

The Wise Group - HEAT

Funding GDN(s)	Northern Gas Networks
For Collaborative VCMA Projects:	Role of GDN(s) N/A
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Total cost (£k)	£500,000
Total VCMA funding required (£k)	£500,000

1. Problem(s)

The North of England has some of the highest rates of fuel poverty in the UK. Customers served by Northern Gas Networks have an increasing need for more support as they struggle with fuel poverty and the multiple/complex challenges and vulnerabilities facing their daily lives. Through extensive research, NGN have identified the geographical areas and customer groups that are the hardest to reach. Unsurprisingly, individuals and families living in fuel poverty are those who are both the hardest to reach and where the impact of no support being available is the highest.

The Wise Group conducts a survey every winter of those requiring support and assistance in relation to fuel poverty. The survey captures the insight of those living in fuel poverty and the impact of support from their mentor to change their lives and deliver sustainable change. Comparing this winter to last, it showed sustained hardship resulting in poor mental and physical health, families with children becoming more likely to visit foodbanks compared to last year. There is also a growing demand for mentoring support, with households much more likely (65%) to desire support in addition to financial assistance compared to last year (24%). This year it showed that:

- Over 75% of people on prepayment meters said their physical health had been impacted by the cost-of-living crisis or preferred not to say
- 30% of families in work have visited a foodbank
- 82% of people with a disability say their health has deteriorated as a result of energy bills
- Energy, internet and food were equally likely (30%) to be the first to ration among retired people, compared to energy (25%), food (20%) and debt (12%) among working age people
- 81% of single parents said their health had been impacted by the cost-of-living crisis or preferred not to say

Solution

The Wise Group's Home Energy Advice Team (HEAT) provides mentoring support and advocacy to vulnerable households to ensure no one has to struggle between choosing to heat or eat.

They help fuel poor households experiencing energy crises through the provision of independent, tailored advice to ensure emergencies are dealt with quickly and efficiently. By working with households to optimise their relationship with fuel consumption and efficiency over time, we reduce fuel poverty and help more people live comfortably in a warm home.

Energy Mentoring

HEAT will provide an energy mentoring service for households in/at risk of fuel poverty and fuel fear. Mentors take a relational mentoring approach to support customers. This means engagement is professional, focused on communication, is relationship-based and support is

compassionate and personalised to the individual. Customer progression is evidence-based and delivers sustainable positive change.

The energy mentoring service includes:

- Energy Crisis & Advocacy Support
- Energy Efficiency & Energy Saving Advice
- Income Maximisation

2. Scope and Objectives

The Wise Group's mission is to transform lives and lift people out of poverty. Through HEAT, we provide mentoring support and advocacy to vulnerable households in and at risk of fuel poverty, delivering the following key objectives:

2.1 The objectives of this initiative are:

- Reduced fuel poverty and fuel debt
- Increased and maximised household income
- Improved household energy usage and efficiency
- Improved customer health and wellbeing
- Improved knowledge and awareness of how to prevent or resolve energy issues
- Improved customer relationship with energy consumption and management

2.2 Scope

The Wise Group will deliver personalised services to households within NGN's network area using their successful HEAT service model. For each customer, they will create individual Action Plans based on the unique needs of each customer, ensuring that the solutions provided directly address the issues relating to fuel poverty and multiple/complex vulnerabilities faced.

Over the two years of the contract, they will support:

- Up to 1,750 households (approx. 875 households per annum)

This figure is based on resource available, allowing capacity to provide intensive, complex advocacy casework to around 80% of households engaged. Based on their extensive experience, this level of provision delivers the greatest impact for households as it enables positive engagement over a period of time which transactional/one-off advice engagements will not allow.

To calculate the amount of support required, they have looked at their historical data of the amount of time required to support a household. This is broken down into three levels of

intensity – Low, Medium, and High. High complex cases often involve months of case management, including advocacy with energy suppliers.

Intensity Level	Proportion	Max support hours
Low	20%	1
Medium	50%	5.6
High	30%	17

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 who are living in fuel poverty as well as raising awareness of CO and the PSR. As the project has mental wellbeing and financial hardship themes, it aligns with NGN'S Vulnerability Strategy.

They will pay particular attention to the following identified vulnerabilities:

- Neuro diverse
- Addiction
- Ex-offenders
- Refugees/asylum seekers/
newly arrived communities

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 theme and the wider vulnerability categories of:
 - Financial hardship
 - Socio-demographic
 - Cultural
 - 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.

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:

- 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 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

Utilising their existing framework, they will meticulously monitor the progress and outcomes achieved for each household supported. This rigorous tracking methodology allows them to tangibly demonstrate that the interventions and support have brought about meaningful change in the lives of local people.

Their framework enables them to analyse and evaluate the impact of support on the behaviours of the households. They aim to educate them on the use and benefits of mains gas, change their energy consumption habits, encouraging them to adopt more sustainable practices and reduce their carbon footprint. By monitoring changes in energy usage patterns and surveying the households, they can measure the success of their efforts in influencing their behaviours.

5.1 Outcomes

- Reduced fuel poverty/energy insecurity
- Improved confidence to manage energy use
- Improved household energy efficiency/ carbon footprint
- Improved financial situation
- Improved access to energy specialist services

- Improved understanding of how to resolve energy issues
- Improved skills and knowledge to manage energy use and costs
- Reduced energy debt
- Improved awareness of funding support available

5.2 Success criteria

To support 1,750 households across the NGN distribution area – to reduce fuel poverty/energy insecurity facing households.

Outcomes are achieved through the repeated delivery of linked Activities and/or the assertive confirmation from a customer that the Outcome has been achieved. For example, improving a customer's access to energy specialist services will be achieved by providing them assistance to access and engage with energy specialists. Outcomes which relate to behaviour and/or skill change will meet the success criteria when the Customer confirms with the Mentor that they feel progress has been made.

6. Project Partners and third parties involved

The Wise Group will be the service delivery partner, providing direct energy mentoring support to households experiencing fuel poverty across the NGN distribution area. The Wise Group is responsible for engaging with the target households and communities. The Partnership Executives, Team Leads and Operations Manager overseeing this project will coordinate with partners to maximise collaboration and efficiency.

The Wise Group delivers numerous employability, skills and community justice services to support vulnerable households across the area. We will utilise internal referrals from these services to support customer identification and referrals.

In addition they work with a range of existing referral partners, particularly in the north east including housing associations, councils, foodbanks and a range of third sector organisations.

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

August 2024-March 2026

Geographic area

Entire Northern Gas Networks distribution area with specific focus on targeting households in County Durham, South Tyneside and Sunderland.

Approved by

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