

Stockton District Advice & Information Service – Energy Max Project Extension

Funding GDN(s)	Northern Gas Networks
For Collaborative VCMA Projects:	Role of GDN(s) N/A
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Total cost (£k)	*detailed separately
Total VCMA funding required (£k)	*detailed separately

1. Problem(s)

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.

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

This project is an extension of a previous successful project and will enable SDAIS to continue 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
- Referrals to the Priority Services Register (PSR)
- Provide CO awareness briefings / sessions
- Raise awareness of energy efficiency

2.1 The objectives of this initiative are:

The topics covered through the project activities are:

- Dealing with energy debts by supporting applications to energy trust funds and other hardship schemes
- Ways to reducing outgoings from other household bills
- 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)
- Signing up onto the PSR where eligible

2.2 Scope

- The service will deliver welfare advice to a further 468 clients over a 17 month period
- The service will be provided to 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 (minimum of 468) 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 468 households over a 1-year period
- The projected household income increase as a direct result of this project is a minimum of £401,732.00 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 that period.

3. Why the Project is being funded through the VCMA

This project qualifies under the criteria for VCMA funding, as it will support vulnerable customers across the NGN region, addressing financial hardship and fuel poverty as well as raising awareness of CO and the PSR. As the project has mental wellbeing, cultural, temporary vulnerability and financial hardship themes, it aligns with NGN'S Vulnerability Strategy.

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

3.1 Eligibility criteria

- This project extension has a positive SROI
- This project will support NGN's Vulnerability Strategy by aligning with the Financial hardship theme and the wider vulnerability categories of:
 - Financial hardship

- Socio-demographic
 - Cultural
 - Rural Vulnerability
 - Temporary vulnerability
 - Mental Wellbeing themes
 - Medically Dependent on Energy
- Has defined outcomes as required
 - Goes beyond NGN's licence obligations and price control funded mechanisms

4. Evidence of stakeholder/customer support

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.

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.

Bespoke Vulnerability Stakeholder Mapping research, carried out in Autumn 2023, 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:

- Physical challenges, inclusive of communication issues, physical space
- Mental wellbeing
- Financial hardship
- Temporary vulnerability – including post hospital recovery and pregnancy / maternity
- Socio Demographic
- Household composition
- Rural Vulnerability
- Accessibility Including language
- Medical Dependant on Energy
- Cultural

4.2 Independent Stakeholder Group (ISG)

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

5.1 Outcomes

- 468 households per year receive welfare advice
- 468 households per year are advised of additional support to reduce vulnerability, including the PSR
- 468 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

The project will provide:

- 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

Receive referrals from other VCMA funded project partners across NGN region such as: Groundwork, Citizens Advice Bureaux, Northern Gas Networks, Age UK, Stroke Association, disability support agencies etc.

7. Potential for new learning

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

8. Scale of VCMA Project and SROI calculations

This project has a positive SROI return.

VCMA Project start and end date

November 2024-March 2026

Geographic area

The project will take place across the NGN region.

Approved by

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Customer Experience Director