

Project Eligibility Assessment (PEA)

Project title:	CAB Newcastle-Fuel Debt Advice project
Funding GDN(s) <i>The GDN(s) which register(s) the project</i>	Northern Gas Networks
New or updated <i>(indicate as appropriate by removing the option that does not apply)</i>	New
Collaborative VCMA Projects <i>Specific role(s) of GDN(s) participating in a collaborative VCMA Project:</i>	N/A
Date of PEA Submission	March 2025
VCMA Project contact <i>Name:</i> <i>Email:</i> <i>Number:</i>	Laura Ratcliffe lratcliffe@northerngas.co.uk 07928501779
Total cost (£k):	*detailed separately
Total VCMA funding required (£k):	*detailed separately

Problem(s)	<p>Fuel poverty is a growing crisis in Newcastle and Citizens Advice Newcastle is committed to helping their residents through these challenging times. The increasing cost of living, rising energy prices, and low household incomes have left many people in desperate circumstances.</p> <p>Fuel poverty is affecting more and more families in Newcastle, with thousands of households now facing the choice between heating their homes and meeting other basic needs. The situation has been exacerbated by a combination of:</p> <ul style="list-style-type: none"> • Rising Energy Costs: Energy prices have surged, leaving people unable to afford adequate heating. According to national statistics, the average annual energy bill has increased dramatically, pushing more households into arrears. • Low Incomes: Many customers are on low or fixed incomes, and inflation has eroded their spending power, making it even harder to cover essential costs. • Health Implications: Cold homes are a severe risk to health, particularly for the elderly, young children, and those with pre-existing medical conditions. Living in a cold, damp home can lead to or worsen respiratory and cardiovascular diseases, as well as affect mental well-being. <p>Solution</p> <p>To combat this, they are seeking funding to employ dedicated Fuel Debt Advisers who will support vulnerable customers in managing and alleviating their energy debt.</p>
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	<p>Fuel Debt Adviser/s will provide tailored, holistic support, helping vulnerable customers manage their energy bills and make informed choices about energy consumption. The expected outcomes include:</p> <ul style="list-style-type: none"> • Debt Reduction via: (1) Assisting customers to challenge liability for debts where possible (where back billing rules appear applicable) to reduce customers' liability for debt where applicable and thereby either reducing the amount the customers is paying to cover their ongoing usage + arrears or reducing the period of time the client is required to cover their ongoing usage + arrears and/or (2) assisting eligible customers to apply for grants to partially or fully repay their debt and/or (3) assisting customers to negotiate affordable payment plans with energy providers alongside their ongoing usage. • Income Maximisation: Identifying benefits and support schemes that customers are eligible for and signposting/referring as appropriate for long term support with benefits (predominantly PIP/DLA/AA claims or mandatory reconsideration/applications for appeal at tribunal for other benefit issues.) • Behavioural Change: Educating customers on energy-saving measures to improve home efficiency and reduce costs. Increase awareness and understanding of carbon monoxide safety among vulnerable customers, reducing the risk of CO poisoning.
Scope and Objectives	<p>Scope</p> <p>The Fuel Debt Adviser project will provide comprehensive, targeted support to residents in Newcastle, particularly those most at risk of fuel poverty and the associated dangers of living in cold, unsafe homes. The project will focus on addressing the financial and health-related impacts of fuel poverty, empowering vulnerable households to manage their energy consumption, reduce energy debt, and increase awareness of carbon monoxide (CO) safety.</p> <ul style="list-style-type: none"> • Personalised Energy Debt Support: Assisting customers to challenge liability for debts where appropriate (inclusive of issues surrounding back billing and escalating to the energy ombudsman as necessary) and/or applying for grants to reduce liability for debt and/or supporting eligible customers to apply for debt relief schemes where applicable and/or assist the client to negotiate repayment plans for fuel arrears. • Income Maximisation and Financial Advice: Performing benefit entitlement checks and advising on available grants and schemes to increase household income and signposting/referring as appropriate for long term support with welfare benefits. • Energy Efficiency and Behavioural Change: Educating customers on practical, cost-effective energy-saving measures to reduce bills and improve home energy use. • Carbon Monoxide Awareness and Prevention: Informing customers about CO risks, promoting safe energy practices, and ensuring the use of CO alarms to prevent health emergencies and therefore preventing additional burden on health services. • Promoting the Priority Services Register (PSR): Increase awareness and registrations for the PSR to ensure vulnerable customers receive tailored energy supplier support, including

