



Action for Warm Homes

National Energy Action (NEA) response to Allocation of voluntary redress payments in the context of enforcement cases

Background to NEA

NEA is a national charity working to end fuel poverty by increasing investment in energy efficiency and tackling exclusion in the energy market nationally and locally¹. NEA has a network of offices throughout England, and also has national offices in Cardiff and Belfast which work to support low income energy consumers in Wales and Northern Ireland respectively. NEA also collaborates closely with our sister charity Energy Action Scotland (EAS). NEA's work to influence and increase strategic action includes research, campaigning and working with partners from industry, local and national government and the third sector to deliver practical solutions to UK households – aiming to improve access to energy advice, training, energy efficiency policies and other related services².

Through this work, NEA has been able to help millions of households throughout the UK gain access to energy and debt advice, training and energy efficiency programmes. In addition, NEA's Warm Zones³ subsidiary community interest company has operated successfully since 2001 and in that time has helped more than one million households, delivered over 500,000 insulation and heating measures and provided welfare benefit advice and claims support which has resulted in increasing households incomes in excess of £50 million p.a.

Background to this response

NEA warmly welcomes Ofgem's consultation on ways to improve how voluntary redress payments are allocated in order to deliver maximum positive impact for energy consumers. In the last three years NEA has received £35m following a number of agreements between Ofgem and energy companies to make redress for non-compliance of licence conditions or obligations. Alongside a wider range of partners, this investment has enabled NEA to design, develop and deliver several life changing programmes that have directly benefitted thousands of households through capital measures such as energy efficiency measures, advice and millions indirectly through community engagement and awareness raising programmes working in communities (see appendix 1). In many instances it has allowed us to lever significant additional funds currently representing £0.82 for every £1 of funding received⁴. This has helped us also build local capacity to tackle exclusion in the energy market and to improve and share understanding of solutions to fuel poverty and opportunities to better target assistance long after capital measures have been delivered. We have also been able to:

- Identify and fill gaps in delivery for example where unsafe appliances are disconnected leaving vulnerable households without heating and hot water; we are developing a referral mechanism for heating system repairs and replacements
- Trial the effectiveness of 30 different technologies and over 80 products in addressing fuel poverty
- Help people with a health condition that could be exacerbated by the cold and providing assistance to break the cycle of hospital re-admissions

¹ Please visit www.nea.org.uk.

² NEA's supporters are made up of energy efficiency installers, manufacturers, utility companies, Escos, gas and electricity network operators as well as other key actors such as local authorities, housing associations, health agencies, community groups and other voluntary sector agencies.

³ For more information on Warm Zones please visit: <http://warmzones.co.uk/>.

⁴ For example, through our Warm and Healthy Homes Fund NEA has been able to generate over £4.9m in additional funding. This has enabled us to provide measures to an additional 454 eligible households. NEA is also delivering a package of community engagement support including awareness training for 600 local practitioners and community focussed energy awareness events for 600 residents throughout the programme period. This training and awareness is to support the legacy of the programme to ensure frontline workers, practitioners and volunteers have sufficient knowledge to identify individuals at risk and make appropriate referrals/offer appropriate support to ultimately reduce the likelihood of readmission into primary and secondary care services.

- Trial new delivery models by supporting and demonstrating the impact of local partnerships in delivering smaller scale energy saving interventions
- Work across the UK with a broad range of partners and stakeholders and with Energy Action Scotland across the border to ensure funds are dispersed fairly across geographical areas
- Demonstrate robust governance and included external stakeholders and academics to oversee our methodologies and help evaluate our work

The biggest programme to be supported through voluntary redress payments is currently a £26.2 million Health and Innovation Programme (HIP) which is bringing affordable warmth to over 6,500 fuel poor and vulnerable households in England, Wales and Scotland. The programme is split into three distinct funds; the Technical Innovation Fund⁵, the Warm and Healthy Homes Fund⁶ and the Warm Zones Fund. The Warm & Healthy Homes Fund aims to support local health and housing partnerships to better address the needs of households at risk of cold-related illness by building upon good practice outlined in the guidance produced by NICE, 'Excess winter deaths and morbidity and the health risks associated with cold homes'⁷ and install over 2,000 energy saving measures, plus further additional measures through match funding with partners. The Technical Innovation Fund specifically aims to facilitate community-level trials of innovative solutions utilising energy saving measures not traditionally within the scope of current retrofit or energy efficiency programmes for fuel poor households. Grant recipients from this multimillion pound programme are working to install a range of technologies (1,488 measures, plus further additional measures through match funding) and work with NEA to ensure that robust monitoring and evaluation takes place. NEA is also delivering a programme of community engagement and support in each area. NEA hopes the findings of these projects can feed into national policy making and where relevant this response draws on early learnings, as well as evidence from other programmes and initiatives.

