

# Cost of Living – Fuel Poverty advisor

Vulnerability and Carbon Monoxide Allowance

24 Mar 23 updated 29 Sept 23

SGN



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## 1 Description

Funding GDN(s)	SGN
For Collaborative VCMA Projects:	N/A
Date of PEA submission:	24 Mar 2023 updated 29 Sept 23
Project contact name:	Linda Spence
Project contact number/email:	<a href="mailto:Linda.spence@sgn.co.uk">Linda.spence@sgn.co.uk</a>
Total cost (£k)	£92,421.50 plus £50,000 = £142,421.05
Total VCMA funding required (£k)	£46,626.50 plus £50,000 = £96,626.05

## 2 Problem statement

With growing numbers of older people in Scotland struggling to cope with the rising cost of living, it is vital that those on the lowest incomes and in fuel poverty receive everything they are entitled to. Every year in Scotland hundreds of millions of pounds in social security payments go unclaimed by older people due to a lack of awareness, difficulty in accessing them, stigma surrounding benefits or just not knowing where to turn for help.

For older people this is a worrying statistic, as they struggle to afford to keep themselves and their homes warm. We know that around 123,000 eligible low-income pensioners in Scotland are not claiming Pension Credit. Pension Credit is an essential benefit, which opens the door to more additional support including help with energy bills in the winter, a free TV licence for over-75s, help with rent and council tax reduction, free dental care, and reduced water bills.

The recent energy price cap increase, and cost of living crisis will have impacted almost every older person and it will have catastrophic consequences for those households on low, modest, and fixed incomes this winter and beyond. Older people's physical and mental health will be impacted which affects the choices they will face around safe use of energy in their homes. Cold homes can exacerbate respiratory problems, heart disease and other health conditions for older people.

Age Scotland are already seeing record volumes of calls coming into their helpline from older people from the poorest areas throughout Scotland looking for support to increase their income and help to use heat in their home safely and affordably. Benefit enquiries make up around 30% of the total helpline calls. In August 2022, benefits made up 40% of the total calls. This represents an uplift of around 69% in benefit related enquiries from July to August following the cost of living and energy crisis/ price cap communications. Energy calls remain 95% up in the last 4 months compared to the first 4 months of the new financial year.

### Updated Sept 23 :

Age Scotland's [Big Survey results](#) are stark and concerning supporting them to stay safe and warm has never been more important.

The evidence shows that 79% of those surveyed are cutting back on energy and heating with 63% heating their home less. 49% of respondents said they had no choice but to be cutting back on food with 10% skipping meals completely and 19% eating less healthily. We can evidence that more needs to be done to provide vital support to our older population in this cost-of-living and energy crisis.

Over the next three years Age Scotland anticipate much greater demand for their helpline service to identify income maximisation opportunity and help to heat the home for Scotland's older people. Projections estimate that many low-income households will be adversely affected as the cost-of-living increases and energy prices continue to soar. Fuel poverty will be the reality for many of their client demographic and now more than ever they need to be able to provide much needed vital support.

With the helpline and energy advisory services stretched and more and more older people in fuel poor areas reaching out for support, we are partnering with SGN and Lotto to help Age Scotland keep older people safe and warm from the impacts of the cost-of-living crisis. Without this partnership and support it could lead to more winter deaths and hospital admissions, putting additional strain on our over-stretched NHS.

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Following the Big Survey results we are piloting a new initiative for Winter 23/24 to support older people in financial hardship have access to an emergency winter fund to help them stay warm and well during the colder months.

### **3 Scope and objectives**

Over the next twelve months Age Scotland aim to support over 4000 older people impacted by the cost-of-living crisis and in fuel poverty. The aim is to grow the benefits advisory team with two additional full-time telephony-based advisers to support with the increased referrals through the helpline. One of the roles will be funded by SGN and one from Lotto, our partnership will be known as cost-of-living – energy advisor fuel poverty. This project will specifically target support for those in fuel poverty or identified as at risk of self-disconnection or unsafe behaviours around energy usage in the home.

These specialist advisors will

- Identify older people in fuel poverty and provide energy safeguarding and wellbeing support
- Identify and tackle under-heating, and those at risk of self-disconnection, thereby reducing the risks of cold homes and hospital admissions – providing energy usage and advice
- Support those most vulnerable access financial support through income maximisation and benefit checks and help those manage their household costs going forward
- Ensure older people are on the priority services register for energy and water and they can access broader relevant support services
- Raise awareness of the CO risks and identify ways to make homes safer to live in
- Access to Age Scotland support services including friendship line
- Onward referrals to other partner organisations specific to need through their new Coalition of Partners initiative
- Provide an emergency winter fund for older people in financial hardship

#### **Objectives**

This project aims to support older people in vulnerable situations by providing energy safeguarding to older people who are in or at risk of fuel poverty, with a focus on helping them with trusted information on benefits entitlement, energy matters including current energy support schemes and access to safeguarding services including the Priority Services Register.

