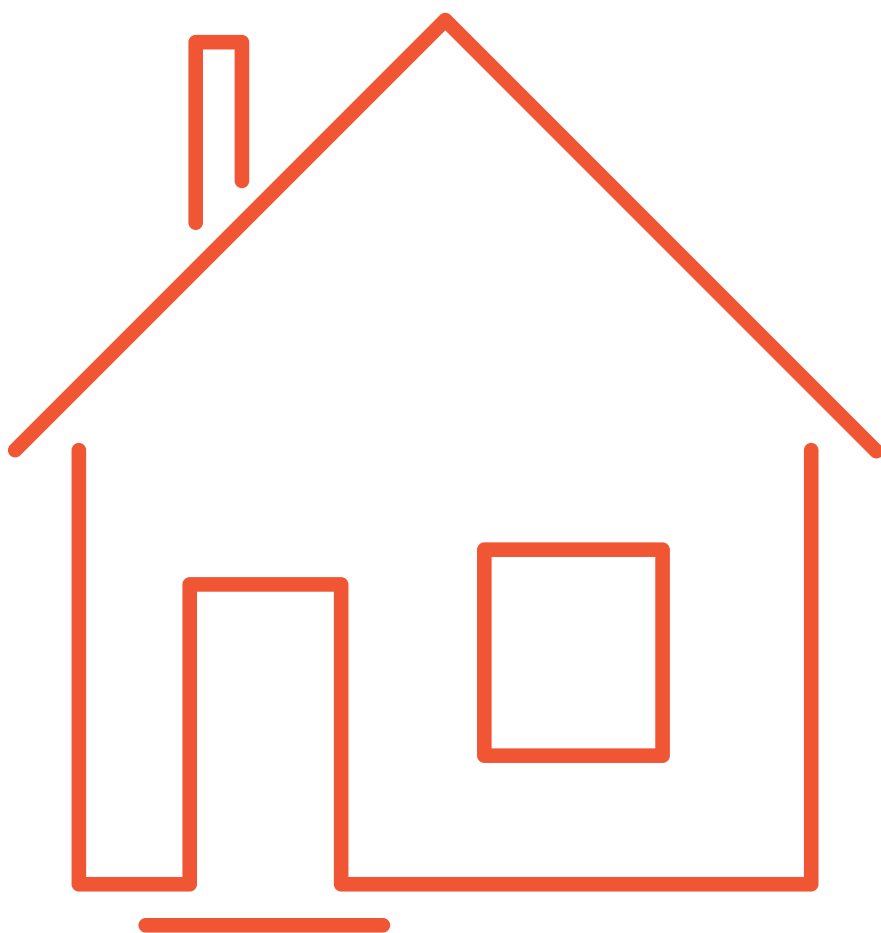

Reactive Response Evaluation

EXECUTIVE SUMMARY

Produced by NEA on behalf of the Cadent Foundation
February 2023



Action for Warm Homes

Cadent
Your Gas Network

Cadent
Foundation 

The Cadent Foundation logo icon consists of three interlocking gears in red, orange, and green.



**They were my
gas heroes**

Introduction

The Reactive Response Service was established by National Energy Action (NEA) and Cadent to target and support vulnerable households whose gas appliances and/or home gas infrastructures have developed a fault, or have been disconnected and condemned as unsafe by a Cadent engineer.

The service began operation in September 2016 as a pilot, and was rolled out to Cadent's full network area from June 2020 with funding from the Cadent Foundation. The programme centres on enabling Cadent engineers to identify households that are likely to come to harm through their inability to arrange or afford the necessary appliance repairs and/or replacements on their own. Cadent engineers refer, or support households to refer themselves, into NEA, who subsequently arrange via a subcontractor for the necessary repairs and/or replacements to be carried out.

NEA's research team has conducted an independent evaluation of the Reactive Response Service, funded by the Cadent Foundation. The present document summarises the findings of the evaluation, and is based on a larger report in which the necessary evidence for the findings is presented and discussed, including the research methodology.

Key findings on the targeting and impacts of service delivery

Targeting and characteristics of referred households

- The main characteristics of households referred into the service were older, single-person households without dependents, living on low household incomes and experiencing multiple cold-related health conditions. This suggests that the service successfully supported those most vulnerable to the harms associated with living in a cold home (especially those over the age of 65 and with cold-related health conditions).
- In addition, this means that Cadent engineers have been enabled to effectively identify and refer household types that were most likely to be exposed to harm by a disconnection leaving them without heating, hot water, and/or cooking facilities.
- Socio-spatial analysis further demonstrates that referrals disproportionately came from areas of Cadent's network with higher levels of fuel poverty, deprivation, and ill-health, providing additional evidence that the service was able to target support effectively.
- However, some vulnerable groups were underrepresented in referral data, especially those with dependent children under the age of 5, those with poor mental health, and single, young, and/or expectant parents.

