

SGN

Vulnerability Strategy

December 2024



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Vulnerability Strategy

Section A Executive summary

1. Our people are proud to deliver an essential service in our community, to be relied upon and trusted to serve our customers by keeping everyone safe and warm. We have a long heritage of care and concern for our customers, particularly those in vulnerable circumstances, as we strive to provide the best clean energy experience.
2. Providing excellent service to all our customers makes good business sense and is simply the right thing to do. By anticipating and responding to all our customers' needs and expectations, and incorporating feedback from our people, our customers, partners and stakeholders, we've been able to increase our effectiveness and create better outcomes for our business and for our communities.
3. It is forecast that GD3 (referred to as GD3 throughout this submission) will be a time of significant change for our customers. We're likely to see an increase in households eligible for the Priority Services Register (PSR) as well as an increase in households who would benefit from additional support to use energy safely, efficiently and affordably. We face the enduring legacy of the cost-of-living crisis, unprecedented levels of energy debt and an increased urgency to decarbonise our energy.
4. Vulnerability has increased during GD2 (referred to as GD2 throughout this submission). The actual median fuel poverty gap has increased significantly – by 66% in England between 2020 and 2023 and by 65% in Scotland between 2019 and 2022 and we expect this trend to continue. We've also seen a 40% increase in the number of households being supported via the PSR, representing 22% of our connected customer base. Many of the barriers our vulnerable customers currently experience in maintaining a safe and warm home are also likely to be exacerbated through the transition to net zero.
5. It is with this understanding of the evolving needs of our customers, and who is most likely to be left behind in the energy transition, that we will ensure our communities are protected and empowered to use energy safely, efficiently and affordably.
6. **We have ambitious plans to invest £60 million in GD3 providing high-quality, targeted support to our most vulnerable customers.** This represents a blended approach with £43.58 million through the Vulnerability and Carbon Monoxide Allowance (VCMA) funding mechanism and £16.42 million through the proven impactful activities established in GD2 which will form part of our core Business as Usual (BAU) offering.
7. Our VCMA investment will be targeted across four priority areas; as shown in Table 1:

Table 1: Funding split for GD3 for BAU and VCMA

Business as usual – Core Services	£16.42m
Direct services	£12.20m
Reducing carbon monoxide harm	£3.98m
Fuel Poverty and Energy Affordability	£14.14m
Priority Customer Groups	£13.26m
Total	£60m

8. Through this VCMA allowance, **we will help at least 650,000 households in the most vulnerable circumstances** to use energy safely, efficiently and affordably in GD3.

9. The help we'll provide is two-fold – helping households who are already in energy crisis and turning to us and our partners for help and supporting communities who are more likely to be in fuel crisis and where there are gaps in the local support to meet their needs.
10. Key targets we're committed to deliver for our customers are to:
 - Support more than 73,000 vulnerable households if they are without gas supply for any reason e.g. emergencies;
 - Install 1,250 free locking cooking valves to increase safety in homes;
 - Provide around 76,000 standard audible CO alarms and 1,000 accessible alarms;
 - Support around 2,7000 households with our CMDDA1 service – funding Gas Safe engineers if a customer is eligible to keep gas appliances safe and working; and
 - Provide training to all frontline employees and contractors to help them identify and support vulnerable customers.
11. With energy debt increasing and a significant volume of unclaimed benefits remaining, we'll also continue our work with experts in debt and income maximisation to support those most vulnerable with income resilience for those struggling to maintain a safe and warm home.
12. Our strategy is ambitious and reflective of the forecasted needs of our customers over the next five years, however, as we're unable to fully forecast external factors which may impact further on vulnerability during GD3, our approach must remain agile and responsive.
13. Working in partnerships is fundamental to achieving our goals most efficiently and effectively, in terms of identifying customers who are most in need of support, providing the most appropriate support and facilitating access to wider support from third-parties. We've identified expert community partners, at national, regional and hyper local levels, and by working together to co-design and deliver impactful initiatives we've already made a genuine difference to the lives of thousands of vulnerable customers each year.
14. We will cement and build on these partnerships in GD3, alongside a mature data and insight-based approach which allows us to understand our communities and continue to direct our support to those who truly need it most.
15. Our customers and stakeholders have been clear that supporting vulnerable customers is a key priority. They rate supporting vulnerable customers in the top two priorities for more investment and believe this investment needs to increase to match the increasing levels of vulnerability. However, we are also mindful of the impact of bill increases for all our customers.
16. In GD2, we've learned how we can make the biggest impact on vulnerable customers and the cost of doing so. This has enabled us to increase the ambition of our programme for GD3 at the same time as minimising the impact of rising bills. **Our proposals mean an increase of £1.86 a year on bills for key vulnerability initiatives** – an amount validated as acceptable by our customers and stakeholders. We will maximise the Social Return on Investment (SROI) for every £1 invested through the VCMA programme, having achieved an average of £8.69 per £1 since April 2021.
17. This investment will build on our extensive learning and achievements so far in GD2, during an unprecedented time of need created by the Covid-19 pandemic and escalating cost-of-living crisis. During this time, our trained teams have proudly stepped forward, never walking away from a customer in need, to ensure households stay safe and warm.
18. We've already surpassed our ambition to support 500,000 vulnerable households to use energy safely, efficiently and affordably, either directly or through our Safe & Warm Partnership Network. External assurance of the impact of our programme also shows the help we're providing is reaching those most in

need and we're delivering outcomes that meet the diverse needs of the vulnerable communities we serve. We've seen a significant shift in people who couldn't previously keep their home comfortably warm at all now being able to do so – a drop from 53% to 27% after our support.

19. We're proud to be sector-leading in our adoption of the British Standard for inclusive service provision. We were one of the first of Britain's gas networks to achieve BSI 18477:10, one of only a few UK organisations to achieve the new Inclusive Service Kitemark when it was introduced in 2023 and we maintained verification in 2024. It is this level of leadership we will maintain and build on during GD3 to help keep all our customers safe and warm.

Section B Objectives of our Vulnerability Strategy

20. Our Vulnerability Strategy supports our GD3 business plan and the delivery of the outcomes we will achieve for customers between 2026 and 2031. In this document we set out:

- (a) An introduction to our customer-centric culture, how we support our vulnerable customers and our priorities for GD3.
- (b) The vulnerability challenge we face, which covers:
 - What we mean by vulnerability (common definition of ‘most at risk’ and fair ‘TO zero’);
 - The vulnerability needs across our Scottish and Southern networks; and
 - Factors that could further impact on the vulnerability of our customers.
- (c) How we have developed our GD3 strategy so it’s up-to-date and meets the needs of customers, which includes;
 - Our experience in GD2 and how we will apply what we have learnt in GD3;
 - How we have worked with customers and stakeholders, strategic partners and our Independent Stakeholder Group (ISG) to develop and test our GD3 strategy; and
 - External insight and analysis which has informed our approach.
- (d) The delivery of our strategy in GD3 which includes;
 - The support we will provide to customers in GD3 and what this will deliver;
 - How we will split the funding needed to support our vulnerable customers between BAU funding and the VCMA;
 - How we’ll maintain and build the skills and capacity in our teams to identify and deliver exceptional and inclusive customer service, with a commitment to never walk away from a customer in need;
 - How we’ll work in partnership to reach those most in need of support both locally through our network of partners and nationally with the other Gas Distribution Networks (GDNs);
 - How we’ll measure our impact and report on our progress, including how we monetise the added value we create by investing in vulnerability (SROI); and
 - The governance that underpins our strategy.

21. Our Vulnerability Strategy builds upon the strong foundations of support we have developed over both GD1 and GD2.

22. The objectives of our vulnerability strategy are to:

- Maintain sector leading inclusive customer experience for all our customers;
- Continue to provide training to all frontline employees and contractors to help them confidently identify and support our vulnerable customers;
- Help more vulnerable households use gas safely, efficiently and affordably today;
- Support our customers’ move towards net zero, tailored according to their needs and circumstances; and
- Provide extra value for customers and stakeholders by ensuring that we deliver a positive SROI across our vulnerability delivery programme.

23. By working with a clear purpose, and in consultation with our stakeholders, we have a clear ambition to keep our communities safe and warm, and to support those most in need by helping vulnerable households use energy safely, efficiently and affordably, not just today but as we invest in a green energy future.

Section C Building strong foundations in GD2

Trusted to support customers maintain a safe and warm home

24. We manage the network that distributes natural and green gas to six million homes and businesses across Scotland and the south of England. We serve our communities by keeping everyone safe and warm. Our 4,625 colleagues and 2,000 contractors keep gas flowing safely and reliably to our customers, 24 hours a day, seven days a week.
25. Our people are trusted to walk through the doors of around 300,000 homes each year as we respond to gas emergencies and upgrade our network. In doing so, we encounter some of the most vulnerable people in our communities. We are driven to make sure that we're making a positive impact on every customer we serve. We never want to walk away from a customer in need and we take our responsibility to keep our customers safe and warm very seriously, particularly those living in vulnerable circumstances.
26. Over GD1 and GD2 we have embedded a culture of exceptional customer service across our business. Our customers consistently score us above 9 out of 10 for customer satisfaction and we've been the number one gas network for customer satisfaction for our performance in Scotland for eight years running. This performance sits well above the United Kingdom Customer Satisfaction Index (UKCSI) data for customer satisfaction with utility organisations, delivering a sector average of just 6.98 out of 10 at July 2024.¹ Customers on the PSR on average score our service above 9.4 out of 10, demonstrating that our teams deliver consistently exceptional customer service to customers in vulnerable situations.
27. We're committed to delivering exceptional customer service for all our customers, which means providing services that are inclusive and accessible. We're proud to have built on four years' of verification of the British Standard BSI 18477 Inclusive Service provision by achieving BSI accreditation for the new ISO 22458 Kitemark (Energy Provision) for the first time in 2023. We've retained this accreditation in 2024.
28. In addition, we've achieved the CCA Global Standard for our commitment to excellent customer service for eight years running. This cross sector recognised accreditation programme demonstrates our commitment to continuously improving customer experience.
29. Our people tell us time and time again that they never want to walk away from a customer in need. During GD2, we've witnessed the maturity of skills and experience among our frontline teams to identify and refer vulnerable households for extra help. Between April 2020 and March 2021, as we prepared for this price control, our engineers referred 1,127 vulnerable customers for our additional support services. By comparison, between April 2021 and November 2024, our engineers had identified and referred 25,230 vulnerable households for extra care services.
30. We believe in the power of collaboration to create connections that facilitate lasting change. We've proudly been the leading force in driving collaboration across the gas networks as well as regional collaboration across utilities with the ambition to avoid a postcode lottery associated with the support people receive and drive consistency in how we deliver it.
31. At the same time, we have built an extensive network of more than 120 local community-based organisations that are playing an active part in our Safe & Warm Partnership Network. Together, we're working collaboratively to identify and tailor support to those most in need of help to maintain a safe and warm home.
32. Within our wider GD2 strategy, we committed to making a positive impact on society, by supporting vulnerable communities and providing excellent service. Through feedback from customers, those we served directly and via our partners, and also through our partners reporting and independent insight, we know that our combined interventions have made a genuine, positive impact on the lived experiences of

¹ <https://www.instituteofcustomerservice.com/product/ukcsi-utilities-jul-24/>

vulnerable households in our communities. We also know that our targeted support is reaching those most in need of our help to stay safe and warm at home.

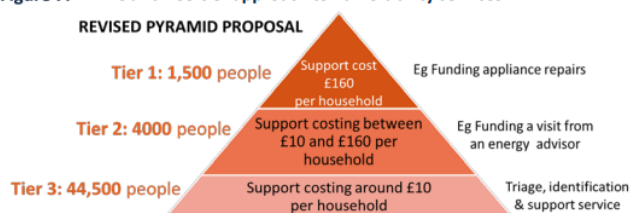
33. Our people are the driving force behind the success of our Vulnerability Strategy. Our teams have won 20 external awards since 2021 for the work we do to support our vulnerable customers, and we've received cross-sector recognition for the effectiveness of our strategic delivery.

