

# Developing an Extra Help Scheme for vulnerable smart meter customers

Research undertaken by NEA for Citizens Advice

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## Foreword

All homes are expected to have smart meters installed by 2020, at an estimated cost of £11 billion. This is a major infrastructure project involving at least one visit to every home and business in Great Britain. The key consumer benefits are expected to be:

- Accurate bills – ending problems with estimated and inaccurate billing including back billing
- Customers having more control over their energy use, including the ability to make savings on energy bills and budget more easily
- Improvements in customer service and prepayment; increased security of supply, and relatively lower costs.

Citizens Advice believes it is important that customers get maximum benefit and minimum inconvenience from this programme and that nobody is left behind. All customers should be able to access improvements from new technology that they are funding, regardless of their income, payment method, location, dwelling or personal circumstances.

Government has recognised that some customers may need additional help to access smart benefits or may not be able to achieve the same energy saving opportunities. This is reflected in regulation such as the requirements placed on the Central Delivery Body (CDB). In particular, householders in vulnerable positions, on prepayment and low incomes may struggle to engage with the new technology and market changes, or are less likely to see the same energy savings as they can already monitor their energy use, or are energy efficient due to budgetary constraints.

In addition to ensuring all customers can access benefits from the rollout we are keen to explore the potential to join up smart metering with wider social and environmental initiatives. In order to deliver improvements in customer experience and reduce costs for customers and tax payers. In particular, if there was an opportunity from visiting every home, to better identify and target social support at those most in need.

In its decision document on consumer engagement, the Department of Energy and Climate Change (DECC) supported this view (DECC 2012d):

*We also expect suppliers to consider how they can bring together obligations to deliver initiatives such as the Affordable Warmth element of the Energy Company Obligation with the smart meter rollout. The Government is considering how consumer engagement can exploit these synergies and intends to initially progress this area by gathering more evidence and potentially undertaking tests and trials.*

This position was reinforced more recently by Baroness Verma, the Parliamentary Under Secretary of State for the Department of Energy and Climate Change:

*...we believe that suppliers should consider the options for cost-effectively bringing together obligations under other schemes. This could deliver efficiency savings for suppliers and provide a more comprehensive and valuable package for consumers.*

The former energy watchdog, Consumer Futures – now part of the Citizens Advice Service – therefore commissioned NEA to carry out research to explore the potential for an Extra Help Scheme for low income, vulnerable and prepayment meter customers. This was to include consideration of the costs and benefits of linking the rollout with existing social and environmental programmes. The research was designed to be a practical piece of work that would identify a number of potential approaches which could be piloted ahead of mass rollout in 2015.

## Synthesis of evidence

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Presented below are key points arising from the evidence review regarding the design and delivery of extra help services to vulnerable consumers. Consideration is given to how these lessons may inform the development of options for a smart meter extra help scheme.

**Defining vulnerability and establishing eligibility criteria for an extra help scheme:** Key definitions of vulnerability in the energy sector (for example Ofgem's) are being moved away from a category-based approach towards an understanding of the condition as transitory – a combination of individual characteristics and structural factors. At the same time, eligibility for extra help services continues to rely on category and benefits-based proxies. These provide clarity as to who is able to access a specific service or scheme.

*A smart meter extra help scheme will need to consider how to make services accessible to a broad range of potentially vulnerable consumers while also adopting a feasible eligibility criteria that makes best-use of existing proxies.*

### Figure 1. The many elements of vulnerability

- Age
- Disability
- Tenure
- Visual and hearing impairment
- Low literacy and numeracy
- English language skills
- Ill-health and mental health
- Low income
- Prepayment users
- Appliances or heating controls

**Targeting consumers to receive extra help:** The majority of non-financial extra help schemes are designed as opt-in services. This has the advantage of recognising that a consumer may not want or require additional assistance, even where they are defined as vulnerable in accordance with an identified eligibility criteria. Where a service is opt-in, those eligible should be proactively targeted to increase awareness and encourage uptake. The offer should be available to all eligible consumers, unlike the Energy Company Obligation, which is only made available at the supplier's discretion. Strategies to make contact with eligible consumers include data sharing between a scheme provider and third party (for example a government department or local authority). This approach, while popular among energy suppliers, would require a change in primary legislation to be implemented for a smart meter extra help scheme. Currently, other strategies are often utilised. In particular: contacting vulnerable consumers through third parties (for example local authorities); cross-advertising; geographic mapping and consumer segmentation using vulnerability indicators and registers; door-knocking; and third party outreach and referrals.

*A smart meter extra help scheme may be wise to adopt an opt-in model to enable consumer choice and maximise efficient use of limited resources. Those eligible for the scheme should be proactively targeted using a range of strategies. Data matching is particularly effective but currently legislative barriers restrict its use in the energy sector.*

**Providing services to vulnerable consumers:** A needs-based, sensitive, flexible and responsive approach is recommended when providing extra help to vulnerable consumers. Tailoring an extra help service to fit an individual's needs will be constrained by the size of the eligible cohort however. The more people requiring help, the less potential there is to personalise a service model. Regarding scheme design, successful schemes – those that maximise uptake and minimise drop-outs – are easy-to-understand and access, avoiding multiple and customer-led steps. Good practice includes directly referring customers into sources of help, rather than just making them aware of available assistance.

*A smart meter extra help scheme should be designed so the consumer's journey through it is easy-to-understand and navigate, including avoiding customer-led steps. A service provider should take time with a vulnerable consumer at some point during the installation process in order to understand their needs and therefore what extra help services could most benefit them.*

**Tailoring information content and format:** Extra help services tailor their messaging vigorously to appeal to, and ensure relevance for, the target consumer segment. Messages are successful when they provide bespoke information and avoid generic tips and advice. In an energy context, this includes relating advice to both personal characteristics (for example budgeting tips based on a household spending profile), property type (for example energy efficiency advice based on structural characteristics and SAP rating), presence and type of heating controls, and payment method (for example applicable for a prepayment customer).

Regarding format, many schemes go beyond legislative requirements on accessibility (for example Braille for the visually impaired) to present information in ways that both innovates and incentivises, for example using web-based tools and small, branded gifts. Advice is successfully received when provided in small, regular amounts and through unsolicited direct contact by phone.

*Suppliers will have flexibility about the way they 'sell' smart to their customers, including vulnerable ones. They should seek to provide bespoke advice to different consumer segments however. This includes using language and form that resonates with the target audience, makes use of direct contact by phone and considers small, incentivising gifts.*

**Information channels:** Information on and access to an extra help scheme should be available through a range of channels, including by telephone, internet and post. Call centres should offer dedicated teams with staff trained in vulnerability and free call lines with easy access to speak directly to a customer service representative. Extra help services have particular success in reaching vulnerable consumers through offering face-to-face support and advice. This provides a level of hand-holding that a vulnerable consumer may benefit from and require. In-home visits are a popular way to reach vulnerable households in the energy sector; helping to both navigate a consumer through complex issues affecting their energy costs (tariffs, debt, rebates etc.), as well as encouraging behaviour change (through both advice and energy efficiency measures). This form of extra help can be resource and time intensive however. On the messenger, utility companies often employ trusted and independent third parties to deliver extra help (local advice bureaux, charities etc.). Successful communication also uses peers to deliver key messages, for example 'local success stories' and anonymised tips from target groups.

*A smart meter extra help scheme may have success in supporting a vulnerable consumer to realise benefits from smart metering through offering a level of more personalised and face-to-face support and advice. In particular, findings from schemes such as the University of Ulster smart metering trial and the Arbed programme in Wales suggest an element of in-home aftercare can help optimise benefits from newly installed energy measures. Time and resource issues may present barriers to implementing this service model at scale however.*

**Community outreach and partnership arrangements:** A partnership approach between a scheme provider and third parties is often critical to both access vulnerable consumers to offer extra help and disseminate key messages through channels people use and trust. Partners may include national organisations, community groups, children and young people and social networks. Methods include co-branding, third party referral pathways and outreach events.

*A smart meter extra help scheme will benefit from promoting and/or delivering extra help through trusted third parties. Coordination of partners at a national, regional and local level however will have to occur in the context of a programme that is being delivered by multiple parties (suppliers, CDB) and across multiple areas simultaneously. Furthermore, third parties will have to be appropriately resourced to deliver extra help.*



**Joined-up service model:** Many extra help schemes are based on a one-stop-shop model. That is, providing a single point of contact to access a range of services. This approach provides a form of hand-holding: navigating a consumer through a complex service delivery landscape. Examples of a one-stop-shop model include single point of contact referral networks, personal customer managers and ‘whole-house’ fuel poverty programmes that seek to implement a ‘one-and-done’ approach. The latter integrate a coordinated package of energy efficiency measures with support to improve energy and financial literacy.

*Extra help on smart should seek to offer an integrated package of measures that joins up to services across the energy sector.*

# 1 Introduction

## 1.1 Background and context

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The replacement of gas and electricity meters with next generation smart metering technology is one of the largest energy infrastructure projects to be undertaken in Great Britain. Under the Department of Energy and Climate Change (DECC) Smart Metering Implementation Programme, the Government has mandated that suppliers install 53 million smart meters in approximately 30 million domestic and smaller non-domestic premises. While some consumers have already received a smart meter and associated in-home display (IHD),<sup>1</sup> the mass rollout of smart meters to homes and small businesses across Great Britain is scheduled to begin in autumn 2015 and conclude in 2020.

This is an expensive programme which is designed to bring benefits to industry, consumers and Britain plc. DECC's (2014d) Impact Assessment estimates the cost for providing the new technology to the domestic sector at £10.5 billion. Consumers will pay this cost indirectly through their energy bills. Overall, the domestic rollout is forecast to accrue £14.8 billion in gross benefits up to 2030, for a net benefit of £4.3 billion.

For domestic consumers, benefits identified by Government include: accurate billing (ending problems with estimated and inaccurate billing including back billing); faster and easier switching; improvements in customer service and prepayment; improved security of supply; and, in the long run, a downward pressure on costs. The key monetised benefit, accounting for 33 per cent of the total (all sectors), is energy savings. Consumers are expected to use their smart meter data to better manage their energy use; helping to avoid wasted consumption and potentially saving money. DECC (2014d) estimates that the average dual fuel customer will reduce their bill by £43 in 2030 thanks to smart metering on the basis of the information it provides. In the longer term, consumer benefits are expected from a range of smart services and products, including a developing market for time-of-use tariffs and smart-enabled appliances.

It is important that all households can access benefits from smart technology and achieve value for money from the rollout they are ultimately funding. Some may face barriers to this however. In particular, the personal circumstances and characteristics of a consumer, including age, disability, tenure, visual and hearing impairment, low literacy and numeracy, English language skills, ill-health and mental health, may mean they are vulnerable in terms of both accessing and understanding the new technology and using it to save energy and/or better manage their usage. Similarly, low income consumers and those using prepayment may be less likely to realise energy savings as they do not have the appliances or controls that allow them to change their level or patterns of use, and/or they either already have visibility over their usage or currently ration their consumption due to budgetary constraints.

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<sup>1</sup> Energy suppliers are obliged to offer domestic customers an IHD when they install a smart meter in the property. An IHD is a device that can be used by consumers to access information on their energy usage in an easy-to-understand format.

With these issues in mind, Government has recognised the need to protect and address the interests of vulnerable<sup>2</sup> consumers during the rollout. Its consumer engagement strategy includes a high-level aim to ‘ensure that vulnerable, low income and pre-payment consumers can benefit from the rollout’ (DECC, 2012b, p. 4). The Smart Meter Installation Code of Practice (SMICoP), developed by suppliers under licence conditions, includes clauses designed to identify and accommodate vulnerabilities around the smart meter installation appointment. Finally, the Central Delivery Body (CDB), established to lead a programme of consumer engagement on smart, is required under licence conditions to provide assistance to vulnerable consumers, including those on low incomes and with prepayment meters.

## 1.2 Fuel poverty and energy efficiency

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More broadly, the Government has a commitment to support vulnerable consumers who are in or near fuel poverty. Under the new Low Income High Costs (LIHC) indicator, 2.39 million households were classified as fuel poor in England in 2011, representing 11 per cent of all households (DECC, 2013b). In Scotland and Wales, which continue to define fuel poverty as when a household has to spend more than 10 per cent of its income on fuel, there were 611,000 Scottish households (26 per cent of all households) and 365,000 Welsh households (29 per cent of all households) in fuel poverty in 2011 (The Scottish Government, 2014; The Welsh Government, 2013a).

The three main drivers of fuel poverty are household income, energy prices and a property’s energy efficiency rating. Currently, direct financial assistance to help ameliorate the first two factors is provided to households through the Warm Home Discount, Winter Fuel Payment and Cold Weather Payment. The principal energy efficiency schemes designed to address the third factor are the Energy Company Obligation (ECO) and Green Deal. These are Government initiatives subsidised by suppliers as part of their social obligations. In addition, Scotland and Wales have government-funded energy efficiency schemes under the Scottish Home Energy Efficiency Programmes for Scotland (HEEPS) and the Welsh Nest and area-based Arbed programmes.

In a smart metering context, Citizens Advice is interested in exploring the opportunities presented by the rollout to deliver existing fuel poverty and energy efficiency schemes more efficiently and cost-effectively. This view has previously been supported by DECC.<sup>3</sup> As such, this research on smart meter extra help is

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<sup>2</sup> Unless otherwise specified, the term ‘vulnerable’ is used in this report to include low income consumers. This is consistent with Ofgem’s Consumer Vulnerability Strategy which recognises that living on a low income can contribute to a consumer being vulnerable in the energy market.

<sup>3</sup> In its decision document on consumer engagement for the rollout, DECC (2012b) stated: ‘We also expect suppliers to consider how they can bring together obligations to deliver initiatives such as the Affordable Warmth element of the Energy Company Obligation with the smart meter rollout. The Government is considering how consumer engagement can exploit these synergies and intends to initially progress this area by gathering more evidence and potentially undertaking tests and trials’ (p. 6). In addition, Baroness Verma, the Parliamentary Under Secretary of State for DECC, has previously responded to Consumer Futures on this issue in a letter dated 29 October 2013 and addressed to the Chair of the Energy and Climate Change Committee. In the letter she writes: ‘...we believe that suppliers should consider the options for cost-effectively bringing together obligations under other schemes. This could deliver efficiency savings for suppliers and provide a more comprehensive and valuable package for consumers.’

situated within and designed to assess the wider energy efficiency and fuel poverty landscape.

### 1.3 Research objectives

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Citizens Advice (then Consumer Futures) commissioned National Energy Action (NEA) to explore the potential for providing some form of extra help scheme to vulnerable and low income consumers during the smart meter rollout. The objectives of an extra help scheme were identified as:

1. Helping vulnerable (including low income) consumers to access benefits from smart metering systems for which they are paying
2. Using the opportunity presented by the rollout, specifically the need to identify, contact and visit every household in Great Britain, to link up smart metering with existing fuel poverty and energy efficiency schemes.

The first issue driving these objectives was that vulnerable households may find it harder to access smart metering technology and/or have less potential to use the technology to reduce their energy consumption. As such, these households may require additional or alternative forms of support pre, during and post-installation. The need for extra help was in part informed by two reports, *Smart for All* (Phases 1 and 2), which looked at consumer vulnerability during the experience of smart meter installation (NEA for DECC and Consumer Focus, 2012; NEA for DECC, 2013a). A key recommendation arising from Phase 1 of this research was that suppliers should have a special installation pathway for customers in vulnerable situations. This report therefore seeks to explore in further detail what this pathway may look like.

The second issue identified by Citizens Advice was that without research to understand barriers and opportunities to linking up smart metering with fuel poverty and energy efficiency initiatives potential benefits from doing so are in danger of not being realised. In this context, and taking into consideration both these concerns, research was needed to:

- a. Understand the challenges to, and opportunities of, delivering a smart meter extra help scheme for vulnerable consumers
- b. Explore options for a smart meter extra help scheme, including what it may look like and consist of, how it could be delivered and who may be eligible
- c. Explore whether a smart meter extra help scheme could be used to help deliver existing social obligations and initiatives on fuel poverty and energy efficiency; in a way that is cost-effective for funders and delivery parties and beneficial for consumers.

Across the research, a key driver was to ensure the rollout represents value for money and is cost efficient. Anecdotal reports from suppliers suggested there were challenges to accessing properties and engaging customers in low income areas in particular. Citizens Advice was therefore keen to explore the potential for an extra help scheme to improve customer access rates and keep costs down for all parties.

What follows outlines the results of this research. It is hoped the recommendations arising from the tested options will help inform the kind of extra help suppliers, the CDB and third parties provide to vulnerable consumers during the rollout. The report

is intended to act as a first step to Citizens Advice working with industry, Government, the regulator and the third sector on trialling extra help approaches as pilot schemes during 2014-15.

## 2 Methodology

NEA was asked by Citizens Advice to develop and test options for a smart meter extra help scheme based around four approaches:<sup>4</sup>

1. A dedicated pathway provided by suppliers to help vulnerable households who receive a smart meter
2. A dedicated pathway plus a package of low-cost energy efficiency measures
3. A centrally delivered extra help programme, provided by the CDB
4. Adding a smart meter to area-based fuel poverty and energy efficiency schemes.

To inform the refinement of these approaches into options that could be tested with experts, NEA undertook a desk-based literature review to identify principles of good practice in the provision of extra help services to vulnerable consumers, along with examples of extra help schemes in and outside the energy sector. The latter was informed by a call for evidence issued to energy and cross-sector contacts and networks in Government, business and the third sector. This consisted of an online survey; a copy of which can be found in the Appendices. In total, 50 responses were received from this call for evidence. Finally, a mapping exercise was undertaken to understand the extent of the existing fuel poverty and energy efficiency landscape in Great Britain. This exercise helped assess the potential for smart metering to link into existing initiatives in these areas. Schemes were identified and mapped from the literature review and call for evidence. In addition, NEA mapped area-based schemes using data drawn from English local authorities' 'HECA' reports (refer to Section 4.2 for more details).

Based on this research, together with a review of existing approaches to extra help under current licence conditions, NEA refined the above approaches into options for testing with experts. Testing consisted of 17 semi-structured interviews conducted with key stakeholders from organisations in the public, private and third sectors. The sampling frame selected was designed to invite feedback from stakeholders in four key areas relating to the rollout. These were identified as:

- Policy and regulation
- Oversight and management
- Delivery responsibility
- Third party interest and potential involvement.

The interview topic guide provided to participants can be found in the Appendices. Interviews took place over three weeks in February and March 2014. They lasted between one and two hours, with seven conducted in person and 10 by telephone. All were recorded and subsequently transcribed.

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<sup>4</sup> These approaches, and the options tested for this report, are not intended to address the important issue – and technical challenge – of ensuring all consumer segments have access to an IHD that meets their needs. For example, a user interface for blind and partially sighted consumers. In addition, the focus of extra help in this report is around the rollout and installation process; it does not address the development of a post rollout 'smart grid' and how to ensure a fair energy market (for example regarding the design of time-of-use tariffs).

Following a close re-reading, annotation, cross-comparison and manual coding of interview notes and transcripts, a SWOT analysis of the preliminary options was conducted with a view to assessing each in accordance with the following criteria:

- Its operational feasibility (ability to deliver and/or optimise delivery of the component measures within an option)
- Its operational integrity (ability to deliver benefits for vulnerable consumers, suppliers, industry and Government, including with regard to smart metering, fuel poverty and energy efficiency policy objectives)
- Its financial viability (cost to deliver the component option measures, funding opportunities and any cost-efficiency savings)
- Its scalability for piloting.

This analysis supported the refinement of the options into recommendations that are presented in this report at Chapter 7. It should be noted that it was not within the scope of this research to test the options with consumers, specifically vulnerable households. As such, the recommendations propose working with stakeholders to pilot the preferred approaches outlined in Chapter 7. With the support of obligated suppliers in particular, piloting will enable further understanding of the costs and benefits associated with the preferred approaches, including for both consumers and industry.

## 3 Evidence review

The following review draws on academic and grey literature,<sup>5</sup> along with responses to the call for evidence, in order to identify principles of good practice in seven key areas affecting the design and delivery of extra help services to vulnerable consumers. These areas are:

1. Defining vulnerability
2. Eligibility for services
3. Identifying and targeting consumers
4. Service provision and staff support and training
5. Information content, format and channels
6. Community outreach
7. A one-stop-shop approach.

Following this general overview, Sections 3.2 and 3.3 provide examples of extra help schemes in and outside the energy sector. In the context of a smart meter rollout to all British households, this report defines an extra help scheme to be some form of additional assistance delivered to identified vulnerable groups to complement a service provided to all households. This can be contrasted to a stand-alone service specifically targeting a vulnerable cohort (for example Meals on Wheels). Examples of extra help provided in this review therefore largely focus on initiatives that are helping vulnerable consumers access universal services (energy, water, health etc.).

### 3.1 Learnings and good practice in the provision of extra help for vulnerable consumers

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#### 3.1.1 Defining vulnerability

When attempting to target an eligible cohort to receive extra help, the literature emphasises that identifying vulnerable consumers may be difficult. First, an individual may either not recognise or be reluctant to admit any vulnerabilities. Second, vulnerability itself may be transitory – a combination of individual characteristics and structural factors (BSI, 2013; Ofgem, 2013a). Subsequently, the Office for Gas and Electricity (Ofgem, 2013a) has issued a revised definition of vulnerability, describing it in the following terms:

*...when a consumer's personal circumstances and characteristics combine with aspects of the market to create situations where he or she is:*

- Significantly less able than a typical consumer to protect or represent his or her interests in the energy market; and/or
- Significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial (p. 4).

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<sup>5</sup> That which is produced on all levels of government, academics, business and industry in print and electronic formats, but which is not controlled by commercial publishers. <http://www.greylit.org/about>



The licence conditions for the CDB similarly take a broad approach to vulnerability. They state the organisation should provide assistance to ‘consumers with low incomes or prepayment meters, or consumers who may encounter additional barriers in being able to realise the benefits of Smart Metering Systems due to their particular circumstances or characteristics’ (DECC, 2012c, p. 18).

SMICoP (2013) meanwhile adopts a somewhat narrower and more traditional view of vulnerability. The Code classes a consumer in that category if ‘for reasons of age, health, disability, or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household’ (p. 8). Opposed to this ‘category’ approach, the British Standards Institute (BSI, 2010) advises understanding vulnerability in terms of ‘risk factors’. These may include: age; disability; mental health; low income; basic skills (literacy and numeracy); inexperience (in dealing with particular services, products or markets); sudden changes in circumstance (for example bereavement); complexity and confusion (resulting from technological, information and language barriers); balance of power (for example internet-only offers); and caring responsibilities. In a smart meter context, such risk factors may result in a consumer with reduced capacity to access, understand and/or engage with a smart meter and IHD, the installation appointment and sources of information around smart metering and the rollout.

### **3.1.2 Eligibility for services**

Broadly, a risk factor approach which seeks to capture vulnerabilities that do not necessarily map neatly onto specific consumer segments suggests flexibility may be required when determining those eligible for an extra help service. In a review of the Priority Services Register (PSR) in the energy sector by Ipsos MORI for Ofgem (2013a), a consumer panel was supportive of such an approach. That is, encouraging suppliers to ‘respond to need from the bottom up rather than setting [a] rigid list of rules and eligibility criteria’ (p. 8). As Energy UK (2012) has noted however, in their response to Ofgem’s Consumer Vulnerability Strategy proposals:

*A risk based approach, if too broadly defined, could also result in increasingly large numbers of consumers being classified as vulnerable – diluting suppliers’ ability to deliver support to those most in need by forcing them to either spread their resources thinly or pass extra costs onto consumers via the bill (p. 3).*

A tension therefore exists – between recognising vulnerability as a dynamic state – and ensuring clarity and feasibility around determining who is eligible to access an extra help measure. This tension is reflected in the energy sector, where despite efforts to embrace flexibility for the purposes of identifying potential cases of vulnerability, extra help initiatives continue to rely on category and benefits-based proxies for their eligibility criteria. For example, the Government has identified those especially at risk of fuel poverty – one key manifestation of energy vulnerability – to be low income households containing a pensioner, a child, or a member who is long-term sick or disabled (DECC, 2013a).

Informed by these categories, a benefits proxy has been developed to determine eligibility for fuel poverty assistance schemes such as the Cold Weather Payment. This means-tested proxy is considered an imperfect correlate for fuel poor households (all tenure). What these findings suggest is that a smart meter extra help scheme will need to be very clear about both what risk factors it is attempting to address and how a flexible approach to vulnerability can translate into a practical eligibility criteria that takes into consideration existing proxies.

### **3.1.3 Identifying and targeting consumers**

Once an eligible cohort is decided on, a scheme may take the form of either an opt-in or opt-out service. The latter provides assistance automatically to households. This form of extra help – often adopted for cash payment schemes – has the benefit of reaching people immediately (that is no applications necessary) and at scale (ensuring maximal coverage). Data sharing is often employed to facilitate this process. For example, the Warm Home Discount (Core Group) targets old age and low income pensioners for additional support by using Department for Work and Pensions (DWP) data to enable energy suppliers to automatically provide a rebate on customers' energy bills to all those in receipt of certain elements of the Pension Credit.

An alternative approach to extra help is to adopt an opt-in format. An example is Digital UK's Switchover Help Scheme. Here, the eligible cohort had to apply to receive the scheme's in-home assistance package. This form of extra help is usually adopted for non-financial assistance schemes; as it has the flexibility to accommodate individuals – that while considered vulnerable in accordance with an identified criteria – do not want or require extra help in practice. Instead, they may utilise their own networks, capabilities and public information campaigns to navigate new systems and services. As such, opt-in schemes can also help to avoid wasteful use of limited resources.

If an opt-in approach is favoured, it is important to note that the literature emphasises a service should be actively promoted to encourage uptake among the target population. This is particularly important because research (for example George et al., 2011) shows that consumers may not identify themselves as vulnerable immediately or necessarily actively seek out advice and support. Factors influencing inaction may include stress, isolation and embarrassment. As such, attempts to contact consumers to offer them extra help are a vital component of an opt-in service. This may involve a range of targeting strategies. For example, Digital UK used data shared by DWP and local authorities to write to those eligible for the Switchover Help Scheme. On data sharing, energy suppliers have regularly argued that extending powers in this area would enable them to better identify and access vulnerable customers for extra help services. This approach is tempered however by both existing legislative restrictions and privacy concerns. The latter is notable in the context of findings that energy suppliers face a lack of consumer trust, particularly as sources of help and advice (for example George et al., 2011). However, data may also be used indirectly to identify vulnerable consumers to deliver assistance. For example, suppliers may seek to make contact with a vulnerable cohort through third parties, for example through local authorities using their tenancy lists.

Other approaches include identifying geographic areas (based on indices of deprivation) that contain high numbers of vulnerable households and thereafter targeting those households for a specific service. Another popular and effective strategy is third party outreach and referrals. This approach is dealt with in more detail at Section 3.1.6 below.

### **3.1.4 Service provision and staff support and training**

When considering *how* to deliver extra help services, high-level principles cited in the literature (for example Ofgem, 2013a) support a needs-based, sensitive, flexible and responsive approach. For ‘hard-to-reach’ consumers, individuals in the population who may not only be vulnerable but isolated from society and support networks, delivering services may first require trust and relationship building, including through one-to-one contact (Cortis, 2012).

In terms of the design of an extra help scheme, the results of pilots from DECC’s (Databuild Research for DECC, 2014) Community Energy Efficiency Outreach Programme emphasised that any customer journey should be as simple and direct as possible, avoiding multiple, complex steps, especially those that are customer-led. Such an easy-to-understand approach was found to help minimise drop-off rates.

Regarding staffing to deliver an extra help scheme, the BSI (2010) standard on inclusive service provision (BS 18477:2019) identifies training topics to help customer-facing employees recognise and address vulnerability. Topics include:

- Equality legislation
- Understanding, identifying and responding to risk factors (for example age) and their potential effects
- Understanding, identifying and responding to triggers that may indicate a consumer is in need of assistance, for example when an individual expresses an inability to understand complex information
- Obtaining information sensitively, including avoiding intrusive questioning and stereotyping or making assumptions
- Awareness on available assistance and referral pathways
- Data privacy, including obtaining a consumer’s consent to record any risk factors and additional needs on their customer file.

Currently, good practice around vulnerability training in the energy sector includes both in-house supplier training for customer-facing staff and courses delivered by third parties. For example, some suppliers have Centres of Excellence that include modules on vulnerability and provide basic energy efficiency accreditation. In addition, third parties offer a range of general and bespoke programmes designed to assist organisations meet consumer needs.

With regard to training for the smart meter rollout, SMICoP requires installers to be CRB-checked and trained by a National Skills Academy for Power (NSAP)-accredited provider or equivalent. This training is to include modules on how to identify cases of vulnerability and address needs, as well as how to provide energy efficiency guidance. Training will lead to an NVQ Level 2 Diploma qualifying an individual to install smart meters.

Currently, some suppliers are in the process of up-skilling their in-house staff through their Centres of Excellence to meet these standards. More information on training for the rollout is provided at Chapter 5.

### **3.1.5 Information content, format and channels**

Moving from identifying a target group and delivering services effectively, the next key area to consider for an extra help scheme is tailoring information to meet needs. Literature (for example Cabinet Office, 2011) stresses that messages must be relevant to the individual. In an energy context that includes personal characteristics, property type and payment method. Information should also be sensitive and avoid patronising (George et al., 2011), as well as clear and reinforced to provide reassurance (Digital Outreach Ltd, 2012).

In terms of format, a range is required to cater to different vulnerable consumer segments. Examples include languages other than English, large print, Braille etc. Furthermore, the message and format should be tested and refined. This was critical in the Digital UK Switchover Help Scheme, where extensive research and consultations were undertaken to understand and target the last 10 per cent of consumers<sup>6</sup> who had not yet switched their analogue TV sets over (Digital UK, 2012).

On information channels, the literature suggests a range is necessary. They include:

- Call centres, which should offer easy access to speak directly with a staff member (George et al., 2011). In addition, both NEA (for DECC and Consumer Focus, 2012) and some respondents to the call for evidence recommend that any call number should be free from mobiles
- Accessible internet platforms, including for blind and partially sighted consumers; some of whom use this channel regularly and are keen to access smart meter information this way (SQW for DECC, 2013)
- Non web-based information, particularly for older people who may not use the internet regularly or at all (NEA for DECC, 2012b)
- In-home visits offering face-to-face support and advice (George et al., 2011). Patel et al. (2008) suggest in-person advice in situations where geographical barriers exist may be facilitated through outreach services in the form of a roaming adviser or ICT solutions in 'nested' locations such as local libraries. In an energy context, in-home visits through schemes such as Groundwork's Green Doctors Programme have been successful in reaching vulnerable consumers and facilitating behaviour change.

### **3.1.6 Community outreach**

When targeting households for an extra help scheme, those responsible for the smart meter rollout (be it suppliers, CDB etc.) will have to complement the information channels mentioned above with other methods to engage vulnerable households. Specifically, a community outreach approach is widely recommended.

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<sup>6</sup> This group was broadly defined as those resistant to change and fearful of technology – often older, low income women living alone (Digital UK, 2012). A community-based approach was implemented to reach this cohort – as described at Section 3.3.1.

This method is intended to both gain the support of trusted intermediaries in order to build trust in the rollout (EST for DECC, 2013) and proactively engage target groups who may not seek out extra help on their own. The literature suggests a partnership approach is particularly important to reach certain consumer segments such as older people, among whom voluntary organisations are a preferred source of advice on energy-related matters (NEA for DECC, 2013b). In addition, referral strategies (for example using health professionals to feed vulnerable patients into extra help programmes) can help to access those most in need (NEA for DECC, 2012b).

When considering outreach for a smart meter rollout, it should be noted that the CDB (2013) already recognises that ‘partnerships...are likely to be very important in reaching vulnerable audiences’ (p. 9). Others have also pointed out the advantages (in terms of time and cost) of using existing networks and expertise to correctly frame smart metering messages and maximise community penetration (BritainThinks for CDB, 2013).

In terms of *which* organisations should be targeted to be partners and to help support and reinforce an extra help scheme, Kreps (2012) emphasises the need to ask key questions about who any given audience is likely to trust, typically talk to or seek advice from. As identified in the literature, outreach partners can be broadly split into four categories:

- **National and regional organisations** that already understand and meet the needs of vulnerable groups. These include charities (for example Age UK), disability groups (for example RNIB), consumer organisations (for example Citizens Advice), local authorities, housing associations and those already offering advice on energy efficiency and fuel poverty (for example NEA, EST). In this area, E.ON found that co-branded exercises with Age UK were successful in recruiting older people to receive smart meters (around a 30 per cent versus 20 per cent uptake for E.ON only branding). Similarly, the company found it essential to work with social housing providers when delivering energy efficiency works through its former CERT and CESP obligations (NEA for DECC, 2012a)
- **Community organisations and groups** that could support locally-based initiatives and outreach. The latter may include community demonstrations and workshops, information packs left at libraries, doctors surgeries etc., and making the smart meter and IHD visible in public places (for example post offices) (Opinion Leader for Ofgem, 2011; BritainThinks for CDB, 2013). Community groups may also be useful in delivering messages in non-stigmatising settings, for example English language programmes for people from non-English speaking backgrounds (Cortis, 2012). Utilising such channels may help to promote extra help services among traditionally ‘hard-to-reach’ populations (for example minority ethnic communities)
- **Children and young people**, who could act as ambassadors for smart meters and be engaged through school settings in their role as household influencers (BritainThinks for CDB, 2013; CDB, 2013). With regard to the role of schools and young people in influencing behaviour change among vulnerable families, the successful Food for Life Partnership Programme (2011), which delivers healthy school meals in areas of social deprivation, found that improved eating habits travelled home to change purchasing and dietary decisions among parents



- **Social networks**, including friends, relatives, carers and work colleagues. These 'peers' may act as both exemplars and sources of advice and assistance on smart meters. Behavioural economics emphasises that people are influenced by the actions and decisions of those around them, who help to reinforce social norms and instigate a 'bandwagon effect' (Lunn and Lyons, 2010; Cabinet Office, 2011). Digital Outreach Ltd (2012) notes that among vulnerable groups – who may not engage with mainstream communication – 'tapping into social norms and peer to peer communications is likely to be most effective'. Similarly, a report by NEA for DECC (2013b) on the role of social networks among older people, found informal contacts of friends, family and neighbours are used most often, although carers and more formal arrangements are particularly important for older, frailer people who live alone. In the energy context, a pilot behaviour change programme designed for low income households in Australia identified the importance of 'group discussion within demographic groups for information uptake and adoption of new energy behaviours' (Hall et al., 2013, p. 4561). Such social settings may help create 'communities of practice' around energy saving. Importantly, these 'safe' forums will encourage vulnerable participants to ask questions and share knowledge and skills.

In terms of involving and empowering communities on energy, the Government has recently launched a Community Energy Strategy and has commissioned a range of pilots to build up resources and an evidence-base in this area. The main one is the Big Energy Saving Network; a Government-funded, third sector-led initiative designed to deliver outreach to vulnerable consumers on energy costs through up-skilling a volunteer network to provide assistance on issues such as switching and tariffs. In addition, the Government has funded smaller community-based trials, including: testing different approaches to providing energy saving advice in housing associations; the impact of trusted advice on managing heating controls (among social housing tenants); and, as part of the smart metering programme, a study on whether in-home energy efficiency advice has the greatest impact among vulnerable target groups when delivered by energy advice professionals (that is Groundwork's Green Doctors) or community members provided with basic training (DECC, 2014a). The results of these trials were due in summer 2014 and, although they cannot feed into the shape and form of the options presented in this report, they will help inform the way in which the options could be taken forward for piloting.

