



GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Empowered by Energy

Kerry Potter
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May 2024

Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)	
In order to qualify as a VCMA project, a project must:	
VCMA Eligibility Criteria	Criteria Satisfied (Yes/No)
a) <ul style="list-style-type: none"> i. Have a positive, or 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, and ii. have a positive, or a forecasted positive Net Present Value (NPV); 	Yes
b) Either: <ul style="list-style-type: none"> i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or ii. Provide awareness on the dangers of CO, or iii. Reduce the risk of harm caused by CO; 	Yes
c) Have defined outcomes and the associated actions to achieve the requirements in paragraph b;	Yes
d) Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and	Yes
e) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	Yes
Section 2 - Eligibility criteria for company specific essential gas appliance servicing	
To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:	
a) <ul style="list-style-type: none"> i. 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 condition⁹ that makes them more vulnerable to health risks associated with cold homes; 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; and 	NA
b) the household cannot afford to service the essential gas appliance, as assessed against the affordability criteria in the Energy Company Obligation (ECO4) Guidance: Delivery document; and	NA
c) 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.	NA
Section 3 - Eligibility criteria for company specific essential gas appliance repair and replacement	
To qualify as a VCMA Project, unsafe pipework and essential gas appliance repair or replacement must meet the following criteria:	
a) A GDN has to isolate and condemn unsafe pipework or an essential gas appliance following a supply interruption or as part of its emergency service role; and	NA
b) the household cannot afford to repair or replace unsafe pipework or the essential gas appliance, as assessed against the affordability criteria in the Energy Company Obligation (ECO4) Guidance: Delivery document; and	NA

<p>c) Sufficient funding is not available from other sources (including national, devolved or local government funding) to fund the unsafe pipework or essential gas appliance repair or replacement.</p>	<p>NA</p>
<p>Section 4 - Eligibility criteria for collaborative VCMA projects</p> <p>In order to qualify as a collaborative VCMA project, a project must:</p>	
<p>a) Meet the company specific project eligibility criteria set out in sections 1-3 above; and</p>	<p>Yes</p>
<p>b) Have the potential to benefit consumers on the participating networks; and</p>	<p>Yes</p>
<p>c) Involve two, or more, gas distribution companies.</p>	<p>Yes</p>

Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - Project Registration Table 2

Information Required	Description												
Project Title	Empowered by Energy												
Funding GDN(s)	SGN, NGN												
New or updated	Updated from SGN Company Specific to collaborative												
Role of GDN(s) *For Collaborative VCMA Projects only	SGN will be the lead GDN for this project and NGN.												
Date of PEA Submission	May 2024												
VCMA Project Contact Name, email and Number	Kerry Potter kerry.potter@sgn.co.uk												
Total Cost (£k)	£71,430 + VAT												
Total VCMA Funding Required (£k)	£69,930 + VAT + £1,500 SGN cost for independent SROI assessment by SIRIO Strategies. <table border="1" data-bbox="363 1014 1385 1149"> <thead> <tr> <th>Network</th> <th>2024/25</th> <th>2025/26</th> </tr> </thead> <tbody> <tr> <td>NGN</td> <td>£17,482.50</td> <td>£17,482.50</td> </tr> <tr> <td>SGN</td> <td>£18,982.50</td> <td>£17,482.50</td> </tr> <tr> <td>Total</td> <td>£36,465.00</td> <td>£34,965.00</td> </tr> </tbody> </table>	Network	2024/25	2025/26	NGN	£17,482.50	£17,482.50	SGN	£18,982.50	£17,482.50	Total	£36,465.00	£34,965.00
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Problem(s)	<p>For people coming to Britain as refugees or asylum seekers, life is exceptionally challenging. Across the UK, refugees are disproportionately represented in unemployment statistics, and they suffer much of the poorest housing. These two factors alone result in a high risk of fuel poverty.</p> <p>According to the Department for Energy Security and Net Zero, the number of households who are required to spend more than 10 per cent of their income (after housing costs) on domestic energy rose in 2023 to 36.4 per cent of households (8.91 million), up from 27.4 per cent in 2022 (6.66 million). Typical energy bills under the January to March 2024 price cap were almost 60% higher than in winter 2021/22.</p> <p>Lower income households are more likely to respond to higher energy prices by cutting energy use below safe levels. Some will find themselves in the situation where energy will become unaffordable, resulting in self-disconnection or unmanageable energy debt.</p> <p>DESNZ have also reported that rising housing costs have brought an estimated 51,000 households into fuel poverty this year and “after considering energy rebates, energy efficiency and household changes the overall required energy costs increased by 27 per cent between 2022 and 2023 in real terms. The change in energy prices after government support is estimated to have increased fuel poverty by around 238,000 households over this period.”</p> <p>Nationally, Citizen’s Advice helped over 220,000 people with crisis support in 2023 – their highest figure to date. They are also seeing a marked increase in people presenting with complex problems, and multiple debts so when someone presents with energy issues,</p>												

