



# Northern Gas Networks

Start date: April 2026





PEA reference: **V.FP1.58.C1.055.026.Te.N**

## Energy Max / Income Maximisation - a specialist energy and welfare benefit advice and support service

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



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

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# Project registration table

Project summary	
<b>Project title</b>	<b>Energy Max / Income Maximisation - a specialist energy and welfare benefit advice and support service</b>
<b>Strategic Area</b>	Fuel Poverty and Energy Efficiency
<b>Funding GDN(s)</b> The GDN(s) which register(s) the project	Northern Gas Networks (NGN)
<b>New/Updated</b> State whether this is a new or updated PEA (indicate as appropriate by removing the option that does not apply)	New
<b>Collaborative VCMA Projects</b> Specific role(s) of GDN(s) participating in a collaborative VCMA Project	N/A
<b>Date of PEA submission</b> This needs to be the initial date of a first project submission	June 2026
<b>Project start and end date</b>	1 <sup>st</sup> April 2026 – 31 <sup>st</sup> March 2027
<b>Project location</b>	Teesside
<b>Sectors involved</b>	Distribution Network Operator <b>Gas Distribution Network</b> Consumer Group <b>Charitable Organisation</b> Local Authority Water Supplier Telecommunications Provider Other (specify)
Project contact	
<b>Name</b>	Laura Ratcliffe
<b>Contact details</b>	vcma@northerngas.co.uk
Project partners and third parties involved	
Organisation name	Role
Stockton District Advice & Information Service (Stockton CA)	Lead project partner
Costs and funding	
<b>Total cost (£k)</b>	£49,068
<b>Total VCMA funding required (£k)</b>	£49,068

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

Many households across Stockton-on-Tees continue to experience significant financial vulnerability driven by low incomes, rising living costs, poor health, disability, and high energy costs. These pressures are particularly acute for people living in fuel poverty or at risk of energy-related hardship, where unaffordable energy bills can exacerbate existing inequalities, negatively impact physical and mental health, and increase the risk of crisis situations.

A key driver of this vulnerability is under-claimed welfare benefits and limited access to specialist advice. Many individuals who are entitled to financial support are unable to navigate the welfare system independently due to its complexity, digital barriers, language and literacy challenges, health conditions, or a lack of awareness. Without expert intervention, households often miss out on vital income that could stabilise their finances, reduce debt, and improve their ability to heat their homes safely and affordably.

The Energy Max / Income Maximisation model delivered by Stockton District Advice & Information Service (Stockton CA) has already demonstrated its value in addressing these challenges through targeted, one-to-one support delivered by a specialist welfare benefits advisor. The service provides holistic advice that links income maximisation, energy guidance, and wider wellbeing, ensuring complex cases are resolved effectively rather than through multiple disconnected interventions.

## Scope and objectives

This project will extend Stockton CA's existing specialist energy and welfare benefits advice service into Year 1 of GD3.

The service provides targeted income maximisation and energy advice, with a strong emphasis on identifying and securing unclaimed welfare benefits for customers experiencing financial vulnerability, fuel poverty, or energy-related hardship. Building on the established Energy Max / Income Maximisation model, the project supports households to increase financial resilience, reduce energy-related risk, and improve overall wellbeing through tailored, one-to-one advice.

The project will prioritise the most vulnerable customers, including those on low incomes, people with long-term health conditions or disabilities, older residents, and households at risk of fuel poverty. Support will be delivered by a specialist welfare benefits advisor, ensuring complex cases receive expert, holistic assistance.

A key feature of the service is its partnership-led delivery approach. The project will work closely with organisations across the wider local support network, including community groups, health and social care partners, local authorities, and voluntary sector organisations. These partnerships will help to identify need early, encourage referrals, and reach individuals who may not otherwise engage with advice services.

Through proactive partnership working and trusted referral pathways, the project will increase uptake of welfare benefits and energy advice, ensuring support reaches those most in need. This

collaborative approach strengthens local support systems, avoids duplication, and maximises the impact of GD3 investment during the transition period.

The GD3 Year 1 extension will provide stability, continuity, and immediate impact, safeguarding vulnerable households from financial harm.

