THE POVERTY ALLIANCE
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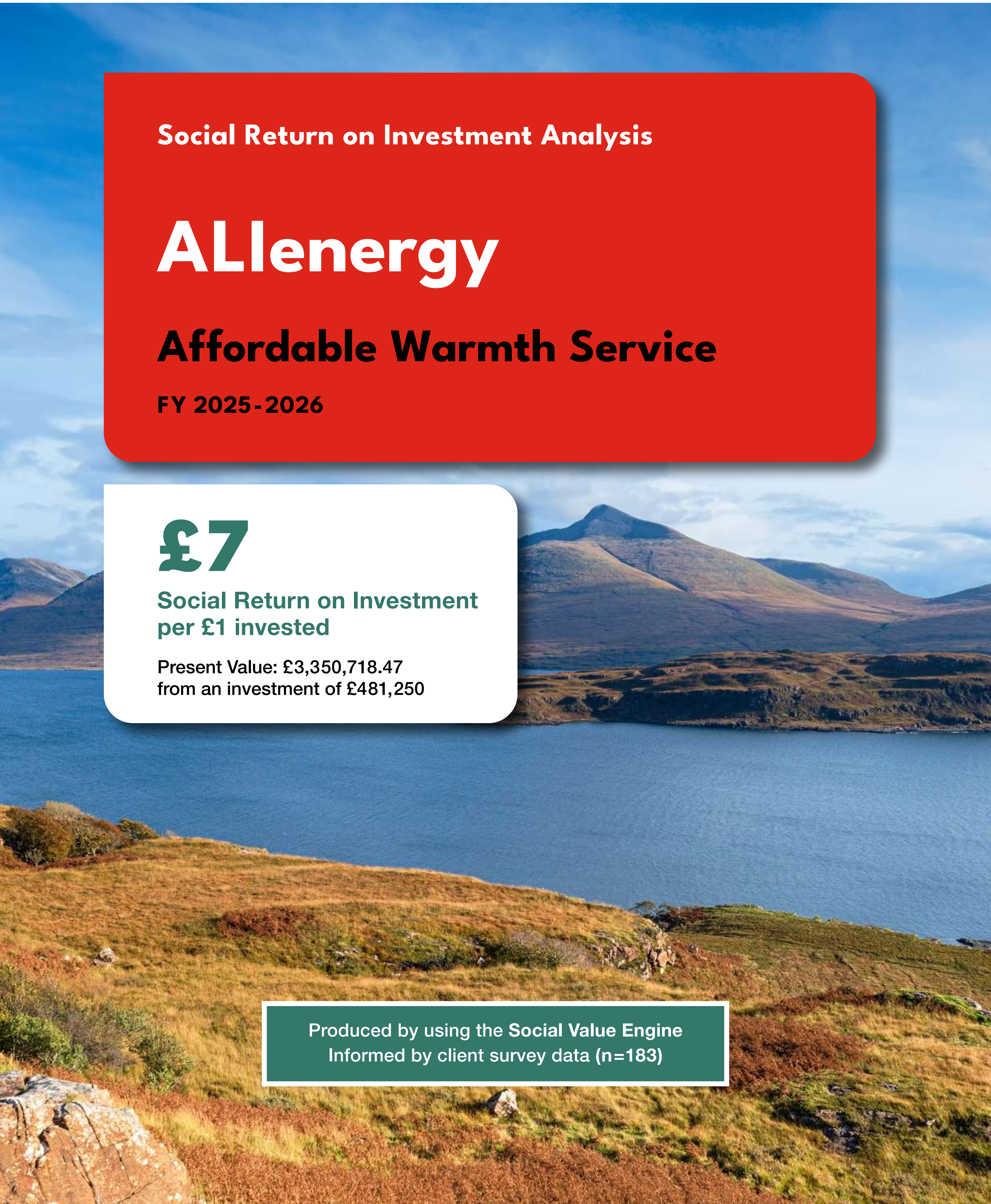
ALIENERGY
Argyll, Lomond & the Islands Energy Agency

Social Value Engine



Social Return on Investment Analysis

ALIenergy

Affordable Warmth Service

FY 2025-2026

£7

Social Return on Investment per £1 invested

Present Value: £3,350,718.47
from an investment of £481,250

Produced by using the **Social Value Engine**
Informed by client survey data **(n=183)**

Contents

1. Executive Summary

This report presents an evaluative **Social Return on Investment (SROI)** analysis of **ALIenergy's Affordable Warmth Service.** The programme operates on an ongoing annual basis, and this analysis covers FY 2025-26. It quantifies the social, economic and health value generated by the programme for people experiencing fuel poverty across Argyll and Bute and Highland, drawing on a structured client survey completed by 183 clients supported during a three-month period of the programme year.

