




Northern Gas Networks

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Groundwork Yorkshire – Community Organisation Energy Audit Scheme



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	Groundwork Yorkshire
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
Groundwork Yorkshire	Lead project partner
Costs and funding	
Total cost (£k)	£63,983
Total VCMA funding required (£k)	£63,983
Total BAU vulnerability and CO safety activity baseline allowance funding by activity (£k)	£0

Problem(s)

Community organisations across the NGN region are increasingly facing challenges linked to rising energy costs, poor building efficiency, and limited access to technical support.

Many organisations operate from older, energy-inefficient buildings, resulting in:

- High and unsustainable running costs
- Cold, damp environments impacting users
- Reduced ability to deliver essential community services

A key barrier identified is the lack of baseline understanding of building performance, with organisations unsure where to start in improving efficiency. In addition:

- Limited access to trusted technical advice restricts progress
- Organisations lack capacity to apply for funding
- Vulnerable households using these spaces are indirectly impacted

This creates a need for targeted, expert-led intervention to provide clarity, technical insight, and ongoing support.

Scope and objectives

The project delivers a specialist energy audit and energy management support service to community organisations.

Scope

- Deliver detailed energy audits for community buildings
- Provide follow-up support to implement recommendations
- Build local capability through training and advice
- Embed carbon monoxide awareness and safety messaging

Objectives

- Reduce energy costs and consumption
- Improve sustainability of community buildings
- Enable access to funding for energy improvements
- Increase awareness of CO risks and energy efficiency
- Strengthen community resilience and capacity

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 expertise from Groundwork Yorkshire and CAN
- Long-standing delivery of energy audit programmes
- Demand from community organisations requesting support
- Learning from previous VCMA and energy efficiency schemes
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Partners have shaped a holistic, end-to-end delivery model, combining audits, funding support, and training.

Evidence of stakeholder and/or customer support:

Development of the Community Organisation Energy Audit Scheme has been informed by strong and consistent stakeholder demand, supported by both delivery partner insight and direct engagement with community organisations.

Groundwork Yorkshire and Community Action Northumberland have identified significant demand through their existing programmes, with numerous community organisations reporting challenges relating to high energy costs, poor building efficiency, and limited access to trusted technical advice. These organisations have specifically highlighted the need for specialist support to establish a baseline understanding of their energy usage and building performance, with energy audits identified as a critical first step in enabling improvement activity.

Ongoing delivery of energy audit services across previous programmes, including VCMA-funded work and government-funded energy efficiency schemes, has demonstrated both strong uptake and

positive feedback from participating organisations. This includes evidence that organisations value detailed, tailored audit reports and require continued support to act on recommendations, particularly in relation to accessing funding and implementing energy efficiency measures. Stakeholder engagement has also highlighted the importance of a holistic delivery model. Partners and community organisations have emphasised that energy audits alone are insufficient without accompanying support, including training, funding guidance, and ongoing advice. This feedback has directly informed the design of the project, ensuring it provides end-to-end support from initial assessment through to implementation.

In addition, engagement with sector partners, including community networks and energy stakeholders, has reinforced the need for a trusted, locally delivered service that can build confidence and capacity within community organisations. The inclusion of Community Action Northumberland as a regional delivery partner reflects this feedback, ensuring effective local engagement and reach. Collectively, this evidence demonstrates clear stakeholder support for the project and confirms that the proposed delivery model responds directly to identified need, demand, and gaps in provision across the NGN network.

Stakeholder project design input:

Stakeholders have played a key role in shaping the design and delivery model of the Community Organisation Energy Audit Scheme, ensuring it reflects the practical needs and challenges faced by community organisations.

Delivery partners, including Groundwork Yorkshire and Community Action Northumberland, have directly informed the structure of the project based on their extensive experience delivering energy audits and energy efficiency support programmes. Their input has ensured that the project adopts a practical, end-to-end approach, moving beyond standalone audits to include follow-up support, funding guidance, and capacity-building activities.