	<p>such as affordability, billing, and customer service, they also need support in other areas. This results in vulnerable people living in cold, energy inefficient homes that are expensive to heat. Fuel poverty can lead to poor physical and mental health, increased inequality, and a reduced quality of life.</p> <p>To further compound this situation, many refugee and asylum seeker communities face specific language difficulties and cultural factors which make them less likely to engage with energy efficiency advice and assistance. Many refugees and asylum seekers come from regions where household heating is not common and activities such as installing or practicing energy efficiency measures or behaviours, or payment of utility bills, may seem alien. In addition, the transition for asylum seekers from having their utility bills paid by UK Border Agency, to having to manage and budget for these themselves may be difficult.</p> <p>This project has successfully addressed these issues in refugee and asylum seeker communities through a unique and innovative method of support. Through previous delivery of the Empowered by Energy programme in 2022/23, NEA helped refugees from many different countries such as Sudan, Eritrea, Iraq, Syria, Afghanistan, China and Ukraine. All of whom have fled these countries due to ongoing conflicts. This new partnership will build on the success of the existing programme expanding its reach to support more refugee and asylum seeker communities from different countries.</p> <p>NEA has existing relationships with organisations who have expressed a need for a tailored energy advice service for their clients based on increased demand.</p>
<p>Scope and Objectives</p>	<p>The partnership looks to identify engaged members of the refugee and asylum seeker communities and support them to become energy champions, to make changes not only to their own situation but also that of their friends and peers.</p> <p>The team will also work to identify other organisations in the networks areas which support these communities that could benefit from the successful implementation of this project.</p> <p>The overall aim of Empowered by Energy is to support refugee and asylum seeker communities in achieving warm and safe homes for their families by building energy skills and resilience via effective engagement and a network of support.</p> <p>In partnership in shared distribution areas SGN alongside Northern Gas Networks (NGN) will look to deliver the following activities in order to combat the issues outlined above by:</p> <ul style="list-style-type: none"> • Providing a minimum of twenty workshops delivered over the 2-year partnership (split equally between SGNs and NGNs customer areas). Each workshop will consist of three sessions delivered over a 3-week period, with between 8-10 participants at each workshop. These interactive workshops will educate participants in areas of energy efficiency with each session having a different focus. Themes will be tailored to the individual community needs and include energy and water efficiency; tariff switching and information about social tariffs; understanding bills and paying for energy. Translators will be utilised during the workshops where required. The same participants will attend all 3 sessions as part of their workshop. • Providing participants with an energy efficiency pack to supplement their online learning, demonstrating immediate changes that can be made at home. Packs can include energy efficient products such as radiator foil, LED light bulbs, thermocards, slow cookers and language appropriate materials. • Producing a quarterly newsletter and circulated electronically for supporting organisations and relevant outreach centres in the area to ensure participants and others within the community can stay up to date on knowledge relating to energy advice.