Finally, both the literature and call for evidence respondents highlighted potential risks and limitations to a community outreach approach. The most oft-cited issue was the need for partner organisations to be adequately resourced and supported. Without appropriate resourcing, geographic inconsistency in terms of the competency, skills and reach of local groups could be exacerbated. For the rollout, support to overcome these issues may take the form of direct financing, training on smart meters and energy efficiency, as well as marketing and communication tool-kits and materials (BritainThinks for CDB, 2013; EST for DECC, 2013). The literature also emphasises that when working with community groups it is important to not over-burden key individuals or organisations (Cortis, 2012). This point suggests the need for a coordinated approach between third parties and energy suppliers during the rollout.

Indeed, DECC (2012b) has already raised this issue, noting that ‘the CDB will want to facilitate and coordinate...involvement of third parties, but that Government will have a role in preparing these organisations for working with the CDB’ (pp. 5-6). DECC prefaces this comment by noting a coordinated approach is ‘not intended to preclude suppliers establishing particular partnerships to offer additional services should they wish to do so’ (p. 29).

When considering *how* the rollout should coordinate and work with third parties, a joined-up approach may be advisable. This method, reviewed below, is the final key area identified in this literature review.

### **3.1.7 One-stop-shop approach**

A one-stop-shop approach to help vulnerable people navigate complex systems has long been recognised as having merit for the British energy sector. Specifically, research (NEA for DECC, 2012a) to inform the design and delivery of advice services to vulnerable consumers for ECO and Green Deal identified significant confusion that arises from having multiple advice providers in the energy market. Research case studies found that many households are too overwhelmed by the multitude of advice and support services available to begin their customer journey.

In overcoming this problem, a good practice example of a joined-up approach is the case management system implemented for bushfire-affected individuals and their families following the 2009 Victorian Bushfires in Australia. Here, the Victorian Government Department of Human Services (DHS) offered each fire-affected household an individual case manager drawn from community, health and local government sectors. One of the principal objectives of the system was to provide a single point of contact for the services, grants and information available to people; thereby easing the administrative burden (Urbis for DHS, 2011).

In a smart meter context, offering a ‘scaled down’ version of such a single point of contact service may be a valuable component of an extra help scheme. In addition, the potential to link up extra help on smart with other energy efficiency offerings has been noted. For example, Audrey Gallacher from Consumer Futures told the Energy and Climate Change Committee (ECCC, 2013):

*We are in danger of creating yet another helpline associated with smart rollout. We have it for Green Deal, and we have it for engaging in the market and complaints. This would be a really good opportunity, given the scale of behaviour change that is required, to move to that one-stop shop.*

A joined-up approach that is already occurring on an area basis is Warm Zones. Here, local partnerships with the public, private and third sector are established to deliver an integrated and coordinated package of energy efficiency measures and advice. Established as a Community Interest Company, Warm Zones enables vulnerable residents in 14 scheme locations to receive a ‘whole house’ assessment.

This integrates energy measures with welfare and other assistance.<sup>7</sup> Further examples of joined-up and single point of contact services can be found in Section 3.2.3.

## Seven key areas to consider when designing and delivering a smart meter extra help scheme

1. Defining vulnerability
2. Establishing eligibility for services
3. Identifying and targeting eligible consumers
4. Delivering extra help services, including staff support and training
5. Providing information to meet needs
6. Engaging vulnerable consumers through community outreach
7. Facilitating outreach and service delivery through a coordinated and integrated one-stop-shop approach.

### 3.2 What do extra help schemes look like? Examples from the energy sector

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Having established general principles of good practice for the provision of extra help services, the following section aims to answer the question: what do extra help schemes look like? This begins with a review of non-financial assistance for vulnerable consumers available in the energy sector. The services included do not represent an exhaustive inventory but rather provide a broad overview of the main supplier-funded, Government-funded and third sector schemes, along with examples of good practice.

#### 3.2.1 Supplier-funded extra help: priority services register

Under licence conditions, larger suppliers<sup>8</sup> have obligations to their vulnerable energy customers to deliver additional assistance that is designed to save energy, reduce bills and meet needs. The principal non-financial extra help service available is the Priority Services Register (PSR).<sup>9</sup>

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<sup>7</sup> Individual Warm Zones generally establish a partnership with one supplier to deliver their joined-up service model (for example London Warm Zones and EDF). Enabling a joined-up approach across a larger scale and with multiple suppliers for the smart meter rollout is a challenge and one which is discussed as part of the options review at Chapter 6.

<sup>8</sup> Obligated suppliers are those who have more than 250,000 domestic customer accounts and supply more than certain specified amounts of electricity or gas. Distribution Network Operators (DNOs) also have social obligations and Ofgem is keen for them to take a more strategic and joint working approach in considering the requirements of vulnerable and fuel poor customers. However, DNOs' social obligations are not detailed in this report due to the greater relevance of supplier schemes in the context of a supplier-led rollout.

<sup>9</sup> Under European Directive 2009/72/EC concerning common rules for the internal market in electricity EU Member States are required to take measures to protect vulnerable customers in the electricity



Funded and delivered by individual energy suppliers, the PSR is an opt-in service targeted at customers who are of pensionable age or have a disability and/or long-term illness. Customers can generally register with their suppliers through a range of channels, including by phone (free call 08 numbers), online and via post. Customers must register separately with their gas and electricity suppliers (if different) and re-register if they switch suppliers.

With regard to advertising the service, companies have a duty to publicise it to their customers at least once a year. Many also have dedicated sections on their websites, although there is considerable variance in how easy information is to find and access. Companies are also free to brand their PSRs differently, and as such names vary, for example 'Careline' and 'Warm Response'.

Free services offered as part of the PSR include:

- Cooperating with network operators to provide advance notice of planned power interruptions and details about when energy supplies will be restored
- Priority in an emergency (for example the provision of alternative heating and cooking facilities during a supply disconnection)
- 'Knock and wait' service, identity cards and password protection scheme (to guard against bogus callers and assist with home visits)
- Bill nominee scheme (upon agreement, a customer's bill can be sent to a third party, for example a carer or family member)
- Meter re-siting to improve accessibility
- Fitting appliance controls and adaptors for those with visual or dexterity impairments
- Quarterly meter reads
- Accessible information (for example Braille, large print and audio).

At the end of 2012, there were 2.38 million electricity accounts and 1.88 million gas accounts registered on suppliers' PSRs (Ofgem, 2013b). Data provided to Ofgem shows that of the electricity and gas customers on PSRs, 21 per cent and 24 per cent respectively were registered to receive a specific service.<sup>10</sup> The remainder may be on the PSR to 'flag' vulnerability but are not receiving an extra help measure.

Ofgem are currently reviewing the PSR (and plan to consult on it in 2014), including how take-up and targeting of services can be improved. Deliberative, qualitative and quantitative research has been undertaken by Ipsos MORI (for Ofgem, 2013a and 2013b) and BritainThinks (for Ofgem, 2013) to inform any changes to the register moving forward. The research found awareness of non-financial services offered by energy companies is low, particularly among social grades DE, who are significantly more likely to be vulnerable. Here, supplier efforts to proactively promote the opt-in service were viewed as deficient. This includes once customers are signed up to the register, with suppliers not always explaining what services they can offer and following up with the individual.

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market. The PSR has historically been used as a key way for the UK Government and Ofgem to illustrate compliance with this directive.

<sup>10</sup> Talking bill, Braille/large print, password scheme, third party billing/bill re-direction, quarterly meter reads, meter repositioning/replacement, Minicom/textphone.

In terms of eligibility for PSR services, public surveys and interviews from Ofgem's commissioned research found that people were generally supportive of a flexible model based on need. It was also noted that the current PSR category-based criteria may not capture other forms of vulnerability, for example no internet access, English as a second language. In summary, recommendations for the PSR arising from the research findings are as follows:

- Targeting those most in need (for example frail older people) with tailored messages and perhaps a one-to-one service
- Including messages on bills and following up registration through personalised letters listing all available services
- Improving advertising of the PSR, including proactive recruitment
- Establishing a universal, cross-company brand name that is easily recognisable, descriptive, sensitive (for example avoids using the term vulnerable) and considers indicating services are free.

These recommendations, and how Ofgem's review informs any changes to the PSR moving forward, will be important when considering the merits of using supplier registers to identify vulnerable consumers for a smart meter extra help scheme. Any improvement in communication of PSR services may also potentially be utilised to publicise smart meter extra help.

### 3.2.2 Supplier-funded extra help: industry initiatives

Alongside PSR obligations, suppliers deliver other forms of additional assistance.<sup>11</sup> Energy efficiency works are principally delivered as part of supplier obligations under ECO.

Other forms of support and advice are largely funded under the Industry Initiatives component of the Warm Home Discount. Currently, activities under this funding stream must be one of: energy debt assistance; energy efficiency advice; energy efficiency measures; benefit entitlement checks referrals; and energy efficiency training. Broadly, these initiatives are targeted at vulnerable consumers who are in or at risk of fuel poverty. Examples include:

- For income and benefit checks, and advice on energy debt and money management, a number of the obligated suppliers fund third party organisations to provide assistance in these areas. An example is **EDF**, which works with **Plymouth Citizens Advice Bureau Debt Helpline** to provide phone-based assistance to EDF customers
- On energy efficiency, **E.ON** has established a partnership with **Age UK** to help identify and target older, vulnerable people for additional assistance. Funded by E.ON and delivered through local Age UK branches in England and Wales, trained advisers and the charity's handyperson service offer free benefit checks and in-home energy audits to fuel poor older people on low incomes. During these visits, low-cost energy efficiency measures such as draught proofing and radiator panels may be installed. In 2012-13, 2,300 in-home visits were carried out (E.ON, 2012)
- Suppliers also fund and deliver (through Energy UK) the joint industry initiative, **Home Heat Helpline** (HHH). Targeted at consumers having difficulty paying their

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<sup>11</sup> Full mapping of supplier extra help measures is provided at Chapter 4.

energy bills and meeting their heating needs, HHH is a free (08) number and associated website offering basic energy efficiency advice. Information on other available assistance (grants, benefits, etc.) is also provided. Minicom facilities are available for those with hearing impairments, alongside the option of online chats and a call back service. A website tool, the Energy Help Checker, also supports consumers assess their entitlement to financial assistance.

Suppliers often funnel their Industry Initiative funding through their independent trust funds, set up to provide financial assistance to households in fuel poverty and fuel debt. Trust fund grants are largely awarded to help clear energy debt, purchase key household items (for example washing machines) and relieve suffering (for example bankruptcy deposits and funeral payments). In addition, the larger suppliers often establish dedicated hotlines and staff teams that provide channels for vulnerable customers to access PSR and Industry Initiative services. Examples include British Gas's Home Energy Care Team, EDF's Personalised Support Service and E.ON's Caring Energy Team.

With regard to suppliers proactively identifying vulnerable consumers to offer extra help, good practice in this area includes data matching through the PSR, those repaying debt, those on Fuel Direct or social tariffs, bill data (including energy consumption and debt levels), and working with third parties to encourage referrals. For example, British Gas monitors customer accounts for signs they are struggling (including running out of credit and self-disconnecting). This is done with a view to proactively intervening to offer assistance, where appropriate.

In terms of outreach to access identified customers, supplier good practice includes direct mailing and face-to-face support and advice. For example, ScottishPower employs a dedicated team of Community Liaison Officers to provide home visits to vulnerable customers across Scotland, England and Wales. Advice is provided on subjects such as energy efficiency and debt management. E.ON meanwhile has a dedicated Vulnerable Credit Management Team that, if necessary, provides in-home visits to discuss debt and devise repayment plans. In addition to in-house outreach strategies, suppliers also utilise a partnership approach to work with third parties in identifying vulnerable consumers and/or delivering additional assistance. Examples include:

- **Npower's Health Through Warmth (HTW) scheme.** Operating in partnership with NEA and NHS across England and Wales, HTW provides heating and insulation measures to low income homeowners who have a long-term cold-related illness. Npower uses a locally-based partnership approach to identify possible candidates by accepting referrals to the scheme from professionals in the health, social welfare, charitable and social care sectors. Eligibility is then assessed on a case-by-case basis (recipients do not have to be Npower customers). The scheme does not have a ring-fenced budget; instead funding is sought through a range of avenues. This includes grant schemes, charities and Npower's Health Through Warmth Crisis Fund
- **British Gas's Step Change Pilot.** This initiative seeks to refer British Gas customers in debt to the charity Step Change to provide holistic and 'one and done' assistance on debt. This includes the charity working with the supplier to agree an affordable payment solution for the customer's energy use.

### 3.2.3 National and local government-funded extra help

To help facilitate access to supplier-led environmental obligations ECO and Green Deal, DECC funds the Energy Saving Trust (EST) to deliver the Energy Saving Advice Service. A phone line for England and Wales (EST provides another hotline for Scotland, detailed below), the service provides a consumer gateway into the schemes, for example referral to Green Deal assessors. Calls are charged at standard rates (03 number).

In addition, and unlike England's supplier-led approach, Wales and Scotland also have Government-funded fuel poverty and energy efficiency programmes. In Wales, the Government funds Nest, which is managed by British Gas who subcontracts EST to deliver the service. Trained advisers provide information and advice on energy efficiency, financial management and best tariff and benefit entitlement checks. While the wider advice service is open to everyone, the scheme's in-home energy assessment and improvement services are restricted to home owners and private renters, those in an F or G rated property, and which is occupied by someone on a means-tested benefit. Personal Customer Managers are assigned to act as households' single point of contact for the application, assessment and installation process. The service has sought to target the most vulnerable and hard-to-reach communities (for example rural and non-English speaking households) through a partnership approach (The Welsh Government, 2013b). This includes:

- Employing Partnership Development Managers and Outreach Advisors across Wales to increase awareness of the programme among service providers and community organisations
- Accepting referrals from service providers on behalf of clients through a Partner Portal
- Targeted marketing at local authorities with high numbers of fuel poor households (including data matching through the Home Energy Efficiency Database)
- Outreach activities such as street surgeries, drop-in sessions, community fairs and direct mailing.

Complementing Nest, the Welsh Government also runs Arbed, an area-based programme that works with social housing providers through a leveraged funding model to improve housing stock in areas of social deprivation. To help households understand and receive the measures, Community Energy Wardens were trained and employed during Phase 1 of the scheme. Working with the delivery body (Warm Wales) and contractors, the wardens talked households through the benefits of measures, impact of works and provided aftercare, including home visits to help with new equipment. An evaluation report (Patterson, 2012) found that while stakeholders felt the involvement of the wardens worked well, overall there was a lack of communication about the work being carried out. The author suggested occupant education on measures needed to be improved; recommending the provision of post-install visit and advice sessions to ensure householders understood their new measures and how to optimise their use (for example Air Source Heat Pumps and heating controls).

In Scotland, the Government provides Home Energy Efficiency Programmes for Scotland (HEEPS) to address fuel poverty and improve energy efficiency in homes. HEEPS brings together a number of initiatives that utilise different funding streams

and delivery mechanisms. This includes the Affordable Warmth<sup>12</sup> component of ECO, Area Based Schemes delivered through local authorities, as well as an additional Energy Assistance Scheme for fuel poor home owners and private tenants not eligible for ECO measures. The single point of contact for consumers to enquire about HEEPS is the Home Energy Scotland Hotline, managed by EST on behalf of the Scottish Government. Like similar hotlines, it offers advice on energy efficiency, grants and works eligibility (through a Home Energy Check), best tariff and income maximisation.

At a local level across Great Britain, many councils supplement national schemes and services with their own initiatives. Specifically, the mapping exercise identified three core types of localised assistance: ECO and Green Deal Partnerships; energy advice services; and single point of contact services (refer to Section 4.1.3 for details). Examples of good practice in the local government sector include:

- Innovative partnerships to identify vulnerable residents. For example, **Liverpool City Council's Healthy Homes Programme** received funding from ScottishPower to allow the authority to work with the NHS and Liverpool Clinical Commissioning Group to develop and promote a pilot mechanism that identifies patients particularly vulnerable to cold, substandard homes. The scheme works by adding an alert to the clinical record system of patients with particular vulnerabilities, prompting GPs to ask about the patient's housing. If an issue is identified the GP can then use a form loaded onto their IT system to refer the patient into the area-based Healthy Homes Programme
- Localised single point of contact services. The **London Borough of Islington** operates the **Seasonal Health Interventions Network (SHINE)**. SHINE is a referral hub established to coordinate services designed to help tackle fuel poverty and reduce seasonal deaths and local hospital admissions. The service seeks to encourage referrals from the statutory and voluntary sectors on behalf of vulnerable households. One referral leads to an assessment for numerous interventions, including energy efficiency measures, a benefit check, a fire safety check, flu jab etc. SHINE is open to all residents in Islington, but is targeted at the most vulnerable (for example those with dementia or severe mental illness)
- Face-to-face and in-home energy advice. For example, **Doncaster Council** has a team of three dedicated **Neighbourhood Energy Officers** to provide in-home visits advising on energy related matters, including grants, benefit checks etc. The team adopt a proactive approach to identifying and accessing vulnerable people. This includes door knocking neighbourhood areas (targeting households receiving income-related benefits) and accepting referrals from other services to capture those most in need and who are unlikely to accept unsolicited advice.

### 3.2.4 Third sector extra help

Alongside supporting many of the supplier and Government-funded schemes detailed above, third sector agencies also lead on designing and delivering extra help services. Funding is leveraged from a variety of sources. Good practice examples at a national, regional and local level are detailed below.

- **Citizens Advice Bureaux (CAB)** provides independent advice to consumers to help them access and understand the energy market. It works to reach vulnerable

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<sup>12</sup> Also known as the Home Heating Cost Reduction Obligation (HHCRO).



consumers at a local level through providing information from over 3,500 nested locations in England and Wales. This includes GP surgeries, hospitals, community centres, courts and mobile services for rural and isolated communities. It has also successfully established partnerships with other organisations to provide consumer advice. For example, through the Energy Best Deal Campaign, CAB engaged networks such as housing associations to directly reach consumers and frontline staff about energy saving matters. Face-to-face sessions were found to be particularly successful in educating vulnerable consumers on energy efficiency and income maximisation strategies (CAB, 2012)

- **National Housing Federation (NHF) Count Us In** project. This project ran for two years with funding secured from the Oak Foundation and support also provided from British Gas. It worked through housing associations to engage tenants in energy behaviour change through a number of pilot programmes (including smart metering). Across the case studies one-to-one home visits (including home energy audits and individual energy action plans) were consistently found to be the most effective means of supporting residents institute change (NHF, 2012). While more effective than passive interventions (for example leaflets), it should be noted that this approach was found to be both costly and resource intensive.
- **Glasgow Home Energy Advice Team (G-HEAT)** delivered by the social enterprise **Wise Group**. With support from a range of partners, including Glasgow City Council and ScottishPower Energy People Trust, Wise Group deliver in-home advice on energy related matters targeted at the fuel poor. G-HEAT reaches its target group through both customer-facing marketing and engaging third partner agencies to refer clients. Feedback from the HEAT team provided to NEA (for DECC, 2012a) identified a face-to-face approach as key to maximising understanding and minimising misconceptions on energy. Furthermore, advertising the scheme through local 'success stories' was found to be most effective.
- Environmental charity **Groundwork** delivers in-home energy advice visits through its **Green Doctors scheme**. An example is the **PACT Project** in the area of Manor House, London. Vulnerable residents are targeted through door knocking, volunteers and word-of-mouth for an in-home visit providing advice on energy efficiency and installing low-cost energy and water saving measures. Behaviour change has been successfully facilitated through encouraging householders to make personal pledges (for example to wash their clothes at thirty degrees) which are then recorded and subsequently monitored in follow-up visits. Feedback provided to NEA identified simple forms of assistance as being particularly effective, including teaching people how to read their meter and use their heating system properly. In addition, the visits have had a significant value-add through linking vulnerable customers into other sources of extra help. This includes the Warm Home Discount and a local fire safety check. On referrals, Groundwork London emphasises the importance of handholding customers through the process.

### 3.2.5 Smart meter-specific extra help

To date, more than a million smart-type meters have been installed across Great Britain. Quantitative tracking by Ipsos MORI for DECC (2014) finds the majority of bills-payers (60 per cent) report to be aware of smart meters while a smaller majority (53 per cent) neither support nor oppose the rollout. There may however be

confusion about what exactly constitutes a smart meter, particularly with regard to the difference between basic energy monitors and smart meters and their associated IHDs. In building consumer understanding of and support for smart metering lessons can be drawn both from the UK and installation programmes in other countries. Broadly, the evidence suggests that public engagement and advice on smart meters – whether targeted to vulnerable households or not – should:

- Clearly explain the benefits of smart metering (Opinion Leader for Ofgem, 2011; SmartGrid GB, 2013) but without over-promising (BritainThinks for CDB, 2013), for example suggesting cost savings that may lead to disappointment (FDS for Ofgem, 2010)
- Be coordinated by a central independent body with a non-commercial, recognisable brand and whose overarching message is complemented by information tailored to individual and household needs (BritainThinks for CDB, 2013; CDB, 2013)
- Be clear, concise, consistent and easily accessible with additional information sign-posted to address questions and any misconceptions (BritainThinks for CDB, 2013)
- Engage third parties (including trusted intermediaries, peers, experts and opinion leaders) early on to foster meaningful ownership and involvement (DECC, 2012b).

In terms of support specifically specially tailored for vulnerable consumers, evidence from previous pilots and programmes highlights good practice at several key stages of the installation process. In particular, NEA (for DECC and Consumer Focus, 2012; NEA for DECC, 2013a) interviewed consumers who received a smart meter as part of suppliers' 'Go Early' trials. Research was undertaken with a view to better understanding consumer vulnerability before, during and after installation. Findings from these (*Smart for All*) and other reports are detailed below.

### Pre-installation

When identifying vulnerable consumers, *Smart for All* recommends that suppliers utilise but not rely on their PSRs. Furthermore, the report notes that the installation visit itself may be an important opportunity to update and improve vulnerability registers. As such, both office and field staff should be trained to carry out vulnerability assessments prior to and during installation (as per SMICoP requirements). For example, a smart meter trial in Northern Ireland ran a one-day training programme for installers on how to communicate effectively with low income and fuel poor households. Feedback from this trial suggested the installation visit itself was an important opportunity to build rapport and trust with a vulnerable client. As such, it was critical installers were appropriately trained in 'soft' communication skills to provide a positive experience.

When booking the installation appointment, *Smart for All* recommends that suppliers provide a dedicated pathway for vulnerable consumers. In the rollout's Foundation Stage, E.ON has established such a pathway. This includes offering a 'Smart Support Coordinator' to act as a single point of contact to help guide the customer through the installation process.

## Installation

The need for additional time to install and explain the meter and IHD to vulnerable consumers is highlighted in the literature. Citizens Advice argues that rollout deadlines should not be rigidly adhered to at the expense of meaningful consumer engagement (ECCC, 2013). *Smart for All* meanwhile notes that tailored visits should be part of a supplier-led rollout that does not incentivise installers based on a meter count per day basis. The report also recommends that during the IHD demonstration the installer should seek to address any anxieties among certain vulnerable consumer segments (for example older people). This includes explicitly stating that the IHD itself is not costly to run and that the red traffic light does not mean that appliances should necessarily be turned down or off. Furthermore, and as part of the demonstration, all installers should request householders complete a task using their IHD, with a view to improving information retention and engagement.

## Post-installation

*Smart for All* recommends that vulnerable consumers receive a staggered follow-up service. The report suggests mail outs and phone calls to address queries and concerns are provided one to two weeks, three months and six months following installation. E.ON currently provides a post-installation follow-up call as part of its vulnerable customer journey. A smart meter trial in Northern Ireland meanwhile found that unprompted follow-up calls (by University of Ulster Researchers) helped to build a relationship and increase trust between the consumer and service provider.

In addition to direct contact, the *Smart for All* study recommends a free help line (including from mobiles) should be available post-installation and the number printed on the smart meter and IHD. The option of in-home follow-up visits was also raised by some participants in a consumer panel on smart metering (Opinion Leader for Ofgem, 2011).

With regard to support to realise potential energy savings from smart meters, it is noted in *Smart for All* (2012) that 'caution should be exercised to ensure customers in vulnerable situations are not overloaded with information' at the installation stage (p. 60). As such, the period post-installation may provide the best opportunity to engage consumers with more complex behaviour change messaging. This may also help address any 'backgrounding' effect where smart meters become marginalised once initial changes in consumption patterns are normalised (Hargreaves et al., 2013). Here, UK trials engaging vulnerable households with smart meters provide useful insights.

- Both the **Energy Demand Research Project** (EDRP, managed by **Ofgem on behalf of DECC**) and **Relish** (Residents 4 Low Impact Sustainable Homes), a works and energy advice programme undertaken in social housing by the provider **Worthing Homes** and its partners, supports a behaviour change approach that provides smart meters and IHDs in combination with bespoke advice services. EDRP found that advice was best received when provided in small and regular amounts. Furthermore, messages should be tailored to meet individual and household needs, for example about personal budgeting (AECOM for Ofgem, 2011). Relish meanwhile found that residents were most successful in reducing energy use when smart meters were combined with an education



programme designed for specific household profiles, for example a 'high energy user' (Worthing Homes, 2011)

- **EST Scotland's Smart Metering Advice Project** developed a web-tool to enable project participants to access their smart meter data. This tool was also used by HEEPS programme staff to provide the households with specialised energy advice. Tips and information were delivered via email, phone-calls and, in some instances, in-person. A survey of participants found the majority felt the main benefit of the smart meter and web-tool was an ability to better track their energy use (Natural Scotland and EST, 2013). More broadly, the research indicated opportunities to integrate smart metering data with Scotland's existing HEEPS infrastructure
- The **Northern Ireland Smart Meters Smart People** trial conducted in-home post-installation energy efficiency audits with around 50 low income and fuel poor consumers. Occurring one to two weeks after installation, consumers were provided at this time with a 'welcome pack' containing low-cost energy efficiency products, including a standby-off plug. In addition, consumers were contacted unprompted once a month and quarterly newsletters were sent to participants. Feedback found that smart meters were readily accepted when provided in combination with such care and support services (University of Ulster, 2012). Households were particularly receptive of the energy audit and 'welcome pack' products
- **SHIMMER** was a pilot scheme with 18 households led by **EST and the London Rebuilding Society**. Funded by the Technology Strategy Board, it used smart meters to help fuel poor and low income households manage their energy consumption and finances more effectively. The scheme found that greatest cost and energy savings were achieved when smart meters were combined with financial literacy support (EST and London Rebuilding Society, 2011). This included a household money management tool to:
  - a. optimise income through benefit checks
  - b. ensure households were on the correct tariff
  - c. provide budgeting support to control daily finances
- The **Smart Communities Project**, led by **Kingston University** and run with local residents of north Kingston upon Thames in London, offered free OWL energy monitors (*not* smart meters) to project members to help them monitor their energy use. The monitor was combined with community action, social marketing and home visits. The latter were deemed to be most successful when providing bespoke and practical demonstrations, as opposed to generic tips and advice. The project organisers did emphasise that such visits can be time consuming however, and difficult to scale up (DECC, 2014a).

### Information provision

The literature (for example FDS for Ofgem, 2010; DECC, 2012b; NEA for DECC and Consumer Focus, 2012) generally indicates that information and instructions on the smart meter and IHD should be:

- Clear (use non-technical language)
- Concise (for example an A4 sheet, not a lengthy instruction manual)
- Cater to a range of learning needs (including languages other than English, visual and hearing impairments)
- Utilise alternative formats.

There is clearly room for suppliers and third parties to be innovative in both the way smart metering data is used (with consumers' consent) and the formats through which information is communicated. For example, British Gas provides its customers who have smart meters with 'Smart Energy Reports'. These use a customer's metering data to offer more bespoke energy efficiency advice. In terms of information formats, a good example is Northern Ireland's Smart Meters Smart People trial. NEA Northern Ireland and University of Ulster produced a *How to use the IHD* booklet for consumers. Written in plain English, headings were presented as key questions (for example 'How much money do I have left in the SMART meter?') and answers were complemented by diagrams and illustrations.

The manual came in A4 and A5 size, with the latter laminated and designed to sit next to the IHD for easy access. As part of this trial, consumers were also provided with small gifts to act as friendly reminders. An example is fridge magnets which were branded with the key message, 'Monitor, manage and make the change'. Finally, ongoing messaging was provided to consumers via quarterly newsletters. This was the most favoured communication medium among participants (above the website). Specifically, the newsletter section 'What other customers are saying', which provided anonymised tips from the target group, was very well received (University of Ulster, 2012). This finding indicates the importance of communicating to vulnerable consumers through peers, as opposed to experts.

#### Lessons for an extra help scheme

In summary, this review of vulnerable consumers' experiences of smart metering has identified some lessons to address and which we return to in (and have helped inform) the options and recommendations sections in this report. They are:

- A vulnerable consumer is provided with a dedicated pathway to receive a smart meter
- Suppliers make use of existing vulnerability data to identify consumers that could potentially benefit from being serviced through a dedicated pathway for the installation process. This includes the PSR but also could incorporate the Warm Home Discount Core Group
- The booking appointment and installation visit is used to improve supplier information on a consumer's vulnerability profile and update vulnerability registers accordingly. To facilitate this it is critical that customer-facing staff have adequate training on vulnerability, including a focus on 'softer' communication skills to build up the rapport required with a consumer for them to share personal information
- Adequate time is spent with a vulnerable householder for the installation appointment and IHD demonstration and that any extra time necessary is not disincentivised through suppliers prioritising installs per day over consumer experience
- Staggered aftercare is provided, including direct contact by phone, a free call line (from mobiles and landlines) and initiatives to support behaviour change. The latter may benefit from incorporating smart metering information and advice with more bespoke and face-to-face support on energy and financial literacy.

### 3.3 What do extra help schemes look like? Examples from outside the energy sector

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The next and final section of this literature review turns to extra help schemes outside the energy sector. Examples are primarily provided from the communication and water industries, along with some relevant case studies from finance and health.

#### 3.3.1 Communication

##### Digital UK Switchover Help Scheme

In the communication sector, Digital UK and the associated Switchover Help Scheme is often cited as a good practice example of supporting vulnerable consumers. In particular, it is viewed as relevant to the smart meter rollout due to the requirement for a home installation task and comparable delivery scale.

Running on a UK-wide regional basis from 2008-2012 (trials and pilots were conducted from 2005-2007), the purpose of the Switchover Help Scheme was to support identified vulnerable people switch over their TV set from analogue to digital. The scheme occurred in the context of a nation-wide conversion to digital TV and was based on the principle of 'leaving no one behind' (Digital UK, 2012). While the wider switchover was delivered by Digital UK – an independent, not-for-profit organisation set up by the public broadcasters to implement the conversion – the Help Scheme was run by the BBC and funded from a ring-fenced portion of its public licence fee. The BBC set up a subsidiary, DSHS Ltd, to administer the scheme who contracted Carillion Energy Services Ltd (in a competitive procurement process) to deliver the service.

The scheme itself was designed by the Government and had legal and regulatory underpinning through a Scheme Agreement between the Secretary of State for Culture, Media and Sport and the BBC. Eligibility for a help package was set at those aged 75 or over, entitled to disability living allowance, attendance allowance, constant attendance allowance, mobility supplement, living in a care home for six months or more, or registered blind or partially sighted. For that eligible cohort a £40 help package was available but free for anyone in receipt of pension credit, income support or income-based jobseeker's allowance. Those eligible were identified and contacted about the Scheme from information provided by the DWP (age and disability benefits) and local authorities (registered blind and partially sighted). DSHS controlled data for the scheme and, where necessary, information was shared with digital suppliers. To enable this data sharing new legislation in the form of the Digital Switchover (Disclosure of Information) Act 2007 was implemented.

##### *Measures offered*

The Help Scheme provided a standard assistance package including digital equipment, installation and aftercare. All those eligible (around seven million households) were contacted by direct mail six months prior to switchover in their area. Up to two reminder letters were also sent. Interested consumers could then apply for the package via a free (08) call line, post, textphone, email or online. Face-to-face support was also an option for people with complex needs. In arranging the installation, special requirements for the appointment were discussed (for example time preference, password scheme, third party presence, sign language interpreter),

along with an individual's preferred information format. Help Scheme material was available in Braille, Easy Read, large print, audio, video and 10 different languages. A letter to confirm the appointment date was then sent and individuals were also contacted by phone the day before the appointment. Both call centre staff and installers were trained in communicating with vulnerable groups, for example speaking slowly when requested. Furthermore, a code of service was formalised in the Help Scheme's Standards Booklet. Regarding after care, a call centre service including technical advice, replacing equipment and instructions was available for 12 months after installation.

### *Communications and outreach*

To advertise the subsidised assistance package, the Help Scheme ran an extensive publicity campaign. This was delivered together with Digital UK and informed by extensive testing and research to identify tailored messages for target groups. Importantly, the Help Scheme complemented but was distinguishable from the switchover's mainstream advertising. Here, unique messaging was achieved through 'Digit AI' – a figure that sought to visualise help. Imagery was also used that reflected identified population segments (for example older people) and, in addition, the help service employed a distinct colour scheme. The marketing strategy adopted a clear and simple 'say it and see it approach'. This was designed to first make consumers aware of the extra help available and second provide the free call number to ring (Digital UK, 2012). The campaign also directly targeted peers through a 'Helping Hand' campaign. This encouraged friends, family and neighbours to tell their eligible contacts about the scheme. Finally, communications were tailored to minority ethnic audiences (including language, ethnic media, and imagery) and used highly localised channels and formats to reach vulnerable audiences. Examples included regional leaflets, ATM machines, outdoor posters, libraries, post offices, pharmacy bags, beer mats and Meals-on-Wheels.

Complementing the media campaign, a far-reaching outreach and partnership programme was developed and delivered, targeted at three levels (BBC, 2010):

- Statutory authorities (for example social and healthcare services), including running roadshows, digital clinics in hospitals, libraries etc. and providing training to local police forces
- Voluntary and third sector, with Digital Outreach Ltd set up by Age UK, CSV and CEL Group to train and work with a primary charity in each region. Together, they then identified, trained and worked with volunteers and smaller community organisations and regional charities to publicise the Help Scheme at local events. For example, Community Action Hampshire was engaged to deliver outreach for the Help Scheme in the Meridian West TV region. It worked with 19 delivery partners (through a small grants model) to cascade information to priority individuals. Initiatives included Advice Point days, stakeholder events and one-to-one conversations. For those involved in community outreach work, a pack (DVD, promotional material) and open source brand assets were available
- 'Communities Programme'. This specialised initiative was designed to influence those identified through ongoing consultation and research as the hard-to-reach '5 per cent' of eligible consumers: individuals without strong support networks and unlikely to access information via mainstream channels. This cohort were likely to be socially isolated, resistant to change and people who 'don't do technology', for

example women 55+ living alone (Digital UK, 2012). For this segment, the Help Scheme utilised a volunteer-based, word-of-mouth approach; training individuals and ‘trusted voices’ in communities to act as ‘community champions’ – publicising the scheme to their vulnerable contacts. Examples included local shopkeepers, hairdressers, carers and GPs.