Community organisations engaged through previous programmes and ongoing partner networks have contributed feedback highlighting several critical design considerations. These include the need for clear, accessible audit outputs, tailored to non-technical audiences, and the importance of providing ongoing support to interpret findings and progress recommendations. This feedback has led to the inclusion of structured follow-up support and advisory services within the project model.

Stakeholders have also emphasised the importance of building long-term resilience within organisations, rather than delivering one-off interventions. As a result, the project incorporates training for staff, volunteers, and trustees, alongside tools and guidance to support improved energy management practices and future funding applications.

Input from regional stakeholders and community networks has reinforced the need for locally delivered support, delivered by trusted organisations with established relationships and understanding of local contexts. This has directly informed the partnership approach, with

Community Action Northumberland providing regional delivery capability to ensure effective engagement across the North East.

In addition, engagement with energy sector partners, including the Northern Powergrid Community Energy Team, has shaped the inclusion of funding and grant support pathways, ensuring organisations are supported to move from audit findings to implementation of energy efficiency measures.

Collectively, stakeholder input has ensured the project is designed to be accessible, practical, and outcomes-focused, addressing identified gaps in provision and delivering a comprehensive support offer tailored to the needs of community organisations and the vulnerable communities they serve.

Why the project is being funded through the VCMA

The Community Organisation Energy Audit Scheme is being funded through the Vulnerability and Carbon Monoxide Allowance (VCMA) as it delivers targeted support that directly addresses fuel poverty, energy affordability, and carbon monoxide (CO) safety, while providing clear additionality beyond Northern Gas Networks' (NGN) business-as-usual (BAU) activities.

The project focuses on supporting community organisations that serve vulnerable populations, many of which operate from energy-inefficient buildings with high running costs. By improving the energy performance of these buildings, the project indirectly benefits vulnerable households who rely on these spaces for essential services, support networks, and safe, warm environments. This contributes to reducing fuel poverty impacts at a community level and supports NGN's broader ambition to keep communities safe and warm.

In line with VCMA objectives, the project also incorporates carbon monoxide awareness and safety messaging into all engagement activities. This ensures that individuals accessing community buildings and associated services receive education on CO risks, symptoms, and preventative measures, extending NGN's safety reach beyond traditional awareness campaigns.

VCMA funding enables the delivery of specialist, resource-intensive support that goes significantly beyond BAU activity. While BAU provision focuses on broad awareness raising and signposting, this project delivers detailed energy audits, tailored recommendations, and ongoing consultancy support to community organisations. This includes support to interpret technical findings, develop action plans, and access funding for energy efficiency improvements—activities that cannot be delivered through baseline funding alone.

The project also addresses a recognised gap in provision by supporting community organisations to move from assessment to implementation. Without this intervention, many organisations would lack the capacity, confidence, or technical knowledge to progress energy improvements, limiting their ability to reduce costs and remain sustainable.

Furthermore, the project aligns with NGN's vulnerability strategy by:

- Supporting customers most at risk of fuel poverty through community-based interventions
- Enabling access to energy safeguarding services and advice
- Reducing CO risk through integrated awareness and education
- Supporting a fair transition to net zero by improving energy efficiency in community assets

Overall, the project meets all VCMA eligibility criteria by delivering measurable, outcomes-focused support that addresses vulnerability, provides additionality beyond BAU, and generates positive social value for customers across the NGN network.

How VCMA funding complements or supplements BAU activities

The Community Organisation Energy Audit Scheme delivers clear additionality beyond Northern Gas Networks' (NGN) business-as-usual (BAU) vulnerability and carbon monoxide (CO) safety activities, ensuring that VCMA funding is used to enhance, rather than duplicate, existing provision.