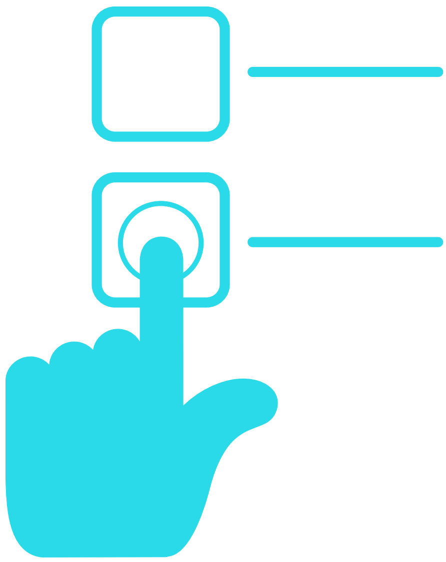
ALIenergy's Affordable Warmth Service provides free, impartial energy advice and practical support to households impacted by the rural poverty premium: the unjust higher costs of living in rural Scotland. The service includes advice on reducing energy use, support with meters and tariffs, pre-payment meter top-ups, budgeting and debt advice, energy-related funding applications, and provision of white goods and emergency fuel vouchers.

Activities include direct engagement through outreach and one-to-one consultations, reviewing existing energy contracts, and providing clear guidance on switching suppliers or tariffs where beneficial. Practical assistance is offered to overcome barriers such as digital access or administrative challenges, ensuring households can act on the advice provided. Alongside this, the programme promotes awareness of renewable energy options and energy efficiency measures, equipping householders with the knowledge and confidence to manage their energy use more effectively. These combined activities aim to ease household budgets by reducing the proportion that goes on fuel costs and improve long-term financial and energy resilience.

For every £1 invested in the Affordable Warmth Service, £7 of social value is generated. From a total investment of **£481,250** across FY 2025-26, the programme delivered **£3,350,718.47** in present value benefits for people experiencing fuel poverty.

The analysis was produced using the **Social Value Engine** and is informed by a **client survey of 183 respondents.** Key findings from the survey demonstrate the breadth and depth of impact achieved:

- 89.6% of clients reported their home felt warmer and more comfortable after support (average improvement from 3.37 to 8.14 out of 10).
- 79% reported improved life satisfaction (average increase from 4.70 to 7.69 out of 10).
- 94% said their understanding of heating systems, bills, tariffs and meters had improved.
- 87% said they would change how they use energy as a result of the support received.
- 77.6% of clients reported reduced stress and anxiety following support (based on 107 valid paired responses following a survey update part-way through the data collection period).
- The average deadweight score was 1.95 out of 10, meaning clients felt these improvements would be unlikely to have occurred without ALIenergy.



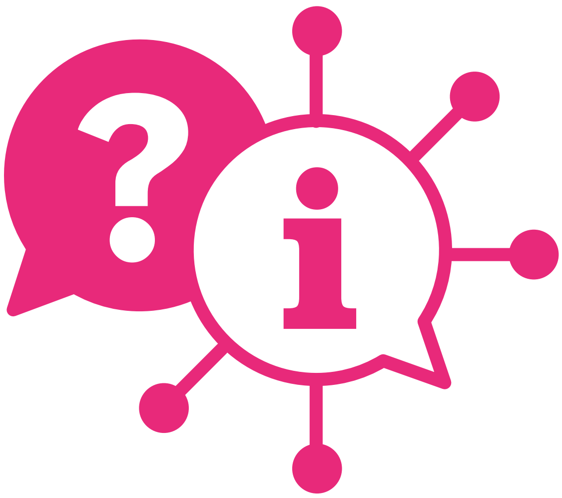
The largest component of social value (approximately 58%) derives from avoided health costs associated with reduced exposure to cold home conditions, reflecting the well-evidenced link between fuel poverty, cold homes and poor health.

2. Introduction

ALIenergy is a charitable energy agency serving Argyll and Bute and Highland. Its Affordable Warmth Service delivers tailored energy advice and hands-on support to low-income householders across a rural geography where fuel poverty rates are among the highest in Scotland.

