

## Groundwork's Energy Management Services (GEMS) - Extension

<b>Funding GDN(s)</b>	<b>Northern Gas Networks</b>
<b>For Collaborative VCMA Projects:</b>	Role of GDN(s) N/A
<b>Date of PEA submission:</b>	March 2024
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<b>Total cost (£k)</b>	*detailed separately
<b>Total VCMA funding required (£k)</b>	*detailed separately

## **1. Problem(s)**

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

The problem the project will solve is to tackle climate change/thermal energy-efficiency/high energy costs and energy management to net zero. Whilst supporting vulnerable customers better, as a consequence of thermal comfort in the buildings they use. The project is brand new and will be based initially in Leeds and Bradford. This project is being supported as people need to be made aware of fuel poverty, energy efficiency and thermal energy in our network. Social indicator mapping research has indicated that there are 12,835 excess winter deaths in the NGN area, of which Leeds is at 19.8%, 13% being in fuel poverty and Bradford is at 17.9%, 14% being in fuel poverty. This part of the network also has higher rates of unemployment and benefit claimants than nationally, which means deprivation and poverty are key social indicators.

### **1.1 The solution**

The Groundwork's Energy Management Services (GEMS) scheme provides an energy management service to community/charitable organisations, who are based in buildings that have poor thermal energy efficiency and high running costs. These organisations will benefit from support and advice on how to reduce their costs, increase efficiency and implement an energy management system for future sustainability. Sustainable buildings will ensure the local, vulnerable communities are better supported and will help raise awareness with them, through the energy transition.

This also enables those organisations to reduce their CO2 levels and due to the potential financial savings made, helps them to continue delivery to vulnerable people within their communities. The GEMS scheme has arisen due to requests from community organisations, local schools and churches who are struggling with energy costs, cold buildings and poor energy management systems. Groundworks have listened to their needs and had discussions with the Federation for Small Businesses, who state there is a great demand for such a service.

Some of the buildings are also attached to food banks, which addresses the issue of financial hardship. Foodbanks are a good way to engage with vulnerable customers in particular, around fuel and food poverty and raising awareness of the dangers of carbon monoxide (CO) poisoning.

## **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 The objectives of this initiative are:**

The GEMS scheme provides an energy management service to community/charitable organisations who are based in buildings that have poor thermal energy efficiency, high running costs and would benefit from support & advice on how to reduce their costs, increase efficiency & to implement an energy management system for future sustainability.

The purpose of GEMS:

- Help community-managed buildings to reduce energy use & cost and share learning
- Help organisations to access technical advice, building audits, installers and suppliers
- Help organisations to access grants, loans and other finance for energy improvement works
- Involve community buildings in supporting local households to reduce energy use & cost
  
- Reduce energy costs, increase energy-efficiency and improve health and wellbeing
- Provide carbon monoxide (CO) awareness sessions
- Reduce CO emissions

## 2.2 Scope

- Act on climate change by reducing fossil fuel use and by engaging communities in energy projects, e.g. Carbon Literacy training.
- Sustain community capacity through energy efficient community buildings that are able to offer affordable offices and venues for groups and activities.
- Build third sector capacity by working together, strengthening networks, sharing learning and securing external funding
- Reduce inequality by engaging disadvantaged communities and their community organisations in reducing energy use and costs.

## 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 they are enabling organisations to reduce their energy costs, CO2 levels and due to the financial saving made, helps them to continue delivery of local group activities/services to vulnerable people. They will also be raising awareness of the PSR and CO risks.

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 financial hardship themes
- Has defined outcomes as required
- Will raise awareness of the dangers of carbon monoxide
- 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**

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. Since 2019 we've held regular workshops with our stakeholders, on the subject of Customers In Vulnerable Situations (CIVS). This ensures that we are well informed to address the needs of customers across our network and through collaborative projects.

Stakeholder engagement throughout 2022, told us that fuel poverty and the choice between heating and eating is becoming more prevalent. The energy and cost of living crises have further compounded this issue. This project provides a solution to helping those customers who are financially struggling and need extra help to address energy affordability. The project fully aligns with the need to help vulnerable customers in fuel poverty.

Recent social indicator mapping research carried out in June 2022, indicated that Bradford, Hull, Scarborough, South Tyneside, and Sunderland were the top five places, to emerge 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

Our most recent stakeholder engagement during 2023 has informed us that financial hardship is still a key area of focus, alongside the health impacts associated with, or exacerbated by, living in cold and damp homes. Stakeholders also told us that increasing capacity for support within services would be key to addressing the immediate and longer term impacts of fuel poverty and energy affordability. This project addresses this need and ensures additional capacity to support households who may be at risk, through a well-established and trusted advice service.

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 (March 2023), indicated that keeping bills as low as possible ranked more highly, than providing a safe and reliable supply of gas. 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. Customers were also asked to prioritise the list of vulnerabilities listed below:

- Mental wellbeing
- Rurality
- Temporary vulnerability
- Physical challenges
- Financial Hardship

This was the order of priority from the customers surveyed:

- Financial Hardship
- Physical challenges
- Mental wellbeing
- Rurality
- Temporary vulnerability

Financial hardship continued to be the dimension of vulnerability that most customers prioritised, with more customers in the most recent survey selecting this as their top priority. Physical challenges were second, closely followed by Mental well-being third. Rurality and Temporary vulnerability were ranked fourth and fifth.

Very recent (Autumn 2023) Bespoke Vulnerability Stakeholder Mapping research identified categories of stakeholders that are hard to reach, this included:

- People living with a disability
- Senior citizens with long term conditions
- Pregnancy and maternity
- Mental health

Health conditions which are prevalent in the NGN region are:

- Cancer and chronic kidney disease
- Musculoskeletal conditions
- Respiratory
- Mental health

Through the research carried out, the findings show that the 5 original NGN vulnerability categories have now evolved to 10 categories. These are:

1. Physical challenges, inclusive of communication issues, physical space
2. Mental wellbeing
3. Financial hardship
4. Temporary vulnerability – including post hospital recovery and pregnancy / maternity
5. Socio Demographic
6. Household composition
7. Rural Vulnerability
8. Accessibility Including language
9. Medical Dependant on Energy
10. Cultural

## 4.2 Customer Engagement Group (CEG)

This group provides an independent oversight into the actions we take to support our 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 customers in vulnerable situations 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. The themes of rural and financial vulnerability within the 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

- Aim to deliver approx. 12 energy audits for community buildings per year.
- Aim to provide support for organisations following the report, to discuss the outcomes, implementation of recommendations and how to access grants/information.
- To deliver carbon literacy training via an e-learning platform
- Create a video of one of their experts assessors delivering a typical energy audit. This then being shared to community organisations to facilitate increased understanding of the process, promote independence & local involvement.
- Reduce CO2 emissions
- 30 PSR referrals
- 30 CO awareness sessions

### 5.2 Success criteria

- Promotion of PSR and CO awareness to 30 organisations
- Reduce CO2 emissions
- Success is measured by the cost savings
- Incorporation of an energy management system with ongoing monitoring
- Healthier environments

## **6. Project Partners and third parties involved**

*Details of Project Partners or third-party involvement*

The project partners involved are from local community groups to housing associations, Councils & Public Health.

## **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.*

April 2024 – March 2026

### **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.*

Across NGNs delivery region

### **Approved by**

Eileen Brown  
Customer Experience Director