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The Annexe Centre for Warmth

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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 

Contents

Contents	2
Project registration table	3
Problem(s).....	4
Scope and objectives	5
Project design engagement.....	7
Why the project is being funded through the VCMA.....	7
How VCMA funding complements or supplements BAU activities.....	8
For individual GDN VCMA Projects:	8
Outcomes, associated actions and success criteria.....	9
Potential for new learning.....	10
Aligning with and supporting wider vulnerability approaches	10
Monitoring and evaluation	10
Scale of VCMA project and SROI calculations, including NPV	10
Internal governance and project management evidence	11
Eligibility Criteria	12

Project registration table

Project summary	
Project title	The Annexe - 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	Dyke House, and wider area of Hartlepool
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
The Annexe 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)	£52,143
Total VCMA funding required (£k)	£52,143
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.

The Annexe Centre for Warmth is based in a highly deprived area of Hartlepool 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.

- Hartlepool's average disposable income is 24% below the England average
- Nearly 30% of households are workless, and 30% of working-age residents are economically inactive, most not seeking work
- Job density is low (fewer than 6 jobs per 10 working-aged people), limiting access to employment
- Available work is often low-paid, high-stress, leaving many residents one shock away from crisis
- Around 15,000 residents have claimed key benefits for over two decades — reflecting structural disadvantage, not individual failure
- Benefits have reduced over time, increasing reliance on informal lending
- A small but high-need group experiences destitution, often linked to substance dependency, homelessness and repeat prison contact

- An estimated £1.33bn of benefits goes unclaimed annually across the North East
- This equates to £501 per person per year, well above the national average
- Local evidence shows that proactive outreach (e.g. door-knocking and benefit checks) can unlock substantial income, but activity stops when funding ends
- Mental ill-health is widespread: almost 1 in 4 adults has depression or anxiety
- ESA claims for mental health conditions are around 25% higher than the England average

- Long-term physical conditions are common:
 - 1 in 4 adults has a musculoskeletal condition
 - 1 in 5 adults has multiple long-term conditions
- Preventable illness remains high:
 - Lung cancer and alcohol-related hospital admissions are almost 50% higher than England

- Adult obesity is at a recent high, affecting around three-quarters of adults
- Respiratory disease and COPD admissions are particularly high
- Hartlepool is a self-contained housing market with high internal movement
- Housing dissatisfaction affects around 10% of residents, rising to 20% in some wards
- There are an estimated 2,000 empty properties, alongside unmet housing need
- Around 1 in 3 adults is estimated to be functionally illiterate.
- This limits people's ability to:
 - Access benefits and services
 - Complete forms
 - Understand written information
- Literacy issues compound poverty, poor health and exclusion
- A town-wide literacy strategy is emerging, including non-written communication approaches
- The third sector lacks coordination, with competition and limited shared strategy
- Good practice exists but is small-scale and not embedded town-wide
- The third sector is often sidelined by statutory services, especially during financial pressures.
- Encouraging signs include:
 - Joseph Rowntree Foundation facilitation
 - Greater third-sector involvement in Long Term Plan for Towns governance

Scope and objectives

The Annexe 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, The Annexe Centre for Warmth will deliver:

- **Breakfast Clubs:** The centre will host men's and women's drop-in breakfast clubs, where individuals can enjoy a hot breakfast and drink while receiving advice on carbon monoxide (CO) safety, energy efficiency, and other support services. These sessions provide more than just food they offer a welcoming space for people who may be experiencing hunger, financial hardship, or isolation. By starting the day with a warm meal and friendly support, the breakfast clubs help reduce stress and anxiety, improve mental wellbeing, and create an environment where individuals feel safe to open up about challenges they may be facing. They also help break down barriers to accessing wider support services, including mental health advice, enabling people to receive the guidance and help they need in a non-judgmental, informal setting
- **Income Maximisation and Benefits Advice:** Following basic Information, Advice and Guidance (IAG) and benefits advice training, we will support individuals with benefit applications, debt management and income maximisation, helping people increase their financial stability and access the support they are entitled to. We will work in partnership with Advice at Hart and opportunities such as the Household Support Fund (HSF) to provide additional financial assistance and targeted support where needed

As part of this offer, Advice at Hart will deliver three drop-in advice sessions per week at our centre, a place where people feel safe, warm and supported. These informal sessions do not require appointments, removing common barriers to access and allowing people to get help at the point they need it. The drop-in environment

enables immediate advice and reassurance, while also allowing us to refer individuals into booked appointments at Advice at Hart's own venue in another ward of Hartlepool for more in-depth or ongoing support. Advice at Hart also provides in-office, phone and home appointments with trained benefit advisers. A permanent presence of clear, accessible information and literature at the centre will ensure residents can access help quickly and confidently

- PSR Registration: We will focus on raising awareness about the Priority Services Register (PSR), a program designed to provide extra support to vulnerable households. We will help clients sign up and offer continued guidance on energy and utility services
- 'Cheap as Chips, cooking on a budget workshops': These workshops will build on our Family Club and will be offered to help individuals build cooking skills and foster relationships by helping people cook meals which are cheap. Additionally, we will provide guidance on using low-cost ingredients and preparing energy-efficient meals. Consistent attendance will be rewarded with a slow cooker or air fryer
- The Big Switch – a quarterly campaign to get people to go online in our IT suite to use a price comparison website such as U-Switch to see if they can get a better tariff for their utility
- Wider street and community outreach: We will deliver outreach work to engage with individuals and communities who are less likely to access services, particularly in areas of Hartlepool that lack a community anchor organisation. This will include a street-by-street approach, targeting people who require the most support. Outreach provision will mirror the advice available in the centre, with additional signposting into Advice at Hart services and our wider community offer
- Hartlepool Foodbank outreach partnership: We will work in partnership with Hartlepool Foodbank to deliver one advice drop-in session per week at the foodbank, reaching people at their point of greatest need. People accessing food support are often experiencing acute financial hardship and crisis. By providing on-site advice, signposting, and referrals alongside food provision, we can offer immediate practical support while connecting individuals to longer-term help with benefits, debt, housing, employability, and wellbeing

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 The Annexe 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 following will be achieved: -

- Find and support those with identified vulnerabilities to access the service
- Ensure all who access specific support services for vulnerabilities are at least offered a holistic assessment to identify the best intervention from the project
- Build on existing working partnerships to expand the reach of those who would benefit from the service

Project design engagement

Targeting vulnerability support:

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

The Annexe is a grass roots, community group based in Hartlepool 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

The Annexe CfW 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 PSR	700
Energy efficiency advice	300
Educate individuals on carbon monoxide (CO) awareness, including CO surveys	250
Provide CO alarms	80
Offer income maximisation advice, such as supporting with applying for benefits	400
Registrations for PSR	250
Breakfast clubs	350
Mental Health Group	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 the Annexe CFW, with interim reviews conducted at key milestones to ensure progress remains on track.

Success will be demonstrated by:

- Number of people we work with
- Number of people becoming more aware and being registered on the PSR
- Number of people who get additional benefits and how much they are worth
- Number of people becoming aware of the dangers of carbon monoxide and the number detectors shared and/or installed

- Number of people with reduced debts
- Energy savings by switching tariffs, and improving energy efficiency knowledge
- Social media engagement around the CfW campaigns

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*	£52,143
Total gross present value	£532,152.57
Net Present Value (NPV)	£481,376.09
SROI	£9.48

*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:	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