The programme addresses the interconnected challenges of high energy costs, poor housing stock, limited infrastructure and geographic isolation. It does so through direct engagement with householders via outreach and one-to-one consultations, reviewing existing energy contracts, and providing clear guidance on switching suppliers or tariffs where beneficial. Practical assistance is offered to overcome barriers such as digital access or administrative challenges, ensuring households can act on the advice provided. The programme also promotes awareness of renewable energy options and energy efficiency measures, equipping householders with the knowledge and confidence to manage their energy use more effectively over the long term. These combined activities aim to ease household budgets by reducing the proportion that goes on fuel costs and build long-term financial and energy resilience.

The Affordable Warmth Service is an ongoing service operating on an annual basis. This analysis covers FY 2025-26, during which ALIenergy supported 2,500 clients across Argyll and Bute and Highland. This report seeks to understand and quantify the social value generated, going beyond measuring only direct financial gains to consider the health, wellbeing and quality-of-life benefits that access to energy advice delivers. Outcomes are measured over a one-year impact window, consistent with the programme's own annual operating cycle.



2.1 Background and Context

The rural poverty premium refers to the higher costs in money, time and opportunity for those living rurally. The rural poverty premium isn't just about needing more money to access a good standard of living. It is about additional time to travel, or to navigate services not designed for rural communities; or where the opportunities – for jobs, education and leisure, are more limited. The rural poverty premium is gendered, and rural issues intertwine, for example, limited transport blocks routes to work, healthcare, and education.

Argyll and Bute and Highland are particularly negatively impacted by the spiralling cost of fuel for use in the home. The combination of older, hard-to-treat housing stock, dependence on expensive heating fuels, very limited mains gas coverage, and rural geography creates conditions where a significant proportion of households spend a disproportionate share of their income on energy. Only around 40% of rural Scottish households use mains gas as their primary heating fuel, compared to 89% in urban areas. Instead the majority of households in Argyll and Bute and Highland rely on electricity, oil or LPG – all of which are substantially more expensive. Electricity, which is the primary heating fuel for many off-grid homes, costs roughly four times as much per unit as gas for heating purposes. As a result, rural households face annual energy costs considerably higher than the UK average, with those furthest from our towns and cities reported to be paying £5,000 or more per year. Research by the Scottish Fuel Poverty Advisory Panel found that 44% of households in rural Scotland are in fuel poverty, and that average energy debt among those seeking advice in rural areas was £3,130 – £630 more than the Scottish national average. Argyll and Bute and Highland also have among the lowest energy efficiency ratings of any Scottish local authority areas, with 13% and 14% of dwellings respectively rated EPC F or G.

The cost-of-living crisis has intensified these pressures, with energy prices rising sharply from 2022 onwards. Research tells us that fuel poverty is associated with poorer physical and mental health outcomes, including increased rates of respiratory and cardiovascular conditions, heightened stress and anxiety, and reduced quality of life.

ALIenergy plays an essential role in providing accessible, trusted and expert energy advice. The programme fills a gap that no other local organisation is positioned to fill, offering a depth and breadth of support tailored to the specific challenges of rural and island communities.

3. Methodology and Approach

3.1 Social Return on Investment

Social Return on Investment (SROI) is a principled framework for measuring and accounting for a broad concept of value. It enables the social, economic and environmental benefits of a service or activity to be calculated and expressed in monetary terms, and compared against the investment required to deliver them. The result is a ratio that expresses how much social value is created for each pound invested.

SROI measures change from the perspective of those who experience it. Through the use of financial proxies – monetary values that represent the importance of changes that are not traded in markets – it is possible to assign a value to outcomes such as improved health, reduced anxiety and warmer homes. These values are then adjusted for factors including deadweight (what would have happened anyway), attribution (the contribution of others) and displacement (whether the benefit came at the expense of another).

This analysis is an evaluative SROI, meaning it measures changes that have already been delivered rather than forecasting future impact.

3.2 Normalisation to One Year

The client survey was conducted over a three-month period, capturing outcomes for a sample of 183 clients. The improvement rates evidenced in the survey have been applied proportionally to ALIenergy's confirmed annual cohort of 2,500 clients, consistent with standard SROI practice when a structured sample is used to evidence outcomes across a wider programme population. This approach is appropriate given the consistency of the survey findings and the fact that the Affordable Warmth Service delivers the same model of support throughout the year. The one-year impact window is itself conservative – many of the benefits delivered, including improved knowledge, tariff changes, benefit entitlements and warmer homes, are likely to persist well beyond twelve months, meaning the SROI ratio understates the programme's long-term value.

