

Project Eligibility Assessment (PEA)

Project title:	The Wise Group-Heat 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>The North of England has some of the highest rates of fuel poverty in the UK. Customers served by Northern Gas Networks have an increasing need for more support as they struggle with fuel poverty and the multiple/complex challenges and vulnerabilities facing their daily lives. Through extensive research, NGN have identified the geographical areas and customer groups that are the hardest to reach. Unsurprisingly, individuals and families living in fuel poverty are those who are both the hardest to reach and where the impact of no support being available is the highest.</p> <p>The Wise Group conducts a survey every winter of those requiring support and assistance in relation to fuel poverty. The survey captures the insight of those living in fuel poverty and the impact of support from their mentor to change their lives and deliver sustainable change. Comparing this winter to last, it showed sustained hardship resulting in poor mental and physical health, families with children becoming more likely to visit foodbanks compared to last year. There is also a growing demand for mentoring support, with households much more likely (65%) to desire support in addition to financial assistance compared to last year (24%). This year it showed that:</p> <ul style="list-style-type: none"> Over 75% of people on prepayment meters said their physical health had been impacted by the cost-of-living crisis or preferred not to say 30% of families in work have visited a foodbank 82% of people with a disability say their health has deteriorated as a result of energy bills
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	<ul style="list-style-type: none"> ▪ Energy, internet and food were equally likely (30%) to be the first to ration among retired people, compared to energy (25%), food (20%) and debt (12%) among working age people ▪ 81% of single parents said their health had been impacted by the cost-of-living crisis or preferred not to say <p>Solution</p> <p>The Wise Group's Home Energy Advice Team (HEAT) provides mentoring support and advocacy to vulnerable households to ensure no one has to struggle between choosing to heat or eat.</p> <p>They help fuel poor households experiencing energy crises through the provision of independent, tailored advice to ensure emergencies are dealt with quickly and efficiently. By working with households to optimise their relationship with fuel consumption and efficiency over time, we reduce fuel poverty and help more people live comfortably in a warm home.</p> <p>Energy Mentoring</p> <p>HEAT will provide an energy mentoring service for households in/at risk of fuel poverty and fuel fear. Mentors take a relational mentoring approach to support customers. This means engagement is professional, focused on communication, is relationship-based and support is compassionate and personalised to the individual. Customer progression is evidence-based and delivers sustainable positive change.</p> <p>The energy mentoring service includes:</p> <ul style="list-style-type: none"> • Energy Crisis & Advocacy Support • Energy Efficiency & Energy Saving Advice • Income Maximisation
<p>Scope and Objectives</p>	<p>Scope</p> <p>The Wise Group will deliver personalised services to households within NGN's network area using their successful HEAT service model. For each customer, they will create individual Action Plans based on the unique needs of each customer, ensuring that the solutions provided directly address the issues relating to fuel poverty and multiple/complex vulnerabilities faced. Over the two years of the contract, they will support:</p> <ul style="list-style-type: none"> ▪ Up to 1,750 households (approx. 875 households per annum) <p>This figure is based on resource available, allowing capacity to provide intensive, complex advocacy casework to around 80% of households engaged. Based on their extensive experience, this level of provision delivers the greatest impact for households as it enables positive engagement over a period of time which transactional/one-off advice engagements will not allow.</p>

	<p>To calculate the amount of support required, they have looked at their historical data of the amount of time required to support a household. This is broken down into three levels of intensity – Low, Medium, and High. High complex cases often involve months of case management, including advocacy with energy suppliers.</p> <table><tr><th>Intensity Level</th><th>Proportion</th><th>Max support hours</th></tr><tr><td>Low</td><td>20%</td><td>1</td></tr><tr><td>Medium</td><td>50%</td><td>5.6</td></tr><tr><td>High</td><td>30%</td><td>17</td></tr></table> <p>The Wise Group’s mission is to transform lives and lift people out of poverty. Through HEAT, we provide mentoring support and advocacy to vulnerable households in and at risk of fuel poverty, delivering the following key objectives:</p> <p>The objectives of this initiative are:</p> <ul style="list-style-type: none">• Reduced fuel poverty and fuel debt• Increased and maximised household income• Improved household energy usage and efficiency• Improved customer health and wellbeing• Improved knowledge and awareness of how to prevent or resolve energy issues• Improved customer relationship with energy consumption and management	Intensity Level	Proportion	Max support hours	Low	20%	1	Medium	50%	5.6	High	30%	17
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<p>Why the Project is being funded through the VCMA</p>	<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												

	<ul style="list-style-type: none"> • 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 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

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.

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:

- We're seeing evidence of more expensive fuel costs for those with disabilities and those living with specific health conditions
- 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)

	<p>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.</p> <p>The six key priority areas identified by our stakeholders are summarised below:</p> <ul style="list-style-type: none"> • 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>Utilising their existing framework, they will meticulously monitor the progress and outcomes achieved for each household supported. This rigorous tracking methodology, allows them to tangibly demonstrate that the interventions and support have brought about meaningful change in the lives of local people.</p> <p>Their framework enables them to analyse and evaluate the impact of support on the behaviours of the households. They aim to educate them on the use and benefits of mains gas, change their energy consumption habits, encouraging them to adopt more sustainable practices and reduce their carbon footprint. By monitoring changes in energy usage patterns and surveying the households, they can measure the success of their efforts in influencing their behaviours.</p> <p>Outcomes</p> <ul style="list-style-type: none"> • Reduced fuel poverty/energy insecurity • Improved confidence to manage energy use • Improved household energy efficiency/ carbon footprint • Improved financial situation • Improved access to energy specialist services • Improved understanding of how to resolve energy issues • Improved skills and knowledge to manage energy use and costs • Reduced energy debt • Improved awareness of funding support available <p>Success criteria</p> <p>To support 1,750 households across the NGN distribution area – to reduce fuel poverty/energy insecurity facing households.</p> <p>Outcomes are achieved through the repeated delivery of linked Activities and/or the assertive confirmation from a customer that the Outcome has been achieved. For example, improving a customer's access to energy specialist services will be achieved by providing them assistance to access and engage with energy specialists. Outcomes which relate to behaviour and/or skill</p>

	change will meet the success criteria when the Customer confirms with the Mentor that they feel progress has been made.
Project Partners and third parties involved	<p>The Wise Group will be the service delivery partner, providing direct energy mentoring support to households experiencing fuel poverty across the NGN distribution area. The Wise Group is responsible for engaging with the target households and communities. The Partnership Executives, Team Leads and Operations Manager overseeing this project will coordinate with partners to maximise collaboration and efficiency.</p> <p>The Wise Group delivers numerous employability, skills and community justice services to support vulnerable households across the area. We will utilise internal referrals from these services to support customer identification and referrals.</p> <p>In addition they work with a range of existing referral partners, particularly in the north east including housing associations, councils, foodbanks and a range of third sector organisations.</p>
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: £3.85</p> <p>NPV: £1,906,232.16</p>
VCMA Project start and end date	July 2024-March 2026
Geographical area	Durham, Sunderland, South Tyneside
Internal governance and project management evidence	<p>VCMA Governance Group Meeting: 25th June 2024</p> <p>Outcome of meeting: Approved</p>
Approved by: Job Title:	<p>Eileen Brown</p> <p>Customer Experience Director</p>
Signature:	