The Warm Zones Fund is designed specifically as a gap fund focused on areas of greatest need and where other grant provision is generally inadequate. The assistance is available in many eligible areas across the whole of GB with delivery across England, Scotland & Wales, including off-gas properties. Homes that are eligible in social and private housing can benefit from solid wall insulation (including hard to treat cavities), standard cavity wall insulation and/or loft insulation. For private sector properties heating measures (on and off-gas) are available. Benefits checks and energy advice are also included free of charge to all eligible homes. All measures installed are in accordance with industry practices and quality QA checks are undertaken on a sample of all installed measures.

In June 2016, NEA also announced that we would jointly fund the Big Energy Saving Network (BESN) with the UK Government. The £1.7 million programme will help expand the current BESN programme and support organisations to deliver a programme of outreach to vulnerable households and train frontline workers to tackle exclusion within the energy market and enable advisors to help vulnerable households make decisions about tariffs, switching, how to access the Priority Services Register and energy efficiency programmes.

These projects have given NEA and our partners a vital opportunity to ensure energy consumers are directly supported through the current approach to voluntary redress payments instead of having all penalties go to Treasury. NEA is however committed to making positive suggestions on how to build on these learnings, improve how voluntary redress payments are made in the future and further maximise consumer benefits. Applying this learning can also help consumers re-engage in a positive way in the energy market or with energy in general, addressing widespread consumer disengagement which is currently impeding the proper functioning of the market. Enhancing the co-ordination of voluntary redress schemes can also support a wider goal of ensuring all domestic customers have access to meeting their energy needs sufficient for their health and well-being⁸ and providing equal life chances⁹.

⁵ To view the Technical Innovation projects visit: <http://www.nea.org.uk/hip/projects/?s=&hipprogramme=technical-innovation&hiparea=&sortBy=>

⁶ In Scotland a Healthy Homes Fund is being delivered by Energy Action Scotland (EAS)

⁷ For more information on the Warm & Healthy Homes Fund and to view the projects and partners we are working with visit: <http://www.nea.org.uk/hip/warm-healthy-homes-fund/>.

⁸ An adequate standard of warmth is usually defined as 21°C for the main living area, and 18°C for other occupied rooms.

⁹ Existing evidence highlights infants living in fuel-poor homes have a 30% greater risk of admission to hospital or primary care facilities. More than 1 in 4 adolescents living in cold housing are at risk of multiple mental health problems. Children living in cold housing are more than twice as likely to suffer from breathing problems, including asthma and bronchitis. Children living in damp and mouldy homes are also almost three times as likely to suffer from coughing, wheezing and respiratory illness. Fuel poverty also impacts on educational attainment, either through increased school absence through illness or children unable to find a quiet, warm place to study in the home.

Response to key questions

Question 1: *Do you agree with our objectives for the allocation of voluntary redress? If not, please explain why.*

Yes. NEA welcomes the objectives for the allocation of voluntary redress. In particular, NEA agrees that where funds can go direct to households affected this must continue to be the first goal and where this is not feasible support for vulnerable customers must be a key objective. The latter is particularly relevant where redress funds come from non-supplier enforcement cases and other parts of the energy industry where they are not close to the 'end user'. NEA also supports the principle that a distinction is made between retail and business customers when demonstrating a link between recipients or beneficiaries of voluntary redress projects and the harm generated by the company.

NEA also supports Ofgem's commitment to continue to enhance the work of charities, trusts and local not for profit organisations or community groups with a track record of helping energy consumers. As well as our own work, alongside our network of local authorities, housing associations, health agencies, community groups and other voluntary sector agencies local action is helping to end fuel poverty. Our partnership work demonstrates smaller local organisations often have close relationships with vulnerable householders that may be hard to reach with existing national advice and support. Our access to redress funding has therefore enabled these organisations to develop innovative approaches to delivering advice and support leading to meaningful outcomes that will help vulnerable households with practical solutions that would have otherwise not be able to be delivered.

