

Northern Gas Networks

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Barnardos – Building Wamer Futures

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Vulnerability and Carbon Monoxide Allowance (VCMA) Project Eligibility Assessment (PEA)



 Fuel Poverty and Energy	Carbon Monoxide Awareness 
 Supporting Priority Customer	Services Beyond the Meter 

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Project registration table

Project summary	
Project title	Building Warmer Futures
Strategic Area	Supporting Priority Customers
Funding GDN(s) The GDN(s) which register(s) the project	Northern Gas Networks (NGN)
New/Updated State whether this is a new or updated PEA (indicate as appropriate by removing the option that does not apply)	New
Collaborative VCMA Projects Specific role(s) of GDN(s) participating in a collaborative VCMA Project	N/A
Date of PEA submission This needs to be the initial date of a first project submission	June 2026
Project start and end date	1 April 2026 – 31 October 2026
Project location	Newcastle and Yorkshire
Sectors involved	Distribution Network Operator Gas Distribution Network Consumer Group Charitable Organisation Local Authority Water Supplier Telecommunications Provider Other (specify)
Project contact	
Name	Laura Ratcliffe
Contact details	vcma@northerngas.co.uk
Project partners and third parties involved	
Organisation name	Role
Barnardos	Lead project partner
Costs and funding	
Total cost (£k)	£45,000
Total VCMA funding required (£k)	£45,000
Total BAU vulnerability and CO safety activity baseline allowance funding by activity (£k)	£0

Problem(s)

NGN's vulnerability strategy has a clear ambition to keep communities safe and warm, support those in vulnerable situations, and reduce the risk of harm associated with fuel poverty and carbon monoxide (CO). Young care leavers and young carers are disproportionately affected by fuel poverty, low energy literacy and reduced access to trusted advice. Many are transitioning into independent living for the first time or acting as the primary responsible person within a household, often with limited financial resilience and limited understanding of energy systems, bills and safety.

This cohort is at heightened risk of cold homes, unmanaged energy debt and unsafe use of gas appliances, increasing the likelihood of CO incidents and wider health and wellbeing impacts. Without targeted, tailored intervention, these young people are at risk of long term disengagement from energy safeguarding services and support mechanisms.

Scope and objectives

Working in partnership with Barnardo's, NGN will fund a targeted programme of advice, education and practical support for young care leavers and young carers. The project will deliver a structured package of interventions designed to improve energy awareness, financial capability, CO safety knowledge and access to safeguarding services.

Key activities include:

- Energy awareness and advice sessions (group and 1 to 1)
- Personal finance and income maximisation support
- Digital upskilling to improve access to online services
- CO and gas safety awareness and information
- Identification and registration of eligible customers onto the Priority Services Register (PSR)

The project objectives are to:

Improve energy literacy and confidence among young care leavers and carers

- Reduce fuel poverty risk through income maximisation and energy advice
- Increase awareness of CO risks and safe behaviours
- Improve access to energy safeguarding services, including PSR
- Support safe and sustainable independent living outcomes

Project design engagement

Targeting vulnerability support:

NGN has identified the vulnerability need addressed by this project through a combination of GD2 delivery insight, stakeholder engagement and partner intelligence. Evidence from NGN's vulnerability and carbon monoxide activity highlights that young care leavers and young carers are more likely to experience fuel poverty, low energy literacy and reduced engagement with energy safeguarding services when compared to the general population. This is driven by early transitions into independent living, limited financial resilience and, in many cases, a lack of trusted adult support to navigate energy systems, bills and household safety.

Stakeholder engagement with Barnardo's frontline teams has further reinforced this need. Barnardo's practitioners consistently report that energy affordability, bill management and carbon monoxide safety are recurring issues for care experienced young people and young carers, particularly at key transition points such as moving into independent accommodation or assuming caring responsibilities.

Evidence of stakeholder and/or customer support:

The development of this VCMA project has been informed by ongoing engagement between NGN and Barnardo's, alongside wider third sector stakeholder insight gathered through GD2 activity. Barnardo's has identified energy affordability, safety and low confidence in managing household utilities as priority issues affecting the young people they support across Newcastle and Yorkshire.

Barnardo's support for the project is demonstrated through their commitment to act as delivery partner, providing access to established support networks, trusted relationships with young care leavers and young carers, and experienced practitioners trained in safeguarding and trauma informed engagement.