Our GD2 Vulnerability Strategy

Our original GD2 positive impact commitments

34. In developing our five-year business plan for the Ofgem price control period GD2, we – and Britain's three other gas networks – carried out extensive stakeholder and customer engagement. Through this engagement, we recognised the unique and critical role that the gas networks can play in supporting our customers above and beyond our Licence obligations.
35. When we originally set out on our journey to GD2 in 2019 we had simple definitions of customers in vulnerable circumstances. These were customers over 65, children under five, pregnancy, disability, language or communication difficulties, long-term health issues including mental health, fuel poor, plus any other combination of circumstances that required additional support. We viewed each situation, combination of circumstances and individual as unique and empowered our employees to take the most appropriate course of action.
36. There were four elements in our vulnerable customer plan in GD2:
1. Embedding in our people a strong understanding and capability to respond to the needs of customers in vulnerable circumstances;
 2. Ensuring our approach, communication and processes are accessible to all;
 3. Providing extra value, including connecting customers in vulnerable circumstances to other energy or safety service partners; and
 4. Innovating to amplify or accelerate benefits for vulnerable customers.
37. When it came to supporting households in vulnerable circumstances, we also set ourselves bold ambitions to help our communities stay safe and warm:
- We will continue to provide an excellent customer service for all our customers, keeping up our efforts to deliver industry leading customer experience and achieve customer satisfaction scores higher than 9 out of 10;
 - We will help an additional 18,000 households out of fuel poverty with a free gas connection through the Fuel Poor Network Extension Scheme (13,000 Scotland and 5,000 Southern); and
 - We will make a positive impact by helping over 250,000 vulnerable customers to use energy safely, efficiently and affordably over the course of the five-year price control period.
38. To fulfil our commitment to helping our vulnerable customers to use energy safely, efficiently and affordably, we co-designed our three-tier framework with stakeholders during our business planning phase. The tiered framework was designed to enable agility and consideration of the different levels of help we could provide, as well as how many customers we'll aim to help each year within each tier to achieve our targets.
39. Below – page. 27 from Customer & Vulnerability Plan 2021-2026 December 2019.

Figure 7: Our three-tier approach to vulnerability services



40. Our activity has been guided by our vulnerability design principles. The following five principles are regularly reviewed and updated by our Vulnerability and Carbon Monoxide Steering Group (VSG) and have received approval from our Operational Executive Committee and our ISG. They have been fundamental to how we've managed the delivery of our Vulnerability Strategy in GD2.
- We will focus on our first interaction with customers to identify those in vulnerable circumstances.
 - We will provide a flexible service according to need, working with partners to provide access to appropriate support to maintain a safe and warm home.
 - We will prioritise according to regional need, with a higher focus on provision during winter.
 - We will understand and target harder-to-reach or under-represented individuals.
 - We will research best practice and update our approach regularly.
41. For Britain's gas networks to deliver stakeholder-endorsed GD2 vulnerability strategies, Ofgem introduced the VCMA. This new Use it or Lose It Allowance (UIOLI) transparently allocates funding to the GDNs to spend on the delivery of their business plan commitments to support vulnerable customers or raise awareness of carbon monoxide (CO). Ofgem initially allocated us £16.3 million £5.03m for supporting our customers in Scotland and £11.23m for customers in the south of England between 1 April 2021 and 31 March 2026.
42. To continue the strong foundation of collaborative working between the gas networks, at least 25% of this new allowance was to be used on collaborative projects with the other GDNs.

Evolving to a changing need

43. At the onset of our five-year strategy, our customers were experiencing unprecedented levels of hardship. Impacted by Covid-19, the health, wellbeing and financial challenges many experienced during the pandemic were then exacerbated by the energy, debt and cost-of-living crisis.
44. We'd intentionally not been prescriptive in our outputs within our GD2 vulnerability strategy. This approach has allowed us to adapt our support to target those households who've needed it most when they've needed it most. Through the agility of our strategy, we considerably expanded the breadth of our support, while focusing on those most in need — vulnerable households in genuine and urgent energy crisis. For example, at the beginning of the energy crisis, our partner Fuel Bank Foundation experienced a spike in demand from households in energy crisis who were unable to add credit to their pre-payment meters and were living without energy. By convening the gas networks quickly, we were able to action a rapid response and deliver immediate crisis support.
45. At the same time, the policy landscape was changing. We recognised that a significant government policy shift on how to address net zero ambitions would impact on our commitment to connect 18,000 fuel poor households to our network through the Fuel Poor Network Extension Scheme (FPNES).
46. To achieve our commitment and help lift households out of fuel poverty, we identified an opportunity to work with Ofgem, the other gas networks and our stakeholders to repurpose 70% of the FPNES allowance into the VCMA to help customers who were in energy crisis.
47. To enable effective delivery of the additional funding, we worked together as gas networks to align our respective vulnerability strategies. We identified commonalities in our approach to supporting vulnerable customers and determined four shared strategic areas through which we all target our support. We had built confidence in both our stakeholders and Ofgem that we could successfully repurpose the FPNES funding to deliver greater customer outcomes through the VCMA.
48. The original GD2 VCMA £60m allowance – distributed between all gas networks – was increased to £171m. For us, our initial £16.3m allowance was revised to £46.45m which equates to an additional £9.3m for our Scotland network and £20.9m for our Southern network. With the new allocation being confirmed mid-way through year three of GD2, we updated our Vulnerability Strategy and revised our strategic

ambition to now support 500,000 vulnerable households to use energy safely, affordably and efficiently by March 2026.

49. Despite the scale of our new ambition, we have achieved – and exceeded – our revised target to support 500,000 vulnerable households. And we’ve done this, with 18 months remaining in the GD2 price control period. To date, these households have accessed over 1,000,000 unique support services designed to help them to maintain a safe and warm home.
50. While we’ve already achieved our revised target, we’re not stopping there. Our continued ambition is to maximise the positive impact we can have, by supporting those most in need to maintain a safe and warm home for the remainder of this price control period. We’re continuing to develop and refine our services and partnerships to reach more households in energy crisis and help lift them out of fuel poverty.

Adapting to great change



Learning through delivery (key to our GD3 plan)

51. Our experience and success in achieving our ambitious GD2 targets is helping us shape how we’ll continue to support vulnerable households as we look towards the next price control. In GD3, we want to build on the strong foundations we’ve established in delivering our current vulnerability support strategy across our core, BAU as well as our VCMA initiatives.

The frontline team who never walks away

52. Our frontline teams have a long history of going above and beyond for our customers providing excellent customer service. In stepping through the front door, our engineers encounter customers at their most vulnerable. When they need to call us to their home in a gas emergency, it can be a frightening and overwhelming experience; even more so, if you’re already vulnerable.
53. With over 1.3m households across our networks registered on the PSR, this is a significant proportion of the six million households we serve across Scotland and Southern England. But we know that many thousands more would benefit from joining our free service. Our engineers are committed to identifying eligible vulnerable households as they go about our operational work, and we’ve systematically increased the number of customers who are registered on to the PSR. Our frontline operational teams have supported more than 32,000 households to sign up to the PSR through their direct engagement with customers since April 2021, contributing to a total of 77,551 households registered by across our operational teams and our Safe & Warm partnership network.
54. In an increasingly isolated and digital world, we are among very few organisations to engage with vulnerable customers in their homes and our people take that responsibility seriously. Our engineers never want to leave a customer more vulnerable than when they arrive. It’s through their unwavering commitment to never walk away from a customer in need that we’ve had such profound impact on so many vulnerable customers.

55. Empowered to make a difference, they've asked us to support them with the skills and the systems in place so that it's simple to offer extra help, beyond our BAU customer welfare options. They have also guided us on the kinds of support our customers would value.

The importance of our dedicated Careline team

56. From being in customer homes, and being visible in their communities, we build trust with vulnerable households. To support our frontline teams, it's vital that we have a dedicated customer welfare team with the skills in triage and customer safeguarding services to pick up from our frontline engineers to support households' unique needs or vulnerable circumstances.

57. Our Careline team are experts in vulnerability and are empowered to provide tailored support to meet a household's unique need and circumstance. The team is passionate about genuinely understanding customer need, so they can truly make a difference for vulnerable households. Our Careline colleagues work directly with local authorities and safeguarding services to protect the most vulnerable. The team is trained by our partners, such as Kidney Care UK, Mental Health UK, NSPCC, and Age Scotland, to increase their awareness and develop their skills so they're able to best support customers with specific needs. Between April 2021 and October 2024, the team have triaged over 56,000 households through these dedicated services.

58. To help our customers access crisis and longer-term support services quickly, we've upskilled our Careline team during GD2 to identify and assess household eligibility for industry and partner initiatives. This includes our Care and Repair service, which is a support service for customers without essential heating and cooking appliances following emergency disconnection.

Extending our Careline service into communities

59. During our work, our operational teams become embedded and visible in the community. Being a trusted authority within the community brings a unique opportunity for us to support vulnerable households, particularly those households who are often under-served to access a network of services to help them maintain a safe and warm home.

60. As a result, we established our Safe & Warm community team during this price control period, which saw us extend our successful and effective Careline service into the community. The new dedicated team provide in-person support for our customers on their doorstep, offering advice tailored to the household's individual needs. Working alongside our operational teams, they can triage the needs of vulnerable households, provide information on key services including the PSR, provide energy efficiency advice, raise awareness of carbon monoxide safety and provide a free lifesaving carbon monoxide alarm.

61. As well as providing direct support services, our Safe & Warm community team identify additional opportunities for us to help households maintain a safe and warm home and refer these customers to our Safe & Warm Partnership Network for specialist support. The team is also able to direct households in energy crisis to local support services, including warm spaces and other community resources ensuring that we're making the most of this in person engagement to improve the lives of our customers.

62. We strategically identify support organisations, embedded in their communities, which are a trusted resource for households. These organisations may operate on a national, region or hyper-local level, but our collective aim is simple – we want to unlock all the available routes to support and break down the barriers to vulnerable households maintaining a safe and warm home.

Using data to target our support

63. Data and insight are fundamental in enabling us to determine how we target our support at communities who need it most. We utilise a range of insight sources to enable us to understand the current and future needs of our communities, as follows:

- (a) **Business insights:** this includes feedback from our customers via customer satisfaction surveys and customer focus groups as well as the insight that comes from our customer-facing teams.

- (b) **Partner and stakeholder insights:** by listening we've developed a deep understanding of specific local need. It's only by truly understanding the existing service provision, regional differences in support services and funding gaps that we can effectively work with community partners to deliver tangible benefits and real impacts for vulnerable households.
- (c) **Research and analysis:** we review insights from third-party reports, and we conduct targeted research where there is a need to develop a deeper understanding of customer needs and our service impacts.
- (d) **Our Vulnerability Index:** We use our Vulnerability Index, developed in partnership with the Energy Savings Trust (EST), to identify regional communities most in need of support to use energy safely, efficiently and affordably. The data is current and takes into consideration the impact the cost-of-living crisis is having in the community, as well as longer-term social indicators such as age, deprivation and disability.
- (e) **Horizon scanning:** we've worked with Sustainability First and Centre for Sustainable Energy to expand our understanding of how the changing policy landscape, future trends and local factors might impact different types and levels of vulnerability as well as impact a fair and just energy transition.
64. Throughout GD2 we've used good quality data and insights to design our services for vulnerable customers and in the shaping of our partnership approach.
65. While energy safeguarding services are core to our programme, for many, the required help to lift households out of fuel poverty and ensure they can maintain a safe and warm home is through a range of customer centric holistic support services delivered in partnership with expert local or need-specific organisations. It's data and insight that supports us to identify which organisations are best placed to deliver these services and where the gaps in existing service provision are.
66. We're proud of the portfolio of initiatives we've co-created with our Safe & Warm community network. Some of the most innovative and impactful partnerships we've established in our regions over GD2 include:
- Our Safe and Warm Community Scheme to help over 45 hyper-local grassroots organisations support financially vulnerable communities with both funding and skills to provide energy advice and energy safeguarding services;
 - Our award-winning regional 'Home and Well' collaboration with Scottish and Southern Energy Networks, local water companies, Citizens Advice and the integrated health board in Hampshire and Citizens Advice, designed to help those with existing health conditions made worse by living in a cold home; and
 - Our partnerships with National Energy Foundation, YES Energy Solutions and other fuel poverty organisations to support fuel poor households in energy crisis while working alongside customers to assess eligibility for local energy efficiency schemes to address their longer-term energy costs.
67. By sharing openly with regional partners including other utilities we've been able to identify opportunities for joined up working with others to maximise the impact and breadth of support services provided to households in need.