Question 2: Are there any additional objectives or criteria we should consider when making a decision on our forward approach to voluntary redress? Are there things our approach should definitely include or absolutely avoid?

Yes, NEA believes additional objectives could also be incorporated to improve how voluntary redress payments are made in the future. Firstly, it is important that any allocation of voluntary redress can help re-engage consumers in a positive way in the energy market or with energy in general. This can support a wider vision of addressing widespread consumer disengagement which is currently impeding the proper functioning of the market. It is also crucial that the allocation of voluntary redress funds become more co-ordinated in aggregate and any new initiatives that are funded complement existing national or local programmes and address gaps in provision, not duplicate remits of existing recurrent programmes or replace funding for exiting statutory remits. This means whilst voluntary redress payments can fund new services they should be clear that they are time limited by their nature and should help develop self-sustaining models or complement and expand existing initiatives and not be relied upon to sustain exiting statutory remits, functions or replace funding for existing recurrent programmes.

Finally, Ofgem should clarify that the allocation of voluntary redress payments does not constitute 'public money'. The use of public money is strictly governed by UK and EU legislation and NEA would urge that counsel is sought on the definition of the voluntary redress funds to confirm that under any final arrangement, the funds would not be considered 'public money' under public procurement law. Additionally, HMRC should be satisfied that future contractual arrangements for the use of the voluntary redress funds demonstrate that, as restricted grants, they fall outside of the scope for VAT.

Question 3: What are your views on ‘Option 1: Current process with enhanced principles’? Are there any other advantages, disadvantages, risks or costs relating to this option that we should consider?

In the introduction to this response, it was highlighted that NEA has received significant funds following a number of agreements between Ofgem and energy companies to make redress for non-compliance of licence conditions or obligations (NEA has provided a summary of the programmes we are running as an appendix). The significant impacts these projects are helping to deliver has required NEA and Ofgem to establish new and robust governance arrangements and work within the guidance laid out by Ofgem, the charity commission and other relevant governance frameworks¹⁰. Building on these learnings, NEA believes that whilst it is possible to improve how voluntary redress payments are made into the future, the processes that have been put in place to date has been transparent and have sought to maximise consumer benefits.

Under the current approach the company under investigation has been encouraged to enter into a settlement agreement by proposing suitable charities, organisations or projects to support. This may include one or more recipients which are reputable and have sound financial integrity. NEA believes this essential criterion, alongside the due diligence Ofgem currently performs, ensures funds are only allocated to recipients that are capable of delivering the outputs and outcomes that have been agreed. In addition to these steps, NEA believes the recipients of funds should also be required to ensure any subsequent organisations that access funds are also reputable and are financially solvent by undertaking robust due diligence procedures. Alongside a wider range of partners, redress investment has also enabled NEA to design, develop and deliver work programmes that have allowed us to lever significant additional funds to maximise the redress funded activity. This has also required NEA to identify and fill gaps in delivery and respond to evidence of need. Project evaluations, that are independently verified, have also been put in place and must be at the heart of future schemes to identify good practices and where lessons can be learnt.

Under the current process, the companies seeking a settlement also often chose to propose recipient(s) that can directly support vulnerable energy consumers with a specific focus on supporting their energy-related needs. If option 1 is continued, NEA agrees that where funds can go direct to households affected this must continue to be the first goal and where this is not feasible support for vulnerable customers must be a key objective. NEA believes that it is important Ofgem continues to accept or reject company proposals based on these criteria (alongside the wider principles for allocation that are already in place).

NEA also notes that possible additional principles alongside option 1 include: making the number of charitable recipients proportionate to the size of the penalty; precluding voluntary redress payments going to charities or trusts established by energy companies and whose name includes, or is similar to, the name of the energy company; and requiring the use of an open bidding process to select the recipients. In terms of the former, this principle needs to ensure quality outcomes. Whether this is achieved via a local or national agency of proportionate size compared to the settlement seems less important if both the company under investigation and Ofgem collectively agree that the activity proposed by the charities or organisations deliver meaningful projects and practical forms of support locally or nationally.

NEA also agrees it is right to maintain the current requirements for a company not to gain commercial benefit, financial or other, from voluntary redress and not derive positive publicity from voluntary redress payments. In the specific regard to precluding voluntary redress payments going to charities or trusts established by energy companies with same or similar brand or name, some of the company trust schemes supported by redress funds have used this funding to assist a wide range of community groups etc. It is therefore important the community groups or charities who in turn benefit from the funding do not promote the branded trust in a way which could gain commercial financial, reputational benefit or positive publicity from voluntary redress payments.

