

## The Wise Group

### Written Evidence to Net Zero, Energy and Transport Committee

#### Short Enquiry into Rising Fuel Prices

April 2022

The Wise Group is one of the country's leading social enterprises, lifting people out of poverty across Scotland by empowering them to unlock their potential and transform their futures. We work in three key areas: energy advice and advocacy; community justice; and employment services and skills.

Some of our most successful programmes are measured by behaviour change and progression (in line with Scotland's National Performance Framework NPF principles). They are person and impact centred, made possible by the correct relationship, motivation, and collaboration.

In relation to your short enquiry into rising fuel prices, we thought it may be useful to provide you with evidence and insight into the impact rising fuel prices are having on our customers facing or experiencing fuel poverty, alongside more detail of the work that the Wise Group carries out in the area of energy advice and advocacy. Our work gives us first-hand experiences of the impact of the energy price rises, and how this creates an increased level of complexity and challenge for vulnerable customers. We have also seen a new demographic of customers engaging with our support, including those who have never before accessed help and support. It is clear that the price rise, and the overall increase in the cost of living, is creating vulnerability at an alarming rate. We expect to see this exacerbated again in October 2022 as the price cap is revised once more. We are closely consulted by Ofgem around activity relating to vulnerability, especially relating to the energy price cap, and are a valued stakeholder of Energy UK.

Home Energy Scotland, funded by the Scottish Government and managed by Energy Saving Trust, provides free and impartial advice to help people across Scotland reduce their energy bills and make their homes warmer and more affordable to heat. The Wise Group helps to deliver this service, supporting tens of thousands of households each year

Through several projects, the Wise Group is the largest delivery organisation of in-home advice and advocacy for fuel poverty support in Scotland delivering in the Strathclyde and Central Region. Since COVID-19 restrictions began in March 2020, we have had to adapt our services to building remote support, utilising technology and wider engagement tools to continue helping people. Wise Group energy advisors are locally based experts, advocating on others' behalf, for which we know people are extremely grateful.

Now more than ever we remain convinced of the importance of the home energy advice the Wise Group delivers, at the heart of which lies our mentoring approach.

As we transition out of COVID-19 restrictions, and into a period of living with COVID-19, we recognise the need for a blend of support, both remote and face to face, for optimum results.

Due to coronavirus, many people have been facing increasing financial pressures, with energy bills estimated to have risen by almost £400 a year due to increased energy use during the lockdown. Add to this, soaring energy costs from the change to the Energy Price Cap in April with a further dramatic increase due in October, that will have an even greater impact on people’s finances. Also consider households not typically used to being in fuel poverty, who are for the first time faced with agonising choices of heat or eat, anxious about what lies ahead.

In the broadest sense, through our work on behalf of Home Energy Scotland, our Wise Group advisers support customers by:

- Providing free and impartial advice via phone, email and at events
- Providing a free home visit (where restrictions allow) with a specialist advisor from local advice centre
- Assisting with advice on and access to UK and Scottish Government funding – e.g., Warmer Homes Scotland, HES Loan (& Cashback) Renewable Heat Incentive, e-bike loans, electric vehicle loans
- Offering wider support to help maximise income through benefit checks, advice on energy tariffs and supplier incentives

The demand for our services has grown dramatically since 2019 and we firmly believe that this is a trend that is set to continue on its upward trajectory unless radical action is taken to tackle the impact of ever-increasing fuel prices. The snapshot below illustrates this stark picture.

|         | Calls Offered | Households Supported | Partnership referrals |
|---------|---------------|----------------------|-----------------------|
| 2019-20 | 20445         | 30224                | 1741                  |
| 2020-21 | 31985         | 30257                | 5227                  |
| 2021-22 | 32884         | 31864                | 4009                  |

- Calls offered – total inbound calls to our advice centre – this has increased by over 35% during this period

- Households supported – this is a total of households supported through all channels and activity (telephone, digital, partnership and outreach) this remains stable but demonstrates we are working to capacity
- Portal referrals – these customers are referred directly through our online portal and generated by our Partnership team through work focussing on low-income families, NHS Health and Social Care and community groups (representing customers most at risk). Traffic through this channel has increased by over 60% during this period

Our HEAT service which operates primarily (but not exclusively) in Inverclyde, Renfrewshire and Glasgow has also shown similar increases in demand. Funded via Scottish Power until 1<sup>st</sup> April 2022, the service is currently being supported through the Wise Group’s own reserves, though this funding model is not possible to maintain indefinitely and one we hope to see change following clarification of the Warm Home Discount scheme in Scotland. As you will be aware, the details around the Warm Home Discount in Scotland have been delayed and created a huge level of uncertainty for Scotland’s advice agencies, as well as vulnerable customers. This issue was raised in a joint letter to the Cabinet Secretary for Net Zero, Energy and Transport in recent months.