Stakeholder project design input:

Stakeholders have been actively involved in the design of this project from an early stage. Barnardo's played a central role in shaping the project scope, target cohort and delivery model, drawing on their direct experience of supporting young care leavers and young carers across Newcastle and Yorkshire. Their frontline insight informed both the identification of key risks faced by this cohort and the practical design of interventions most likely to achieve positive outcomes.

Stakeholders also contributed to decisions around delivery methods. Barnardo's advised that trusted, relationship based engagement — including one to one casework and supported group sessions — would be more effective for this cohort than purely digital or information led approaches. While alternative delivery models were considered, NGN and Barnardo's agreed that a flexible, practitioner led model was preferable, as it allows support to be tailored to individual circumstances and safeguarding needs.

Where differences in emphasis arose, NGN's final design decisions were guided by stakeholder evidence on what works best for care experienced young people, balanced with VCMA eligibility requirements and the need to deliver measurable, time bound outcomes.

Why the project is being funded through the VCMA

This project meets this eligibility criteria, as the project aligns with NGNs vulnerability strategy, in which we have a clear ambition to keep our communities safe and warm, and to support those most in need by helping vulnerable households not just today but as we invest in a green energy future.

The Building Warmer Futures project focuses on young care leavers and young carers, a cohort identified as being at heightened risk of fuel poverty, low energy literacy and reduced engagement with energy safeguarding services

This project aligns with two of the objectives of our vulnerability strategy:

- Help more vulnerable households access energy safeguarding services - through targeted identification and registration of eligible young care leavers and young carers onto the Priority Services Register (PSR).
- Support our customers' move towards net zero, tailored according to their needs and circumstances - by improving energy literacy, digital access and financial resilience, enabling customers to engage more confidently with energy services and manage household energy safely and affordably.

To achieve our strategic ambition and realise our objectives, we've set four priority delivery areas:

- Providing direct services for customers, through one to one energy advice, financial support and tailored interventions
- Reducing carbon monoxide harm, by increasing awareness, education and safety messaging related to CO risks
- Supporting priority vulnerable groups, specifically young care leavers and young carers
- Tackling fuel poverty and affordability, through income maximisation, budgeting support and energy efficiency awareness

How VCMA funding complements or supplements BAU activities

The Building Warmer Futures project complements and supplements BAU activity by providing tailored, proactive support to a clearly defined vulnerable group that would not otherwise be reached through BAU delivery alone. VCMA funding enables NGN to work in partnership with Barnardo's to deliver specialist, relationship based interventions, including one to one energy advice, personal finance support, digital upskilling and targeted CO safety education. These activities go beyond BAU provision in both depth and intensity and are delivered outside of routine operational contact.

VCMA funding also supports enhanced identification and engagement with eligible customers, enabling targeted Priority Services Register (PSR) registration and follow up support that would not be achievable at scale through BAU activity. The project focuses on early intervention and prevention, addressing underlying drivers of energy vulnerability such as low energy literacy, financial exclusion and limited confidence in managing household utilities.

For individual GDN VCMA Projects:

Justification for why the project should not be collaborative

This VCMA project has been developed as an individual GDN project due to the specific delivery context, target cohort and partnership model required to address the identified vulnerability need effectively within NGN's network area.

The Building Warmer Futures project is designed to support young care leavers and young carers through a place based, relationship led delivery model, embedded within Barnardo's existing services across Newcastle and Yorkshire. Delivery relies on established local partnerships, trusted practitioner relationships and integration with Barnardo's regional safeguarding and support infrastructure. This localised approach is essential to ensure accessibility, consistency of support and effective safeguarding for a cohort with complex and often overlapping vulnerabilities.

Outcomes, associated actions and success criteria

Barnardos and NGN will carry out monthly reporting reviews on measurable outcomes against targets to ensure successful delivery. Quarterly reviews will provide the opportunity for more in-depth analysis and the ability to highlight insights and learnings to share, as well as identify any risks and requirement for any associated actions to mitigate these.

Key outcomes expected from this project:

Outcome	Annual Target
Priority Services Registrations (PSR)	150

Outcome	Annual Target
Energy awareness (Direct)	600
Energy advice	200
Personal finance support	200
CO and energy information	2,000
CO safety interventions	200
Energy interventions	
(1-1)	150
Digital upskilling	200
Income maximisation support	200

Success Criteria

The success of the project will be evaluated using a combination of quantitative output data and qualitative partner feedback. Delivery against agreed targets will be monitored through regular reporting from Barnardo's, with interim reviews conducted at key milestones to ensure progress remains on track.

