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## Fuel Poverty Advisory Service



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



 <p><b>Fuel Poverty and Energy</b></p>	<p><b>Carbon Monoxide Awareness</b></p> 
 <p><b>Supporting Priority Customer</b></p>	<p><b>Services Beyond the Meter</b></p> 

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# Project registration table

Project summary	
<b>Project title</b>	<b>Fuel Poverty Advisory Service (Home Heating Hub)</b>
<b>Strategic Area</b>	Fuel Poverty and Energy Affordability
<b>Funding GDN(s)</b> The GDN(s) which register(s) the project	Northern Gas Networks (NGN)
<b>New/Updated</b> State whether this is a new or updated PEA (indicate as appropriate by removing the option that does not apply)	New
<b>Collaborative VCMA Projects</b> Specific role(s) of GDN(s) participating in a collaborative VCMA Project	N/A
<b>Date of PEA submission</b> This needs to be the initial date of a first project submission	June 2026
<b>Project start and end date</b>	1 April 2026 – 31 March 2027
<b>Project location</b>	NGN Region
<b>Sectors involved</b>	Distribution Network Operator <b>Gas Distribution Network</b> Consumer Group <b>Charitable Organisation</b> Local Authority Water Supplier Telecommunications Provider Other (specify)
Project contact	
<b>Name</b>	Laura Ratcliffe
<b>Contact details</b>	vcma@northerngas.co.uk
Project partners and third parties involved	
Organisation name	Role
Communitas Energy CIC	Lead project partner
Costs and funding	
<b>Total cost (£k)</b>	£111,000
<b>Total VCMA funding required (£k)</b>	<b>£111,000</b>

<b>Total BAU vulnerability and CO safety activity baseline allowance funding by activity (£k)</b>	£0
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## Problem(s)

Northern Gas Networks (NGN) is committed to reducing fuel poverty, supporting priority customers, and enabling a fair transition to low-carbon heat. Across the NGN region, thousands of households face increasing energy affordability challenges, poor thermal efficiency, and limited access to impartial guidance on home energy improvements. These issues place vulnerable and low-income households at heightened risk of cold homes, financial hardship, and negative health outcomes.

The project responds directly to these challenges by providing tailored home energy assessments, clear and unbiased recommendations, and personalised guidance to help customers access appropriate funding schemes. Without this intervention, many eligible households would remain unable to improve their energy efficiency, reduce consumption, or access the wider safeguarding services that support health, wellbeing, and financial resilience.

## Scope and objectives

Working with NGN Communitas Energy CIC will support vulnerable, low-income and otherwise at-risk households by:

- Introducing a dedicated energy advice and technical assessment team to provide impartial, non-commercial guidance
- Delivering targeted community engagement to reach households who are digitally excluded or less likely to access support
- Providing property-specific recommendations for heating and insulation upgrades
- Assessing eligibility for national and local retrofit funding schemes
- Offering wrap-around support including benefit checks, PSR eligibility checks, financial wellbeing signposting and CO safety awareness
- Supporting customers through their upgrade journey, from initial enquiry through to installation (where applicable)

This scope ensures that households who would otherwise struggle to navigate the technical and financial complexities of home heating improvements receive tailored, accessible and meaningful support.

The above project scope will:

- Improve thermal comfort and reduce fuel poverty by enabling energy efficiency improvements
- Support households to reduce energy consumption and lower bills
- Increase successful access to local and national retrofit funding schemes
- Strengthen safeguarding through PSR referrals and CO awareness
- Build financial resilience by connecting customers with benefit checks and debt advice services
- Expand NGN's ability to reach and support vulnerable customers, particularly those most at risk
- Contribute to a fair transition toward low-carbon heating, ensuring no-one is left behind

# Project design engagement

## Targeting vulnerability support:

NGN has identified a clear and growing vulnerability need across the region relating to fuel poverty, cold homes, and limited access to impartial home energy advice. Consumer insight shows that vulnerable and low-income households often face multiple and compounding challenges — including poorly insulated homes, rising energy costs, limited digital access, and difficulty navigating the complex funding landscape for retrofit upgrades.