3.3 The Social Value Engine

This SROI was calculated using the Social Value Engine, an SVI-accredited online platform that provides access to a database of recognised financial proxies and applies the standard SROI methodology. The Engine applies a discount rate of 3.5% (in line with HM Treasury Green Book guidance) to calculate the present value of benefits. A discount rate reflects the principle that benefits received in the future are worth slightly less than equivalent benefits received today – in the same way that £100 received next year is worth marginally less than £100 in hand now. Applying a discount rate ensures the analysis is conservative and consistent with standard public sector appraisal practice.

3.4 Client Survey

The analysis is informed by a structured client survey completed by 183 individuals who received support from the Affordable Warmth Service. The survey collected quantitative data on changes in life satisfaction, stress and anxiety, home warmth, physical health, and understanding of energy management. It also captured self-reported deadweight and attribution scores, and qualitative feedback through open-ended questions.

The survey used a before-and-after design, asking respondents to rate their experience on a scale of 1 to 10 both before and after receiving support. This approach, while reliant on self-reporting, is consistent with established practice in SROI analysis and provides a robust basis for identifying the scale and nature of change experienced.

3.5 Wellbeing Valuation and WELLBYs

Two of the four outcomes in this analysis – improved mental wellbeing and alleviation of fuel poverty – are valued using the WELLBY (Wellbeing Year) methodology. A WELLBY represents a one-point improvement in life satisfaction on a standard ten-point scale sustained for one year. It is a standardised unit of wellbeing change, enabling non-market outcomes such as reduced stress and improved quality of life to be assigned a monetary value that is comparable across programmes and policy areas.

The WELLBY approach is endorsed by HM Treasury's Green Book and is increasingly used across Scottish public sector evaluation. It is consistent with the Scottish Government's National Performance Framework and its focus on measuring what matters beyond economic output. For programmes addressing fuel poverty and financial stress – areas with clear and well-evidenced impacts on mental health and quality of life – WELLBYs provide a rigorous and transparent basis for valuing outcomes that would otherwise be difficult to quantify. Their use in this analysis strengthens comparability with other evaluations in the Scottish public and third sectors and supports the case for continued investment in preventative, community-based energy advice services.

4. Scope and Stakeholders

4.1 Scope

This analysis evaluates the social return from the investment in the Affordable Warmth Service over FY 2025-26. Outcomes are measured over a one-year impact window, consistent with the programme's annual operating cycle. It considers the benefits experienced by the 2,500 individuals and households who accessed the service during the year.

4.2 Stakeholders

The primary stakeholder group identified for this analysis is people experiencing fuel poverty in Argyll and Bute and Highland. This group comprises the 2,500 households who received direct support from the programme during FY 2025-26, at an agreed delivery cost of £192.50 per client. All present value in this analysis (£3,350,718.47) is attributed to this stakeholder group.

The programme is funded through multiple sources, with the total investment of £481,250 reflecting the full annual programme of 2,500 clients. The Poverty Alliance contributed £35,000 as part of the Taking Action on Rural Poverty project, representing approximately 7.3% of the total investment.

Accordingly, approximately 7.3% of the social value generated (£243,689) is attributable to the Poverty Alliance's funding.

The client survey (n=183) provided the evidence base for understanding the outcomes experienced. The types of support received by survey respondents included:

Type of Support	% of Respondents
Pre-payment meter top-up support	66%
Advice on reducing energy use	38%
Advice on meters, tariffs or supplier switching	26%
Energy-related funding applications	10%
Budgeting or energy debt advice	10%
Understanding home technology	9%
White goods advice	7%

Note: respondents could select multiple types of support. 17% were referred to another service, with referrals including Home Energy Scotland, welfare and benefits support, money or debt advice, and older people's services.

5. Client Survey Findings

The client survey (n=183) provides compelling evidence of the scale and breadth of impact achieved by the Affordable Warmth Service. The findings are presented below across the key outcome areas.

5.1 Home Warmth and Comfort

Clients reported the single largest improvement in home warmth and comfort, with average scores rising from 3.4 to 8.1 out of 10 – an increase of 4.8 points. 89% of respondents reported that their home felt warmer after receiving support.

This underlines the immediate, tangible difference the programme makes to people's daily living conditions. Many clients were living in homes rated at the very lowest end of the comfort scale before receiving support.

5.2 Physical Health

Physical health and comfort scores improved by an average of 4.5 points, from 3.5 to 8.0 out of 10. 88% of clients reported improved physical health or comfort. This is consistent with the established evidence base linking cold homes to a range of adverse health conditions, including respiratory and cardiovascular illness.