¹⁰ NEA is comprehensively governed under the requirements of the Charity Commission and funds are strictly managed and externally audited under charity accounting regulations.

Question 4: What are your views on the possible additional principles outlined in ‘Option 1: Current process with enhanced principles’? Are there further additional principles that would help meet our objectives?

If option 1 does continue to be the main vehicle for the allocation of voluntary redress, NEA would highlight that it is possible to drive up co-ordination amongst different redress funded activities. As noted in question 13, NEA believes it is possible to move to a more strategic and thematic framework by ensuring the recipients work with organisations such as Ofgem, the Energy Ombudsman, Citizens Advice or other bodies to review enforcement cases in aggregate to identify key impacts on different groups of energy consumers and any gaps in delivery (local and national). Then, once these broad ‘would be recipients’ have been identified and approved by Ofgem, it would be possible to facilitate appropriate grants and enable bids from different sized organisations. This thematic framework could in turn better facilitate the levering of additional funding to enable redress funding to go further. The approach in the future must also continue to involve improving capacity and skills within local communities and providing lasting resources to enable activities to have an impact well after the redress funded activity or capital measures have been delivered. Finally, clear regular reporting is required in a consistent format on how the funds are being spent with final reporting on the overall outcomes and impacts.

Question 5: What are your views on ‘Option 2: Responsibility given to a third party with appropriate expertise’? Are there any other advantages, disadvantages, risks or costs relating to this option that we should consider?

NEA believes that both Option 1 and 2 can deliver good outcomes for consumers however under option 2 the selection process would appear to become more transparent and any transfer of functions to a DAF implies less potential administration from Ofgem. This recognises that there is currently a cost to administer option 1, which currently Ofgem bears. In addition, NEA would highlight that under option 2 it may be possible to drive up co-ordination amongst different redress funded activities and achieve a broader set of outcomes by facilitating appropriate grants and enable bids from different sized organisations. NEA is however concerned, that whilst the possible functions of a DAF imply the grant making body must be from the charitable sector with existing networks relevant to the energy sector, this is not made explicit.

This is fundamental as it ensures that money is well allocated, managed and monitored and any surplus or profits made are reinvested in the charity to ensure they benefit future energy consumers. It is important that option 2 recognises the need to provide close support to work with recipients, perform due diligence and identify additional funding etc. The role as set out in option 2 currently will not achieve these goals. Ensuring proper scheme design, due diligence, evaluation for sharing lessons learned are all critical roles that would need to be performed.

A further challenge to this option would also appear to be the willingness of companies to continue to volunteer to make redress payments under this option. Whilst it is right to maintain the current requirements for a company not to gain benefit from voluntary redress, unless the company can be sure that the organisation that is ultimately provided the grant will perform these tasks appropriately, this will impact on the willingness of the company to continue to volunteer to make redress payments.

In addition to the concerns about uncertainty of the intermediate or final recipients, there would also be little or no clarity which areas or initiatives the funds would ultimately support. These risks combined make it more likely that the company may choose to opt out of the current approach (used currently under option 1 which is already delivering additional and welcome outcomes to disadvantaged consumers) and instead choose to be fined where the money will go to Treasury and not go back to support customers. This in turn would create uncertainty about how to fund the DAF given the proposal to cover the costs of this body (see response to question below).

Finally, as noted above, any suggestion that the allocation of voluntary redress payments constitute ‘public money’ should be carefully considered. The use of public money is strictly governed by UK and EU legislation and NEA would urge that counsel is sought on the definition of the voluntary redress funds to confirm that under any final arrangement, the funds would not be considered ‘public money’ under public procurement law. Additionally, HMRC should be satisfied that future contractual arrangements for the use of the voluntary redress funds demonstrate that, as restricted grants, they fall outside of the scope for VAT.