### *Costs and take-up*

Overall, £600 million was ring-fenced in the BBC’s<sup>13</sup> licence fee for the Help Scheme. This covered: in-home services and the assistance package; the call centre; media and advertising; outreach; and PR (BBC, 2010). Cost modelling for the scheme was based on an estimate of around seven million eligible households (28 per cent of all households) and a total take-up of 4.7 million households (National Audit Office, 2008). At the end of the 2009/2010 financial year spending on the Help Scheme was £78 million (BBC, 2010). DSHS estimated a total expected underspend of around £300 million (Communications Committee, 2010). In total, 1.3 million of the seven million eligible applied for the additional assistance package (BBC, 2012). This lower-than-expected take-up and subsequent underspend is complex and may be attributed to a number of factors. They include identified vulnerable consumers making the switch independently, supported by an extensive communication and outreach campaign (Digital UK, 2012). In addition, it should be noted that a large portion of those eligible (that is those not on means-tested benefits) had to pay £40 for the in-home service. This cost, combined with a reduction in the price of the set-top boxes over time, may have contributed to householders preferring to purchase their own equipment (Communications Committee, 2010).

### *Lessons for the smart rollout*

Clearly, lessons can be drawn from the design and delivery of the Help Scheme and Switchover Programme for the smart meter rollout. Those identified by Digital UK (2010) include:

- Offering a safety net providing practical support for vulnerable consumers that in turn enables public support for a wide-scale change programme
- Layering communications at a national, local and community level
- Mobilising existing third sector infrastructure to cascade messages through trusted sources to target groups
- Having sufficient and safeguarded funds available to provide confidence over a project’s success and avoid use by competing sources.

It is also apparent that there are limitations however when using the Help Scheme as a model for any smart meter extra help service. Specifically, and as raised by stakeholders, the following differences are notable:

- Digital UK/BBC was solely responsible for delivery, thereby minimising confusion. The smart meter rollout is supplier-led and as such the programme poses challenges for one of Digital UK’s (2010) lessons on governance: to provide a ‘single-purpose, centralised delivery model’

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<sup>13</sup> Using the BBC as a financing mechanism was criticised in some sectors (for example Select Committees), who recommended the scheme should be paid out of general taxation.



- The switchover was conducted on a regional basis, making it potentially easier to engage the voluntary sector and locally-based organisations at specific time points. The smart meter rollout is unlikely to proceed (at scale) on an area basis
- The task was simple and one-off – to switch over a TV set. Smart metering requires engaging consumers around ongoing behaviour change
- There was no need to visit every home. The rollout is seeking to gain access to every domestic property across Great Britain
- There were consequences of doing nothing (a blank TV set). Accepting a smart meter is not mandatory and the energy will not be cut off if a consumer refuses.

#### 'Go ON' digital inclusion campaign

Moving from a digital switchover to digital inclusion, the 'Go ON' campaign provides useful insight on supporting vulnerable individuals come to grips with new technology. Targeting UK adults, businesses and charities, Go ON UK is an alliance seeking to empower individuals and organisations with the tools and materials to digitally up-skill other community members. Founding funders include Age UK, BBC, Big Lottery Fund and E.ON.

Go ON UK Ltd has overall responsibility for directing the alliance. As part of the campaign, a notable resource on Go ON's website is an interactive UK-wide map that people can add to and which provides functionality to search for computer and internet access, digital champions and local organisations teaching digital skills. Such organisations are supported through a partnership model that is currently being rolled out regionally. For example, Go ON North West and Go ON Northern Ireland are campaigns engaging local and national partners to make use of the website's resources to help others get connected. The campaigns are geared around reducing the number of offline adults in the target areas. At a local level, support is varied and may range from IT drop-in sessions to in-home support.

Alongside the obvious lessons for the rollout of engaging savvy and enthusiastic partners and volunteers to teach smart skills, there may also be potential in leveraging some of the ideas behind the online resources. In particular, an open-source map detailing local initiatives may have merit for the energy sector. Such a resource could support organisations and individuals to link into potential sources of support on smart metering, fuel poverty and energy efficiency.

#### **3.3.2 Water**

Similar to energy suppliers' social obligations, water companies are also required to maintain and keep up-to-date special assistance registers. These target individuals who are disabled, chronically sick or of pensionable age. Eligibility is not strictly policed however and the registers and associated services are in fact open to anybody with specific needs. Assistance offered closely resembles that in the energy sector, including alternative information formats, nominated correspondent, password scheme, etc. In terms of improving the registers through proactive recruitment and enhanced service provision, both the literature (Consumer Council for Water, 2010; NEA for DECC, 2012a) and respondents to the call for evidence identified some 'big wins'. These include:

- Working with community and consumer organisations, national charities, local authorities and housing associations to disseminate promotional material. For

example, water companies have had success through making contact at food banks and via debt advice agencies

- Cross-promotion through providing information on special assistance services in social tariff packs (for example WaterSure)
- Illustrating the benefits of extra help through ‘scenario’ marketing. For example, Northumbrian Water successfully promotes their register through their customer magazine, ‘The Source’. They do so by alerting householders to situations that may prompt them to consider their vulnerabilities, for example ‘Would you know what to do if your water needed to be turned off?’
- Adopting a holistic approach to extra help through using a dedicated team to manage the special assistance register and other services such as WaterSure and trust funds
- Messaging on bills and proactive recruitment by call centre staff. The Consumer Council reiterated this point in its response to the call for evidence. In particular, the organisation noted that water companies are most successful in engaging households through direct contact situations. As such, and in terms of smart metering, this indicates the opportunity presented by the installation appointment and visit to identify and address vulnerabilities.

Alongside the special assistance registers and financial extra help (including funds and/or charitable trusts, restart schemes/debt relief and social tariffs) the installation of meters in the water sector is particularly relevant to this report. A notable example of extra help in this area is Southern Water’s Green Doctor Scheme. Delivered in combination with its Universal Metering Programme across South East England (where all Southern Water customers are being switched to metered services) the scheme provides extra help to households who are placed on the company’s Support Tariff. This is a payment option for low income customers who face higher bills when they move to metered charges. Southern Water estimates this tariff, and the associated Green Doctor Scheme, is applicable for approximately 31,000 customers. Among this target group take-up of the Green Doctor package is at 35 per cent (Southern Water, 2012)

Extra help is delivered in the form of an in-home water and energy use audit carried out by ‘Green Doctors’ from the charity Groundwork. These specially trained advisers fit simple low-cost water and energy saving products (for example a low consumption shower head) and signpost to other sources of advice (for example EST). The advisers may also refer households to the social enterprise, IncomeMAX, for a benefit entitlement check. The latter has been particularly effective, securing over £1 million for customers in previously unclaimed entitlements (Southern Water, 2012).

In designing the extra help scheme, Southern Water adopted a holistic approach; providing services aimed at reducing entire household expenditure, not just water bills. This was done with a view to encouraging greater consumer buy-in to the scheme, and thereby support for water metering. It is this example of an additional package of measures – delivered by trained experts – that could prove useful when considering how to enable smart meters to penetrate the most vulnerable households. It should be noted that Southern Water was prompted to offer such a package through the potential for adverse consumer reaction arising from an increase to some low income customer’s bills under a move to metering. Citizens

Advice does not want the energy industry to await such a prompt in their sector; active intervention and support is necessary if consumers are to use the information provided by smart meters and IHDs to save energy and lower their fuel bills.

### 3.3.3 Other

Alongside initiatives from the communication and water sectors, good practice examples of extra help can also be found in areas such as finance and health. Detailed below are case studies cited in the literature and/or call for evidence.

- **IncomeMAX Benefit Entitlement Check Service.** A Community Interest Company, IncomeMAX supports low income and vulnerable households in the UK to maximise unclaimed benefits. The aim is to work with businesses and other agencies to address vulnerable customer's financial and debt problems through providing free holistic advice. The approach seeks to maximise income, instead of immediately placing customers under further financial pressure by way of unsustainable repayment plans. Furthermore, its business model provides a one-stop-shop for those unable to navigate the complex and fragmented benefits system. Clients are referred to telephone/email-based trained advisers via commissioning partners, including Southern Water, EDF Energy, Thames Water and London Warm Zone. Since its launch in 2009, IncomeMAX (2012) has achieved £2 million in savings for clients. Its one-to-one, personalised advice model is viewed as a particularly good approach for vulnerable households
- **Lessons from the health and care sector** are particularly useful for understanding how to support the most hard-to-reach individuals. The report 'In it Together' (LGA and CSDG, 2009) emphasises the importance of a partnership approach between local authorities and service providers for children and young people with complex needs and challenging behaviours. Facilitating open and timely channels of dialogue with councils helps providers make effective care decisions that best serve local communities, avoid service gaps and encourage innovative solutions tailored to individual circumstances. Furthermore, successful outcomes often involve vulnerable clients in the development and delivery of their own care plans. These findings obviously apply to more intensive and challenging services than a smart meter extra help scheme is designed to provide. Takeaway lessons are still evident however. In particular, multi-agency communication to develop relationships that can appropriately target and support consumers for smart meter extra help. And importantly, considering how the smart experience for vulnerable consumers can position them as active partners, not passive recipients, of the new technology.

A synthesis of key findings from this chapter can be found in the foreword to this report. Informed by these findings, and the following mapping exercise, the remainder of this report reviews four approaches for a smart meter extra help scheme.



## 4 Mapping of fuel poverty and energy efficiency schemes

In order to assess the potential for an extra help scheme to join up smart metering with wider social and environmental initiatives, a mapping exercise was undertaken to understand the fuel poverty and energy efficiency landscape in Great Britain. This exercise had two objectives:

- To identify existing fuel poverty and energy efficiency schemes and map what extra help measures these schemes offer, which consumers are targeted, who funds the schemes and how much funding is available and/or expended
- To identify schemes and/or local authorities that are undertaking or have plans to undertake an area-based approach to delivering energy efficiency works programmes.

Presented below are the results of this mapping.

### 4.1 Existing schemes to address fuel poverty and energy efficiency

Using data collected from the evidence review, existing schemes to address fuel poverty and energy efficiency were identified and mapped. Schemes were split into those funded by Government, the ‘Big Six’ obligated suppliers, along with initiatives developed and delivered at a local level. It should be noted this exercise cannot claim to have mapped all schemes, particularly those led by local authorities and community groups. This type of assistance is many and varied, can be difficult to identify and is often subject to change. Instead, the mapping gives an idea of the extent and form of extra help available.

#### 4.1.1 Government-funded schemes

##### UK Government

**Table 1. UK Government-funded schemes to address fuel poverty and energy efficiency**

Scheme	Measure type	Target group	Funding / expenditure
<b>Winter Fuel Payment</b>	Financial assistance (payment)	Pensioners	£2.1bn spent 2012-13
<b>Cold Weather Payment</b>	Financial assistance (payment)	Low income pensioners Low income disabled / household with a disability Low income household with children (Qualifying benefits)	£146m spent 2012-13

Scheme	Measure type	Target group	Funding / expenditure
<b>Energy Saving Advice Service (ESAS)</b>	Energy advice phone line	English and Welsh households	£12.68m spent by DECC on administering Green Deal April 2011 – July 2013 and £3.74m on marketing Green Deal April 2011 – July 2013*  *Not specified if these figures include ESAS costs

Source: DWP, DECC

Across Great Britain, the UK Government funds and delivers extra help in the form of direct payments to households, specifically, the Winter Fuel Payment (WFP) and Cold Weather Payment (CWP). The Warm Home Discount (WHD) scheme is funded by obligated suppliers and covered at Section 4.1.2. Payments under both Government-funded schemes are for the most part automatic and have not been considered in the context of linking explicitly to a smart meter extra help scheme.

Whereas the WFP is aimed at all pensioners, including those who would not be considered vulnerable, for example living on a comfortable income and with no additional or complex needs, the CWP uses a benefits-based proxy to identify households containing both an element of financial vulnerability and vulnerability based on personal circumstances and characteristics. Those targeted fall broadly into three categories:

- Low income pensioners
- Low income disabled/household with a disability
- Low income household with children.

This eligible cohort and the associated benefits proxy are used by Government to identify and target fuel poor households. Similar criteria are also employed to define the ECO Affordable Warmth Group (AWG, private tenure only) and the WHD Broader Group. On the AWG DECC (2014c) has stated that 'we remain of the opinion that this [benefits] proxy is the most appropriate, deliverable and easily understood approach currently available [to identify fuel poor households]' (p. 47). As such, where a smart meter extra help scheme includes measures designed to alleviate fuel poverty, adopting a similar eligibility criteria to that employed for the CWP group (all tenure) or AWG (private tenure) would – within the current landscape – help align the scheme to existing fuel poverty initiatives. However, as explored in more detail in Option 2, there is a substantial cohort of fuel poor households (LIHC definition) living in inefficient (F and G rated) housing stock that are not captured under a benefits proxy. For any element of a smart meter extra help scheme designed to assist the fuel poor, in particular the installation of low-cost energy efficiency measures under Option 2, there may therefore be benefit from building a degree of flexibility into an eligibility criteria that aligns with an ECO AW or CWP group.

Alongside financial assistance, the second key measure funded by UK Government is an energy advice phone line, ESAS (England and Wales only, Scotland is served through HEEPS – see below). This phone line is designed to provide consumers with a clear Government-endorsed access route to ECO, specifically the Affordable Warmth (AW) element. In turn, obligated suppliers receive referrals identifying individuals eligible to receive ECO AW measures. Government intends to safeguard this service in the changes to ECO arising from the 2013 Autumn Statement. This service is already using DWP data to verify eligibility for ECO AW. If extra help on smart were to align with an AW proxy an opportunity may therefore exist to use this service as one avenue to refer customers into the scheme.

### Scottish Government and Welsh Government

**Table 2. Scottish Government and Welsh Government-funded schemes to address fuel poverty and energy efficiency**

<b>Scheme</b>	<b>Measure type</b>	<b>Target Group</b>	<b>Funding / Expenditure</b>
<b>HEEPS – Affordable Warmth Scheme (AWS)</b>	Installation of energy efficiency measures	ECO AWG (Scotland only)	Supplier ECO funding to meet AW targets (see Table 3 below)
<b>HEEPS – Energy Assistance Scheme (EAS)</b>	Installation of energy efficiency measures	Private tenure households not eligible for ECO AW or HEEPS ABS (Scotland only) and one of: <ul style="list-style-type: none"> <li>• Pensioner household with no central heating</li> <li>• Living in an energy inefficient property and vulnerable / low income (qualifying benefits)</li> </ul>	£16m for 2013-14
<b>HEEPS – Area Based Schemes (ABS)</b>	Installation of energy efficiency measures	Scottish householders living in areas of social deprivation	£60m for 2013-14
<b>HEEPS – Home Energy Scotland (HES) advice service</b>	Energy advice phone line providing: <ul style="list-style-type: none"> <li>• Energy efficiency advice</li> <li>• Eligibility check for energy efficiency grants / schemes</li> <li>• Benefit entitlement check (referral)</li> <li>• Best tariff / rebate check (referral)</li> </ul>	Vulnerable and fuel poor (Scotland only)	£2.4m total expenditure 2012-13

Scheme	Measure type	Target Group	Funding / Expenditure
<b>Nest – Home Energy Improvement Package (HEIP)</b>	Installation of energy efficiency measures	Private tenure households (Wales only): <ul style="list-style-type: none"> <li>• Living in an F or G rated property</li> <li>• On a low income (qualifying benefits)</li> </ul>	£19.5m spent on measures 2012-13
<b>Nest – excl. HEIP</b>	Energy advice phone line providing: <ul style="list-style-type: none"> <li>• Energy efficiency advice</li> <li>• Eligibility check for energy efficiency grants / schemes</li> <li>• Benefit entitlement check (referral)</li> <li>• Best tariff / rebate check (referral)</li> <li>• Debt / money management assistance (referral)</li> <li>• Fire safety check (referral)</li> </ul>	Vulnerable and fuel poor (Wales only)	Not available
<b>Arbed</b>	Installation of energy efficiency measures	Welsh householders living in areas of social deprivation	£45m for 2012-15* £70m for 2014-15 & 2015-16 (£35m each year)** *£33m EDF; £12m Welsh Government **Welsh Government funding from 2014-15 budget to match suppliers' ECO funding. Funding not explicitly allocated to Arbed but expected area-based schemes run by local authorities will be key recipient of this funding.

Source: EST, Scottish Government, Welsh Government

Scotland and Wales have unique fuel poverty and energy efficiency landscapes. As mentioned in the evidence review, both governments fund their own schemes – HEEPS in Scotland and Nest in Wales.<sup>14</sup> These programmes adopt a ‘whole house’ approach to energy efficiency. Specifically, the HEEPS Affordable Warmth Scheme (AWS) and Energy Assistance Scheme (EAS) in Scotland and Nest’s Home Energy Improvement Package (HEIP) in Wales provide a combination of low-cost energy efficiency measures (for example draught proofing, lagging) and high-cost works (for example insulation and heating system repairs/replacements). Funding is leveraged in from ECO as well as using Government resources to deliver measures. Eligibility for in-house works is similar to but may differ from the ECO AWG. Broadly, both HEEPS and Nest target fuel poor private tenure households living in energy inefficient properties. Alongside the installation of energy efficiency measures, both Government-funded programmes provide energy advice phone lines. These call centres offer extra help services to a broader range of vulnerable and fuel poor households than those that may be eligible for in-house works. Specifically, six key phone-based measures are offered through Nest and HEEPS:

- Energy efficiency advice
- Eligibility check for energy efficiency grants / schemes
- Benefit entitlement check (referral to a specialist agency)
- Best tariff / rebate check (referral to a specialist agency)
- Debt / money management assistance (referral to a specialist agency) (Wales only)
- Fire safety check (referral to a specialist agency) (Wales only).

Linking into these existing initiatives in Scotland and Wales means a smart meter extra help scheme may need to adopt a unique and specific approach for these countries. This would enable such a scheme to align with HEEPS and Nest eligibility criteria and to potentially offer measures funded and available under existing infrastructure and pathways (for example a benefit entitlement check through Nest). The extent to which resources for the Government-funded programmes would need to be scaled up to service a vulnerable fuel poor element identified through the smart rollout would need to be explored.

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<sup>14</sup> The area-based components of the Government-funded schemes – HEEPS ABS in Scotland and Arbed in Wales – are addressed in Section 4.2 below.

## 4.1.2 Supplier-funded schemes

### ECO

**Table 3. Supplier-funded schemes to address fuel poverty and energy efficiency in England, Scotland and Wales - ECO**

<b>Scheme</b>	<b>Measure type</b>	<b>Target Group</b>	<b>Funding / Expenditure</b>
<b>ECO – Affordable Warmth (AW)</b>	Installation of energy efficiency measures	Private tenure households and one of: <ul style="list-style-type: none"> <li>• Low income pensioner</li> <li>• Low income disabled / household with a disability</li> <li>• Low income household with children</li> </ul> (Qualifying benefits)	£350m cost per annum (est. average)
<b>ECO – Carbon Saving Communities Obligation (CSCO)</b>	Installation of energy efficiency measures	Householders living in areas of social deprivation (England, Scotland, Wales)	£950m cost per annum for CSCO and CERO (est. average pre-changes to ECO)
<b>ECO – Carbon Emissions Reduction Obligation (CERO)</b>	Installation of energy efficiency measures	Harder-to-treat households (pre-changes to ECO)	£950m cost per annum for CSCO and CERO (est. average pre-changes to ECO)

Source: DECC

Suppliers currently fund the installation of energy efficiency measures in domestic properties through their social and environmental obligations under ECO. The AW element of ECO targets vulnerable fuel poor households living in private tenure properties (using a benefits proxy). It is the component of ECO that a smart meter extra help scheme could therefore potentially link up with and align its eligibility criteria to.<sup>15</sup> Subject to consultation, the Government plans to extend ECO AW to 2017. Funding available for the scheme is estimated at an average of £350 million per annum. For the most part, funded measures are boiler repairs/replacements and cavity wall and loft insulation. Unlike in the Scottish HEEPs and Welsh Nest schemes, a whole-house approach is not adopted and low-cost measures are generally not funded or installed.

<sup>15</sup> The area-based component of ECO – CSCO – is addressed in Section 4.2 below. CERO has undergone significant changes following the 2013 Autumn Statement. Nonetheless, it is not specifically targeted at vulnerable or fuel poor households.

## Warm Home Discount

**Table 4. Supplier-funded schemes to address fuel poverty and energy efficiency in England, Scotland and Wales – Warm Home Discount**

Scheme	Measure type	Target Group	Funding / Expenditure
<b>Warm Home Discount – Core Group</b>	Financial assistance (rebate)	Old age pensioners Low income pensioners (Qualifying benefits)	£150m spent 2012-13 £166m est. expenditure 2013-14
<b>Warm Home Discount – Broader Group</b>	Financial assistance (rebate)	Varies across suppliers but generally targeting: <ul style="list-style-type: none"> <li>• Low income pensioner</li> <li>• Low income disabled/household with a disability</li> <li>• Low income household with children</li> </ul> (Qualifying benefits)	£63.6m spent 2012-13 £134m est. expenditure 2013-14*  *Revised est. non-Core Group annual spending target
<b>Warm Home Discount – Industry Initiatives</b>	Funding for projects providing: <ul style="list-style-type: none"> <li>• Energy debt assistance</li> <li>• Energy efficiency advice</li> <li>• Energy efficiency measures</li> <li>• Benefit entitlement checks referrals</li> <li>• Energy efficiency training</li> </ul>	Customers in or at risk of fuel poverty	£21.9m spent 2012-13*  *£30m cap set by Government for annual Industry Initiative spending that can contribute toward meeting the non-Core Group annual spending target
<b>Trust Funds</b>	Financial assistance in the form of: <ul style="list-style-type: none"> <li>• Individual and families grants</li> <li>• Organisational grants</li> </ul>	Customers with energy debt Customers in or at risk of fuel poverty	Organisational grants funded principally from within £30m WHD Industry Initiative cap

Source: Ofgem

Alongside ECO, the other core funding stream through which obligated suppliers deliver their social obligations is the Warm Home Discount (WHD). The scheme runs to March 2015 with an additional £320 million committed for 2015/16. How this extra funding is to be spent has not yet been decided and will be subject to a consultation in spring 2014. Within existing regulations however, the vast majority of WHD funding is delivered in the form of rebates off electricity bills to eligible households: pensioners for the Core Group and broadly the Cold Weather Payment criteria for the Broader Group. In addition, there is £30 million available per scheme year for suppliers to fund extra help initiatives. Under current regulations, these initiatives must fall into one or more of five categories:



- Energy debt assistance
- Energy efficiency advice
- Energy efficiency measures
- Benefit entitlement checks referrals
- Energy efficiency training.

Suppliers discharge their obligations under this £30 million cap through funding a range of third party projects and partnerships. Generally, they can be categorised as:

- Cross-supplier initiative: energy advice phone line – Home Heat Helpline
- Cross-supplier initiative: energy bill assistance – Citizens Advice Energy Best Deal Campaign
- Debt assistance, money management advice and benefit entitlement checks: referral to specialist agencies, for example EDF and Plymouth Citizens Advice Bureau Debt Helpline
- Energy efficiency measures and advice: includes in-home visits and installing low-cost measures, for example E.ON and Age UK partnership home handyperson visits.

Much of the funding for projects is channelled through suppliers' trust funds which, alongside individual and family grants to relieve energy debt, provide a small amount of money to organisations for WHD Industry Initiative projects. For example, British Gas, EDF and ScottishPower trusts spent a combined total of £3.6 million on organisational grants in 2012. Overall, the vast majority of Industry Initiative funding is spent on providing debt assistance – 70 per cent in scheme year 2012-13. This serviced 22 per cent of the nearly 100,000 customers assisted under Industry Initiatives in 2012-13. Just over 50,000 – or half – benefited from energy efficiency advice (utilising 5 per cent of funding).

#### Priority Services Register

**Table 5. Supplier-funded schemes to address fuel poverty and energy efficiency in England, Scotland and Wales – Priority Services Register**

Scheme	Measure type	Target Group	Funding / Expenditure
<b>Priority Services Register (PSR)</b>	<ul style="list-style-type: none"> <li>• Advance notice planned power interruptions</li> <li>• Priority in an emergency</li> <li>• 'Knock and wait' / password scheme</li> <li>• Bill nominee</li> <li>• Fitting appliance controls and adaptors</li> <li>• Meter re-siting / replacement</li> <li>• Quarterly meter read</li> </ul>	Pensioners Disabled Long-term ill	Generally funded from within business budgets as a business-as-usual activity

Scheme	Measure type	Target Group	Funding / Expenditure
	<ul style="list-style-type: none"> <li>Accessible / alternative information formats</li> </ul>		
<b>Free Gas Safety Check</b>	Annual gas safety check	Home-owners and one of: <ul style="list-style-type: none"> <li>Low income pensioner</li> <li>Low income disabled</li> <li>Low income long-term ill (Qualifying benefits)</li> </ul>	Not available
<b>Supplier Extra Help Units</b>	Dedicated customer service team and often dedicated phone line providing: <ul style="list-style-type: none"> <li>PSR registration/services</li> <li>Energy efficiency advice</li> <li>Eligibility check for ECO</li> <li>Benefit entitlement check</li> <li>Debt assistance</li> <li>Best tariff/rebate check</li> <li>Referral / signposting to sources of assistance</li> </ul>	Vulnerable and fuel poor customers	Generally funded from within business budgets as business-as-usual activity

The third, and final, core scheme around which suppliers fund and deliver extra help is the Priority Services Register (PSR). Unlike ECO and the WHD, the PSR is not designed to alleviate fuel poverty but address vulnerabilities resulting from personal characteristics, for example frailty requiring a meter re-siting. As such, eligibility for the PSR differs from the fuel poverty-driven proxies used for the CWP and ECO AW groups. Instead, the scheme is geared toward assisting pensioners, the disabled and long-term ill (with no income threshold).<sup>16</sup> With this eligibility criteria in mind, the register may be useful for the component of a smart meter extra help scheme that is focused on assisting people access the new technology, for example ensuring the installation process meets the needs of someone with a disability. Here, the PSR could be a means to identify people for extra help. For measures that seek to integrate smart with wider energy efficiency initiatives however, a means-tested fuel poverty proxy (for example AWG or CWP) is likely to be more helpful.

<sup>16</sup> The PSR is currently under review by Ofgem, who are expected to consult on it 2014.

Complementing the PSR, most of the obligated suppliers run dedicated extra help teams. Alongside PSR registration, the teams are often a customer’s key channel into accessing supplier assistance related to fuel poverty. Specifically: energy efficiency advice; eligibility check for ECO; benefit entitlement check; debt assistance; best tariff/rebate check; and referral or signposting into third party assistance. A very small component of this support is currently delivered through in-home visits. While funding is not always clear, for the most part expenditure appears to come from within suppliers’ business budgets as a business-as-usual activity. In terms of the rollout, these extra help units could be joined up with – and where necessary scaled up for – a smart meter extra help scheme.

#### 4.1.3 Local authority and third sector-delivered schemes

**Table 6. Local authority and third sector schemes to address fuel poverty and energy efficiency in England, Scotland and Wales**

Scheme	Measure type	Target Group	Funding / Expenditure
<b>ECO and Green Deal partnerships</b>	Installation of energy efficiency measures	ECO eligible and/or Green Deal appropriate households in local authority target areas	Principally ECO funding along with household contributions
<b>Energy advice services</b>	Phone-based, face-to-face and in-home assistance on energy including: <ul style="list-style-type: none"> <li>• In-home energy efficiency advice visit / assessment</li> <li>• Installation of low-cost energy efficiency measures</li> <li>• Energy efficiency advice</li> <li>• Eligibility check for grants / schemes to assist with energy efficiency / energy bills</li> <li>• Benefit entitlement check</li> <li>• Debt / money management assistance</li> <li>• Best tariff / switching advice</li> <li>• Referral / signposting to sources of assistance</li> </ul>	Vulnerable and fuel poor residents in local areas	Funding sources include: <ul style="list-style-type: none"> <li>• Suppliers</li> <li>• Supplier trust funds</li> <li>• Local authorities / local government</li> <li>• Housing associations</li> <li>• Department of Health (previous Warm Homes Healthy People funding)</li> <li>• DECC (previous Big Energy Saving Network funding)</li> <li>• Department for Communities and Local Government (Supporting People Programme)</li> <li>• Scottish Government (Climate Challenge funding)</li> <li>• LEADER 2007-2013 Programme</li> </ul>

Scheme	Measure type	Target Group	Funding / Expenditure
			<ul style="list-style-type: none"> <li>• European Union (for example funds for rural development)</li> <li>• Comic Relief</li> <li>• Other foundations/ charitable trusts</li> </ul>
<b>Single Point of Contact services</b>	Single point of contact (for example phone line, information pack) providing information and advice on: <ul style="list-style-type: none"> <li>• Energy efficiency</li> <li>• Emergency heating</li> <li>• Eligibility check for grants / schemes to assist with energy efficiency / energy bills</li> <li>• Benefit entitlement</li> <li>• Debt / money management</li> <li>• Best tariff / switching</li> <li>• Referral / signposting to sources of assistance</li> </ul>	Vulnerable and fuel poor residents in local areas	See 'Energy advice services' above for funding sources

At a local level, fuel poverty and energy efficiency schemes provided by councils and the third sector (including community groups and charities) can be categorised into three core types of assistance:

- 1. ECO and Green Deal partnerships.** These schemes, for example Warm Up North, leverage in ECO funding to install energy efficiency measures in local government areas. They may adopt a street-by-street approach to energy efficiency and have potential to be utilised for the rollout through the fourth approach to an extra help scheme: adding a smart meter to area-based fuel poverty and energy efficiency programmes. These partnerships are mapped geographically at Section 4.2
- 2. Energy advice services.** Across Great Britain, there are a wide variety of small-scale schemes (generally serving between a few hundred to a few thousand consumers) providing advice and assistance on energy. A popular format is in-home visits offering energy efficiency advice or audits and sometimes installing low-cost measures. Examples include Wise Group Glasgow Home Energy Advice Team and Groundwork London Manor House PACT Home Project

- 3. Single Point of Contact Services.** Some local authorities offer an information portal (for example a hotline number) through which to refer vulnerable customers into assistance available on energy efficiency and fuel poverty at a local and national level. Examples include Ceredigion County Council Cymdogion Cynnes Scheme and Royal Borough of Kensington and Chelsea Healthy Homes Initiative. Broadly, the measures these schemes offer and provide referral into are: energy efficiency advice; debt and bill assistance; and eligibility checks for grants, schemes and benefits.

## 4.2 Area-based approaches to energy efficiency

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The second component of this mapping exercise sought to identify the extent of area-based activity with regard to delivering energy efficiency works programmes in England, Scotland, and Wales. This exercise was undertaken to understand what potential there is for suppliers to use area-based schemes to integrate the installation of a smart meter with a wider package of energy efficiency measures. Two maps were produced and are presented below.

**Figure 2. Local authorities that are undertaking or have plans to undertake an area-based approach to delivering energy efficiency works programmes**



Source: Produced by NEA using 2013 HECA data



The first map identifies local authorities that are undertaking or have plans to undertake an area-based approach to delivering energy efficiency works programmes. The full list of these local authorities (and any programme partners, for example Warm Zones) can be found in the Appendices. Scotland and Wales are identified on the map by their national area-based energy efficiency schemes – HEEPS ABS and Arbed respectively. ABS allocates funding to the 32 Scottish local authorities to deliver works. Under Arbed in Wales, Phase 2 of the programme up to 2015 will see two scheme managers (Willmott Dixon in North and Mid Wales and Melin Homes in South Wales) work with Wales’ 22 local authorities to install measures in properties located in deprived areas. With regard to linking up area-based activity to smart metering, this mapping suggests a specific approach should be adopted for Scotland and Wales – utilising the ABS and Arbed schemes to reach deprived areas and help them engage with and receive a smart meter.

In England, which does not have a national area-based programme, a street-by-street approach principally involves local authorities and any partner agencies leveraging in ECO, particularly CSCO, funding to deliver energy efficiency measures in areas targeted for works. The selection of project locations may be influenced by factors including high levels of fuel poverty, poor housing stock, eligibility for ECO (including CSCO) funding and multiple indices of deprivation. NEA mapped English local authorities adopting an area-based approach using the summary excel database produced for DECC of 2013 reports provided by 303 English local authorities to the Government under the Home Energy Conservation Act 1995 (HECA). Under this Act, English local authorities are obliged to report on energy conservation measures they are currently undertaking or plan to undertake. The summary matrix includes a metric identifying local authorities who have indicated plans or opportunities with regard to an area-based approach to energy efficiency and fuel poverty. It should be noted there are limitations to using this data. Specifically, information used to produce the map is based on a snapshot of area-based activity from 2013. Local authorities’ area-based plans under ECO and Green Deal will have changed since then and will alter further by the time the rollout begins in 2015. Nonetheless, the map does indicate that, in England, there appears to be regions with more area-based activity than others and, within some regions, pockets of activity concentrated in particular geographic areas. In total, the mapping identified 127 local authorities that had indicated area-based plans with regard to energy efficiency works programmes. Only a portion of those have established programmes up and running, for example Wrap up Leeds ECO Scheme. Presented below are results by region identifying any sub-regional geographic concentration.

**Table 7. English local authorities identified to have area-based plans and/or approaches to energy efficiency works programmes**

	Number of local authorities	Geographic concentration within region
East Midlands	22	North-east and south
North West	21	South
South East	19	Dispersed
East of England	17	Dispersed
London	13	Central and north
Yorkshire & The Humber	11	South-east
North East	10	East
South West	8	Dispersed
West Midlands	6	West and south

Source: NEA analysis using 2013 HECA data

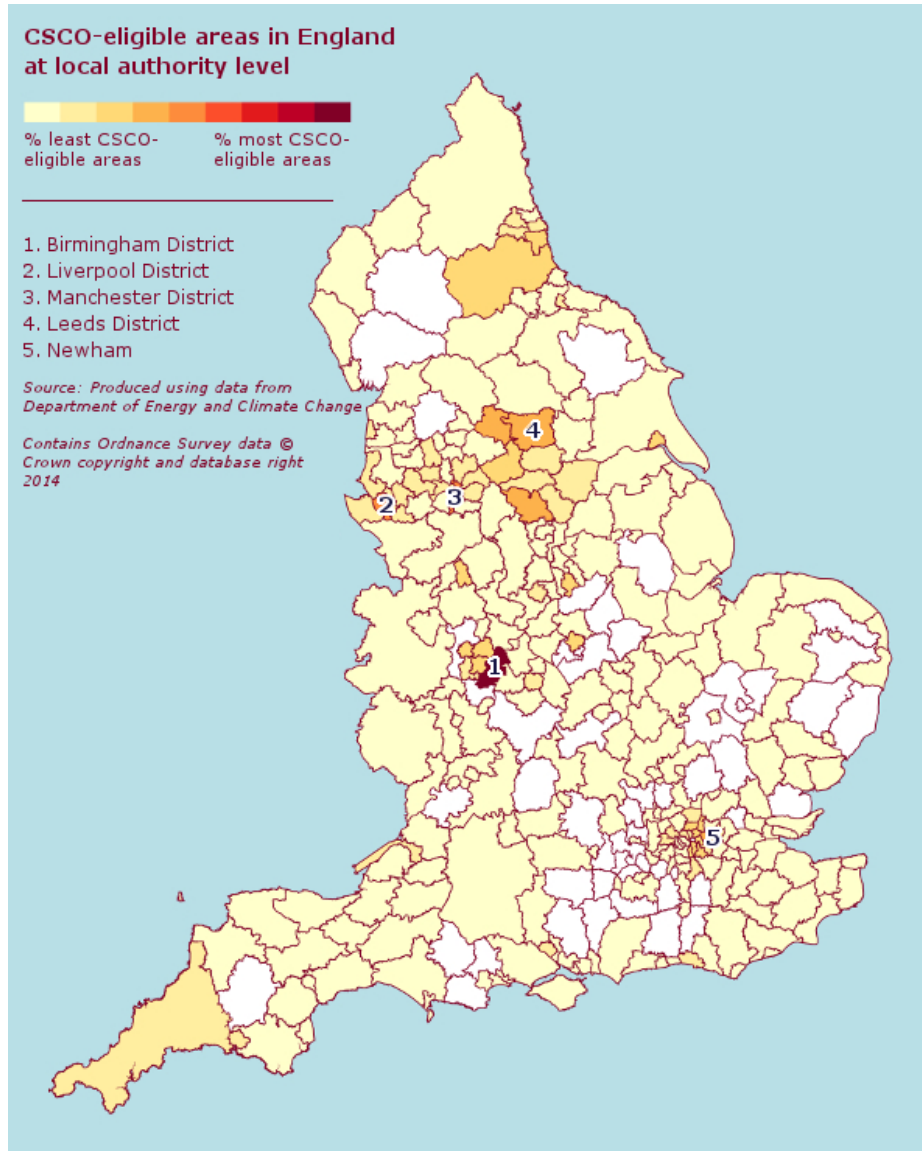
This table indicates that based on preliminary mapping and analysis there may be pockets of England with higher-than-average concentrations of area-based activity on energy efficiency. Examples include the Local Authority Energy Partnership in Nottinghamshire and Derbyshire in the East Midlands and Warm Up North in the North East. To the extent that these area-based programmes are delivering services to fuel poor households in deprived areas; and to the extent that these household may be harder-to-reach to install a smart meter, there could be benefits for suppliers from working with these local authorities and area-based programmes to join up a smart meter installation to energy efficiency works. This possibility is explored in further detail in Option 4.

