

Northern Gas Networks

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Citizens Advice Newcastle – CAB Newcastle -
Fuel Debt Advice project

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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	CAB Newcastle - Fuel Debt Advice project
Strategic Area	Fuel Poverty and Energy Affordability
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 March 2027
Project location	Newcastle
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
Newcastle Citizens Advice	Lead project partner
Costs and funding	
Total cost (£k)	£40,000
Total VCMA funding required (£k)	£40,000
Total BAU vulnerability and CO safety activity baseline allowance funding by activity (£k)	£0

Problem(s)

Northern Gas Networks' strategic ambition through the Vulnerability and Carbon Monoxide Allowance (VCMA) is to deliver targeted support to households in vulnerable situations, enabling them to maintain safe, warm, and affordable homes while improving awareness of carbon monoxide risks. This ambition is underpinned by a commitment to addressing fuel poverty, financial vulnerability, and safety risks through collaborative, community-based interventions.

In Newcastle upon Tyne, many households continue to face significant challenges relating to fuel debt, rising energy costs, and wider financial hardship. These issues are often compounded by low income, complex personal circumstances, and limited access to appropriate advice and support services. As a result, individuals experience difficulty in managing energy bills, are at increased risk of accumulating arrears, and may be vulnerable to disconnection or self-disconnection, with associated impacts on health and wellbeing.

Fuel debt remains a key driver of vulnerability, with households frequently lacking the knowledge, confidence, or capacity to engage effectively with energy suppliers. Barriers include understanding billing, accessing grants or hardship funds, and negotiating sustainable repayment plans. Without specialist intervention, these challenges can lead to escalating debt, financial instability, and reduced ability to heat homes adequately.

In addition, vulnerable households may not be accessing wider support mechanisms available to them, such as welfare benefits, Priority Services Register (PSR) protections, or energy efficiency advice. This gap in awareness and engagement limits their ability to maximise income, improve energy affordability, and safeguard their wellbeing.

There is also a continued need to improve awareness of carbon monoxide (CO) safety among at-risk groups. Many households lack understanding of CO risks, symptoms, and prevention measures, increasing the potential for harm. Ensuring individuals receive appropriate safety information and support to improve alarm coverage is essential to reducing this risk.

Collectively, these challenges highlight the need for a targeted, holistic intervention that addresses both the financial and safety aspects of vulnerability. Without structured support, households are likely to remain in or fall deeper into fuel poverty, experience ongoing financial instability, and face increased health risks. The scope of this project has therefore been designed to respond directly to these interconnected issues by providing tailored fuel debt advice, income maximisation support, and safety interventions to vulnerable households across Newcastle.

Scope and objectives

This project responds directly to the identified challenges of fuel debt, financial vulnerability, low awareness of support services, and carbon monoxide (CO) safety risks across Newcastle upon Tyne. It will deliver a coordinated, advice-led intervention designed to stabilise households in crisis, reduce fuel poverty, and improve safety outcomes through targeted, face-to-face and casework support.

Working with participating GDNs, Citizens Advice Newcastle will support households experiencing fuel debt, financial hardship, and energy vulnerability across Newcastle by:

- Introducing a dedicated energy advice team, providing specialist Fuel Debt Advisers to deliver one-to-one, tailored casework support to households struggling with energy affordability, debt, and supplier engagement
- Delivering targeted community engagement, reaching vulnerable residents through established referral pathways, partner networks, and outreach activity
- Supporting households to resolve fuel debt, including accessing grants, challenging incorrect billing, and negotiating sustainable repayment plans
- Providing income maximisation advice, identifying eligibility for benefits and supporting applications to improve long-term financial resilience
- Promoting Priority Services Register (PSR) uptake to ensure vulnerable households receive additional protections and support
- Raising awareness of carbon monoxide risks, symptoms, and prevention, alongside improving access to CO alarms
- Encouraging behavioural change, equipping households with practical advice to reduce energy consumption and ongoing costs

The scope is designed to deliver integrated support that addresses both the immediate financial challenges and longer-term resilience needs of vulnerable households.

