

Network extension programme

Discretionary Reward Scheme 2010/2011

More business emphasis and increased targets

In the last 12 months, NGN has:

- Increased its fuel poor connections target from a minimum of 2,500 to a minimum of 4,000 connections by 2013, an increase of 60%.
- Introduced a dedicated project manager for community-based schemes.
- Widened the range of fuel poor related services to include one-off and UIP/IGT related fuel poor connections.
- Established a NGN fuel poverty fund of £100,000 to support new fuel poor initiatives. This includes:
 - an investment of £50,000 to establish a Benefits Check Assessment service aimed at maximising household income.
 - £50,000 to fund a NGN fuel poor heating grant aimed at supporting in house works for private residents that are unable to gain any other funding.
- Expanded the range of social housing partners.

More connections and more services

	2009/10 (Actual)	2010/11 (Actual)	2011/12 (Forecast)	2012/13 (Forecast)	Cumulative Total (Actual & Forecast)
Single one-off fuel poor connections	0	309	500	500	1,309
Community scheme connections	719	387	625	625	2,356
UIP/IGT fuel poor connections	0	85	150	150	385
Overall Total	719	781	1,275	1,275	4,050

On our community projects, we achieve more than 90% take up from eligible households.

More customer benefits and engagement

In the past year we have looked to maximise the amount of fuel poor customers we can reach and increase customer contact, to achieve this we have:

- Introduced a new 'One off Fuel Poor Connection' service.
- Re-designed our website to make customers more aware of the assistance available and implemented easy step by step processes to help the customer determine if they are eligible for assistance, with a direct link to online assessments and full telecommunication support if required. We also designed an attractive 'easy on the eye' leaflet detailing the scheme.
- We have dedicated customer service liaison officers carrying out home visits and school 'Play safe' presentations as part of our community based scheme activity, along with community events throughout the scheme to resolve any issues or queries that the residents may have.
- Following a connection, we issue every customer with an impression card and issues that arise from these are monitored, recorded and dealt with by our customer services team.

More connections and more services

More measurement and reporting

More business emphasis and increased targets

More customer benefits and engagements

More measurement and reporting

Improving the effectiveness of our fuel poor programme

• **In-house works** – Laying a gas connection does not alleviate fuel poverty, it is just the beginning of the process. Consequently one of NGN's objectives this year was to ensure we had maximum uptake on 'in-house works' for the connections we had made. To do this, we continually monitor the in-house works and the benefits the customer has gained in taking up the opportunities offered. This increased monitoring has demonstrated that we currently have confirmed gas usage of up to 75%.

- **Market research** – To gauge the extent to which NGN is alleviating fuel poverty we have undertaken market research with a view to identifying areas of fuel poverty that would benefit from new gas supply within our catchment area. This exercise will also serve to drive our future activity by highlighting future projects and one off connection opportunities.
- **Internal management reporting** – Increased emphasis on internal reporting with fuel poor activity being reported to the NGN board and shareholders
- **Internal operational reporting** – Introduction of a quarterly fuel poor activity report distributed to senior management within NGN.



Northern Gas Networks

More connections, more services, more support

Discretionary Reward Scheme 2010/2011

More connections – 1,106 connections to date – extending our geographical reach

West Yorkshire

An expanded partnership has been developed with Wakefield District Housing (WDH). NGN is working with them as part of their wider 'Decent Homes' programme for the next two years. From this, two more communities in the Flanshaw and Eastmoor areas of Wakefield were delivered. Two further projects are planned during 2011 with a long term plan for 3,000 connections out to 2013.

North East

New partnerships established with social housing providers; Erimus Housing, Tees Valley Housing and Nomade5, to deliver initial projects in the North East. This breakthrough is a big step for NGN in extending our geographical presence for fuel poor related activity and we are confident the relationships developed to date will deliver further projects in the future.

Working in the areas of greatest need

Most of our community projects are in the top 5% most deprived communities in England eg, Fryston (2%), Airedale (2%) and our North East project (2%).

Co-ordination with our safety programme

On all our community projects we deliver Playsafe presentations in local schools as well as individual safety advice to new customers. We use our own operational employees to deliver the sessions which feature boards, barriers and signs and teach youngsters about the dangers of playing near our roadworks.

Humberside

New partnership with Riverside Housing for delivering the first project on the Bransholme estate in Hull.



