

Safe & Warm Community Support Scarf

Vulnerability and Carbon Monoxide Allowance (VCMA) Project Eligibility Assessment (PEA)

Updated: April 2026

PEA reference: FP-SGNScot-002a



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Project registration table

Project summary	
Project title	Safe & Warm Community Support
Strategic area	Fuel Poverty and Energy Affordability
Lead partner name	Scarf
New/Updated (indicate as appropriate)	New
Date of PEA submission	April 2026
Project start and end date	April 2026 – March 2028
Project location	Dundee and Aberdeen
Sectors involved	Gas Distribution Network Consumer Group Charitable Organisation
Project contact	
Name	Margaret Hamilton
Contact details	Positive.impact@sgn.co.uk
Project partners and third parties involved	
Organisation name	Role
Scarf	Lead Delivery Partner
Costs and funding	
Total cost (£k)	£151,890
Total VCMA funding required (£k)	£150,000
Total BAU vulnerability and CO safety activity baseline allowance funding by activity (£k)	£1,890 – CO alarms

Problem(s)

This section needs to outline the problem(s) which is/are being addressed by the VCMA project.

Rising energy costs, fuel poverty and financial insecurity continue to place severe pressure on households across the UK. Since 2021, energy prices have almost doubled, and as of early 2026, it's estimated that around 6.7 million households across the UK are living in fuel poverty. Nearly half of low-income households remain in homes that are hard to heat, leaving millions exposed to cold, damp conditions that harm their physical and mental health.

Fuel poverty remains a significant and persistent challenge across Scotland, driven by a combination of low household incomes, rising energy costs, and the poor energy efficiency of much of the country's housing stock. Many households spend a substantial share of their income on energy just to maintain safe and healthy living conditions with the most vulnerable households facing the greatest barriers to staying warm, well, and financially secure.

Fuel poverty remains a significant issue across the North and East of Scotland. Dundee, Aberdeen and surrounding areas consistently record some of the highest levels of fuel poverty in mainland Scotland, with local authority data showing between 29–36% of households in, or at risk of, fuel poverty.

Across the region, a growing number of households are experiencing severe financial pressure, rising energy costs, and poor housing conditions that place them at heightened risk of fuel poverty and energy-related harm. Many vulnerable customers lack access to trustworthy home energy advice, struggle to navigate complex energy supplier systems, and are unaware of the financial support, grants, or benefits available to them. As a result, households often face escalating fuel debt, unsafe heating practices, and increased exposure to risks such as carbon monoxide poisoning.

Communities most affected by poverty frequently have limited opportunities to engage with energy experts or receive tailored, in-person guidance that could help reduce bills, improve home safety, and strengthen financial resilience.

Scope and objectives

Outline the scope and objectives of the VCMA project linked to the problem statement above. This 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.

Scarf is a charity and social enterprise that provides free and impartial energy advice to communities in Northeast Scotland.

Together, we will deliver a two-year Safe and Warm Regional Home Energy Advice Programme to support residents across Aberdeen and Dundee.

Building on the proven delivery model established during GD2, this programme will maintain a consistent and reliable service in communities where support has been reduced, or, in some cases, is no longer available.

The core focus of the initiative is to safeguard vulnerable customers while delivering clear, measurable social value across the region by:

- Providing in-depth home energy advice to households in or at risk of fuel poverty.
- Maximising income and reducing fuel debt through tailored advocacy, supplier liaison, and referrals to grants and benefits.

- Promoting energy safety by educating households about carbon monoxide risks, distributing carbon monoxide alarms, and supporting registration to the Priority Services Register (PSR).
- Delivering local engagement events and advice hubs targeting communities most affected by poverty and poor housing.
- Building cross-referral partnerships with Home Energy Scotland, Citizens Advice, Local Authorities, NHS partners, foodbanks, and our Safe & Warm community partners.

In addition, through the Scarf Fuel Fund, the project can support households experiencing energy crisis. This fund will be made accessible to our other VCMA partners to help their customers, particularly those with pre-payment meters who are at risk of self-disconnection or unable to top up. The Fuel Fund will ensure immediate support while the HEAT team provides longer-term advice and intervention.

Project design engagement

Targeting vulnerability support: This must describe how the GDN(s) identified the vulnerability need being addressed through the VCMA project, including the use of consumer research, stakeholder engagement, and data and technology.

