

IncomeMax

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

Updated: June 2026

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Project registration table

Project summary	
Project title	IncomeMax
Strategic area	Fuel poverty and energy affordability
Lead partner name	IncomeMax
New/Updated	New
Date of PEA submission	June 2026
Project start and end date	April 2026 – March 2028
Project location	Scotland and south England
Sectors involved	Gas Distribution Network Community Interest Company
Project contact	
Name	Shelley Smith
Contact details	Positive.impact@sgn.co.uk
Project partners and third parties involved	
Organisation name	Role
IncomeMax	Service provider
Costs and funding	
Total cost (£k)	£400.000
Total VCMA funding required (£k)	£400,000 (80% South / 20% Scot)
Total BAU vulnerability and CO safety activity baseline allowance funding by activity (£k)	N/A

Problem(s)

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

Rising energy costs 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.

Across both England and Scotland, the combined impact of high housing costs, inflation, and energy price volatility has intensified hardship, particularly for those already experiencing vulnerability. Many households struggle to maintain a safe and warm home, with fuel poverty risk increasing as incomes fail to keep pace with essential costs.

Evidence shows that this pressure is not evenly distributed. Older people, disabled people, those with long-term health conditions, carers, and families experiencing bereavement are disproportionately affected, as they often face higher energy needs, reduced earning capacity, or additional care-related expenses. These groups are also among the least likely to successfully navigate the welfare system, despite being most in need of support.

National analysis indicates that around £24 billion in benefits and social tariffs go unclaimed each year, affecting over 7 million households across Great Britain. This includes significant gaps in take-up of Universal Credit, Pension Credit, Carer's Allowance, Council Tax Support, and discounted tariffs for energy, water and broadband. The consequences are severe: households miss out on income that could prevent fuel poverty, debt escalation, and wider financial hardship. The reasons for this under-claiming are well-documented.

Barriers include:

- System complexity, with multiple application routes and varying eligibility rules creating confusion and administrative burden.
- Lack of awareness, particularly among older people, who may not know they qualify for support.
- Stigma, which continues to deter many from seeking help.
- Digital exclusion, affecting millions who lack the skills or access needed to complete online applications.

These barriers are especially acute for vulnerable groups, who may already be managing health issues, caring responsibilities, or bereavement. As a result, many households fall deeper into hardship despite being eligible for substantial financial support.

In Scotland, for example, [recent government data](#) shows that 20% of working-age adults, 23% of children, and 15% of pensioners were living in relative poverty after housing costs in 2021–24. These figures underscore the persistent challenge of ensuring that low-income households can meet basic living standards, including maintaining a warm and secure home environment.

Support agencies, crisis centres, and community organisations play a vital role as front-line responders. They are often the first point of contact for people in acute distress, providing immediate crisis respite, emergency grants, food, warmth, and emotional support. However, these organisations frequently lack the specialist capacity to address the underlying income issues that drive repeated crises. While they offer essential connection and relief, they are not typically equipped to navigate the complexities of welfare entitlements, maximise household income, or resolve long-term financial instability.

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.

SGN and IncomeMax will work together to deliver an accessible, human-centred income-maximisation service that fundamentally improves the financial stability and wellbeing of households most at risk of fuel poverty and escalating energy debt. The partnership will provide specialist support through comprehensive benefit checks, guided claims, energy-related advice and Priority Services Register conversations, ensuring vulnerable customers receive the full financial support they are entitled to.

The service will operate across SGN's network areas in England and Scotland and will be delivered through four integrated pathways, each designed to meet customers where they are.

- SGN's frontline teams will continue to refer vulnerable customers directly into IncomeMax caseworkers for personalised, advisor-led support.
- A dedicated telephone advice service will offer in-depth guidance for customers navigating complex welfare and energy systems.
- A strengthened community outreach programme, delivered in partnership with SGN's Safe and Warm partnership network and local authorities, will engage people who may not seek help through traditional channels.
- Finally, Max, the digital triage and AI-enabled online tool, will provide a flexible, accessible route for customers and community partners who prefer or require digital engagement.

Together, these four routes ensure no customer is excluded due to how they access support. The shared objective is clear: to maximise household income, reduce the risk of fuel poverty, and build long-term financial resilience for those most in need across SGN's regions.

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.

The partnership between SGN and IncomeMax has been intentionally co-designed through extensive learning from our GD2 collaboration and deep engagement with customers, frontline teams and community partners. Since 2025, SGN's frontline engineers and customer-facing teams have been using the referral pathway to connect vulnerable households directly with IncomeMax caseworkers. This has become one of the most valued referral routes introduced during GD2, with teams referring 3,015 customers into the service and helping unlock £3,134,936 in unclaimed benefits. The success of this pathway has shaped the design of the next phase of our partnership, ensuring the service remains grounded in real-world operational insight and customer experience.

Feedback from customers has been central to this co-design process. Many have described the service as life-changing, not only because of the financial gains but also the reassurance and dignity restored through

personalised, human-led support. As one customer shared: “I didn’t know where to start. IncomeMax helped me understand what I was entitled to and supported me every step of the way. It’s taken such a weight off my shoulders.” These lived experiences have reinforced the importance of maintaining a flexible, multi-channel service that meets people where they are.

IncomeMax has also played an active role in SGN’s wider partnership ecosystem. The team presented at SGN’s Safe and Warm Network events in March and October 2025, sharing insights on income maximisation, vulnerability trends and the value of early intervention. They also hosted one of SGN’s first Partner Spotlight sessions, reflecting the strong interest from community organisations eager to understand and engage with the service. These sessions have helped build shared understanding across the sector, strengthening referral pathways and enabling more coordinated support for vulnerable households.