BAU activity is typically focused on broad, network-wide interventions such as raising awareness of the Priority Services Register (PSR), promoting carbon monoxide safety messaging, and providing general information and signposting to support services. While these activities play an important role in safeguarding customers, they do not provide the in-depth, specialist support required to address structural energy inefficiency within community assets or to build long-term organisational resilience.

VCMA funding enables the delivery of a targeted, resource-intensive intervention that goes significantly beyond these baseline activities. This includes the provision of detailed, building-specific energy audits, which offer organisations a comprehensive assessment of their energy performance, alongside tailored and costed recommendations for improvement. This level of technical analysis and personalised reporting is not delivered as part of BAU activity.

In addition, the project provides ongoing support and follow-up engagement, helping organisations to interpret audit findings, prioritise actions, and access external funding to implement energy efficiency measures. This progression from assessment to implementation represents a critical gap in current provision and ensures that identified improvements translate into tangible outcomes.

The project also incorporates capacity-building elements, including training for staff, volunteers, and trustees, enabling organisations to better manage energy use, understand carbon monoxide risks, and maintain sustainable practices over the longer term. This focus on skills development and behavioural change extends beyond the scope of BAU, which does not typically include structured training or organisational development support.

Furthermore, VCMA funding allows for focused engagement with community organisations serving vulnerable populations, ensuring that benefits are targeted towards those most at risk of fuel poverty and energy vulnerability. By strengthening the sustainability and effectiveness of these community assets, the project indirectly enhances support available to vulnerable households.

Overall, VCMA funding supplements BAU activity by providing specialist expertise, deeper engagement, and measurable outcomes, enabling NGN to deliver meaningful, long-term improvements in energy efficiency, affordability, and carbon monoxide safety that cannot be achieved through baseline provision alone.

For individual GDN VCMA Projects:

Justification for why the project should not be collaborative

The Community Organisation Energy Audit Scheme is best delivered as a single-GDN project due to the importance of place-based delivery, regional targeting, and established partner relationships across the NGN network.

The project has been specifically designed to respond to the needs of community organisations operating within NGN's geographical footprint, where there is a clear and evidenced demand for energy audit and energy management support. Delivery partners, including Groundwork Yorkshire and Community Action Northumberland, are already embedded within these regions, with established networks, referral pathways, and a strong understanding of local community infrastructure and the challenges faced by organisations.

A collaborative, multi-GDN approach would reduce the effectiveness of this model by introducing additional complexity and limiting the ability to tailor delivery to local needs and assets. Community buildings vary significantly in type, age, condition, and usage across regions, requiring localised knowledge and flexible, responsive delivery models that are best achieved through a single-network approach.

Furthermore, the project relies on existing partnerships and delivery experience developed within the NGN region, including aligned working with local community organisations and regional stakeholders. Expanding delivery across multiple GDNs would require the development of new partnerships and delivery frameworks, which could delay implementation and reduce efficiency.

The project also benefits from alignment with NGN's existing vulnerability strategy, Centres for Warmth network, and regional engagement activity, allowing for integrated delivery and targeted support to vulnerable communities. A multi-GDN model would make it more challenging to align with these established programmes and could dilute the impact of the intervention.

Overall, delivering the project at a single-GDN level ensures strong local engagement, effective use of established partnerships, and targeted delivery tailored to regional needs, maximising outcomes for community organisations and the vulnerable populations they support.

Outcomes, associated actions and success criteria

Groundwork Yorkshire 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
PSR Registrations	60 via roadshow and slow cookers
PSR Registrations - indirect	240
Carbon Monoxide Surveys	60 via Roadshow and slow cookers
Carbon Monoxide surveys	240
Number trained in energy efficiency advice	120
Number of events attended	24 x 10 people per event = 240
Number of audits	24 organisations
Number given extra support/follow up/general advice	24 organisations

Success Criteria

- Delivery of 24 energy audit reports per year
- Completion of follow-up support for 100% of participating organisations
- Evidence of carbon and financial savings identified through audits
- Number of organisations successfully accessing funding for energy improvements
- Number of organisations supported with ongoing advice, guidance, and implementation support
- Delivery of energy efficiency training to community organisations and users
- Number of individuals engaged through events and advice sessions
- Increased awareness of carbon monoxide risks and safety measures
- Increased awareness and uptake of the Priority Services Register (PSR)
- Positive feedback from participating organisations demonstrating improved knowledge, confidence, and resilience

Potential for new learning

The Community Organisation Energy Audit Scheme presents a strong opportunity to generate new learning around effective approaches to improving energy efficiency and resilience within community assets.

