

Energy MOT

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| Funding GDN(s) | Northern Gas Networks |
| For Collaborative VCMA Projects: | Role of GDN(s) N/A |
| Date of PEA submission: | 01 April 2021 |
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| Total cost (£k) | *detailed separately |
| Total VCMA funding required (£k) | *detailed separately |

1. Problem(s)

This should outline the problem(s) which is/are being addressed by the VCMA Project

Keeping up to date on energy can be difficult. Consumers often have many issues to consider, this can involve having to contact a wide range of different agencies or information services. Even if someone does do a comprehensive review of their energy this year, there's nothing to say they will continue to do this every year. Stockton CAB already have experience of the issues this project addresses ie customers do not consider all the elements of energy advice which is necessary to have efficient, economic and safe energy use. Many customers are aware of switching and some will progress this themselves, but they're often unaware of other issues such as CO safety and the PSR. Customers also need a reminder to review their energy usage and safety on an annual basis.

1.1 The solution

This project aims to promote the concept that use of energy in the home should be viewed just like the use of a car – it needs a comprehensive check every year, to make sure everything is working efficiently and safely.

The Energy MOT is a comprehensive checklist of what should be considered or done, to ensure that a domestic household is safe, energy efficient, and resistant to fuel poverty. This project will be delivered by Stockton Advice and Information Service (SDAIS) which is a Citizens Advice Bureau (CAB), in partnership with Northallerton CAB.

2. Scope and Objectives

The scope and objectives of the VCMA Project should be clearly defined including the benefits which would directly impact customers on the participating GDNs' network(s), and where the benefits of the VCMA Projects lie.

2.1 Shared Purpose

SDAIS has been providing energy advice to vulnerable customers for over 5 years. SDAIS is bespoke to the region of Stockton and Northallerton and this project is a partnership with Northallerton CAB. These organisations have extensive reach into those customers living in fuel poverty and struggling with heat or eat decisions on a daily basis. This opens up opportunities to engage with those households in terms of income maximisation, energy switching, energy efficiency measures and other associated services, such as PSR registrations and CO awareness. This is key and will reach both urban and rural communities. No other organisation in these areas provide a full MOT for individual households, in these two different demographics.

2.2 The objectives of this initiative are:

- To provide an Energy MOT that will be a comprehensive checklist of what every household should consider in respect of domestic energy use
- To develop a minimum standard of energy advice that will ensure consistency and improve quality amongst energy advice organisations

- To pilot a model that could be rolled out to other CABx and energy advice services in the North

2.3 Scope

- Development of an Energy MOT template which will form the core offer of energy advice to consumers. This will include advice on PSR sign up's and CO safety
- The MOT will be applied to 250 clients over a 12-month period and an MOT will be sent to those clients, advising them of action taken and what further steps the client should take themselves
- The project will assess how many households passed the MOT and what are the areas of MOT failure that require further work
- All clients will be asked if they would like to be contacted in a years' time for a further Energy MOT check to assess viability of a proactive approach for future energy advice
- All clients will be asked if they consider their knowledge on energy matters and CO safety has increased as result of project (pre/post CO questionnaires)
- The project will provide welfare benefits advice as part of the core offer to ensure household income is maximised to reduce the risk of fuel poverty
- The Energy MOT will be rolled out for use in a further 5 CABx in the North Region
- Will engage with National Association of CABx to discuss potential for adoption of the Energy MOT on a national basis

3. Why the Project is being funded through the VCMA

This should include an explanation of why the VCMA Project meets the VCMA eligibility criteria. This is a requirement

This project qualifies under the criteria for the VCMA funding, as it will support customers in vulnerable situations, in particular customers living in fuel poverty/financial hardship and rural isolation, which aligns to NGN's Vulnerability Strategy. PSR registrations and CO awareness sessions will also be delivered as part of the project outputs.

Stockton and Northalleraton are part of Teesside and social indicator mapping shows that unemployment is significantly high in this area. This project will help to support those households who are in financial hardship, as a result of being unemployed, on low incomes or having been furloughed or made redundant, as a result of the pandemic. The Energy MOT will help households to understand energy usage and bills, so that they get into the habit of regularly reviewing these, to mitigate against financial hardship and fuel poverty in future. Whilst also ensuring that CO safety is understood and the potential risks it can bring, are understood and addressed.