Regional and national collaboration

68. Where data identifies shared characteristics impacting on a community's ability to maintain a safe and warm home unrelated to geographical location, such as critical illness, disability or mental health conditions we're keen to ensure that the right organisations are involved to amplify the benefits to our customers and our partners.
69. We're delivering partnerships regionally and nationally in collaboration with local authorities, regional utility companies and other gas networks. We're proud to have led and co-designed ambitious national partnerships that convene expert community partners and utility companies to support these communities.

70. Some of the most innovative, impacting and trailblazing partnerships we've established on behalf of the gas networks in GD2 include:
- Developing a tailored energy advice service for disabled people with Scope;
 - Convening a GB-wide partnership with Age Cymru, Age Scotland and Age UK to help older people maintain a safe and warm home;
 - Training Marie Curie's nursing and frontline community teams on energy safeguarding and providing a dedicated energy advice service for terminally ill people;
 - Providing capacity in Citizens Advice (England and Wales) and Fuel Bank Foundation to provide households in energy crisis with emergency funds whilst building in additional energy safeguarding services; and
 - Partnering with the Scouts to educate young people and scouting volunteers to keep them and their communities safe from carbon monoxide harm.
71. Through greater collaboration both nationally and regionally, and bringing together our partnerships, through our Safe & Warm partnership network, we've fostered community collaboration and greater outcomes for customers. Through shared learning, insights and skills this has also increased the resilience and skills of the partner organisations, both hyper-local and national.
72. For vulnerable households across our regions, we're bringing the outside voice in. Our partners, representing the needs and lived experience of the vulnerable customers share this insight with our senior leaders to champion the needs of those most in need, in our seasonal preparations for winter, to help inform our direct services for customers impacted by our works and to help guide us on a fair and just energy transition.
73. Furthermore, it is through our collaborative approach that we've been able to better reach and serve customers in our communities most in need. In doing so, **we've achieved an average social return on investment of an extra £8.69 for every £1 invested and a total social value of £48.87m² based on a subset of standard customer outcomes delivered between April 2021 and November 2024.**

² Figure accurate as of 01 December 2024

Section D The vulnerability challenge

Definition of vulnerability

74. Often those who are most in need don't recognise their own potential vulnerability. They don't deem themselves as vulnerable or wish to be classed as such or they are not vulnerable until they experience a situation like a gas emergency where they find that they need extra help. Vulnerability can be complex, often transient and always evolving as we've seen evidence of in recent years.
75. Our current understanding and definition of vulnerability is very much reflective of the socioeconomic landscape of recent years and has changed since the start of the current price control. Since we developed our GD2 Vulnerability Strategy in the years leading up to 2021, we have experienced the Covid-19 pandemic and its legacy, high and volatile energy prices and a related cost-of-living crisis. This has led to record levels of fuel poverty and debt, with many households experiencing problems paying their energy bills for the first time.
76. We've seen the impact of these unprecedented times being felt disproportionately by certain customer groups more than others: for example, customers on prepayment meters, disabled people, some minority ethnic groups, lone parents and carers, young people (especially those living independently) and low-income workers in insecure employment and the service sectors.
77. We're working collaboratively with the other gas networks during our price control planning to review our definition of vulnerability within the context of the energy sector. For GD3, we have agreed common definitions for some of the key areas associated with caring for vulnerable customers so we can drive greater consistency across Britain. These are:
- (a) **Priority customer** – anyone who due to their personal circumstances and characteristics need support before, during or after our works and/or could benefit from additional services provided by our partnerships to help maintain a safe and warm home.
 - (b) **Just UK energy transition** – a just energy transition means playing our role as a gas release to:
 - Advocate to ensure no-one, particularly those most at risk is left behind or burdened as the UK transitions to cleaner energy; and
 - Ensure everyone, regardless of where they live, their social or economic status, benefits equally from the transition to cleaner energy and is aware of the choices available to them.
 - (c) **Customers most at risk of being left behind** – those experiencing a temporary or long-term situation which would impact on the household in one or more of the following ways:
 - Low or static household income, which impacts on essential costs/energy affordability;
 - Additional/unavoidable energy costs specific to stay warm at home (e.g. health issues, higher susceptibility to/at risk from the cold, older people/mobility issues/unable to leave the house or at home more frequently, expensive/hard to heat homes including those off the gas grid;
 - Additional barriers to accessing or engaging in support (e.g. language or communication barriers including literacy, lack of access to service, lack of social/support networks, socially or digitally excluded). These individuals are typically signed up to the PSR or are eligible to be on the PSR; and
 - Housing tenure and housing type will determine how customers can engage with net zero interventions.
78. We systematically update our understanding of vulnerability across our communities, supported by data and stakeholder insight to identify the current barriers customers face, and which customer groups are most in need. This ongoing review will continue into the next price control period and help to shape our approach to serving our customers, our partnership strategy and how we prioritise our community outreach work.

Vulnerability across our networks

79. In GD2, we've witnessed just how much customer need, provision of services and the way in which customers engage with support services differs between our two regions. We will take this learning and insight with us into the next price control period.
80. By engaging with our stakeholders on the ground, we've developed a deep understanding of specific local need. It's only by truly understanding the existing service provision, regional differences in support services and funding gaps that we can effectively work with community partners to deliver tangible benefits and real impacts for vulnerable households. Our communities are as diverse as the geography we cover, from the rural Scottish Highlands to coastal Dorset and encompassing the inner cities of Edinburgh, Glasgow, London and Southampton. We have some of the most deprived populations of any gas network, with some of the most affluent areas in the country located alongside these areas of highest deprivation.
81. Recognising the distinct need across our two regions, our approach is to use this deep understanding to identify those communities in each of our network regions most in need of support to maintain a safe and warm home and build impactful partnerships locally where we can build skills in energy safeguarding and convene relevant organisations to work collaboratively.

Fuel poverty

82. Record numbers of vulnerable households across our two network areas have faced fuel poverty in recent years, with the fuel poverty gap increasing in both of our regions. The fuel poverty gap is the amount of money a household would need to no longer be classed as being fuel poor.
83. Scottish Government reports³ the actual median fuel poverty gap in Scotland increased from £750 in 2019 to £1,240 in 2022, an increase of 65% (Scottish Government, 2024). Meanwhile, in England, the UK Government⁴ states the fuel poverty gap increased 66% from £251 in 2020 to £417 in 2023 (Department for Energy Security & Net Zero, 2024). These increases demonstrate that fuel poverty has deepened in both regions.
84. Despite the increases in the fuel poverty gap in both regions, fuel poverty isn't uniform across our network areas. Across the south of England, we find intensive pockets of fuel poverty nestled right alongside areas of considerable affluence. Whereas in Scotland, there is more widespread fuel poverty across the communities we serve.
85. As well as the differences in how fuel poverty impacts communities within our two regions, there's also differences in how fuel poverty is measured and the support that is available. Fuel poverty is a devolved policy area with the UK Government and the Scottish Government adopting different approaches to tackling the issue.

Understanding our communities in Scotland

86. Having a clear understanding of vulnerability, both financial and non-financial within the context of Scotland, enables us to target our support in the most appropriate way to keep communities in this region safe and warm. This impacts not only on how we support households today, but also how we'll support households in future as we consider the impacts of a fair and just energy transition.
87. More than three in ten households under the Scottish Government's 10% metric, (which is more sensitive to rising energy prices than the Low Income Low Energy Efficiency (LILEE) metric used in England) are in fuel poverty. With, almost one in five households living in extreme fuel poverty, required to spend at least 20% of their income on fuel to achieve an acceptable standard of living. This is reflected in DESNZ's public attitudes tracker ([Winter 2023](#)), whereby people living in Scotland (71%) were more likely to be worried about energy bills than those in any other region.

³ <https://www.gov.scot/publications/scottish-house-condition-survey-2022-key-findings/pages/key-findings-summary/>

⁴ <https://assets.publishing.service.gov.uk/media/65ccceb1d939500129466a9/annual-fuel-poverty-statistics-report-2024.pdf>

88. In Scotland, temperatures are lower, and nights are longer especially during the winter months and particularly in the north of Scotland, entailing longer periods of energy consumption. Initial analysis conducted by Sustainability First shows that between 2018 and 2023, our Scotland area also had 488 hours less sunlight per year on average than England and Wales. We will make the report available once it is completed.
89. Health outcomes as reflected in average life expectancy in Scotland is markedly lower than elsewhere in Britain. Data from the Office of National Statistics ([ONS, 2023](#)) illustrates that Scotland consistently has the lowest life expectancy of all four UK nations. Life expectancy in Scotland is lowest in city of Glasgow for both males and females at 72.7 years for males and 78.2 for females ([ONS, 2023](#)).
90. Data shows that Scottish households have less financial resilience. [University of Bristol 2024](#) research found that Scottish households had less of a financial cushion to deal with crises than those in the rest of the UK. Scottish households are more likely to have nothing in savings (29%, compared with 26% for the rest of the UK). This gap rises to 55% for those in the bottom income quintile in Scotland (43% in the rest of the UK).
91. Also, around one in six (17%) households in Scotland are in 'real financial difficulties', meaning it is a real struggle for them to meet their day-to-day expenses, with many behind on their household bills.
92. In addition, the average energy debt presented by people seeking help from Citizens Advice in Scotland is £2,300. This is higher than the average energy debt of £1,860 reported by Citizens Advice elsewhere in the UK.
93. Child poverty is of particular concern in Scotland with 26% of children living in low-income families in Scotland (234,000). In the short term, this impacts educational and health outcomes, both of which can worsen as children get older.
94. Scottish Government figures estimate around 18% of Scottish homes are outside the coverage of the gas grid, meaning these households must rely on more expensive fuels to heat their home such as electricity or oil. Scottish customers face higher electricity standing charges than most of the UK. Added to this, 16% of Scottish homes are in the hardest and most expensive to heat homes as they are in the lowest Energy performance Certificate (EPC) bands (E, F or G), many of which are solid walled, detached and isolated.
95. Between 2021 and 2023, Scottish homes incurred standing charges that were 11% to 15% higher than the national average, disproportionately impacting low income and prepayment metered customers.
96. Multi-occupancy buildings constitute 36% of our Scottish network's domestic energy demand. The majority of these buildings are mixed-tenure, and include a combination of owner occupied, private rental, social housing and in some cases mixed use. It is also recognised that a part of this customer group constitutes some of the most vulnerable households in our community.
97. Both the UK and Scottish governments identify the challenges of decarbonising this sector in their respective Heat in (and) Buildings Strategies. They raise concerns around detailed assessments being carried out at a building level regarding energy efficiency and decarbonisation solutions, could lead to consumers being further impacted by fuel poverty.
98. Many of the factors that contribute to this issue today also contribute to an emerging picture of unfairness for our Scottish customers when it comes to the energy transition.

Understanding our communities in southern England

99. It's fair to say, as with our Scottish region, having a clear understanding of vulnerability, both financial and non-financial within the context of southern England, enables us to most appropriately target our support to help households across the region to maintain a safe and warm home.
100. According to UK Government estimates, fuel poverty rates in the south of England are the lowest in the country with 9.7% of households living in fuel poverty. By comparison, the overall level of fuel poverty in England in 2022 was 13.1% using the Low-Income Low Energy Efficiency fuel poverty metric. Despite the regional average being so low, there are areas of extreme fuel poverty right across the region.

