with vital resources such as healthcare services, debt relief programs, income and benefits checks, Local Authority services, and support from charitable organizations.
- **Educational Initiatives:** Develop and implement educational programs designed for frontline workers, equipping them with the knowledge and tools needed to effectively address fuel poverty. Deliver informative workshops, create educational materials, and launch awareness campaigns that promote understanding of fuel poverty, energy efficiency, and sustainable energy practices.
- **Monitoring and Evaluation:** Establish a rigorous monitoring and evaluation framework to consistently assess the program's impact and effectiveness. Regular evaluations will drive continuous improvement and provide a clear measurement of the achieved outcomes, ensuring the program's ongoing success in combating fuel poverty and enhancing the well-being of vulnerable households.

Project objectives:

- **Enhance Accessibility:** Increase the availability and accessibility of the Better Housing Better Health (BHBH) support service to vulnerable individuals in areas of high deprivation, ensuring that those most in need can easily access the resources and interventions offered
- **Provide 10,000 households** through targeted outreach, referrals, and direct marketing with information on the energy advice and support services available – either to inform and empower them to improve energy efficiency, access financial assistance, or to invite them to a personalised support session to provide facilitation to access help
- **Deliver Personalised Support:** Facilitate 2,500 personalised energy sessions for households, addressing their unique needs and challenges related to cold and poorly insulated living spaces, thereby improving their overall warmth and wellbeing
- **Enhance Partnerships and Capacity:** Collaborate with diverse referral partners, including health and social care entities, local authorities, and community groups, to extend the reach of the BHBH service to vulnerable individuals. Train 200 staff members from these partners to effectively identify, refer, and support households in need of BHBH assistance
- **Measure Impact:** Implement robust monitoring and evaluation mechanisms to assess the effectiveness and impact of the BHBH support service. Collect and analyse data to track outcomes, gather feedback, and continuously improve the service's ability to alleviate fuel poverty and enhance the lives of vulnerable households.

Update June 2024

Additional outcomes to be delivered in the extension of services

- **Provide an additional 30,000 households** through targeted outreach, referrals, and direct marketing with information on the energy advice and support services available – either to inform and empower them to improve energy efficiency, access financial assistance, or to invite them to a personalised support session to provide facilitation to access help.

- Deliver Personalised Support: Facilitate a further 14,000 personalised energy sessions for households, addressing their unique needs and challenges related to cold and poorly insulated living spaces, thereby improving their overall warmth and wellbeing.
- Enhance Partnerships and Capacity: Collaborate with diverse referral partners, including health and social care entities, local authorities, and community groups, to extend the reach of the BHBH service to vulnerable individuals. Train an additional 980 staff members from these partners to effectively identify, refer, and support households in need of BHBH assistance.
- A new matched fund of £100,000 funded directly by NEF to assist households with boiler repairs and replacements where other funded support is not available

4 Why the project is being funded through the VCMA

This project will provide support for households including help to those at risk of living in fuel poverty whilst delivering a positive Social Return on Investment. It will deliver support that tackles the root causes of fuel poverty, helping to build enduring capabilities for customers that enhance their energy capabilities, wellbeing, and comfort in the long term. In addition, the project will ensure that households supported will be provided with support to access energy safeguarding services including the Priority Services Register.

Our partnership aligns to SGNs updated vulnerability strategy as it's targeted on providing a holistic service to households living in fuel poverty by identifying the best and most appropriate solution for that household. The project aim is to also link the customer to local and national energy efficiency schemes as well as assess eligibility for the fuel poor network extension scheme. This project will be in place specifically to support those in need of support services that help those most in need long term interventions to maintain a warm home.

Update June 2024

This project will provide support for households including help to those at risk of living in fuel poverty whilst delivering a positive Social Return on Investment. This project will deliver a positive Social Return on Investment through energy advice as well as the promotion and uptake of key services such as the PSR, CO safety, and smart meter awareness.

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 SGN commitment to deliver support services for 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 3 (with outcomes in 2 and 4).

5 Evidence of stakeholder/customer support

5.1 National Energy Foundation

In direct response to the pressing challenges faced by vulnerable households, NEF has built a robust track record of delivering impactful customer support initiatives. This includes their flagship service, Better Housing Better Health (BHBH), which has made significant strides in addressing fuel poverty. Collaborating with a range

of public bodies and stakeholders, NEF's BHBH has provided crucial support to over 25,000 households annually (2023), with an ambitious goal of doubling this impact in 2024.