The 'moment of disconnection' and immediate impacts of the Reactive Response Service on client crisis

- When asked about counterfactual scenario of what might have happened to them if the Reactive Response Service was not available to support them, 44% of questionnaire respondents said they would have used their own savings or money to pay for the necessary work to be carried out. 29% said they would have gone without heating and/or hot water a potentially unlimited period of time. 15% said they would have borrowed money to pay for the work, and 12% said they did not know what they would have done to resolve the issue.

- Qualitative interviews show that for those who said they would have paid for the work themselves, a much more complex series of situations would have unfolded that are not reducible to a simple interpretation that 44% of households would have had money or savings to hand to pay for the work.
- The implications of these situations for physical and especially mental health and wellbeing were emphasised by interviewees, and one of the main impacts of the Reactive Response Service was therefore the alleviation of acute moments of crisis that could have led to serious deteriorations in health if the service was not available.
- The Reactive Response Service has prevented the accrual of an estimated £36,190 of debt by questionnaire respondents who would have borrowed to pay for their repair and/or replacement. If this amount was representative of the programme as a whole, it is possible that the programme has prevented the accrual of debt totalling up to approximately £158,000.

Longer term impacts of the Reactive Response Service

- In addition to the impact of the Reactive Response Service at the initial ‘crisis moment’ of disconnection and immediately afterwards, quantitative and qualitative findings suggest a range of longer lasting impacts that the programme has enabled.
- When heating measures were installed (e.g. replacement boilers), they led to significant improvements in the ability of households to access affordable warmth. There is also evidence that heating measures were very well targeted at households that were struggling the most to keep their homes warm. The installation of these measures therefore had a significantly positive impact on alleviating fuel poverty.
- The service has enabled longer term improvements to mental and physical health, over and above the immediate health impacts of supporting households to resolve the crisis moment of their disconnection from supply.
- Delivering the Reactive Response Service to Cadent customers alongside energy advice, funded separately through other programmes accessible to NEA but experienced by customers as one streamlined service, has resulted in significant added value and benefits for customers. Most prominently, income maximisation work has resulted in significant financial gains for households supported via a Reactive Response referral.
- Cadent customers supported by the Reactive Response Service were previously unlikely to have been aware of, or believed they were able to receive, independent energy-related advice and support, and many interviewees commented that they were now confident they knew where to go for energy-related support if they required it in the future (i.e. to NEA). There is evidence that this confidence has been enabled by the dignified, professional support they received through Reactive Response, which has made customers feel that an organisation exists that will treat them with respect if they contact it.
- Customer satisfaction with the Reactive Response Service, as measured through responses to a series of questionnaire items, was consistently high.

Factors shaping the success of the Reactive Response Service

Largely as a consequence of the development of the Reactive Response Service, rapid gas appliance repair and replacement services have been introduced by all of the GDNs working in England, Scotland, and Wales. This work is being funded by and taking place through the Vulnerability and Carbon Monoxide Allowance (VCMA), which is administered by the energy regulator Ofgem. Accordingly, the evaluation examined the major factors that shaped the success and customer outcomes of the Reactive Response Service, with the intention of sharing good practice and key learnings across the sector. The main contributory factors to the success of the programme were:

- Ensuring that enhanced customer vulnerability training was given to members of staff at all partner organisations. This was critical to the success of the programme, and included both Cadent engineers and key members of staff at the relevant subcontractors.
- Having a delivery team at NEA composed of experts in vulnerability, finance, contract management, data control, and the technical aspects of gas network infrastructure, to ensure that all aspects of programme delivery and reporting could be undertaken effectively.

