

Safe and Warm in Scotland's communities Energy Action Scotland

June 2024

SGN

Vulnerability and Carbon Monoxide Allowance



SGN

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1 Description

Funding GDN(s)	SGN
New/Updated (indicate as appropriate)	New
Date of PEA submission:	June 2024
Project contact name:	Margaret Hamilton
Project contact number/email:	Margaret.Hamilton@sgn.co.uk
Total cost (£k)	£457,118
Total VCMA funding required (£k)	£457,118

2 Problem statement

Fuel Poverty in Scotland affects over 1 in 3 households with people living in social tenancies facing the highest rates of fuel poverty. Scottish Government calculations published in 2024, for 2022 confirmed that at least 48% of social tenants were in fuel poverty (1).

Many consumers need help on everything from finding out who supplies their fuel, choosing a tariff, reading meters, understanding bills, paying for fuel, and dealing with debt. This is often made more challenging for households where English is not a first language, for people with health vulnerabilities, or for those who are digitally excluded.

Recent research from London Economics states:

“Fuel poverty is more likely to affect ethnic minority households and people with migratory backgrounds... They are also more likely to live in energy crisis hotspots ... Furthermore, ethnic minority households have been consistently more likely to be fuel-poor for over a decade.”

Miller, J. et al. (2023) ‘Understanding the challenges faced by fuel poor households: Final report for the Committee on Fuel Poverty’, London Economics, pp. 16-17 (2).

A separate publication from the UCL Institute of Health Equity shows that throughout the entirety of 2010-2020, ethnic minority households were consistently, and considerably, more likely to live in fuel poverty than white households were. Lee, A. et al. (2022) ‘Fuel Poverty, Cold Homes and Health Inequalities in the UK’, *UCL Institute of Health Equity* (3)

As demonstrated on the infographic below, – Fuel Poverty By Local Authority, Scottish House Condition Survey as at 1st April 2023 - fuel poverty across the whole of Scotland sits at 37%.

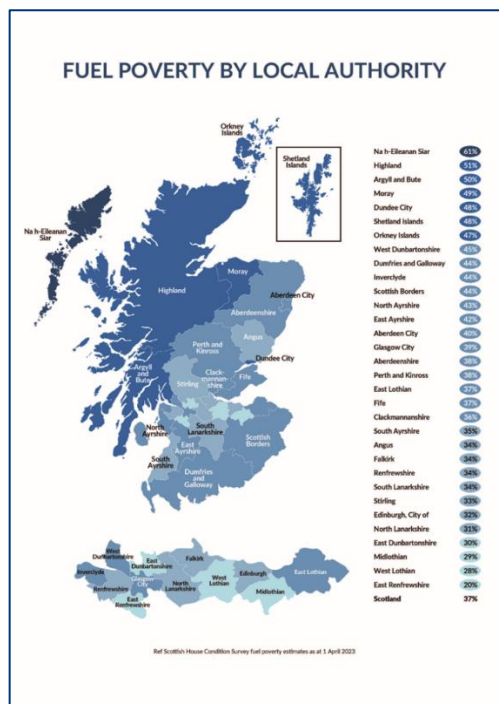
The geographical areas in most need, will be identified by Energy Action Scotland and additional support to help alleviate fuel poverty for the hardest hit in these regions will be provided. The indication is, if we looked at these areas in 2023 into 2024, it is likely that the percentages will have increased. The scale of this issue is evidence of the need for bespoke and intensive support around energy efficiency, income maximisation, and health and wellbeing advice for these households, which will enable residents in these areas to gain access to advice and guidance around fuel poverty and income maximisation.

1 - [Scottish Housing Condition Survey: 2022 Key Findings](#)

2 - [London Economics](#)

3 - [UCL Institute of Health Equity](#)

4 - [Tackling Fuel Poverty](#)



These households are at high risk of living in cold damp homes, as they often make choices between self-disconnection, rationing their energy supplies or using unsafe practises in the home to keep warm which could be detrimental to their health.

Carbon Monoxide (CO) can also pose a serious threat to health. 4,000 people in the UK 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 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 regularly. 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 poisoning.

The level of general awareness amongst the population in Scotland for government and industry programmes to support households remains low, yet local advice services have been overwhelmed by demand.

Scottish Government's lived experience research referenced in the Scottish Fuel Poverty Strategy 2021 states 'Our Lived Experience research found awareness of sources of advice and support on home heating was low amongst fuel poor households, including of HES, the Energy Saving Trust, Energy Action Scotland and local energy advice centres.'⁽⁴⁾

Whilst the pandemic and cost of living crisis has increased the demands on services, services themselves have not expanded to any significant level and indeed as public sector funding cuts bite it is likely that the provision of support will shrink.