The project will provide insight into how community organisations engage with technical energy audit processes, including their ability to interpret findings, prioritise recommendations, and progress towards implementation. This will help to identify common barriers, such as limited capacity, funding challenges, and gaps in technical understanding, and inform future delivery models that better support organisations at each stage of the journey.

Through the combination of audits, follow-up support, and training, the project will also generate learning on the most effective mechanisms for moving organisations from assessment to action, particularly in relation to accessing funding and delivering energy efficiency improvements. This is an area where there is currently limited evidence, particularly within the community and voluntary sector.

In addition, the project will provide valuable insight into how carbon monoxide (CO) safety messaging can be effectively integrated within broader energy advice and engagement activity, particularly in non-domestic community settings. Learning will be captured on how this approach influences awareness and behavioural change among both organisations and building users.

The partnership delivery model will also generate learning on collaborative approaches across regions, including how delivery partners can maximise reach, share best practice, and adapt services to meet the needs of different communities while maintaining consistency in quality and outcomes.

All learning will be captured through quarterly reporting, stakeholder feedback, and case studies, and will be shared internally within NGN and across VCMA networks. This will support continuous improvement of future VCMA activity and contribute to wider sector understanding of how to effectively support community organisations in reducing energy costs, improving sustainability, and supporting vulnerable populations.

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 authorities, and the voluntary and community sector by delivering a coordinated, partnership-based response to energy affordability, sustainability, and safety challenges.

The project contributes to national and industry-wide priorities focused on reducing fuel poverty, improving energy efficiency, and supporting a fair transition to net zero, particularly for those most at risk of being left behind. By targeting community organisations that support vulnerable populations, the project helps to strengthen local infrastructure that plays a critical role in safeguarding individuals experiencing financial hardship, social isolation, and health inequalities.

The delivery model reflects best practice across the sector by combining targeted engagement, technical advice, capacity building, and measurable outcomes, ensuring that support is both practical and sustainable. This approach aligns with broader vulnerability strategies that recognise the need for holistic interventions, addressing both immediate challenges, such as high energy costs, and longer-term resilience through improved energy management and access to funding.

The project also supports local authority and public health priorities by improving the quality and sustainability of community buildings, many of which provide essential services such as warm spaces, advice services, and social support. By reducing energy costs and improving building efficiency, the project helps these organisations continue to operate effectively and provide safe, accessible environments for vulnerable groups.

Through collaboration with delivery partners and stakeholders, the project strengthens links between energy networks, community organisations, and funding bodies, promoting a joined-up approach to vulnerability. The inclusion of training and support elements further aligns with wider sector approaches focused on empowering communities, building local capacity, and embedding long-term behavioural change.

Additionally, the integration of carbon monoxide (CO) awareness within wider energy advice and engagement activity reflects a growing sector-wide emphasis on delivering safety messaging in more accessible and impactful ways, particularly within trusted community settings.

Overall, the project supports and enhances wider vulnerability approaches by delivering targeted, partnership-led, and outcomes-focused support, ensuring that community organisations—and the vulnerable populations they serve—are better equipped to manage energy challenges, improve safety, and build long-term resilience.

Monitoring and evaluation

NGN will work closely with Groundwork Yorkshire 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 £2.89 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*	£63,983
Total gross present value	£242,084.35
Net Present Value (NPV)	£179,778.16
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