The style/type of support provided has evolved over the past few years in line with our learnings and market conditions and a high percentage of our work now is around sustaining the households’ energy supplies e.g., providing funding top ups to prepaid meter households. Rather than simply topping up the meter and adopting a ‘sticking plaster’ approach, we have always tried to provide additional advice and information to our customers on the effective use of their household energy in order that they can manage their energy usage moving forward. In 2019/2020, we supported 2,180 households. This increased to 6,240 in 2020/2021 (remote support). In 2021/2022, we supported 6,997 households (blended support – in-home/remote).

Examples of the support and interventions provided are given below.

|   |
|---|
| <p><b>Reason for referral:</b></p> <p>C’s benefits were stopped a month ago and have only just been reinstated. She is currently without heat or electricity. She has already contacted her housing association for assistance and was not given any support. She also contacted her energy supplier and again they offered her no support. She is struggling financially and needs to top up her meter</p> |
| <p><b>Brief background/details of vulnerability:</b></p> <p>customer has mental health issues with young children in the property.</p>  |
| <p><b>Meter set up at initial point of contact:</b></p> <p>pre-payment</p>  |

**HEAT support provided (including saving outcomes accrued):**

We have given her the GCC voucher £49.00, We have also applied for the mega fund £49.00, we also applied for the home heating fund - £600.00. gave customer energy saving tips to help her budget better. We also made a referral to the local foodbank for the lady and signposted her to the local C.A.B office for a benefit check to see if she is getting all the support she is entitled to.

**Impact on household following funding support:**

customer can now heat her property and cook hot meals for her children.

**Customer quote:**

thank you so much, I really didn't know what I was going to do.

**HEAT Advisor quote/observation:**

customer had turned to all other conventional sources to help and got nothing, we have stepped up to the mark and help this lady.

Brief background/details of vulnerability: T has mental health issues associated with PTSD. For the previous year he hadn't been coping very well. When he made the call to me, he was crying and really upset and emotional. He told me that he could not go through another winter like last year when he was freezing cold and wasn't eating for days at a time. He said that if he didn't get help, he was going to kill himself, as living like last year was too much for him to take.

Meter set up at initial point of contact: Prepayment meters for both gas and electric. Supplier Eon Next

HEAT support provided (including saving outcomes accrued): I had a good long talk with T and asked if he was serious about killing himself. He said he was, again because of the year he had had previously. I told him that I could and would help him and asked him to put the thought of suicide out of his mind. I contacted Eon Next and asked to have the debt on meters. Moved to the back to allow him to make use of the voucher I would provide. They did this, which allowed us to put money on the meters to have the gas safety check done and allow him to start using his heating. I also checked online for a foodbank close to T's post code, and contacted Loaves and Fishes, who advised me to send T to see them and they would provide him with food. T contacted me the following day to say he had been to the food bank, but that it was quite far away. I advised I would look for something closer to home, but he said no! He had actually enjoyed the walk and said that when he explained about some of his health issues, they also gave him vouchers for fresh fruit and vegetables. They also told him to come back every Wednesday and they will provide a food parcel and vouchers. T has called since and I have given him a further £49.

Funding support provided: T received £49 through the Mega fund and £49 through the Wise Group Emergency Credit.

Impact on household following funding support: T is so much better now when I speak to him. He has also had a Food bank open right beside him, but still enjoys the walk to Loaves and Fishes. He does however, now volunteer for the new food bank, and is a totally different person when you speak to him.

Customer quote: Before I spoke to you, if I could not find someone who could help me, I would have killed myself. I could not face another winter like last year. I can't believe people can be so helpful. I guess it's who you ask for help.

HEAT Advisor quote/observation: When T called at first, I was devastated that a man of similar age to me, had found himself in such a dark place, especially during a pandemic, where he had no contact with people. Some customers just make this job special; T is one of those.

<https://www.thewisegroup.co.uk/wp-content/uploads/2021/11/Lights-on-to-lights-off-The-Wise-Group-Energy-Insight-Report-Nov-2021.pdf>