5.3 Life Satisfaction

Life satisfaction scores increased by an average of 3.0 points on the ten-point WELLBY scale, from 4.7 to 7.7 out of 10. 79% of respondents reported improved life satisfaction. This reflects the broad quality-of-life benefits that flow from living in a warmer home, having lower energy costs, and reduced financial stress.
Life satisfaction is measured using a Wellby approach – a standardised unit representing a one-point improvement on a ten-point life satisfaction scale for one year, as endorsed by HM Treasury and widely used in social value analysis. This provides a consistent and comparable basis for valuing wellbeing outcomes.

5.4 Stress and Anxiety

Stress and anxiety scores require careful interpretation. After a survey update part-way through the data collection period, the valid paired dataset of 107 responses shows that 77.6% of clients reported reduced stress and anxiety following support. This is consistent with the well-evidenced link between fuel poverty, financial stress and poor mental health. The 77.6% improvement rate has been used as the basis for the SROI calculation.

5.5 Knowledge and Behaviour Change

94% of clients said their understanding of heating systems, bills, tariffs and meters had improved following the advice received. 87% stated they would change how they use energy as a direct result of ALIenergy's support. This indicates the programme is not only delivering immediate relief but equipping households with the knowledge and confidence to manage their energy use more effectively in the longer term.

5.6 Deadweight and Attribution

Two critical measures for SROI analysis were captured directly from clients:

Deadweight (the likelihood that changes would have happened without the service): the average score was **1.95 out of 10**, meaning respondents overwhelmingly felt these improvements would not have occurred without ALIenergy's intervention. This translates to a deadweight rate of 19.5%, which has been applied in the SROI calculation.

Attribution (how much of the change is due to ALIenergy versus other factors): the average score was **9.37 out of 10**, indicating that clients attribute the vast majority of positive change directly to the support received. This translates to an attribution deduction of approximately 6%.

5.7 Client Voices

The open-ended survey responses provide qualitative evidence that reinforces the quantitative findings:

> **Having the home visits and Suzy's advice and expertise about everything made all the difference. Thank you for your patience and lovely support. It has really improved our quality of life.**

> **If ALIenergy hadn't helped me to get my old meter away I would still be paying a lot more. I had been fighting with my supplier for years.**

> **Really pleased, you came through for us. It will help till my next wage comes through. Especially for my children.**

> **I am forever grateful for ALIenergy's support. In beginning December I realised that by February I would definitely not be able to pay my electric bill with all the recent increases.**

6. Outcomes and Financial Proxies

The SROI methodology requires that each identified outcome is assigned a financial proxy – a monetary value that represents the importance or cost of that change. The proxies used in this analysis are drawn from recognised databases and are summarised below.

6.1 Outcomes and Proxies Used

Outcome	Financial Proxy	Quantity	Impact
Avoided health costs through reduced cold home exposure	Avoided NHS costs associated with cold homes Source: *The Cost of Poor Housing by Tenure in England, Building Research Establishment*	1,613 households	£2,006,602
Improved mental wellbeing through relief from financial stress	Reduced levels of anxiety and stress Source: *Community Engagement – approaches to improve health and reduce health inequalities, NICE*	1,940 individuals	£631,695
Alleviation of fuel poverty and improved home warmth	Overcoming gap between poverty threshold and median income Source: *Overcoming Gap Between Poverty Threshold and Median Income, Scottish Government*	2,240 households	£392,484
Tangible financial benefit secured for households	Direct financial gain from funding, practical assistance and tariff support Source: *ALIenergy*	2,500 clients	£437,213

Impact figures shown are before deflators and discounting are applied.

6.2 Justification of Proxy Selection

Avoided health costs (57% of total value)

This is the largest single outcome, reflecting the well-established relationship between cold homes and adverse health outcomes. The proxy is drawn from research quantifying NHS treatment costs associated with excess cold, including respiratory illness, cardiovascular conditions and fall-related injuries.

Survey evidence indicates that 89.6% of respondents reported improved home warmth and comfort, with average warmth scores increasing from 3.37 to 8.14 out of 10. To determine the proportion of clients likely to have experienced a health-relevant improvement, a comfort score threshold has been applied: clients who scored 4 or below before support and 5 or above after support are considered to have moved from cold home conditions into adequate warmth sufficient to reduce health-related risk. This approach is grounded directly in the survey data and avoids overstating the health benefit by excluding clients whose improvement, while real, may not have crossed the threshold associated with reduced health service utilisation. Analysis of the 183 paired comfort responses shows that 64.5% of clients met this threshold, giving 1,613 households from the full annual cohort of 2,500. This proxy is valued using the BRE 2023 Cost of Poor Housing methodology, which quantifies the NHS saving generated by addressing excess cold as a Category 1 housing hazard.