Evidence of stakeholder and/or customer support: Information regarding all stakeholder and/or customer engagement which has contributed to the development of the VCMA Project.

Stakeholder project design input: How stakeholders were actively involved in the project design, and how their input and feedback were incorporated to shape the project design. Where stakeholders disagree about the project design, justification must be provided for why the current project design is deemed preferable.

This proposal is built on data-led insight from over 30,000 annual client interactions through Scarf's HEAT and EES:ABS projects and aligns with our strategic approach to deliver targeted, evidence-based support.

Building on the successful GD2 project, the current project has been co designed with Scarf, drawing directly on their frontline insight into the barriers people face and the types of interventions that make a meaningful difference.

Scarf's monitoring data evidence an increase in service demand of over 35% year-on-year during the last two years, reflecting deepening financial hardship, energy debt, and the health impacts of living in cold, damp homes.

The project builds on previous Safe and Warm learning, fostering broader collaboration between partners and demonstrating potential for national scalability.

Scarf collaborates with strategic partners, including Citizens Advice, local authorities, Home Energy Scotland, community groups, foodbanks, frontline services and our Safe & Warm community partners.

Stakeholders deeply value a coordinated local network, where individuals can access a truly person-centred and holistic service spanning energy safety, financial wellbeing, home-environment support, and wider health and social needs. By combining strong community reach with accessible local delivery and active partnership engagement, the service ensures that support is both comprehensive and rooted in the realities of the people and communities it serves.

This project has also been shaped by the principles co-developed with our Vulnerability and Carbon Monoxide Steering Group (VSG), ensuring that vulnerable households are meaningfully involved in the design of locally accessible services. The VSG's framework emphasises coproduction with trusted community partners, equitable access regardless of personal circumstances, and the importance of tailoring support to local need. By grounding the project in a shared, evidence-based understanding of vulnerability, we're building a service

that is not only responsive to the lived experience of vulnerable households, but also aligned with wider commitments to fairness, inclusion, and targeted support for those most at risk.

Why the project is being funded through the VCMA

This should include an explanation of why the VCMA project meets the VCMA eligibility criteria, and how it aligns with the GDN's VCMA collaborative strategy.

This project meets the VCMA eligibility criteria because it directly supports our Vulnerability Strategy and our overarching ambition to keep communities safe, warm, and supported, both now and as we transition toward a green, clean energy future. Our strategy places vulnerable households at the centre of our decision making, ensuring that those most in need receive meaningful, practical assistance.

The project is designed to help us deliver our Business Plan commitments, particularly two key customer pledges, the first to support at least 650,000 of the most vulnerable households over the next five years. The second, to ensure that the project has been designed to ensure that it delivers meaningful outcomes and measurable value for customers and stakeholders. This includes maximising the social return on investment (SROI) for every pound spent, while consistently prioritising the needs and experiences of vulnerable customers.

In addition, the project reflects the strategic priorities of our Vulnerability Strategy – an approach shared by all four gas networks – which delivers support across four core areas:

- Providing Services Beyond the Meter – direct services for vulnerable households as we go about our day-to-day operational work that extends beyond traditional gas network responsibilities
- Tackling Fuel Poverty and Energy Affordability – targeted support for customers struggling to afford energy, helping households reduce energy costs, improve efficiency, and access essential advice
- Supporting Priority Customer Groups – identifying and assisting those with heightened needs, ensuring they receive tailored and timely support
- Reducing Carbon Monoxide Harm – a data driven approach to raising awareness, improving safety, and reducing carbon monoxide risks.

By addressing these themes, the project demonstrates strong strategic alignment and delivers tangible benefits to vulnerable customers, making it a clear fit for VCMA funding.

This project forms part of the 'Tackling Fuel Poverty and Energy Affordability' theme and budget area.

How VCMA funding complements or supplements BAU activities

Where the VCMA Project is being delivered alongside a BAU vulnerability and/or CO safety activity or activities funded through the GDN's baseline allowance, the GDN must provide sufficient evidence that the VCMA Project complements or supplements the BAU activity or activities to prevent the risk of double funding.

By working closely with local community organisations that support vulnerable households, the project has established clear and effective referral pathways for individuals who may benefit from its services. The learning and insights generated to date will further strengthen how these households are engaged, particularly where barriers to accessing essential services are identified.