**The objectives:**

- Provide direct specialist support to vulnerable households
- To deliver specialist energy and welfare benefits advice to a minimum of 308 direct beneficiary households per annum, supporting individuals experiencing financial vulnerability, fuel poverty, or energy-related hardship to improve their financial resilience and wellbeing
- To positively impact at least 300 indirect beneficiaries per annum through household-level support, shared financial outcomes, and improved awareness of energy safety, welfare entitlements, and available support services
- To identify eligible vulnerable customers and make a minimum of 215 PSR referrals per annum, ensuring customers are registered for additional protections, support, and communications from energy networks and suppliers
- To raise awareness of carbon monoxide risks and safety measures by completing at least 215 CO awareness questionnaires per annum, helping households better understand CO dangers and how to reduce associated risks
- To ensure 308 households per year receive tailored welfare benefits advice, including benefit checks, claims support, and referrals, enabling customers to access the financial support they are entitled to
- To employ and sustain 1 full time Welfare Benefits Advisor, providing expert, consistent, and high quality advice capable of managing complex cases and delivering measurable outcomes for vulnerable customers
- To achieve a minimum of £350,000 in income maximisation per annum through the successful identification and securing of unclaimed welfare benefits, grants, and financial entitlements for supported households

The key outputs include:

- Increased PSR referrals
- Increased understanding of CO risks and safety among vulnerable households
- Reduced financial vulnerability through income maximisation

# Project design engagement

## Targeting vulnerability support:

The vulnerability need addressed by this VCMA project was identified through a combination of consumer research, stakeholder engagement, and operational data held by NGN and its delivery partners.

NGN's understanding of vulnerability across its network is informed by ongoing analysis of regional socio-economic data, fuel poverty indicators, and Priority Services Register (PSR) insights, alongside learning from GD2 performance and stakeholder feedback. This evidence consistently highlights high levels of fuel poverty, low household income, poor health outcomes, and barriers to accessing support across parts of the Tees Valley, including Stockton-on-Tees.

## Evidence of stakeholder and/or customer support:

Stakeholder engagement undertaken during GD2 delivery and GD3 business planning further identified under-claimed welfare benefits as a key driver of ongoing vulnerability. Partners reported that many customers facing energy hardship were entitled to additional financial support but lacked the capability, confidence, or capacity to navigate complex benefits systems without specialist assistance. These findings directly informed the continuation of a targeted Energy Max / Income Maximisation model within GD3.

Data and technology also play a role in targeting support. Referral information from partner organisations, combined with advisor case data, enables the identification of customers experiencing multiple, overlapping vulnerabilities, including low income, disability, long-term health conditions, and fuel poverty risk. This ensures VCMA funding is directed towards households most at risk of harm, in line with NGN's vulnerability strategy and regulatory expectations.

Feedback from CIVS Annual Strategic Workshops and supporting reports has repeatedly emphasised:

- The importance of early intervention to prevent crisis-led engagement
- The need for holistic, person-centred support, rather than fragmented or transactional services
- Ongoing challenges faced by people who are entitled to support but do not seek help due to pride, complexity of systems, or lack of awareness
- Strong links between cold homes, financial stress, and deteriorating health outcomes

## Stakeholder project design input:

Stakeholders have highlighted that many customers remain in cold, damp homes, often at the expense of their physical and mental wellbeing, because they are unable to navigate complex welfare and energy systems without specialist support. CIVS discussions have also identified gaps in support for people with complex needs and those who face barriers to accessing mainstream services, reinforcing the need for trusted intermediaries and specialist advice provision.

## Why the project is being funded through the VCMA

This project is being funded through the Vulnerability and Carbon Monoxide Allowance (VCMA) as it meets the eligibility criteria set out in Ofgem guidance and directly supports the GDN's collaborative vulnerability strategy.

The project aligns with the GDN's clear ambition to keep communities safe and warm, and to support those most in need, not only in the immediate term but as the network invests in a fair and inclusive transition to a green energy future. By addressing financial vulnerability, fuel poverty, and energy affordability, the project ensures that vulnerable households are better equipped to engage with and benefit from future energy system changes, rather than being left behind.