The project aims to:

- Reduce fuel debt and arrears for vulnerable households, improving affordability and financial stability
- Prevent disconnection and self-disconnection through early intervention and supplier engagement
- Increase household income through successful benefit uptake and financial advice
- Improve access to energy safeguarding services, including PSR registrations
- Enhance household safety through increased awareness of carbon monoxide risks and improved alarm coverage
- Support sustained behavioural change to reduce energy consumption and improve home efficiency
- Deliver measurable social impact, including improved health, wellbeing, and financial resilience outcomes

Project design engagement

Targeting vulnerability support:

NGN has identified the need for this project through a combination of:

- Operational insight from GD2 delivery, which demonstrated ongoing and increasing demand for fuel debt advice services and positive outcomes achieved through this intervention model
- Partner intelligence from Citizens Advice Newcastle, highlighting continued high levels of financial hardship, fuel poverty, and complex vulnerability among local residents
- Sector-wide evidence, showing increasing energy debt, cost-of-living pressures, and barriers to accessing support services
- Identification of key vulnerability drivers, including:
 - Low income and benefit dependency
 - Fuel poverty and rising energy costs
 - Limited financial capability and confidence engaging with suppliers
 - Health and wellbeing risks associated with cold homes and debt stress

The continuation of this project into GD3 reflects sustained demand and the need for targeted, specialist intervention to address entrenched financial and energy vulnerability

Evidence of stakeholder and/or customer support:

Development of this project has been informed by:

- Positive outcomes and feedback from previous GD2 delivery, demonstrating strong demand and measurable impact
- Ongoing referral volumes through local advice networks, community organisations, and statutory services
- Evidence from Citizens Advice data highlighting fuel debt, benefits uptake, and hardship trends within Newcastle
- Engagement with vulnerable customers who require holistic, accessible support rather than fragmented services

Stakeholder project design input:

Stakeholders, including Citizens Advice Newcastle and local referral partners, have:

- Shaped the delivery model, ensuring it reflects real customer needs and barriers
- Supported the design of holistic advice provision, integrating debt, income, and energy support

- Informed the focus on targeted outreach and accessibility, ensuring hard-to-reach groups are engaged
- Reinforced the importance of trusted delivery partners, with established community presence

The current design prioritises face-to-face and casework-led support, as stakeholders identified this as the most effective approach for complex vulnerability, compared to lighter-touch or digital-only interventions.

Why the project is being funded through the VCMA

This project meets the VCMA eligibility criteria as it delivers targeted support to households in vulnerable situations and addresses fuel poverty, energy affordability and carbon monoxide safety beyond activities funded through business as usual baseline allowances. The project provides preventative, early intervention support that reduces the risk of harm, improves household safety and supports customers to better manage their energy use.

The project aligns with NGN's vulnerability strategy, which sets out a clear ambition to keep communities safe and warm and to support those most in need, not only in the short term but as NGN invests in a fair transition to a green energy future. By delivering community based, practical support in rural areas, the project responds directly to the needs of households who are at greater risk of being left behind due to affordability pressures, access barriers and housing inefficiency.

This project aligns with four of the objectives of NGN's vulnerability strategy:

- Help more vulnerable households access energy safeguarding services
- Support customers' move towards net zero, tailored to their needs and circumstances
- Reduce carbon monoxide harm
- Tackle fuel poverty and energy affordability

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

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

How VCMA funding complements or supplements BAU activities

This project delivers clear additionality beyond Northern Gas Networks' business-as-usual (BAU) vulnerability and carbon monoxide (CO) safety activities, which are funded through baseline allowances.

BAU activity typically focuses on broad awareness raising, signposting, and general customer protection measures, including promotion of the Priority Services Register (PSR) and CO safety messaging. While these activities play a vital role in supporting customers, they do not provide the intensive, casework-led intervention required for households experiencing complex fuel debt and financial vulnerability.

VCMA funding enables this project to:

- Deliver dedicated specialist Fuel Debt Advisers, providing in-depth, one-to-one casework support that goes beyond standard advice or signposting
- Provide holistic interventions, integrating fuel debt resolution, income maximisation, and behavioural energy advice—support that is not routinely funded through BAU activities
- Address complex and entrenched vulnerability, including households with multiple challenges such as debt, low income, and health-related vulnerability
- Support sustained engagement and follow-up, ensuring outcomes such as debt reduction, repayment plans, and income gains are achieved and maintained over time
- Extend reach to hard-to-engage and high-risk customers, using trusted, community-based delivery partners with established referral pathways

In addition, while BAU activity promotes CO safety awareness, this project enhances that provision by embedding CO advice within holistic support journeys, ensuring that vulnerable households not only receive information but are supported to take practical action to reduce risk.

This approach ensures that VCMA funding supplements and enhances existing provision, rather than duplicating it, by delivering targeted, intensive support to customers who require more than standard BAU interventions.