101. Unlike Scotland, where fuel poverty is widespread across the country, we see pockets of extremely high deprivation across our Southern network. This is reflected in fuel poverty data for Lower Super Output Areas (LSOAs). While the fuel poverty rate for the South East is 9.7% ([DESNZ, 2024](#)), LSOA areas in Thanet, Southampton, Portsmouth, Swale, Medway, Folkestone, Hythe, Swale and Dorset are experiencing fuel poverty rates of above 30%. Cliftonville ward in Thanet has the highest rate of fuel poverty in our region at 40% ([DESNZ, 2024](#)).
102. The private rented sector has grown substantially in the last decade in England, rising 45% between 2008 and 2021 ([Department for Levelling Up, Housing & Communities, 2024](#)). It is the second largest tenure in England with 19% of all households in private rented homes. Fuel poverty rates are much higher among households in the private rented sector than owner occupiers and social housing tenants. In England, 24% of private rented households are in fuel poverty compared to 9% of owner occupiers and 15% of social housing tenants ([DESNZ, 2024](#)).
103. In our Southern areas there are 18 LSOAs in which 95 to 100% of homes are privately rented. Across university cities such as Oxford and Brighton, London boroughs and Thanet in Kent; Oxford and Wandsworth have the highest proportion of private tenants at 35%, followed by Brighton at 33% and Lambeth and Reading at 32%.
104. Many coastal towns suffer from outdated infrastructure, poor transport links and poor healthcare facilities compared to more urban areas. In addition, coastal communities typically have a higher-than-average population of older people meaning age-related health conditions, disabilities and unpaid care are likely to be more prevalent.
105. Across our Southern region, language and culture are some of the biggest barriers to inclusion. [According to the 2021 Census](#), London is the most ethnically diverse region in England and Wales with 46.2% of residents identifying with Asian, black, mixed or 'other' ethnic groups. The capital has the lowest percentage of people with English as a main language at 78.4%.
106. These are just some of the many factors that contribute to the challenges customers in our Southern network areas face today. This highlights the varied barriers that customers face when it comes to the energy transition.

Factors which will impact on customer vulnerability in GD3

107. As we move into GD3, our long-standing mission as a gas network company remains to serve our communities by keeping everyone safe and warm. While we have developed a deep understanding of the breadth of vulnerability in our communities during GD2, our customers will face new and evolving health, economic and societal challenges in the years to come.
108. These challenges will impact both the scale of the support services we need to provide alongside our operational work, as well as the barriers our customers face in maintaining a safe and warm home.
109. For all these reasons, we're likely to see an increase in households eligible for the PSR as well as an increase in households who would benefit from additional support and help to use energy safely, efficiently and affordably during the next price control period.
110. The Health Foundation has projected the number of people living with major illness in England will increase by 2.6 million, reaching 9.3 million people in 2040. That equates to around one in five of all adults. Most of this increase is predicted to be among people over the age of 70 ([Health Foundation REAL Centre, 2024](#)).
111. This increase will be reflected at different rates across our two regions. For example, people living with chronic obstructive pulmonary disease (COPD) is set to increase by 151% to 199,000 in our Southern network area by 2024 and 70% in Scotland from a baseline of 212,000. With chronic and long-term health conditions often making it harder for people to keep safe and warm at home, these groups are particularly at risk of fuel poverty.

112. As the number of people living with chronic and long-term health conditions increases, we also expect to see a significant rise in unpaid carers and the demands on them in keeping their loved one safe and warm at home. The rise in unpaid carers will also be driven by our ageing population. Yet, there is a growing number of older people living alone without family or friends to support them. Ageing with Children reports the number of people over 65 without children is set to rise from over 1.2 million in 2024 to 2 million by 2030 ([AWOC, 2024](#)).
113. While the nature of vulnerability differs between these groups, what unites them is the shared challenge in using energy safely, efficiently and affordably. Many of the barriers that our vulnerable customers currently experience in maintaining a safe and warm home will be exacerbated through the transition to net zero.
114. We're already seeing confusion and division among customers about the future of energy. Certain customer groups can't engage with the energy market and need help to do this confidently. Those who are most likely to be left behind in the future energy transition are those who are already finding it difficult to maintain a safe and warm home today.
115. With these emerging factors further impacting customer vulnerability in GD3, it's vital we retain our agile approach to supporting households in the new price control, centred around ongoing iterative stakeholder engagement and joined-up working across the utilities sector to ensure we can rapidly pivot our efforts to always reach and engage those who need it most.

Section E How we’ve developed our GD3 Vulnerability Strategy

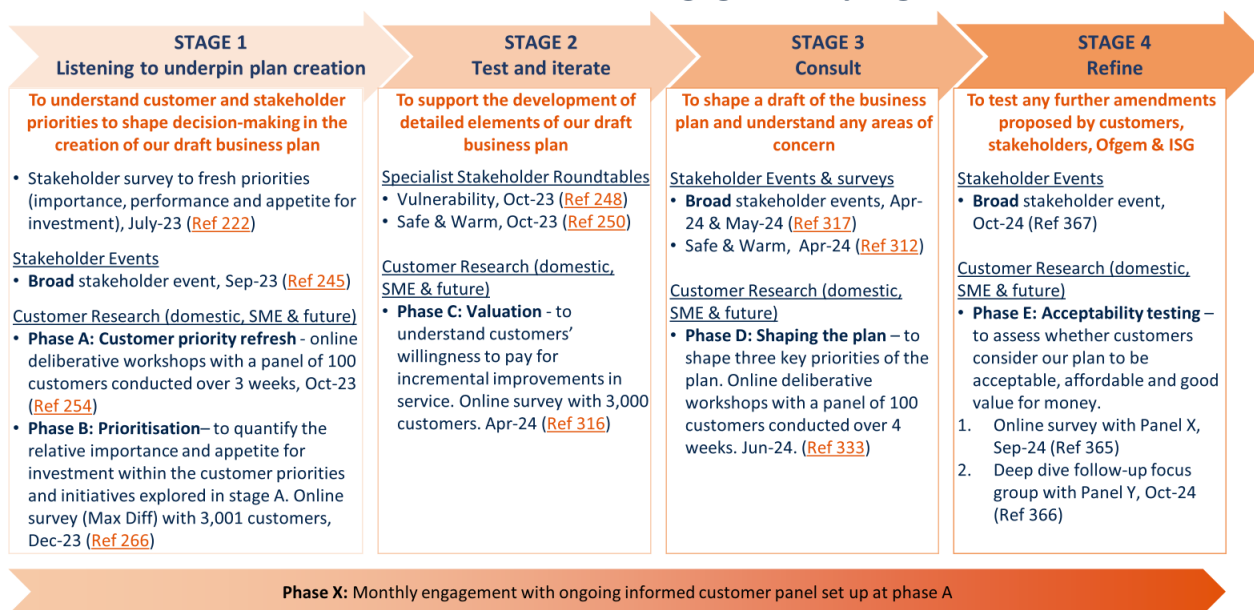
Applying our learnings in GD3

- 116. In developing our GD3 strategy, we’ve drawn on the experience, data and insight we’ve gained during this price control.
- 117. We’ve built and maintained skills, processes and capacity within our teams to actively identify, safeguard and support vulnerable households. Our learning from this price control has directly informed our strategy for the next price control.
- 118. We’re entering GD3 with a truly embedded customer-first culture with established and trusted links to our network of community partners to deliver meaningful support to households in need.
- 119. We’ve sought in-depth insight into customer vulnerability during GD2. Through direct partner and stakeholder engagement and insight from data and research, we’ve built a comprehensive understanding of both regional need and the diverse needs of priority customer groups.
- 120. In understanding our customer needs, we’ve explored the challenges that communities are facing now as well as the future challenges communities will face as the nation transitions to net zero.

Stakeholder engagement

- 121. All customer and stakeholder groups rated the importance of supporting those in need as high. Stakeholders expressed concern at the growing number of first-time fuel poor customers, lack of awareness and complexity around support schemes and unsafe practices in the home. Fuel-poor customer sub-groups placed greater importance on fuel poverty than other domestic customers. With fuel poverty rated in the top two priorities for more investment by customers and stakeholders they believe investment needs to increase to match the increasing levels of vulnerability.
- 122. We’ve delivered a four-stage engagement programme with customers and stakeholders to help shape our business plans and our commitments throughout GD2 and in preparation for GD3 – as outlined below:

GD3 customer research and stakeholder engagement programme



- 123. We fully recognise that to continue to meet the needs of customers we need a systematic improvement loop listening to the voices of colleagues, stakeholders and customers. To ensure we understand the needs

of our customers we have focussed on building stakeholder mechanisms which in turn help us stay in touch with the ever-changing needs of our community.

Figure 1: SGNs – Systematic Engagement Loop



124. At our recent GD3 Engage face to face stakeholder events and our Phase D deliberative customer research sessions, we shared our plans for GD3. Both elements formed part of Stage 3 of our GD3 Customer Research and Stakeholder Engagement Strategy.

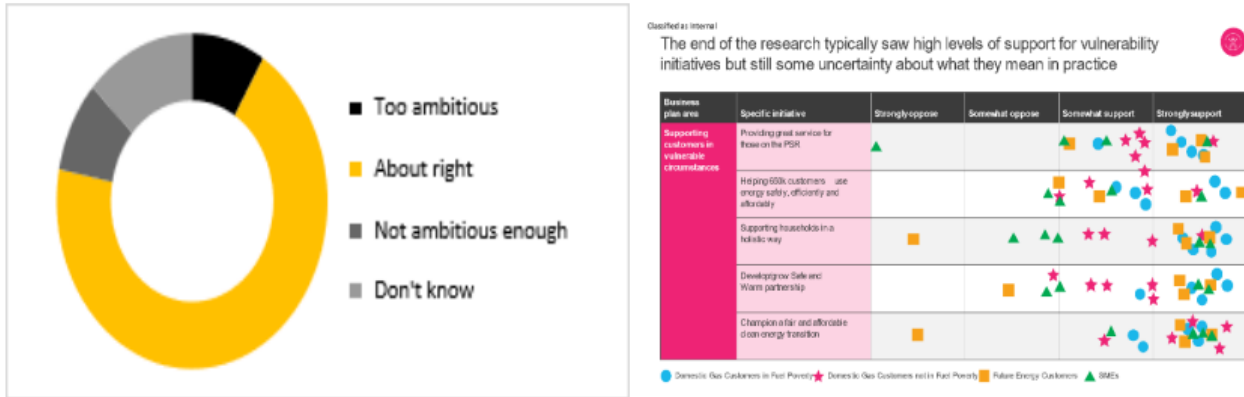
“Supporting customers in vulnerable situations is the moral and ethical thing to do.” Future Energy customer, Southern England

125. Our stakeholders have been active in ensuring we've built impactful ways of working and partnerships that support our customers and our communities to stay safe and warm in their homes.

126. Working with stakeholders as we prepare for our next price control period, our joint ambition is to continue to deliver exceptional customer service and to work in an even more joined-up way to keep our customers and communities safe and warm, as well as play our part in ensuring a fair and affordable energy transition where no one is left behind or is burdened as the UK transitions to cleaner energy.

Figure 2: Setting our level of ambition

How do you feel about the level of ambition in SGN's plans for supporting customers in vulnerable circumstances?

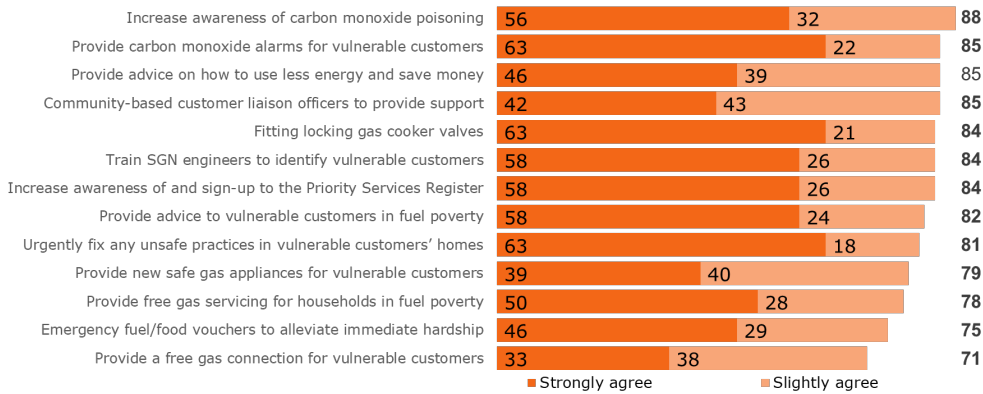


Source: 333 - SGN Phase D Deliberative Research to Shape the Plan, Jul-24

127. The majority of customers and stakeholders believe SGN’s plans are going in the right direction, and are positive about the broad range of action taken by SGN, encompassing advice plus practical and financial support for vulnerable customers. And a large majority of customers and stakeholders believe SGN’s plans have the right level of ambition.