Age Scotland hope to reach older people who are digitally excluded with promotion of the service through their community liaison team at various community events where materials will be shared around income maximisation and energy safeguarding information.

Providing this support could lead to approximately £500,000 in client financial gain annually that would otherwise remain unclaimed and help keep older people warm in their homes for longer.

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

The project meets the VCMA eligibility criteria as it will provide energy safeguarding services including direct advice and support to households where vulnerability exists for older people at risk of or living in fuel poverty.

This project will also engage on key matters to build energy resilience for older people, and key support services including the Priority Services Register whilst delivering a forecast positive Social Return on Investment

## 5 Evidence of stakeholder/customer support

### 5.1 Age Scotland – Age Scotland’s and SGN Energy Survey 2022

**Age Scotland** – Age Scotland’s and SGN Energy Survey 2022 in comparison to AS Housing Survey from previous years shows that:

Older households in Scotland are currently one of the largest demographics impacted by fuel poverty; during summer 2022, it is now estimated that 4 in 10 older households (42%) are already living in fuel poverty, with this figure expected to increase rapidly throughout the winter period. With many of these households on low and fixed incomes, and already living in some of Scotland’s most energy inefficient properties they will face significant challenges during the cost-of-living crisis.

The number of older households satisfied that they could heat their home to a comfortable level has fallen dramatically over the last four years; with 88% respondents stating they were either ‘very satisfied’ or ‘quite satisfied’ in 2018, to 77% in 2020, and just 46% in 2022. Those less satisfied with their heating levels were predominately represented in households with gross annual incomes totalling less than £10,000, and households where occupants had long standing health problems or disabilities.

Similarly, the number of older households struggling to pay their fuel bills has increased over the last four years, with 13% always or sometimes struggling to pay their fuel bills in 2018, rising to 32% in 2022. This correlates with the sharp increase of older households experiencing concern or anxiety about the prospect of paying their bills; rising from 49% always concerned in 2020, to 76% in 2022. As a result of concerns of rising energy prices, many households have already started cutting back on both food and heat ahead of the winter period and growing proportions of older people are experiencing severe anxiety and strains on their mental health as a result.

Positively, only 4% of older households in 2022 had not installed any energy efficiency measures in their home, compared to 19% in 2020. The most common features installed were central heating systems (71%), double glazing (67%), loft insulation (56%) and a new boiler (42%). Despite relatively high proportions of older households installing efficiency measures within their home; awareness of energy efficiency support has remained consistently low amongst older households over the last four years. In 2022, 47% of respondents had never heard of or used Home Energy Scotland, 54% respondents had never heard of the Warmer Homes Scotland Scheme and 58% of respondents were not aware of any of their more local Area Based Schemes. In 2020, over half the sample of respondents (55%) were unaware of any of the above listed schemes that form the Scottish Government’s main program of funding energy efficiency improvements and reducing fuel poverty. This illustrates the scale of the challenge in reaching some of the hardest to reach (often digitally excluded) vulnerable households in Scotland to help keep them warm and safe during the winter.

Recent changes in legislation such as the requirement to have interlinked smoke and heat alarms and carbon monoxide alarms installed in Scotland have reinforced the need to ensure households are kept safe, especially in relation to how they heat their home. Whilst respondents showed a high awareness of the dangers of carbon monoxide poisoning (94%), only 79% had a working carbon monoxide alarm installed. Further only 68% of households had the new mandatory interlinked smoke and heat alarms installed also. Registration levels on

the Priority Services Register, a vital safeguarding measure for vulnerable customers is still far too low; our recent survey showed that whilst 76% of respondents would be eligible for the PSR, only 34% had registered.

## 5.2 Age Scotland Customer feedback

Our clients offer the following feedback about our service

“You’re an absolute treasure – you’ve done nothing but give me good news. This extra money will make a difference to me being able to eat and be warm in the coming months”

“I’m absolutely speechless. I can’t believe that I’m entitled to all of this extra money. I can’t believe it and I feel like I will be able to afford to live a life now. You’ve been amazing”.

“I’m really glad I made this phone call. I wasn’t going to bother as I thought I wouldn’t get anything but now you’ve helped me and told me that I’ll be £20 better off every week and that will make a big difference to my income. It’s definitely worthwhile having a benefit check – you never know what will happen”

“You’re the only place that has phoned me back. I’d given up hope of getting any help and I’m very grateful for the phone call. I’ve been wanting a benefit check for ages, but I’ve been waiting months for CAB to phone me back. I had no idea I was entitled to Pension Credit – my friend recommended that I phone you and I wish I’d done it months ago. I will be eternally grateful for your advice.”:

“It’s amazing how many unclaimed benefits there are and what a difference this could make for people. This could result in people being able to heat their homes more and eat well, all of which are so important for our older people.”