Evidence from NGN’s customer research, stakeholder panels, and frontline operational data highlights that customers in vulnerable situations are disproportionately at risk of cold-related health impacts, financial hardship, and reduced wellbeing. These findings are reinforced by insights from partner organisations working directly with communities, who report increased demand for energy advice, funding referrals, and technical support around zero-carbon heating solutions.

## Evidence of stakeholder and/or customer support:

The development of the Home Heating Hub model has been shaped by extensive engagement with stakeholders across the NGN region. This includes input from local authorities, housing providers, retrofit partnerships, welfare support organisations, and voluntary sector groups who consistently report increasing demand for practical, trusted energy support delivered at household level.

Feedback gathered through NGN’s stakeholder engagement events, community partner forums, and Customer Vulnerability Panels emphasised the need for a service that provides clear, unbiased, and technically accurate guidance on heating upgrades, insulation measures, and available funding. Stakeholders described gaps in existing support — particularly around domestic retrofit — and highlighted that many households do not understand their property needs, eligibility for schemes, or how to progress an installation.

## Stakeholder project design input:

Stakeholders played an active role in shaping the project design, including defining the target audience, refining the referral pathways, and shaping the technical assessment and advice offer. Input was gathered from community energy groups, local authorities, Citizens Advice partners, retrofit delivery organisations, and frontline housing teams.

This engagement identified key components that are now embedded in the project design:

- The need for property-specific technical assessments to overcome customer confusion about heating systems and fabric improvements
- Strong demand for a service that can provide impartial and non-commercial information to build trust
- A requirement for easy and reliable referral pathways for local partners

- Ensuring that customers receive support not only at assessment stage but also through funding eligibility checks and installation progression where applicable
- The need for additional wrap-around support including PSR checks, benefit referrals and financial wellbeing advice

## Why the project is being funded through the VCMA

This project meets the VCMA eligibility criteria and directly aligns with NGN’s vulnerability strategy, which is built on the ambition to keep customers safe, warm, and supported through both immediate affordability challenges and the longer-term transition to a greener energy system. The Home Heating Hub project supports these ambitions by providing targeted energy advice, funding guidance, and wrap-around support to households most at risk of fuel poverty and exclusion from retrofit schemes.

This project aligns with four key objectives of the GDNs’ collaborative vulnerability strategy:

### 1. **Help more vulnerable households access energy safeguarding services**

The project identifies and supports customers who require Priority Services Register (PSR) support, benefit checks, safety advice, and financial resilience services.

### 2. **Support customers’ move towards net zero, tailored to their needs and circumstances**

The Home Heating Hub provides impartial advice on heating system upgrades, insulation, and low-carbon technologies, ensuring vulnerable customers are not left behind in the transition.

### 3. **Tackle fuel poverty and improve energy affordability**

Through assessments, energy-saving recommendations, and access to funding, the project reduces energy bills and improves thermal comfort in fuel-poor homes.

### 4. **Provide direct services that make customers’ homes safer and more resilient**

The project promotes carbon monoxide (CO) safety, supports safeguarding measures, and helps customers access services that reduce risks in the home.

To achieve these aims, NGN has defined four priority delivery areas within its vulnerability strategy:

- Providing direct services for customers
- Reducing carbon monoxide harm
- Supporting priority vulnerable groups
- Tackling fuel poverty and affordability

The Home Heating Hub contributes to each of these areas by offering a service focused on practical outcomes, technical accuracy, and accessible advice for those most in need.

# How VCMA funding complements or supplements BAU activities

NGN delivers a range of Business-As-Usual (BAU) activities to support customers in vulnerable situations, including Priority Services Register (PSR) promotion, CO safety communications, emergency response, and signposting to relevant support services. However, BAU funding does not cover technical home energy assessments, personalised retrofit advice, or support accessing funding schemes—all of which require specialist expertise and are outside the scope of BAU obligations.

The Home Heating Hub project complements NGN’s BAU activities by extending support beyond immediate safety and emergency needs, providing a deeper level of intervention to help customers address long-term energy affordability and home efficiency challenges. While BAU activities focus on essential safety and statutory responsibilities, the VCMA-funded service offers a proactive, tailored, and holistic approach designed to reduce fuel poverty and improve household resilience.