This cautious approach reduces the risk of overstating NHS cost avoidance while remaining consistent with the survey evidence demonstrating substantial improvements in home warmth and physical comfort.

Improved mental wellbeing (18.2% of total value)

This proxy captures the value of reduced anxiety and stress associated with relief from energy-related financial pressure. The 2024 proxy for reduced levels of anxiety and stress has been applied to 1,940 individuals, representing 77.6% of the full annual cohort of 2,500 clients. This figure is drawn from the valid paired survey dataset of 107 responses collected following a survey update part-way through the data collection period.

This proxy is valued using wellbeing valuation methodology (WELLBYs) — a standardised unit representing a one-point improvement in life satisfaction on a ten-point scale for one year, as endorsed by HM Treasury and the Scottish Government and widely used in public sector social value analysis across Scotland and the rest of the UK. Deadweight and attribution adjustments have been applied consistently to ensure the outcome reflects the change reasonably attributable to ALIenergy's support.

Alleviation of fuel poverty (11.3% of total value)

This proxy values the benefit of reducing the gap between household income and the poverty threshold, reflecting the income-equivalent benefit of reduced fuel costs and improved warmth.

It has been applied to 2,240 households, representing 89.6% of the full annual cohort of 2,500 – the proportion of surveyed clients who reported improved home warmth and comfort. This proxy is valued using a wellbeing valuation approach (Wellbys), reflecting the income-equivalent benefit of moving households closer to the poverty threshold through reduced fuel costs.

Tangible financial benefit (12.6% of total value)

This outcome captures the direct, measurable financial gains secured for households through tariff switching, emergency fuel vouchers, funding applications, white goods provision and related practical assistance.

The proxy reflects the average financial benefit per client recorded in programme data and has been applied to the full annual cohort of 2,500 clients, reflecting the breadth of financial and practical support delivered across the programme.

7. Inputs and Outputs

7.1 Investment (Inputs)

The total investment in the Affordable Warmth Service for FY 2025-26 was £481,250, based on an agreed delivery rate of £192.50 per client across 2,500 clients. This figure comprises confirmed costs of £38,500 for the 183-client surveyed cohort, with the remaining balance estimated on a pro-rata basis pending confirmation of full-year audited expenditure. The investment was funded through a combination of grant sources, including the Poverty Alliance and Affordable Warmth Service budgets, and constitutes the sole input category (Money) in the SROI calculation.

The Poverty Alliance contributed £35,000, through the Taking Action on Rural Poverty project, representing approximately 7.3% of the total investment. The table below summarises the funding and the proportional share of social value attributable to each.

Funder	Investment	% of Total	Share of PV
Poverty Alliance	£35,000	7.3%	£243,689
Other funders (combined)	£446,250	92.7%	£3,107,030
Total programme	**£481,250**	**100%**	**£3,350,718.47**

The SROI ratio of £7 per £1 invested applies proportionately to each funder's contribution, as all funding supported the same integrated programme model and client outcomes. The Poverty Alliance's £35,000 investment therefore generated approximately £243,689 in present value social benefits.

7.2 Outputs

The programme delivered the following outputs during FY 2025-26:

- 2,500 households received direct energy advice and support across the full programme year
- 1,940 individuals experienced measurable improvement in mental wellbeing
- 183 client survey responses collected to evidence outcomes
- 32 referrals made to partner organisations including Home Energy Scotland, welfare/benefits support and debt advice services

8. SROI Calculation

8.1 Summary of Calculation

Component	Value
Total Impact (Year 1)	£3,467,993.61
Discount (3.5%)	–£117,275.14
Present Value	£3,350,718.47
Total Investment (Input)	£481,250
Net Present Value	£2,869,468.47
SROI Ratio	£6.96 : £1
Net SROI	£5.96

The results demonstrate that every £1 invested in the Affordable Warmth Service generates approximately £6.96 of social value, which due to the sensitivity of data collection methods, can be appropriately expressed as £7. The net SROI of £5.96 represents the value created over and above the original investment.

This analysis excludes potential longer-term health savings, multi-year behavioural persistence and wider system impacts such as reduced crisis intervention costs. The £6.96 ratio therefore represents a one-year estimate based on measured outcomes and conservative modelling assumptions, including a data-grounded comfort score threshold applied to the health outcome quantity.