## 5.3 SGN Customer Engagement Group and Vulnerable Steering Group

During the shaping of the SGN business plan we committed to, over the 5-year price control, to support over 250,000 vulnerable customers to use gas safely, affordably, and efficiently. To ensure that we adapt to market conditions we continue to engage our SGN Vulnerable Steering Group, they help us shape our vulnerability and CO strategies and our priorities for GD2 based on current need. Our expert stakeholders representing a range of vulnerable customer segments guided us to work with existing organisations that already support those in crisis and where we are able to broaden the reach or increase the capacity of those established charities that support people most in need. It is with guidance and support from our dedicated Vulnerable Steering Group that SGN prioritise support for those most likely to need help from their utility company due to low incomes, those in extreme financial vulnerability and in fuel crisis.

# 6 Outcomes, associated actions, and success criteria

## 6.1 Outcomes

Age Scotland will expand their dedicated team to provide support to around 4000 older people on a low income, and at risk of fuel poverty with 2000 receiving specialist support including **1029 emergency winter** funding to stay warm and well. Customers supported will increase their income, their understanding of using energy efficiently and affordably, reduce the volume of those who may self-disconnect their energy whilst learning about carbon monoxide and being added to priority service register. These outcomes will be achieved across this bespoke project.

The partnership is designed to deliver the following outcomes

- income maximisation/welfare benefit advice including Pension Credit assessment
- warm home discount referrals and access to supplier support services around energy tariffs
- energy usage and behavioural advice to keep warm at home
- safeguarding older people with referrals to Fire and Rescue Scotland
- carbon monoxide awareness and CO alarms
- priority service registrations for energy and water for those older people not registered

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- provide holistic support for additional needs identified and onward referrals for support specific to need
- provide food or fuel vouchers to older people in financial hardship through or winter emergency funding

### 6.2 Success Criteria

Through this partnership we will support 4,000 older people overall through the helpline and triage service, with 2,000 receiving in-depth support and 1029 older people accessing emergency fuel or food vouchers. This is forecast to provide the following;

- 4000 older people triaged through the helpline service, provided with information around income maximisation and energy safeguarding (leaflet pack sent following contact)
- 2000 benefit checks/income maximisation from specialist advisors
- 1029 emergency funding - fuel or food vouchers
- 500 Pension credit assessments
- 200 warm home discount conversations
- 2000 energy usage and behavioural advice
- 600 carbon monoxide advice (30% of 2000)
- 60 carbon monoxide alarms
- 600 Priority Service Register sign ups, energy, and water
- 200 health and wellbeing advice/friendship line
- referrals to F&R

## 7 Project partners and third parties involved

- SGN
- Age Scotland
- Lotto
- Home Energy Scotland
- Fire & Rescue Scotland
- Charis

## 8 Potential for new learning

### Monitoring and evaluation

Age Scotland will conduct ongoing evaluation of the impact of the partnership as well as provide case studies and feedback from beneficiaries of the partnership. This will help SGN, and Lotto better understand how to support older people struggling with fuel poverty. To monitor the impact, Age Scotland will provide regular partner monthly reporting as well as a quarterly overview demonstrating:

- increased benefits advice delivered by the helpline
- increased client financial gains
- increase client awareness of and build financial resilience
- Energy usage and efficiency conversations
- CO awareness
- PSR calls/ sign up's
- Case studies

### Learning

Age Scotland will complete annual research the outcomes of which will be shared across partners and broader to support the advocacy of older people in energy.

**Update Sept 23**

- Review the benefits to older people providing emergency funding during the winter months and if any improvements in the quality of their living standards, reduction of those who may have disconnected their energy over winter all of which can be fed back through Age Scotland’s annual survey.

**9 Scale of VCMA Project and SROI Calculations**

Working with SIA Partners we’ve developed a number of social proxy values aligned to the work and outcomes we and our partners are delivering. Using these along with the DNO SROI assessment tool and methodology we have carried out an assessment of the financial and wellbeing outcomes associated with this project, and we forecast a positive net SROI of **£7.22**

**Social Value Measurement**

5-year reporting figures		
Economic	Total cost	£142,421.50
	Total gross present value	£1,170,539.29
	NPV	£1,028,117.79
	SROI	<b>£7.22</b>

**10 VCMA Project start and end date**

The project will run from March 23 to March 24

**11 Geographic area**

Scotland Network

**12 Approval**

Rob Gray - Director of Stakeholder Relations and Communications