	<p>The workshops will be delivered with a mixed online and face-to-face delivery approach. This is to ensure that the workshops will be as inclusive as possible whilst taking into account logistical considerations such as travel costs and childcare. As refugees and asylum seekers often don't have regular access to technology, face-to-face delivery will be offered to those who are unable to participate online, whilst online sessions will be offered to those with access to the necessary technology. The online format will also assist in delivering a cost-effective approach in which mixed-gender workshops can take place in a way that is sensitive to the needs of the community.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>This project meets the VCMA eligibility criteria as it will provide energy safeguarding services including direct advice and support to refugee and asylum seekers, including those at risk of or living in fuel poverty. The aim of the programme is to enhance the life skills of refugee and asylum seekers, equipping them with understanding and knowledge on how to manage their energy and critically stay warm in their homes.</p> <p>This project will also engage on key matters to build energy resilience, increase awareness on the dangers of CO and key support services including the Priority Services Register whilst delivering a forecast positive Social Return on Investment.</p> <p>In the short term, the project will equip participants with knowledge to reduce their fuel bills and maximise their income. In the longer-term, the project will ensure refugee and asylum seekers enjoy a good quality of life, not affected by ill health or social isolation, proven consequences of living in fuel poverty. It will encourage people to undertake behavioural change, there-by impacting on their long-term energy use and fuel bills.</p> <p>This partnership service goes above and beyond our core responsibilities as a Gas Distribution Network and is eligible under the VCMA funding criteria as it will provide support to those people in some of the priority groups and in the regional communities most at risk, providing information on using energy safely, efficiently and affordably. This partnership aligns to the commitment to deliver support services customers aligned to our four strategic pillars:</p> <ol style="list-style-type: none"> 1. Services Beyond the Meter 2. Supporting Priority Customer Groups 3. Fuel Poverty & Energy Affordability 4. Carbon Monoxide Awareness <p>This project aligns to strategic pillars 2 (with outcomes in both 3 & 4).</p>
<p>Evidence of Stakeholder/ Customer Support</p>	<p>Since 2019 SGN has been working with NEA successfully developing and delivering the Empowered by Energy service, providing unique, tailored and targeted energy advice and support to a under supported group of people, refugees and asylum seekers.</p> <p>In 2020, the project adapted to offer the service online initially as a pilot, so they could continue to provide practical support to vulnerable refugee and asylum seeker communities during the Covid-19 pandemic. For those who attended the workshops, the evaluation demonstrated that these individuals now have increased knowledge and confidence to take control of their energy use and access the support available to them. There were also some unexpected learnings gained through the delivery of the pilot. Due to the delivery style of the project during Covid restrictions largely being online, this also meant that there were a number of additional benefits. This included the inclusion of women in the sessions by ensuring they were delivered without the use of a camera online to cater for cultural sensitivities; childcare and associated costs were not necessary as the families could take part from home while their children were present; and there wasn't the need to pay for travel costs or ensure venues were in close proximity to participants.</p>

However, whilst an online delivery approach worked incredibly well during the Covid-19 pandemic and was well received by participants, this does rely on participants having access to the internet and basic digital skills. We therefore recognised that this method may not be appropriate for all age groups or for people without the confidence or capability to use digital technology. The partnership last year chose a combination of digital and face-to-face workshops and going forward we will continue this method to ensure all clients had the ability to engage and participate.

Empowered by Energy - participant feedback:

“It was three weeks of information that I could never have imagined exist. It was very exciting as I now know where to go to or what to do should I have issues with my energy supply. Thank you”

“I have already shared the information to two of my friends. One is a new mum and the second is a mum that has a daughter with special needs and has also fled domestic violence”

“The sessions were great, well structured, covered a lot of information, and interactive. Rebecca answered a lot of questions and offered support with families finding it really helpful and some of them asked to share the presentation with them to keep it. They asked for more sessions like this which focus on daily experiences.”

“The provided information is highly useful and relevant especially given the cost-of-living crisis. We're looking into the chance to apply gained knowledges when we move from hotel.”

“I want to thank Rebecca; I learned a lot of interesting facts and information that will definitely save me money and energy for my home or apartment. It was a wonderful and rewarding time together! You are very talented at telling interesting things about slightly boring things.”

“The sessions were great, well structured, covered a lot of information, and interactive. Rebecca answered a lot of questions and offered support. families found it helpful and some of them asked to share the presentation with them to keep it. They asked for more sessions like this which focus on daily experiences.”

95% of participants who completed the feedback form were ‘Satisfied’ or ‘Very Satisfied’ with the content of the workshops.

The percentage of respondents who definitely will/ already have or probably will register for the Priority Service Register is 74%.

100% of respondents stated that they definitely will/ already have or probably will look into taking action to control their heating system more effectively.

NGN Stakeholder feedback

There are vulnerable communities within the NGN region who may not be aware of Carbon Monoxide (CO) poisoning, such as refugees, low-income families, elderly and Black, Asian, and Minority Ethnic (BAME) communities. Many refugees arriving in the United Kingdom face multiple health challenges. Some refugees’ health issues result from experiences in their home countries; others may develop once they arrive. Because refugees generally live in low-income housing, one concern can be the impact on health (physical and mental) from living in poor housing (cold/damp homes) which can increase the risk of fuel poverty. Even when living in safe housing however, refugees who lack experience with western-style homes and are from different cultural backgrounds, may be at greater risk than native residents. In addition, limited English and literacy skills may prevent some refugee families from learning how to safely use and maintain their new homes. This has the potential to lead to the risk of CO poisoning from appliances, if the