3 Scope and objectives

In partnership with SGN, Energy Action Scotland will provide support to communities for fuel poor households and cultural backgrounds in highly deprived areas working alongside social landlords, local community organisations and housing associations to identify those who are at risk of living in cold damp and unsafe homes.

Our Safe and Warm initiative will build a new collaboration of local charitable, and not-for-profit organisations who provide or could better provide, tailored local energy advice including face-to-face, walk-in, and in-home advice, and guidance to low-income vulnerable households whose primary heat source is natural gas, to use their energy safely, efficiently, and affordably.

Our project will place experienced energy advisors under our Safe and Warm initiative within each of the organisations which have been identified. Some of these will be Housing Associations, and other organisations where there is a high percentage of households from multicultural backgrounds who are struggling to maintain a safe and warm home.

Energy Action Scotland, with support from local partner organisations, will identify and train specialist energy advisors who will be embedded into those communities where there is high deprivation and multicultural communities. Having advisors speaking local languages will enable detailed discussions and financial assistance around energy and benefits advice. These energy advisors will become local trusted advisors and will be supported by Energy Action Scotland staff to enable them to form relationships and support to deliver a high level of performance.

These energy advisors will be fully focused on delivering this project for each of their organisations and will either be existing or new staff who will be trained to City & Guilds (Level 3) to enable them to deliver advice and become an embedded trusted advisor within each organisation.

Providing additional capacity and tailored targeted support means fuel poor households will be better supported to access further support available through national programmes including Home Energy Scotland, Warmer Homes Scotland, local government programmes and those of the energy industry through the Energy Company Obligation to help them afford to use their energy safely, efficiently, and affordably.

Working alongside Housing Associations and Community Councils, our Safe and Warm energy advisors will support up to **3749** households to help them understand how to use energy safely, efficiently, and affordably and help improve their financial situation.

Advisors will also be able to identify those at risk from unsafe gas appliances where they have been unable to afford the servicing of the appliances and identify those struggling to heat their homes affordably and provide emergency crisis funding where their health is impacted.

The project will also offer servicing of gas appliances owned by households (note - this will not cover appliances which landlords are duty bound to maintain).

With each organisation having their own trained and certified Safe and Warm energy advisors, they will build on the trust they have already established to support people with:

- income maximisation and benefits checks
- energy efficiency advice and support to use energy affordably
- reduce their energy debt

Households will, as required, be referred to government and industry energy efficiency programmes, for example, when a gas appliance cannot be serviced and may require to be replaced, households would be referred to other governmental schemes supporting replacement.

Briefings will be delivered to partners by project lead Energy Action Scotland, and will include practical advice on identifying fuel poverty, and energy efficiency awareness.

All local partners will then provide eligible households with access to income maximisation, debt advice, energy efficiency advice and the safe use of CO monitoring devices. Where required the local partners will utilise the funds available to them to secure servicing of essential gas appliances.

Advice Delivery Process

- Outreach, and adverts in the communities of delivery partners
- Partners proactively identify vulnerable fuel poor households with the potential of a high likelihood of requiring intensive support
- Partners log and triage potential support requirements
- A home visit from an advisor will be arranged, as necessary

4 Why the project is being funded through the VCMA

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 pillars 3 with outcomes in pillars 2 and 4.

5 Evidence of stakeholder/customer support

5.1. Feedback from stakeholders

The following comments have been received from Housing Associations supported by Energy Action Scotland to deliver fuel poverty assistance to their residents:

“On behalf of XXXX, our Board, our staff team, and tenants, I would like to thank both yourself and XXXX Energy for your hard work and assistance in co-ordinating this important project. It has been well appreciated through these difficult times and we look forward to working with you all in the future.”

“Great result. We look forward to welcoming the new HA's on board what is undoubtedly a very important project and has been a massive lifeline to our tenants.”

“Great new, also well done to you for co-ordinating all the funds and reporting.”

5.2. Feedback from beneficiaries

Previously Energy Action Scotland have led projects that offered similar assistance to other housing associations and organisations.

One example is where the household received three fuel vouchers each for £50 over two separate dates which the tenant redeemed for her heating. The tenant has an issue with the output from her heating system and she is awaiting a new heating system. As the heat output from the current system is lower than expected, she

welcomed the vouchers as it meant she didn't have to use her limited income or go without heating in the cold weather. The tenant was also offered income maximisation and energy and smart advice on 11th December. The income maximisation was carried out by a 3rd party organisation as was the energy and smart meter advice.

There is no known outcome as yet to the income maximisation but an Energy Advice Pack demonstrating a potential saving of £183.00 was issued to the tenant.

The tenant commented that she was very grateful for the fuel vouchers and extends her gratitude to the utility supplier.

5.3. SGN's Vulnerable Customer 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 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

Our partnership will place Safe and Warm energy advisors in organisations, supporting them across Scotland where they have been identified as highly deprived fuel poor areas.