	<p>priority reconnection, communication assistance and advance notice of disruptions.</p> <p>Objectives</p> <p>To:</p> <ul style="list-style-type: none"> • Reduce Fuel Poverty • Improve Energy Efficiency and Safety: • Deliver a Positive Social Return on Investment (SROI) • Target High-Need Areas and Demographics
Why the Project is being funded through the VCMA	<p>This project qualifies under the criteria for VCMA funding, as it 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. As the project has mental wellbeing and financial hardship themes, it aligns with NGN'S Vulnerability Strategy too.</p> <p>This project aims to support our Centres for Warmth in assisting their communities with immediate crisis support, to deal with the significant impacts of fuel poverty, as well as other financial hardship.</p> <p>There will be no collaboration from other GDN's nor other funded sources.</p> <p>Eligibility criteria</p> <ul style="list-style-type: none"> • This project has a positive SROI • This project will support NGN's Vulnerability Strategy by aligning with the Financial hardship theme and the wider vulnerability categories of: <ul style="list-style-type: none"> • Financial hardship • Accessibility, including language • Socio-demographic • Cultural • Mental Wellbeing themes • Has defined outcomes as required <p>Goes beyond NGN's licence obligations and price control funded mechanisms</p>
Evidence of stakeholder or customer support	<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>Stakeholder engagement throughout 2022, 2023 and 2024, told us that fuel poverty and the choice between heating and eating is becoming more prevalent. The energy and cost of living crises have further compounded this issue. This project provides a solution to helping those customers who are financially struggling and need extra help to address energy affordability. The project fully aligns with the need to help vulnerable customers in fuel</p>

	<p>poverty. This was based on a combination of the following vulnerability factors:</p> <ul style="list-style-type: none"> • Fuel poverty • Benefit claims • No qualifications • Long term health problem / disability <p>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>Through research carried out in 2023, the findings show that the 5 original NGN vulnerability categories have now evolved to 10 categories. These are:</p> <ul style="list-style-type: none"> • Physical challenges, inclusive of communication issues, physical space • Mental wellbeing • Financial hardship • Temporary vulnerability – including post hospital recovery and pregnancy / maternity • Socio Demographic • Household composition • Rural Vulnerability • Accessibility Including language • Medical Dependant on Energy • Cultural <p>Feedback from our Spending allowances well - health focus (September '23) workshop, indicated that one of the biggest concerns was health, specifically the link between living in a cold, damp home and the impact on health. Health projects are a priority for NGN this regulatory year and the need for winter warmer packs and heat the person items are growing as the cold weather sets in.</p> <p>Through extensive engagement with stakeholders, we are seeing a number of key themes coming through consistently in terms of the impact of health and increased risks associated with cold, damp homes. Some notable observations and key areas are:</p> <ul style="list-style-type: none"> • We're seeing evidence of more expensive fuel costs for those with disabilities and those living with specific health conditions
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- We're seeing a rise in mental health issues within our network – and acknowledging this as a barrier to engagement in longer term support
- We're acknowledging increases in the risk of CO poisoning – and looking at ways to identify and address this

Feedback from our annual VCMA Showcase Event (July 2024) included questions around how GDN's can help people who are not traditionally eligible for support, so many are in private rented or mortgage properties and do work. This project will help vulnerable customers regardless of their property tenure. Stakeholders also mentioned enhanced health risks that cancer sufferers face. This project will help keep customers living with cancer warm and well in their own homes.

Feedback from our Supporting Communities Together Event (October 2024) told us that the support is needed now more than ever to help customers stay warm and well in their own homes. Stakeholders also mentioned that if bills can't be lowered by price per kWh, then support advice initiatives re: other ways to stay warm should be available to customers. Stakeholders also mentioned that NGN should support customers this winter by providing practical support in the form of winter warm packs, vouchers etc.

Independent Stakeholder Group (ISG)

This group previously known as the Customer Engagement Group, provides an independent oversight into the actions we take to support our customers in vulnerable situations. 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 customers in vulnerable situations which meets the needs of our stakeholders. The ISG work with NGN, to create the content of the Customers In Vulnerable Situations (CIVS) workshops, previously detailed in the document.