	<p>families are unsure of how to safely maintain these and may be unaware of the signs and symptoms of CO poisoning. There is a big gap in knowledge within these different cultures, especially around heating and cooking, in terms of CO awareness.</p> <p>Asking our stakeholders what’s important – using our wide range of engagement mechanisms from strategic workshops to customer perceptions, we asked stakeholders to prioritise what is most important to them. Since 2019 we’ve held regular workshops with our stakeholders, on the subject of Customers in Vulnerable Situations (CIVS). This ensures that we are well informed to address the needs of customers across our network and through collaborative projects.</p> <p>Our most recent stakeholder engagement during 2023 has informed us that financial hardship is still a key area of focus, alongside the health impacts associated with, or exacerbated by, living in cold and damp homes. Stakeholders also told us that increasing capacity for support within services would be key to addressing the immediate and longer term impacts of fuel poverty and energy affordability. This project addresses this need and ensures additional capacity to support households who may be at risk, through a well-established and trusted advice service.</p> <p>SGN Stakeholder Feedback</p> <p>SGN’s Vulnerability Steering Group has helped shape SGNs vulnerability strategy and our priorities for GD2 and how best to utilise the VCMA to help those most a risk of living in a cold and unhealthy home. It is with guidance and support from our dedicated VSG that SGN use data to prioritise and target communities most likely to be living in a cold and unhealthy home, in particular those who are most likely to be living in fuel poverty and face barriers like language, cultural and digital exclusion.</p> <p>As we’ve progressed our portfolio of projects throughout GD2 our strategic steering group reiterated the vital impact we could have by co-ordinating our activities with others to support those most in need, those most impacted by the cost of living and energy cost crisis. The VSG have recommended that we look to build stronger links with organisations who already are trusted by the community we’re looking to support.</p> <p>In 2023 our strategic steering group re-iterated the vital impact we could have by embedding support services in trusted organisations who can deliver impactful community engagement that addresses the impact of the cost-of-living crisis.</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The planned and measurable outcomes for the project are:</p> <ul style="list-style-type: none"> • Refugee and asylum seekers have increased confidence to take control and manage their energy bills, empowering them to keep warm and healthy at home • Subjective improvement in health and wellbeing and reduced attendance for medical intervention for cold related illness • Strengthen resilience for refugee and asylum seekers by relieving stress about fuel debt or social isolation due to living in fuel poverty • Increased skills and knowledge of frontline staff with awareness of the impacts of living in a cold home and how to support their clients <p>Through the partnership we aim to:</p> <ul style="list-style-type: none"> • Support 200 (minimum of 160) people within the refugee and asylum seeker community over the two years to become energy champions • Deliver 20 workshops in energy safeguarding helping to keep people safe and warm at home. • Provide 2000 (minimum of 1600) people with in-direct support via the energy champions

	<ul style="list-style-type: none"> • Confirmation that trained energy champions self-assess as having increased confidence in managing a safe and warm home (who to call in an emergency, energy advice from how to efficiently warm a home, to how to identify the best tariff, and relevant funding schemes for those in hardship eg. Warm Homes Discount) • Confirmation that the trained energy champions can identify the signs of fuel poverty in their community and feel confident in supporting others in achieving a safe and warm home • Participants registering to the PSR and being able to confidently promote the scheme to eligible households • Participants are confident that they know the signs of CO exposure and what to do to reduce CO harm • Participants are confident that they know where to go to for help should they find themselves in utility debt
Project Partners and Third Parties Involved	<p>NEA will lead delivery of the project working closely with SGN and NGN.</p> <p>NEA will also engage with third party organisations, including but not limited to:</p> <p>Tamil Women’s Group; Migrant Help UK; Reading Refugee Support Group and Separated Children Seeking Asylum who directly support refugees and asylum seekers. Additional support, both financially and in kind will be requested from other utilities who also have a role to play in supporting their refugee and asylum seeker customers, these will include the regional water companies and potentially energy suppliers.</p> <p>SGN – lead gas network providing funding and support to the delivery team, including training, access to broader referral partners, and direct services for customers including but not limited to Locking Cooker Valves, CO alarms and access to the Fuel Poor Network Extension Scheme.</p> <p>NGN – partnering gas network providing funding and support to the delivery team, including training, access to broader referral partners, and direct services for customers including but not limited to Locking Cooker Valves and CO alarms.</p>
Potential for New Learning	<p>During the project implementation, there will be a range of monitoring activities established to ensure robust evaluation of the project. NEA will measure the outcomes of the project using both quantitative and qualitative methods. Data will be collected on the number of people accessing the services and the range of people, noting their age, ethnicity and marital status. Where applicable (given the complex needs of some of the service users), a sample of clients will be asked to complete a questionnaire before they receive advice and then asked to complete it again following NEA’s intervention. The results from a random sample will measure how much understanding and knowledge has increased amongst clients.</p> <p>As a partnership we will work closely to ensure that we all understand the issues faced by the refugee and asylum seeker communities and adapt the support provided to address barriers to a safe and warm home.</p> <p>The data and information collected from the project activities will be collated and analysed to create a post project report with findings and recommendations and to show the real difference that has been made.</p> <p>This project report will be published on NEA portals, such as the charity website, and disseminated to project partners, and relevant members and stakeholders in the sector through the VCMA showcase and the Annual Report.</p> <p>NEA will also ensure the project is delivered in a cost-effective way by ensuring tight financial monitoring is adhered to by staff involved in its delivery. When completing budgets for projects NEA has a detailed costing and pricing form which is completed to ensure accuracy. NEA's finance department undertake regular independent audits to ensure policies and procedures are correctly followed.</p>