8.2 Present Value by Outcome

Outcome	Present Value	% of Total
Avoided health costs (cold homes)	£1,938,746	57.9%
Improved mental wellbeing	£610,333	18.2%
Alleviation of fuel poverty	£379,211	11.3%
Tangible financial benefit	£422,428	12.6%
Total Present Value	**£3,350,718.47**	**100%**

8.3 Present Value by Priority Area

Mapping the outcomes to the UN Sustainable Development Goals,
the distribution of value is:

- Good Health and Well-Being (SDG 3): **£2,549,079 (76.1%)**
- Reduced Inequalities (SDG 10): **£379,211 (11.3%)**
- Decent Work and Economic Growth (SDG 8): **£422,428 (12.6%)**

The Poverty Alliance and ALIenergy support the Sustainable Development Goals.

9. Deflators and Adjustments

In line with SROI principles and the requirement not to over-claim, deflators have been applied to each outcome to adjust for factors that may influence the reported change. The deflator values used in this analysis are informed directly by the client survey data.

In addition to applying deflators, a conservative threshold was applied to the health outcome quantity to ensure that only households experiencing a level of warmth improvement likely to affect health risk were included.

9.1 Deadweight

Deadweight reflects the proportion of an outcome that would have occurred in the absence of the intervention. The client survey asked respondents to rate, on a scale of 0 to 10, how likely it is that the changes they experienced would have happened without ALIenergy's support.

The average deadweight score was 1.95 out of 10, **translating to a deadweight rate of approximately 19.5%.** This has been applied uniformly across all four outcomes.

9.2 Attribution

Attribution considers the extent to which other organisations or factors may have contributed to the observed changes. The survey asked respondents to rate how much of the change was due to ALIenergy's support specifically.

The average attribution score was 9.37 out of 10, **meaning clients attributed the overwhelming majority of change to ALIenergy. This translates to an attribution deduction of 6%,** applied across all outcomes.

9.3 Leakage, Drop-off and Displacement

Leakage (benefits accruing outside the target area) has been set at 0%, as the programme specifically serves the defined geographical area of Argyll and Bute and Highland.

Drop-off (reduction in benefit over time) has been set at 0%. This analysis models outcomes over a one-year period only; drop-off is therefore not applicable.

Displacement (benefits achieved at the expense of other outcomes or stakeholders) has been set at 0%. There is no evidence that the programme's benefits have displaced activity or outcomes elsewhere.

9.4 Summary of Deflators Applied

Deflator	Deadwt.	Attrib.	Leakage	Drop-off	Displac.
All outcomes	19.5%	6%	0%	0%	0%

10. Sensitivity Considerations

In any SROI analysis it is important to consider the sensitivity of the result to the assumptions made. Several factors merit discussion:

Deadweight and Attribution

The deflator rates of 19.5% deadweight and 6% attribution are derived directly from client self-reporting. While self-reported data is standard practice in SROI analysis, there is an inherent risk that respondents may overstate the contribution of a service they value. However, the consistency of responses across the 183-respondent survey dataset lends confidence to the figures. In addition, the model applies a conservative approach to the health outcome quantity (see below), which reduces sensitivity to any optimism in self-reported attribution.

Health Cost Proxy Dominance

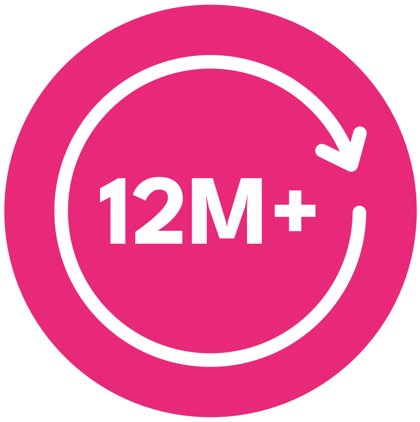
The avoided health costs outcome remains the largest component of present value, accounting for approximately 58% of total present value. This reflects the relatively high unit value of the proxy and the well-evidenced relationship between excess cold and health impacts. Although 89.6% of surveyed households reported improved warmth, a threshold analysis has been applied to identify households that moved from genuinely cold conditions into adequate warmth. Clients who scored 4 or below for home warmth before support and 5 or above after support are considered to have experienced a health-relevant improvement – a threshold grounded directly in the survey data rather than a generalised assumption. Analysis of the 183 paired comfort responses shows 64.5% met this threshold, giving 1,613 households from the full cohort of 2,500. Even at this conservative threshold, avoided health costs remain the single largest source of social value in the analysis, underscoring the strength of the relationship between ALIenergy's support and measurable improvements in household health risk.

Survey Sample

The survey achieved 183 responses from clients supported during a three-month window of the programme, representing approximately 7.3% of the 2,500 clients supported across FY 2025-26. While this is a modest sample relative to the full annual cohort, the survey findings are internally consistent and aligned with programme delivery records. The survey data has been used to evidence the nature and scale of change experienced, with improvement rates extrapolated proportionally to the full annual cohort. A larger survey sample in future years would strengthen the evidential base further. While this is a reasonable sample size, the findings should be interpreted with appropriate caution.

