

Northern Gas Networks – VCMA administration

Funding GDN(s)	Northern Gas Networks
For Collaborative VCMA Projects:	Role of GDN(s) N/A
Date of PEA submission:	March 2024
Project contact name:	Laura Ratcliffe
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Total cost (£k)	*detailed separately
Total VCMA funding required (£k)	*detailed separately

1. Problem(s)

This should outline the problem(s) which is/are being addressed by the VCMA Project

The VCMA allowance is new in GD2, it has been designed to enable the delivery of the gas networks social Business Plan commitments that safeguard vulnerable customers and increases CO awareness in the respective network areas. Several teams are required to input into the administration of VCMA, such as legal, procurement, finance and data protection.

Dedicated time is required from different departments within NGN to implement VCMA projects and get them off up and running. The administration of VCMA projects will be on-going throughout GD2 (1ST April 2021 – 31st March 2026). The funding will support projects covering all types of vulnerabilities and will involve working with the Vulnerability Team, as well as other departments withing NGN. Responsibilities will also include portfolio management from initial concept to completion, the coordination, measurement, and insight sharing, as well as the delivery of the Annual VCMA report(s) and the VCMA Annual Showcase.

2. Scope and Objectives

The scope and objectives of the VCMA Project should be clearly defined including the benefits which would directly impact customers on the participating GDNs' network(s), and where the benefits of the VCMA Projects lie.

VCMA administration will be one of a supportive nature, solely responsible for getting new VCMA projects up and running. Back office administration will also be responsible for overseeing the development of projects and ensuring the projects are compliant with procurement standards etc.

In summary, the scope of the role will involve identifying, defining, and controlling the outputs associated with all of NGN's projects funded from VCMA.

2.1 The objectives of this initiative are:

To provide a dedicated time to several teams within NGN that can administer the delivery of the Vulnerability and Carbon Monoxide allowance in accordance with the strategic ambitions of NGN and the collective GDN working groups. Responsible for;

- To work closely with the vulnerability team to administer VCMA funding and get projects up and running asap
- Vulnerability and Carbon Monoxide Allowance Programme Administration
- To work alongside agreed and funded partners in order to administer VCMA funding
- To provide clear pre and during measurement assessments that clearly support and demonstrate the social value of funded projects
- To manage challenges and support the sharing of lessons learnt and best practice
- Collaboration with other stakeholders and gas networks to deliver outcomes for gas customers as demonstrated in the Annual Showcase and via the VCMA Annual Reports

- Ensure that all initiatives introduced and projects that are approved, comply with relevant Licence Obligations, and are aligned with the commitments made and recognised in the GD2 Business Plan

2.2 Scope

- Covers all of NGN's geographical area
- All projects link into vulnerability and raising awareness of the dangers of carbon monoxide (CO) and PSR
- Project alignment with NGN's Vulnerability Strategy

3. Why the Project is being funded through the VCMA

This should include an explanation of why the VCMA Project meets the VCMA eligibility criteria. This is a requirement

This project qualifies under the criteria for VCMA funding as the project portfolio will enable the delivery of NGN's Consumer Vulnerability Strategy which were formed following extensive stakeholder engagement in preparation for GD2 as detailed in NGN's GD2 Business Plan. The administration teams will also ensure each project will align with at least one of NGN's Vulnerability Strategy themes - physical disability, mental health, rural isolation, financial hardship and temporary vulnerability.

There will be no collaboration from other GDN's nor other funded sources for this specific role.

3.1 Eligibility criteria

- This project will have a positive SROI
- This project will support NGN's Vulnerability Strategy by supporting the vulnerability team with VCMA projects that align with all of the themes, namely: financial hardship, rural isolation, physical disabilities, mental health and temporary vulnerabilities
- Has defined outcomes as required
- Goes beyond NGN's licence obligations and price control funded mechanisms

4. Evidence of stakeholder/customer support

This should provide information of the customer engagement that has taken place in the development of VCMA Projects where appropriate. If there is no evidence of stakeholder engagement or customer support, this should justify why it was not appropriate to engage with stakeholders and customers.