Overall, the project provides a distinct and necessary layer of support, enabling NGN to deliver measurable outcomes in fuel poverty reduction, financial resilience, and safety improvements that cannot be achieved through BAU activity alone.

For individual GDN VCMA Projects:

Justification for why the project should not be collaborative

This project is best delivered at a local, single-GDN level due to:

- The geographically specific needs of Newcastle communities
- The importance of locally embedded delivery partners with established trust and referral pathways
- The requirement for place-based support, tailored to local demographics and service provision

A collaborative model would reduce the effectiveness of local targeting and partnership delivery.

Outcomes, associated actions and success criteria

Citizens Advice Newcastle 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
Awareness of the PSR	1500
PSR Registrations	150
CO Awareness	1500
Increased awareness of CO	300
Increased Alarm Coverage	300
Debt advice	175
Reduction in arrears	88
Sustainable repayment plans	68
Avoidance of disconnection	172
Increased income	110
Benefit applications	194
Debt Resolutions	88
Income Gain	194 (totalling £140,000+)

Success Criteria

- Delivery of all output targets within project timeframe
- Measurable reduction in fuel debt and increased household income
- Increased PSR registrations and CO awareness
- Evidence of sustained outcomes through follow-up activity
- Positive customer outcomes relating to financial stability and wellbeing

Potential for new learning

This project will generate insights around:

- Effective models for fuel debt intervention and casework delivery
- The impact of integrated advice (debt, income, energy) on customer outcomes
- Approaches to engaging hard-to-reach vulnerable groups
- Measurement of social return and long-term resilience outcomes

Learning will be shared through:

- Quarterly monitoring reports
- Case studies
- Internal and external knowledge sharing across VCMA networks

Aligning with and supporting wider vulnerability approaches

This project aligns with and supports wider vulnerability approaches across the energy sector, local government, and the third sector by delivering an integrated, collaborative response to fuel poverty, financial hardship, and safety risks.

At a national level, the project contributes to broader energy industry priorities to reduce fuel poverty, improve affordability, and enhance customer protection, including increasing access to the Priority Services Register (PSR) and strengthening carbon monoxide (CO) safety awareness. The delivery model reflects best practice across the sector by combining targeted engagement, tailored advice, and measurable outcomes for vulnerable households.

The project also aligns with local authority and public health priorities in Newcastle, which recognise the impact of cold homes, fuel debt, and financial stress on health inequalities and wellbeing. By addressing both the financial and safety aspects of vulnerability, the project supports wider efforts to improve health outcomes, housing stability, and financial inclusion within the community.

Through delivery by Citizens Advice Newcastle, the project builds on established third sector provision, complementing existing advice services while extending capacity to deliver specialist, in-depth fuel debt support. This ensures alignment with wider consumer advice frameworks and strengthens the role of trusted community-based organisations in supporting vulnerable households.

Importantly, the project demonstrates effective cross-sector collaboration, linking energy networks, advice providers, and referral partners to provide a more coordinated and accessible support offer. This approach reflects a growing recognition across the sector that vulnerability is often multi-dimensional, requiring holistic interventions rather than isolated services.

The project also addresses a recognised gap in provision, particularly in relation to intensive, casework-led fuel debt support integrated with income maximisation and CO safety. By filling this gap, the intervention complements existing national and local programmes while improving outcomes for those most at risk.

Overall, the project supports and enhances wider vulnerability strategies by delivering targeted, evidence-based, and partnership-led support, ensuring that vulnerable households receive the right assistance at the right time, in line with broader policy and industry objectives.

Monitoring and evaluation

NGN will work closely with Citizens Advice Newcastle to monitor delivery, track outputs, and evaluate the overall impact of the project. A shared monitoring framework will be used to ensure consistent data collection, quality assurance, and transparent reporting throughout the project.

Quarterly reporting: NGN will compile quarterly updates summarising progress, outcomes, and learning, ensuring transparency and alignment with Ofgem requirements.

Final evaluation report: At project completion, NGN and FCN will produce a joint evaluation summarising delivery, impact, customer outcomes, and recommendations for future activity.

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 £3.16 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*	£40,000
Total gross present value	£161,849.27
Net Present Value (NPV)	£1,22,897.56
SROI	£4.43

*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"> 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
Unsafe pipework and essential gas appliance repair or replacement must meet the following criteria:	Either: <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) 	N/A
Health condition	Either: <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 	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