

Start date: April 2026





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Pottery Bank Centre for Warmth

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



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

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Project registration table

Project summary	
Project title	Pottery Bank – Centre for Warmth
Strategic Area	Fuel Poverty and Energy Affordability
Funding GDN(s) The GDN(s) which register(s) the project	Northern Gas Networks
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 st April 2026 – 31 st March 2027 (12 months)
Project location	Walker area of Newcastle upon Tyne
Sectors involved	Distribution Network Operator Gas Distribution Network Charitable Organisation Local Authority
Project contact	
Name	Laura Ratcliffe
Contact details	vcma@northerngas.co.uk
Project partners and third parties involved	
Organisation name	Role
Pottery Bank CFW	Delivery partner
National Energy Foundation (NEF)	To enhance support for vulnerable customers and establish a referral pathway into Better Housing Better Homes (BHBH)
Costs and funding	
Total cost (£k)	£46,580
Total VCMA funding required (£k)	£46,580
Total BAU vulnerability and CO safety activity baseline allowance funding by activity (£k)	£0.00

Problem(s)

NGN's ambition around the strategic theme of Fuel Poverty and Energy Affordability is reflected in their updated GD3 Vulnerability Strategy.

Priority Area 5 from the GD3 Vulnerability Strategy - Continued support for those in financial hardship.

Financial hardship is more widespread therefore affecting more people – more people are vulnerable/needing to access support in general (e.g. debt advice). New vulnerabilities are emerging and impacting those people who are “just about managing”. Within this, there are some with greater risks/depth/complexity of vulnerability e.g. greater barriers/challenges to accessing support – knowledge of services/access to services/digital exclusion/language or communication barriers and geographical challenges (e.g. coastal areas)

Northern Gas Networks' Centres for Warmth (CfW) model is designed to provide immediate, short term (localised) crisis support, which aligns primarily to the vision captured in **Priority Area 5** described above. A 'worst first' approach has been adopted, and twenty centres have been established in GD2. Funding in GD3 affords NGN the ability to continue to support these community settings, in order that they can continue and expand upon what they do best, in the heart of their local communities. A Centre for Warmth represents a trusted, safe, local environment in which to engage vulnerable people, who may not otherwise access advice or services of benefit to them.

Pottery Bank Centre for Warmth is based in a highly deprived area of Walker in Newcastle and by continuing this as a Centre for Warmth in GD3, it means the centre can continue to expand on its current offering, in the local community. It is a welcoming space that fosters connections, builds relationships, and strengthens community cohesion.

Community Need – Walker Ward

- Pottery Bank CfW is based in Walker Ward, Newcastle, one of the most deprived areas in the UK, ranked 32nd nationally
- Walker is the most deprived ward in Newcastle, with ONS indicators (employment, income, health and crime) in the worst 1%
- High levels of:
 - Child poverty and lone-parent households
 - Disability, long-term illness and mental health issues
- Unemployment disproportionately affects young people, single parents, over-55s, people with disabilities and those with no qualifications
- Low household incomes, high Universal Credit dependency and rising foodbank use (120 people per week)
- Significant health inequalities, including mental ill-health, substance misuse and domestic abuse
- High levels of crime and anti-social behaviour

Cost of Living Impact and Response

- The cost of living and fuel crisis has increased food and fuel poverty
- Growing numbers of residents cannot afford food or heat their homes
- PBCC provides one of the few local warm spaces, supporting vulnerable residents through:
 - Emergency food and supplies
 - Warm, safe spaces
 - Support to reduce food and fuel poverty

Scope and objectives

Pottery Bank Centre for Warmth will provide integrated, community-based support for residents experiencing poverty/fuel poverty or disproportionate hardship. Its purpose is to address both immediate needs and the underlying factors that contribute to long-term vulnerability, helping individuals build resilience, improve wellbeing, and move towards greater self-sufficiency.