The second map presented below shows English local authorities with ECO CSCO-eligible areas. The local authorities are shaded by the absolute number of CSCO-eligible areas. No shading represents a local authority with no CSCO-eligible areas. Mapping is based on DECC data identifying CSCO-eligible areas under the revised definition of CSCO.<sup>17</sup> CSCO-eligible areas are mapped for England only. This is

<sup>17</sup> CSCO-eligible areas in England are identified as the 25% more deprived areas (using index of multiple deprivation and rural-urban classification data) at a lower super output area level.

based on the rationale that in Scotland and Wales ECO funding – including under CSCO – will likely be funnelled through the national energy efficiency programmes (HEEPS, Nest and Arbed).

**Figure 3. Local authorities with ECO CSCO-eligible areas**



Source: Produced by NEA using DECC data

**Table 8. Top 10 English local authorities by CSCO-eligible areas**

1.	Birmingham District (West Midlands)
2.	Liverpool District (North West)
3.	Manchester District (North West)
4.	Leeds District (Yorkshire & The Humber)
5.	Newham (London)
6.	Bradford District (Yorkshire & The Humber)
7.	Sheffield District (Yorkshire & The Humber)
8.	Sandwell District (West Midlands)
9.	Hackney (London)
10.	Durham County (North East)

Source: NEA analysis using DECC data

As can be seen from the above map and table local authorities with a high number of CSCO-eligible areas are concentrated in the West Midlands, Yorkshire and The Humber, North West, North East and London regions of England. To a certain extent concentrations of CSCO eligibility map onto high levels of area-based activity shown in Figure 2. What this suggests is that CSCO-eligibility (and therefore area-based deprivation) may be a good indicator of the potential and intentions of local authorities to adopt an area-based approach to energy efficiency works programmes. As such, the mapping indicates that suppliers could use CSCO-eligibility as a means to identify and target areas that may benefit from, and be suitable for, a joined-up area-based approach to ECO and smart metering. That is, bringing together suppliers' CSCO and smart obligations to provide a smart meter in combination with energy efficiency works to households located in the most deprived areas of Great Britain.

## 5 Extra help for vulnerable consumers under existing smart metering licence conditions

Before proceeding with the options review this section outlines the extent of extra help currently offered on smart metering. This review was undertaken to avoid the options duplicating existing protections, identify gaps and inform the challenges and opportunities associated with delivering the approaches described at Chapter 6.

### 5.1 SMICoP

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SMICoP is a code of practice that specifies minimum standards for domestic and micro business suppliers (and their contracting third parties) to follow in relation to the customer-facing aspects of the installation of smart metering systems. The aims of SMICoP are as follows:

1. To help provide a positive customer experience of the installation process (in the period leading up to, during and after the installation visit)
2. To protect customers during the process
3. To help deliver benefits from the smart meter programme, including long-term behaviour change.

All suppliers installing compliant smart meters are obliged under licence conditions to comply with the Code.

SMICoP also has clauses specific to vulnerable consumers,<sup>18</sup> as well as requirements around the provision of energy efficiency guidance. These clauses principally require suppliers to:

- Make efforts to identify and record vulnerabilities before and during an installation visit
- Accommodate certain additional needs (for example having a carer present for a visit to a frail, elderly customer)
- Provide an IHD demonstration (including a tailored demonstration for prepayment) along with energy efficiency guidance during the visit
- Signpost to additional and impartial sources of help and information on smart metering and energy efficiency
- Provide communication material in a format tailored to address vulnerabilities and meet specific needs (for example large print, Braille)
- Provide smart meter installers with NSAP-accredited training on vulnerability and energy efficiency.

A SMICoP Governance Board, consisting of larger and smaller suppliers and Citizens Advice, oversees the Code, including reporting and monitoring procedures relating to its implementation. Under the Board, a vulnerability sub-group has been set up to monitor whether SMICoP is delivering on its aims for vulnerable consumers.

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<sup>18</sup> SMICoP (2013) classes a consumer as vulnerable if 'for reasons of age, health, disability, or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household' (p. 8).

Where a need is identified, SMICoP can be changed. Specifically, Ofgem – in its monitoring and enforcement role – has the power to instigate and reject changes to the Code. As such, if a need and benefit was identified, SMICoP could be a vehicle through which to require suppliers to provide extra help on smart metering (above and beyond existing requirements).

Presented below is a vulnerable customer pathway compliant with existing SMICoP requirements.



Figure 4. A vulnerable customer pathway compliant with SMICoP requirements

## ① Pre-installation ② Installation visit ③ Post-installation

- 🔒 Through supplier communications customer alerted to benefits of smart metering and told no upfront/one-off charge to receive a smart meter
- 🔒 Customer notified prior to installation visit and provided with contact details to arrange an installation visit
- 🔒 When scheduling installation visit reasonable efforts (incl. checking records and discussion with customer) are made to identify vulnerabilities and specific needs
- 🔒 Identified vulnerabilities and specific needs are recorded (where not previously recorded)
- 🔒 Reasonable requirements are accommodated with regard to vulnerabilities and specific needs (for example tailored information format)
- 🔒 Customer offered password scheme and third party presence for installation visit where appropriate/requested

- 🔒 Installer identifies themselves, including presenting valid identity card and using password where requested
- 🔒 Where third party presence requested, no aspect of installation takes place without third party
- 🔒 Where appropriate, customer offered guidance on electrical and gas safety
- 🔒 Customer offered IHD and, if accepted, IHD is suitably located and set up to meet needs. IHD demonstration is provided, informed by any known vulnerabilities and specific needs. Tailored demonstration for prepayment
- 🔒 Customer offered energy efficiency guidance relating to their smart meter and signposted to additional and impartial sources of help and information on smart metering and energy efficiency
- 🔒 Customer left with (or sent) smart metering and IHD instructions and provided with non-premium helpline number
- 🚫 No marketing activity is undertaken without prior consent. No sales transactions are concluded. No vulnerabilities are exploited
- 🚫 Installer is competent to identify and report potential cases of vulnerability

- 🔒 Customer is provided with a clear pathway(s) to provide feedback, address queries and/or make complaints about the installation visit and/or their smart meter/IHD
- 🔒 Customer receives follow-up energy efficiency guidance if he/she requested it at a later date during the installation visit

### Communication material:

- ➡ Clear, concise and complements any centralised programme of consumer engagement
- ➡ Available in a variety of media
- ➡ Format tailored to address vulnerabilities and meet specific needs
- ➡ In languages other than English

## 5.2 Central Delivery Body

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As part of the Smart Metering Implementation Programme, larger suppliers were required under licence conditions to establish a Central Delivery Body (CDB). Costs for the CDB's activities are funded by the larger suppliers. Smaller domestic suppliers contribute to the CDB's fixed operating costs. The objectives of the CDB are to:

- Build consumer confidence in the installation of smart metering systems
- Build consumer awareness and understanding of the use of smart metering systems (and the information obtained through them)
- Increase the willingness of energy consumers to use smart metering systems to change their behaviour so as to enable them to reduce their consumption of energy
- **Assist consumers with low incomes or prepayment meters, or consumers who may encounter additional barriers in being able to realise the benefits of smart metering systems due to their particular circumstances or characteristics, to realise the benefits of smart metering systems** while continuing to maintain an adequate level of warmth and to meet their other energy needs.

Stakeholder feedback offered a variety and somewhat contradictory range of opinions on how the CDB should meet these objectives. Where the delivery body itself appears to be planning a programme of consumer engagement principally delivered through trusted and established third parties (in and outside the energy sector) others, including Government and industry, identified the potential for the organisation to take on a wider remit that may involve an increased customer-facing orientation and service-delivery and coordination role. With regard to linking up smart metering with broader social and environmental initiatives, the CDB's plans do not appear to be focused in this space. Indeed, some benefit was identified by the organisation in establishing a smart brand that differentiates itself from the wider energy efficiency movement.

It should be noted, that while stakeholder opinion did tend to limit the CDB's role to awareness-raising and coordinating outreach, the organisation does have an objective to 'assist' vulnerable consumers realise the benefits of smart metering. This objective is deliberately broad. The Government, in its decision document on consumer engagement for the rollout (DECC, 2012b), stressed that suppliers and the CDB should have flexibility in how they meet their objectives around smart – focusing on outcomes that are achieved in a cost-effective manner and represent value-for-money rather than activities clearly defined within a prescriptive model. This flexibility extends to the CDB's budget – which although it was estimated by Government at £87 million – is not meant to be taken as a spending cap. As such, the CDB could – if it was deemed an effective and value-for-money option for both consumers and suppliers – deliver a centralised smart meter extra help scheme for vulnerable consumers.

## 5.3 Supplier extra help approaches

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Outlined below are key findings around suppliers' current approaches to the appointment booking, installation visit and aftercare. These findings have been informed by comparing suppliers' approaches to recommendations from phases 1 and 2 of the *Smart for All* research on the optimal journey for a vulnerable customer to undertake who receives a smart meter (NEA for DECC and Consumer Focus, 2012; NEA for DECC, 2013a). To date, two suppliers – E.ON and British Gas – have installed smart meters in volume during the rollout's Foundation Stage. In line with a recommendation from *Smart for All* E.ON has developed a specific journey for its vulnerable customers. At this stage, British Gas has no dedicated vulnerable customer pathway. Other suppliers meanwhile are continuing to develop their smart strategies.

### Pre-installation

#### *Offering a smart meter*

Under SMICoP, suppliers have flexibility about when and how to offer a customer a smart meter. A meter installer cannot turn up at a customer's house unannounced however. To date, E.ON has adopted an opt-in strategy – using direct mail to contact a customer but not following up with outbound calls. British Gas use outbound calls to offer a smart meter – prioritising households where at least one meter is due for replacement. In addition, they are now allowing customers to register an interest in receiving the new technology. In terms of other suppliers and their trial approaches, at least one is sending outbound letters (at six, four and two weeks) and then calling a customer to attempt to book an appointment. Moving forward, suppliers are expecting a large number of appointment bookings to be made online. This raises a question about how to deliver a dedicated extra help pathway to vulnerable consumers. While suppliers indicated SMICoP requirements will be met online through questions about 'additional needs', using the smart touch point to spend time with a customer in order to identify where the household may benefit from support available on both smart and energy issues more broadly could be at risk if someone with vulnerabilities is channelled through an online-to installer-to remote aftercare pathway.

Suppliers offering smart meters in the Foundation Stage are currently experiencing access issues due to both low customer interest and awareness. While increased communications activity from suppliers and the CDB will help to mitigate this problem as the rollout proceeds; stakeholders indicated it is likely to be an ongoing issue and concern, with cost implications for the programme overall. For outbound calls suppliers noted there is a premium associated with currently having to spend a long time explaining smart to a customer; whereafter that person may not necessarily agree to have a meter installed.<sup>19</sup> Suppliers who have utilised direct mail, partly to avoid this cost issue, reported there is commonly a poor response rate for this method. Although one supplier did indicate that compared to other direct marketing campaigns take-up rates for smart meter offers were high.

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<sup>19</sup> One supplier indicated they have had a 40 per cent success rate with outbound calls.

One strategy suppliers are looking at to optimise access is joint branding. For example, one supplier received around a 30 per cent response rate to direct mail co-branded with a prominent charity, compared to a 15-17 per cent take-up rate for its standard smart marketing. Overall however, suppliers interviewed indicated that their strategies are having success in reaching only certain consumer segments, in particular older and more affluent households. Retirees especially commonly respond to mail-outs and have the time and flexibility to arrange an installation and be present for the appointment. Whichever approach is taken – opt-in through direct mailing or opt-out through outbound calls – no supplier has yet had notable success in reaching a customer base that may be vulnerable in terms of low income. However, it should be noted that some suppliers indicated they are actively avoiding installing meters to vulnerable consumers at present. This is in part due to technological limitations as smart prepayment meters are not yet widely available, which would deter many households in lower income deciles.

#### *Scheduling an installation visit: identifying and accommodating vulnerabilities*

When scheduling an appointment by phone, suppliers are currently attempting to meet SMICoP requirements around identifying vulnerability primarily through customer service staff asking questions about whether there are any household circumstances or characteristics that may be associated with specific needs. For example, age, health, disability, language, visual and hearing impairments. One supplier termed this a ‘sense check’ for vulnerability. It is not however currently standard practice across all suppliers to use existing vulnerability registers, in particular the PSR and WHD, to flag up vulnerable customers for the installation process. While one supplier is using these registers another indicated call agents booking smart meter appointments have no direct access to the PSR. This is despite SMICoP (2013) making reference to ‘checking records’ when attempting to identify vulnerable customers while arranging an installation visit (p. 31). In addition, this approach is at odds with recommendations from *Smart for All* (NEA for DECC and Consumer Focus, 2012) which found that ‘it is essential that any information about vulnerability is clearly visible to any member of staff who looks at a customer account’ (p. 55). Finally, Ofgem plans to require suppliers report on the number of PSR customers receiving installations; suggesting use of this register will have to be implemented for the main rollout.

With regard to extra help to address identified vulnerabilities, if a customer is identified as vulnerable during an appointment booking, at least some suppliers are registering the customer on the PSR or transferring them to the company’s extra help unit for follow-up. With regard to extra help on smart, this appears to be mainly limited to services identified in SMICoP. In particular, arranging for a third party presence for the installation visit (for example a carer) and offering a password scheme. Good practice is displayed by E.ON which differentiates its vulnerable customer journey from its standard one through offering a ‘Smart Support Coordinator’ (SSC). This is provided to customers on a needs basis but with eligibility broadly aligned to the definition of vulnerability under SMICoP. A SSC is a staff member from E.ON’s two Centres of Excellence on smart that will act as single point of contact for the vulnerable customer (and any nominated third party) before and after the installation visit. Contact prior to the visit includes a booking confirmation by either email or letter (depending on the customer’s preference) while contact after the visit includes a courtesy phone call.

## Key findings

- When attempting to contact a customer to offer a smart meter, low interest in and awareness of smart meters and their benefits is currently affecting supplier access rates. This has cost implications, in particular when outbound call strategies are used; where suppliers are spending a longer period of time explaining what smart is. Overall, suppliers are having a greater amount of success in reaching an older and more affluent customer base. They have not yet had considerable success in reaching customers that are younger and low income. However, some suppliers are actively avoiding installations to vulnerable consumer segments.
- Suppliers are attempting to comply with SMICoP requirements to identify vulnerability by asking questions during the appointment booking phone call. It is not however currently standard practice across all suppliers to use existing vulnerability registers, in particular the PSR and WHD, to flag up vulnerable customers for the installation process. This is at odds with good practice recommendations.
- Suppliers are attempting to comply with SMICoP requirements around addressing needs through focusing on physical, mental and communication barriers associated with personal characteristics, for example age, disability and language. They are then addressing these barriers through offering a particular service for the installation visit, for example a password scheme or third party presence. This suggests customers who may have more nebulous barriers to accessing benefits from smart metering (for example they are in a lower income decile and disengaged from the energy market) are not yet being serviced by supplier extra help approaches.

### Supplier good practice

- In line with good practice recommendations, E.ON has a dedicated vulnerable customer pathway for smart meter installations. This pathway offers a single point of contact (a 'Smart Support Coordinator') to support customers before and after the installation visit.
- When a customer is identified as vulnerable during an appointment booking phone call some suppliers are transferring the customer to their extra help unit for follow-up and support from a team of experts.

## Installation visit

### *Confirmation and access on the day*

In terms of good practice, under E.ON's vulnerable customer pathway a householder receives a reminder text to confirm the appointment, followed by a phone call from the installer on the day of the visit to let them know they are on the way. These kinds of preparatory measures may help facilitate access; with one supplier indicating they are experiencing some customer refusals at the door, including for reasons such as inconvenience and having to go out.

### *Addressing vulnerabilities*

When the installer arrives suppliers indicated that the technician has received information on any customer vulnerabilities ahead of time. One interviewee confirmed however that, for their pathway at least, this relates only to information collected during the appointment booking and an installer will not know whether the customer is registered on the PSR. Where an installer finds previously unidentified vulnerabilities, current good practice appears to involve the installer calling directly back into the supplier's smart contact centre or extra help unit while in the home. Suppliers indicated their protocols stress that a customer should never be left in a vulnerable situation.

One key concern in this area that was raised by one supplier is around non-standard installations, in particular where dangerous appliances and heating systems are found in the home and have to be condemned. The supplier suggested this could be the case for a number of installations and presents a significant challenge for industry about how to support those customers and not leave them in a situation where, for example, they are without heating during the winter months. This is a particular risk for low income vulnerable customers who do not have the means to finance replacement appliances and may not be eligible for any assistance schemes. At present, if an appliance in a rental property is unsafe and condemned by a Gas Safe Engineer, the landlord should provide the tenant with emergency heating, and if they don't then the resident can seek help from the local authority.

There is no safety net for owner occupiers, though householders can seek help from a range of avenues such as Home Heat Helpline or ECO, and some suppliers will provide emergency heating for a defined period. There is a need here for Energy UK to agree a standard approach to this issue across industry and to work with Government to scope how a 'last resort' funding pool can be made available for severe cases of vulnerability where customers are facing condemned appliances with no means to finance upgrades. The scale of the rollout is likely to mean current responses are unable to cope with demand.

### *IHD demonstration, energy efficiency guidance and signposting*

From stakeholder interviews it appears suppliers are attempting to comply with SMICoP through offering a 10 to 15 minute demonstration of the IHD that is combined with some basic energy efficiency tips. One supplier suggested this demonstration was not – on average – taking longer for customers who may be considered vulnerable in terms of age.



It is not clear from our interviews whether stakeholders are acting on recommendations arising from the *Smart for All* report to use the demonstration to address potential concerns and misunderstandings, for example regarding the IHD's traffic light system and the cost to run the display unit. In addition, it is also not clear whether the recommendation for customers to complete a task themselves as part of the IHD demonstration is being implemented.

With regard to signposting to impartial and additional sources of information, one supplier we spoke to indicated it was providing leave-behind material that signposts to further help such as ECO and its extra help unit. Another suggested it is not pointing to such schemes in their smart leave-behind material and is instead relying on customers enquiring about these services directly. Overall, it is apparent customers are not being directly referred into these schemes following a conversation in the home. An exception may be if an installer uncovers a particular vulnerability and is concerned enough to ring back into the supplier's smart call centre or extra help unit. In general, a risk was identified by non-industry stakeholders that compliance with SMICoP would not result in a meaningful dialogue about either energy efficiency or extra help. As one stakeholder noted who had attended installation visits, the IHD demonstration and energy efficiency advice is not necessarily a sit-down or focused experience. Instead, it may take place in the context of an installer multi-tasking to complete the visit (for example clearing up tools etc.). What these findings suggest is that compliance with SMICoP will not necessarily generate a more tailored and in-depth discussion around either energy efficiency or extra help.

## Key findings

- Installers are experiencing failed visits due to both technical problems and customer-led issues.
- A key challenge for the rollout is installers finding dangerous appliances and heating systems in the home that have to be condemned. For severe cases of vulnerability, in particular low income vulnerable customers who do not have the means to finance replacement appliances and systems and are not eligible for upgrades under existing schemes, there is a need for industry to agree a standard approach and together with Government scope options for making available a 'last resort' funding pool that can address this issue.
- Suppliers are attempting to comply with SMICoP requirements around providing energy efficiency guidance through offering generic and basic tips. A more in-depth and tailored discussion on energy does not appear to be taking place.
- Against good practice recommendations, customers are not generally being directly referred into sources of extra help, in particular ECO. Instead, one supplier is attempting to comply with SMICoP requirements around signposting to additional sources of information through leaving behind materials with contact points for supplier-led schemes, including ECO and their extra help unit. Another is not currently pointing customers to other



schemes in their smart leave-behind material.

#### Supplier good practice

- Some suppliers who find a customer in a previously unidentified vulnerable situation are instructed to call directly back into the smart contact centre or extra help unit for follow-up with a team of experts.

### Post-installation

#### *Aftercare*

In the period (24-48 hours) immediately following an installation visit at least one supplier is ringing identified vulnerable customers to check they are satisfied with the install and ask them if they have any queries or questions. Another supplier indicated they previously provided this service but have now stopped it. According to the stakeholder this was due to insufficient demand, with some customers viewing it as a sales call or not understanding why they were being contacted. No supplier appears to be using telephone calls over a longer time period however (two weeks plus), which *Smart for All* findings indicated may be an effective method to engage customers with their meter and identify further support needs.

In terms of longer-term engagement with smart, both E.ON and British Gas are offering bespoke products to their customer base. At British Gas, a 'Smart Energy Report' uses a customer's meter data to provide them with information about their energy use, including comparison to similar property types, along with personalised energy efficiency tips. Similarly, E.ON has recently launched an online Saving Energy Toolkit. This allows customers to monitor their energy consumption, track it against similar household types, set goals and receive energy efficiency advice.

Overall, suppliers are continuing to investigate and develop ways to present and use smart data. While much of this remains commercially sensitive, suppliers did indicate such products and services were seen as a way to facilitate longer-term engagement and benefits from the technology. This was compared to the IHD, where lessons and subsequent behaviour change may be saturated at a fairly early stage. Supplier feedback on the IHD was contradictory however. Where one indicated customers are soon tiring of the device another suggested its survey data shows householders are continuing to make longer-term use of the product.

Across the board however, aftercare products do not appear to be currently differentiating between vulnerable and non-vulnerable customers. This indicates that the focus of suppliers with regard to vulnerability is on the installation visit. For example, providing a suitable IHD and demonstration for a visually impaired customer. Suppliers do not yet appear to have developed unique methods or products to engage vulnerable consumer segments that may need additional or alternative forms of assistance to realise ongoing benefits from smart. This is an area around which there are no SMICoP requirements, although *Smart for All* did suggest suppliers should be more innovative in the ways they provide information to households. For example, offering fridge magnets and quick guides.

## Key findings

- It is currently not standard practice across suppliers to provide courtesy post-installation follow-up calls to vulnerable customers, although at least one supplier is doing so (24-48 hours after installation). Over a longer time period (two weeks plus) it does not appear phone calls are being used as a method to engage customers with their meter and identify further support needs.
- Services and products offered by suppliers to encourage customer behaviour change and longer-term engagement with smart metering do not currently differentiate between vulnerable and non-vulnerable customers.

### Supplier good practice

- Suppliers are using smart data to provide aftercare products with bespoke information, for example comparing a household's energy use to similar property types.

## Training

Currently, larger suppliers are favouring in-house installer teams trained through suppliers' own Centres of Excellence. For the rollout, these centres (and any other providers) will have to map their training programmes against NSAP minimum standards. This includes standards to address clauses under SMICoP concerning energy efficiency and vulnerability. Specifically:

- Section 3.7 on the provision of energy efficiency guidance, including to customers at the installation visit
- Section 2.6.8 that specifies installers are to receive training that enables them to understand the definition of vulnerability, identify potential cases of vulnerability and offer guidance responsive to the needs of vulnerable customers.

For minimum standards on energy efficiency NSAP has chosen to adopt the 'Level 1 Award in promoting energy efficiency to customers'. This is a QCF qualification that provides seven guided learning hours on topics covering: benefits of adopting energy efficiency measures; how customer behaviour affects energy consumption; energy efficiency initiatives available (for example ECO); energy efficiency products available; and effective communication methods. Regarding customer understanding on the reasons for adopting energy efficiency measures NEA and Citizens Advice believe the focus should not be solely on energy and cost savings. Instead, emphasis should also be placed on the benefits of energy efficiency measures with regard to increasing the thermal comfort of a property and the subsequent positive impacts this can have on an occupant's health and wellbeing.

In terms of vulnerability training requirements, we understand NSAP has not yet chosen a minimum standard for industry and providers to demonstrate compliance against. As such, NEA and Citizens Advice recommend a standard that requires training providers address and demonstrate compliance with the following topics:

1. Understanding the definition of vulnerability (including the Energy UK Safety Net for Vulnerable Customers and Ofgem's Consumer Vulnerability Strategy)

2. Identifying vulnerable consumers (including recognising key indicators of vulnerability and using appropriate techniques to sensitively question and engage with customers)
3. Providing appropriate guidance in response to vulnerable consumers' needs (including identifying sources of help such as PSR, WHD etc. and identifying energy efficiency improvements)
4. Understanding effective ways of communicating and interacting with vulnerable consumers (including tailoring advice and materials, responding effectively to queries and questions and checking a customer's understanding).

With regard to the recruitment profile of installers, one supplier indicated they are hiring people from a range of backgrounds, not simply those with existing technical skills. To date, individuals from outside the company who have been accepted into the training course to become a meter installer have included taxi drivers and swim instructors. This recruitment strategy emphasises the importance of 'soft' communication skills that may be harder to teach, whereas technical competence can be achieved with an appropriate and rigorous level of instruction.

## Key findings

- Larger suppliers appear to be favouring in-house installer teams trained through internal Centres of Excellence.
- Suppliers are recruiting installers from a range of backgrounds, not simply those with existing technical skills. Instead, recruitment strategies may emphasise the importance of 'soft' communication skills; while ensuring an installer achieves technical competence through providing an appropriate and rigorous level of instruction.

### Joining up smart with environmental and social obligations

At the time of stakeholder interviews, suppliers did not appear to have established any direct links between their social obligations and smart metering. As such, linking up smart with wider sources of extra help was largely limited to signposting to extra help services and ECO in suppliers' smart related literature, in an attempt to meet SMICoP requirements. However, suppliers that were interviewed indicated that they were considering how best to bring their obligations under ECO and smart together. For example, at least one supplier was beginning to join ECO with smart through building an objective and target for finding ECO-eligible households into installer reward systems. Another indicated they may look to conduct a trial on how best to cross-promote the two schemes. This would likely test a range of channels: phone; in-person (during both ECO and smart visits); and online. Finding and targeting potentially ECO-eligible households through smart data and aftercare products was also raised as an option.

Currently however, suppliers do not appear to be proactively using the smart touch point to either identify or target ECO-suitable households. This includes collecting information on an individual and property to inform a household's potential for measures. Nor do they use existing information, for example whether a customer

resides in a CSCO-eligible area or is ECO AW eligible because they are already in receipt of the WHD Core Group rebate to flag up avenues through which that customer could potentially receive free or subsidised improvement works. Overall, consultation occurring around proposed changes to ECO was given as one reason for lack of activity in this space. Another was the prioritisation of deploying smart to customers with end-of-life meters.

## Key findings

- Suppliers do not appear to have established any direct links between their social obligations and smart metering beyond signposting in an attempt to meet SMICoP requirements.
- On ECO, suppliers do not appear to be proactively using the smart touch point to either identify or target ECO-suitable households. It is an issue they are considering however and at least one supplier is building an objective and target for finding ECO-eligible households into installer reward systems.

### Supplier coordination under an area-based approach

Currently, as not all suppliers are offering smart meters or installing in volume, cross-supplier coordination – including area-based – has not yet been required or prioritised. Supplier feedback did indicate it was something industry is considering however, in particular for property types (for example blocks of flats). With regard to joining up a smart meter installation with area-based energy efficiency programmes, there do not yet appear to be the systems in place to facilitate this kind of coordination; either between individual suppliers or between suppliers collectively and scheme providers. For example, a clearly identified role for an intermediary such as the CDB to oversee supplier-to-supplier and scheme provider-to-supplier cooperation or using proxies on area-based activity such as CSCO-eligibility to target customers for a joined-up and area-based smart metering and energy efficiency experience.

## Key findings

- Suppliers are not yet coordinating installations (including on an area basis). Although it is something they are considering, in particular for certain property types (for example blocks of flats).
- There do not yet appear to be the coordination mechanisms and systems in place, either between individual suppliers or between suppliers collectively and scheme providers, to join up a smart meter installation with area-based energy efficiency programmes. For example, a clearly identified facilitation role for an intermediary such as the CDB or using CSCO-eligibility as a proxy to identify areas and customers that could benefit from a joined-up experience.

## 6 Review of options for a smart meter extra help scheme

This chapter reviews four options for a smart meter extra help scheme. These options were based around four approaches Citizens Advice asked NEA to test and develop. Specifically:

1. A dedicated pathway provided by suppliers to help vulnerable households who receive a smart meter
2. A dedicated pathway plus a package of low-cost energy efficiency measures
3. A centrally delivered extra help programme, provided by the CDB
4. Adding a smart meter to area-based fuel poverty and energy efficiency schemes.

The options were refined into the form presented in this report based on the preceding analysis. In particular: good practice identified in the literature review; gaps identified under existing licence conditions, including SMICoP, in the different approaches suppliers are taking to service vulnerable customers; and a mapping exercise to understand what fuel poverty and energy efficiency schemes exist and how they could potentially be used to support vulnerable customers during the rollout. Each option is outlined in turn and a SWOT<sup>20</sup> analysis of the option and its component measures – incorporating the results of stakeholder feedback – is presented. Feedback is based on 17 semi-structured interviews (refer to the methodology at Chapter 2 for details). The review outlines stakeholder feedback in three areas:

- a. **Operational feasibility:** the ability for identified parties (principally suppliers but also the CDB) to deliver the options and their component measures
- b. **Operational integrity:** the ability for the options and their component measures to deliver benefits, both for suppliers in reducing costs to deliver their social obligations (including through improved efficiency in identifying and supporting vulnerable and fuel poor consumers) and for consumers through greater engagement and behaviour change on smart metering, as well as an improved overall experience in the energy market
- c. **Financial viability:** where information is available, quantified costs and savings associated with the options are included as part of the SWOT analysis. It was not within the scope of this report however to fully cost up all the component measures within the options. Particularly where information is commercially sensitive and not available to NEA. Instead, a full appraisal of extra help approaches proposed for piloting – working with Government, industry and relevant third parties – is recommended in the concluding section to this report.

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<sup>20</sup> Strengths, weaknesses, opportunities and threats

## Option 1: Dedicated vulnerable customer pathway

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Option 1 tests the first approach: a dedicated pathway provided by suppliers to help vulnerable households who receive a smart meter. A distinct vulnerability pathway was a key recommendation arising from customer research conducted for the *Smart for All* reports. Currently, it is apparent based on the review presented at Chapter 5 that there is considerable variance in how companies are approaching the vulnerable customer experience under SMICoP. Where some dedicated measures are available there also appear to be serious gaps, including the lack of a more personalised approach for vulnerable customers. Taking this into consideration, and informed by the *Smart for All* findings, Option 1 proposes four key measures. They are:

1. An extra help customer service team to process smart meter installations for identified vulnerable customers
2. A free call number for customers to access this extra help customer service team (free from landlines and mobiles)
3. A single named point of contact from within the supplier's extra help customer service team that is offered to vulnerable customers for the installation process
4. Assisted referral (that is not customer-led) into sources of extra help. This may include:
  - a. Internal sources of supplier extra help (for example PSR, services offered as part of suppliers' existing extra help units)
  - b. Supplier-obligated energy efficiency schemes and Government-funded energy efficiency schemes in Scotland and Wales
  - c. Energy-related support services offered at a local authority level.

Presented below is the extra help pathway for Option 1. It comprises the four component measures along with good practice steps based on suppliers' existing approaches and recommendations from the *Smart for All* reports.

Figure 5. Option 1: Dedicated vulnerable customer pathway for the installation process

# Extra help pathway option 1

## ① Pre-installation ② Installation visit ③ Post-installation

- Supplier has an **extra help customer service team** to process smart meter installations for identified vulnerable customers (before and after the installation visit)

- The supplier extra help team is available through a **free call number** that is **free from landlines and mobiles**

- A **single named point of contact** (SPOC) from within the supplier's extra help customer service team is offered to the vulnerable customer for the installation process. This person can be contactable to liaise with the customer, as needed

- Where appropriate or requested, the customer is offered **assisted referral** (that is not customer-led) into sources of extra help

- Appointment confirmation and reminder and installer identity** is provided to customer ahead of time by the SPOC

- Extra time** is taken with the vulnerable customer, where appropriate

- The IHD demonstration asks the customer to self-complete a task and, where appropriate, clarifies the IHD is not costly to run, clearly explains the traffic light system, including the red light, clarifies what data applies to gas and what data applies to electricity and reinforces the importance of adequately heating the home

- Where appropriate or requested, the customer is offered **assisted referral** (that is not customer-led) into sources of extra help

- Customer receives **follow-up contact** from the SPOC, including by phone, to check the customer is happy with their smart meter and answer any queries

- Where appropriate or requested, the customer is offered **assisted referral** (that is not customer-led) into sources of extra help

- Staggered and tailored aftercare** and reminders about smart and energy efficiency are implemented following installation

- Customer receives **ongoing information** about smart and energy efficiency **via billing**

Assisted referral into: supplier extra help; energy efficiency schemes; support at a local authority level



## **SWOT analysis and stakeholder feedback**

Presented below are the strengths and weaknesses of this option. However, generally, opinion on this option fell broadly into two categories: those who were supportive in principle and felt the component measures were largely realistic and achievable and those that while, not objecting to the option, felt there was little 'extra' about the approach. On the latter point, stakeholders (including some suppliers) noted a vulnerable customer pathway was either what suppliers (that is E.ON) were delivering already in the Foundation Stage or what they expected suppliers (at least the larger, obligated ones) to deliver from 2015 onward. Based on a review of existing activity however, it does appear all of the energy companies intend to meet SMICoP requirements by providing a dedicated pathway for their vulnerable client base.