More in-house works and support

Fuel Switch Rebate Service

Since 2008 NGN has been working with Eaga on a service which delivers an integrated and cost effective answer to fuel switching. By utilising this service we are able to issue a payment to both the householder who has made the switch and funds towards the NGN Fuel Poverty Fund.

In 2010 nearly 400 customers benefited from our fuel switch offer.



Fuel Poor Heating Grant

NGN has established its own heating grant available on a discretionary needs basis to assist private householders in the installation of gas central heating systems where no other funding options are available.

Benefits Check Assessment

Funding a benefits check service designed to alleviate fuel poverty through increasing household income, working on our community projects as well as targeting known areas of deprivation.

More services

One-off connections... 351 to date

Successfully initiated a one-off fuel poor connection service and in partnering with CES, we have been able to identify non gas households on an individual case by case basis which fall within the set fuel poor criteria.

UIP/IGT connections... 86 to date

First GDN to work successfully with UIP to deliver fuel poor connections.


Northern Gas Networks

More measurement, more customer contact and more benefits

Discretionary Reward Scheme 2010/2011

'Celebrating our 1,000th fuel poor connection!'

In partnership with Wakefield District Housing (WDH) NGN delivered 320 connections to the Flanshaw area of Wakefield in December 2010. The project resulted in an average SAP improvement of 26% per household and more than 55 households were brought out of fuel poverty. It will also save more than 697 tonnes of CO2 per year across the project. NGN also reached a significant milestone by installing our 1000th connection under the Fuel Poor Network Extension Scheme.

Customer contact was maintained through regular communications at every stage of the project. We carried out face to face assessments to collect baseline property/occupant data and a benefits check service to ensure customers were receiving benefits they were entitled to. NGN also engaged with Wakefield Council Home Energy Team to seek input and funding to help provide assistance to privately owned households. The Council were also keen to engage as over 50 off-gas private households were identified to be included in the project. They agreed to ring-fence funding to provide a fully-funded heating and insulation grant for eligible residents.



Measuring the benefit

Our community based scheme reporting supports our environmental strategy by tracking data such as carbon saving statistics, fuel poor and SAP ratings for properties and customers before and after the works were carried out.

Statistics below are based on community projects only	
Average SAP rating of a property	
Before works carried out	After works carried out
43	67
Average % of Fuel Poverty rating per household	
Before works carried out	After works carried out
9.75	6.69
Lifetime (20 year) CO ₂ saving (per tonne) for projects to date	25,640
Average lifetime (20 year) CO ₂ saving (per tonne, per household) for projects to date	52

NGN Fuel Poor Heating Grant

Deborah Collier from Pickering, North Yorkshire was the first homeowner to be identified as a candidate for the NGN fuel poor heating grant, which has been specifically formed to provide funding for in house works for those who need it most but may fall through the gaps in current funding. A failing 20 year-old heating system was costing Deborah around £3,600 a year to run, with monthly oil bills alone reaching £150. A full assessment soon showed that the heating system couldn't be repaired and would need to be completely replaced. The 1930s semi-detached property also proving unsuitable for insulation due to its solid wall construction.

Despite being in fuel poverty, Deborah did not fit the criteria for any existing funding streams, and faced the prospect of having to replace her outdated oil central heating system at a cost she simply couldn't afford. Thanks to the introduction of the NGN fuel poor heating grant Deborah's three-bedroom home was able to benefit from receiving a gas mains connection and a new gas-fired central heating system, in March 2011 at a cost of around £2,800. Early estimates show that this new system will cut Deborah's energy costs by more than two thirds, reducing them from £3,600 a year to £1,141. As a result she will no longer be in fuel poverty. The new system is also expected to have a significant environmental impact, improving the property's SAP rating and cutting carbon emissions.

Deborah said: "Living on your own you are forced to watch every penny and take real care over what you are spending. I was always terrified of using my heating system because I knew how expensive it was and I started to use it as little as possible, just to save funds. Thanks to NGN and CES I don't have to worry about that anymore. It's really made a huge difference not just to my home but to my state of mind too."