The project will support approximately 3,749 unique households with access to:

- income maximisation and benefits checks
- energy efficiency advice and support to use energy affordably
- reduce their energy debt

In addition:

Training will be allocated (City and Guilds Energy Awareness 6281-01 (Level 3) (Scotland) qualification as a minimum) to five Energy Advisors.

- Provision of essential information to help them understand how to use their energy safely, efficiently, and affordably, including advice on energy efficiency measures, access where possible to appliance servicing, access to vouchers to assist fuel payments, benefit checks and support through any process or claim will be available through drop-in support at organisation or community premises, telephone access and physical and online resources. Although the partners will endeavour to access all 3749 households, it is expected to secure full level support for at least 3000 over the two-year term of the project
- Financial gain analysis will be carried out for households to include, but not limited to; benefit checks, income maximisation, energy efficiency measures, energy debt issues and fuel vouchers. Advisors will ensure households are signposted to the correct government departments and are assisted with any claims procedure

- Advice on safe use of equipment including gas appliances in their home, carbon monoxide information by way of leaflets and direction to online materials, and where appropriate, CO Alarms will be supplied to any households who require them. A check of installed detectors and alarms for those identified and confirmed via a specialist assessment carried out by advisors
- 'Intensive' support for households who require a higher level of investigation and support. This may include multiple home visits, frequent telephone support including support with applications for funding/benefits and/or or access to energy efficiency programmes. These will be vulnerable fuel poor households where the nature of the household circumstances or potentially health conditions necessitate allocating more staff time to achieve positive outcomes
- Households where English is not a first language will be supported by advisors who speak both English and the native language of the residents. They will be provided with the same level of support as other households and will include other areas where past projects have identified people have a very low level of understanding of how energy is provided, and other key support organisations who can provide support of this nature, including provision of information interpreted and translated from English, where it is not provided
- Advisors will ensure each household has access to personalised energy efficiency advice to help improve their fuel poverty position
- Referral for energy efficiency measures – Advisors will work with each household to ensure they have access to any other standard scheme they are entitled to which can further help to reduce utility bills per household. Examples of this is where a gas appliance cannot be serviced and requires to be upgraded with a new working solution. This will be referred to a governmental scheme supporting this issue. (Note, this does not cover appliances that are the responsibility of a landlord to maintain)
- Households will be advised of the Priority Services Register (PSR) for both energy & water. Partners will support households to register on the PSR. Advisors will ensure all data is up to date and that residents are registered for both energy and water
- Households will have access to fuel vouchers at the point of crisis, when it is likely that households are off supply, or are at immediate risk of being off supply. This will help provide respite to enable advisors to help households access further help to improve their current circumstances
- Energy case work support will be provided to households who struggle dealing with agencies, utility suppliers, government agencies, etc. Advisors will act as advisor to the household, or translator in these cases
- Each partner will arrange at least one event per year to raise fuel poverty and CO awareness
- The project will be proactive in seeking to attract households and will utilise local communication channels and trusted local community organisations to raise awareness

6.2. Success Criteria

The project will support approximately **3,749** unique households. As not all households will require every offering available, the level of support required will be determined by partners through a triage service provided at the initial point of contact.

Below outlines the expected breakdown of support to be delivered across the duration of the project:

- **3,749** households will have access to essential information to help them understand how to use their energy safely, efficiently, and affordably. This information can be accessed through referrals, drop-in at organisation or community premises, telephone access, physical and online resources
- **3000** households assisted with energy advice through initial investigation around each household situation and support available, including Priority Service Register (energy & water), basic CO information by way of leaflets and direction to online materials and financial gain analysis
- **2,500** households will be provided with advice on maximising the safe use of equipment including gas appliances in their home, in-depth energy advice and carbon monoxide information and a check of their installed detectors and alarms"

- **2,500** households receiving access to benefit entitlement checks
- **2000** households being referred for energy efficiency measures
- **1,500** households receiving 'intensive' financial support. This may include multiple home visits, frequent telephone support, including support with applications for funding/benefits/ income maximisation/ debt support and/or or access to energy efficiency actions available through other funded programs
- **900** PSR Sign ups (We have assumed that at least 50% of the 3,749 households will correctly be registered for PSR, all will be checked that they are. We have also assumed that ~25% of households will not require to be registered)
- **650** households access to energy crises funding over the two-year period
- **430** CO Alarms provided, and where possible social tenants will have their installed detectors and alarms checked
- **70** households supported with servicing of essential gas appliances (Note, this does not cover items that are the responsibility of a landlord to maintain)
- **5** Trained Energy Advisors - Training will be allocated (City and Guilds Energy Awareness 6281-01 (Level 3) (Scotland) qualification as a minimum)
- **10** Fuel Poverty / CO Awareness Events: Each partner to arrange at least one event per year to raise fuel poverty and CO awareness, we expect each event to target 30 attendees

7 Project partners and third parties involved

Energy Action Scotland:

Energy Action Scotland (EAS) will be the main delivery partner for this project and is the national fuel poverty charity in Scotland. Energy Action Scotland is a recognised centre for excellence, providing training, CPD and objective quality assurance.