Question 6: *How should the costs of the third party associated with allocating redress be funded?*

As noted in response to question 5, the current proposal recognises that there is currently a cost to administer either under option 1 (which currently Ofgem or the energy consumer bears) and option 2. The logic of the proposal set out to use 0.5% or 1.5% of the voluntary redress funds is welcome (it shifts the administrative cost away from energy consumers whilst providing flexibility on the amount paid depending on the total amount of voluntary redress funding). However, as noted above, NEA believes that if redress funds are to deliver meaningful projects and outcomes the funds need to be well allocated, managed and monitored and time given over to work with recipients, perform due diligence and identify additional funding etc. The ability to recover the costs of performing these functions using 0.5% or 1.5% of the voluntary redress funds will vary depending on the overall amount of a redress settlement and the number of redress settlements in a given period. As a result, an alternative model based on a fixed annual fee and reimbursement of variable expenses could be explored. Additionally, future contractual arrangements for the use of the voluntary redress funds must demonstrate that, as restricted grants, they fall outside of the scope for VAT and clarification should also be sought from HMRC regarding the administration of the scheme which could be considered a service and therefore inside the scope for VAT.

Question 7: *Should the company that made the redress payment have an input into the approval of recipients under this option?*

As noted in response to question 5, NEA is concerned that whilst it is right to maintain the current requirements for a company not to gain benefit from voluntary redress, unless they can be sure that the organisation that is ultimately provided the grant will perform these tasks appropriately this will impact on the willingness of the company to continue to volunteer to make redress payments. In addition to the concerns about uncertainty of the intermediate or final recipients, there would also be little or no clarity on which areas or initiatives the funds would help support, again impacting on the willingness of the company to continue to volunteer to make redress payments. These risks combined make it more likely that the company may choose to opt out of the current approach and instead choose to be fined where the money will go to Treasury and not go back to support customers. This in turn would create uncertainty or make it impossible to fund the DAF given the proposal to cover the costs of this body. In addition it should be acknowledged that many companies have significant experience of working with the charitable sector and their expertise should be considered relevant to any decisions made.

Question 8: *How can we ensure that smaller potential recipients can bid and are not disadvantaged compared to larger potential recipients?*

As noted in response to question 1, NEA supports Ofgem's commitment to continue to enhance the work of charities, trusts and local not for profit organisations or community groups with a track record of helping energy consumers. As well as our own work, currently, 'umbrella' charities are able to disperse the funds into a wider range of community groups that are known to be active in helping vulnerable energy customers. Other steps that would enhance access to funding for smaller potential recipients are to flag applications timeframes well in advance of call for proposals or not run in the last quarter of the financial year when typically potential recipients are extremely busy and often don't have the resources to develop proposals or seek out new work. There is also a need to support smaller organisations to develop final bids, help them identify sources of funding to lever additional resources in funding and crucially develop detailed feedback and support for unsuccessful bids so that future applications may be more successful in future.

Question 9: *What are your views on this ‘Variation on Option 2 – Voluntary redress payments go to a charitable trust set up by Ofgem’? Are there any other advantages, disadvantages, risks or costs relating to this option that we should consider, particularly in relation to the DAF provider model set out above?*

A redress charitable trust may duplicate functions that can be performed by Ofgem, or other existing national bodies or trusts. Unless constituted and governed by law then there is little Ofgem could do to hold this body to account for the funds. NEA has stressed throughout the response, that money must be well allocated, managed and monitored. It is also important that close support is provided to work with recipients, perform diligence and undertake evaluations for sharing lessons learned.

Question 10: *How should the costs of running a charitable trust set up by Ofgem be funded?*

As noted in response to question 9, a charitable trust is seemingly reliant on volunteers who may not be able to identify the time to perform the wider set of roles that would ensure the maximum value is delivered from Ofgem’s new approach to voluntary redress funds. If the charitable trust was remunerated, Ofgem’s time would still be needed to support the administration of the trust and it is not clear how other participants would cover their costs of running the charitable trust. As noted elsewhere, it would also need to be agreed that this form of allocation of voluntary redress payments does constitute ‘public money’ which is strictly governed by UK, EU legislation and under public procurement law. Additionally, HMRC would need to be satisfied that future contractual arrangements for the use of the voluntary redress funds demonstrate that, as restricted grants, they fall outside of the scope for VAT.

Question 11: *What are your views of the idea of using part of voluntary redress payments to support specific schemes? What are the advantages, disadvantages, risks or costs relating to this idea? What existing schemes could be considered under this approach?*

As noted in the introduction, the biggest programme to be supported through NEA’s voluntary redress payments is currently a £26.2 million Health and Innovation Programme (HIP) which is bringing affordable warmth to over 6,500 fuel poor and vulnerable households in England, Wales and Scotland. The programme is split into three distinct funds; the Technical Innovation Fund, the Warm and Healthy Homes Fund and the Warm Zones Fund . As well as other programmes, in June 2016, NEA also announced that we would jointly fund the Big Energy Saving Network (BESN) with the UK Government. The £1.7 million programme will support organisations to deliver a programme of outreach to vulnerable households and train frontline workers to tackle exclusion within the energy market and enable advisors to help vulnerable households make decisions about tariffs, switching, how to access the Priority Services Register and energy efficiency programmes.