Market research

To measure the levels of fuel poverty in our specific region, we enlisted the services of the Energy Audit Company (EAC) to gather market data. The aim of the market research was to identify areas of fuel poverty who would benefit from new gas supply within our catchment area. The data will also be used as a tool for identifying new geographical areas and pockets of customers to whom we could offer assistance in the future. The high level findings of our research are as follows:

	Households	In Fuel Poverty	%
Overall	2,786,610	662,607	23.8
'Off gas' areas	142,661	55,094	38.6
'On gas' areas	2,396,846	541,845	22.6
'Mixed gas' areas	247,103	65,668	26.6

From the above it is now clear that there are 55,094 householders in fuel poverty in 'off gas' areas plus a proportion of the 247,103 households in mixed off/on gas areas of which 65,668 are in fuel poverty.



More stakeholder engagement

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“ As a community interest company Community Energy Solutions (CES) is committed to the alleviation of fuel poverty. We are therefore delighted to be building on our relationship with Northern Gas Networks, enabling us to work together even more productively in our joint aim. The on-going and new areas of work being carried out between our two organisations are a testament to NGN’s dedication and commitment at tackling fuel poverty and in developing strong and successful partnerships with organisations which could perhaps be considered as outside of usual network operator boundaries. – **Chris Leek, Director of Community Energy Solutions.** ”

“ NEA is very grateful for the support of NGN Ltd in contributing to the delivery of Fuel Poverty Forums in the North East. Fuel poverty can disproportionately affect those that are not connected to the gas network because they often have to rely on other expensive or inefficient forms of heating. This year, the Forums have addressed this agenda more thanks to NGN. – **Claire Green, NES North East Regional Coordinator** ”

“ Riverside Group have been impressed with the professionalism and “can do” approach of the Northern Gas Networks Ltd team, in ensuring the delivery of the gas infrastructure works within very tight timescales of the overall central heating programme. We have found the team to very flexible and pro-active in meeting our requirements and their assistance has been invaluable. – **Peter Denny, Project Manager for Riverside Housing Ltd** ”

“ WDH has installed gas central heating systems to a large number of properties in the last few years where this would not have been possible without NGN funding. Previously WDH have found it difficult to justify the large capital expenditure needed to install gas mains and services to off gas areas. As the Wakefield area has a history of coal mining, there are still a number of areas across the district that is not connected to the gas mains. By providing our tenants with a gas condensing boiler, we are assisting in reducing fuel poverty amongst our tenants, whilst also reducing carbon emission from our housing stock – **Owen Daggett, Energy Efficiency Manager for Wakefield District Housing** ”

The North East Fuel Poverty Declaration

Signing this declaration is demonstrating a commitment/ continued commitment to the reduction of fuel poverty within our communities.

We acknowledge:

- That fuel poverty is a social issue that affects a significant number of people in the North East.
- That the North East is a region with a high proportion of fuel-poor households.
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We are committed:

- To working together to support the management and implementation of relevant regional and local strategies to reduce fuel poverty.
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National industry engagement

NGN sponsored and presented a masterclass. The masterclass was titled ‘Tackling Fuel Poverty – a community based approach’. The theme was to highlight how NGN was tackling fuel poverty in socially deprived communities within its catchment area. The aim of the presentation was to demonstrate the respective roles of each of the key stakeholders involved i.e. NGN, CES and Wakefield District Council in delivering a major fuel poor project.

The benefit was to give delegates (from across the country) a better understanding of the issues involved in delivering such projects and how similar support was available from NGN and other gas networks for similar activity. The masterclass presented to approximately 200 delegates from across the public sector.

Supplier involvement

Through CES we already work with major energy suppliers. As part of future development plans, NGN is looking at additional ways of working with the major retailers.

Industry engagement – sponsoring the NEA forums

Over the past year the NEA have conducted three ‘North East Fuel Poverty Forums’, two of which NGN sponsored.

NGN took part in the forum presentations providing examples of how we are working to help alleviate fuel poverty in the North East. Highlighting and increasing awareness to local agencies that NGN has the highest percentage of non-gas fuel-poor areas in England and that we have already begun to invest in regional projects, working alongside CES since 2009 and putting the message out to the forum that funding is available.

This partnership has enabled us to identify and survey fuel-poor communities that may benefit from a gas connection; to assist the householder with a fuel-poor discount where possible; to help private householders with the installation of gas supply and ‘in house works’; and to facilitate other sources of funding.



Campaning for Warm Homes

Northern Gas Networks