Success will be demonstrated by:

- Achievement of agreed output targets across all deliverables
- Increased access to energy safeguarding services, including PSR registration
- Improved awareness of energy management and CO safety among the target cohort
- Evidence of effective engagement with young care leavers and young carers through sustained participation in support activity

Potential for new learning

This project provides an opportunity for NGN to build further insight into how best to engage and support young care leavers and young carers, a cohort that is historically under represented in energy safeguarding activity and less likely to proactively engage with traditional energy advice services.

Through delivery of the Building Warmer Futures project, NGN expects to learn more about:

- Effective approaches for engaging younger vulnerable customers at key transition points, such as moving into independent living or taking on caring responsibilities
- The types of energy, financial and digital interventions that are most effective in improving confidence, safeguarding awareness and sustained engagement for this cohort
- How trusted third sector partners can be best integrated into VCMA delivery to reach customers who may not otherwise engage with energy networks
- Barriers to uptake of services such as the Priority Services Register (PSR) among younger vulnerable customers, and how these barriers can be reduced

Aligning with and supporting wider vulnerability approaches

The Building Warmer Futures project aligns with and supports wider approaches to vulnerability adopted across the energy sector, third sector organisations and public services by addressing a recognised gap in provision for young care leavers and young carers.

Within the energy sector, there is increasing recognition of the need to move beyond reactive support and towards earlier, preventative interventions that build long term resilience for vulnerable consumers. This project supports that direction by focusing on early engagement, education and confidence building, helping younger vulnerable customers understand and manage their energy use, access safeguarding services and reduce the risk of harm associated with cold homes and carbon monoxide (CO).

The project also aligns with broader third sector and local authority approaches to supporting care experienced young people and young carers, which emphasise holistic, wrap around support delivered through trusted organisations.

In addition, the project complements national and local policy objectives focused on reducing fuel poverty, improving household safety and supporting vulnerable individuals to live independently and safely. By addressing energy affordability, safety and digital access together, the project responds to a recognised gap in support for younger vulnerable households who may not meet traditional vulnerability thresholds but nonetheless face significant risk.

Monitoring and evaluation

NGN will work closely with Barnardo's to monitor delivery of the Building Warmer Futures project and check that it is meeting the agreed outcomes and targets. Simple monitoring and reporting arrangements will be put in place from the start to make sure VCMA funding is being used as intended and that progress is clear and transparent.

Barnardo's will provide quarterly updates to NGN, reporting on progress against each agreed outcome and target. Delivery will be tracked against interim milestones, with regular check-ins to make sure the project stays on course and to identify and address any delivery risks at an early stage.

Scale of VCMA project and SROI calculations, including NPV

NGN have applied the Industry Standard Social Value Framework and GDN Rulebook, developed collaboratively, to assess the financial and wellbeing outcomes associated with the project, ensuring consistency and comparability across networks.

Based on forecast outcomes and costs, the project is expected to deliver a Social Return on Investment (SROI) of £4.58 for every £1 invested, demonstrating that the scale of investment is proportionate to the benefits delivered for customers across participating in our network.

Social value measurement

Total cost*	£45,000
Total gross present value	£244,363.77
Net Present Value (NPV)	£200,543.09
SROI	£4.58

*Accounting for inflationary factors over the term of the project.

Internal governance and project management evidence

All VCMA project proposals submitted to Northern Gas Networks are subject to a robust internal review and assurance process to ensure strategic alignment, value for money, and compliance with VCMA eligibility criteria.

Where a proposal meets this required criteria, a Social Return on Investment (SROI) calculation is undertaken in line with NGN's approved methodology to evidence a positive social impact and value for consumers funding the VCMA programme.

They are then sent to an external governance panel for an independent scrutiny. The panel meets quarterly and consists of sector specialists with a good understanding of VCMA. This ensures the

project aligns with NGN’s Customers in Vulnerable Situations objectives and delivers meaningful outcomes for households at risk of fuel poverty and vulnerability.

