

Stockton & District Advice & Information Service (SDAIS) - Energy Max Project Proposal

Funding GDN(s)	Northern Gas Networks
For Collaborative VCMA Projects:	Role of GDN(s) N/A
Date of PEA submission:	March 2023
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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

There is a nationwide agenda to tackle the problems associated with fuel poverty. With the current cost of living crisis and the huge difficulties that consumers face in meeting their energy bills, it is essential that expert advice and support is provided to ensure that the household income of vulnerable consumers is maximised and expenditure on energy is managed. An estimated £15 billion of welfare benefits goes unclaimed every year.

Solution

Income maximisation through welfare benefits is often the most effective, long lasting, and secure way of increasing household budgets, particularly for vulnerable people or people who cannot work due to poor health or disability.

- 920,000 Pensioner households are entitled to, but not claiming, Pension Credit which averages at an extra £1,664 per year per household
- 200,00 Pensioner households are entitled to, but not claiming, Housing Benefit which would average an extra £3,224 a year per household
- The lower rate of Attendance Allowance, a non means tested benefit unclaimed by thousands of people every year, is £61.85 pw, or £3,216 pa

Stockton & District Advice & Information Service (SDAIS) propose to tackle this problem by providing a specialist energy and welfare benefit advice and support service that complements and supplements current energy advice services delivered by multiple agencies and VCMA projects across the North of England and Yorkshire.

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.

This project will enable SDAIS to provide specialist welfare benefits, energy costs advice and support for people who have received energy advice from community-based agencies in the region. It will also enable SDAIS to look at where potential unclaimed welfare benefits have been identified and to speak with customers who may have concerns regarding fuel poverty and/or financial instability in the household.

The project aims to:

- Receive referrals from other VCMA funded projects across NGN region where it is identified that the client is vulnerable and is at risk due to financial difficulty and struggling to meet their energy bills
- Deliver comprehensive, accurate and up-to-date benefits advice that includes:
 - full household entitlement check

- Completion and submission of benefit applications for consumers
- Assist with Mandatory Reconsiderations and Appeals where the consumer has been refused benefit and there is merit in challenge
- Provide advice on related benefits and support that will follow on from new benefit entitlement (e.g., help with health or housing costs)
- Referrals to the Priority Services Register (PSR)
- Provide CO awareness briefings / sessions
- Raise awareness of energy efficiency

2.1 Scope

- The service will deliver welfare advice to 308 households
- The service will be provided to 308 people who are vulnerable because they have:
 - physical or mental ill health, or a disability
 - are in financial hardship
 - are vulnerable due to rural or digital isolation, and cannot access physical or online welfare advice services
- The service will also promote energy safeguarding by providing advice and support to get vulnerable clients on PSR. All clients (308 per year) will receive information about the PSR and offered practical assistance to register
- The service will also check if client has had information on CO awareness, and if not, will be referred directly to other VCMA projects in the region who can deliver this support
- The service will be for consumers who have been referred in from agencies working in the region who have provided energy advice or support to the consumer. This will include other VCMA funded agencies in the NGN region, Groundwork, Citizens Advice Bureaux, Northern Gas Networks, Age UK, Stroke Association and disability support agencies
- The service will provide specialist welfare benefit advice to a minimum of 308 households over a 1-year period
- The projected household income increase as a direct result of this project is a minimum of £134,485.00 per year. This is a significant positive social return on investment for gas consumers. Many of these income increases will be payable for more than 1 year so the benefits will carry forward beyond year 1

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 VCMA funding, as it will support vulnerable customers who are living in financial hardship and fuel poverty across the North of England and Yorkshire, as well as raising awareness of CO.

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

3.1 Eligibility criteria

- This project has a positive SROI
- This project will support NGN's Vulnerability Strategy by aligning with the financial hardship and mental health 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 – 2021

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 2019-2021 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 due to 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 an increase in fuel and food poverty and there is a greater need than ever, to support customers accessing fuel and food banks. Quite often a dilemma between heating and eating.

In the CV-19 specific workshop held in August 2020, our stakeholders also identified that larger energy bills was an issue due to the pandemic. They stated that this was due to people spending more time at home, especially those less mobile, shielding and socially isolated due to rurality. However, a further challenge which compounded this problem, was not being able to contact energy suppliers to discuss these issues. Access to other essential services also significantly decreased.

Further stakeholder engagement throughout 2020, told us that fuel poverty and the choice between heating and eating is becoming more prevalent. The current energy crisis is further compounding this already serious issue. This project will help address this need by providing customers with benefits advice, income maximisation and helping those that are in financial hardship and fuel poverty.

Recent social indicator mapping research carried out in June 2022, indicated that Bradford, Hull, Scarborough, South Tyneside, Sunderland, Kirklees, Middlesbrough – which is third placed for high claimant count, Hartlepool, Newcastle-upon-Tyne, Redcar and Cleveland – which emerges in three vulnerability lists, most notably on wages and Gateshead. Emerged as having the greatest concentration of vulnerabilities within NGN's network. This was based on a combination of the following vulnerability factors:

- Fuel poverty
- Benefit claims
- No qualifications
- Long term health problem / disability

Due to the financial challenges, currently experienced in these areas, makes it even more important to have a benefits adviser in place, especially in areas like Teeside as the research indicates that Middlesbrough has a high claimant count. These localities need to be key areas for consideration, both in terms of ensuring service delivery is aware of challenges people may face, and in relation to targeting potential support.

Each year we use our annual Customer Perceptions Research to understand the priorities of our customers. Amongst a set of general tracker questions i.e., same questions that are asked year on year, the evidence in the most recent research (February 2022), indicated that keeping bills as low as possible ranked more highly, than providing a safe and reliable supply of gas, for the first time. This is a clear indication, as to how concerned customers are about the cost of energy and the subsequent impact this will have on other bills.

4.2 Customer Engagement Group (CEG)

This group provides an independent oversight into the actions we take to support customers in vulnerable situations (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 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.

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

- 308 households per year receive welfare advice
- 308 households per year are advised of additional support to reduce vulnerability, including the PSR
- 308 households are made aware of how to get advice that makes them aware of the dangers of CO
- Increased PSR referrals
- Increased energy efficiency awareness

5.2 Success criteria

- Increased number of households supported within NGN's area
- All households will have a greater understanding of the importance of gas safety (including CO), energy and PSR
- Increased energy efficiency awareness
- 1 full-time Welfare Benefits Adviser

6. Project Partners and third parties involved

Details of Project Partners or third-party involvement

NGN will not be working with any third party or partners to deliver this project

7. Potential for new learning

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

Any learning will be shared with stakeholders, including GDN's, DNO's and water companies

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.

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.

November 2022 – October 2024

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.

North of England and Yorkshire

Approved by

Eileen Brown
Customer Experience Director