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Energise 2

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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	Energise 2
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	Northumberland
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
Citizens Advice Northumberland	Delivery partner – provides advice and support services to vulnerable households
Costs and funding	
Total cost (£k)	£249,799
Total VCMA funding required (£k)	£249,799

Total BAU vulnerability and CO safety activity baseline allowance funding by activity (£k)	£0.00
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Problem(s)

Northern Gas Networks' ambition under its Fuel Poverty and Energy Affordability strategic theme is to support customers in vulnerable situations to achieve safe, affordable warmth while reducing the risk of harm from carbon monoxide. This aligns with NGN's GD3 Vulnerability Strategy, which prioritises continued support for those experiencing financial hardship, including individuals with complex or multiple vulnerabilities.

The cost-of-living crisis has significantly increased the number of households struggling to meet essential energy costs, with many experiencing or at risk of fuel poverty. This is particularly acute among vulnerable groups, including low-income households, older people, families with children, and those with health conditions or disabilities. Many individuals face additional barriers to accessing support, such as digital exclusion, language barriers, limited awareness of available services, and a lack of trusted routes into advice provision.

In the target community, these challenges are often compounded by wider social and economic factors, including unemployment or low incomes, poor housing conditions, and reduced access to local services. As a result, many households are unable to effectively manage their energy use, maximise their income, or access the support they need, increasing the risk of financial hardship, cold homes, and associated health impacts.

Without targeted intervention, these issues can lead to worsening vulnerability, including increased debt, social isolation, and heightened risk to safety. There is therefore a clear need for accessible, trusted, and locally delivered support that can engage vulnerable households, provide tailored advice, and connect individuals to wider services to improve outcomes.

Scope and objectives

This VCMA project will address the challenges outlined in the problem statement by delivering a coordinated programme of tailored energy advice, financial support, and community engagement activities. Through a combination of direct household interventions and wider awareness-raising, the project will tackle both the immediate impacts of fuel poverty and carbon monoxide (CO) risk, as well as the underlying drivers of vulnerability

Working with the participating GDNs, the [partner name] will support vulnerable households experiencing fuel poverty, financial hardship, and health-related vulnerability by:

- Introducing a dedicated, specialist energy advice service providing holistic, case-led support to households, including energy efficiency advice, supplier issue resolution, and Priority Services Register (PSR) support
- Delivering targeted community engagement and outreach activities to raise awareness of carbon monoxide safety, energy efficiency, and available support services
- Providing integrated money, debt, and welfare benefits advice to address the root causes of fuel poverty and improve long-term financial resilience

- Offering tailored, in-depth assessments of household energy and financial circumstances, ensuring appropriate and sustained interventions are put in place

Facilitating referrals into wider statutory and voluntary services, ensuring customers receive wrap-around support aligned to their needs

Project Objectives

The objectives of the project are to:

- Deliver holistic energy and fuel poverty support to vulnerable households, addressing both immediate energy risks and wider financial vulnerability
- Improve household energy efficiency and affordability through personalised advice and behavioural change support
- Increase uptake of the Priority Services Register, ensuring eligible customers receive enhanced protections and support
- Raise awareness of carbon monoxide safety and reduce associated risks across participating GDN network areas
- Provide income maximisation and debt support to improve financial resilience and reduce long-term vulnerability
- Deliver sustained, case-led interventions that reduce repeat crises and improve overall household stability

Project design engagement

Targeting Vulnerability Support

Northern Gas Networks (NGN) identified the vulnerability need addressed by this VCMA project through a combination of consumer insight, stakeholder intelligence, and learning from previous VCMA-funded delivery with Citizens Advice Northumberland. Historic delivery has evidenced that households experiencing fuel poverty are often facing wider financial vulnerability, including low income, debt, unemployment, and health-related issues, which significantly increase the risk of energy insecurity and poor outcomes.

Project data and frontline delivery insight highlight that energy affordability challenges are rarely experienced in isolation and are most acute among households with **complex, overlapping needs**, particularly in areas with higher levels of deprivation. Vulnerable groups include households affected by unemployment, financial hardship, and health vulnerability, who are more likely to struggle with rising energy costs and are less able to access or navigate available support services without targeted intervention.

Local delivery partner intelligence further demonstrates sustained demand for **holistic, in-depth advice services**, with households increasingly presenting with interconnected issues relating to energy, income, debt and wellbeing. Evidence from prior VCMA programmes shows that **single-issue**

support is insufficient, and that integrated, case-led interventions are more effective in delivering sustainable outcomes.

Evidence of Stakeholder and/or Customer Support

Evidence from delivery partner casework and customer engagement consistently demonstrates that vulnerable households require **joined-up support that addresses both energy and financial challenges simultaneously**. Frontline experience from Citizens Advice Northumberland shows that customers often present with multiple and interdependent issues, requiring coordinated interventions to stabilise their circumstances and improve resilience.