These projects have given NEA and our partners a vital opportunity to ensure energy consumers are directly supported through the current approach to voluntary redress payments instead of having all penalties go to Treasury. However given the unpredictable nature and level of any funding, any initiatives that are funded either aim to complement existing national or local programmes and address gaps in provision, not duplicate remits of existing recurrent programmes or funding for existing statutory remits. In the future, this means that whilst voluntary redress payments can fund new services they should be clear that they are time limited by their nature and should help develop self-sustaining models or complement and expand existing initiatives not be relied upon to sustain existing statutory remits, functions or replace funding for existing recurrent programmes.

Question 12: *Which of the options in this consultation do you think should be used and why?*

NEA would favour option 1 or a hybrid of option 2.

Question 13: *Should any other options be considered? If so, please provide an outline explanation of your suggested alternative option(s). Please also outline any associated benefits and costs with the alternative option(s).*

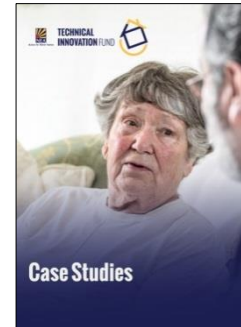
As noted in response to question 5, NEA believes that both Option 1 and 2 can deliver good outcomes for consumers. Under option 1, the new principles would build on current good practice and enhance how voluntary redress payments are made into the future. Under option 2 the selection process would also appear to become more transparent and any transfer of functions to a DAF implies less potential administration from Ofgem. It has however been noted that whilst the role of the DAF implies the grant making body will be from the charitable sector with existing networks relevant to the energy sector, this is not made explicit. This is fundamental as it ensures that money is well allocated, managed and monitored under existing robust charity accounting requirements and that any surplus or profit is reinvested to assist more households. It is important that option 2 recognises the need to provide close support to work with recipients, perform due diligence and identify additional funding etc. The role as set out in option 2 currently will not achieve these goals however a hybrid of option 1 and 2 could provide an effective interface between the companies making a voluntary redress payment, Ofgem and help consult a wider range of stakeholders in order to identify potential recipients of grants and enable bids from different sized organisations. This role would be expanded on the functions proposed in option 2 and would involve supporting local or regional organisations to develop final bids and help them identify sources of alternative funding to lever additional resources to enable redress funding to go further. This new approach could also help perform a wider role that would help ensure the maximum value is delivered from Ofgem's new approach to voluntary redress funds or potentially enforcement cases overall.

Appendix: Overview of some of NEA's programmes funded via voluntary redress payments

NEA's Health and Innovation Programme (HIP)

The £26.2 million Health and Innovation Programme (HIP) was launched in April 2015 with the aim of bringing affordable warmth to over 6,500 fuel poor and vulnerable households in England, Wales and Scotland over a 30 month period. The programme is split into three distinct funds:

- A Warm Zones Fund
- A Technical Innovation Fund
- A Warm and Healthy Homes Fund



The programme is mid-way through delivery and the expectation is that the number of households that will be assisted directly with energy efficiency measures will exceed the original target due to leveraging additional funding, Headline achievements and impacts across the programmes to date include:

- We have 46 technical trials and 21 Health partnership programmes underway
- We have provided grants which enable us to assist over 6,500 vulnerable households with energy efficiency measures
- We expect to support many more by leveraging around £12 million in additional funding
- NEA's Project Co-ordinators have so far provided direct advice and support to over 1,300 vulnerable residents
- 770 front-line workers and trusted intermediaries have been trained and they expect to reach 280,000 clients per year sharing their new knowledge with people who may not respond to messages from other sources
- An interim evaluation report on the training aspect of the HIP programme demonstrates that the training and awareness sessions in relation to improving knowledge and awareness and building capacity amongst frontline workers and residents is well received and is adding value, with reported improvement in knowledge on a scale of 1-100 increasing from 45 to 82 and from 55 to 84 on ability to identify and help vulnerable households
- The residents assisted directly by NEA have reported improved knowledge of energy trust funds and understanding of assistance they can receive from energy suppliers

Big Energy Saving Network

The Big Energy Saving Network is an initiative started by the then Department of Energy and Climate Change, which is made up of local community groups and charities across Great Britain that can advise on energy saving in the home, switching energy suppliers, different energy tariffs and available government and other support to help the most vulnerable get warmer homes and lower fuel bills.