### **Operational feasibility (ability to deliver component measures)**

#### Component measure 1: extra help customer service team

Stakeholders, including suppliers, viewed it as feasible to deliver this measure through one of two pathways:

1. Using a supplier's existing extra help team (where applicable). For example, British Gas's Home Energy Care Team. It was noted that, moving forward, smart is likely to become a business-as-usual activity. As such, in the event all staff are trained-up to process smart meter bookings, a supplier's extra help team could lead on scheduling appointments for vulnerable customers
2. Training all or a component of smart metering customer service staff up to a level commensurate with a supplier's extra help team. For example, currently all E.ON smart meter service agents at the company's Centres of Excellence on smart metering in Nottingham and Bolton have been trained to provide an end-to-end service model for the customer – from appointment booking to aftercare and billing. Agents at these centres handle customers who receive a smart meter through E.ON's dedicated pathway for vulnerable households. These staff have been trained to the same level as E.ON's extra help unit – the Caring Energy Team, based in Leicester. As such, the Centres of Excellence have no direct link to E.ON's extra help unit and the latter does not handle customers for E.ON's vulnerable smart pathway. In the context of a mass rollout however, it was suggested by one supplier that this model may have to be scaled down to have a core component of smart meter agents trained to process customers requiring extra help.

#### Component measure 2: free call number from landlines and mobiles

This measure will be informed by Ofcom policy. The communications regulator intends to require phone companies to make 0800, 0808 and 116 numbers free from landlines and mobiles. Further details are expected to be announced in the Spring of 2014. In the event of this change, we do not identify any overriding barrier to suppliers providing an 08 number to access the smart meter extra help team.<sup>21</sup> If this restructuring in phone charging is not implemented before the rollout begins, current good practice provides two numbers for extra help services: 08 (free from landlines)

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<sup>21</sup> Under SMICoP, suppliers must provide customers with a non-premium helpline number on smart.

and 03 (cost of local call from mobiles). In addition, a call-back service is offered through an online request form.

### Component measure 3: single named point of contact

Stakeholder feedback noted that E.ON currently delivers this measure in the form of a 'Smart Support Coordinator'. Nest in Wales also assigns Personal Customer Managers to households to guide them through their journey under that programme. While these examples show the measure can clearly be operationalised some industry and public sector stakeholders questioned the cost of doing so to support the mass rollout. There is precedent and appetite for similar services in other sectors however. For example, one interviewee compared the measure to the changes recently instigated in the NHS to provide vulnerable older people with a named clinician. Also in the health and social care sector, the Labour Party has announced that it intends to provide vulnerable older and disabled people with a named 'champion' to coordinate services and agencies on their behalf.

### Component measure 4: assisted referrals (that is not customer-led) into sources of extra help at a supplier, national and local level

Most stakeholders supported this measure in principle. Many, including suppliers, emphasised it made sense to use the dialogue with a customer about smart metering to open up doors into further sources of extra help. This included support from suppliers to link customers into services through which the energy companies are delivering on their social obligations. Specifically, suppliers' extra help units and their associated measures (for example benefit entitlement checks and debt advice), PSR registers and an ECO/Green Deal Assessment. Having said that, and as detailed in Chapter 5, suppliers are currently doing little more than signposting under SMICoP. They are not, it appears, proactively using the contact opportunity with a vulnerable customer to have a staff member conduct a detailed assessment of the householder's needs and directly refer them into extra help, including national schemes and local services. Some suppliers are beginning to consider bringing the smart and ECO customer journeys together however. As such, there was support for greater integration of ECO and smart metering under this option.

In terms of how to deliver assisted referrals, stakeholders emphasised the value of linking into existing mechanisms and networks. One consumer advocate wanted PSRs used more proactively. This may involve utilising information captured during the smart meter installation process to create a 'pen picture' of a customer. A supplier's CRM systems could then flag up any known vulnerabilities to help inform aftercare. In Scotland and Wales, it was pointed out that HEEPS and Nest have well-established referral networks. These could be natural channels through which to funnel vulnerable customers. Some community and local sector stakeholders also emphasised that suppliers could better link into single point of contact services at a local authority level. The SHINE referral network in the London Borough of Islington was mentioned as an example. Models such as this and other one-stop-shop schemes like Warm Zones already have experience in assessing a person's need and eligibility for a range of extra help services. As such, suppliers could seek a customer's consent to provide their details to the relevant local authority for further action.

While assisted referrals were widely seen to be good in theory, some stakeholders identified barriers in practice. In particular:

- **Logistical.** Managing a referral route was identified as a challenge. This includes ensuring a customer does not fall through any gaps and a supplier is aware of available assistance, particularly at a local authority level
- **Inconsistent interpretation.** It was pointed out there is a need to be very clear about what is meant by an assisted referral and what is expected from the supplier, including obligated and non-obligated ones.<sup>22</sup> It was suggested by some stakeholders with oversight responsibility that suppliers would likely take very different approaches to linking up smart to other sources of extra help. Where some may embrace the opportunity others will likely do the bare minimum to meet SMICoP requirements
- **Complexity.** Many stakeholders, including suppliers, emphasised the rollout alone is a huge programme and costly task. While it is likely to be integrated into all aspects of a supplier's business activity there may be no overriding incentive (for suppliers) to add additional complexity back into the smart pathway. In this context, the focus of suppliers during the rollout is likely to be blinkered to some extent on the installation visit. Stakeholders questioned whether linking up schemes would have a large enough benefit for suppliers and the rollout to overcome the challenge of bringing together different components of business services.

### **Operational integrity (ability to deliver benefits)**

Broadly, smart was seen by stakeholders as an opportunity to reset trust between a customer and their supplier. To the extent that a vulnerable customer pathway could help realise this opportunity it was viewed as a beneficial approach. With regard to the option's component measures, feedback on their ability to deliver benefits for both suppliers and vulnerable customers identified the following points.

#### Component measure 1: extra help customer service team

An extra help team on smart provides an opportunity to leverage in a supplier's expertise on supporting vulnerable customers. This could lead to an enhanced and tailored experience under the smart pathway. It was also noted that some extra help units 'hold' the relationship between a supplier and their third sector partners (for example CAB). As such, leveraging the former into smart could help optimise use of the latter as part of the rollout. In addition, one stakeholder suggested that benefits could be maximised by the extra help team collecting data on property type when booking a meter appointment. This could be verified and added to at the installation visit and inform an improved aftercare and referral experience for the customer. There is also potential for suppliers to make use of existing Energy Performance Certificates (EPCs) when booking a smart meter appointment. This could involve asking the customer whether they have let or bought the dwelling since October 2008 (the date since when an EPC has been required) and do they have access to the property's certificate. This information could then be used to help assess the

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<sup>22</sup> The focus of this report is on larger suppliers (more than 250,000 domestic customer accounts) who hold social and environmental obligations. We understand SMICoP and the smart metering programme more broadly applies to all licence holders and as such more work would need to be done to understand the impact of any of these options on smaller suppliers.

suitability of the property to undergo energy efficiency improvements and feed the customer into existing schemes.

#### Component measure 2: free call number from landlines and mobiles

Stakeholders suggested a dedicated free call number would help to address barriers customers experience in having to navigate automated and lengthy menus leading to potentially costly phone calls. This is supported by the evidence review; where research shows customers prefer to bypass automated menus and speak directly with an operator (for example BritainThinks for Ofgem, 2013). On smart, providing quick, easy and no-cost access to a specialised extra help team could enable customer engagement with the rollout. Here, a good practice precedent is the Switchover Help Scheme; where an 08 number allowed householders to speak directly with a staff member and avoid button menus. With regard to mobile charges, Ofcom changes have been informed by research that shows 15 per cent of UK adults live in a home with mobile access but no landline (Ofcom, 2013). Importantly, this figure increases to 26 per cent for low income households (social group DE). A mobile-friendly extra help line is therefore beneficial in supporting vulnerable groups to access the dedicated pathway.

#### Component measure 3: single named point of contact

This measure was widely supported and viewed as important and particularly beneficial for some consumer segments, for example older people, where the evidence review shows single point of contact services can help overcome access barriers caused by confusion and anxiety. More broadly, adopting an account manager approach was seen as an important part of providing a quality and personalised customer service experience. As noted previously, a named contact is gaining traction in the health and social care sectors. There, it is considered beneficial for helping vulnerable people and their relatives navigate complex systems and avoid falling through gaps in coordination and service delivery. In the energy sector, one supplier did suggest that the current service model may be sufficient: where a customer has access to the call centre operator's name and can ask for that person should they ring back. Feedback from local and community sector stakeholders however suggested that often vulnerable householders are overwhelmed or confused by how and where to access extra help. Having a single contact point as part of the smart journey may therefore help them to not only receive a meter but provide a gateway into additional assistance.

#### Component measure 4: assisted referrals (that is not customer-led) into sources of extra help at a supplier, national and local level

##### *Benefits for consumers*

This measure was supported for its ability to provide vulnerable customers with an improved, coordinated and comprehensive experience in the energy market. Specifically, an assisted referral model, rather than mere signposting, was viewed as important to facilitate a level of hand holding that is often required for vulnerable individuals. This is supported by evidence that suggests points in a journey that are customer-led increase drop-off rates (Databuild Research for DECC, 2014). As such, using the smart pathway to directly refer customers into sources of extra help may improve uptake of broader assistance measures.

With regard to barriers to delivering customer benefits, assisted referral mechanisms were questioned in the following key areas, which should be tested through any pilots.

- **Complexity.** Drawing together multiple services and instigating multiple referrals was seen as having potential to stress or overwhelm a vulnerable customer. Particularly in the context of having to navigate a new smart meter. A need was identified to keep the energy narrative clear, including: what messages relate to smart; what messages relate to broader services; and how each component of extra help can support a householder. It was emphasised by one stakeholder that optimising the customer experience, not delivering social obligations, must remain the priority
- **Balancing hand holding with coercion.** It was noted that restrictions on marketing and sales activity under SMICoP were designed to relieve any pressure a customer may feel during a face-to-face visit to sign up to services. Informed by this goal, the timing and communication of referrals should be done sensitively and avoid pressurising a customer. Furthermore, care should be taken not to refer customers (without their consent) into energy efficiency services that may have associated costs
- **Inconsistency.** Programmes and services to link into will vary across supplier, will change throughout the rollout and will be constrained by geography. Specifically on local services it was noted the quality and availability differs markedly across council areas. This lack of uniformity should be made clear to the customer to avoid disappointment
- **Accuracy.** Stakeholders emphasised the importance of providing correct and relevant information to a customer on available services. As such, eligibility criteria for the various schemes will have to be well-understood in order to manage expectations. Promoting ECO as a secondary service will also have to consider supplier targets for this scheme (and what happens when they are met), as well as potential capital contributions required by householders
- **Timeframes.** There was no agreement on what point in the installation process (before, during or after) represents the optimal period to refer customers into additional sources of extra help. This should be tested in piloting. Stakeholders did generally agree however referrals should be available and promoted at all customer access and contact points along the smart journey. This would help to both maximise uptake and cater to different preferences. Importantly, the timing of individual referrals should help facilitate a 'pathway' approach to extra help, rather than 'bombarding' a customer with information and support. With regard to the pre-installation appointment booking, this was identified as a key opportunity to capture customer information and offer further support to address identified needs. Here, the importance of allowing time for a longer conversation was stressed. In addition, one supplier identified the period post-install, specifically the zero to three month mark, as an influential timeframe during which a supplier has a customer's attention and could promote additional services.

### *Benefits for suppliers*

For obligated suppliers, assisted referral mechanisms were identified as having potential to help meet targets under current programmes (for example ECO and WHD Broader Group). Smart was seen by one supplier as a natural catalyst and clear opportunity to streamline and simplify existing schemes. Currently however,



suppliers are for the most part failing to proactively use smart to link up existing schemes.

A key barrier (as mentioned above) appears to be the size of the rollout task and a desire to focus – at least in the immediate term – on achieving annual targets. In this context, incentivising joined-up activity is crucial. Here, one approach that is currently being implemented by at least one supplier is building an objective and target for finding ECO-eligible households into installer reward systems. This objective complements more traditional ones such as such as customer feedback and productivity.

### *Benefits for third parties*

Among third parties that could be targeted to provide extra help through assisted referrals (for example using HEEPS to provide a benefit entitlement check) key incentives were identified. First, Scottish and Welsh stakeholders supported linking smart into HEEPS and Nest primarily from the angle of using smart data to improve the national service. That is, acquiring a customer's consent to access their metering information to personalise the advice provided under the national schemes. Second, at a local government level one stakeholder in that sector suggested smart itself is not a priority for councils. As such, engaging local authorities to help deliver extra help should focus on benefits from using the metering systems to address councils' public health, fuel poverty and carbon saving objectives. For example, the potential cost-benefit from using the technology to deliver public health and social care interventions at a lower cost. This may include telecare-type systems and informal social care monitoring arrangements between a vulnerable individual and their next of kin. In addition, suppliers sharing information on hard-to-reach customers in the private rented sector (identified through the rollout) was viewed as an attractive incentive for local councils.

The overriding barrier to linking up national and local schemes with a smart meter extra help pathway was seen as an issue of capacity. Specifically, that referrals from smart which lead to increased demand for services could not be met under existing targets and using available resources. For example, 13,000 customers were referred on for a benefit entitlement check under HEEPS and Nest in 2012-13. Where linking smart up to such schemes may lead to an increase in referral volumes for this and other services demand would have to be modelled and planned for in order to avoid creating false expectations.

### **Financial viability (cost to deliver)**

Overall, and subject to detailed analysis, suppliers felt this option was unlikely to add significant additional costs to the rollout. The operational and financial impact of delivering the extra help team and single point of contact measures at scale was the main point stakeholders felt would need to be addressed. This kind of detailed financial analysis is something suppliers are better placed to carry out. Informed by stakeholder feedback however, and using information publicly available, this report identifies the following key costs and potential efficiencies.

### Component measure 1: extra help customer service team

For stakeholders, two key potential costs were associated with this measure:

- **Retraining and up-scaling existing extra help teams.** To the extent that smart becomes a business-as-usual activity (as indicated by some suppliers) up-skilling extra help teams to process installations could occur as part of normal business. Where suppliers have responsibilities under SMICoP to address the needs of customers identified as vulnerable through the installation process they should already be assessing the need to increase capacity within their extra help units
- **Scaling the service to meet demand.** One supplier suggested there may not be sufficient demand for a dedicated extra help pathway. For example, because customers do not consider themselves vulnerable and therefore do not wish to use the pathway. However, where the smart meter extra help team is integrated into a supplier's existing extra help unit or smart call centre, offering the pathway and associated services as and when required should enable resources to be managed and scaled in accordance with need.

### Component measure 2: free call number from landlines and mobiles

Given free call numbers are standard practice among suppliers this report does not identify any additional costs from delivering this measure.

### Component measure 3: single named point of contact

Potential additional costs were associated with providing a single named point of contact service at scale. Subject to supplier cost modelling, we do not believe it is immediately evident there would have to be a significant financial burden from assigning an existing staff member to a specific customer. Furthermore, costs should be measured against any benefits in terms of improved access rates for visits and increased customer satisfaction and retention rates. Overall, cost to deliver this measure will be affected by eligibility. On this matter, a named contact is designed to provide a level of hand-holding to customers who would otherwise find the installation process, including the receipt of a new technology, confusing or overwhelming. The focus of assistance under this measure is therefore on the visit itself, rather than extra help for customers to realise ongoing benefits from smart metering. As such, NEA and Citizens Advice suggest eligibility for this measure should align with the definition of vulnerability under SMICoP (currently: age, health, disability, financial insecurity). Eligibility should be flexible however and suppliers should be able to target the service in accordance with need. This is consistent with E.ON's approach to offering a SSC. In addition, it should be noted that as an opt-in service not all eligible customers will take it up. This is shown from extra help schemes like the digital switchover's with around a 19 per cent uptake rate. Furthermore, suppliers consistently state that not all customers offered additional assistance accept it. As such, setting a needs-based eligibility criteria aligned to SMICoP does not mean the measure will have to impose a significant financial burden on the rollout.



#### Component measure 4: assisted referrals (that is not customer-led) into sources of extra help at a supplier, national and local level

Cost savings were associated with this measure in terms of efficiencies generated through joining up smart with suppliers' social obligations. In particular, it could reduce the cost of identifying suitable and eligible households for the existing supplier-led and funded schemes ECO and WHD.

#### *ECO*

The main efficiency saving from joining up ECO to a smart meter extra help pathway would be associated with reducing the search costs to find suitable and eligible customers for the former. In particular, the ECO AW component. A report prepared by NERA for Energy UK (2012) identified ECO search costs to involve:

- Finding potentially suitable households to target, including analysis using datasets such as the Home Energy Efficiency Database
- Targeting identified households through online, phone, mail and door-to-door marketing strategies
- Working with local authorities and partner organisations to use their data and expertise to find and target potentially suitable households
- Having initial phone conversations with interested households to assess their suitability and eligibility for measures.<sup>23</sup>

While DECC does not disaggregate search costs from delivery or administrative costs in its ECO reporting NERA suggests that DECC's assumption of search costs for ECO is set at 10-15 per cent of total installation costs. The report concludes that this is an underestimate, instead finding search costs for ECO AW<sup>24</sup> to be 25.7 per cent of total installation costs. Or, £225.24 per ECO AW installation. Where DECC (2014b) reports 200,972 households received AW measures up to 31 December 2013 this is an implied search cost using the £225.25 metric of £45.27 million.

NEA and Citizens Advice suggest the smart meter programme could help to reduce this search cost through:

- Using the booking appointment and installation visit to collect initial information on a property, including: location; type; heating system; and installed insulation. This information could inform the potential suitability of a house for ECO measures; reducing the cost to identify suitable households through other means
- Using the contact touch point with a customer to assess their interest in and suitability for ECO, including whether they comply with ECO AW criteria. This could reduce the cost to target and follow up with customers through other means
- As ECO proceeds up to its (recently extended) 2017 deadline DECC (2012a) has noted that where installation costs will remain stable delivery costs will rise from diminishing 'abatement potential'. This would include an increased cost to find a

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<sup>23</sup> One factor that is not included in NERA's model which may reduce search costs is 'hot' referrals suppliers receive from the Government's ESAS service. As Government itself notes however, 'ESAS referrals currently account for only a very small proportion of reported Affordable Warmth measures' (DECC, 2014c, p. 48).

<sup>24</sup> Since NERA's report was released in November 2012 AW is the only ECO measure (the others being CERO and CSCO) for which eligibility has not changed (subject to DECC's consultation on ECO). As such, it is reasonable to assume search costs for AW moving forward would not have drastically altered from search costs associated with AW at November 2012.

diminishing pool of eligible households. As such, using smart to help identify remaining eligible customers could help facilitate a reduction in this increasing cost curve.

It should be noted that the extent to which smart can help reduce ECO search costs will be affected by how quickly and easily suppliers meet their targets. For example, some companies have already indicated they have met their March 2015 ECO AW targets and are no longer seeking customers for measures under this funding stream. As such, early delivery of future targets will reduce the potential for smart to achieve savings in this area.

**WHD**

Assuming the WHD continues beyond 2014/15 (extra funding has been committed for 2015/16) savings could be identified for suppliers through using the smart meter contact point to better identify and target customers that may be eligible for the Broader Group. In terms of current costs to inform potential savings industry information is not available on how much is spent finding people for this group. DECC (2010) did estimate £10.6 million for supplier administrative costs over 2010-15 in its original Impact Assessment however. Furthermore, suppliers and industry have previously commented that targeting, identifying and evidencing Broader Group households has a significant impact on delivery costs for the scheme. They have consistently called on Government to extend data sharing powers from the Core Group to the Broader Group to ease this administrative burden. In the event the necessary legislative changes are not implemented to allow this data sharing to happen smart metering could produce cost savings for suppliers through identifying Broader Group customers to help meet non-Core Group annual spending targets.

**Figure 6. Achieving efficiency savings for suppliers through a smart meter extra help pathway**



Source: ECO - NEA estimate using DECC and NERA data; WHD – DECC estimate

## Option 1 summary

A supplier-led dedicated extra help pathway for vulnerable customers who receive a smart meter. The pathway is composed of four component measures: 1. An extra help customer service team to process smart meter installations for vulnerable customers; 2. A free call number from landlines and mobiles to access the extra help team; 3. A single named point of contact service offered to vulnerable customers for the installation process; 4. Assisted referral (that is not customer-led) into further sources of extra help at a supplier, national and local level.

### Key benefits and opportunities

**For consumers:** The pathway, in particular the single point of contact service, was supported for its ability to deliver a personalised experience for vulnerable consumer segments that could help them navigate the installation process and provide a gateway into further sources of assistance. Assisted referrals and, more broadly, linking up smart with wider social and environmental schemes, was recognised as providing a customer with a more coordinated and comprehensive experience in the energy market. The installation booking appointment was identified as a key opportunity to have a longer conversation with a customer in order to collect information on their needs and property type. This could help inform aftercare and referrals.

**For suppliers:** Suppliers identified an opportunity to deliver the dedicated pathway through their existing extra help units or up-skilling a component of smart service staff. The benefit of using the smart pathway and assisted referrals to streamline delivery of social obligations and help meet targets under other programmes (for example WHD and ECO) was widely recognised. An opportunity was identified to incentivise the joining up of smart with ECO through building an objective and target for finding ECO-eligible households into installer reward systems.

**For third parties:** An opportunity was identified to provide assisted referral into local authority and Scottish and Welsh Government energy assistance schemes to help suppliers deliver extra help measures (for example a benefit check). These third parties could be incentivised to accept referrals through using smart metering data to improve their own services (for example offering more bespoke energy efficiency advice) and achieve cost savings (for example implementing social care interventions through smart metering systems).

### Key barriers and risks

**For consumers:** Stakeholders emphasised this option should adopt a pathway approach (with multiple entry points) to extra help and referrals, rather than 'bombarding' a customer with assistance that may overwhelm and confuse them. The emphasis should remain on optimising the customer experience, not delivering social obligations.

**For suppliers:** Apart from signposting, suppliers are not currently seeking to systematically link smart up with other schemes or deliver their social obligations under a smart pathway. A key barrier identified was the size and complexity of the rollout task.

Suppliers prefer to focus, at least in the immediate term, on their principal responsibility to achieve annual installation targets. As such, there appears to be a risk the consumer and business benefits from integrating smart with wider sources of extra help will be missed unless incentives to do so are not further explored and developed.

**For third parties:** The overriding barrier to linking up national and local schemes with a smart meter extra help pathway was capacity. Where linking smart up to such schemes may lead to an increase in referral volumes demand will have to be modelled and planned for in order to avoid creating false expectations.

## Costs and savings

Potential additional costs for this option were associated with retraining and up-sizing existing extra help teams and delivering the single point of contact service at scale. On the latter point, we suggest eligibility for this measure should align with the definition of vulnerability under SMICoP, with flexibility for suppliers to target the service in accordance with need. We recommend supplier modelling is undertaken to better understand the costs associated with delivering this pathway at scale.

Savings were identified from using the smart pathway to reduce the premium to identify suitable and eligible households for the existing supplier-led and funded schemes ECO and WHD. Using DECC and NERA data we estimate an implied search cost for ECO AW up to 31 December 2013 of £45.27 million. For the WHD scheme, DECC has previously estimated supplier administrative costs over 2010-15 at £10.6 million. We suggest the costs associated with identifying, targeting and contacting suitable households for ECO and WHD could be reduced by using the smart meter pathway to:

- a. collect information on a customer's property at the booking appointment and installation visit to assess the suitability of a house for ECO measures
- b. use the contact touch point with a customer to assess their interest in and suitability for ECO, including whether they comply with ECO AW criteria.

Recovered costs could be used to help fund measures under a smart meter extra help pathway.

## Option 2: Dedicated vulnerable customer pathway plus a package of measures

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Option 2 tests the second approach: a dedicated extra help pathway to assist vulnerable customers who receive a smart meter (as per Option 1) plus a package of easy-to-fit, low-cost energy efficiency measures. Examples of such measures include door stops, draught proofing and setting heating controls, with a full list of proposed measures provided in Table 9.

Three different channels to deliver these low-cost measures were tested with stakeholders:

Channel 1: Installed by the smart meter installer during the smart meter installation visit. This channel would be delivered by suppliers

Channel 2: Installed during a post-installation, follow-up home visit. Along with installing the low-cost measures this visit would be designed to provide personalised advice on energy use and efficiency and offer support and engagement around the householder's smart metering system. Two channels were tested to deliver this follow-up home visit:

- a. Channel 2a: a centrally-delivered scheme where the CDB is responsible for coordinating the follow-up visits
- b. Channel 2b: a supplier-delivered scheme where each supplier is responsible for coordinating the follow-up visits.

The rationale for this option is to build benefits for customers through both an enhanced package of measures and a more personalised and in-depth approach to delivering energy efficiency and behaviour change advice. Presented below is the extra help pathway for Option 2.

Figure 7. Option 2: Dedicated vulnerable customer pathway plus a package of low-cost energy efficiency measures

# Extra help pathway option 2

## ① Pre-installation ② Installation visit ③ Post-installation

### All Channels

- Supplier has a **dedicated pathway** to process smart meter installations for identified vulnerable customers (as per Option 1)
- Supplier offers an eligible vulnerable customer **low-cost energy efficiency measures** as part of this pathway
- Where appropriate or requested, the customer is offered **assisted referral** (that is not customer-led) into sources of extra help

### Channel 1

- Along with a smart meter, installer installs easy-to-fit, **low-cost energy efficiency measures**

### Channels 2a and 2b

- Customer receives a smart meter

### All Channels

- Where appropriate or requested, the customer is offered **assisted referral** (that is not customer-led) into sources of extra help

### Channel 1

- Customer receives **follow-up aftercare** (as per Option 1)

### Channels 2a (CDB-led) and 2b (supplier-led)

- Customer receives a **post-installation follow-up home visit** at which low-cost energy efficiency measures are fitted

### All Channels

- Where appropriate or requested, the customer is offered **assisted referral** (that is not customer-led) into sources of extra help

1

### What low-cost energy efficiency measures could be fitted?

- ➔ **Energy efficiency:** radiator reflector panels, draught proofing, lagging, hot water insulation jacket, efficient light bulbs, standby plug, setting heating controls
- ➔ **Safety:** carbon monoxide alarm

2

### What could a follow-up home visit include?

- ➔ Customer receives **personalised advice** on energy use and efficiency
- ➔ **Easy-to-fit, low-cost energy efficiency measures** are installed
- ➔ Customer receives support to use **smart meter and IHD**

3

### Assisted referral into:

- ➔ Supplier extra help
- ➔ Energy efficiency schemes
- ➔ Support at a local authority level



## **SWOT analysis and stakeholder feedback**

Overall, stakeholders liked the idea of a whole-house approach to fuel poor consumers under this option. That is, delivering energy efficiency and savings benefits through smart metering, installing low-cost measures and providing assisted referral into wider support schemes. Broadly, there was a consensus, including among industry, Government and the regulator, that joining up smart with more personalised assistance on energy efficiency had the potential to facilitate behaviour change and incentivise the take-up of higher-cost measures through other programmes. Stakeholders at a local and community level meanwhile compared this option to their own positive experiences from delivering in-home energy advice projects (for example Green Doctor visits). In particular, they emphasised the value of such projects in engaging otherwise isolated and hard-to-reach individuals.

While recognising the merits of this option, cost was an overriding concern, especially among stakeholders with delivery and oversight responsibilities. Generally, cost sensitivities around the rollout are high, with pressure to avoid adding anything onto the programme that could be passed onto consumer bills. As such, appetite for this option existed only if the low-cost measures could be funded from existing schemes (for example ECO or WHD). At present however, joining up supplier social obligations to deliver extra help *under* smart, as opposed to using smart to signpost or refer customers into other schemes, does not appear to be under consideration by industry or Government.

Presented below are the strengths and weaknesses of this option. Specifically, the option and its component measures are assessed with regard to operational feasibility (ability to deliver component measures), operational integrity (ability to deliver benefits) and financial viability (including quantifiable costs, where available).

### **Operational feasibility (ability to deliver component measures)**

#### Component measure 1: low-cost energy efficiency measures

In terms of the skills required by suppliers to install the low-cost measures, stakeholder feedback did not indicate this would require prohibitive amounts of additional training above and beyond existing SMICoP requirements. NEA's own research suggests that skills to fit the measures range from basic (for example for external door stops draught proofing) to medium (for example for radiator reflector panels). These skills do not require qualifications and could be incorporated into energy efficiency training under SMICoP. However, some suppliers suggested the focus of smart metering technicians should remain on the meter installation task. In particular, concern was raised about the additional complexity and added time for the install visit from fitting low-cost measures.

With regard to complexity, it was noted an installer already has large amounts of materials and equipment to oversee, including meters, IHDs, guides, leaflets etc. Adding low-cost measures to this inventory may be difficult to manage and quality assure. Second, and in regard to added time, suppliers noted that they have annual rollout targets and stressed the importance of being able to plan and allocate time to visits in order to meet AM and PM appointments. Extra time that threatens these schedules could lead to a breach and possible penalties under Supplier Guaranteed and Standards of Performance.



In practice though, if suppliers know in advance that a customer is vulnerable before visiting the property they could allow additional time and schedule appointments accordingly. Furthermore, suppliers did stress during interviews that extra time would always be spent at a property as appropriate and necessary. Operationalising and incentivising this extra time in practice however was viewed as a challenge and a risk by those with oversight and policy responsibility.

One particular issue is reporting and compliance arrangements for the rollout. Ofgem plans to require suppliers to notify the regulator of the number of PSR customers who have had a smart meter installed. They do not, however, propose to use any other measures of vulnerability to track installations, for example the WHD Core Group or customers identified as vulnerable during the installation process under the definition used in SMICoP. Furthermore, while suppliers can be penalised if they do not meet annual installation targets they receive no credit for tailored installations. As such, building a metric for installations carried out under a dedicated extra help pathway into the programme's reporting framework could be one way to incentivise a tailored and potentially longer visit to vulnerable customers. In addition, tracking of 'vulnerable installations' using not only the PSR but other proxies such as the WHD Core Group could improve understanding on the extent to which a broader spectrum of vulnerable customers, including those on low incomes, are being included in the rollout.

#### Component measure 2: post-installation follow-up home visit

A follow-up visit, while operationally feasible, was viewed to potentially pose problems in terms of:

- a. Regaining access to a property
- b. Ensuring delivery support through a second visit does not breach SMICoP requirements to deliver energy efficiency guidance at the point of install<sup>25</sup>
- c. Where there is a role for a contracted third party to deliver the follow-up visits (for example an energy advice professional from a private or third sector organisation) managing the logistics of coordinating multiple parties for multiple visits.

On the question of whether to deliver the follow-up visits through a centrally-delivered scheme (Channel 2a) or a supplier-delivered scheme (Channel 2b) stakeholders, including some consumer advocates, generally thought it made sense for obligated suppliers to decide based on cost-efficiencies. Broadly, it was thought a centralised model would only be delivered under a supplier-led rollout if energy companies agreed it was in their best interest to coordinate extra help rather than associating the service more closely with their own brand. This was considered unlikely given suppliers are at different stages in the rollout. Specifically, some are already beginning to distinguish themselves through particular approaches and products (for example E.ON's vulnerable customer journey, British Gas's Smart Energy Report).

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<sup>25</sup> In practice, there is no reason why basic energy efficiency advice (which is the level most suppliers are currently providing) could not continue to be offered at point of install and a more personalised level of assistance provided in a follow-up visit. Furthermore, SMICoP requirements make it explicit a customer can request and receive energy efficiency advice at a later date. Finally, there is capacity to change SMICoP, if required.

These early movements may act as a disincentive to closer coordination and messaging among these participants, although other suppliers who are seeking to 'catch up' may favour this approach. Specifically on the role of the CDB, there was little appetite among those with delivery and oversight responsibilities to explore changing licence conditions to explicitly require the CDB to deliver extra help beyond activities such as outreach and branding. Some local delivery bodies and one interviewee in a devolved administration preferred a central scheme however – for reasons cited in the benefits section below.

## **Operational integrity (ability to deliver benefits)**

### Component measure 1: low-cost energy efficiency measures

Across the three delivery channels, low-cost measures were supported for their ability to engage people on energy efficiency at a basic level, increase comfort levels within a property and deliver savings to customers. There was also a view this approach could help build support for a vulnerable consumer to take-up higher-cost measures (through existing schemes) leading to larger carbon and cost savings. As such, this option was positioned by some stakeholders in the public and third sector as a 'whole-house approach' to fuel poverty and energy efficiency. According to one supplier however, they had explored the option of providing low-cost measures to vulnerable households as part of a smart meter pathway during customer focus groups. This stakeholder indicated there was minimal demand for this measure, with some customers stating they had applied entry-level measures already. This finding however was not universal. Indeed, both mapping of fuel poverty initiatives and stakeholder feedback from the local and community sector indicates that energy advice visits combined with low-cost measures remain a popular and effective way of reaching vulnerable consumers. Furthermore, the aforementioned comment may be focused on reducing opportunities for cost-effective insulation (loft and easy-to-treat cavity walls) rather than additional lower-cost measures (such as radiator panels and those listed in Table 9). Demand for these types of measures is not understood to be saturated and they are not currently being delivered under the AW element of ECO. This is despite the potential for increased thermal comfort and energy savings at a small cost and with quick paybacks. A fuller assessment of the costs and benefits associated with low-cost measures can be found further on in this section.

### Component measure 2: post-installation follow-up home visit

In terms of benefits from delivering low-cost measures through either Channel 1 or 2 (during or after the installation visit), preferences were divided across the sub-options. Suppliers did indicate however that cost would be a determining factor. It was noted by others meanwhile, including third sector delivery bodies, that ideally a customer should be given a choice between the channels (that is one or two visits).

Identified strengths and weaknesses of both approaches are presented below.

#### *Channel 1: installing low-cost measures during the smart meter installation visit*

Some stakeholders across a range of areas (industry, local government, community sector and delivery parties) preferred the assistance to be loaded into one visit. Those stakeholders viewed this as a simpler pathway for a vulnerable customer to understand and access. For suppliers, it has the benefit of avoiding costs and logistical complexities associated with two visits. Local government and community

sector interviewees who favoured this option did emphasise the importance of following up the install visit with some form of aftercare. In addition, it was noted by this sector that in order to avoid a 'loaded' visit confusing a vulnerable customer, preparatory work should be done to ensure a household understands what measures to expect, why they are being offered and when to expect them.

*Channel 2: installing low-cost measures during a post-installation, follow-up home visit*

Staggering assistance into two visits was preferred (in principle) by a larger number of stakeholders, including some in industry, Government and the third sector. For suppliers, benefits were identified among industry representatives in breaking out extra help from the install visit. Specifically, a follow-up visit may require less interruption to suppliers' rollout profiles and leave the installer free to focus on complying with existing codes.

For consumers, a follow-up visit was viewed as having potential for an improved customer experience. Specifically, one that:

- Allows time for a customer to get to know their smart metering system, understand where they may have queries and subsequently have the opportunity to ask questions and have any concerns addressed
- Supports a customer to engage with their smart meter where they have previously chosen not to or found it difficult to do so
- Allows time for a meaningful dialogue around energy efficiency and a discussion on what services and schemes a customer may benefit from referral into. This includes taking time to explain the low-cost measures to the customer so they can maximise their benefits
- Tailors energy advice to the property type, including the potential to use any smart metering data collected in the interim period to provide more targeted messages around energy use and efficiency
- Utilises the services of an expert and experienced adviser to deliver the follow-up visit. Some industry stakeholders suggested using suppliers' own energy efficiency experts. Others, particularly 'on-the-ground' and delivery bodies, preferred the adviser to be a third party who could help to deliver independent and trusted advice. This was viewed as particularly important for customers with energy debt or poor existing relationships with their supplier. One stakeholder already delivering in-home visits suggested an independent party may be better placed to engage vulnerable householders on behaviour change where their first, defensive reaction may be to blame their supplier for high energy bills. In addition, it was noted that contracting third parties already delivering similar services could help facilitate the provision of detailed community-level advice and utilise tried-and-tested methodologies to identify and engage eligible households.