Vulnerability Strategy (Updated Spring 2024)

NGN's dedicated Customers in Vulnerable Situations Strategy is continually reviewed to reflect changes in need. The most recent update was in June 24, reflecting the increase in the Vulnerability and Carbon Monoxide Allowance from c£7m to £20m. This ongoing strategy review continues to be informed by Stakeholder feedback. The six strategic principles, detailed below, form the basis of the strategy. Different support mechanisms and approaches have been mapped against each of the six principles, reflecting priority areas from stakeholder feedback.

The six key priority areas identified by our stakeholders are summarised below:

- Priority Area 1: Increased focus on health
- Priority Area 2: Collaboration and linking up partners and funding
- Priority Area 3: Increasing capacity for support within partner organisations
- Priority Area 4: Connecting and responding to different aspects and complexities of vulnerability
- Priority Area 5 – Continued support for those in financial hardship
- Priority Area 6 - Scaling up existing projects

<p>Outcomes, associated actions and success criteria</p>	<p>Personalised Energy Debt Support and financial advice:</p> <p>Outcome: Vulnerable households experience a measurable reduction in energy debt, leading to improved financial stability and reduced stress.</p> <p>Associated Actions:</p> <ul style="list-style-type: none"> • Challenges to liability for debt • Debt • Access to Debt relief schemes, grants and discounts: • Debt Relief Support: <p>Outcome: Households access additional income sources and financial support, reducing financial pressures and enabling them to manage energy costs more effectively.</p> <p>Associated Actions:</p> <ul style="list-style-type: none"> • Benefit entitlement checks <p>Outcome: Households reduce their energy consumption and costs through improved energy efficiency and behaviour change.</p> <p>Associated Actions:</p> <ul style="list-style-type: none"> • Energy Saving Advice • Tailored Energy Budgeting Support • Referrals to Home Efficiency Schemes <p>Outcome: Households become better informed about the dangers of CO poisoning and take steps to prevent incidents.</p> <p>Associated Actions:</p> <ul style="list-style-type: none"> • CO Education • Raise awareness about alarm availability <p>Outcome: An increase in the number of vulnerable households registered on the PSR, ensuring they receive essential support and protections from energy suppliers.</p> <p>Associated Actions:</p> <ul style="list-style-type: none"> • Eligibility Assessments • Registration Facilitation <p>Success Criteria</p> <p>Personalised Energy Debt Support</p> <ul style="list-style-type: none"> • Reduction in Debt • Sustainable Repayment Plans • Avoidance of Disconnection <p>Income Maximisation and Financial Advice</p> <ul style="list-style-type: none"> • Increased Income • Benefit Applications • Debt Resolutions • Budgeting Skills Improvement <p>Energy Efficiency and Behavioural Change</p>
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	<ul style="list-style-type: none"> • Energy Savings • Efficiency Measures Accessed • Improved Awareness <p>Carbon Monoxide Awareness and Prevention</p> <ul style="list-style-type: none"> • Increased Alarm Coverage • CO Risk Awareness <p>Promoting the Priority Services Register (PSR)</p> <ul style="list-style-type: none"> • PSR Registrations • Awareness of PSM Benefits • High-Risk Group Focus
Project Partners and third parties involved	Action for Children, St Vincent De Paul, Bread and Butter thing, Yorkshire Building Society, Northern Powergrid, Citizens Advice (MAPS), Walker Foodbank, City Library, Jesmond Library, and CAN Core Services.
Potential for new learning	Any learning will be shared with stakeholders, including GDN's, DNO's and water companies.
Scale of VCMA Project and SROI calculations, including NPV	<p>This project has a positive SROI return.</p> <p>SROI: £4.58</p> <p>NPV: £226,408.43</p>
VCMA Project start and end date	March 2025-February 2026
Geographical area	Newcastle
Internal governance and project management evidence	<p>VCMA Governance Group Meeting: 31 January 2025</p> <p>Outcome of meeting: Approved</p>
Approved by: Job Title:	<p>Eileen Brown</p> <p>Customer Experience Director</p>
Signature:	