“They are big goals they are setting for themselves, but they seem achievable” SME customer

Figure 3: Agreement with SGN providing different support for customers in vulnerable circumstances



Source: 331 – SGN Phase X Research Panel Survey on Supporting Vulnerable Customers, Mar-24

128. In stage 4 Acceptability testing, customers strongly supported increasing their gas bill to cover the costs of enhanced support for customers in vulnerable circumstances. Three-quarters of customers agreed vulnerable customer support - including strengthening our vulnerability partnerships - should be included in our business plan. For the welfare allowance - providing additional, personalised welfare facilities to customers in vulnerable circumstances during supply interruptions - two-thirds of customers believed this should be included in our business plan. One in ten disagreed with its inclusion.

“Helping vulnerable customers is most important for me” Fuel poor domestic gas user, southern England

SGN Engage F2F stakeholder events

129. Overall, participants thought our plans to help customers in vulnerable situations were going in the right direction with 70% (65/93) of respondents answering 'Yes'; 27% (25/93) saying 'Somewhat' and none saying 'No'.
130. In the discussions, our focus on working with partners and trusted organisations was praised and considered to be important for the success of our vulnerability work. We heard positive views on the split between direct support and support through partner organisations, and the broader collaboration to ensure that customers are supported based on their circumstances. Questions were raised about addressing the causes of fuel poverty rather than just the symptoms. It was suggested we could do more to build partnerships that help link customers to funded energy efficiency schemes and communicate the options available to vulnerable customers based on their circumstances especially at a local level to build trust.

"I think the way that they are working with organisations who have those contacts is smart, so many organisations try and do these things themselves and actually that's not effective" Industry trade association

Our Vulnerability and Carbon Monoxide Steering Group

131. Established in readiness for GD2, our industry-first Vulnerability and Carbon Monoxide Steering Group (VSG) is key to ensuring we're able to deliver a robust and considered vulnerability support programme.
132. Our VSG has a wide specialist knowledge and experience in vulnerability, fuel poverty, gas safety and supporting under-represented and harder to-reach customer groups. By bringing evidence and insights into the impacts of societal changes on vulnerable communities, the group has provided guidance to support us to adapt to rapidly changing customer needs and reach out to those most in need.
133. Now a mature embedded stakeholder mechanism the VSG has worked alongside us in the development of our GD3 planning processes providing guidance and support to help us build on the foundations of our work in GD2 in a changing energy and social landscape.
134. Our VSG will continue to guide and support us in GD3 as it has in GD2 to build our capabilities and ensure our services for vulnerable customers is elevated through a broad understanding of current need and ways in which we can impactfully add greater social value by design.

Our Safe & Warm Partnership Network

135. We've built a network of more than 120 Safe & Warm community partners, organisations identified in partnership with our VSG who would be best placed to engage directly with vulnerable customer groups in communities that struggle to maintain a safe and warm home without local or trusted intermediaries. The programmes we've built together with our Safe & Warm community partners are truly two-way, with our partners sharing valuable feedback and insight into real-time evolving customer need.
136. Through partnerships we've been able to reach customers in vulnerable circumstances beyond our direct work and provide customer centric services, holistic and tailored to help those most in need of support to maintain a safe and warm home, and this will continue to be the driving force behind our ambition for GD3.
137. We've increasingly recognised the power of convening this group of expert community partners to improve outcomes for vulnerable customers. By bringing together our partners for in-person and virtual training and knowledge sharing sessions, we're building capacity and strengthening relationships between organisations to increase opportunities to cross-refer vulnerable customers for the tailored support. Through pooling insights and resources, we're elevating the outcomes for the communities we serve.

138. In GD3, we will continue to regularly engage with our Safe & Warm partnership network to share data and insight on the lived experiences of vulnerable customers. This regular sharing of insight, carried out by our partners and external research organisations, will continue to inform best practices in delivery and ensure our programmes are making an impact on the lived experience of those supported.

Figure 4: Agreement with SGN providing different support for customers in vulnerable circumstances

Our Safe & Warm partnership network



Developing a joint strategy with the GDNs

139. We genuinely believe in the power of collaboration to create connections that facilitate lasting change, which is why this is called out in our Vulnerable Customer Ambition. From collaboration, building trusted relationships and sharing best practice we are keen to work together to innovate and effect impactful outcomes for customers.
140. What we've seen throughout GD2 is the programmes developed collaboratively allow us to reach some of the priority vulnerability groups we've identified in our strategy more effectively and more inclusively than if we were to run the programme alone.
141. Over the past 12 years, the GDNs have worked together to develop services for priority customers. In GD3 we are committed to continuing this collaboration to share best practice, develop services, and establish joint projects that support gas customers across Great Britain.
142. While each gas network provides localised support to meet regional needs and demand, we all work together to support customers in vulnerable situations and the most disadvantaged communities across our networks. We work with the wider energy and water sectors to maximise the support available to customers in vulnerable situations in the event of an emergency and planned or unplanned gas, electricity, or water supply interruptions.
143. It is important to recognise that there are regional differences across the UK, and different policies across England, Wales and Scotland that means gas network's develop local projects and partnerships in addition to the collaborative approach between networks.
144. In readiness for GD3 we've worked with stakeholders including Ofgem, Citizens Advice and National Energy Action to build on this foundation and develop a joined up GDN Consumer Vulnerability Strategy, which is central to collaborative direction and a shared narrative on our actions, activities, and initiatives. It

offers a focus around which networks and partners deliver the support our priority customers want and need in cost-effective and efficient ways.

145. Our Joint GDN Vulnerability Strategy (SGN-GD3-SD-14) will underpin the key areas on which we will collaborate and how, under the themes:

- Stakeholder engagement to understand evolving customer need;
- The PSR ;
- Services beyond the meter for emergency interventions for gas pipework and essential appliances;
- Energy affordability and energy efficiency advice ;
- Support for very vulnerable people and communities;
- Carbon monoxide and gas safety;
- Supporting households in a just energy transition;
- Innovation; and
- Shaping legislation, regulation and guidance.

146. From GD2, through joined up working, we've developed a number of common approaches to how we serve vulnerable customers as we go about our works as well as and increasing awareness of the PSR and carbon monoxide awareness programmes through the VCMA. As these programmes are now mature and provide consistent services for customers across the gas networks, we've mapped these into our core BAU services.

147. Together, the gas networks will continue to deliver collaborative initiatives to support vulnerable customers under the UIOLI VCMA scheme, sharing learnings and gathering feedback from stakeholders via the delivery of an Annual VCMA report and an annual VCMA showcase.

148. Because innovation is often the route to supporting priority customers, we see the importance of developing new products and services to meet needs beyond BAU services, often for the benefit of all our customers. Innovation projects are funded via the Network innovation Allowance (NIA) or the Strategic Innovation Fund (SIF)-

149. As part of our innovation strategy, we have developed a detailed understanding of the changing nature of vulnerability in the future and how we prepare to respond to our customers' needs when they require us to. We are committed to research, develop, and introduce solutions that enable our customers to decarbonise their energy use, safely, and efficiently.

150. To ensure we're providing value for customers and stakeholders through our programmes we are committed to working toward a consistent measurement of social value across the energy industry. The model we use to measure our SROI, was built by Sirio Strategies, under a contract with the Energy Networks Association (ENA) for use by the gas networks, Distribution Network Operators, and Transmission. A GDN rulebook has been developed to allow consistent evaluation of core services under the VCMA.

151. The joined-up working across the gas networks throughout GD2 to design core services that meet the needs of our vulnerable customers as well as the broad portfolio of initiatives delivered to support our communities most in need, sets a strong foundation to meet the challenges our communities face over the next price control period.

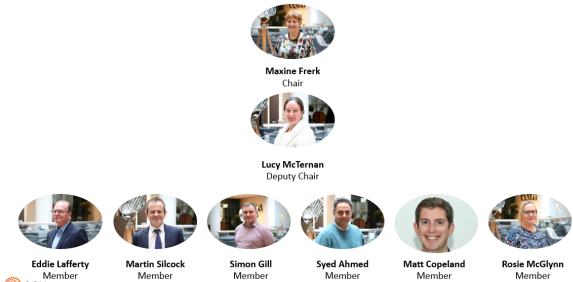
152. The pace of change as we move from GD2 to GD3 is expected to be significant. Continued high energy costs, increasing numbers of people eligible for the PSR, combined with government decisions on how Britain will heat its homes mean our joined-up strategy will need to evolve and adapt. Together we've

committed to an annual review with stakeholders to help us evolve and direct our focus to those most in need.

ISG challenge

153. Role of the ISG in guiding our Vulnerability Strategy

Figure 5: Role of the Independent Stakeholder Group (ISG)

Introduction to ISG	ISG Structure
<p>The Independent Stakeholder Group (ISG) was mandated by Ofgem in 2018 as we started the RII0-GD2 price control to hold GDN's accountable for ensuring customer and stakeholder views were taken into consideration in the development of the company's business plans. As part of RII0-GD3 Ofgem have again mandated that all GDN's must have an ISG.</p> <p>ISG roles and responsibilities The ISG have a role in ensuring SGN engages widely and openly with its stakeholders and act on behalf of all stakeholders whilst holding the company to account in respect of the delivery of its outputs. The GDN's ISG chairs meet with Ofgem periodically to share insights and to feedback to Ofgem on the progress being made.</p> <p>ISG structure, approach to appointment, skills mix, confirmation of independence. SGN appointed Maxine Frerk as chair of the ISG for the RII0-GD2 price control to provide continuity and given her strong background at Ofgem in both RII0 and consumer issues. She remains in place as chair for RII0-GD3. Lucy McTernan, also served as deputy chair for RII0-GD2 and is still in place as deputy for RII0-GD3.</p> <p>The ISG comprises 8 members located over both Scotland and the South. The group have a balanced mix of skills and experience.</p>	 <p>The diagram illustrates the ISG structure. At the top is Maxine Frerk, Chair. Below her is Lucy McTernan, Deputy Chair. At the bottom are six members: Eddie Lafferty, Martin Silcock, Simon Gill, Syed Ahmed, Matt Copeland, and Rosie McGlynn. Each member is represented by a circular portrait and their name and role.</p>

154. Previously known as our Customer and Stakeholder Engagement Group (CSEG), our ISG was formed in September 2018 to ensure we engage widely and openly with customers and stakeholders and acts on behalf of all stakeholders. The group is providing challenge and scrutiny during delivery of our current plan and the development of this next plan.

155. Our ISG group is made up of eight expert stakeholders with a broad and in-depth knowledge of the gas industry and the regulatory process. To ensure the ISG has full access to our thinking, we created a buddying programme to provide early insight into the topic area plans on a thematic basis and provide an opportunity for review and constructive challenge. Our ISG feedback and challenge has played an integral role in shaping our thinking and our proposals for GD3.

External insight and best practice

156. We want our Vulnerability Strategy to deliver the best possible outcomes for vulnerable communities, so it's important to us to look outside our industry to ensure our support is best practice beyond the energy sector. We've welcomed external critique of our strategy, delivery plan and outcomes to ensure we're designing programmes that best meet the evolving needs of vulnerable communities – and will continue to do so into GD3.