Scale of VCMA Project and SROI Calculations	<p>Using the expected number of customers reached by the partnership and the outcomes provided, this project has been externally assessed by SIRIO Strategies using the newly developed Industry Standard Social Value Framework and is forecast to achieve the below Social Return on Investment (SROI):</p> <table border="1" data-bbox="363 304 1439 506"> <thead> <tr> <th colspan="3">5-year Results</th> </tr> </thead> <tbody> <tr> <td rowspan="3">SROI Valuation</td> <td>Total gross present value</td> <td>£188,515.11</td> </tr> <tr> <td>NPV</td> <td>£120,171.93</td> </tr> <tr> <td>SROI</td> <td>£1.76</td> </tr> </tbody> </table>	5-year Results			SROI Valuation	Total gross present value	£188,515.11	NPV	£120,171.93	SROI	£1.76
5-year Results											
SROI Valuation	Total gross present value	£188,515.11									
	NPV	£120,171.93									
	SROI	£1.76									
VCMA Project Start and End Date	<p>The project will run from 1st April 2024 to 31st March 2026</p>										
Geographical Area	<p>Shared distribution network areas covered by SGN and NGN.</p>										
Internal governance and project management evidence	<p>SGN and NGN have worked alongside NEA to co-design this partnership and ensure that its ambition contributes to the delivery of their collaborative Vulnerability Strategy and adheres to the updated VCMA governance criteria.</p> <p>The initial SROI was completed by SIA Partners in July 2021 using the shared DNO methodology with GDN specific proxies included at an additional value of £5.50 for every £1 invested.</p> <p>For the updated 2024 – 2026 partnership, the SROI has been assessed by SIRIO Strategies using the newly developed Industry Standard Social Value Framework supported by the GDN Rulebook, this includes consideration of the current partnership delivered outcomes.</p> <p>As detailed above have reviewed the current partnership scope which has been forecast at adding an additional £1.76 for each £1 invested, this will be monitored closely to ensure we adhere to the VCMA governance criteria and over deliver as we have done throughout the partnership to date.</p> <p>To support the partnership to deliver the success criteria outcomes as detailed, SGN and NGN will continue to meet quarterly to review partner challenges, review outcomes, learn, share best practices, and address any delivery issues.</p> <p>The PEA has been drafted by the business lead Kerry Potter from SGN and has been reviewed by representatives of the NGN and signed off by the senior leaders of all participating GDNs.</p>										

Internal governance and project management evidence

The PEA has been reviewed and approved as detailed below.

Stage 1: GDN Collaboration Group PEA Review

Review completed by:


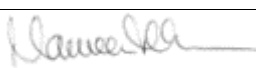
GDN:	Name:	Job Title:
NGN	Laura Ratcliffe	Social Strategy Programme Manager
SGN	Kerry Potter	Group Social Impact and Vulnerability Manager

Stage 2: GD2CVG Panel Review

Review completed by:

GDN:	Name:	Job Title:
NGN	Laura Ratcliffe	Social Strategy Programme Manager
SGN	Kerry Potter	Group Social Impact and Vulnerability Manager

Step 3: Participating GDN individual signatory sign-off

GDN	Name:	Job Title:	Signature:	Date:
NGN:	Eileen Brown	Customer Experience Director		12/06/24
SGN:	Maureen McIntosh	Director of Customer Services		12/06/24

Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)