Within the Northern Gas Networks' region, we serve 2.7 million gas-using households. The socio-economic characteristics of our region mean that we operate in many communities that are amongst the most economically deprived in the whole country. There is clearly a need to support

these communities, through projects that can be overseen by a dedicated resource. The socio-economic characteristics have been a key factor in our prioritising engagement with vulnerable and hard-to-reach groups of customers, often through our partners, telling them about our services, about what we do and how we could improve.

Each year, we undertake analysis of all the insight we've heard in the previous year to prioritise those issues our stakeholders most want to engage on. Over the past 12-18 months, we've done this in a number of ways.

4.1 Customers in Vulnerable Situations (CIVS) Workshops

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.

During our January 2021 workshop, our stakeholders said we need more streamlined ways of working together. This project addresses this issue needs as the administration team will ensure that the projects are progressing as they should be prior to the project starting and will ensure projects qualify under VCMA funding criteria.

4.2 The Independent Stakeholder Group (ISG)

This group provides an independent oversight into the actions we take to support our customers in vulnerable situations (CIVS). Checking we've got it right – using a range of engagement mechanisms to assess and challenge our response to stakeholder feedback, ensuring we are responding in the right way. This has offered us robust challenges into how we deal with CIVS, which meets the needs of our stakeholders. The introduction of a dedicated role to support VCMA projects has been welcomed by the ISG.

4.3 Vulnerability Strategy AAA Framework

Within our Vulnerability Strategy we have developed, with the help of our stakeholders, the 'AAA' framework. This helps us support our customers in vulnerable situations. Awareness, Accessibility and Action. By adapting this principles-based approach into our AAA framework, we will ensure that all customers are treated fairly and consistently. All of the themes within the strategy will be covered by projects being coordinated by this dedicated role.

5. Outcomes, associated actions, and success criteria

Details of the VCMA Project outcomes and the associated actions to achieve these, interim milestones and how the Funding Licensee will evaluate whether the project has been successful. Each action should have a proportion of the funding allocated.

5.1 Outcomes

- Preparing VCMA projects ready to go live
- Facilitate / support project initiation
- Achieve outputs and outcomes as agreed with partners and Ofgem, via quarterly reporting
- A full review undertaken of all projects on an annual basis – identification of those for replication and scaling up
- Administrating new projects
- Build and maintain strong relationships with internal, new and existing external stakeholders
- Support NGN Vulnerability team with administrating new VCMA projects and project extensions

5.2 Success criteria

- Demonstration of actions taken to minimise risk and the sharing of any lessons learnt for all projects
- Developing new VCMA projects
- Developing existing and new relationships with partners
- Generating new projects through back office administration

6. Project Partners and third parties involved

Details of Project Partners or third-party involvement

NGN will be working with multiple social partners to develop new VCMA projects. The role will also involve close liaison with other Gas Distribution Networks for collaborative VCMA projects

7. Potential for new learning

Details of what the GDN(s) expect to learn and how the learning will be disseminated.

As this is a new project which will evolve over time. Any learning will be shared internally, with all GDN's and other partners. Learning will be captured on a Lessons Learnt log.

8. Scale of VCMA Project and SROI calculations

The Funding Licensee(s) should justify the scale of the VCMA Project – including the scale of the investment relative to its potential benefits. As part of this, it should provide the SROI calculation.

This project has a positive SROI.

VCMA Project start and end date

Detail start and end date of the VCMA Project and, where relevant, the VCMA Project that preceded this initiative.

1st April 2021 – 31st March 2026

Geographic area

Details of where the VCMA Project will take place. If the VCMA Project is collaborative, the Funding Licensee area(s) in which the project will take place should be identified.

All of NGN's geographical area

Approved by

Eileen Brown

Customer Experience Director