There were mixed views on the best time to provide a follow-up visit. Some in the local and delivery sector suggested conducting it as soon as possible to avoid drop-outs and failed/forgotten visits. Others suggested holding it at four-weeks plus (and potentially after the first 'smart' bill) may enable a richer source of data to be used as part of the advice session. The latter timeframe would also tie into a critical point for customers: savings realised or costs incurred through a move to accurate billing.

In terms of barriers to realising benefits from a follow-up visit the following points were made:

- **Lack of demand.** There may not be an appetite among vulnerable customers for two visits and gaining access to a property twice should be avoided. Some with delivery experience, including a local government stakeholder, made this point. It was noted that two visits could inconvenience a customer. Reasons included time off work, having a stranger in the house twice and potentially having to organise a third party presence twice. This may lead to drop-off rates and act as a disincentive to engaging with the extra help scheme. On the other hand, some stakeholders, including one already delivering in-home energy visits, thought the low-cost measures would be a compelling incentive for a customer to accept a follow-up
- **Complexity for consumers.** Multiple visits mean multiple steps that add a layer of complexity for eligible households. It was emphasised an extra help pathway should be made as simple as possible for a vulnerable customer to access and understand (that is, fewer steps). As such, if two visits do take place, this should be clearly explained and organised from the outset
- **Complexity for delivery parties.** Third party involvement may increase risks around establishing clear delivery responsibilities. Multiple parties could also lead to customers falling through gaps in coordination and referral mechanisms. In addition, privacy issues around access to smart meter data and customer information would have to be factored in if third parties were involved.

When considering the benefits from centrally-delivered (Channel 2a) or supplier-delivered (Channel 2b) follow-up visits it was noted consumer research should help inform what channels are trusted and preferred to provide support. Broadly however:

- A central scheme was preferred by some stakeholders, including interviewees in devolved government and local delivery bodies. Reasons included helping to promote a uniformity of approach and consistent quality of service. A central body may also appeal to the customer as a trusted and independent party. On the latter point however, doubts were expressed by the CDB as to whether customers would want to receive help from an organisation they have no prior existing relationship with. More broadly, industry and Government stakeholders thought this approach may not fit into the existing model for the CDB; where the organisation is focusing on coordinating engagement with customers, predominately through third-party channels
- A supplier scheme was preferred by the majority of interviewees in the industry, government and regulatory sectors. As noted by many, the rollout is supplier-led and one of the goals of the programme is to use the contact opportunity from smart for a supplier to take responsibility for establishing an improved and more individualised relationship with their customer base. In addition, a key driver for suppliers to embrace smart and any extra help offered is so they can 'own' customer benefits. That is: saving energy and money. As such, a supplier delivery channel was seen as a more natural fit with these objectives.

### **Financial viability (cost to deliver)**

This option, specifically the low-cost measures and follow-up visit, were associated with a potentially significant additional time and cost impact. It was emphasised that

any extra costs not accounted for under existing schemes would end up on customers' bills and should therefore be avoided. There was no clear consensus on whether one or two visits (that is Channel 1 or 2) would be more cost-effective. This would require a full analysis of the financial impact of both cases. Furthermore, premiums for geographical location will have to be taken into consideration. Specifically, the cost of follow-up visits to rural and remote households.

### Cost and benefits associated with a package of low-cost measures

As part of this research, NEA commissioned work to look at the costs and savings associated with low-intervention measures and their installation in households. The tool developed an assessment of costs and savings for a standardised package of measures to be installed in three property types known (based on English Housing Survey data) to be prone to fuel poverty. The three property types are:

- Two-bed mid-floor flat with electric storage heaters and immersion
- Three-bed semi-detached house with gas
- Three-bed semi-detached house with oil and immersion.

The measures chosen for the standardised package were selected on the basis they:

- Cost less than £20 per measure<sup>26</sup>
- Take less than one hour to install per measure
- Require basic to medium skills to install that make use of only simple tools, for example an Allen key or screwdriver.

In developing a standardised package, assumptions were made around a typical number of units to install per low-cost measure per property (for example two radiator reflector panels per household). Calculations for the three property types incorporate only those measures applicable to that property type. For example, costs and savings associated with letter box lagging are excluded from calculations for a mid-floor flat. Water-saving measures (for example a Hippo Water saver) were excluded from this final report on the basis they are not directly aligned to realising energy efficiency benefits and low-cost water-saving devices can often be acquired for free from water utility companies. Loft hatch draught proofing was also excluded on the basis a risk assessment is required to install it.

Finally, it should be noted that, in practice, it is not expected this full package of measures would be applicable or installed in a single property. Parity Projects, who developed the tool, suggests they would expect around five measures to be installable in a property. This is supported by research on Green Doctor visits, which suggests around six measures on average are offered to a household.

The type, number and install cost of measures included in the standardised package is outlined in Table 9 below.

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<sup>26</sup> The £20 is exclusive of labour costs but inclusive of the total typical number of units to install per measure per property. For example, energy efficient light bulbs, GLS – LED, cost £12.24 per unit but on average five are required per property. Thus this measure was excluded from the standardised package.

**Table 9. Standardised package of low-cost measures**

	Low-cost measure	Typical number of units installed per property	Total install cost
1.	Radiator reflector panels	2	£12.84
2.	External door stops draught proofing	1	£6.30
3.	External door threshold draught proofing	1	£7.63
4.	Letter box lagging	1	£24.49
5.	Pipe lagging	1	£9.58
6.	Hot water insulation jacket	1	£9.88
7.	Energy efficient light bulbs GLS - CFL	5	£12.10
8.	Standby-off plug	1	£8.18
9.	Carbon monoxide alarm (basic)	1	£12.68
10.	Setting heating controls (not providing controls where absent)	1	£6.00
11.	Check Economy 7 <sup>27</sup> meter times	1	£1.20
12.	Per property works price	1	£9.00

For this standardised package, the total cost (labour and kit) is estimated at £124.18. The time taken to fit the measures is estimated at five hours. Presented below are benefits accrued from this standardised package.

Table 10 shows annual cost savings (£) and annual carbon savings (kg CO<sub>2</sub>) for each measure<sup>28</sup> across the three property types.<sup>29</sup> Table 11 shows the total cost and carbon savings for the standardised package across the three property types. The payback period to realise the total cost savings (based on the total cost of the package) is also presented.

<sup>27</sup> Or other basic time-of-use tariff, to be included as demand-side reduction products develop.

<sup>28</sup> Savings for each measure are calculated on the assumed typical number of units installed per measure per property, as presented in Table 10.

<sup>29</sup> The figure for each metric (Saving £/annum, Saving kg CO<sub>2</sub>/annum) represents the mean of the estimated minimum and maximum saving.



**Table 10. Cost and carbon savings by low-cost measure across three property types**

	2-bed mid-floor flat		3-bed semi with gas		3-bed semi with oil	
Measure <sup>30</sup>	Saving £/annum	Saving kg CO <sub>2</sub> /annum	Saving £/annum	Saving kg CO <sub>2</sub> /annum	Saving £/annum	Saving kg CO <sub>2</sub> /annum
1.	NA	NA	5	20	7	26
2.	NA	NA	3	12	4	14
3.	NA	NA	3	12	5	14
4.	NA	NA	2	0	2	4
5.	NA	NA	24	96	43	153
6.	45	164	77	311	140	505
7.	47	173	47	173	47	173
8.	3	11	3	11	3	11
9.	NA	NA	NA	NA	NA	NA
10.	NA	NA	35	141	49	175
11.	33	0	NA	NA	NA	NA

**Table 11. Cost and carbon savings for a standardised package of low-cost measures across three property types**

	2-bed mid-floor flat			3-bed semi with gas			3-bed semi with oil		
	Saving £/annum	Saving kg CO <sub>2</sub> /annum	Cost £ /kg carbon saved per annum	Saving £/annum	Saving kg CO <sub>2</sub> /annum	Cost £ /kg carbon saved per annum	Saving £/annum	Saving kg CO <sub>2</sub> /annum	Cost £ /kg carbon saved per annum
Min. saving	38	141	0.88	87	340	0.37	157	556	0.22
Max. saving	216	554	0.22	308	1,213	0.10	442	1,593	0.08
<b>Mean saving</b>	<b>127</b>	<b>347</b>	<b>0.36</b>	<b>197</b>	<b>777</b>	<b>0.16</b>	<b>300</b>	<b>1,075</b>	<b>0.12</b>
	Years			Years			Years		
Max. payback	3.2			1.4			0.8		
Min. payback	0.6			0.4			0.3		
<b>Mean payback</b>	<b>1.9</b>			<b>0.9</b>			<b>0.5</b>		

<sup>30</sup> The number corresponds with the numbered measure in Table 9. Refer to this table for the name of the measure.



What these findings show is that for a relatively short payback period (less than two years for a 2-bed flat, less than one year for a 3-bed semi with gas and less than half a year for a 3-bed semi with oil) a package of low-cost measures can achieve considerable carbon and cost savings (or, in the case of low-consumption households, lead to increased comfort levels). Specifically, the mean cost and carbon savings across the three property types ranges from £100 to £300 per annum and from 300 to 1,000 kg CO<sub>2</sub> per annum. This suggests Option 2 could have both economic and environmental benefits in the form of reduced energy bills for vulnerable fuel poor customers and reduced carbon emissions. In addition to the measures themselves, there may also be cost and carbon savings (not quantified here) from household behaviour change occurring through both the provision of the measures and a level of personalised energy advice. Savings from the latter may be greater if Channel 2 were chosen: a post-installation follow-up visit.

With regard to cost, there are two notable barriers associated with the above package. First, the relative expense of the package: £124.18 (incorporating unit costs and labour). Second, the long period of time required to install the measures: estimated at five hours. In practice, it is expected total cost would be reduced due to efficiencies from buying measures in bulk and if labour and travel were incorporated into a smart meter installation, as per Channel 1. With regard to the length of a visit, as noted previously, it is not expected all of the above measures would be installed in a single property. As such, the following five-measure package is used as an example of what is more reasonable to expect a household to receive. The low-cost measures chosen are:

- Two radiator reflector panels
- One external door threshold draught proofing
- One hot water insulation jacket
- One standby-off plug
- One setting heating controls (not providing controls where absent)
- One check Economy 7 meter times.

The total cost (labour and kit) is estimated at £54.23. Kit accounts for £20.33 and labour accounts for £33.90. The time taken to fit the measures is estimated at 2.8 hours. While this remains a significant additional period of time within the property, it is considered that this is a conservative estimate. Research shows that Green Doctor visits fitting a similar number and type of measures take around 1.5 hours (including time taken to have a dialogue with a customer around energy advice and extra help).

In practice, it is expected the learned skills of the contractor and the conventional nature of most property types would lead to efficiency savings with regard to the time required to assess a property and fit measures. Presented below are carbon and cost savings associated with this package.

**Table 12. Cost and carbon savings for a package of low-cost measures across three property types**

	2-bed mid-floor flat			3-bed semi with gas			3-bed semi with oil		
	Saving £/annum	Saving kg CO <sub>2</sub> /annum	Cost £ /kg carbon saved per annum	Saving £/annum	Saving kg CO <sub>2</sub> /annum	Cost £ /kg carbon saved per annum	Saving £/annum	Saving kg CO <sub>2</sub> /annum	Cost £ /kg carbon saved per annum
Min. saving	25	91	0.60	46	188	0.29	96	336	0.16
Max. saving	135	258	0.21	198	804	0.07	312	1,126	0.05
<b>Mean saving</b>	<b>80</b>	<b>175</b>	<b>0.31</b>	<b>122</b>	<b>496</b>	<b>0.11</b>	<b>204</b>	<b>731</b>	<b>0.07</b>
	Years			Years			Years		
Max. payback	2.2			1.2			0.6		
Min. payback	0.4			0.3			0.2		
<b>Mean payback</b>	<b>1.3</b>			<b>0.7</b>			<b>0.4</b>		

What this table shows is that, even with a reduced package of measures, a relatively short mean payback period (around 0.5 to 1.5 years) can still realise mean annual cost savings of between £80 to £200 across the three property types. This represents a considerable benefit in the context of only £20 being spent on the measures. With labour, the cost per property rises to £50. However, as stated previously, efficiencies in this area could be realised if the measures are combined with a smart meter installation visit (Channel 1). Having said that, the benefits from choosing this channel would have to be measured against any costs. This may include loading time into the install visit and not providing the customer with an enhanced and personalised follow-up session (as per Channel 2).

Overall, the £50 figure compares favourably with the Switchover Help Scheme, where a £40 package was provided free to eligible households on means-tested benefits. Furthermore, it is understood the cost for travel and labour in this £40 was subsidised in order to make the package attractive compared to the cost of set-top boxes at market rates. In addition, this package triggers both societal and environmental benefits (in the form of carbon and energy savings) that were not present for the digital experience.

### **Eligibility for low-cost measures**

Eligibility will obviously affect total cost for extra help under Option 2. To the extent they help reduce energy bills, low-cost measures are designed to assist vulnerable households that are in or near fuel poverty. As such, NEA and Citizens Advice suggest eligibility for Option 2 (the package of measures) should align with a fuel

poverty proxy. Currently, this is the CWP group (all tenure) or ECO AW group (private tenure). Details of these proxies are provided in Table 13 below.

**Table 13. Eligibility for the Cold Weather Payment and ECO Affordable Warmth Schemes**

Scheme	Who eligible	Proxies use	How many eligible
Cold Weather Payment	<ul style="list-style-type: none"> <li>• Low income pensioners</li> <li>• Low income disabled / household with a disability</li> <li>• Low income household with children</li> </ul>	<ul style="list-style-type: none"> <li>• Pension Credit</li> <li>• Income Support</li> <li>• Income-based Jobseeker's Allowance</li> <li>• Income-related Employment and Support Allowance</li> <li>• Child Tax Credit</li> <li>• Working Tax Credit</li> <li>• Pensioner and Disability Premiums</li> <li>• Universal Credit</li> </ul>	Estimate 5.7m
ECO Affordable Warmth	As per CWP but private tenure only	<ul style="list-style-type: none"> <li>• Pensioner and Disability Premiums</li> <li>• Universal Credit</li> </ul> <p>NB: Proxies used for energy assistance schemes will be affected by the move to Universal Credit</p>	Estimate 3m

Source: NPI for Home Heat Helpline (2013)

As discussed at Option 1, one disadvantage from aligning eligibility with a benefits proxy is the burden on suppliers (and the CDB under Channel 2b) of targeting and verifying suitable households. As noted, this burden would be eased if the Government extended data sharing powers to allow suppliers (or the CDB) to automatically identify and target customers in the CWP and AW groups. The Switchover Help Scheme provides a precedent for data sharing. Here, new legislation was implemented allowing DSHS to contact eligible customers with information about the help package. If data sharing is not implemented suppliers (and the CDB) would have to identify and target customers using similar methods already employed for schemes such as ECO.

As such, aligning Option 2 eligibility criteria with an existing proxy would help optimise efficiencies in finding eligible customers across schemes. It would also have benefits in terms of simplifying any joining up of smart meter extra help with broader social and environmental initiatives.

With regard to the alternative – using a customer base which suppliers can pre-identify as vulnerable – this would require limiting eligibility to the WHD Core Group and PSR customers. This cohort is a poor proxy for the fuel-poor; displaying a bias

toward older people and customers that may have additional needs but not ones that necessarily correlate with low income and high energy costs. As such, and taking into consideration the following two key factors:

1. The objective of a low-cost package is to provide fuel poor customers with a 'whole-house' benefit by joining up smart metering with broader energy efficiency assistance
2. CWP-eligibility is currently the proxy used for fuel poverty across all tenures

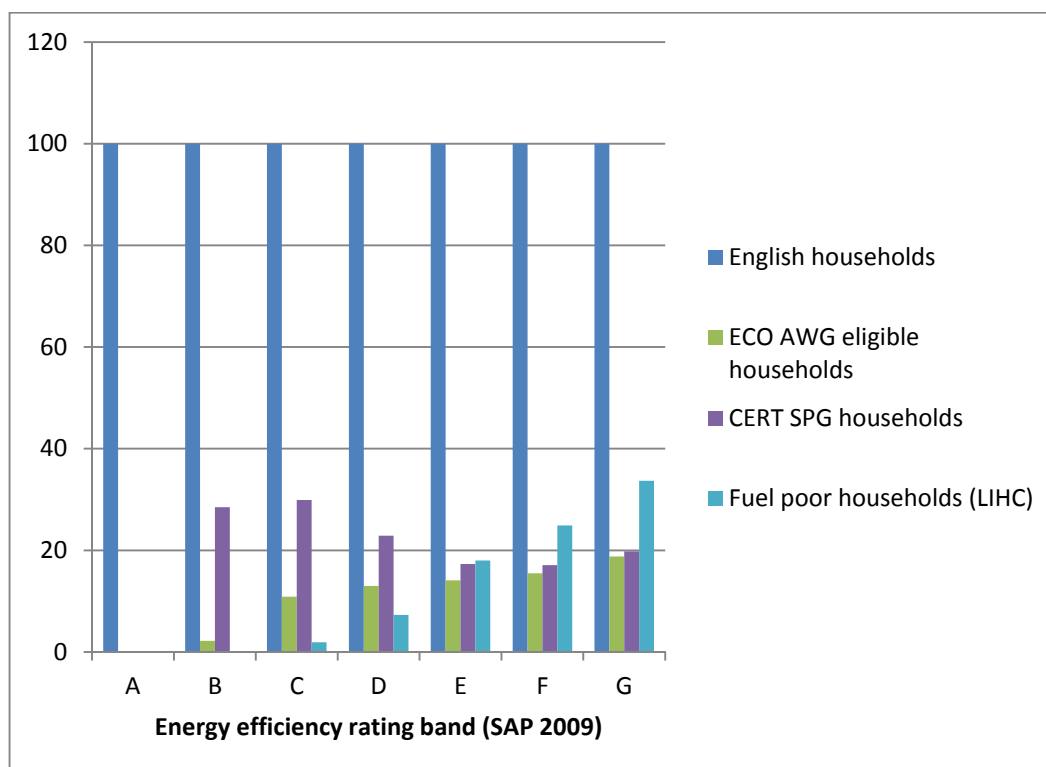
NEA and Citizens Advice recommend aligning eligibility for Option 2 (the package of low-cost measures) with the CWP group. In making this recommendation we note that one disadvantage of this approach is the gap between the CWP cohort and fuel poor households. Using data from the English Housing Survey, the table and graph below shows a breakdown of SAP energy efficiency rating by ECO AW Group, CWP Group and fuel poor households.

**Table 14. Household energy efficiency rating by ECO AW eligibility, CWP eligibility and fuel poor households (LIHC) – English households only**

Energy efficiency rating (SAP 2009)	Total no. households / % of total no. households		ECO AWG households / % of total no. households in rating band		CWP households / % of total no. households in rating band		Fuel poor households (LIHC) / % of total no. households in rating band	
<b>A</b>	2,394	0%	0	0%	0	0%	0	0%
<b>B</b>	33,039	0.2%	722	2.2%	9,425	28.5%	0	0%
<b>C</b>	3,154,553	14.4 %	344,404	10.9%	941,667	29.9%	57,371	1.9%
<b>D</b>	10,889,576	49.7 %	1,415,370	13.0%	2,488,305	22.9%	785,850	7.3%
<b>E</b>	6,230,252	28.4 %	877,354	14.1%	1,075,551	17.3%	1,119,497	18.0%
<b>F</b>	1,288,755	5.9%	200,206	15.5%	220,868	17.1%	319,770	24.9%
<b>G</b>	319,794	1.5%	60,111	18.8%	63,413	19.8%	107,565	33.7%
<b>Total</b>	21,918,363	100%	2,898,167		4,799,229		2,390,053	

Source: NEA analysis using English Housing Survey and DECC fuel poverty statistics

**Figure 8. Percentage SAP 2009 energy efficiency rating band comprising all households, ECO AWG-eligible households, CWP-eligible households and fuel poor households (LIHC) – England only**



Source: NEA analysis using English Housing Survey data and DECC fuel poverty statistics

The above findings show that, for the least energy efficient households (F and G rated), there is a significant gap between households that are CWP-eligible and households that are fuel poor under the LIHC definition. Specifically, 7.8 per cent or 98,902 households are fuel poor but not CWP-eligible in band F in England. For band G, 13.9 per cent or 44,152 households are fuel poor but not CWP-eligible in England. Given these households are:

- a. less likely than others to have low-cost measures fitted
- b. will not receive energy efficiency measures under ECO AWG<sup>31</sup>

there appears to be a benefit from building some level of flexibility into a CWP-eligibility proxy under Option 2. In particular, there may be advantages – as suggested by one stakeholder – in having a ring-fenced amount of funding for ‘special cases’. This pot of money could be used for households that are not CWP-eligible but for which suppliers (or the CDB) could provide assistance in accordance with evidence-based need.

### Potential funding sources for low-cost measures

If the low-cost package was provided to all CWP-eligible households at a cost of £50 per property and assuming a take-up of 35 per cent<sup>32</sup> the total estimated cost for the

<sup>31</sup> Although they may be eligible to receive measures under CSCO and CERO.

package would be £99.75 million. This does not include efficiencies that are expected to be realised from purchasing measures in bulk and potentially aligning installation visits with extra help visits. The potential to utilise existing funding streams to help meet this cost is assessed below.

#### A. Additional treasury-funded resources

One option to progressively fund measures is recycling HM Treasury revenues received from both carbon levies and VAT paid by domestic electricity consumers in Great Britain on their energy bills. Customer contributions in these areas are presented in the tables below.

**Table 15. Aggregate contribution by the average GB electricity consumer to revenue to the Treasury from the EU Emissions Trading Scheme (ETS) and the Carbon Price Floor (CPF)**

	2013	2020	2030
EU ETS (£m)	338.0	574.7	2264.8
CPF (£m)	202.8	1690.2	1622.6
<b>Total (£bn)</b>	<b>0.54</b>	<b>2.3</b>	<b>3.9</b>

**Table 16. Average VAT paid on domestic electricity bills per household (£)<sup>33</sup>**

	2013	2020	2030
Low	31.50	36.47	39.58
<b>Med</b>	<b>31.50</b>	<b>41.44</b>	<b>44.97</b>
High	31.50	45.38	49.53

<sup>32</sup> This figure correlates with the reported number of people taking-up Southern Water's Green Doctor Scheme as part of its Universal Metering Programme (Southern Water, 2012). It also falls somewhere between the 67 per cent (National Audit Office, 2008) of eligible households estimated in original cost-modelling to take-up the Switchover Help Scheme (including those who had to pay for the £40 package) and the 19 per cent that applied for the Help Scheme in practice (BBC, 2012).

<sup>33</sup> HM Treasury receives 5 per cent VAT on energy bills. Using the weighted average bill (that is the median of three DECC scenarios on possible future domestic electricity prices), the contribution individual domestic electricity consumers make in VAT, and the overall aggregate tax receipts from domestic electricity customers, are shown in Tables 16 and 17.

**Table 17. Aggregate VAT receipts to Treasury paid on domestic electricity bills (£m)**

	2013	2020	2030
Low	965.03	1117.41	1212.64
<b>Med</b>	<b>965.03</b>	<b>1269.78</b>	<b>1377.71</b>
High	965.03	1390.41	1517.39

Source: NEA analysis using DECC data

These findings show that on top of the £0.54 billion collected centrally by the Government from carbon levies (ETS and CPF) in 2013, HM Treasury also generated £965 million in 2013 from VAT on domestic electricity bills, at £31.50 per household. These figures are due to increase substantially in the future. In addition, 5 per cent VAT is applied on top of the carbon levies which yielded HM Treasury £27 million in 2013, increasing to £113 million by 2020 and an estimated £194 million in 2030. This practice could be considered a form of double taxation; essentially applying a 5 per cent tax on top of another form of tax (the ETS and CPF). This is at the same time as the ETS and CPF will inevitably lift the market price for energy and the consumer will almost certainly pay more for electricity in the short to medium term. In addition, a heavier burden will fall on the approximately 10 per cent of British domestic electricity customers whom are reliant on electricity as their main heating fuel. It is also worth noting that a larger proportion of low income households are reliant on electric central heating. Any further strain on the finances of low income households will impact the attainment of national fuel poverty targets. As such, recycling or ring-fencing a small portion of this revenue to support fuel poverty measures under a smart meter extra help scheme could be one avenue through which to deliver low-cost measures to vulnerable households.

## B. ECO

Subject to consultation, the Government plans to extend ECO AW to 2017. Funding available for the scheme is estimated at an average of £350 million per annum. In addition, funding is also available and targeted at fuel poor households (living in designated areas of deprivation) through ECO CSCO. For ECO AW, funded measures are largely boiler repairs/replacements and cavity wall and loft insulation. Currently, a whole-house approach is not adopted and low-cost measures are generally not funded or installed. As such, there appears limited potential as ECO AW is delivered at present (targeting the most cost-effective properties and measures based on lifetime bill savings) to utilise this scheme to help fund the package of measures under Option 2. Having said that, there is flexibility about what measures are funded under ECO. Up to the end of December 2013, the provisional number of measures delivered through AW was 239,456, with 202,348 'unique' properties assisted. This single-measure approach to retrofitting undermines the benefits that could be realised from increased affordability and comfort outcomes associated with a whole-house package.



Furthermore, a single-measure (for example a new boiler) could also compromise the 'buy in' or value that households place on energy efficiency overall. As such, if piloting Option 2 demonstrates a demand for and benefit from low-cost measures there remains scope to push for ECO funding to help meet overall scheme costs.

### C. WHD

Currently, a very small amount of low-cost measures are funded under WHD Industry Initiatives. An example is E.ON's partnership with Age UK to deliver home handyman visits to older people. More broadly however, there could be efficiency savings if the extra help suppliers currently provide under the WHD Industry Initiatives cap was aligned with a smart meter extra help scheme. As identified in the mapping at Section 4.1.2, a range of third parties and projects are funded under this cap. Projects focus on delivering four key measures to fuel poor customers: debt assistance; benefit entitlement checks; energy efficiency advice; and energy efficiency measures. There is a cost to suppliers and the regulator in seeking and granting approval for each separate initiative. Suppliers are also required to demonstrate value for money, including administrative costs, in running each scheme. As such, there is potential for Government and industry to explore whether value for money could be improved if fuel poor customers identified through the installation process were targeted for a package of measures provided under a smart meter extra help pathway. This could also assess whether non-core spending over the course of the rollout should be realigned away from a focus on debt assistance. The latter accounted for 70 per cent of Industry Initiative funding in 2012-13. This shift may be beneficial in the context of a smart meter programme that is expected to produce operational cost savings to suppliers of £2.2 per year per (credit) meter from improved debt management and debt avoidance.<sup>34</sup> There will only be a reduced need for debt advice and support however if customers are effectively supported to engage with their smart meters. In addition, debt may continue to be an issue for other reasons, including rising energy prices and benefits reform.

One obvious issue to leveraging this funding stream is limited resources. Currently, £30 million – servicing approximately 100,000 customers – is available under the Industry Initiative cap. This would not be sufficient for Option 2 if eligibility was aligned with a CWP group. This also compares unfavourably with the large amount of money ring-fenced for the BBC Switchover Help Scheme (£600 million). As such, funding would also have to be pulled in from other sources.

### D. HEEPS and Nest in Scotland and Wales

Low-cost measures are funded through Government programmes in Scotland and Wales as part of a whole-house approach to energy efficiency. There are obvious barriers however to leveraging these programmes as funding sources for Option 2. First, establishing clear incentives for Scottish and Welsh-government funding to support a supplier-led extra help programme.

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<sup>34</sup> DECC's Impact Assessment expects a key benefit from smart metering to be improved debt management. This is expected to be both customer-led (using near real time information on energy costs to avoid debt accumulation) and supplier-led (using remote and accurate data to avoid billing large arrears and intervening early to engage with customers at risk of building up debt).

Second, establishing the benefit from branding and supplying low-cost measures under smart rather than the programmes they are currently provided through. Third, the small amount of households currently assisted through these schemes. In Scotland, for 2012-13, 46,383 households received measures under the country's national programmes. In Wales, 4,900 households received measures through the HEIP in 2012-13. This represents a significant gap with the overall number of fuel poor households in the devolved countries (approximately 600,000 and 350,000 respectively under the 10 per cent definition). As such, there may be a benefit to assisting a component of these 'gap' households through Option 2 but – based on current resource levels – Nest and HEEPS do not emerge as promising funding sources.

#### E. Local and community sector schemes

As noted in the mapping, low-cost measures are sometimes provided by local and community organisations providing in-home energy visits. Using only existing resources and services to provide extra help under Option 2 would not be feasible however. The small scale of assistance available (for example a few hundred home visits a year by one scheme) and the multiple funding sources leveraged (suppliers, central and local government, charitable trusts etc.) would not lend itself to the provision of a consistent and adequate level of extra help for a CWP-eligible cohort, as per Option 2. These schemes could potentially be 'topped-up' and utilised however to help deliver the follow-up visits under Option 2, Channel 2.

### Option 2 summary

A dedicated extra help pathway to assist vulnerable customers who receive a smart meter (as per Option 1) plus a package of easy-to-fit, low cost energy efficiency measures. These measures could either be fitted by the smart meter installer during the smart meter installation visit (Channel 1) or fitted during a post-installation, follow-up home visit (Channel 2). Follow-up visits could be coordinated by either the CDB (under a centrally-delivered scheme) or suppliers (under a supplier-delivered scheme).

#### Key benefits and opportunities

**For consumers:** Stakeholders viewed this option favourably as a 'whole-house' approach: delivering energy efficiency and cost savings benefits through smart metering, installing low-cost measures and providing assisted referral into wider support schemes. An opportunity was identified for the follow-up visit to realise greater behaviour change through engaging a customer in a meaningful dialogue around smart metering and energy efficiency. Overall, from a consumer perspective, staggering assistance into two visits was preferred by a larger number of stakeholders.

**For suppliers:** There was no agreement under this option on which approach represented greater value for money for suppliers: delivering low-cost measures during the installation appointment or breaking out extra help into a follow-up home visit. It was noted that the latter may require less interruption to suppliers' rollout profiles however and leave the installer free to focus on complying with existing

codes.

## Key barriers and risks

**For consumers:** Some stakeholders identified a second follow-up visit as a risk; with the potential to inconvenience a working vulnerable customer and increase drop-off rates. Overall, it was emphasised an extra help pathway should be made as simple as possible for a vulnerable customer to access and understand (that is, fewer steps). As such, if two visits do take place, this should be clearly explained and organised from the outset.

**For suppliers:** The added cost, time and complexity of delivering energy efficiency measures and (potentially) follow-up home visits were overriding concerns. Stakeholders did not readily identify the opportunity to fund low-cost measures from existing schemes. A CDB-led model under this option was not widely supported. Specifically, barriers were identified to suppliers agreeing to centrally coordinate extra help and expand the CDB's current focus beyond outreach and branding activities. Incentivising longer and tailored visits for vulnerable customers was viewed as a challenge and a risk, particularly as suppliers currently receive no credit for 'extra help' installs. One avenue identified to address this issue was building a metric into the Government's monitoring framework to take account of tailored installations to vulnerable properties.

## Costs and savings

Considerable carbon and cost savings within a reasonable payback period could be realised for a vulnerable customer receiving a package of low-cost measures. For example, we estimate a five-measure example package to realise mean annual cost savings of between £80 to £200 across three property types prone to fuel poverty. The associated mean payback period is between 0.5 to 1.5 years. This represents a considerable benefit in the context of £20 being spent on the measures. Overall, the total cost for the five-measure package, including unit, labour and travel costs, is estimated at £54.23 per property. The time taken to fit the measures is estimated at 2.8 hours. It is expected that suppliers will realise both cost and time savings however through installing measures at scale across standardised property types.

Total cost will be dependent on eligibility. NEA and Citizens Advice suggest eligibility for Option 2 (the package of measures) should align with a fuel poverty proxy. Currently, for all tenure, this is the CWP group. If the low-cost package was offered to all CWP-eligible households (as an opt-in scheme) at a cost of £50 per property and assuming a take-up of 35 per cent the total estimated cost for the package would be £99.75 million. HM Treasury revenues from carbon levies and energy VAT, along with ECO and WHD, are identified as three funding streams that could help meet this cost. This would require re-orientating ECO AW away from a focus on single-measure assistance and consideration of how the WHD Industry Initiatives cap can align with smart metering support for fuel poor customers over the course of the rollout.

### **Option 3: Centralised programme delivering extra help through existing fuel poverty and energy advice schemes**

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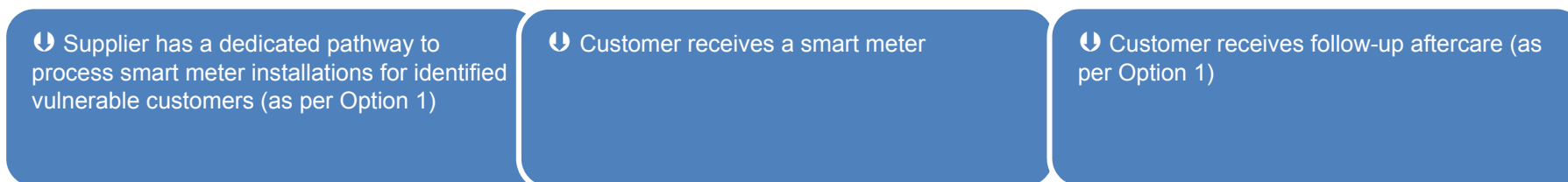
Option 3 explores an alternative model for a centralised programme of extra help. Instead of delivering in-home visits as per Channel 2a in Option 2, it tests the potential for the CDB to leverage in existing fuel poverty and energy advice schemes (mapped at Section 4.1.3) to provide support on smart metering before and after the installation visit. This may be delivered through two 'toolkits' of messages and materials: one toolkit to help these schemes warm consumers up to smart pre-installation visit and one toolkit to help consumers engage with their smart meter post-installation visit. Low-cost measures would not be funded under this option.

Presented below is the extra help pathway for Option 3.

Figure 9. Option 3: Centralised programme delivering extra help through existing fuel poverty and energy advice schemes

# Extra help pathway option 3

- ① Pre-installation → Supplier      ② Installation visit → Supplier      ③ Post-installation → Supplier



Suppliers work with CDB to maximise timing of toolkits

CDB works with suppliers to provide training for delivery partners

## Centralised program

### ➤ Pre-installation SMART toolkit

**What?** Basic toolkit of key messages and easy-read information materials that addresses the what, why, how, who and when of the roll-out

**Who?** Developed by CDB (or its contracted third party(s)) and delivered by local sector and community organisations providing assistance to vulnerable consumers

**How?** Provided during in-home visits through existing fuel poverty and energy efficiency advice schemes

**Why?** To warm consumers up to smart

### ➤ General smart engagement and awareness-raising

**What?** Smart engagement sessions and events in local areas

**Who?** Local sector and community organisations

**How?** Small grants funding provided by CDB

**Why?** To reach a wider vulnerable audience than can be accessed through in-home visits

### ➤ Post-installation SMART toolkit

**What?** 1. Support to engage with and use smart meter and IHD. 2. Reminder about available smart help (supplier/CDB). 3. Smart engagement pack of key messages and easy-read information materials

**Who?** Developed by CDB (or its contracted third party(s)) and delivered by local sector and community organisations

**How?** Provided during in-home visits through existing fuel poverty and energy efficiency advice schemes

**Why?** To provide support with meter/IHD

## **SWOT analysis and stakeholder feedback**

Across stakeholders, Option 3 was generally supported as sensible and realistic; both as a model to tap into existing resources on energy efficiency and fuel poverty and as a centralised programme that fits within the current licence obligations of the CDB. On the latter point, it was noted that to the extent the CDB is planning and expected to deliver an outreach and partnership model already, there may be limited value in branding the assistance under this option 'extra help'.