Following approval, the project is managed and overseen by VCMA Project Coordinators at NGN. Ongoing delivery is monitored through a structured performance management framework, which includes:

- Submission of quarterly monitoring reports by the partner organisation, detailing activity, outputs, outcomes, and progress against agreed targets.
- Regular one-to-one meetings between NGN and the project partner to review delivery, address any challenges, and provide ongoing support and assurance, including any risks on delivery and associated mitigation.
- Participation in regular NGN partner network calls, enabling partners to share best practice, learning, and innovative approaches, while supporting continuous improvement across the network.

This approach ensures strong governance, effective delivery oversight, and continuous learning, while maintaining alignment with NGN’s wider VCMA objectives of delivering positive and measurable social impact for customers and communities.

Initial:

Approver (Name and Role)	Date
Eileen Brown, Customer Experience Director	April 2026

Eligibility Criteria

Eligibility Criteria	Description	Project qualifies Yes / No
Positive SROI	Have a positive, or a forecasted positive, Social Return on Investment (SROI) calculated in accordance with a model which the GDNs have developed and submitted to Ofgem including for the gas consumers funding the VCMA Project	Yes
Positive NPV	Have a positive, or a forecasted positive Net Present Value (NPV)	Yes
Support Criteria	Either: <ul style="list-style-type: none"> i. provide support to consumers in Vulnerable Situations and relate to Energy Safeguarding, or ii. provide support for those most at risk of being left behind in the transition to net zero, or iii. provide awareness of, and education on, the dangers of CO beyond the activities funded as business as usual (BAU) through baseline allowances, or iv. reduce the risk of harm caused by CO 	Yes
Defined Outcomes	Have specific, measurable, and time-bound outcomes which align with relevant Consumer Vulnerability Strategy objectives to achieve the requirements set out in paragraph b;	Yes
Beyond Other Funding	Go beyond activities that are funded through other price control mechanism(s), including baseline allowance funding, or required through licence obligations	Yes
Support or Align	Support or align with approaches to vulnerability taken by the wider energy industry, other utilities and/or consumer organisations, and local, national and devolved government, or evidence innovation or a gap in vulnerability support provision;	Yes
No Other External Funding	Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding	Yes
BAU vulnerability and CO safety activities	Where a GDN's BAU vulnerability and CO safety activities are funded through baseline allowances, these are not suitable for funding through the VCMA. The GDN is permitted to use VCMA funds to supplement or complement its BAU activities, however, it must ensure that its reporting provides sufficient evidence to prevent double funding.	Yes

Eligibility criteria for company specific essential gas appliance servicing

Eligibility Criteria	Description	Project qualifies Yes / No or N/A
Servicing must meet the following criteria:	Either: <ul style="list-style-type: none"> i. A GDN has had to isolate and condemn an essential gas appliance following a supply interruption or as part of its emergency service role; or ii. A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in the owner-occupied home of a customer in a Vulnerable Situation where an occupier of the property suffers from a permanent or temporary health condition¹² that makes them more vulnerable to health risks associated with cold homes; or iii. A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant's responsibility to maintain the essential gas appliance, where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes 	N/A
Affordability	The household cannot afford to service the essential gas appliance, as assessed against the affordability criteria set out in the VCMA governance document	N/A
Funding	Sufficient funding is not available from other sources (including a social or private landlord and national, devolved, or local government funding) to fund the essential gas appliance servicing	N/A

Eligibility criteria for company specific essential gas appliance repair and replacement

Eligibility Criteria	Description	Project qualifies Yes / No or N/A
<p>Unsafe pipework and essential gas appliance repair or replacement must meet the following criteria:</p>	<p>Either:</p> <ul style="list-style-type: none"> i. GDN has had to isolate and condemn unsafe pipework or an essential gas appliance following a supply interruption or as part of its emergency service role; or ii. ii. iii. A GDN or its Project Partner has had to condemn unsafe pipework, or an essential gas appliance, following an essential gas appliance service (as described in 3.19 of the VCMA governance document) 	<p>N/A</p>
<p>Health condition</p>	<p>Either:</p> <ul style="list-style-type: none"> i. The occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes and has a household income of £31,000 or below in 2025/26 prices, adjusted for inflation using Consumer Price Index with Housing costs (CPIH) 13, or ii. the household cannot afford to service the essential gas appliance, as assessed against the affordability criteria set out in Appendix 1 of the VCMA governance document 	<p>N/A</p>
<p>Funding</p>	<p>Sufficient funding is not available from other sources (including national, devolved, or local government funding) to fund the unsafe pipework or the essential gas appliance repair or replacement.</p>	<p>N/A</p>