To address the challenges faced by the target community, Pottery Bank Centre for Warmth will:

Support low-income households by:

- Reducing food and fuel poverty
- Improving mental health and wellbeing
- Reducing health- and finance-related anxiety
- Improving outcomes for families on benefits and low incomes

Deliver a Centre for Warmth programme, including:

- Family-focused activities: cooking and growing courses, crafts, intergenerational support, school holiday activities, community meals and family fun days
- Financial inclusion support: budgeting advice, referrals for debt advice, access to a PAYF food hub, and volunteering opportunities
- Mental health and wellbeing activities: nature-based and social engagement sessions, workshops (e.g. growing, woodwork, mindfulness), one-to-one support and volunteering
- Community café access: daily affordable meals and snacks, over-55s luncheon clubs, community events, and school holiday food and activity sessions

Services will also provide:

- Immediate crisis support
- Low-cost or free food
- Energy advice and carbon monoxide awareness
- Private Rented Sector (PRS) awareness and registration support

Overall, this Centre for Warmth will provide a coordinated, holistic response to the complex challenges faced by residents within the local community, ensuring they can access the right support at the right time. An established centre will act as a conduit for vulnerable people, to engage with trusted intermediaries i.e. this cohort may not go elsewhere, nor know how to access services which may benefit them.

Objectives:

The above project scope will achieve the following

The funding will support the initiation and work programme for Pottery Bank Centre for Warmth. This project model relies on the provision of VCMA funding, materials and resources to our community centre located in an area of high deprivation, fuel poverty, and carbon monoxide risk. The increased levels of funding, resources and materials will enable the community centre to ramp up its existing support/offer for customers in very vulnerable situations.

The project will support individuals and families experiencing low income, unemployment, mental health challenges, or disability by increasing access to volunteering, training, and employability opportunities. Participants will benefit from improved confidence, wellbeing, and resilience, alongside increased household income and reduced financial stress. Greater awareness of free and accessible advice and support will enable people to navigate services more effectively and make informed decisions that improve day-to-day stability and independence.

Support will be delivered through financial inclusion activities such as benefits advice, credit union access, and community vouchers, alongside supported volunteering and training opportunities including placements, mentoring, and skills development. Community-based provision, including warm hub access, food-based activity, peer support, and social connections, will reduce food and fuel poverty, improve mental health and social inclusion, strengthen economic wellbeing, and build community resilience. Increased awareness of carbon monoxide (CO) safety and improved uptake of the Priority Services Register (PSR) will further enhance household safety and protection for vulnerable residents.

Project design engagement

The cost-of-living crisis has compounded issues around fuel and food poverty, but also around housing costs and other essential items. NGN's ambition is to alleviate as much of this where possible, within our network by providing support to address needs, very specific to our communities.

In 2023 we reviewed how we categorise vulnerabilities, as we recognised that our previous 5 broad categories were limiting our understanding of the complexity of need - financial hardship, physical challenges, mental wellbeing, rurality and transient vulnerability. This independent research from various sources, considered:

- Gaps in current categorisation
- Applying evolving best practice thinking
- Determine appropriate level of granularity

As a result of this research, we have expanded our categories to 10 more granular themes of vulnerability that reflect complexity of need. As well as defining additional themes and a more detailed breakdown of vulnerability subcategories for NGN to consider, the bespoke mapping research also considered the proportion of customers across our network. It provided us with insights into which of these themes included the highest proportion of customers across our network, with the themes and subcategories below being most prominent:

1. Physical challenges, inclusive of communication issues, physical space
2. Mental wellbeing
3. Financial hardship
4. Temporary vulnerability – including post hospital recovery and pregnancy / maternity
5. Socio Demographic
6. Household composition
7. Rural Vulnerability
8. Accessibility Including language
9. Medical Dependant on Energy
10. Cultural

This learning has allowed us to understand the impact of NGN's engagement for these groups, identify gaps, and seek to target support towards the relevant customers and communities accordingly. Utilising this data has

enabled us to identify the priority areas within which to establish Centres for Warmth. The Bespoke mapping and research were used as the basis for establishing NGN's Centres for Warmth Strategy. The mapping was used to prioritise the geographical areas to be selected for Centres for Warmth, whereby multiple categories of vulnerability were evident.