- Ensuring that eligibility criteria for the programme was focused on those most at risk of physical and / or financial harm, while remaining flexible enough to respond quickly to household circumstances that technically fell outside priority eligibility criteria. This included situations where documentation to prove eligibility could not be easily provided by the household (e.g. because of digital exclusion).
- Developing an alternative support pathway for households that were not eligible under the scheme itself, enabling ineligible households to receive energy advice and, if identifiable, apply for additional sources of funding for repairs and/or replacements.
- Developing and implementing a system that ensured frontline staff members, management staff, and subcontracted engineers had quick and easy access to relevant information that enabled customers to be processed smoothly through the programme .
- Equipping Cadent engineers with a range of referral tools to refer customers into the programme, including an online form (a link to which can be pinned to the homescreen of engineers’ mobile phones and tablets), a telephone number, and a card that could be left with the customer.
- Embedding an outcomes-focused approach into project delivery, which was driven and enabled by VCMA rules stipulating that GDNs must carry out assessments on the Social Return on Investment (SROI) delivered by their projects.

Beyond the success of implementing Reactive Response as a distinct project, it is clear that one of the main successes of the programme was that it initiated and drove a wider cultural shift within Cadent’s operations and business. This ensured that Reactive Response received buy in from individuals and teams at all levels of Cadent’s operations, from senior management to team leaders and individual engineers. This shift was driven by the qualities, determination, and creativity of individuals at management level within Cadent, who were pivotal to developing and refining the referral process for engineers.

Lastly, the delivery of the programme highlighted aspects of the Vulnerability and Carbon Monoxide Allowance (VCMA) that presented a challenge to achieving good outcomes for households:

- As the delivery of the programme transitioned into the VCMA, it was sometimes unclear as to what ‘enabling works’ (e.g. radiator installation, loft clearances) were permitted by VCMA rules. Under the funding of the Cadent Foundation, such works were able to be undertaken, leading to very vulnerable households in very poor quality housing receiving measures that other programmes might have found impossible to deliver. However, if no funding under the VCMA is available to conduct such works, an installation cannot take place, and the household may be left in a dangerous home with no heating or hot water.
- The demand experienced by the Reactive Response Service once the referral process was fully embedded in Cadent’s operations was a considerable challenge for the programme, and mechanisms to deepen the funding envelope of the VCMA should therefore be considered by Ofgem as a matter of priority.

Recommendations for energy networks, programme delivery, and BEIS/Ofgem

The following tables outline implementable, evidence-based recommendations for future policy and practice, drawn from the findings of the evaluation. The tables address, in turn: a) general recommendations for energy networks, b) specific recommendations for organisations, especially energy networks but also suppliers and the wider industry, for successfully implementing rapid repair and replacement programmes, and broader programmes focused on customer vulnerability, and c) recommendations for Ofgem and the Department for Business, Energy and Industrial Strategy (BEIS) to enable and facilitate the success of schemes like Reactive Response in the future.

Recommendations for energy networks

<p>Identifying customer vulnerability</p>	<p>All employees who may come into contact with members of the public should be trained to identify customer vulnerability. This should not be restricted to staff entering people’s homes or responding to supply interruptions, but expanded to all staff who work in the community or in customer-facing roles.</p> <p>Identifying and effectively responding to customer vulnerability should be embedded as a business priority across operations and strategic planning as a whole, and not restricted to areas of business focused specifically on customers or customer vulnerability. Ways of doing this should include, as a minimum:</p> <ul style="list-style-type: none"> • Creating and continually refining a feedback loop between management and frontline staff to ensure practical challenges associated with identifying and responding to vulnerability are identified and acted upon. • Cascading examples of the positive outcomes and wider social value achieved for vulnerable customers across the organisation. • Creating a dedicated, skilled, and knowledgeable team who, through their expertise and delivery of vulnerability programmes, can drive cultural change across the organisation. • Sharing good practice, challenges, and creative ways of working across and between the energy networks, to drive the implementation of standards across the utilities sector.
<p>Implementing a programme to support vulnerable customers</p>	<p>Energy networks that have not already done so should design and implement a programme to provide suitable support to customers who are identified as vulnerable through the work of frontline staff. In particular:</p> <ul style="list-style-type: none"> • Gas and electricity networks should work together to identify how aspects of VCMA servicing, repair, and replacement work could be replicated across the electricity networks. This should include sharing best practice and exploring collaborative pilot projects. • Energy networks should work with BEIS and Ofgem to identify how funding streams for this work can be created and maintained, e.g. through the remainder of RIIO-ED2 and RIIO-GD2, early RIIO-ED3 and GD3 planning, or Network Innovation Allowance (NIA) funding. <p>In the medium- to long-term, energy networks, along with BEIS and Ofgem, should consider working towards the devising of a cross-utility and cross-sector servicing, repair, and replacement programme. This would enable frontline staff to refer to a programme that can facilitate the servicing, repair, and replacement of gas and electricity appliances simultaneously, depending on the specific needs and circumstances of the household.</p>

Recommendations for replicating the success of Reactive Response in future programmes

Recommendations for how energy networks should replicate the success of Reactive Response in other programmes are as follows. The actions set out in the table fall on one or more of the energy network (the equivalent of Cadent in Reactive Response); delivery manager (the equivalent of NEA in Reactive Response); the subcontractor (the organisation that arranges and carries out repairs and/or replacements); and all programme staff or all partner organisations (the equivalent of Cadent, NEA, and subcontractor together in Reactive Response).