The impact BHBH has on customer outcomes is linked to their approach to delivering tailored holistic support. Drawing inspiration from NICE's guidance on reducing excess winter deaths, BHBH is a comprehensive 'single-point-of-contact' service designed to improve living conditions and overall health. Through tailored energy sessions, NEF's trained advisers empower customers to make informed decisions about safe ways to improve energy efficiency and reduce costs to maintain a safe and warm home. NEF's extensive network of referral partners, including health organisations and community groups, helps to best identify those in need and allows them to address broader wellbeing concerns.

NEF's commitment to unlocking grant funding support ensures that once a cold and unhealthy house is identified that all potential avenues for support are assessed. By facilitating access to funding sources like ECO4 and Green Home Grants the team can help address some of the underlying causes of hard to heat homes. Their end-to-end case management approach ensures customers receive advocacy and support throughout the funding application process, maximising the potential for successful outcomes.

Throughout the journey, the team support vulnerable households from initial application to project completion. This approach helps take away the complexity and is valued by customers.

Customer Feedback:

"Thank you so much for helping me on this I do really appreciate it. I've got other bills to take care of and this has really made me feel more positive about tackling them. God bless you and the National Energy Foundation." - BHBH Service User

"Mr Smith says that because of the new heating system and blanket he has been warm again and as a result has been able to get up in the mornings and is feeling much better and has the energy / motivation to do things again." – BHBH Referral Partner

"Dad is over the moon that hopefully this winter he will be nice and warm for the first time in years. We cannot thank everyone involved enough as even though there is so much uncertainty with energy bills for my dad, he will at least be warm and not relying on electric heaters which were costing him even more." – Relative of BHBH Service User

5.2 SGNs Vulnerability Steering Group (VSG)

Our Vulnerability Steering Group has helped us shape our vulnerability strategy and our 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 most likely to be living in a cold and unhealthy home.

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 to deliver support services that tackle the fuel poverty gap and the underlying causes of fuel poverty.

Update June 2024

SGN's stakeholders including the VSG and wider Safe and Warm partnership network valued supporting eligible households address the complexity for vulnerable households to access energy efficiency local schemes.

6 Outcomes, associated actions and success criteria

6.1 Outcomes

The partnership aims to reduce the number of households living in fuel poverty in SGNs Southern region by delivering a holistic support service leveraging funding and support provisions across a network of partnerships. We will:

- Provide energy advice to a minimum of 10,000 households, of which 2,500 of these households will receive access to personalised expert services either via the dedicated telephone helpline, via community outreach and in home visits
- Assess eligibility and support applications for relevant energy efficiency schemes including the FPNES and energy efficiency measures
- Enhance energy efficiency in vulnerable households to reduce energy costs and environmental impact
- Providing households with access to Carbon Monoxide (CO) safety advice and CO alarms
- Increase vulnerable customers household incomes identifying eligible benefits, providing access to energy crisis funding where needed and facilitating debt support services
- Alleviate the health and financial burdens faced by households affected by fuel poverty
- Providing greater customer resilience by supporting eligible households sign up to the PSR.

6.2 Success Criteria

Through the partnership we're aiming to deliver the following;

- Provide 200 frontline workers with training to identify fuel poor households for partnership support
- Engage 10,000 customers on energy matters – including information on PSR, CO Safety and Energy Advice, including the offer of help to access personalised energy advisory services via the NEF team
- Deliver 2,500 personalised expert advisory service session 2,500 fuel poverty households, resulting in various benefits - bespoke energy efficiency advice and case management on energy use, benefits of smart meters, information on the Priority Services Register, gas and carbon monoxide safety sessions, information on how to manage energy debt, benefits checks and information to access relevant support schemes
- Deliver 50 personalised energy advisory service sessions with a home visit to help identify energy efficiency opportunities / overcome barriers based on need
- Where needed support eligible customers to sign up to the PSR (forecast 500)
- Provide a carbon monoxide alarm where there is no alarm in their home (forecast 1,000)
- Provide income maximisation support including benefits checks for at least 2,000 customers, with 100 onward debt support referrals
- Provide fuel voucher to up to 500 customers energy crisis (£49 fuel vouchers)
- Assess 1,250 customers for energy efficiency grant schemes (Green Homes Grant, HUG, ECO4 and GBIS leading to installations for approximately 125 households and 20 referrals for FPNES assessment
- Facilitate referrals to other support services for 500 customers through the partnership network.