As part of SGN’s business plan engagement, stakeholders consistently highlighted the value of this partnership model, particularly its ability to go beyond crisis response. Partners welcomed the way SGN and IncomeMax have brought organisations together to share expertise, improve customer journeys and deliver outcomes that extend beyond individual agencies. This collaborative approach has demonstrated that income maximisation is not just an add-on to crisis support but a foundational intervention that can prevent hardship, reduce fuel poverty risk and improve long-term resilience.

This project has also been shaped by the principles co-developed with our Vulnerability and Carbon Monoxide Steering Group (VSG), ensuring that vulnerable families, as a priority customer group, 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.

Through this co-design process, SGN and IncomeMax have shaped a service that is evidence-led, customer centred and operationally proven. The partnership is built on shared learning, trusted relationships and a commitment to ensuring that households most at risk receive accessible, effective and compassionate support.

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 frontline organisations that support vulnerable households, the project has established clear and effective referral pathways for vulnerable households 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 an expert in supporting vulnerable households with income and debt issues IncomeMax is well positioned to engage directly and effectively with these vulnerable 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 and independence 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.

The IncomeMax partnership is delivered exclusively with SGN because the other Gas Distribution Networks have already established their own income-maximisation and vulnerability support services with local delivery partners that cover the same areas of need. To avoid duplication and ensure value for customers, SGN has focused on strengthening its bespoke model with IncomeMax while maintaining alignment with wider industry approaches. Throughout GD2 and into the future, SGN will continue to share learning, insights and outcomes from this partnership across all GDNs, supporting collective improvement and helping ensure that vulnerable households benefit from best practice wherever they live.

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
PSR Conversations	1,500	Quarterly performance – 187
Energy Advice (across a number of energy advice measurable areas)	1,500	Quarterly performance – 187
Income Maximisation (across a number of income generating measurable areas)	2,000	Quarterly performance – 250
Billing / Meter Readings	1,500	Quarterly performance – 187
Smart Meter Advice Sessions	1,600	Quarterly performance – 200

Success Criteria

Over the two-year project period, IncomeMax, will support at least 2,000 vulnerable households to access income and debt support alongside energy advice.

In line with the scope, all support will be delivered using a flexible and inclusive approach. This will include face-to-face engagement at community venues and events, telephone support, online advice with follow-up, and home visits for more complex or vulnerable cases. This multi-channel delivery model ensures the service is accessible to households experiencing language, literacy, or digital barriers.

Although not included in the SROI assessment and outcomes table above, based on our previous project we forecast that around 20% of those who have a conversation will be supported to sign up to the PSR following PSR conversations.

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 our network areas by creating learning that can strengthen practice across SGN's wider Safe & 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 been supported by the expert teams at IncomeMax throughout the cost of living and energy crises. In addition, beneficiaries of IncomeMax have taken part in our Moving the Dial research conducted by NEA, this insight is helpful in understanding the materiality and lived experiences of low-income households and the impact on both health and wellbeing following support services being provided.

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 via local and regional partner events such as our Partner Spotlight sessions and regional events, our dedicated partner webpages and partner toolkit as well as through our annual vulnerability reports.

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.

This project is strongly aligned with the wider strategic landscape shaping vulnerability support across Great Britain, including Ofgem's Vulnerability Strategy, national fuel poverty strategies for England and Scotland, and the ambitions set out in the Warm Homes Plan. Each of these frameworks emphasises the need for proactive identification of vulnerable households, improved access to support, and coordinated action across sectors—principles that sit at the heart of the SGN's IncomeMax partnership.

Ofgem's Vulnerability Strategy calls for energy companies to take a more holistic, person-centred approach to supporting customers who face barriers due to income, health, disability, language or digital exclusion. The IncomeMax service directly responds to this by offering multiple access routes, telephone, outreach, frontline referrals and digital triage, ensuring customers are not excluded because of how they engage. The project also strengthens the Priority Services Register journey, supporting Ofgem's aim of ensuring that those most at risk receive tailored, accessible and compassionate support.

The fuel poverty strategies for England and Scotland both highlight the importance of income maximisation as a core tool in reducing fuel poverty, alongside energy efficiency and targeted financial support. Scotland's strategy emphasises the need to address the underlying drivers of poverty, including low income and structural inequalities, while England's strategy stresses the importance of reaching households who are least likely to seek help. The project's strengthened outreach model, delivered in trusted community settings, directly supports these goals by engaging people who face cultural, linguistic, health-related or digital barriers.

The Warm Homes Plan further reinforces the need for coordinated cross-sector action to support households struggling with energy affordability. This project embodies that approach by bringing together SGN, IncomeMax, community organisations and frontline partners to create a seamless support pathway. It recognises that customers rarely present with a single issue, instead, they face overlapping challenges such as disability, long-term health conditions, caring responsibilities, bereavement or limited confidence in English.

Across the UK, charities and utility companies are increasingly working together to support those most financially vulnerable. This partnership reflects that shift, creating a model where expertise is shared, referral pathways are strengthened and customers benefit from a coordinated network rather than isolated interventions. By aligning with national strategies and sector-wide best practice, the project contributes to a broader movement aimed at reducing hardship, improving financial resilience and ensuring every household can live in a safe, warm and secure home.

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.

IncomeMax 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 IncomeMax to ensure that there is an evidence base through audit and research that seeks to understand how effective the project is in supporting households who are struggling to maintain a safe and warm home and 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 disseminating results 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 with the other 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 £14.62 for every £1 spent.

Social value measurement

Total cost*	£394,552.03
Total gross present value	£6,163,681.72
Net Present Value (NPV)	£5,769,129.68
SROI	£14.62

*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've worked closely with IncomeMax 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 – Head of Social Impact and Vulnerability	08/07/26
Maureen McIntosh – Director of Customer Services	13/07/26

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