## For individual GDN VCMA Projects:

### Justification for why the project should not be collaborative

This VCMA project is being delivered as an individual NGN initiative rather than a collaborative project because the challenges it addresses are specific to the geographic, demographic, and infrastructure characteristics of the NGN region. Fuel poverty levels, housing stock types, energy efficiency needs, and local funding landscapes vary significantly between GDN areas. The Home Heating Hub service has therefore been designed around the unique vulnerability profiles and retrofit needs within NGN’s network, including rural off-grid communities, areas with older and harder-to-treat housing, and pockets of severe deprivation identified through NGN’s vulnerability mapping.

## Outcomes, associated actions and success criteria

CE 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
Customer enquires/referrals received	900
Personalised advice and action plans provided	270
Heat pump installations enabled	19
Solar PV installations enabled	19

<b>Outcome</b>	<b>Annual Target</b>
Insulation measures enabled (LI, CWI, SWI)	162
Energy advice provided	720
Benefit check referrals	19
Debt support signposting	720
PSR eligibility checks & sign-ups	95
CO awareness information provided	720
Heat pump technical assessments carried out	216
Low-carbon tech (LCT) suitability assessments	95
Non-heat pump heating systems enabled	81
EPC's arranged	81
Benefit Check - information provided to promote this service	720
PSR - information provided to promote this service	135

## Success Criteria

- Delivery against targets
- Improved customer outcomes
- Social value delivery
- Evidence-based learning and insight
- High quality service delivery

## Potential for new learning

The Home Heating Hub project provides strong potential for new learning across NGN, partner organisations, and the wider energy network. The project will generate valuable insights into how vulnerable and fuel-poor households engage with technical home energy advice, the barriers they face in accessing retrofit funding, and the types of support that most effectively enable customers to progress toward heating and insulation improvements.

Through the delivery of personalised assessments and tailored advice, NGN expects to learn more about:

- Customer behaviour and barriers
- Effectiveness and engagement models
- Retrofit journey insights
- Partnership and ecosystem learning

## Aligning with and supporting wider vulnerability approaches

The Home Heating Hub project aligns closely with wider vulnerability strategies across the energy industry, other utilities, and national/local government programmes. The project strengthens and complements existing approaches designed to support vulnerable customers, ensuring that households most at risk of fuel poverty, cold homes, and exclusion from the transition to low-carbon heating receive accessible, practical, and meaningful support.

Across the energy sector, there is increasing emphasis on supporting vulnerable customers through personalised advice, improved access to financial support, and tailored assistance for those struggling with energy affordability. The Home Heating Hub directly supports these aims by:

- Delivering impartial technical advice, aligned with industry best practice for customer safeguarding
- Strengthening access to retrofit funding schemes, supporting the UK's low-carbon and energy-efficiency objectives
- Enhancing customer understanding of heating systems, insulation, and behaviour change—key areas emphasised in national vulnerability strategies
- Complementing supplier-led fuel poverty initiatives by providing trusted, independent support at a deeper, household level

## Monitoring and evaluation

Effective monitoring and evaluation will be central to ensuring the Home Heating Hub delivers meaningful outcomes for vulnerable households and provides strong value for money under the VCMA.

NGN and Communitas Energy CIC will:

- Monitor quarterly reports of all output metrics
- Review case studies
- Customer outcomes tracking
- Financial and social value monitoring

# 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 £4.86 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

<b>Total cost*</b>	£111,000
<b>Total gross present value</b>	£633,927.39
<b>Net Present Value (NPV)</b>	£525,836.38
<b>SROI</b>	£4.86

\*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: <ol style="list-style-type: none"> <li>i. provide support to consumers in Vulnerable Situations and relate to Energy Safeguarding, or</li> <li>ii. provide support for those most at risk of being left behind in the transition to net zero, or</li> <li>iii. provide awareness of, and education on, the dangers of CO beyond the activities funded as business as usual (BAU) through baseline allowances, or</li> <li>iv. reduce the risk of harm caused by CO</li> </ol>	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"> <li>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</li> <li>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 condition<sup>12</sup> that makes them more vulnerable to health risks associated with cold homes; or</li> <li>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</li> </ul>	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
Unsafe pipework and essential gas appliance repair or replacement must meet the following criteria:	Either: <ul style="list-style-type: none"> <li>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</li> <li>ii. ii.</li> <li>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)</li> </ul>	N/A
Health condition	Either: <ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul>	N/A
Funding	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.	N/A