Stakeholder engagement across the voluntary and community sector indicates growing demand for **accessible, person-centred advice services**, particularly for individuals who may struggle to engage with standard or remote channels. Feedback highlights:

- Increasing complexity of cases, with customers experiencing overlapping financial, energy and health challenges
- A need for **face-to-face, community-based delivery**, alongside flexible telephone and digital access
- The importance of trusted organisations in reaching vulnerable households and maintaining engagement
- Continued gaps in awareness around **CO safety and PSR eligibility**, reinforcing the need for targeted awareness-raising

This collective insight provides strong evidence that the proposed project responds directly to identified customer needs and is supported by key local stakeholders.

Stakeholder Project Design Input

Stakeholder input and previous delivery learning have played a central role in shaping the design of this project. Feedback from delivery partners, local stakeholders, and prior VCMA programmes has directly influenced key elements of the intervention:

- Holistic support model: Stakeholder and delivery insight confirmed that effective support must combine energy advice, income maximisation, and debt support within a single, integrated offer, rather than delivering fragmented services
- Case-led delivery approach: The project prioritises sustained, personalised interventions, reflecting stakeholder feedback that vulnerable households require ongoing support rather than one-off engagement
- Flexible delivery methods: Stakeholders highlighted the need for inclusive access, shaping a model that includes face-to-face delivery, alongside telephone and digital options to maximise reach and engagement

- Targeted engagement and outreach: Referral pathways and community engagement activity have been designed in collaboration with local partners to ensure that support reaches those most in need

Why the project is being funded through the VCMA

This project meets the VCMA eligibility criteria as it delivers targeted support to customers in vulnerable situations, with a clear focus on fuel poverty, financial vulnerability, and carbon monoxide (CO) risk. The project provides additional, preventative and outcomes-driven services that go beyond business-as-usual activity, aligning fully with Ofgem’s VCMA Governance requirements.

The project aligns with the GDNs’ collaborative vulnerability strategy, in which there is a clear ambition to **keep communities safe and warm, and to support those most in need**, both in the short term and as part of the transition to a fairer and more inclusive net zero future.

This project specifically aligns with **three of the core objectives** of the collaborative vulnerability strategy:

- **Help more vulnerable households access energy safeguarding services**
The project will increase awareness of, and support access to, the Priority Services Register (PSR), ensuring eligible households benefit from enhanced protections and tailored support
- **Support our customers’ move towards net zero, tailored to their needs and circumstances**
Through personalised energy efficiency advice and behavioural support, the project will help households reduce energy consumption safely while improving comfort and affordability
- **Improve awareness and reduce the risks associated with carbon monoxide (CO)**
The project includes targeted CO awareness-raising, ensuring vulnerable households understand risks and can take preventative action to keep themselves safe

To achieve these strategic ambitions, the project contributes to the GDNs’ priority delivery areas, including:

- **Providing direct services for customers**
Delivering holistic, case-led support including energy advice, income maximisation, debt support and safeguarding referrals
- **Reducing carbon monoxide harm**
Raising awareness of CO risks and embedding safety messaging within all customer interactions
- **Supporting priority vulnerable groups**
Targeting households experiencing fuel poverty, financial hardship, and health-related vulnerability
- **Tackling fuel poverty and affordability**
Addressing both immediate energy needs and the root causes of financial vulnerability through integrated advice and support services

How VCMA funding complements or supplements BAU activities

This project is being funded through the Vulnerability and Carbon Monoxide Allowance (VCMA) because it delivers targeted, preventative support to customers in vulnerable situations that goes beyond Northern Gas Networks' (NGN) business-as-usual activities and directly aligns with VCMA eligibility criteria. The project focuses on addressing fuel poverty, energy affordability, financial vulnerability and carbon monoxide (CO) risk among households in Northumberland who are experiencing complex and interconnected challenges, including low income, unemployment and health vulnerability.

VCMA funding enables NGN to support a trusted, community-based delivery partner, Citizens Advice Northumberland, to provide **holistic, case-led advice and intervention** that would not otherwise be deliverable at the required scale or intensity. The services delivered through this project—including specialist energy advice, CO safety awareness, income maximisation, debt support and Priority Services Register (PSR) registration—are not funded through NGN's baseline allowances and therefore require VCMA support to operate.

The project directly contributes to VCMA strategic objectives by:

- Protecting customers in vulnerable situations from safety risks, including unsafe energy behaviours and CO exposure through targeted awareness and support
- Reducing fuel poverty and financial vulnerability by delivering integrated energy advice, income maximisation and debt support
- Increasing access to energy industry protections, particularly PSR registration, for households who are least likely to engage with suppliers independently
- Delivering early intervention and prevention, reducing the likelihood of repeat crisis, financial instability, and longer-term vulnerability

Evidence from previous VCMA-funded delivery demonstrates that Citizens Advice Northumberland consistently delivers **high-impact, outcomes-driven support**, including substantial financial gains for households, effective debt management and strong engagement with vulnerable customers. This proven model, which integrates energy and financial advice, provides assurance that VCMA funding will deliver measurable customer benefits and long-term value while minimising delivery risk.