Established in 1983, it is a member led charity that develops partnerships to provide effective solutions that enable people to better access affordable energy which ensures that they can achieve the levels of comfort conducive to high standards of health and wellbeing through:

- Supporting and enabling the delivery of pioneering measures and high-quality support at strategic and delivery levels
- Building awareness, understanding, agreement and actions in priority sectors
- Securing significant investment from public, private and third sector sources and building effective partnerships
- Identifying, exploring, and promoting best practice from across the world to inform and educate practitioners
- Providing opportunities for membership to support those that are most impacted by living in fuel poverty

Trusted intermediaries reach those who are often hardest to reach, to disseminate information tailored to individual circumstances and overcome the barriers to support that all too often persists. Energy Action Scotland has built the capacity of those providing advice to vulnerable and fuel poor households. Thousands of people have participated in introductory sessions on fuel poverty and hundreds each year have achieved City and Guilds Energy Awareness qualifications. In 2023/24 over 150 frontline professionals achieved a City and Guilds qualification in Energy Awareness and are working to support vulnerable people in the community.

During 2022/23 and 2023/24 Energy Action Scotland worked with social landlords, built, and supported their capacity to provide energy advice, smart meter advice, access to income maximisation and direct financial support, it helped over 1600 households all assessed as being in fuel poverty consistent with Scottish definitions. During 2022 through to 2024 Energy Action Scotland through its Fuel Poverty Challenge funded

support a discovery phase project with a number of local charities each of whom worked with people with protected characteristics as defined by the Equalities Act 2010 or those in remote rural Scotland. This included working with people with disabilities, where English isn't a first language including refugees from Ukraine.

Energy Action Scotland is experienced in the co-ordination and delivery of energy industry schemes and their regulated compliance regimes. It works in collaboration with its members and partners in areas where there is unmet demand to learn better how support can be provided and to influence the design of public and private programmes.

Energy Action Scotland is proposing to work with Housing Associations and other organisations across Scotland where they have been identified as highly deprived fuel poor areas.

SGN:

SGN will work in partnership with Energy Action Scotland to provide support to communities for fuel poor households and cultural backgrounds in highly deprived areas working alongside social landlords, local community organisations and housing associations to identify those who are at risk of living in cold damp and unsafe homes. SGN will also support through provision of CO alarms for fuel poor households.

8 Potential for new learning

Monitoring and evaluation

Measuring Success:

The project will develop key delivery metrics to ensure that outcomes are tracked consistent with the requirements of SGN's approach for Social Return on Investment.

The project will evaluate the impact of the activities to determine their effectiveness and deliver continuous improvements which will be identified periodically through programme progress reports and with end-of-year and end of project reporting.

Progress will be tracked through a number of Indicative KPIs including:

- Energy Advisors trained
- Referral for energy efficiency measures
- Provision of energy efficiency advice
- Carbon monoxide information shared
- Benefit entitlement checks
- Intensive claim support
- Heating system support
- Energy case work support
- Full financial benefit provided

Additionally, partners will ensure that detailed reports are created monthly that indicate progress made with program and households in receipt of advice, guidance, etc.

Referrals and home visits will be supported with Quality Control inspection, Customer satisfaction follow-up and a case Completion Report.

Learning

Energy Action Scotland has proven over the years to be very diligent in sharing learning where possible to members, partners, governmental bodies, funders, housing associations, Ofgem and media. This is then utilised to ensure future projects can be even more focused around the requirements to assist fuel poor

households. Energy Action Scotland also ensure members can learn from previous projects based on return on investment, short and long-term solutions, etc.

9 Scale of VCMA Project and SROI Calculations, including NPV

Social Value Measurement

We worked with leading social impact research consultancy Sirio to carry out an assessment of the financial and wellbeing outcomes applicable to our services for vulnerable customers incorporated in this partnership using the Industry Standard Social Value Framework and supporting GDN rulebook. Carrying out an in-depth assessment of the predicted outcomes we forecast a positive net social return in investment of £2.00.

Total cost*	£446,061.16
Total gross present value	£1,339,323.43
Net present value	£893,262.27
SROI	£2.00

**Accounting for inflationary factors over the duration of the project*

10 VCMA Project start and end date

The project will start on 1 July 2024, and run until 31 March 2026

11 Geographic area

Across Scotland where regions have been identified as highly deprived fuel poor areas.

12 Internal governance and project management evidence

SGN has worked alongside Energy Action Scotland 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 Sirio the Industry Standard Social Value Framework and supporting GDN rulebook as £2.00 net.

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.