Customer vulnerability training	All programme staff at partners who communicate with households at different points in the customer journey should receive enhanced training on supporting vulnerable customers and understanding their specific needs and requirements. This should include staff at the subcontractor(s) and their subcontracted engineers.
	All programme staff should ensure that vulnerability training places requisite emphasis on identifying and supporting all groups defined as vulnerable by Ofgem and the NICE NG6 guidelines on cold homes. This must include groups underrepresented in Reactive Response referral data, especially those with dependent children under the age of 5, those with poor mental health, and single, young, and/or expectant parents.
	Training given to programme delivery staff across all partner organisations should be refreshed at regular intervals to ensure staff are best equipped to support vulnerable customers. On occasions where small programme changes are made that do not require full training sessions, information can be cascaded to frontline staff via team managers.
	The energy network should create feedback loops to enable engineers to provide (anonymised) feedback on vulnerability training and suggest ways in which training could be delivered more effectively to them.
Customer engagement and support	The subcontractor should consider creating bespoke, specialist teams to manage the cases of vulnerable customers that are passed to them by the delivery management organisation.
	The subcontractor should be supported and enabled to instruct their engineers to initiate discussions with households about which replacement appliances falling within a pre-approved cap or from a pre-approved list will be most suitable for their heating and/or cooking needs. If no appliance within the cap/on the list is judged by the subcontractor and/or the delivery team to meet their heating and/or cooking needs, a mechanism should be introduced to give the delivery manager discretion over approving an alternative.
	All partners organisations should work together to set out indicative but specific timeframes for the delivery of different measures that can be communicated to households on their entry to the programme. This communication should aim to give a household a realistic timeframe for the works in their home to be carried out and, if necessary, support the household with their choices and decision-making around any mitigatory steps they might wish to take in the meantime.
	The energy network and delivery manager should incorporate resource for delivering energy-related advice and support to customers, in addition to their service, repair, or replacement, as part of one streamlined customer journey. This should at minimum include resource for income maximisation, prepayment vouchers, and casework to support customers with e.g. disputes with energy suppliers, as well as broader energy efficiency advice.

<p>Referral mechanisms and methods</p>	<p>The energy network should equip frontline engineers with a range of referral tools to refer households into the programme. These methods could include an online form (a link to which can be pinned to the homescreen of engineers’ mobile phones and tablets), a telephone number, and a card that can be left with the household. Importantly, these methods should be in place as early as possible in the delivery of services, but also be continually refined based on feedback from engineers and households.</p>
<p>Audit and quality assurance</p>	<p>Quality assurance and audit processes, including in what proportion of homes they are carried out and how detailed they are, should be agreed by all partner organisations as early as possible in the delivery of a project, with the roles, responsibilities, and communication methods clearly outlined to the greatest degree possible.</p> <p>Quality assurance and audit processes should include inspection and examination of any ‘cosmetic issues’ as well as core assurance of gas infrastructure work, and it may in such cases be necessary to include the household within audit processes to assist in the identification of issues that might not obviously appear to have resulted from their gas appliance repair or replacement. The scope of this should be agreed by all partner organisations at the beginning of programme delivery, or as soon as possible thereafter.</p>
<p>Eligibility criteria</p>	<p>In addition to complying with any eligibility criteria conferred by the funding body, the eligibility criteria devised by the energy network and the delivery manager for households should:</p> <ul style="list-style-type: none"> • Target support at those most at risk of physical and/or financial harm. This could include criteria on physical and/or long-term illness, mental illness, or financial vulnerability/indebtedness. • Devise a process for balancing the need for verification of ill-health and/or financial circumstances with the need for quickly resolving the issue at hand. • If allowed by the criteria of the funder, incorporate a degree of flexibility to allow the delivery manager to approve eligibility in cases where seeking verification may cause a considerable delay. This could include circumstances where a household has a cold-related physical illness but cannot easily produce documents to verify their eligibility due to certain circumstances or vulnerabilities (e.g. digital exclusion). Decision making processes on these cases should be collectively agreed by project delivery partners and fully documented for the purposes of audit and to ensure transparency. <p>Regardless of the chosen eligibility criteria, the energy network and delivery manager must have an alternative support pathway for households that are not eligible under the scheme itself, even if this is just resource for making onward referrals to organisations that may be able to provide support.</p>
<p>Project management and governance</p>	<p>The delivery manager should construct a delivery team with expertise across finance, contract management, and data control, to enable the different aspects of the programme to be delivered and governed effectively. The delivery team should also include as a key member someone with knowledge and expertise on the technical aspects of network infrastructure servicing, repair and replacement, in order to liaise with the network and the subcontractors more effectively on matters relating to the physical works carried out in customer’s homes.</p> <p>All partner organisations should work together to design and implement a system that ensures frontline staff members, management staff, and subcontracted engineers have quick and easy access to relevant information that enables customers to be processed smoothly through the programme. This should be an integrated and secure system in place at the beginning of programme delivery that enables instantaneous transfers of referral data, along with relevant accompanying information, between all partners.</p>