Presented below are the strengths and weaknesses of this option. Specifically, the option and its component measures are assessed with regard to operational feasibility (ability to deliver component measures), operational integrity (ability to deliver benefits) and financial viability (including quantifiable costs, where available).

### **Operational feasibility (ability to deliver component measures)**

This option was compared by some stakeholders to the Digital Outreach model. In that sense, a ready example exists of how to deliver the option to vulnerable households. The model was seen to fit by those in industry and Government with the CDB's responsibility to coordinate and produce messages and materials for the rollout. One Scottish stakeholder suggested that where a well-established and experienced network already exists in that country to deliver outreach (for example Changeworks, Wise Group), it would be wise to tap into these bodies to help coordinate delivery of the toolkits.

An opportunity was identified by the community sector to deliver through volunteers. In this area, Government indicated they are keen for smart outreach to build on lessons learned and 'champions' trained through the Big Energy Saving Network. Interestingly, a role for volunteers by those with policy and oversight responsibilities was identified beyond the services proposed under this option. Specifically, using them as a third party presence for install visits. This model was used successfully for the digital switchover. One community stakeholder also noted their organisation had been contacted to provide volunteers to assist with in-home visits as part of the move to a 4G broadband network. Currently, creating a volunteer base to help support vulnerable consumers for installation appointments does not appear to be a focus of suppliers' extra help approaches.

In terms of barriers to deliver this option, reservations centred on the question of whether appropriate and sufficient schemes existed to deliver the toolkits. However mapping for this report suggests in-home energy advice visits are a popular method to reach vulnerable consumers across Great Britain. Another delivery barrier identified was coordinating the multiple parties involved under this option. In addition, the limited resources available for community groups to deliver the toolkits was highlighted as a key issue.

### **Operational integrity (ability to deliver benefits)**

For consumers, the following key benefits (and potential barriers) were associated with this option.



- **Use of local channels.** It was noted across all stakeholder categories (in the public, private and third sector) that local and community groups are best placed to provide extra help. They are the trusted messengers and have the most information on vulnerable consumers to understand their needs and preferences. As such, there was support for delivering extra help through established networks as per this option
- **Building assisted referrals into toolkits.** It was suggested by a handful of stakeholders in the community sector that toolkits could build in assisted referrals as per Option 1. This could bring benefits through channelling the message through the local sector
- **Tailoring toolkits to household needs.** For the post-installation toolkit, an opportunity was identified to tailor the messages and materials to property type and household need. It was also pointed out the toolkit should ideally have flexibility to link up with energy efficiency advice already provided under the in-home assistance schemes. This will help ensure a complementary and joined-up service
- **Extending outreach beyond the energy efficiency sector.** Some third parties and those with delivery responsibilities for the rollout pointed out local channels utilised for outreach should extend beyond the energy efficiency sector. Examples provided included chemists and clergypersons. As one stakeholder pointed out, local does not necessarily mean geographical but ‘anything that gets you closest to how people define their identity and then what represents them’. On this point, the focus of extra help under this option was tapping into existing in-home energy assistance visits in order to maximise the potential of smart metering to facilitate behaviour change without committing to additional visits or resources, as per Option 2. We do understand however that outreach more generally will be broader and look to promote smart through a range of channels
- **Key barrier:** uneven, inconsistent and inadequate extra help. The key barrier identified across all stakeholder sectors was a potentially uneven, inconsistent and inadequate level of extra help resulting from relying on existing schemes. It was noted that some community organisations will be better equipped (in terms of skills, experience and capacity) to deliver support on smart, leading to ‘winners’ but also ‘losers’ under this option. Furthermore, a risk was identified around mixed messaging. Specifically, the potential for community groups and volunteers to provide inaccurate or misleading advice. One example used was prepay and ensuring expectations are not raised for a service (smart prepayment) that may not yet be available. When compared to the digital switchover, there were mixed views about whether smart represented a more difficult challenge for the local sector. One community stakeholder thought the focus on behaviour change under smart, along with the different IHDs and technology being offered, may prove harder to communicate than explaining how to switch a TV set over. Another interviewee from this sector however emphasised that organisations at a local level are used to offering guidance across a range of topics. In addition, one industry stakeholder thought messages around smart were actually quite simple (for example the benefits of accurate billing). Overall, it was emphasised sufficient training and resources will help mitigate risks around local sector capacity. Third parties did note however that extra help under this option will never provide a guarantee of service to a defined vulnerable cohort. As such, consumer representatives suggested suppliers should continue to be required to provide their own forms of assistance.



For suppliers and other interested parties, the following key benefits (and potential barriers) were associated with this option.

- **Gaining access to properties.** Using local channels was viewed as important by suppliers to help overcome ignorance or lack of interest about smart metering and subsequently gain easier access to properties for installation visits
- **CDB-led coordination.** Suppliers generally felt the CDB should play a central role in helping to coordinate outreach. Benefits for suppliers included a potential cost-efficiency if the CDB liaised on behalf of all suppliers with agencies such as local councils. Benefits for the third sector included only having to be contacted once on smart, which those at community level indicated a preference for. One issue raised by a supplier as a potential – but not necessarily overriding – barrier to a centralised outreach programme was the proprietary relationships that some suppliers have with existing third sector partners, for example E.ON and Age UK
- **Consistent with the Government’s localism agenda.** Some stakeholders in the Government and third sector noted this model was a good fit with the Government’s current focus on delivering services at a local level
- **Sustainable support model.** Some community and third sector stakeholders supported this model in as far as it would help to leave a legacy of informed front-line staff and volunteers on smart that could act as a source of ongoing and sustainable support and advice
- **Key issue:** suppliers should retain ownership for extra help around the rollout. Suppliers, Government and the regulator emphasised they wanted energy companies to maintain responsibility for a customer’s smart experience. One supplier suggested they were keen for third-party assistance around identifying vulnerable customers (including through local channels) but then preferred to work directly with that identified customer to provide an end-to-end service that could incorporate extra help where necessary. As such, it was suggested this model could complement but should not replace a supplier-led assistance scheme
- **Key issue:** avoiding duplication. Some in Government and industry questioned the benefit of this option to the extent that the model may duplicate what suppliers and the CDB are already delivering or are planning/required to deliver around identifying and targeting vulnerable consumers. Specifically, the added value in calling outreach an ‘extra help scheme’ was questioned. In addition, a stakeholder from the devolved administrations suggested programmes like Nest and HEEPS would provide information on smart regardless of whether toolkits are made available from a centralised source.

### **Financial viability (cost to deliver)**

Overall, there were mixed opinions on the cost to deliver this option. All stakeholders did agree however that *some* level of financial assistance would be required to support community groups deliver outreach work. In terms of *what* level, a group of stakeholders in Government, industry and the delivery sector identified it as a potentially expensive option. Specifically, one that would require not-inconsiderable resources for training and information materials. One supplier raised a concern that it will be the larger energy companies that will foot the bill for outreach work; assuming it is paid for from within the CDB’s budget.

Currently, the CDB's budget is estimated at £87 million over the rollout period. Although, as noted previously, this figure does not represent a spending cap but rather a guide to what may be required based on the digital switchover experience. With regard to outreach funding for the switchover (as opposed to advertising spend etc.) the budget for Digital Outreach Ltd's work may be a more helpful guide in terms of the cost to deliver this option. Here, the organisation signed two contracts worth £6.6 million collectively to deliver its community outreach programme over five years (2008-2012).

Finally, and again using Digital Outreach as a comparator, there was support for channelling funding through a small grants model. Here, the success of the Climate Challenge Fund in Scotland was cited as an example of a successful grants scheme. Although one stakeholder did express support for using grants in combination with a base and recurrent level of funding; whereby the former could be used to top up and incentivise exemplary approaches under the latter. It was noted a recurrent form of funding may help galvanise community activity and encourage local authorities to invest in on-going capacity building and local supply chains. An example here is HEEPS in Scotland which supports ECO delivery by providing recurrent, non-competition based funding to all Scottish local authorities.

## Option 3 summary

A CDB-led option that uses existing fuel poverty and energy advice schemes at a local and community level to support and engage vulnerable consumers before and after the installation visit. The CDB could support schemes through a small grants model, training and providing two 'toolkits' of messages and materials to be delivered pre and post-installation.

### Key benefits and opportunities

**For consumers:** This option was considered beneficial in terms of using local, trusted messengers to deliver extra help. It was pointed out these established networks better understand the needs and preferences of vulnerable consumers. An opportunity was identified to extend this form of extra help beyond the energy sector, including other third parties delivering in-home visits (for example home handypersons).

**For suppliers:** This option was considered deliverable within existing scope. That is, industry and Government thought the model fitted with the CDB's current focus on coordinating outreach for the rollout. Suppliers also thought using local channels will help gain access to some properties, and more generally, tapping into existing resources on energy efficiency and fuel poverty represents value for money. Community and third sector stakeholders supported this model in as far as it would help to leave a legacy of informed front-line staff and volunteers on smart.

### Key barriers and risks

**For consumers:** By relying on existing schemes stakeholders pointed out consumers may suffer from uneven, inconsistent and inadequate levels of extra help. In particular, the potential for mixed messaging and inaccurate or misleading advice. To the extent the CDB is already planning and expected to deliver an outreach and partnership model, there may also be limited value in branding the assistance under this option 'extra help'. Overall, stakeholders suggested this model could complement but should not replace a supplier-led assistance scheme.

**For suppliers:** Some questions were raised about whether there would be sufficient schemes to deliver the tool-kits, in particular the post-installation toolkit through in-home energy advice visits. Although mapping for this report suggests such advice schemes are relatively frequently utilised at a local level to reach vulnerable consumers. A delivery barrier identified was coordinating the multiple parties involved under this option.

### Costs and savings

Some level of financial assistance will be required to support community groups deliver outreach work for the rollout. This is expected to be paid for by larger suppliers from within the CDB's budget. For this option, Digital Outreach Ltd's budget for the switchover is a useful guide on the cost to deliver. Here, the organisation signed two contracts worth £6.6 million collectively to deliver its community outreach programme over five years (2008-2012).

## **Option 4: Linking up a smart meter installation with area-based fuel poverty and energy efficiency works schemes**

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Option 4 tests the fourth approach: adding a smart meter to area-based fuel poverty and energy efficiency works schemes. The rationale for this approach is providing suppliers with easier access to vulnerable households (through area-based schemes) and providing vulnerable households with a joined-up smart meter and energy efficiency service. This option will be informed by two key issues:

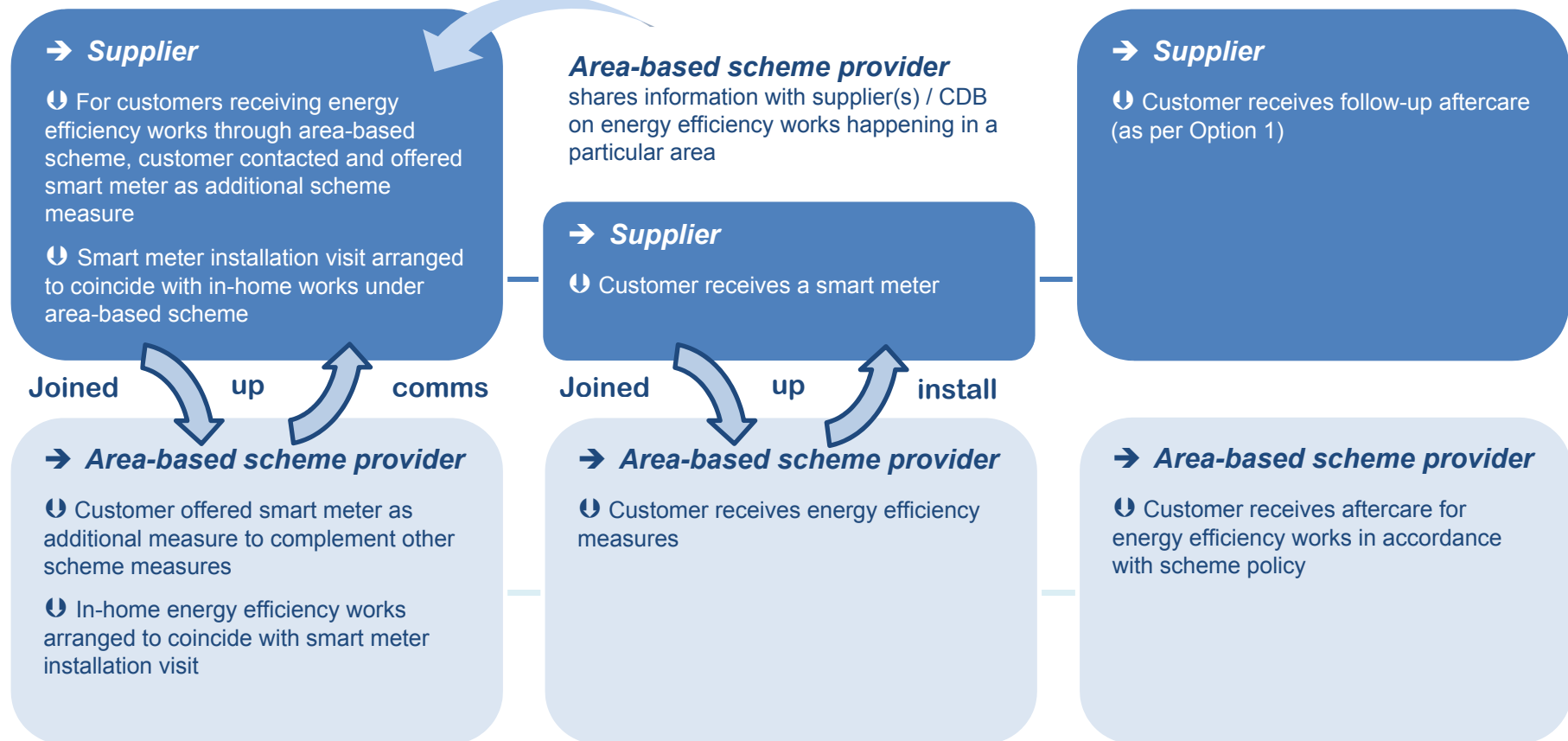
1. The extent to which suppliers are willing and able to take an area-based approach to the rollout;
2. The extent to which suppliers are willing and able to coordinate their installation schedules.

These issues are discussed in the SWOT analysis. Figure 10 presents the extra help pathway for Option 4.

Figure 10. Option 4: Linking up a smart meter installation with area-based fuel poverty and energy efficiency works schemes

# Extra help pathway option 4

## 1 Pre-installation 2 Installation visit 3 Post-installation



## **SWOT analysis and stakeholder feedback**

Overall, stakeholders were very supportive of this option in theory, but envisaged extensive logistical and coordination hurdles in practice. This led to a general view that while it is an option that should be explored, implementing it as a general-approach for area-based schemes across Great Britain may be extremely difficult given existing perceived organisational and competitive barriers. On this point, it was emphasised by a stakeholder with oversight responsibility that suppliers should retain flexibility about who they work with and when. Specifically regarding supplier feedback, one was unsupportive of this option while two others were open to potentially trialling this approach or something similar.

### **Operational feasibility (ability to deliver component measures)**

The largest reservations concerning this option were about the ability to deliver the approach in practice. Some stakeholders, from both the supplier and consumer sides, saw it as an 'ideal world' scenario that was unlikely to eventuate. Operational hurdles identified have been grouped into the following five key areas.

#### Logistical complexity

Stakeholders emphasised there is currently no mechanism to link up area-based schemes to the smart meter programme. As such, this option was viewed as potentially encountering significant complications around attempting to create a sophisticated and well-managed data system that could bring together the multiple parties (scheme providers, suppliers, potentially a central coordination body). Such a system would require identification of a household's supplier under the area-based scheme, something which scheme providers do not currently do as standard practice. How this information is obtained, who holds it (including addressing privacy and data-sharing arrangements) and who it is shared with are all issues to be addressed. In addition, streamlining the smart meter and energy efficiency works visits for a customer could be difficult.

#### Coordination between an area-based scheme provider and multiple suppliers

As one Government stakeholder noted, England does not currently take an area-based approach to address fuel poverty and energy efficiency. As such, this option will largely depend (not excluding HEEPS ABS and Arbed in Scotland and Wales) on suppliers coordinating with individual schemes at local authority level. Suppliers, to date, have not prioritised working with these schemes to bring together their obligations around energy efficiency and the smart rollout. In addition, many of these area-based programmes are used to working with one supplier (for example London Warm Zone and EDF). For this option, a scheme provider would potentially be required to cooperate with several suppliers. This coordination may act as both a disincentive to area-based providers in terms of added complexity and a disincentive to suppliers in terms of establishing or sharing a relationship with a body they have a potentially proprietary or competitive view about. As such, it would appear necessary and beneficial to establish distinct approaches (including between England, Scotland and Wales) in order to respond to local context.

#### Cooperation across suppliers

Stakeholders noted there is currently no body or regulatory mechanism to facilitate cooperation across suppliers for the rollout. In part this was a problem associated

with the competitive nature of the rollout. That is, even where some level of cooperation may be cost-efficient, navigating the competitive element was identified as a key issue by stakeholders with oversight and delivery responsibilities. Another barrier was identified around data-sharing. One Welsh stakeholder suggested suppliers are not keen to share their information (even in anonymised form) about their customers. The stakeholder cited their experience under Nest. Here, it was suggested that obtaining information from suppliers about how many individuals received the WHD following a referral from the Government programme proved difficult – in part because a competitor (British Gas) is contracted to deliver Nest. Feedback from industry and suppliers however did not suggest they were averse to sharing information with an intermediary (for example the CDB) for coordination purposes. Instead, the biggest challenge to this approach was seen by one industry stakeholder not to be suppliers' enthusiasm but rather the current regulatory framework. Specifically, restrictions on data sharing, including for schemes such as ECO. What this feedback suggests is that if benefits are to be realised from an area-based approach there needs to be further action and direction to support cooperation. On this point, the Energy and Climate Change Committee (2013) has previously recommended DECC draw up a 'cooperation protocol' and require suppliers to sign up to it. The Committee suggests this could help ensure suppliers work together to achieve efficiency savings during the rollout, while also maximising customer benefits.

In the event of a continued absence of operational and regulatory mechanisms to assist supplier cooperation; stakeholders identified the following natural drivers to industry adopting a joined-up, area-based approach to the rollout.

- Suppliers will either outsource installations or deliver them through in-house teams. Of the three larger suppliers interviewed all are planning to adopt the latter model for the rollout. Even with an in-house workforce however, suppliers are expecting to outsource some of their meter installs in areas where they do not have customer density. This outsourcing could lead to cross-supplier cooperation,<sup>35</sup> including an approach that passes those customers on to receive energy efficiency works and a meter under an area-based scheme
- Suppliers with in-house teams are seeking to adopt a density model for the rollout. This leads to an area-based focus by default, for example E.ON has core regions in the East, East Midlands and Northwest of England. This regional focus could help drive cooperation between a supplier and area-based scheme provider (at least on a one-to-one basis) to help reach and deliver meters to vulnerable households
- Cross-supplier cooperation and community involvement makes sense for particular property types, for example blocks of flats. Where local authorities or housing associations are undertaking works programmes in social housing there may therefore be potential to integrate smart metering into the energy efficiency scheme
- Linking up a smart meter to an area-based scheme may be more useful in the tail-end of the programme. Suppliers suggested this 'tail' could potentially be long – that is getting meters into properties occupied by householders who had failed to engage with the rollout to date. In this context, an area-based scheme that

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<sup>35</sup> We understand a joined-up approach to outsourcing is already being considered by some suppliers in order to keep costs down.



works with some of these 'hard-to-reach' customers could be piggybacked off to complete installs

- Under ECO, opportunities could arise around linking up supplier CSCO obligations with smart meter schedules
- National energy efficiency programmes in Scotland and Wales work closely with suppliers to help deliver social obligations. An area-based approach could therefore potentially be delivered more easily in the devolved administrations.

### Rollout schedules

The way suppliers individually and collectively rollout out their smart metering obligations was cited as a potential driver against this option. First, suppliers may prioritise different areas at different stages, for example E.ON is currently focusing on its three core regions. Where an area-based scheme falls outside a supplier's priority geography it may not be cost-efficient under density models to deliver a meter to that household at that time. Although, as noted above, where suppliers plan to outsource at least a component of their 'out-of-area' installs, coordination with a third party could present as an attractive opportunity.

Second, suppliers may prioritise certain property types (for example dual-fuel urban housing) or technological barriers may prevent installations in certain property types (for example high-rise flats). In addition, suppliers may prioritise certain metering profiles, for example end-of-life meters or avoiding prepayment. As such, where an area-based scheme incorporates a property mix with a component not being cost-efficient or appropriate to have meters installed at that point in time, a gap between those houses receiving energy efficiency works under an area-based scheme, and those houses also able to have a smart meter installed, could occur.

These issues notwithstanding, one larger supplier did indicate that at least by the mid-to-late point of the rollout it did not envisage any issues with being unable or unwilling to install a smart meter in a particular area or property. This issue will also be influenced by the extent to which suppliers let customers 'lead' on the rollout. That is, open up their communication channels to allow customers across Great Britain to schedule appointments. One supplier suggested this model should be in place at around 2016; whereupon any customer who requests a smart meter can expect to receive one within a reasonable time period (less than two weeks).

### Central coordination body

To avoid the time burden and inefficiencies of area-based providers speaking to individual suppliers, a central coordination role for the CDB was identified by stakeholders in Government and industry. However, the CDB itself stressed that the body currently only handles engagement. At present, helping coordinate the rollout is not a focus of its activities and it has no direct contact with energy companies regarding their installation schedules. This was identified as a key barrier to the CDB helping deliver this option.

In practice however, there is scope within licence conditions for the CDB to play a coordination role. Indeed, as noted in Chapter 5, the Government expects suppliers and the CDB to work together to achieve a cost-effective rollout. Where centralised coordination of suppliers and area-based schemes could help achieve cost savings

and realise benefits for vulnerable customers it is therefore an approach that should be considered and explored.

### Alternative approaches

When considering how to deliver this option, some stakeholders proposed alternative area-based approaches. Specifically:

- **Encourage customer-led coordination of energy efficiency works and smart metering.** This approach, suggested by one supplier, would use area-based schemes to deliver outreach about smart and thereafter encourage customers to contact their suppliers to schedule a smart installation appointment. This proposal would be deliverable to the extent suppliers were able and willing to install smart meters to customers during the period of the area-based works. Furthermore, as a customer-led process, it does not have the benefits associated with more proactive forms of support
- **Promote smart through area-based schemes.** One local sector delivery body identified an opportunity for suppliers to reach vulnerable customers on smart through engaging an area-based scheme and its associated methodologies (for example door-knocking, leafleting) to promote smart metering for a supplier on a street-by-street basis. Thereafter, upon a booking being made, the supplier could install to those households within a short time period (for example 48 hours was suggested by the delivery agency). This approach may be beneficial if the supplier had identified those households as hard to reach, had a customer density in that area it was keen to install meters to and the smart outreach could be combined with the existing activities of the area-based provider to realise efficiency savings
- **CDB using data on area-based schemes.** One Government stakeholder suggested the CDB could take on board data on what area-based schemes are happening where and when to facilitate a form of regional engagement that links up smart messaging with advice on energy efficiency provided through area-based schemes.

### **Operational integrity (ability to deliver benefits)**

Subject to operational hurdles, this option was viewed favourably in terms of delivering benefits to all parties. For suppliers, it enables a pathway to cost-effectively reach and support vulnerable customers on smart metering. As one supplier noted based on previous experience, partnering with a trusted third party can be critical to overcoming access barriers to a property and helping to allay any suspicions among a household about an energy company intervening in their supply. For consumers, the approach was seen to deliver whole-house measures in a coordinated fashion. For both parties, it has potential to realise benefits associated with an area-based approach to a rollout that is not proceeding on a regional basis.

This point was highlighted by one Government stakeholder expressing (in principle) support for this option. In the context of smart metering, area-based benefits may include: using local channels and community outreach to identify and target customers; partnering with a trusted and recognisable organisation in the community; engaging and communicating through local authorities; and promoting smart metering and facilitating behaviour change through ‘word-of-mouth’.<sup>36</sup>

In terms of identified risks from this approach, the main one raised in conversation was inconsistent coverage across the rollout area. While this was not seen as a reason to avoid the option, it was noted the model may be difficult to prescribe at a national level and replicate across Great Britain. In addition, it was pointed out vulnerable consumers not receiving measures under area-based schemes would miss out under this option. As such, a need was identified to dovetail this option with an extra help pathway accessible and deliverable at a household level.

### **Financial viability (cost to deliver)**

This option was viewed favourably in terms of delivering value-for-money to all parties. Presented below are the key potential costs and savings associated with this option.

#### Costs

There were no significant costs identified by industry to delivering this option. One supplier did raise a concern about stranded assets however. Specifically, incurring financial penalties under this option through having to replace ‘dumb’ meters early. For very young meters, the supplier suggested this penalty could be in the three figures. This issue has previously been cited by suppliers arguing against an area-based approach and questioning rollout costs (ECCC, 2013). As was noted during interviews however, this cost will erode as the rollout proceeds. Furthermore, as demand for smart metering escalates in response to consumer engagement activity suppliers will have to shift from prioritising end-of-life meter replacements to servicing customer-led installations. It should also be noted that DECC’s Impact Assessment for the rollout decided not to factor in costs for premature meter replacements.

#### Cost savings

The cost of the installation visit is consistently cited by suppliers as one of the largest contributors to the overall cost of the rollout programme (for example ECCC, 2013). Coordinating these visits, including on an area basis, is viewed favourably in terms of reducing this cost component. For example, Frontier Economics (2008) produced a report for Centrica that found a coordinated approach (based on a network-led rollout) could achieve £3 billion in cost savings. Using this, and other publicly available data, we have identified some key potential cost savings associated with this option.

#### *a) Cost of an installation visit*

DECC’s (2014d) Impact Assessment breaks down installation costs as follows:

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<sup>36</sup> See Consumer Focus Scotland (2010) and ECCC (2013) for a more in-depth discussion of the benefits associated with an area-based approach to fuel poverty.

- Electricity only £29
- Gas only £49
- Dual fuel £68.

This dual fuel figure assumes a £10 efficiency saving from installing gas and electricity meters in a single visit to a customer's property. This saving incorporates factors such as a reduction in travel costs and only having to carry out connectivity testing once. These calculations have previously been questioned however. For example, Orsis has stated there remain 'serious concerns with the accuracy of the Impact Assessment and the figures used to calculate the costs and benefits' (ECCC, 2013). In particular, there is a view that the cost of an individual installation is optimistic and a £10 efficiency saving for dual fuel represents a conservative estimate. Furthermore, DECC's Impact Assessment assumes (with some exceptions) only one IHD (at a cost of £15) per household will be provided to split-fuel households (where a gas meter is installed separated from an electricity meter). As such, costs for an installation visit may be higher in practice; suggesting there may also be greater savings and efficiencies from improved coordination of a component of those visits, as per this option.

#### *b) Travel costs*

DECC does not separately quantify and disaggregate travel costs from total installation costs in its Impact Assessment. However Frontier's study found one of three key areas to achieve cost savings was if installations were undertaken on a geographical basis. This saving was primarily associated with reduced travel costs. For the (non-regional) rollout, suppliers are seeking to minimise this cost through planning installs using customer density models. However, switching rates over the rollout may affect these density assumptions. Where switching has been historically low, Ofgem (2014) observed a 'significant spike' in late 2013, including away from the 'Big Six' suppliers. As the regulator seeks to increase competition in the market and encourage greater switching the point relevant to this option is that regional densities based on the incumbent legacy could diminish. In addition, there remains a component of installations that will be scatter-gun across the country and which suppliers will seek to outsource. As such, incurred travel costs for 'out-of-area' installations could be reduced under this option if suppliers worked together with an area-based scheme provider to complete a block of installations in a single location.

#### *c) Dual fuel*

Suppliers indicated in interviews that coordinating installations for non-dual fuel properties, while sensible, is unlikely to happen due to the rollout's competitive and supplier-led profile. Instead, the hope is a customer who is contacted to receive a smart meter will be prompted to contact their other supplier to self-organise a joined-up install. While we understand it is not logistically feasible for suppliers to cross-coordinate installations for the rollout at large, there is potential for this option to realise savings in this area. Specifically, if a cooperation mechanism was implemented for this option, efficiencies could arguably be generated from improved supplier coordination of installs to non-dual fuel properties captured under an area-based scheme.

The savings would also arguably be higher than the £10 figure DECC assumed in its Impact Assessment. Furthermore, greater supplier cooperation for households

serviced under this option could reduce inefficiencies associated with duplicate equipment. In particular, providing two IHDs.

#### *d) Aborted installations*

As for travel, DECC does not separately quantify the cost of aborted installations in its Impact Assessment. It does state however that assumed installations costs of £1,645 million for the appraisal period includes cost estimates for uncompleted installations. These cost estimates have not been made publicly available. Aborted installations may be due to both technical issues (for example an inaccessible meter) and customer-led issues (for example a customer fails to provide access to a home). In our review of current installation activity at Chapter 5 we found that suppliers are experiencing some level of failed visits due to the second issue. Furthermore, feedback from 2011 provided by industry to the consumer group Which? found failure rates ranged from 2 per cent to 24 per cent across five suppliers (Public Accounts Committee, 2011). This data is now somewhat dated, based on trials and may not be representative of what will occur during the rollout. A report by Ernst & Young (2013) meanwhile quotes UK plc no access and abort rates at 22 per cent. In terms of the reason for aborted visits, suppliers indicated to Which? that the number one issue was being unable to gain access to a property. This can be associated with customer-led problems, for example failing to answer the door.

With regard to costs for aborted visits, one supplier provided feedback for this report that its modelling was not at a level of detail which could be shared externally. One figure quoted by a Distribution Network Operator however puts the cost of abortive calls at around £68. Assuming a 16 per cent abort rate (the average across the Which? and Ernst & Young figures) for 30 million domestic properties (not accounting for two visits that may be required for non-dual fuel premises) this equates to £326.4 million in abortive visit costs. NEA and Citizens Advice suggest this cost could be reduced under this option. Specifically, in two key areas:

- **Limiting costs incurred from failed visits.** An area-based approach reduces the premium from returning to a household to complete an install, with a rising scale of benefit for remote and rural areas (due to factors such as greater travel costs and less customer densities)
- **Increasing access rates.** Where a supplier links up with an area-based scheme provider that is trusted locally and has an on-the-ground presence it could benefit from improved access rates and reduced failure rates among a component of vulnerable and fuel poor households which research consistently shows is disproportionately disengaged from the energy market (Ofgem, 2014) and is therefore likely to be harder-to-reach around smart metering. Indeed, across the options, extra help measures which provide an improved and positive customer experience could have a knock-on benefit of less customer-led aborts. This benefit could be measured through comparing abort rates under any piloting of an extra help pathway with the overall number (and rate) of aborted installations which suppliers are required to report to DECC under the programme's monitoring framework.

## Option 4 summary

Suppliers join up their smart meter installations with area-based works schemes to coordinate and integrate the installation and energy efficiency experience for a vulnerable customer.

### Key benefits and opportunities

For both consumers and suppliers, this option was associated with benefits arising from an area-based approach to energy efficiency. In particular: using local channels to identify and target customers to receive a smart meter; partnering with a trusted and recognisable organisation in the community to facilitate access and engagement; and promoting smart metering and facilitating behaviour change through 'word-of-mouth'.

**For consumers:** The key benefit identified was delivering a package of measures (including a smart meter) in a joined-up and comprehensive energy efficiency experience.

**For suppliers:** Some suppliers identified the benefit of this option in enabling a pathway to cost-effectively access and support vulnerable customers who may otherwise be hard-to-reach on smart metering. Opportunities were identified for suppliers and area-based schemes to coordinate to help to deliver this option. In particular: where suppliers outsourcing a component of their meter installs may drive cross-supplier cooperation; where an area-based focus is adopted by default based on customer density models; cross-supplier cooperation and community involvement makes sense for particular property types, for example blocks of flats; where linking up a smart meter to an area-based scheme in the tail-end of the programme may help gain access to 'hard-to-reach' households; and where linking up a supplier's CSCO and smart obligations could help install meters in deprived areas. Finally, stakeholders in Government and industry identified a central coordination role for the CDB to help deliver this option.

### Key barriers and risks

**For consumers:** The key identified risk was vulnerable consumers who are not assisted through area-based schemes missing out under this option. It was therefore recommended to dovetail this option with an extra help pathway accessible and deliverable at a household level.

**For suppliers:** Operational hurdles were identified to delivering this approach. First, the current absence of a mechanism to link area-based schemes up to the smart meter programme and coordinate the parties (schemes providers, suppliers). Where the CDB could play a coordination role it was pointed out its current focus is on outreach only, although there is scope under its licence conditions to facilitate cost-effective installation visits. Second, there is no mechanism under the rollout, regulatory or otherwise, to support and incentivise cross-supplier cooperation. This was identified as a key barrier and risk to delivery of this option. Because even where some level of cooperation may be cost efficient, suppliers are not naturally inclined to work together under a competitive rollout model.



## Costs and savings

This option has the potential to reduce the cost of install for suppliers, in particular the cost associated with failed visits. One figure quoted by industry puts the cost of abortive calls at approximately £68. Assuming a 16 per cent abort rate for 30 million domestic properties (not accounting for two visits that may be required for non-dual fuel premises) this equates to £326.4 million in abortive visit costs. This option can help reduce this cost in two key areas: first, limiting costs incurred from failed visits where an area-based, street-by-street approach achieves savings when returning to missed properties; and second, increasing access rates. Through linking up with an area-based scheme provider that is trusted locally and has an on-the-ground presence suppliers will find often hard-to-reach vulnerable fuel poor households easier to reach to install a smart meter. This benefit could be measured through comparing abort rates under this approach with abort rates for standard installations.



## 7 Conclusions and recommendations

This report has explored the potential for an extra help scheme to be provided to vulnerable (including low income) consumers for the smart meter rollout. Four models were developed with a view to helping vulnerable consumers access benefits from smart metering systems and considering the barriers to, and opportunities for, linking the rollout up with broader social and environmental programmes. The models were tested with key stakeholders, including in Government, industry and the third sector. Presented below are NEA's conclusions and recommendations arising from this research.

### **Risks associated with a do-nothing approach**

Currently, under SMICoP, some suppliers are seeking to comply with the code, including clauses specific to vulnerable consumers, through adopting a minimum standards approach. This includes providing generic energy efficiency tips, signposting rather than directly referring customers into schemes such as ECO and failing to join up their smart metering systems with vulnerability registers, including the PSR and WHD Core Group. Although use of the PSR may become mandatory if Ofgem requires suppliers to report on the number of installations to PSR customers, as expected, there are currently no plans to report on installations to customers using other vulnerability proxies; including the WHD Core Group. Furthermore, suppliers receive no credit for tailored installations to meet additional needs; with Government and the regulator thereby failing to incentivise an extra help approach (including extra time spent with a customer at the property).

When an installer is in the home, there is a particular risk – that has not yet been addressed – of finding dangerous appliances and heating systems that have to be condemned. This issue has the potential to leave customers in severely vulnerable situations with no means to pay for replacements or upgrades.