As a trusted, community-based organisation, Scarf is well positioned to engage directly with households, provide tailored guidance, and refer eligible individuals for BAU-funded support. This includes the provision of carbon monoxide alarms, Locking Cooker Valves, and other measures that help maintain safety in the home.

Justification for why the project should not be collaborative

This should include evidenced reasoning as to why the VCMA Project cannot, or should not, be delivered in collaboration with other GDNs. For example, this could include the unique context within a network area, or the development of an innovative pilot project.

This project is not collaborative because it is intentionally designed as a targeted local intervention delivered by a partner with deep roots in Aberdeen and Dundee.

Scarf operates exclusively within this locality and is uniquely positioned to understand the specific needs, barriers, and lived experiences of the community. The project model relies on hyper-local insight, trusted relationships, and place-based delivery rather than shared delivery across multiple GDN areas. Its purpose is to address a clearly defined gap in provision for a single under-served community, making a broader collaborative approach neither appropriate nor effective for the outcomes sought.

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.

Outcome	Project Target	Interim Milestones*
Energy triage	1,124	Quarterly performance - 140
CO safety information	1,124	Quarterly performance - 140
CO alarm provision	180	Quarterly performance - 22
PSR conversations	1,124	Quarterly performance - 140
PSR registrations	180	Quarterly performance - 22
Energy advice (across a number of energy advice measurable areas)	1,124	Quarterly performance - 140
Income maximisation (across a number of incomes generating measurable areas)	600	Quarterly performance - 75
Billing support and meter readings	720	Quarterly performance - 90
Emergency fund provision	200	Quarterly performance - 25

*Interim performance – averaged out and delivered with seasonal adjustments

Success Criteria

During this two-year project, Scarf will engage 20,000 households through information and marketing campaigns and provide direct support to 1,124 unique households across Aberdeen and Dundee by providing locally accessible support, delivering targeted community outreach, and integrating this work across existing programmes to ensure people can access help through the pathways they already trust.

These interventions mean that households report improvements in being able to maintain a safe and warm home, financial resilience, access to entitlements including the Priority Services Register, and overall wellbeing.

Potential for new learning

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

The impact of this project extends beyond direct support to vulnerable households across Aberdeen and Dundee, creating learning that can strengthen practice across our wider Safe a& Warm partnership network and inform other community-based initiatives.

This project has been built on a strong foundation of data, insight and the lived experience of communities who have sought support from Scarf throughout the cost of living and energy crises.

This project will build on and extend the learnings from our 2024-2026 project, ensuring success is incorporated into future delivery initiatives and promoted to others.

Scarf will produce data and insight from the project activities and create each year, an annual report with findings and recommendations which show the real difference our project has made.

Designed from the outset to be inclusive, community centred and evidence led, the project has been intentionally structured to generate learning that will inform future local community engagement programmes.

At a national level, the learning will continue to be shared as it was during GD2 by way of contributions to wider discussions on how to strengthen support for vulnerable households.

These outputs would be openly shared with the other GDNs via the Vulnerability Working Group and the GDN national Delivery Group and where requested the National Steering Panel.

Aligning with and supporting wider vulnerability approaches

Details of how the project supports or aligns with approaches to vulnerability taken by the wider energy industry, other utilities and/or consumer organisations; local, national or devolved governments; or evidence innovation or a gap in vulnerability support provision. For example, this could include evidence of collaboration beyond the VCMA, non-VCMA joint funding of the initiative, or identified gaps in the provision of vulnerability services which the project seeks to address. The GDN should show how the project fits within broader approaches to vulnerability.

Scotland's wider vulnerability landscape is shaped by a clear national commitment to ensuring that no household is left behind in the transition to a fairer, greener, and more resilient energy system. The Scottish Fuel Poverty Strategy sets out a statutory framework that recognises fuel poverty as a multidimensional issue, driven by low-income, high-energy costs, poor energy efficiency, and wider social inequalities. It emphasises the need for targeted, place-based interventions, strong local partnerships, and support that reaches those who face the greatest barriers to accessing national schemes. This project aligns directly with that approach by focusing on a community identified as both highly vulnerable and historically under served, ensuring that support is delivered where it is most needed and in a form that households can trust and access.