157. We're proud to be sector-leading in our adoption of the British Standard for inclusive service provision. We were one of the first of Britain's gas networks to achieve BSI 18477:10, now superseded by the Inclusive Service Kitemark for energy provision. We were one of only a few organisations in the UK to have achieved the new Inclusive Service Kitemark when it was introduced in 2023 and maintained verification in 2024. This scheme is assessed annually and reviews the culture of our organisation and our end-to-end business processes and demonstrates our commitment to accessible services for all our customers.

158. We've also looked outside our industry, to experts in customer experience to validate our broader customer service provision. Following robust assessment, we've achieved CCA Global Accreditation for Customer Experience for the eighth year running in 2024. The accreditation process allows us to benchmark our customer experience against the highest standards and demonstrates our commitment to continuous improvement.

159. Each year we invite both Scope and Crystal Mark – Plain English to review our website and customer literature and provide us with recommendations to improve the services we provide our customers with communication needs.

160. To help us understand the overall impact of our GD2 Vulnerability Strategy to date and to help us plan for GD3 with data, in addition to our ongoing partnership reviews and reporting we commissioned four independent research studies with expert organisations to go further than the SROI.

161. Working with Citizens Advice Scotland, Evaluation Scotland, National Energy Action and Sustainability First, we have four independent reports which consider:

- a) Lived experience of vulnerability within Scotland through crisis advice delivery (Citizens Advice Scotland).
- b) Broader impact for partner organisations delivering our programmes (Evaluation Support Scotland).
- c) Impact for households receiving support through our Safe & Warm partnership network (National Energy Action).
- d) Measurement of social and community impact of our programmes with a forecast the evolving nature of vulnerability in our communities as well as a forward look at who is most likely to be left behind in a fair and affordable energy transition (Sustainability First).

162. The scope of this work has incorporated customer and partner case studies collating outcomes which reflect both the short and long-term impact with a focus on maintaining a safe and warm home.

Citizens Advice Scotland

163. The Cost of Keeping Warm with Citizens Advice Scotland research has provided policy insight and expertise on vulnerability in the context of fuel poverty across Scotland and the just transition to net zero. Qualitative data to the lived experience of Scottish households was gathered through workshops and interviews supported by Citizens Advice Bureaux across Scotland.

164. Some of the findings highlighted the cost-of-living crisis has pushed increasing numbers of people into fuel crisis, we cannot address fuel poverty in isolation from broader vulnerability and the variance in Scotland's housing stock and complexity of need requires an individualised, holistic customer centred approach when assessing energy efficiency upgrades for fuel poor households.

Evaluation Support Scotland

165. This study assessed the broader impact for partner organisations delivering support and systemic change for vulnerable customers. Our findings provided strong evidence our approach engendering honesty and trust amongst our partnerships is leading to a more effective delivery and overall impact. Findings identified included:

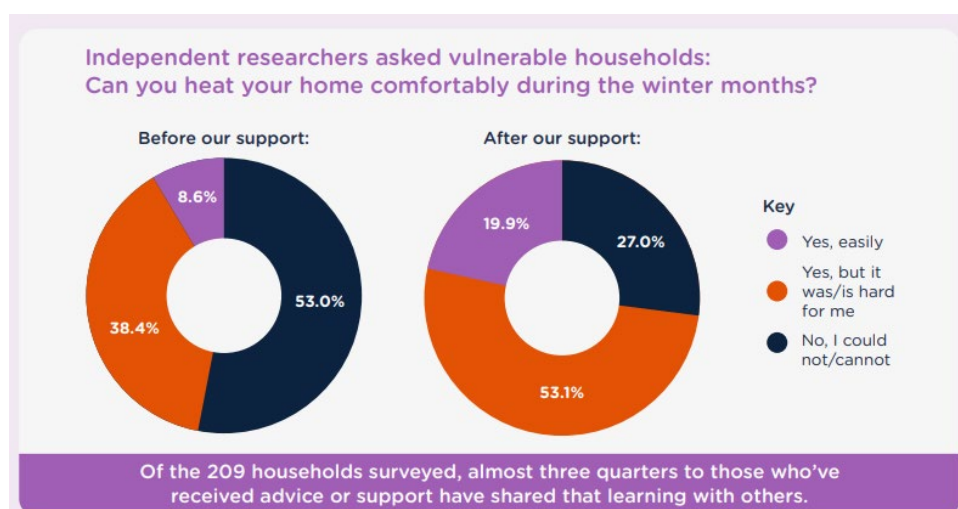
- Our training programmes are upskilling partners and communities in energy safeguarding which will leave a legacy far beyond our funded initiatives;
- Our programme builds capacity and meaningful connections amongst partners across our networks who otherwise would not know about the support available for households; the result is greater support for customers via partner collaboration; and
- Our partners see us as having a role connecting each other and promoting their learning. That doesn't mean we should turn into a policy lobbyist, but they suggested we could use our convening power and connections to amplify the experience of partners and vulnerable people and provide a conduit for them to be heard directly.

National Energy Action

166. We've worked with National Energy Action (NEA) to review the impact of our VCMA partner-delivered services across both our network areas to understand how the support has impacted the lived experience of vulnerable households. We undertook this independent research to better understand beyond SROI the value of our programme, to help shape our activities based on greatest impact on households in energy crisis. We worked closely with partners to share these outputs and to inform the effectiveness of our collective interventions and amplify outcomes for customers.

167. From this research we learned that our advice and support is reaching some of the lowest-income households in our communities. Of those surveyed, 72% had a net annual household income of less than £16,010, while almost half of those surveyed, 49%, had a household income of less than £12,000.
168. In 2022, the UK poverty line was around £19,380, which is 60% of the median disposable household annual income of £32,000. When comparing the annual incomes of the households we've supported to these figures, there is no doubt that our support is truly reaching those who need it most.
169. Before our help, 92% of households found it difficult to heat their home adequately over the colder months with over 53% not able to heat their home to a comfortable level.
170. As a result of our services, we've seen a significant shift in people who couldn't previously keep their home comfortably warm to now being able to do so, albeit still with difficulty. As demonstrated below in Figure 6, the number of households who were unable to keep their home warm reduced from 53% to 27% after our support. Meanwhile, the number of households who are now able to easily heat their home during the colder months increased from 9% to 20%.
171. Our partners and stakeholders have valued this independent review of the impact of our programme as it sits alongside partner reporting, the ongoing assessment of social value linked to customer outcomes as it narrates the personal impact on the lived experience of beneficiaries.

Figure 6: Moving the Dial 'what impact has the service had on your ability to heat your home in winter?'



Source: 328 - Moving the Dial on Fuel Poverty and Energy Vulnerability by NEA, Aug 24

Sustainability First - Future vulnerability and social value research

172. Sustainability First and Centre for Sustainable Energy built on our earlier work with Energy Savings Trust to map and forecast current and future vulnerability need in our areas ensuring that regional needs between our networks we're clearly understood. This was to help us prepare for changing demand in our services and inform us on how we prioritise, design, target and deliver support including to ensure nobody is left behind by the energy transition.
173. In addition, they conducted a horizon scan to identify upcoming government policy that could impact financial and non-financial vulnerability, and to identify civil society groups' key concerns, so we could reflect their priorities in our approach. This research was supplemented with 15 expert stakeholder interviews which explored future vulnerability and asked what role SGN should play during 3 and beyond in supporting consumers in vulnerable situations and ensuring nobody was left behind in the low carbon energy transition.

174. The work has rich insights which are available on our website. For example, most interviewees who responded to this question wanted SGN to:

- Maintain the gas network, existing vulnerability services and safety levels – recognising its customer base will become increasingly vulnerable and maintaining service levels is likely to become more challenging;
- Minimise disruption from transition and address concerns about potential decline in reliability of service and safety;
- Provide good quality independent information to consumers on net zero energy transition;
- Advocate for gas consumers left on the network and in vulnerable situations to strengthen their voice and ensure they don't pay for a disproportionate;
- Identify those who need additional support and handhold to appropriate support; and
- Innovate and look beyond hydrogen as the low carbon solution e.g. biogas communities.

175. In addition, they want SGN to:

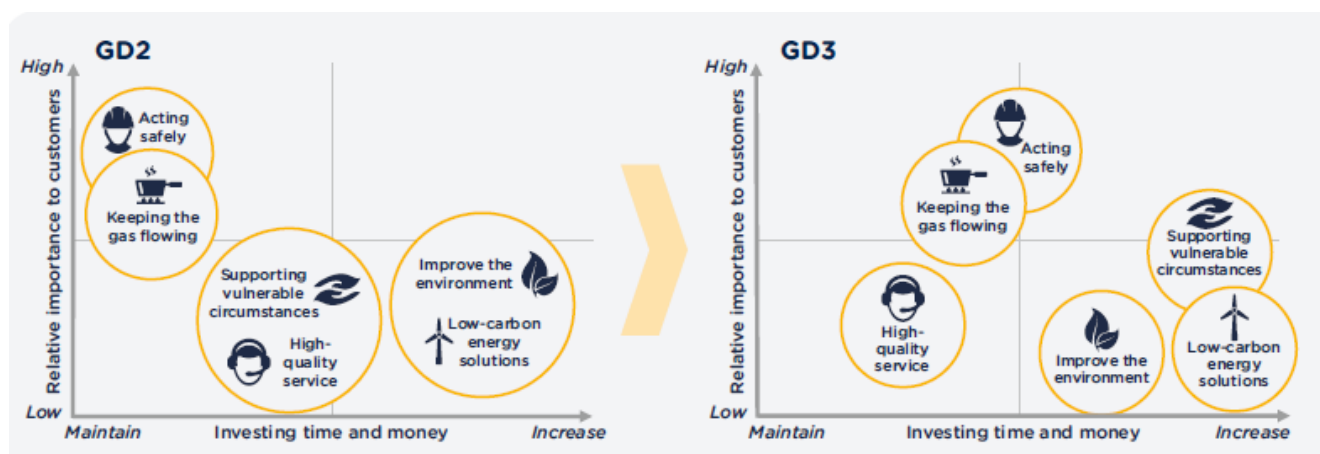
- Help plug gaps in current support and proposals where it is well placed to do so e.g. on smart meters; and
- Not to be a barrier to transition – to do what they can to 'enable' the transition, e.g. with gas disconnection consumer pathways.

176. Lastly, they are also conducting some benchmarking on best practice for measuring and reporting social value from our work to support consumers in vulnerable situations, including the VCMA. This will inform our reporting metrics and approach.

177. As we enter GD3, we're not starting afresh when it comes to how we'll look after our vulnerable customers. Rather, the new price control is the start of a new chapter. It's an opportunity for us to amplify the impact we've been able to make on vulnerable customers during the current price control and support even more vulnerable households to stay safe and warm at home. By reducing the barriers to maintaining a safe and warm home, we'll safeguard customers today and protect the most vulnerable from the carrying the burden of the net zero transition as we look beyond GD3.

178. Stage 1 of our research and engagement programme involved revisiting the seven customer priorities identified in GD2 to understand levels of importance and appetite for more investment. An overview of this and how it compared to GD2 is shown in Figure 7.