Throughout the Network, there will be around 290 specially trained 'Champions' that will co-ordinate the training of community volunteers so that they can proactively provide energy saving advice through events and outreach programmes in local communities to help households reduce their energy costs and consumption.

For 2016 to 2018 the network will be delivered in partnership with NEA who, with help from customer redress funding, has increased the number of 'champions' that will be trained to deliver advice.

Funding of £1.4 million will support an additional 110 champions in 16/17 and the same number in 2017/18, reaching thousands more low income households.

Sheffield Hallam University conducted an independent evaluation of the previous phase of the Big Energy Saving Network and found that it is estimated to have reached around 16,000 participants via workshops and a further 78,000 through frontline workers. Key success factors from the network which we hope will be replicated or improved upon this year include:

- Informing and empowering consumers - over 73% felt more informed and empowered as a result of participating
- Taking action - over half of all participants said that they took some form of action including saving energy around the home or contacting their energy supplier for a discussion about their bills

Warm and Safe Homes (WASH) Programme

A **£3 million grant** award as part of an Alternative Action agreed with Ofgem is enabling NEA to deliver a range of activities over three years in three targeted areas: North London, North West and West Midlands. The programme comprises a number of elements, directly benefitting consumers and supporting local communities including a reactive gas boiler repair and replacement pilot scheme delivered by NEA's subsidiary community interest company Warm Zones, for vulnerable households designed to test the feasibility of a crisis fund for early response for vulnerable households whose gas central heating boilers and gas fires are condemned by emergency gas engineers. This is an area where we have defined a gap in provision which can leave vulnerable households with no heating and hot water.

The proposals are also set in the wider context of gas safety and unsafe and old appliances used by the fuel poor to a greater extent than other households, and social obligations of the gas network companies under their regulatory framework.

The programme has been designed in the spirit of a partnership approach with other organisations. As well as providing direct funding for households, NEA has focussed on how the charity can support other organisations to deliver at a local level by providing grant aid for remedial works, training, strategic support and grant funding for projects and campaigns.

Headline outcomes of the WASH programme will include:

- More energy efficient, healthier homes for fuel poor households
- More affordable energy bills for fuel poor households
- Improved services to vulnerable households through integrated and holistic programmes
- Qualified staff enabled to give good quality energy advice
- Better informed and more resilient communities able to respond effectively to fuel poverty policies and programmes
- Key stakeholder engagement in the delivery of the new fuel poverty strategy with input from community groups who would not engage directly with Government and the industry. Key local agencies will have a better understanding of the essential role they play in the successful delivery of the forthcoming fuel poverty strategy objectives.
- The development of active and effective local partnerships to enable sustained local delivery of Community Energy Strategy and Fuel Poverty Strategy objectives beyond the life span of the project.
- Increased understanding of the new LIHC definition and how it can be used to assist in the identification and targeting of the fuel poor as well as shaping local policies.
- Better targeting of resources by enabling community partners to identify vulnerable households with the highest potential to benefit from energy efficiency schemes, Warm Home Discount (WHD), Priority Services Register (PSR) and fuel debt advice.
- Increased capacity and skills of hundreds of individuals across the community partnerships serving localities with high proportions of vulnerable householders to implement and evaluate local Community Energy action plans to tackle fuel poverty.
- National Policy translated into tangible benefits for low income households and carbon reduction/social obligations on energy suppliers.
- Increased response to Government mandated programmes through improved understanding of eligibility and services
- Potential for additional funds to be levered into local communities that are utilised cost effectively
- Best practice shared and lessons learned around innovation in tackling fuel poverty

Better at Home Programme

Funding from customer redress is supporting NEA's Better at Home programme with around £2.345 million for agreed activities in England and Wales. This funding will enable NEA, working with Macmillan, to help those at the point of crisis in their lives who have been diagnosed and living with cancer. It is important that these households are living in a warm and healthy home, to increase their prospects of recovery and their comfort when they are at home and assistance is currently not available under other schemes.