Normalisation to One Year

The impact has been normalised to reflect the full annual programme year. The client survey was conducted over a three-month period, capturing outcomes for a sample of 183 clients. The improvement rates evidenced in the survey have been applied proportionally to ALIenergy's confirmed annual cohort of 2,500 clients, consistent with standard SROI practice when a structured sample is used to evidence outcomes across a wider programme population. This approach is appropriate given the consistency of the survey findings and the fact that the Affordable Warmth Service delivers the same model of support throughout the year.



The one-year impact window is itself conservative: many of the benefits delivered, including improved knowledge, tariff changes, benefit entitlements and warmer homes, are likely to persist well beyond twelve months, meaning the SROI ratio understates the programme's long-term value.

11. Conclusion

This evaluative SROI analysis demonstrates that ALIenergy's Affordable Warmth Service delivers substantial social value for people experiencing fuel poverty in Argyll and Bute and Highland.

£7

of social value generated for every £1 invested

For an annual investment of £481,250, the Affordable Warmth Service generated £3,350,718.47 in present value benefits across FY 2025-26. The largest share of value (approximately 58%) derives from avoided health costs associated with reduced exposure to cold home conditions. A comfort score threshold has been applied to this outcome – clients who moved from 4 or below before support to 5 or above after support – to ensure the analysis does not overstate NHS cost savings. This data-grounded approach gives 1,613 households, representing 64.5% of the survey cohort.

The client survey evidence demonstrates clear and consistent improvements across multiple dimensions. Respondents reported substantial improvements in home warmth (+4.8 points on the comfort scale), physical health or comfort (+4.5 points on the comfort scale) and life satisfaction (+3.0 points on the WELLBY scale). After a survey update part-way through the data collection period, 77.6% of clients reported reduced stress and anxiety across the 107 valid paired responses. 94% reported improved understanding of their energy systems, and 87% indicated they would change their behaviour as a result of the support received. Clients attributed an average of 9.37 out of 10 of the positive change directly to ALIenergy's support, and reported that these improvements would be unlikely to have occurred without the programme.

The analysis indicates that the Affordable Warmth Service represents an effective and proportionate investment in tackling fuel poverty. As an ongoing annual programme, it is delivering consistent, measurable social value year on year. By providing practical and tailored energy advice in rural communities, ALIenergy is reducing immediate financial pressure, improving household comfort and contributing to improved wellbeing outcomes for some of Scotland's most fuel-poor households.

Poverty Alliance Contribution

The Poverty Alliance's contribution, through Taking Action on Rural Poverty, of £35,000 represented approximately 7.3% of the total programme investment of £481,250. This includes £25,000 in direct programme delivery costs and £10,000 for evaluation, case study analysis and reporting activity.

Applying this proportional share to the total present value of **£3,350,718.47,** the Poverty Alliance's funding supported the generation of approximately **£243,689** in social value, representing a return of **£7** for every **£1** invested.

This demonstrates that the Poverty Alliance's funding, as part of the wider integrated programme, contributed to measurable improvements in home warmth, financial security and wellbeing for households experiencing fuel poverty in Argyll and Bute and Highland.

Appendix: Survey Data Summary

The following tables summarise the key quantitative findings from the client survey (n=183).

Before and After Scores (Mean, Scale 1–10)

Measure	Before	After	Change	% Improved
Home warmth/ comfort	3.37	8.14	+4.78	89%
Physical health/ comfort	3.45	7.95	+4.49	88%
Life satisfaction	4.70	7.69	+2.99	79%
Stress and anxiety*	4.34†	7.36†	+3.02†	77.6%†

*Higher score = less stressed. † Figures are based on 107 valid paired responses, following a survey update part-way through the data collection period. This dataset has been used as the basis for the SROI calculation.

Key Binary Responses

Question	Yes
Understanding of heating/bills/tariffs improved?	94% (172 of 183)
Will change energy use behaviour?	87% (159 of 183)
Referred to another service?	17% (32 of 183)*

Deadweight and Attribution

Measure	Mean Score (0–10)
Deadweight (changes would have happened anyway)	1.95
Attribution (change due to ALIenergy)	9.37

The Poverty Alliance
94 Hope Street
Glasgow
G2 6PH

0141 353 0440
admin@povertyalliance.org
www.povertyalliance.org

Charity number SC019926

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