There will be no collaboration from other GDN's nor other funded sources.

3.1 Eligibility criteria

- This project will have a positive SROI
- This project will support NGN's Vulnerability Strategy by aligning with the rurality and financial hardship themes

- Has defined outcomes as required
- Goes beyond NGN's licence obligations and price control funded mechanisms

4. Evidence of stakeholder/customer support

This should provide information of the customer engagement that has taken place in the development of VCMA Projects where appropriate. If there is no evidence of stakeholder engagement or customer support, this should justify why it was not appropriate to engage with stakeholders and customers.

Within the Northern Gas Networks region, we serve 2.7 million gas-using households. The socio-economic characteristics of our region mean that we operate in many communities that are amongst the most economically deprived in the whole country. This was a key factor in our prioritising engagement with vulnerable and hard-to-reach groups of customers, telling them about our services, about what we do and how we could improve.

Each year, we undertake analysis of all the insight we've heard in the previous year to prioritise those issues our stakeholders most want to engage on. Over the past 12-18 months, we've done this in a number of ways.

4.1 Customers in vulnerable situations (CIVS) Workshops 2019 – 2020

Asking our stakeholders what's important – using our wide range of engagement mechanisms from strategic workshops to customer perceptions, we asked stakeholders to prioritise what is most important to them (including digital engagement in light of CV-19). During 2019-2020 we held multiple workshops with our stakeholders on the subject of customers in vulnerable situations. During our July 2020 workshop stakeholders discussed new emerging issues as a result of Covid-19, what the impact of the pandemic has on hidden vulnerability and how the current pandemic impacted demand for essential services to support CIVS. Our stakeholders told us some of the main impacts have been associated with debt, isolation, redundancy, and anxiety. The Energy MOT project will help support customers in an area where there is high unemployment, to ensure that affordability around energy becomes less of a challenge. Income maximisation discussions will also help in minimising debt and the associated mental health issues that can bring.

Following on from the July workshop, during August 2020 a CV-19 specific workshop was held and our stakeholders also identified that there was an increase in debt/money management issues, specifically with those people who were 'Just About Managing' during the pandemic. They said larger energy bills and being at home caused concerns, especially during winter. Demand for information regarding redundancy or benefits increased as a result of the economic impact. The Energy MOT project will help customers understand their bills and energy efficiency better to mitigate against falling into fuel poverty.

4.2 Customer Engagement Group (CEG)

This group provides an independent oversight into the actions we take to support CIVS. Checking we've got it right – using a range of engagement mechanisms to assess and challenge our response

to stakeholder feedback, ensuring we are responding in the right way. This has offered us robust challenges into how we deal with CIVS which meets the needs of our stakeholders.

4.3 Social Indicator Mapping, Covid 19 Research & Vulnerability Mapping Tool

Social indicator mapping took place in 2019 and further research around CV-19 impact was undertaken in July 2020. This was shared as part of our stakeholder engagement. A new Vulnerability Mapping Tool has been demonstrated to stakeholders to highlight any vulnerability gaps we have on our network. The VMT allows you to add multiple factors of vulnerability together, to create a heat map for where factors combine to create areas of highest need. All data can be mixed and matched. This has also been updated to reflect more emerging issues. Feedback from our social indicator mapping research indicated that Teesside has areas of deprivation and unemployment. Being unable to afford the repair, maintenance and replacement of appliances is a consequence of deprivation and unemployment, which means the risk of CO poisoning becomes greater in these areas. This is evident in the CO research findings below.

Direct feedback from stakeholders around specific CV-19 research, told us that access to many of these services is becoming increasingly difficult and has been compounded by the pandemic. One of the wider conclusions of the CV-19 research was that different vulnerability factors tend to be concentrated in the same local areas, most strikingly in the North East and many of the same places, e.g. Teesside/Middlesbrough are also the most badly afflicted by Covid-19. There is never just one challenge for these households and a MOT will address these issues, as a holistic approach will be adopted by both organisations.

