

GROUNDWORK LONDON RESPONSE:

1. The types of projects Question

1. Do you consider the funding split between the Main Fund, Innovation Fund and Decarbonisation Fund to be appropriate?

Yes, we consider the current split to be appropriate and we would furthermore stress the importance of protecting the Main Fund as this is one of the main means in which fuel poverty is currently addressed in the sector. We have found that funding for similar services specifically targeting vulnerable people is being restricted elsewhere, despite rising vulnerabilities due to Covid-19. As a result, protection of the main fund is crucial going forward.

We would also recommend relaxing the criteria of the Innovation fund as although we have had some very innovative ideas, we have not been able to make any of them fit the criteria for this fund. This funding stream is too focused on products/services not currently accessible to energy consumers, and we believe it should be widened to include the genuinely innovative application (or adaptation) of products/services which are currently accessible to energy consumers- as this also demonstrates innovation.

Question 2. Do you consider the proportionate funding split between vulnerable consumers and all energy consumers to be appropriate? i.e. 70% to vulnerable consumers and a total of 30% to all energy consumers.

We believe that vulnerable communities should continue to be the priority with a minimum of 70 % of the funding ring-fenced to support vulnerable groups, particularly as these groups are now even more vulnerable due to Covid-19. The true extent of the rise in vulnerabilities is currently being masked by short-term protections in place and the furlough scheme, however more and longer-term support will clearly be needed when these protection schemes are no longer available. We therefore believe that, if anything, Ofgem should consider increasing the proportion of funding available to support vulnerable consumers to meet this rising demand.

Question 3. Should a fuel voucher fund remain a permanent feature of the overall Energy Redress Scheme, so that it can react quickly to specific crises?

Yes, for the reasons outlined above. We would also welcome a separate small-scale emergency fund to provide funding for eg. topping up the funding of boiler replacements (where existing schemes do not cover the full cost and customers are unable to meet the funding gap out of their own pocket) and debt relief funding, due to the extremely slow turnaround times of existing schemes.

Administration percentages- we also find the current percentage allocated to cover the administration cost of the fuel voucher scheme to be too low. It does not reflect the true cost of administration, particularly due to the high levels of attempted fraud. We would therefore welcome an increase in the administration percentage available for distribution of fuel vouchers.

Question 4. If a fuel voucher fund is set up, what type of consumer should be eligible to apply for these vouchers? e.g. vulnerable consumers, pre-payment meter consumers.

We agree with the suggested target groups.

2. Widening the eligibility scope to other organisations

Question 5. What are your views on expanding the applicant scope beyond charities and organisations that partner with charities? If you think the scope should be expanded, do you have

any suggestions for how eligibility should be defined? (e.g. what legal structures/status should qualify? Should there be other qualifying criteria?)

We do not believe the applicant scope should be expanded for the reasons outlined below. As Energy Redress is focused on supporting vulnerable customers, we believe that charities are uniquely placed to understand the needs and deliver appropriate services to this target group. Unlike other organisations, the core purpose, values and ethos of charities is focused on supporting the most vulnerable groups and as a result, charities will go to extra length to ensure vulnerable people are supported.

We agree with the structure of the current scheme as it allows charities to partner with other organisations which reflect the value of the fund and bring in expertise where needed, whilst ensuring the focus is always on supporting vulnerable people. As soon as the eligibility scope is expanded, the emphasis on vulnerable people will be diluted as profit motives become a more central part of the process.

We believe that the reputation of Ofgem, EST/Energy Redress and the energy sector as a whole is also greatly improved by directly supporting charities, and that many vulnerable customers do not trust the large profit-making organisations. Charities are so often squeezed by being the delivery agent for profit-making organisations. Energy Redress allows charities to have more control over setting fair budgets and ensuring that projects are designed in a way that is a) fit for purpose and b) reflective of the local need/vulnerabilities that we are coming across with on a daily basis.

Charities also have the ability to secure match funding (from other funding sources not accessible by private/statutory organisations) to bring added value to Energy Redress funded projects and extra benefits for vulnerable customers.

Finally, we believe that charities are uniquely placed to be nimble and adaptive during situations such as the current pandemic, in which we are experiencing ongoing change. If funding was instead channelled through eg. a local authority, projects would become more stuck in contracting processes, which can be extremely rigid.

3. Experience of charities applying to the Energy Redress Scheme (this section is for charities which have applied to the Redress Scheme only)

Question 6. How did you find the application process?

Generally, we find the application process to be very straightforward however we would like to suggest a few areas for improvement:

Can you please change the budget to increase the number of budget lines, or so that new lines/rows can be added by the applicant? Applicants currently have to amalgamate numerous budget lines as we are unable to add rows to the budget. This inevitably causes confusion and a lack of clarity, which we feel could be easily avoided.

We would also suggest increasing the word counts for the staffing section to 100 words per staff member, as we find 50 words to be too limiting.

Question 7. Did you have a good understanding of the eligibility criteria?

Yes

Question 8. Do you have any feedback on what would have made the process better?

Please see response to Question 6.

4. Other feedback

Question 9. Should we consider any other areas regarding the Energy Redress Scheme? If so, please provide an outline explanation of your suggested area(s). If possible, please outline any associated benefits and costs with your suggestion(s).

Please see response to question 1 around protection of the main fund and widening the scope of the innovation fund.

Question 10. Do you have any other general comments or feedback you would like to provide?

We would like to give a special mention and thanks to [redacted] and the other project/development officers for always being so supportive and helpful. We have also greatly appreciated their flexibility during this very challenging time.