Figure 7: our customer priorities developed from our extensive engagement



179. Figure 7 demonstrates what customers deem to be most important (vertical axis) against the areas where they show a greater appetite for investment, in terms of our time and money (horizontal axis). Priorities to the left mean maintaining current levels. Those to the right indicate where they think we should focus more effort.
180. Safety and keeping the gas flowing remains a top priority for us, our customers and stakeholders, therefore it remains at the heart of our plan. Supporting vulnerable circumstances has increased in both importance and appetite for more investment, this is a key factor influencing our Vulnerability Strategy for GD3 and in turn firmed up our proposals for investment requirements in GD3 – transition SGN provided services into BAU funding and maintain ambitious plans to continue with our strong collaborative partnerships for VCMA UIOLI funding.
- “Cost of living crisis is affecting families and the vulnerable more than ever”* Stakeholder engagement event
181. We recognise that affordability is a concern and have worked hard to ensure our plan delivers value for money. We conducted robust research on how much customers are willing to pay and deliberative research on the acceptability of our plan which is described in more detail in section 2.2.3 of our Main Business Plan and our Insight Inventory (Sources: 365 - SGN Phase E Business Plan Acceptability Testing, Oct-24 and 366 - SGN Phase Y Superpanel Focus group on Business Plan Acceptability Testing, Oct-24). Our GD3 bill share is forecast to be £178 per year, which is £28 higher, on average, than GD2. The bill remains lower than GD1 when inflation is accounted for, this was considered to be “acceptable” or “getting expensive but still acceptable” by 82% of fuel poor customers.
- “Money is tight enough as it is let alone more increases and rises. It’s just a real worry for everyone as everything is rising”* Fuel poor domestic customer, southern England
182. We recognise that many will struggle to pay. To help them, we will target our support to those in most financial need to help them manage the challenge of rising bills, working with our network of extensive partners including debt advice and income maximisation experts. Further details on our costs and bill impacts can be found in our main business plan, Chapter 9: The cost of our plan.
- “We have no spare money currently, so I don’t know where it would come from.”* Domestic customer
183. Our Vulnerability Strategy has been developed out of our GD3 business plan and the delivery of the outcomes we will achieve for customers between 2026 and 2031. Our Vulnerability Strategy is centred around our core commitments, which reflect how we’ll enhance the reach and the quality of the service we provide to vulnerable customers to help them use energy safely, efficiently and affordably today, while supporting them through the energy transition.
184. Our commitments support our main outcomes and are summarised below:
- More vulnerable customers will receive high quality, targeted support:
 - **We will provide high quality service so both networks are in the industry top 3 for fewest complaints per 10,000 customers every year in GD3;**
 - **We will provide training to all frontline employees and contractors to help them identify and support vulnerable customers.**
 - **We will help at least 650,000 households in the most vulnerable circumstances in GD3.**
 - Our investment creates more social value for customers and communities:
 - **We will maximise the SROI for every £1 invested through the VCMA programme, while always prioritising the needs of vulnerable customers.**
185. In our Vulnerability Strategy for GD3, we are building on the industry-leading approach to vulnerability we’ve established in the current price control period. Our new strategy reflects our firsthand experience of working in the aftermath of the pandemic and through the ongoing cost-of-living crisis, and the impact of

these hugely challenging socioeconomic events on our most vulnerable communities. It also reflects considerable joint working across the GDNs to develop a consistent approach to how we look after our vulnerable customers, ensuring that households across Britain benefit from energy safeguarding and support services regardless of their postcode.

186. We aim to go further than we have in the current price control period, elevating the positive impact we have as a community-facing service on our most vulnerable customers and delivering customer outcomes that deliver greater social value. In doing so, we recognise that energy bills are forecast to continue rising for all customers across GD3 and so our ambition is scaled appropriately in line with customer tolerance on how much they are willing to pay.
187. The five years that covers GD3 will be one of significant change for our customers and our communities, set against a backdrop of increased energy costs, a cost-of-living crisis and an increasing urgency to meet challenging net zero targets.
188. We remain committed to supporting our customers and communities to stay safe and warm in their homes and delivering a great and accessible customer service that's easy to use for all our customers.
189. We'll continue to ensure that our frontline teams are skilled and empowered to recognise and tailor how we go about our works by keeping our customers safe, warm and independent in their homes. Our people remain committed to never walking away from a customer in need.
190. We are equally committed to a fair and just energy transition, whereby our customers stay safe and warm tomorrow by making sure no one is left behind or carrying the burden of the journey to net zero.
191. It's through our people, trusted and in communities, our partners, regional and national that we're able to identify those customer as we go into communities and behind the front door.
192. We aim to go further than we have in GD2 in delivering support for our customers and communities in vulnerable circumstances elevating the positive impact and customer outcomes for those most in need that delivers greater social value.

Business as Usual

193. With our GD3 strategy, that we honed in GD2, very much an amplification of the tested and effective approach to looking after vulnerable communities we honed in GD2, and this brings a shift in how we'll be funded to deliver some of our services.
194. Through the maturing of our delivery – both within SGN and collectively as gas networks – we're able to embed key services, previously funded through the VCMA in GD2, into our core BAU service offering for the new price control. This means we're able to be more flexible and agile to regional and national needs through our VCMA-funded initiatives, responding to customer need that's not uniform across our regions or where the scale of demand is unknown.

Vulnerable Customer Support

195. Providing accessible and inclusive customer service is integral to delivering exceptional customer experience. We're committed to ensuring that our customers can access our channels and services in the way that works best for them.
196. However our customers need to communicate with us, we will have a range of inclusive channels that make it easy for our customers, whatever their communication needs. This includes the broad range of channels we now have, such as Video Relay for British Sign Language users as well as new communication methods, for example, a dedicated 'vulnerable customer' service for customers who wish to request extra help through their journey with us. Each year, we will review our website and test that the accessibility and ease of use of our customer contact channels to use for all customers.

197. Every time we enter a customer's home or speak to them directly, we want to leave them in a better situation than when we first met, not only to ensure we keep them safe and warm but to also make sure they are aware of the full range of support services offered through our Safe & Warm Partnership Network.
198. When our frontline teams identify a vulnerable customer in need of extra help, we will have a dedicated and skilled Careline team embedded within our Customer Services department who will be able to support customers access broader safeguarding services and can liaise between relevant support organisations including, for example, adult social care and NSPCC.
199. Insight has demonstrated that we're likely to see an increase in PSR-eligible households as we move through GD3 in response to changing health, economic and societal challenges. As well as continuing to educate our frontline teams on how to identify eligible customers and support them to register, we'll educate our customers and communities directly on the benefits of PSR and provide support to ensure they're able to join. Based on the numbers of customers who have used our inclusive services such as LanguageLine and SignLive, as well as those customers who are supported via our Careline triage service we forecast that we'll support in the region of 85,000 customers over the duration of GD3.

Personalised Welfare

200. Whether we're carrying out emergency gas repairs or planned network upgrades, our operational work can impact on our customers' ability to stay safe and warm at home. We may need to temporarily isolate their gas supply, leaving them without essential heating and hot water. For households who are already vulnerable, this disruption can leave them even more vulnerable and at risk.
201. For customers impacted by our planned and emergency works, we will offer personalised welfare provisions to help customers already on the PSR as well as customers who are in need of extra help but are not yet registered on the PSR. These services include, but are not limited to; alternative heating, hot water and cooking facilities, hot meals, keep warm welfare packs and where appropriate alternative accommodation.
202. Based on the welfare services we've provided throughout GD2, a forecast of our mains replacement programme and insights into the increasing volumes of customers eligible for the PSR we forecast that we'll support around 73,050 vulnerable households over the next price control.

Safeguarding Services

203. Our energy safeguarding services are devices that help us support vulnerable customers who may be struggling to maintain a safe and warm home.
204. Our locking cooker valve is a simple safety device that can help people with dementia or autism retain their independence at home and provides reassurance to friends, family and carers. We've assessed and installed locking cooker valves in more than 1,000 homes during GD2, with requests steadily increasing during the price control as a result of increased awareness of the service. We plan to continue raising awareness of our free safety device in GD3 and aim to install 1,250 over the five-year period.
205. In the [2021 Census](#), 5.1 million people across England and Wales reported not speaking English as a main language. Providing translation tools means language is not a barrier to customers engaging with our teams or services. This is extremely important when it comes to customers being able to understand vital safety information from our engineers. With instant access to translation tools and services, our frontline teams can ensure communication at the doorstep works for all customers, regardless of which language they speak.

Training

206. Our frontline teams frequently tell us they want the skills and knowledge to never walk away from a customer in need.
207. We've co-designed a bespoke training package with our frontline engineers and our expert community partners to equip our teams with the confidence to identify and support customers in vulnerable circumstances. We provide this training to both our direct employees and contract partners.

208. The training package covers how to identify customers in vulnerable circumstances and our available support services. It showcases not just the additional services available from our Careline team and delivered by us directly, but also the help and initiatives we can offer to customers through our Safe & Warm Partnership Network.
209. We will update our training package annually in GD3, delivering it to all our frontline direct employees and contract partners ahead of the winter months when life is especially challenging for vulnerable households.
210. By updating our training package each year, we'll ensure the content reflects the current needs of customers based on the latest societal challenges. Just as we adapted our training package to reflect Covid-19 and the cost-of-living crisis during this price control, we'll ensure that our training package evolves to contain the insight and resources for our engineers to appropriately respond to future need.
211. To manage this extensive training programme, we have dedicated vulnerability trainers embedded within our business. These trainers work alongside our frontline teams to understand their training needs, engage with our Safe & Warm community partners to co-create content, deliver the programme and measure effectiveness.

Memberships and accreditation

212. We've actively sought external assurance during the current price control to validate that we're providing exceptional customer experience and delivering genuine impact for vulnerable households. We'll continue to invite the outside in during GD3, working with industry bodies and consultants to maintain sector-leading standards and drive further improvements to how we look after customers in vulnerable circumstances.
213. We will commit to achieving the Inclusive Service Kitemark for energy provision for the coming five years, as well as the Crystal Mark from the Plain English Campaign, ISO9001 from SGS and CCA Global Standard Accreditation from the Contact Centre Association.
214. By participating in working groups such as the All-Party Parliamentary Carbon Monoxide Group (APPCOG) and Scope Utilities Membership (SUM), we'll improve customer safeguarding and service provision through joined-up national approaches.
215. Our Vulnerability and Carbon Monoxide Steering Group remains integral to the delivery of our GD3 strategy. Their expertise helps us target our support where it's needed most, while connecting us to real-time insight on the nature of need across our communities.
216. By bringing together stakeholder groups, through hosting national and regional events such as the VCMA Annual Showcase, we'll enrich the delivery of our programme. Convening stakeholders and partners has resulted in better outcomes for customers during the price control and we will nurture this same approach in GD3.

PSR – Campaigns and education

217. Our ambition is to continue to build customer awareness of the PSR, as well as ensure that community organisations who already support eligible customer groups have the information, they need to have informed conversations and can help those households to register.
218. Through national and targeted regional campaigns, we'll raise awareness of the PSR and its benefits. We'll use a mix of digital and non-digital methods to reach customers, tailoring our campaigns to best engage the different vulnerability groups that are eligible for the service.
219. We'll partner on collaborative initiatives with regional utility companies to build effective community pathways and a clear understanding of what support is available for eligible customers. We will focus on promoting customer resilience during service interruptions and emergencies, in addition to the safeguards each utility offers and financial vulnerability support.

Carbon Monoxide - Campaigns and education

220. We have a long-established gas network and stakeholder carbon monoxide (CO) working group, this group has gathered data and insights that enables us to design effective awareness campaigns.
221. Throughout GD2, we've designed and delivered seasonal and targeted CO campaigns to highlight relevant risks that resonate with customers around key events. For example, summer holidays, festivals, university freshers and preparing for winter. We've delivered these campaigns both collaboratively with the other networks on a national scale and locally within our own network area where data or insight indicates greater risks.
222. We remain committed to inclusive customer campaigns and education, ensuring that the content we design is appropriate for our target audiences. We'll continue to develop resources targeted at communities who face barriers to accessing CO safety information, such as people who don't speak English confidently, British Sign Language users and people with cognitive impairments.

Carbon Monoxide - Campaigns and education

223. We've developed a range of awareness-raising initiatives during GD2 to educate young people on how to protect themselves from the dangers of CO, which we're keen to build on during GD3.
224. We aim to empower more than 200,000 young CO ambassadors with lifelong, lifesaving safety information through school, university and community group engagement.

Carbon Monoxide – provision of alarms

225. As we go about our operational work, we identify customers who do not have CO alarms in their homes or who have alarms that are out of date. Through our direct engagement with customers, we'll provide an audible alarm for vulnerable customers without one or provide a replacement.
226. Throughout GD2, we've also provided accessible alarm systems for customers who are deaf, hard of hearing, blind, partially sighted or have cognitive disabilities.
227. Using GD2 as a baseline, we forecast we'll issue in the region of 76,000 standard audible CO alarms and 1,000 accessible alarm systems.