For individual GDN VCMA Projects:

[Justification for why the project should not be collaborative](#)

This project is not designed as a collaborative cross GDN initiative as it is intended to specifically address the unique vulnerability profile, rural geography, and service gaps within Northumberland in the NGN network area through delivery by a trusted, locally embedded organisation, Citizens Advice Northumberland. These characteristics mean that the project is most appropriately delivered as an

individual NGN VCMA project, rather than a collaborative initiative with other Gas Distribution Networks (GDNs).

Outcomes, associated actions and success criteria

Citizens Advice Northumberland and Northern Gas Networks (NGN) will carry out monthly reporting reviews on measurable outcomes against agreed targets to ensure successful delivery. Quarterly reviews will provide the opportunity for more in-depth analysis, enabling partners to highlight key insights and learning, as well as identify risks and implement any required mitigation actions.

Key outcomes expected from this project:

Outcome	Annual Target
Households receiving holistic support	600
Fuel poverty assessments delivered	600
Energy efficiency assessments delivered	600
Households receiving income maximisation support	600
Financial gains achieved	£700,000
Households receiving debt support	450
Debt managed	£550,000
Client interventions delivered	3,600
Households receiving PSR awareness	600
Individuals reached through community engagement (indirect)	40,000
CO awareness delivered	600

Success Criteria

The project will be deemed successful if:

- 600 vulnerable households receive holistic support
- 100% receive fuel poverty and energy efficiency assessments
- £700,000 in financial gains is achieved
- 450 households receive debt support, with £550,000 managed

- All households receive PSR awareness, with registrations supported where appropriate
- CO awareness is embedded across all interventions
- 3,600 client interventions are delivered
- 40,000 individuals are reached indirectly
- Monitoring and reporting requirements are fully met

Potential for new learning

Feedback will be gathered from delivery partners and insights from monthly and quarterly performance reports will inform ongoing learning and continuous improvement of the project. Learning will also be captured through regular engagement with the delivery partner, including structured review meetings and wider partner network discussions.

Learning will be further disseminated through quarterly Customers in Vulnerable Situations (CIVS) workshops and associated reporting, as well as through other engagement channels such as VCMA collaboration groups. Insights will also be shared with other utilities through forums such as Infrastructure North and Utilities Together meetings, supporting cross-sector knowledge exchange.

Aligning with and supporting wider vulnerability approaches

This project aligns with wider energy industry and consumer organisation approaches by delivering a holistic, preventative support model that integrates energy advice, financial support and CO awareness. It supports key sector priorities, including increasing access to PSR protections, improving energy affordability, and reducing CO risk, while aligning with approaches promoted by organisations such as Citizens Advice and NEA.

At a local level, the project complements local authority and voluntary sector efforts to tackle fuel poverty, addressing gaps in provision by offering accessible, face-to-face support for hard-to-reach households. Overall, the project fits within broader vulnerability strategies by providing joined-up, community-based support that improves outcomes and strengthens collaboration across the wider support landscape.

Monitoring and evaluation

NGN will work closely with Citizens Advice Northumberland to monitor delivery, measure impact, and evaluate the effectiveness of the project throughout the 12-month delivery period. Monitoring arrangements are designed to ensure activities are delivered as planned, targets are achieved, and support is reaching those who need it most.

- Quarterly reports
- Financial monitoring

- Quality assurance checks through ongoing partner communication and review of supporting evidence.
- SROI and impact evaluation, using data gathered throughout delivery to assess social value in line with VCMA governance expectations.

Scale of VCMA project and SROI calculations, including NPV

NGN has applied the Industry Standard Social Value Framework and GDN Rulebook, developed collaboratively across the networks, to assess the financial and wellbeing outcomes associated with the project. This ensures that the methodology used is robust, consistent and comparable across all GDNs.

Based on forecast outcomes and total project costs, the project is expected to deliver a **Social Return on Investment (SROI) of £4.03 for every £1 invested**, demonstrating that the scale of investment is proportionate to the significant financial and social benefits delivered to vulnerable households across the NGN network.

Social value measurement

Total cost*	£249,799
Total gross present value	£1,267,861.08
Net Present Value (NPV)	£1,015,997.46
SROI	£4.03

*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 proposals meet these criteria, a Social Return on Investment (SROI) assessment is undertaken in line with NGN’s approved methodology to evidence positive social impact and value for consumers funding the VCMA programme.

Projects are then presented to an independent external governance panel for scrutiny. This panel meets quarterly and comprises sector specialists with extensive experience of supporting customers in vulnerable situations. This process ensures that each project aligns with NGN’s Customers in Vulnerable Situations objectives and is designed to deliver meaningful, measurable outcomes.

Following approval, the project is managed and overseen by VCMA Project Coordinators at NGN, with delivery led by an experienced partner organisation with a proven track record of supporting vulnerable households.

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
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