Detailed mapping and engagement with Local Infrastructure Organisations (LIO's) enabled us to focus our efforts on the geographical areas with the greatest level of need, with some locations requiring funding for more than one centre. This also enable us to identify existing buildings / venues. This approach proved highly effective, as it allowed for meaningful discussion and collaboration with organisations that have in-depth knowledge of their local communities. Their understanding of the areas they serve, and the specific support required has strengthened our insight, giving us a clearer and more informed understanding of the communities within our network.

Why the project is being funded through the VCMA

This project meets the eligibility criteria, as the project aligns with Northern Gas Networks' Customers in Vulnerable Situations Strategy, as well as their Centres for Warmth Strategy. In both, we have a clear ambition to keep our communities safe, for them to be able to achieve affordable warmth and to support those most in need by helping vulnerable households, not just today, but as we invest in a green energy future. The theme of Fuel Poverty and Energy Affordability clearly aligns with the needs of communities supported by Centres for Warmth. An established centre will act as a conduit for vulnerable people, to engage with trusted intermediaries i.e. this cohort may not go elsewhere, nor know how to access services which may benefit them, therefore the role of each centre is crucial.

This project will support a wide range of vulnerable customers who are living in financial hardship and fuel poverty as well as raising awareness of CO and the PSR.

NGN's Centre for Warmth approach affords an opportunity for partners to pay, retain and upskill centre staff and volunteers to expand on their current service provision. The aim of which is to empower them to provide the range of services listed below. Therefore, being able to help their communities with immediate crisis support, to deal with the significant impacts of food and fuel poverty, as well as other financial hardship.

It will ensure a holistic structured approach, tackling an immediate need to support fuel poor households, within a community setting. Centre users benefit from a combination of services, unique to the individual community.

How VCMA funding complements or supplements BAU activities

The Centres for Warmth model / project will be delivered alongside a BAU vulnerability activity (PSR awareness and education) and CO safety activities (raising awareness / education). However, other activities such as energy advice provision, benefits advice, debt advice and income maximisation discussions, which are wholly VCMA funded, will complement the BAU activities undertaken.

For individual GDN VCMA Projects:

Justification for why the project should not be collaborative

Pottery Bank is a grass roots, community group based in Walker, Newcastle where there is significant deprivation. The needs of this community and the support required are unique to this geographical area. The funding will support the initiation and work programme for a Centre for Warmth. As this project and the Centre for Warmth Strategy focuses on services supporting a localized need, within specific geographical locations, it is not feasible to have this as a collaborative project, albeit the initial model owned by Cadent, has been adopted as good practice by NGN.

The Centre for Warmth project model relies on the provision of VCMA funding, materials and resources to community centres/buildings located in areas of high deprivation, fuel poverty, and carbon monoxide risk. This increased level of funding will enable these centres to ramp up existing support and offer lifelines for customers in very vulnerable situations.

Whilst collaboration for this project is not between GDNs, Centres for Warmth actively collaborate with each other. NGN has 18 established centres who meet on a quarterly basis to discuss good practice, lessons learnt and any successes or challenges each centre is experiencing. This has enabled them to establish their own peer support network within NGN's geographical footprint.

Outcomes, associated actions and success criteria

Pottery Bank 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
Raising awareness of the Priority Service Register	2000
PSR Registrations	75
Educate individuals on carbon monoxide (CO) awareness	2000
Complete CO pre and post questionnaires	150
Provide CO alarms	50
Offer income maximisation advice, such as supporting with applying for benefits	75
Energy efficiency advice	100
Online Energy comparison sites support sessions	50
IT support – digital inclusion	100

Outcome	Annual Target
Family events raising awareness & information sharing	300
Cooking sessions	54
Gardening sessions	36
Well-being sessions	100

Success Criteria

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

Success will be demonstrated by:

Consultation

- Ongoing consultation throughout the project to shape delivery and improve quality
- Beneficiaries actively influence how services develop and evolve
- Strong emphasis on qualitative feedback to understand experiences, attitudes, and perceived value
- Feedback used to assess impact, sustainability, and community value

Consultation Methods

- Questionnaires and self-evaluation tools
- Monitoring and evaluation of individual activities
- Focus groups using participatory appraisal techniques
- Closed Facebook group and open days
- Case studies and community events

Engagement

- Beneficiaries involved in decision-making, governance, and delivery
- Practical, hands-on involvement through:
 - Working groups
 - Advisory panels
 - Volunteering opportunities
 - Social media engagement

Potential for new learning

Feedback will be invited from partners and insights from monthly and quarterly reports will also feed into any lessons learnt. Learning will also be gathered through a specific Centres for Warmth networking call with all Centres for Warmth partners. Learning will be further disseminated through quarterly Customers in Vulnerable Situations Workshops and associated reports and other engagement channels such as through VCMA collaboration groups. Learning will also be shared with other utilities on Infrastructure North and Utilities Together meetings. Learning can also be shared at open days, Partner Networking Calls, annual reports and the annual VCMA showcase event. Learning from projects can also be shared at NEA's annual conference.

New learning will be captured as the project evolves through collaboration with DNO colleagues around Centres for Future Warmth / Centres of Resilience. The ambition from NGN's perspective is for the Centres for Warmth to become Inclusive Hubs; to incorporate digital inclusion provision however, this idea is still in its infancy.

Aligning with and supporting wider vulnerability approaches

The 3% allowance for collaboration in GD3 will be utilised as follows: -

- Collaboration with Northern Powergrid/SP Electricity North-west (DNOs) around energy transition / Net Zero and LCT opportunities – looking to complement activities rather than duplicate
- Collaborative Investment Strategy – DNO and water colleagues
- PSR Strategy
- Centres for Resilience ambition
- Centres for Future Warmth
- Inclusion Hubs
- Working with partners to support child poverty

Monitoring and evaluation

As in GD2, the monitoring of performance and impact will be captured through the following methods:

- Monthly and quarterly reporting, including case studies and lived experiences
- Sharing the work via annual VCMA reports and annual showcase event
- Also included here would be feedback forms from individual project partners around Centres for Warmth – how the project has helped them but also how it has helped NGN / broader industry
- NEF reporting in tandem – referrals to them for CfW and vice versa
- One to one meeting with each CfW project lead
- A further SROI would be carried out again at the end of the project to assess how successful it has been

Scale of VCMA project and SROI calculations, including NPV

Cross industry collaboration resulted in the production of an industry resource for SROI calculations (GDN Rulebook). NGN uses this rulebook to review and assess impact and outcomes, in order to be able to generate the appropriate SROI per project. A forecast for SROI will be initially calculated to understand the impact of social return. A subsequent SROI will be calculated to evaluate the success of the project and compare with the initial forecast.

Social value measurement

Total cost*	£46,580
Total gross present value	£354,479.41
Net Present Value (NPV)	£309,120.14
SROI	£6.81

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

Internal governance and project management evidence

Initial: All Centre for Warmth 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. Each proposal is assessed against the Centres for Warmth Strategy, ensuring it aligns with NGN's Customers in Vulnerable Situations objectives and delivers meaningful outcomes for households at risk of fuel poverty and vulnerability.

As part of this process, proposals undergo an internal review, which considers strategic fit, delivery approach, outcomes, and governance. Where a proposal meets the 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. Once the internal review and SROI assessment confirm eligibility and value, the project is formally signed off to proceed.

Following approval, the project is managed and overseen by the Centre for Warmth Project Coordinator 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 Centre for Warmth to review delivery, address any challenges, and provide ongoing support and assurance.

- Participation in regular Centre for Warmth 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 Centre for Warmth Strategy and the wider VCMA objectives of delivering positive and measurable social impact for customers and communities.

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	Yes

	local, national and devolved government, or evidence innovation or a gap in vulnerability support provision;	
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:	<p>Either:</p> <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