NEA managing a grant fund which will improve the energy efficiency of people's homes by installing measures ranging from insulation and draught proofing to new boilers, scheme managed via the charity's subsidiary Warm Zones cic. The programme will also provide urgent funds to pay the household's energy bill when they are most in need. In addition, NEA will be building capacity to help frontline practitioners to identifying vulnerable households at risk of fuel poverty, who can then be referred to the grant scheme.

NEA expects the outcomes from the Better at Home project to include:

- More energy efficient, healthier homes for vulnerable cancer patients and their families
- More affordable energy bills for vulnerable households and their families
- Cancer patients on lower incomes having less stress and worry about paying their energy bills, potentially assisting a more rapid recovery or making their end of life experience more comfortable

NEA work programmes funded by donations to the charity

Where NEA has received significant donations we have used these to deliver more strategic change, build capacity in local communities and provide better outcomes and life chances for fuel poor households. Examples of how we have used major donations include:

The **'Feel the Heat' Award scheme** in Wales which showcased good practice and local community initiatives tackling and reducing fuel poverty and fuel debt in Wales.

Matching support from DECC for a **series of seminars** across England which enabled over 500 participants from 300 organisations to contribute to the consultation on the new Fuel Poverty Strategy for England. The events particularly enabled smaller community groups to help shape the priorities and principles of the strategy and voice their concerns about the barriers and challenges they experience in delivering at a local level.

*"The seminar was an excellent networking opportunity and I hope contacts made during the seminar will lead to lasting partnerships"
"Such seminars are an excellent way to stimulate discussion and for agencies to feed into the consultation process"*

In Northern Ireland we could match funding already secured from the Oak Foundation for the **Energy Justice Campaign**. At the end of the first year of the campaign NEA had secured continuation funds to deliver a further £6.5 million for energy initiatives targeted at the fuel poor in Northern Ireland, resulting in around 5,000 warmer homes.

Supporting **NEA's Warm Homes Campaign and Fuel Poverty Awareness Day** provided information for those working with vulnerable consumers on how to identify and assist people in fuel poverty. The campaign generated significant media interest in national and local press and media and was supported by over 100 organisations enabling NEA to get the message across to many different agencies.

Supporting **NEA's Fuel Poverty Forums** attended by a broad range of organisations who share a common interest in finding solutions to fuel poverty. They are an established and invaluable source of information and networking opportunities for colleagues working in fields relating to fuel poverty. The forums enabled NEA to reach around 400 key stakeholders three times per year throughout England and Wales. Attendees from housing associations and advice giving organisations are now better equipped to provide advice to their beneficiaries with the latest policy information both nationally and in their region.

Supporting the **Food Bank Resilience programme**, which worked with a number of food banks across England and Wales to address the immediate and long-term energy needs of Food Bank users and establish localised networks of support services for those users. NEA worked with Trussell Trust to deliver a programme of 10 training courses for local frontline volunteers. In evaluating the programme all who attended indicated an increase in knowledge of energy issues and 93% of those trained said they were now more confident to provide advice and support to those in need.

NEA used part of a donation to deliver the **Leicestershire Warm and Healthy Homes project** with the Papworth Trust, a disability charity. The project brings together a range of services designed to help those living in energy inefficient homes and who face health problems. Clients are offered a healthy home check, advice and support and can be helped to develop an action plan to improve their health. To date NEA and Papworth have delivered 30 awareness and community sessions to around 300 frontline workers and 131 residents.

Support for the **Young Carbon Cutters**, a project working with primary schools using the medium of drama to get the energy saving message across to children and their families in areas of high

deprivation. The project delivered 20 sessions to around 600 pupils. Children indicated which actions they would make to change their behaviour and reduce energy usage in the home, the following have been very common:

- Turn lights off
- Take shorter showers
- Turn TV off when not watching it
- Not leaving appliances on standby
- Closing doors when the heating is on

A fantastic session. Very well paced drama ... very well explained and children learnt a lot. I loved the modeling session with lego cars. Pupils had a race outside to see which car travelled furthest. They loved the competitions'. Mrs Ready, Riverside Primary

Support for NEA to provide the secretariat for the 'Safe Warm Homes' working group of the **Age Action Alliance (AAA)** and to deliver a series of awareness raising sessions for older peoples forums through the '**Warmer Homes for Older People**' programme. The project recruited **warmer home advocates** to cascade their learning to their peers. NEA has delivered 26 sessions to an audience of over 500 in year one.