The Energy Max / Income Maximisation service delivers targeted, specialist support that goes beyond business-as-usual network activities. It provides holistic, one-to-one welfare benefits and energy advice to households experiencing or at risk of vulnerability, enabling sustainable improvements in income, energy security, and overall wellbeing.

This project directly supports the delivery of Northern Gas Networks' Customers in Vulnerable Situations (CIVS) Strategy, which is underpinned by a commitment to protecting customers at risk of harm, tackling fuel poverty, and ensuring a fair and inclusive transition through GD3.

NGN's vulnerability strategy is informed by extensive stakeholder engagement and evidence-based insight, including annual CIVS strategic workshops, thematic "hot topic" sessions, and ongoing engagement with national and local organisations supporting vulnerable consumers. These activities consistently highlight the need for targeted, preventative support for households experiencing multiple and overlapping vulnerabilities, particularly those linked to low income, poor health, disability, and energy affordability.

The design of the Energy Max / Income Maximisation project directly reflects learning from CIVS engagement by:

- Focusing on income maximisation as a primary mechanism for tackling fuel poverty and improving energy affordability
- Providing specialist welfare benefits advice, recognising that generalist approaches are insufficient for complex cases
- Embedding the service within a partnership-led referral network, enabling health, local authority, and voluntary sector partners to identify vulnerability early and refer customers into appropriate support
- Prioritising households experiencing compounded vulnerability, in line with CIVS feedback on where risk of harm is greatest

# How VCMA funding complements or supplements BAU activities

This 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

This project is not designed as a collaborative cross-GDN initiative as it is to specifically address the unique vulnerability profile, local geography, and service gaps present within the Teesside district of the NGN network area. 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).

These conditions require a local, embedded advice model tailored specifically to Teesside communities meaning a collaborative project would be less targeted and less effective.

## Outcomes, associated actions and success criteria

Stockton CA 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
Direct beneficiaries - per annum	308
Indirect beneficiaries - per annum	300
PSR referrals - per annum	215
CO awareness questionnaires - per annum	215
Number of households per year will receive welfare benefits advice	308
1 full time Welfare Benefits Advisor	1
Income maximisation	£350,000 (minimum)

## 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 Stockton CA, with interim reviews conducted at key milestones to ensure progress remains on track. The project will be deemed successful if:

- All output targets achieved (PSR, CO, referrals, benefit checks).
- Verified income gains and improved financial resilience for customers.
- Demonstrated increase in CO safety awareness through questionnaires and feedback.
- Positive SROI and NPV confirmed through financial modelling.
- Case studies showing improvements in wellbeing, safety, and overall stability.

## 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 partner network call with all of the VCMA 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, annual reports and the annual VCMA showcase event. Learning from projects can also be shared at NEA's annual conference.

## Aligning with and supporting wider vulnerability approaches

The project aligns strongly with the wider energy industry's approach to vulnerability, which increasingly focuses on preventative, cross-sector, and place-based interventions rather than reactive support.

Across the gas and electricity networks, VCMA-funded activity is used to complement core network obligations by addressing the wider drivers of energy vulnerability, including income insecurity, health inequality, and poor housing conditions. NGN's VCMA programme groups activity under four consistent themes—fuel poverty and energy affordability, supporting priority customers, carbon monoxide safety, and services beyond the meter—mirroring approaches taken across other GDNs and utilities. The Energy Max / Income Maximisation project sits squarely within the fuel poverty and energy affordability and supporting priority customers themes.

The project also aligns with emerging whole-system approaches across the energy sector, which recognise that customers in vulnerable situations often require support that extends beyond

traditional energy advice. By integrating income maximisation with energy guidance, the project reflects industry-wide learning that financial resilience is a critical enabler of safe, affordable energy use.

The project is delivered in partnership with Citizens Advice Bureau Stockton, part of a nationally recognised advice network that works closely with energy suppliers, regulators, and consumer bodies. This approach mirrors best practice across the energy industry, where trusted third-sector organisations are used to reach customers who may not engage directly with utilities or statutory services.

Engagement with organisations such as National Energy Action (NEA) through NGN's CIVS workshops has reinforced the importance of specialist, in-depth advice for households experiencing fuel poverty and health-related vulnerability. Stakeholders consistently highlighted that generalist or signposting-only approaches are insufficient for customers with complex needs, strengthening the case for projects such as Energy Max that provide specialist welfare benefits expertise alongside energy advice.