The project also complements the role of Home Energy Scotland (HES), which provides national level advice and support but relies on strong local networks to reach households who are digitally excluded, disengaged, or unaware of available help. By embedding trained support within trusted community settings, the project

strengthens the local delivery chain that HES depends on, helping people navigate complex energy issues, understand their rights, and access national grants and schemes.

This localised model mirrors the principles of Scotland's new Warm Homes Plan, which places a strong emphasis on tackling inequality, improving energy literacy, and ensuring that vulnerable households benefit first from decarbonisation and energy efficiency improvements.

Across the UK, utilities increasingly recognise that supporting vulnerable customers requires coordinated, multi-agency working. Energy and water are moving towards shared Priority Services Registers, joint outreach programmes, and collaborative safeguarding approaches to ensure that people with the highest needs receive consistent, wrap around support. This project reflects that direction of travel by working in partnership with local authority teams, health services, community organisations, and specialist advice providers to ensure that they are aware of this ambition and have the skills to share this with eligible households. Through these relationships, households receive holistic assistance that spans energy safeguarding, financial wellbeing, home environment support, and wider health and social needs.

By combining national policy alignment with local delivery capability, the project strengthens Scotland's wider vulnerability ecosystem. It ensures that the most disadvantaged households, those facing fuel poverty, digital exclusion, and limited access to services are included in the green energy transition. It also reinforces the principle that effective vulnerability support must be both data driven and community led, rooted in trusted relationships, and delivered through a network of partners working together to maximise impact.

Overall, this partnership fits within broader approaches to vulnerability by addressing a recognised gap in local energy advice by building community capacity to safeguard customers in crisis, which integrates with, rather than duplicates, wider national and devolved strategies.

Monitoring and evaluation

Details of how the GDNs will work with their project partners to monitor the impact of the VCMA project and evaluate its effectiveness and success.

Scarf and SGN will review monthly reports on measurable outcomes, working together to ensure successful delivery. Each quarter, the core project team will meet to share performance insights, highlight, and mitigate any underperformance, and provide structured updates on delivery, risks, and emerging outcomes.

We will work with Scarf to ensure that there is an evidence base through audit and research that seeks to understand how effective the project is in supporting their local communities who are struggling to maintain a safe and warm home, as well as assess the before and after to better understand the impact of the services provided on the lived experience of beneficiaries.

We will report annually on partnership impact, sharing broadly via our company-specific reports to showcase outcomes and key learnings and inform future delivery. Additionally, the learning will be shared across the GDN Vulnerability working group as well as through our business governance processes, including on request to our Independent Steering Group (ISG).

Scale of VCMA project and SROI calculations, including NPV

Justify the scale of the VCMA project – including the scale of the investment relative to its potential benefits. As part of this, the Funding Licensee(s) should provide the SROI calculation, including NPV. Note: The value in numbers of the SROI and NPV must be provided, rather than confirmation of positive impact.

Together as Gas Distribution Networks, we worked with leading social impact research consultancy SIRIO Strategies on the development of the Industry Standard Social Value Framework and supporting GDN Rulebook. We have used that GDN Rulebook to carry out an assessment of financial and wellbeing outcomes applicable to our services for vulnerable households included in this partnership.

We've incorporated social value based on the deliverables and associated targets detailed above. Carrying out an assessment of these predicted outcomes we forecast a positive net Social Return on Investment of £17.57 for every £1 spent.

Social value measurement

Total cost*	£149,179.90
Total gross present value	£2,770,026.03
Net Present Value (NPV)	£2,620,846.13
SROI	£17.57

*Accounting for inflationary factors over the term of the project.

Internal governance and project management evidence

Provide a description of GDN(s) review of proposal and project sign off, with details on how the project will be managed.

We worked closely with Scarf to co-design this partnership so that its ambition directly contributes to our Vulnerability Strategy, developed with support from our stakeholders, including through our Vulnerability and Carbon Monoxide Steering Group and overseen by our Independent Steering Group.

The PEA has been reviewed and approved through our internal governance processes and formally signed off as detailed below.

Approver (Name and Role)	Date
Kerry Potter, Group Social Impact & Vulnerability Manager	20/04/26
Maureen McIntosh, Director of Customer Services	21/04/26

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: 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 Support Criteria above;	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 local, national and devolved government, or evidence innovation or a gap in vulnerability support provision;	Yes
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: 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: 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. 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: 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