Recommendations for BEIS and Ofgem

<p>VCMA governance</p>	<p>At the earliest opportunity, Ofgem should revise the governance protocols of the Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) to:</p> <ul style="list-style-type: none"> • Work with GDNs to agree on a formal expansion of the definition of ‘essential gas appliances’ in 2.12. to include radiators, pipework, and any other ‘enabling’ gas infrastructures required to install a gas fuelled heating system in the home of an eligible household. • Consider inserting an additional clause in 2.12. to enable gas networks to carry out required ‘enabling works’ (e.g. rewires, asbestos works, de-infestation) where it can be shown that the household is eligible, but the repair or replacement works would not be able to safely or practicably proceed without the enabling works being undertaken. To ensure quality assurance and value for money is maintained, survey outcomes and decision making processes for properties that require this should be maintained and made available to Ofgem for review. • Add a flexibility mechanism within 2.12. to enable project delivery managers to approve works for households that may technically fall outside of VCMA eligibility criteria, that would be highly likely to be eligible, but that are unable to quickly produce documentary evidence of eligibility, and waiting for evidence to be produced would likely mean they come to serious harm or be at risk of death through being without heating and hot water for that period. This would prevent households that are eligible for but not claiming means-tested benefits to receive support without requiring them to wait for the outcome of a benefits application. • Add an additional flexibility mechanism within 2.12. to enable project delivery managers to approve works for households that may technically fall outside of VCMA eligibility criteria, but who would <ul style="list-style-type: none"> a) not have the capacity or capability to arrange the service, repair, or replacement themselves, even if they might be able to afford it (e.g. in cases of terminal illness or disability) and; b) are likely to come to serious harm or be at risk of death, either through the process of arranging a service, repair, or replacement themselves, or through the likelihood of them not independently arranging a service, repair, or replacement and consequently being without heating and hot water. <p>To ensure this second flexibility mechanism is reserved for the most in need households, a stipulation could be set that such cases could amount to no more than a certain percentage of overall households supported through VCMA (e.g. 1%).</p> <p>Decision making processes and justifications under both flexibility mechanisms should be documented and made available to Ofgem for review.</p>
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<p>Facilitating and supporting energy networks to deliver programmes like Reactive Response</p>	<p>Ofgem should deepen the funding envelope of the VCMA to respond to the need identified throughout the delivery of Reactive Response. This need is likely to become greater over the winter of 2022/23 and in subsequent winters if energy prices remain high.</p>
	<p>BEIS and Ofgem should work with energy networks and energy suppliers to determine how a positive, or forecasted positive, Social Return on Investment (SROI) can be embedded across a broader suite of energy efficiency, fuel poverty, and/or vulnerability focused projects, to enable the outcomes of projects to be captured and their value to wider society quantified accurately.</p>
	<p>BEIS and Ofgem should work with electricity networks to determine the feasibility of replicating reactive gas repair and replacement programmes such as Reactive Response, including how this could be funded and evaluated in a pilot setting.</p>
	<p>In the medium- to long-term, BEIS and Ofgem, in collaboration with the energy networks, should consider working towards the devising of a cross-utility and cross-sector servicing, repair, and replacement programme. This would enable frontline staff to refer to a programme that can facilitate the servicing, repair, and replacement of gas and electricity appliances simultaneously, depending on the specific needs and circumstances of the household.</p>



Action for Warm Homes

National Energy Action

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