Update June 2024

Additional outcomes linked to the additional funding

- Provide 980 frontline workers with training to identify fuel poor households for partnership support
- Engage 30,000 customers on energy matters – including information on PSR, CO Safety and Energy Advice, including the offer of help to access personalised energy advisory services via the NEF team
- Deliver 14,000 personalised expert advisory service sessions to unlock various benefits - bespoke energy efficiency advice and case management on energy use, benefits of smart meters, information on the Priority Services Register, gas and carbon monoxide safety sessions, information on how to manage energy debt, benefits checks and information to access relevant support schemes
- Deliver 300 personalised energy advisory service sessions with a home visit to help identify energy efficiency opportunities / overcome barriers based on need.
- Support 2,800 eligible customers to sign up to the PSR
- Provide circa 2,000 carbon monoxide alarms where there is no alarm in their home

- Provide income maximisation support including benefits checks for at least 11,200 customers, with 3,500 onward debt support referrals.
- Provide fuel vouchers and/or small emergency measures to up to 2,800 customers in energy crisis (£49 fuel vouchers or £50 warmth packs)
- Assess 7,000 customers for energy efficiency grant schemes (Green Homes Grant, HUG, ECO4 and GBIS)
- Facilitate referrals to other support services for 2,800 customers through the partnership network.

7 Project partners and third parties involved

Update June 2024

- **FireHawk** – for the supply of carbon monoxide alarms
- **National Energy Foundation (NEF)** - NEF will lead a network of partners to create a strong support network and effectively address the complex challenges faced by vulnerable communities. NEF will work closely with the following
 - Local Authorities
 - Health and Social Care Organisations
 - Debt Management Partners
 - Mental Health Support Organisations including Samaritans, Mind and Mental Health UK
 - Reputable Installers: NEF manages a network of 50+ Trustmark installers including YES Energy Solutions and AgilityEco
 - Local Community Groups including Citizens Advice
 - Instagroup & Carbon Rewind for boiler servicing and repairs/replacement.

8 Potential for new learning

Monitoring and evaluation

Working with NEF we will provide a comprehensive range of reporting to monitor the effectiveness and impact of the customer support initiatives:

Quantitative Performance: the partnership will deliver detailed reports with hard outcomes and numbers, showcasing the success of our projects including our detailed success criteria outcomes. In addition, these reports will include information on the number of energy efficiency measures installed, the amount of funding allocated, CO2 emissions saved, and the types of funding utilised.

Quantitative Demographic Analysis: we will collect insights on the demographics of the households supported, including their geographical distribution, age ranges, income levels, tenure types, and other relevant factors including ethnicity.

Qualitative Feedback Mechanisms: we will collect customer feedback to gather valuable insights directly from the customers / customer representatives we assist.

Delivery Evaluation: We will audit 5% of telephone advice services provided to ensure quality engagement and coaching of the advice team.

Learning

We are looking to share the outcomes of our partnership across a range of stakeholders including;

- Partners linked to both SGN and NEF
- Utility Networks and stakeholders interested in the activities of GDNs under the VCMA through the SGN Annual Report and VCMA Annual Showcase

9 Scale of VCMA Project and SROI Calculations

We've 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.

Carrying out an in-depth assessment with NEF and SGN using common industry tools including the DNO/GDN proxy bank and rule books, they forecast a positive net social return of £4.00 as detailed below.

Social Value Measurement

5-year figures		
Economic	Total cost	£223,000
	Total gross present value	£1,115,107
	NPV	£892,107
	SROI	£4.00
	Gross present value per person	£446.04

Update June 2024

Revised SROI

We've used the initial SROI forecast developed by SIA partners to calculate the social value generated from extending this project. Carrying out an in-depth assessment of the new outcomes and project costs we've calculated a positive net social return on investment of £2.87.

5-year figures		
Economic	Total cost	£1,141,507.25
	Total gross present value	£4,420,209.28
	NPV	£3,278,702.04
	SROI	£2.87
	Gross present value per person	£315.73

When combining the original and extension costs and social value forecast, we get an overall positive net social return on investment of £3.06.

5-year figures		
Economic	Total cost	£1,364,507.25
	Total gross present value	£5,535,317.11
	NPV	£4,170,809.87
	SROI	£3.06
	Gross present value per person	£335.47

10 VCMA Project start and end date

The project will run from September 2023 to April 24

Update June 2024

As the initial project was delayed in mobilisation we were unable to meet our targeted personalised energy consultations target so the original scope of work was extended until end of June 2024.

The extended scope delivery will start from July 2024 and run until March 31st 2026.

11 Geographic area

The team will focus delivery in our Southern region, with targeted attention in fuel poor households in;

- Dorset
- Wiltshire
- Hampshire
- Berkshire
- Surrey
- Isle of Wight

Updated June 2024

SGN's Southern network area

12 Internal governance and project management evidence

Description of GDN(s) review of proposal and project sign off, with details on how the project will be managed

SGN has worked alongside NEF 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 reassessed using the DNO Rulebook and methodology with additional GDN proxies developed with SIA Partners. As detailed above we have reviewed the current partnership scope which has been forecast at adding an additional £3.06 for each £1 invested, this will be monitored closely to ensure we adhere to the VCMA governance criteria.

SGN and NEF 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.