## Monitoring and evaluation

NGN will work closely with Stockton CA to monitor delivery, measure impact, and evaluate the effectiveness of the project throughout the 6-12 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 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 £11.43 for every £1 invested, demonstrating that the scale of investment is proportionate to the benefits delivered for customers across participating in our network.

### Social value measurement

<b>Total cost*</b>	£49,068
<b>Total gross present value</b>	£593,713.26
<b>Net Present Value (NPV)</b>	£545,931.19
<b>SROI</b>	£11.43

\*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: <ul style="list-style-type: none"> <li>i. provide support to consumers in Vulnerable Situations and relate to Energy Safeguarding, or</li> <li>ii. provide support for those most at risk of being left behind in the transition to net zero, or</li> <li>iii. provide awareness of, and education on, the dangers of CO<sub>2</sub> beyond the activities funded as business as usual (BAU) through baseline allowances, or</li> <li>iv. reduce the risk of harm caused by CO<sub>2</sub></li> </ul>	Yes
Defined Outcomes	Have specific, measurable, and time-bound outcomes which align with relevant Consumer Vulnerability Strategy objectives to achieve the requirements set out in paragraph b;	Yes

Beyond Other Funding	Go beyond activities that are funded through other price control mechanism(s), including baseline allowance funding, or required through licence obligations	Yes
Support or Align	Support or align with approaches to vulnerability taken by the wider energy industry, other utilities and/or consumer organisations, and local, national and devolved government, or evidence innovation or a gap in vulnerability support provision;	Yes
No Other External Funding	Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding	Yes
BAU vulnerability and CO safety activities	Where a GDN's BAU vulnerability and CO safety activities are funded through baseline allowances, these are not suitable for funding through the VCMA. The GDN is permitted to use VCMA funds to supplement or complement its BAU activities, however, it must ensure that its reporting provides sufficient evidence to prevent double funding.	Yes

## Eligibility criteria for company specific essential gas appliance servicing

Eligibility Criteria	Description	Project qualifies Yes / No or N/A
Servicing must meet the following criteria:	Either: <ul style="list-style-type: none"> <li>i. A GDN has had to isolate and condemn an essential gas appliance following a supply interruption or as part of its emergency service role; or</li> <li>ii. A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in the owner-occupied home of a customer in a Vulnerable Situation where an occupier of the property suffers from a permanent or temporary health condition<sup>12</sup> that makes them more vulnerable to health risks associated with cold homes; or</li> <li>iii. A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant’s responsibility to maintain the essential gas appliance, where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes</li> </ul>	N/A
Affordability	The household cannot afford to service the essential gas appliance, as assessed against the affordability criteria set out in the VCMA governance document	N/A
Funding	Sufficient funding is not available from other sources (including a social or private landlord and national, devolved, or local government funding) to fund the essential gas appliance servicing	N/A

## Eligibility criteria for company specific essential gas appliance repair and replacement

Eligibility Criteria	Description	Project qualifies Yes / No or N/A
Unsafe pipework and essential gas appliance repair or replacement must meet the following criteria:	Either: <ul style="list-style-type: none"> <li>i. GDN has had to isolate and condemn unsafe pipework or an essential gas appliance following a supply interruption or as part of its emergency service role; or</li> <li>ii. ii.</li> <li>iii. A GDN or its Project Partner has had to condemn unsafe pipework, or an essential gas appliance, following an essential gas appliance service (as described in 3.19 of the VCMA governance document)</li> </ul>	N/A
Health condition	Either: <ul style="list-style-type: none"> <li>i. The occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes and has a household income of £31,000 or below in 2025/26 prices, adjusted for inflation using Consumer Price Index with Housing costs (CPIH) 13, or</li> <li>ii. the household cannot afford to service the essential gas appliance, as assessed against the affordability criteria set out in Appendix 1 of the VCMA governance document</li> </ul>	N/A
Funding	Sufficient funding is not available from other sources (including national, devolved, or local government funding) to fund the unsafe pipework or the essential gas appliance repair or replacement.	N/A