In terms of post-installation support, aftercare products do not currently differentiate between vulnerable and non-vulnerable households. Follow-up calls with vulnerable customers are also not standard practice. Overall, suppliers' focus under SMICoP appears to be on servicing 'traditional' vulnerabilities for the installation appointment, for example age requiring a third party presence. Consumers who may have more nebulous barriers to accessing benefits from smart metering (for example they are in a lower income decile and disengaged from the energy market) are not yet being serviced by supplier extra help approaches.

What these findings suggest is that, under current licence conditions, there is a risk that suppliers will not deliver a tailored experience for vulnerable consumers during the rollout. This includes meaningful engagement around energy efficiency and the level of handholding required to support some households access additional assistance. To address these risks suppliers should develop and trial a dedicated pathway for their vulnerable customers. This pathway should seek to provide a more tailored experience on energy efficiency and directly refer customers into sources of extra help. Testing this approach during research indicated it was both deliverable and cost feasible. Indeed, one supplier is already operationalising a form of this pathway in practice.

1. Suppliers should use existing registers, including the PSR and WHD Core Group, to identify vulnerable customers before contacting them for a smart meter installation. Contact by phone should be prioritised for all customers identified as having potential vulnerabilities (from information collected either before or during the smart meter booking process). The appointment call should then be used to have a longer conversation with a customer in order to assess their need and suitability for available extra help services.
2. Suppliers should develop and trial a dedicated pathway for their vulnerable customers. This pathway should include:
  - a. An extra help customer service team available from an 08 number (and 03 number for mobile users subject to Ofcom changes in phone charging) to process smart meter installations for identified vulnerable customers
  - b. A single named point of contact from within the supplier's extra help customer service team that is offered to vulnerable customers for the installation process. If accepted, this person should be in contact with a vulnerable customer by phone before and after the installation visit
  - c. Direct and assisted referral (that is not mere signposting that is customer-led) into sources of extra help. Where practicable and appropriate, this should include supplier-led extra help (for example PSR, ECO, WHD), HEEPS and Nest schemes in Scotland and Wales and services at a local authority level.
3. SMICoP should be changed to explicitly require suppliers to provide a dedicated vulnerable customer pathway.
4. As part of its monitoring activities for the rollout, Ofgem should require suppliers to report on both the number of PSR customers and WHD Core Group customers who have had a smart meter installed. The regulator should also monitor through reporting arrangements the number of installations carried out under a dedicated vulnerable customer pathway.
5. Suppliers should provide differentiated aftercare products that address vulnerabilities across different consumer segments, including factors associated with prepayment metering and low income, and which encourage behaviour change through offering information and/or services appropriate to household characteristics, property type and payment method. Aftercare should be provided in regular and small amounts and include communication via peers.
6. For a vulnerable customer, follow-up contact after the installation visit should include a courtesy phone call.
7. For non-standard installations, specifically where dangerous appliances and heating systems are found in a property and have to be condemned, industry should agree a standard approach to addressing this issue and together with Government scope funding options to make available resources that can be used to assist low income customers in severely vulnerable situations.

### **Joining up smart metering with broader social and environmental programmes**

Despite statements by Government that suppliers should consider how to use the rollout to cost-effectively deliver their social and environmental obligations under other programmes (for example ECO AW) there is little evidence to suggest that this had resulted in a systemic effort across industry to link smart up with other schemes.

Instead, the CDB and suppliers are to a certain extent approaching smart as a stand-alone issue. As such, activity in this area currently appears to be limited to signposting to existing schemes as required under SMICoP.

There is risk that unless incentives are explored and developed the benefit from integrating smart metering with wider services will be missed. For consumers, this benefit is an improved, coordinated and comprehensive experience in the energy market. For suppliers, streamlining social obligations will reduce administrative and search costs, which we estimate for ECO AW up to the end of 2013 was £45 million and for WHD over the course of the scheme (2010-15) Government puts at £11 million. Smart could help to reduce these costs through using the contact opportunity with a customer to identify suitable households to refer into those schemes. Efficiency savings could then be recovered and used to fund extra help measures.

1. Government and industry should quantify efficiency savings that could be made from streamlining social obligations under smart.
2. Suppliers should develop and trial mechanisms before, during and after the installation visit to identify, target and refer customers into ECO AW and WHD Broader Group. Savings from streamlining search and administrative costs associated with these schemes should be recovered and used to fund extra help measures under a smart meter pathway.
3. Government should work with suppliers to incentivise industry to deliver an integrated and joined-up experience in the energy market. Incentives considered should include:
  - a. Suppliers building an objective and target for finding ECO-eligible households into installer reward systems
  - b. Government and the regulator building a metric for cross-promotion and cross-referral of schemes into the rollout's monitoring and reporting framework.
4. The opportunity should not be missed to deliver behaviour change benefits through engaging people on smart metering using existing in-home energy advice services delivered at a local and community level. The CDB should support these localised schemes with tools, messages and information that can help them integrate support on smart metering with the energy assistance they already provide to vulnerable households.

### **Delivering a whole-house approach through low-cost measures**

Currently, the smart metering programme appears to be relying on outreach messaging through the CDB, along with the provision of an IHD and basic energy efficiency tips, to facilitate the requisite level of behaviour change required to deliver energy saving benefits to consumers. For vulnerable consumers, this is at odds with best practice, where our review of evidence suggests 'hard-to-reach' households that may be on low incomes and in or near fuel poverty benefit from personalised and face-to-face support and advice.

Previous smart metering trials have found providing a meter in combination with bespoke advice on energy and financial literacy has the greatest impact on facilitating behaviour change. In the energy sector, the provision of in-home visits combining personalised energy advice with low-cost measures is a proven and effective method to support vulnerable households.

More broadly, a whole-house approach that provides a package of measures designed to increase thermal comfort, maximise income and empower a consumer to take charge of their energy and household spending is widely recommended. Providing a smart meter in isolation from other social and environmental initiatives and offering only basic and generic energy efficiency tips could therefore fail to deliver the behaviour change required to realise benefits for both consumers and the smart metering programme.

We recognise that taking a more personalised approach to vulnerable fuel poor consumers for the rollout, including providing a package of low-cost measures, will have cost, resource and time implications. Our findings suggest a conservative estimate for a five-measure package is £50 per household spending 2.8 hours at a property. Such a package can realise mean annual cost savings of between £80 to £200. If eligibility for this package was aligned with a fuel poverty proxy, specifically the CWP group, total cost for this approach assuming a take-up rate of 35 per cent is estimated at £99.75 million.

To further test the costs and benefits associated with this approach we recommend piloting such a scheme. We also believe there are opportunities to help fund this approach from existing resources. In particular: HM Treasury revenues collected from carbon levies and VAT on energy bills; expanding assistance provided under ECO to take account of low-cost measures; and considering how the WHD Industry Initiatives cap can be aligned with measures that help fuel poor consumers engage with and benefit from their smart metering systems.

1. Suppliers should work with Government and consumer advocates to pilot a scheme that delivers a 'whole-house' approach to smart metering for vulnerable fuel poor consumers. This pilot should provide a smart meter together with a package of low-cost energy efficiency measures, face-to-face and personalised energy efficiency advice and assisted referral into wider social and environmental schemes.
2. Piloting should help inform evidence of demand and benefit from delivering a whole-house package, including the carbon and cost savings associated with the low-cost measures and consumer behaviour change.
3. Piloting should test: optimal timeframes to deliver the whole-house package, including during or after the smart meter installation visit; the preferred messenger to deliver the energy advice, including the installer, an energy advice professional or trusted third party; and the cost and benefits associated with the trialled approaches.
4. Government and suppliers should assess the opportunity to fund low-cost measures under a smart pathway using existing programmes. This should include: HM Treasury revenues collected from carbon levies and VAT on energy bills; expanding assistance provided under ECO to take account of low-cost measures; and considering how the WHD Industry Initiatives cap can be aligned with measures that help fuel poor consumers engage with and benefit from their smart metering systems.

## **Supplier coordination under area-based schemes**

Industry and Government agree a degree of coordination during the rollout can deliver value for money and an improved customer experience. Installing smart meters to vulnerable households through area-based energy efficiency schemes represents an opportunity to realise such coordination. For suppliers, it could help gain access to properties that may otherwise be hard-to-reach. For consumers, it would provide them with a joined-up and comprehensive smart metering and energy efficiency experience. It is important to remember that smart meters are not mandatory. If suppliers cannot incentivise consumers to accept one they will have to invest more in communication campaigns and the rollout could face delays and costs could increase. Failed visits are a key concern; we estimate the rollout could face £326.4 million in abortive visit costs. Coordinating a component of smart meter installations with energy efficiency works undertaken through area-based schemes has the potential to reduce this cost and increase access rates. Linking up with an area-based scheme provider that is trusted locally and has an on-the-ground presence could help suppliers enter properties to install a smart meter. This benefit could be measured through comparing abort rates under this approach with abort rates for standard installations.

In England, mapping for this report suggests CSCO-eligibility is a good proxy for local authorities taking an area-based approach. That is, there appear to be regions and geographic pockets within regions with both higher levels of CSCO-eligibility and increased area-based activity. Where CSCO-eligibility is a proxy for deprivation, and low income and fuel poor households are traditionally some of the hardest-to-reach on energy matters, there may be access benefits for suppliers from joining up their CSCO and smart obligations to target these areas for a coordinated meter and works experience.

Even where cost efficiencies exist, suppliers are not naturally inclined to work together under a competitive rollout. This is a key barrier currently hindering greater cooperation. The second barrier is logistical. No operational or regulatory mechanism exists at present to facilitate cooperation and data-sharing across suppliers. Where the CDB could act as an intermediary between suppliers and area-based scheme providers its current focus on consumer engagement only prevents a more joined-up approach. It should be noted the Government expects suppliers and the CDB to work together to achieve a cost-effective rollout. If the latter acting as a clearing house for joined-up installations on an area-basis represents value-for-money, its role should not be limited to branding and communications. We recognise suppliers should retain flexibility over their installation schedules to both maximise internal efficiencies and service customer demand. However, if barriers to cooperation can be addressed, coordination of a component of installations under area-based schemes could realise benefits for both consumers and industry.

1. Suppliers and the CDB should work with an area-based scheme provider to pilot the provision of a smart meter to households receiving energy efficiency works under an area-based scheme. This pilot should assess the costs and benefits of this approach, particularly in terms of customer satisfaction, access rates and installation costs (including travel).
2. Piloting should test a mechanism for area-based scheme providers to share their works schedules with the CDB. Those schedules should be communicated with suppliers who can then decide whether or not to dovetail the metering and energy efficiency experience.
3. Government should consider how to better incentivise and operationalise cross-supplier cooperation under a competitive rollout. This should include any regulatory barriers to data sharing.
4. Suppliers should bring their CSCO and smart obligations together to assess opportunities to join up smart meter installations with area-based schemes operating in CSCO-eligible areas.

## Eligibility

Determining eligibility for extra help services is always challenging. Any proxy inevitably misses people out while an entirely flexible approach fails to provide the clarity required to identify resource requirements and target households. First, and based on the evidence review, we believe non-financial extra help should be opt-in. This provides for consumer choice and avoids wasteful use of limited resources. However, an opt-in approach should be monitored, and adapted if appropriate, and should be combined with proactive targeting. Here, data-sharing is particularly effective. While currently subject to legislative barriers, there is precedent with the Digital UK Switchover Help Scheme; where seven million households were contacted using DWP and local authority records.

Second, we believe that two eligibility criteria are necessary for the options tested in this report. For measures that are designed to help consumers with vulnerabilities access, understand and use smart metering technology a criterion should align with a non means-tested proxy. The rationale for this approach is a consumer, for example a frail older person who lives alone, may struggle with the installation appointment, regardless of income level. For the dedicated vulnerable customer pathway recommended above we therefore believe it is sensible to adopt a needs-based approach to eligibility but dovetail it with the definition of vulnerability under SMICoP.

The second criterion should address measures that are designed to integrate smart metering with broader fuel poverty and energy efficiency assistance. In particular, the whole-house approach and package of low-cost measures recommended above. Here, we believe eligibility should be aligned with a means-tested fuel poverty proxy which, for all tenure, is currently the CWP group. This criterion also broadly aligns with WHD Broader Group and ECO AWG (private tenure only). Dovetailing these criteria will facilitate integration and streamlining across schemes and optimise data sharing benefits; were Government to implement legislative changes in this area.



1. An extra help scheme should be opt-in but proactively target consumers for extra help.
2. Eligibility for a dedicated vulnerable customer pathway should be non-means-tested and align with the definition of vulnerability under SMICoP.
3. Eligibility for a package of low-cost energy efficiency measures should align with a means-tested fuel poverty proxy. Currently, for all tenure, this is the CWP proxy. Suppliers should consider adding a degree of flexibility to this proxy to support fuel poor households who live in the most energy inefficient properties but are not CWP-eligible. This could take the form of a ring-fenced budget to service 'special cases' based on evidence-based need.
4. Government should consider extending data sharing powers to allow suppliers to identify and contact the CWP group across schemes (smart meter extra help, ECO AW and WHD Broader Group).

### **Specific approaches for Scotland and Wales**

Scotland and Wales have unique energy efficiency and fuel poverty landscapes. Specifically, the HEEPS and Nest schemes in those countries provide a 'whole house' package to eligible households. This offers low and high-cost energy efficiency measures together with energy saving, bill management and income maximisation measures. In addition, Scotland and Wales also have national area-based schemes – HEEPS ABS and Arbed respectively. Joining up extra help under smart with wider social and environmental initiatives may therefore require a specific and unique approach for Scotland and Wales. This could consider the benefits of delivering a smart meter through the national programmes.

1. The Scottish and Welsh Governments should work with suppliers to pilot the delivery of a smart meter to households under the HEEPS and Nest schemes. This should assess the costs and benefits associated with integrating smart metering into the whole-house package of measures already offered under the national programmes.
2. Suppliers should work with the Scottish and Welsh Governments to pilot the provision of a smart meter to households receiving energy efficiency works under the area-based HEEPS ABS and Arbed schemes. This pilot should assess the costs and benefits of this approach, particularly in terms of customer satisfaction, access rates and installation costs (including travel).
3. The Scottish and Welsh Governments, together with suppliers, should consider the opportunity for vulnerable consumers identified through a supplier-led dedicated vulnerable customer smart meter pathway to be fed into HEEPS and Nest for further assistance. Based on assumed installation volume curves the devolved Governments should consider whether resources for the Government-funded programmes need to be scaled up to service a vulnerable fuel poor element identified through such a pathway.

### **Further action and next steps**

This report has been a first step in identifying approaches for a smart meter extra help scheme and considering some of the costs and benefits associated with the tested options.



More work needs to be done – with industry and Government in particular – to incentivise and quantify efficiencies from joining up energy schemes with smart metering and testing consumer preference and need with regard to extra help for the rollout. With this in mind, Citizens Advice look forward to working with DECC, the Scottish and Welsh Governments, industry and third parties on taking this research forward. We intend to hold a roundtable with these key parties in 2014 to set out our recommendations and identify participants for pilots.

## Summary of recommendations

### Risks associated with a do-nothing approach

1. Suppliers should use existing registers, including the PSR and WHD Core Group, to identify vulnerable customers before contacting them for a smart meter installation. Contact by phone should be prioritised for all customers identified as having potential vulnerabilities (from information collected either before or during the smart meter booking process). The appointment call should then be used to have a longer conversation with a customer in order to assess their need and suitability for available extra help services.
2. Suppliers should develop and trial a dedicated pathway for their vulnerable customers. This pathway should include:
  - a. An extra help customer service team available from an 08 number (and 03 number for mobile users subject to Ofcom changes in phone charging) to process smart meter installations for identified vulnerable customers
  - b. A single named point of contact from within the supplier's extra help customer service team that is offered to vulnerable customers for the installation process. If accepted, this person should be in contact with a vulnerable customer by phone before and after the installation visit
  - c. Direct and assisted referral (that is not mere signposting that is customer-led) into sources of extra help. Where practicable and appropriate, this should include supplier-led extra help (for example PSR, ECO, WHD), HEEPS and Nest schemes in Scotland and Wales and services at a local authority level.
3. SMICoP should be changed to explicitly require suppliers to provide a dedicated vulnerable customer pathway.
4. As part of its monitoring activities for the rollout, Ofgem should require suppliers to report on both the number of PSR customers and WHD Core Group customers who have had a smart meter installed. The regulator should also monitor, through reporting arrangements, the number of installations carried out under a dedicated vulnerable customer pathway.
5. Suppliers should provide differentiated aftercare products that address vulnerabilities across different consumer segments, including factors associated with prepayment metering and low income, and which encourage behaviour change through offering information and/or services appropriate to household characteristics, property type and payment method. Aftercare should be provided in regular and small amounts and include communication via peers.
6. For a vulnerable customer, follow-up contact after the installation visit should include a courtesy phone call.
7. For non-standard installations, specifically where dangerous appliances and heating systems are found in a property and have to be condemned, industry should agree a standard approach to addressing this issue and together with Government scope funding options to make available resources that can be used to assist low income customers in severely vulnerable situations.

## **Joining up smart metering with broader social and environmental programmes**

1. Government and industry should quantify efficiency savings that could be made from streamlining social obligations under smart.
2. Suppliers should develop and trial mechanisms before, during and after the installation visit to identify, target and refer customers into ECO AW and WHD Broader Group. Savings from streamlining search and administrative costs associated with these schemes should be recovered and used to fund extra help measures under a smart meter pathway.
3. Government should work with suppliers to incentivise industry to deliver an integrated and joined-up experience in the energy market. Incentives considered should include:
  - a. Suppliers building an objective and target for finding ECO-eligible households into installer reward systems
  - b. Government and the regulator building a metric for cross-promotion and cross-referral of schemes into the rollout's monitoring and reporting framework.
4. The opportunity should not be missed to deliver behaviour change benefits through engaging people on smart metering using existing in-home energy advice services delivered at a local and community level. The CDB should support these localised schemes with tools, messages and information that can help them integrate support on smart metering with the energy assistance they already provide to vulnerable households.

## **Delivering a whole-house approach through low-cost measures**

1. Suppliers should work with Government and consumer advocates to pilot a scheme that delivers a 'whole-house' approach to smart metering for vulnerable fuel poor consumers. This pilot should provide a smart meter together with a package of low-cost energy efficiency measures, face-to-face and personalised energy efficiency advice and assisted referral into wider social and environmental schemes.
2. Piloting should help inform evidence of demand and benefit from delivering a whole-house package, including the carbon and cost savings associated with the low-cost measures and consumer behaviour change.
3. Piloting should test: optimal timeframes to deliver the whole-house package, including during or after the smart meter installation visit; the preferred messenger to deliver the energy advice, including the installer, an energy advice professional or trusted third party; and the cost and benefits associated with the trialled approaches.
4. Government and suppliers should assess the opportunity to fund low-cost measures under a smart pathway using existing programmes. This should include: HM Treasury revenues collected from carbon levies and VAT on energy bills; expanding assistance provided under ECO to take account of low-cost measures; and consideration of how the WHD Industry Initiatives cap can be aligned with

measures that help fuel poor consumers engage with and benefit from their smart metering systems.

## **Supplier coordination under area-based schemes**

1. Suppliers and the CDB should work with an area-based scheme provider to pilot the provision of a smart meter to households receiving energy efficiency works under an area-based scheme. This pilot should assess the costs and benefits of this approach, particularly in terms of customer satisfaction, access rates and installation costs (including travel).
2. Piloting should test a mechanism for area-based scheme providers to share their works schedules with the CDB. Those schedules should be communicated with suppliers who can then decide whether or not to dovetail the metering and energy efficiency experience.
3. Government should consider how to better incentivise and operationalise cross-supplier cooperation under a competitive rollout. This should include any regulatory barriers to data sharing.
4. Suppliers should bring their CSCO and smart obligations together to assess opportunities to join up smart meter installations with area-based schemes operating in CSCO-eligible areas.

## **Eligibility**

1. An extra help scheme should be opt-in but proactively target consumers for extra help.
2. Eligibility for a dedicated vulnerable customer pathway should be non-means-tested and align with the definition of vulnerability under SMICoP.
3. Eligibility for a package of low-cost energy efficiency measures should align with a means-tested fuel poverty proxy. Currently, for all tenure, this is the CWP proxy. Suppliers should consider adding a degree of flexibility to this proxy to support fuel poor households who live in the most energy inefficient properties but are not CWP-eligible. This could take the form of a ring-fenced budget to service 'special cases' based on evidence-based need.
4. Government should consider extending data sharing powers to allow suppliers to identify and contact the CWP group across schemes (smart meter extra help, ECO AW and WHD Broader Group).

## **Specific approaches for Scotland and Wales**

1. The Scottish and Welsh Governments should work with suppliers to pilot the delivery of a smart meter to households under the HEEPS and Nest schemes. This should assess the costs and benefits associated with integrating smart metering into the whole-house package of measures already offered under the national schemes.
2. Suppliers should work with the Scottish and Welsh Governments to pilot the provision of a smart meter to households receiving energy efficiency works under the area-based HEEPS ABS and Arbed schemes. This pilot should assess the costs and benefits of this approach, particularly in terms of customer satisfaction,

access rates and installation costs (including travel).

3. The Scottish and Welsh Governments, together with suppliers, should consider the opportunity for vulnerable consumers identified through a supplier-led dedicated vulnerable customer smart meter pathway to be fed into HEEPS and Nest for further assistance. Based on assumed installation volume curves the devolved Governments should consider whether resources for the Government-funded programmes need to be scaled up to service a vulnerable fuel poor element identified through such a pathway.

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### 4. Scheme or service's target population and any eligibility criteria


### 5. Services and measures offered:


### 6. Funding arrangements:


### 3. *Extra help services in the energy sector*

**Within the energy sector, what extra help services to support vulnerable and/or low-income consumers are you aware of and/or do you provide?**

Examples of such services would be energy or water companies' free priority services for vulnerable consumers. Examples can be, but do not have to be, related to the provision of smart meters. They can be existing or past services and might be associated with the schemes referred to in question one. For each example, please provide as much detail as you can that will help us to identify and further research the service.

If you are aware of more than one service or scheme please number and provide details for each.

#### 1. Service name and main purpose:



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### 4. Extra help services outside the energy sector

#### Outside the energy sector, what extra help services to support vulnerable and/or low-income consumers are you aware of and/or do you provide?

Please answer this question if your organisation operates outside of or is not restricted to providing energy-related services – or if you are aware of such services outside the energy industry.

Examples could include (but are not limited to) services offered within the water and communication sectors (for example the Switchover Help Scheme which ran from 2007-12 to support vulnerable consumers change their TV sets from analogue to digital). They can be existing or past services. For each example, please provide as much detail as you can that will help us to identify and further research the service.

If you are aware of more than one service or scheme please number and provide details for each.

#### 1. Service name and main purpose:


#### 2. Service provider's name and contact details (if known):


#### 3. Service's target location:




**4. Service's target population and any eligibility criteria (for the extra help component)**


**5. Services and measures offered:**


**6. Funding arrangements:**


**5. *Joining up services and other comments***

**1. Do you think there are any opportunities for existing fuel poverty/energy efficiency schemes, or existing extra help services, to link up with or complement a smart meter Extra Help Scheme, or the roll out more generally? For example, by linking services or by supporting and helping to engage vulnerable consumers during the roll out.**


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**2. If you have any other comments that you would like to make about the provision of extra help services to vulnerable and/or low-income consumers (for example past learning, good practice) please add them here:**



The image shows two identical, empty text input fields stacked vertically. Each field has a standard scrollable interface with a vertical scrollbar on the right side and a horizontal scrollbar at the bottom. The fields are currently empty, indicating that no comments have been entered yet.

NEA thanks you for your time and valuable contribution.

Please click the 'done' button below to submit your responses, this page will then close.

### Appendix II – Interview Topic Guide

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#### Options for Developing a Smart Meter Extra Help Scheme

##### Interview Topic Guide

##### **INTRODUCTION (10 MINS)**

In this section, NEA will outline the interview structure, explain the purpose of the research and ask you to briefly give an overview of your role (and that of your organisation) with regard to the roll out of smart metering and supporting vulnerable consumers. Please note, your permission to record the interview will be sought. All answers you provide will be treated in confidence and in accordance with the Data Protection Act.

##### **OPTIONS REVIEW (30 MINS)**

In this section, NEA will ask you for your views on each of the six options for a smart meter extra help scheme which are under consideration. The order the options will be discussed in is: Option One; Options Two, Three and Four (together); Option Five; and Option Six.

For each option, we will ask you for your view on:

- a) Operational feasibility (ability to deliver the proposed option measures and how they could potentially best be delivered).
- b) Operational integrity (ability to deliver benefits for vulnerable consumers, suppliers, Government and industry, as well as meeting policy objectives).
- c) Financial viability (cost to deliver the proposed option measures, funding possibilities and any potential cost efficiency savings).

##### **GENERAL DISCUSSION ON KEY ISSUES (15 MINUTES)**

In this section NEA will ask you for your views on some key issues common to all options. These are:

- a) Eligibility for a smart meter extra help scheme and the options under consideration.
- b) Skills and training required to deliver a smart meter extra help scheme and the options under consideration.
- c) Optimal timeframes and information formats and channels to contact vulnerable consumers on smart metering and introduce and offer extra help.
- d) Scalability of the proposed options for piloting.
- e) Risks and opportunities in delivering a smart meter extra help scheme.

##### **INTERVIEW CLOSE (5 MINUTES)**

NEA will close the interview by asking you for any further comments you may wish to make.

### Appendix III – Organisations who supported this research

Organisations listed below include those that either responded to the call for evidence or participated in a semi-structured interview with NEA. It does not include all call for evidence respondents as some chose to submit responses anonymously.

	Organisation	Stakeholder Category
	Age UK	Third sector
	British Gas	Industry
	Central Delivery Body	Industry
	Changeworks	Third Sector
	Community Action Hampshire	Third Sector
	Community Action Suffolk	Third Sector
	Consumer Council for Water	Public Body
	Consumer Expert Group for the Department of Culture, Media & Sport	Public Body
	Department of Energy and Climate Change	Government (Central)
	Doncaster Council	Government (Local)
	Durham Community Action	Third Sector
	E.ON	Industry
	EDF	Industry
	Energise London CIC	Third Sector
	Energy Action Scotland	Third Sector

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	Organisation	Stakeholder Category
	Energy Saving Trust	Third Sector
	Energy Saving Trust Scotland	Third Sector
	Energy UK	Industry
	Energyshare	Private Body
	Flintshire County Council	Government (Local)
	Gateshead Council	Government (Local)
	Groundwork London	Third Sector
	Hambleton District Council	Government (Local)
	Humber and Wolds Rural Community Council	Government (Local)
	IncomeMAX CIC	Third Sector
	Islington Council	Government (Local)
	LESS CIC	Third Sector
	London Warm Zone	Third sector
	Melton Borough Council	Government (Local)
	National Energy Action	Third Sector
	National Housing Federation	Third Sector
	Northamptonshire ACRE	Third Sector
	Northern Gas Networks	Industry

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	Organisation	Stakeholder Category
	Ofgem	Public Body
	Rica	Third Sector
	Royal National Institute of Blind People	Third Sector
	Rushcliffe Community and Voluntary Service	Third Sector
	Scotia Gas Networks	Industry
	Sefton Council	Government (Local)
	Switch Gas and Electric Ltd	Industry
	The Footprint Trust	Third Sector
	The Scottish Government	Government (Devolved)
	The Welsh Government	Government (Devolved)
	Westminster City Council	Government (Local)

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### Appendix V – Local authorities that are undertaking or have plans to undertake an area-based approach to delivering energy efficiency works programmes

Local Authority (and any identified project partners)	Region	Location
Allerdale Borough Council	North West	Allerdale
Amber Valley Borough Council / Local Authority Energy Partnership	East Midlands	Amber Valley
Ashford Borough Council / Kent and Medway Green Deal Partnership	South East	Ashford
Babergh District Council / Suffolk Climate Change Partnership	East of England	Babergh
Bath and North East Somerset Council	South West	Bath and North East Somerset
Bedford Borough Council	East of England	Bedford
Blackburn with Darwen Borough Council	North West	Blackburn with Darwen
Blackpool Borough Council	North West	Blackpool
Boston Borough Council	East Midlands	Boston
Bracknell Forest Council	South East	Bracknell Forest
Bradford Metropolitan District Council	Yorkshire and The Humber	Bradford
Braintree District Council	East of England	Braintree
Brighton and Hove City Council	South East	Brighton and Hove
Bristol City Council	South West	Bristol, City of
Broadland District Council	East of England	Broadland
Broxtowe Borough Council / Broxtowe Warm Zone / Local Authority Energy Partnership	East Midlands	Broxtowe
Bury Council	North West	Bury
Calderdale Council	Yorkshire and The Humber	Calderdale
Camden Council	London	Camden
Central Bedfordshire Council	East of England	Central Bedford
Chelmsford City Council	East of England	Chelmsford
Cheshire East Council	North West	Cheshire East
Cheshire West and Chester Council / Cheshire West Warm Zone	North West	Cheshire West and Chester
Cornwall Council	South West	Cornwall
Dacorum Borough Council	East of England	Dacorum
Darlington Borough Council / Warm Up North Partnership	North East	Darlington
Dartford Borough Council	South East	Dartford
Daventry District Council	East Midlands	Daventry
Derby City Council	East Midlands	Derby
Doncaster Metropolitan Borough Council	Yorkshire and The Humber	Doncaster



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Local Authority (and any identified project partners)	Region	Location
Dover District Council	South East	Dover
Durham County Council	North East	County Durham
East Northamptonshire Council / Northants Warm Homes	East Midlands	East Northamptonshire
East Riding of Yorkshire Council	Yorkshire and The Humber	East Yorkshire
East Staffordshire Borough Council	West Midlands	East Staffordshire
Exeter City Council	South West	Exeter
Fareham Borough Council	South East	Fareham
Fenland District Council	East of England	Fenland
Forest Heath District Council	East of England	Forest Heath
Gateshead Council / Gateshead Warm Zone	North East	Gateshead
Gedling Borough Council	East Midlands	Gedling
Gosport Borough Council / The Rowner Renewal Partnership	South East	Gosport
Gravesham Borough Council	South East	Gravesham
Hackney Council	London	Hackney, London Borough of
Halton Borough Council	North West	Halton
Hambleton District Council	Yorkshire and The Humber	Hambleton
Haringey Council	London	Haringey, London Borough of
Harrogate Borough Council	Yorkshire and The Humber	Harrogate
Harrow Council	London	Harrow
Havant Borough Council	South East	Havant
Havering London Borough Council	London	Havering
Horsham District Council	South East	Horsham
Hounslow Council	London	Hounslow
Hull City Council / Hull Warm Zone	Yorkshire and The Humber	Kingston upon Hull, City of
Huntingdonshire District Council	East of England	Huntingdonshire
Hydburn Borough Council	North West	Hydburn
Islington Council	London	London Borough of Islington
Kensington and Chelsea Borough Council	London	Kensington and Chelsea
Kirklees Council / Leeds City Region Green Deal Kirklees Empty Clusters Programme	Yorkshire and The Humber	Kirklees
Knowsley Council	North West	Knowsley
Lancaster City Council	North West	Lancaster

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Local Authority (and any identified project partners)	Region	Location
Leeds City Council / Leeds City Region Green Deal Partnership / Wrap Up Leeds ECO Scheme with Keepmoat, Wilmott Dixon and SSE	Yorkshire and The Humber	Leeds
Leicester City Council	East Midlands	Leicester
Lincoln County Council / Home Energy Lincs Partnership	East Midlands	Lincoln
Liverpool City Council	North West	Liverpool
London Borough of Hillingdon Council	London	Hillingdon
Manchester City Council / Local Authority Energy Partnership	North West	Manchester
Mansfield District Council / Local Authority Energy Partnership	East Midlands	Mansfield
Melton Borough Council	East Midlands	Melton
Mid Suffolk District Council / Suffolk Climate Change Partnership	East of England	Mid Suffolk
Middlesbrough Council	North East	Middlesbrough
Milton Keynes Council	South East	Milton Keynes
Newark and Sherwood District Council / Local Authority Energy Partnership	East Midlands	Newark and Sherwood
Newcastle City Council / Warm Up North Partnership / Newcastle Warm Zone	North East	Newcastle upon Tyne
Newham Council / London Warm Zone	London	Newham
North Devon District Council	South West	North Devon
North East Derbyshire District Council / North East Derbyshire Warm Zone	East Midlands	Chesterfield and North East Derbyshire
North Kesteven District Council	East Midlands	North Kesteven
North Tyneside Council / North Tyneside Warm Zone	North East	North Tyneside
Northampton Borough Council	East Midlands	Northampton
Northumberland Warm Zone	North East	Northumberland
Norwich City Council	East of England	Norwich
Nottingham City Council / Nottingham Warm Zone	East Midlands	Nottingham
Oldham Council	North West	Oldham
Oxford City Council	South East	Oxford
Peterborough City Council	East of England	Peterborough
Preston City Council	North West	Preston
Redbridge Council	London	Redbridge
Redcar and Cleveland Borough Council / Warm Up North	North East	Redcar and Cleveland
Ribble Valley Borough Council	North West	Ribble Valley
Rotherham Warm Zone	Yorkshire and The Humber	Rotherham
Rushcliffe Borough Council / Local Authority Energy Partnership	East Midlands	Rushcliffe
Rushmoor Borough Council	South East	Rushmoor
Rutland County Council	East Midlands	Rutland
Sandwell Metropolitan Borough Council	West Midlands	Sandwell
Sedgemoor District Council	South West	Sedgemoor

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Local Authority (and any identified project partners)	Region	Location
South Bucks District Council	South East	South Bucks
South Kesteven District Council	East Midlands	South Kesteven
South Northamptonshire Council / Northants Warm Homes	East Midlands	South Northamptonshire
South Oxfordshire District Council	South East	South Oxfordshire
South Ribble Borough Council	North West	South Ribble
South Tyneside Council / South Tyneside Warm Zone	North East	South Tyneside
Stockton-on-Tees Borough Council / GoWarm Project with Community Energy Solutions	North East	Stockton-on-Tees
Suffolk Coastal District Council	East of England	Suffolk Coastal
Swindon Borough Council / Safe and Warm Scheme	South West	Swindon
Tameside Metropolitan Borough Council	North West	Tameside
Test Valley Borough Council	South East	Test Valley
Three Rivers District Council	East of England	Three Rivers
Tonbridge and Malling Borough Council	South East	Tonbridge and Malling
Torridge District Council	South West	Torridge
Trafford Metropolitan Borough Council	North West	Trafford
Uttlesford District Council	East of England	Uttlesford
Wakefield Council / Wakefield Low Carbon Communities Scheme	Yorkshire and The Humber	Wakefield
Walsall Metropolitan Borough Council	West Midlands	Walsall
Waltham Forest Council / London Warm Zone	London	Waltham Forest
Warrington Borough Council	North West	Warrington
Watford Borough Council	East of England	Watford
Wellingborough, Borough Council of	East Midlands	Wellingborough
West Berkshire Council	South East	West Berkshire
West Lancashire Borough Council	North West	West Lancashire
West Lindsey District Council / Home Energy Lincs Partnership	East Midlands	West Lindsey
Westminster City Council / Home Improvement Agency	London	Westminster City Council
Wirral Borough Council	North West	Wirral
Worcester City Council	West Midlands	Worcester
Worthing Borough Council	South East	Worthing
Wychavon District Council	West Midlands	Wychavon
Wyre Forest District Council	West Midlands	Wyre Forest

## Aims and principles

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

The service aims:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

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