In our wider stakeholder engagement programme, we have heard very strongly how safety is at the forefront of stakeholders' minds. Stakeholders see a strong correlation between safety and our social obligations and have told us that it is essential that we continue to raise awareness of carbon monoxide because doing so saves lives. Insights from CO & PSR research, specifically in the Tees area recommends the following actions:

- Target increasing awareness of the dangers of CO - only 38% recognise that CO can kill you
- Increase understanding of what CO actually is – only 23% were able to identify it as gas which is invisible, colourless, odourless, not detectable and only 21% stated a gas which is dangerous, deadly, poisonous, toxic
- Encourage people to get a CO alarm - 26% of the people who responded in Tees did not have a CO alarm in their home and 7% had a disc which changes colour (no longer recommended)
- Encourage people to test their alarms – 28% of respondents test their alarm annually and 14% did not know how often they test their alarm
- Look to increase awareness of the Priority Services Register - 55% of respondents had no understanding of the services available on the PSR

Both CO awareness and PSR sign up's will be addressed as part of this project. Customers in some of the rural localities covered by this project, may be off the gas grid. As a consequence, they may be using other fossil fuels for cooking and heating, therefore CO awareness raising is key for those groups.

4.4 Vulnerability Strategy AAA Framework

Within our vulnerability strategy we have developed, with the help of our stakeholders, the 'AAA' framework. This helps us support our customers in vulnerable situations. Awareness, Accessibility and Action. By adapting this principles-based approach into our AAA framework, we will ensure that all customers are treated fairly and consistently. The themes of rurality and financial hardship as part of this project align to NGN's vulnerability strategy.

5. Outcomes, associated actions, and success criteria

Details of the VCMA Project outcomes and the associated actions to achieve these, interim milestones and how the Funding Licensee will evaluate whether the project has been successful. Each action should have a proportion of the funding allocated.

5.1 Outcomes

- The MOT will be applied to 250 clients over a 12 month period
- Deliver CO awareness sessions and PSR referrals
- Develop a consistent core offer of energy advice that would be agreed between different energy advice agencies and services in the North.
- Identify the areas where households are failing their 'MOT which will provide evidence of where further work with consumers is required

5.2 Success criteria

- All Vulnerable customers referred will have a greater understanding of the importance of gas safety and the dangers associated with Carbon Monoxide via the CO awareness survey (target 65%)
- All clients will be asked if they would like to be contacted in a years' time for a further Energy MOT check to assess viability of a proactive approach for future energy advice (target of 75% positive)
- The Energy MOT will provide welfare benefits advice as part of the core offer to ensure household income is maximised to reduce the risk of fuel poverty, and it is projected that the income of households assisted will increase by £39,000

6. Project Partners and third parties involved

Details of Project Partners or third-party involvement

Stockton and District Advice and Information Service Northallerton Citizens Advice.

7. Potential for new learning

Details of what the GDN(s) expect to learn and how the learning will be disseminated.

If the project is successful there is the possibility to scale up and expend the concept on a regional, and possibly national basis.

8. Scale of VCMA Project and SROI calculations

The Funding Licensee(s) should justify the scale of the VCMA Project – including the scale of the investment relative to its potential benefits. As part of this, it should provide the SROI calculation.

The financial benefits are based on our estimation that at least 5% of the households supported will be eligible for benefits such as Personal Independence Payment (PIP) or Attendance Allowance (AA) and that they will be assisted to claim this by the project. Development of an Energy MOT template which will form the core offer of energy advice to consumers. This will include advice on PSR and CO safety. The MOT will be applied to 250 clients over a 12 month period, and an MOT will be sent to those clients advising them of action taken and what further steps the client should take themselves. This project has a positive SROI return.

VCMA Project start and end date

Detail start and end date of the VCMA Project and, where relevant, the VCMA Project that preceded this initiative.

1st April 2021 – 30th March 2022

Geographic area

Details of where the VCMA Project will take place. If the VCMA Project is collaborative, the Funding Licensee area(s) in which the project will take place should be identified.

Teesside/North East

Approved by

Eileen Brown
Customer Experience Director