Carbon Monoxide – additional checks

228. When we're called to a gas emergency at a customer's home, our engineers will always make the situation safe. If we've needed to isolate the gas supply to a vulnerable household due to a suspected or confirmed carbon monoxide leak from an appliance, we'll ensure the customer is safe and they have all the information they need to arrange for a Gas Safe registered engineer to fix the issue so their gas supply can be safely restored.
229. Many vulnerable households are unable to meet this unexpected cost or find it challenging to arrange a repair, meaning they are forced to remain off supply longer than necessary. Through our CMDDA1 service, we'll help vulnerable households access a Gas Safe registered engineer to replace or repair the appliance for the customer to reduce the amount of time they're without their gas supply. We'll also cover the cost of this service if the customer meets the eligibility criteria.
230. During GD3, we forecast we'll support in the region of 2,700 households through our CMDDA1 service.

Connections – funded service alterations

231. There are a number of reasons why a customer might need us to make an alteration to their existing gas connection. It could be that they're not able to access their Emergency Control Valve (ECV) as it's too high or too low or they may need us to make accessibility adaptations to meet a physical health or mental health need.
232. So far during GD2, we've altered the meter position free of charge for 1,455 vulnerable customers. In meeting their accessibility needs, we've reduced the potential safety risk by making it easier for them to access the ECV and turn off their gas supply in an emergency.

233. Based on recent volumes, we forecast this number to be slightly lower during RII0-GD3 and we anticipate 1,150 funded service alterations.

Measurement and Eligibility – SROI tools

234. We've developed a common SROI tool and GDN-specific valuation rulebook during GD2 to align outputs across energy networks. We'll maintain the common SROI tool into the next price control to ensure we're delivering transparent assessments of the delivery of our Vulnerability Strategy consistently across gas networks and adhering to the VCMA governance criteria.

235. We have a dedicated resource within our organisation to carry out SROI assessments using the common SROI toolkit which has reduced in time impact for customers and made cost efficiencies.

236. We'll continue research and insight gathering to ensure we measure the impact of our initiatives beyond SROI, based on the outcomes on beneficiaries of our funded programme. This will ensure value aligned to our stakeholders' expectations and shared learning for the benefit of our broader stakeholder community.

Measurement and Eligibility – Eligibility

237. Key emergency support services that we provide, including carbon monoxide safety checks and our Care and Repair service, have clear eligibility criteria to ensure the most vulnerable households receive funding from these schemes. Given these customers' circumstances, we need to assess eligibility quickly and sensitively to minimise the stress on the household and the impact of being without their gas support.

238. Based on our customer interactions during the current price control, we forecast that we'll carry out in the range of 9,000 eligibility assessments for our core emergency response services in GD3. For those who are not eligible for funded support, our teams provide guidance and onward referrals onto other organisations through our Safe & Warm partnership network.

Table 2: BAU Core Services

BAU - Core Services as agreed with GDN's and Ofgem		GD3 total (£m)
Vulnerable customer support	Dedicated teams to support customers during our works and triage of engineers' referrals for support	2.56
Personalised welfare	Alternative heating, cooking, hot water, hot food and accommodation	6.21
Safeguarding services	Locking cooker valves, easy assist ECVs, translation apps for engineers	0.24
Training	Internal training of customer facing employees	0.52
Memberships and accreditation	Memberships (including BS/ISO accreditation of inclusive services) and events	0.62
Campaigns and education	Campaigns on PSR	0.13
Campaigns and education	Education on PSR	0.13
Carbon Monoxide	Annual CO awareness campaigns	0.63
Carbon Monoxide	CO education (schools and wider community)	0.60
Carbon Monoxide	Provision of CO/specialist alarms	1.30
Carbon Monoxide	Additional checks following CO reports / alarms	1.35
Connections	Funded alterations for access to ECV / meter	1.50
Measurement and eligibility	Maintenance and development of SROI tools for BAU and VCMA evaluation	0.31
Measurement and eligibility	Eligibility checks	0.33

TOTAL

16.42

Vulnerability and Carbon Monoxide Allowance

239. The Vulnerability and Carbon Monoxide Allowance (VCMA) funding mechanism will enable us to deliver our strategy in line with customer and stakeholder expectations that we support communities beyond our core role. The Use It Or Lose It mechanism complements our core BAU services, while offering more flexibility and agility to respond to evolving customer needs. It is through the VCMA, that we will help at least 650,000 households in the most vulnerable circumstances to use energy safely, efficiently and affordably in GD3.

240. We've set this target based on both learning from GD2 and forward-looking insight. In GD2, we've understood how we can make the biggest impact on vulnerable customers and the cost of doing so. Reflecting the maturity of our programme, we wanted to increase the ambition of our programme in GD3 within the tolerance of what our customers and stakeholders are willing to pay. Our proposals will mean an increase of £1.86 a year on customer bills throughout GD3. Our customers and stakeholders validated that they were accepting of this amount, balanced against the collective need for society to do more to help the most vulnerable in years to come. [Source: 365 SGN Phase E – Acceptability Testing, Oct 24]

Timelines

241. The timelines that we have for meeting our commitment to supporting 650,000 households to use energy safely, efficiently and affordably in the most vulnerable circumstances are detailed in Table 3.

Table 3: The number of vulnerable households that we will support in GD3

2026/27	2027/28	2028/29	2029/30	2030/31
100,000	220,000	350,000	500,000	650,000

242. The timelines are based on building from the solid foundations we have built within GD2 and forecasted based on our most recent experience. These are also subject to funding for all BAU and UIOLI allowances proposed within the business plan.

Delivery Risks

243. We have identified risks associated with delivering against the forecasted number of households referenced within Table 3. This is not exhaustive and will change through the price control period, some examples are as follows:

- **Funding limitations** – this would have a significant impact on the deliverability of support to our most vulnerable customers.
- **Partner services increase** – we are experiencing cost pressures with partner support services, we will look to mitigate these through strategic partners through open and transparent initiative planning.
- **Policy change** – our approach to vulnerability must also take into consideration any potential key policy changes that are anticipated for GD3. This includes key financial elements of the price control including depreciation, cost of capital and financeability which must be considered in the context of government policy on the transition to net zero and the potential migration of customers away from the gas network. As set out in Chapter 5 of the business plan, our investment plan is robust to all Future Energy Scenarios (FES) pathways to ensure that customer safety and security of supply is not compromised at any time. Any changes to this approach would have an impact on our Vulnerability Strategy. This could potentially increase the number of customers that would need to be supported,

and we would need to consider how we utilise additional funding through any of the available uncertainty mechanisms available within the price control.

- **Gas demand** – as set out in Chapter 5, our investment plan is robust to all FES pathways to ensure that customer safety and security of supply is not compromised at any time. Safety and the cost of operating our network needs to be maintained until the last customer is disconnected. The pathway for customers utilising the network to 2050 and beyond is uncertain. There is a wide variation in the latest FES scenarios between the holistic and counterfactual pathway scenarios, and there are significant fluctuations in key parameters between different publications. Although not anticipated to change within GD3, if gas demand was to reduce during the period it would be expected that the impact on those left on the network would be significant. This would require further work and analysis to quantify, more details around this are included within our Chapter 10 and our Finance Annex.

244. During GD2 we have needed to be mindful of societal issues that leave our customers most vulnerable to maintaining a safe and warm home. This has included a flexible approach that allowed us to re-shape and focus our strategy on new challenges and issues for our customers such as Covid-19 and the Cost-of-living crisis.

Our key priority areas

245. We have shaped delivery of our GD3 vulnerability support around four key priority areas. These represent consistent themes across all gas networks and are designed to be delivered either by our frontline teams directly or together with partners in our community.

246. Our four key priority areas for GD3 are:

- **Providing direct services for customers;**
- **Reducing carbon monoxide harm;**
- **Supporting priority customer groups; and**
- **Tackling fuel poverty and energy affordability.**

247. In delivering our GD3 Vulnerability Strategy, we will blend funding to achieve cohesive and holistic outcomes for our communities. We have an ambition to deliver a whole house approach to looking after our vulnerable customers. By this, we mean that we'll holistically support households through our core services and VCMA-funded initiatives by our direct delivery and our Safe & Warm Partnership Network. We'll provide safeguarding and support that not only protects households today and through GD3, but also ensures communities are not left behind in the energy transition. When we walk through the front door, we'll connect vulnerable households to a bespoke package of support that ensures we leave them in a better position than before we arrived.

248. We know from customer and stakeholder insight gained during this price control that we're uniquely placed to work in our communities with other regional partners to identify vulnerable households and work in a joined-up way to ensure a whole house approach to vulnerability support.

249. As we move to GD3, we have new responsibilities to shoulder. In transitioning to net zero, we must protect the most vulnerable in our communities from being the ones that carry the burden of the cost of decarbonisation. We also know that vulnerable communities do not have the funds or the capacity to be early adopters of new technologies, and we have a pivotal role as guardians of the most vulnerable. We need to ensure they're not left behind in the energy transition. We will look for opportunities to support households through the transition by connecting customers to the right partners and right communications to fully engage with the changes ahead.

250. We take this responsibility seriously. Ensuring vulnerable customers are not left behind in the energy transition is integral to our activity in the next price control and this will underpin all four of our key priority areas.

Providing direct services for vulnerable customers

251. Our direct support services allow us to support vulnerable customers beyond our core role, empowering our frontline teams with the resources and community connections to never walk away from a customer in need.
252. In providing these 'beyond the meter' services, we're aspiring to provide whole household support to vulnerable customers as we go about our day-to-day operational work. Our VCMA-funded additional services will offer another layer of direct support services, beyond the welfare provisions we provide in our BAU activity.
253. An example of this is our Care and Repair scheme, which provides emergency access to Gas Safe registered engineers and associated funding to ensure vulnerable households are not left without gas indefinitely because they can't afford the unplanned repair or replacement. Piloted in GD2 and embedded throughout GD3, the scheme will see us maintain, repair and replace essential appliances and pipework for eligible financially vulnerable customers in GD3.
254. As well as providing a mechanism for us to support households experiencing a sudden loss of supply and unable to meet the unexpected cost, for example from a faulty appliance, we'll also be able to help households intentionally living without essential gas appliances because they've not been able to afford the cost of maintenance, repairs or replacement.
255. We will further embed our Safe & Warm community team alongside our operational colleagues in the new price control. Supporting our frontline teams, the Safe & Warm community team works to identify and support vulnerable customers during our operational works and connect households to existing community support services.
256. Increasingly in GD3, our Safe & Warm community team will identify opportunities to address the barriers that households are facing in benefiting from the energy transition, again connecting households to local community partners who can support households to face current energy issues, understand the benefits of smart meters and access local eligibility assessments.

Reducing carbon monoxide harm

257. Raising awareness of the dangers of carbon monoxide will continue to be a key priority for us, and one that is shared across the gas networks. Our ambition is to keep our communities safe by educating and empowering customers via our Safe & Warm Partnership Network on how to identify the signs and symptoms of the poisonous gas while helping them understand how to protect themselves.
258. Against a backdrop of increased energy costs and the cost-of-living crisis, lower-income households are still experiencing hardship. These financial strains and priorities often result in appliances not being serviced regularly increasing the risk of CO exposure. We'll explore preventative measures to help protect vulnerable customers from CO harm and improve energy efficiency, such as proactive boiler and appliance servicing. Introducing these measures would be subject to fixed eligibility criteria that ensures our support is targeted at the most financially vulnerable and most vulnerable customers.
259. In line with what we provide to customers through our BAU activity, we're committed to ensuring vulnerable customers have CO alarms and information in accessible formats designed to meet their needs through our VCMA initiatives.
260. Continuing our work with community partners, such as fire and rescues services, will remain crucial in ensuring we're able to engage vulnerable and hard-to-reach communities with essential safety messaging and accessible safety alarms. This includes distributing CO safety packs to vulnerable households through our Safe & Warm Partnership Network.
261. We've recognised the impact of our Safe & Warm Partnership Network in identifying households at risk of CO harm though impactful training and access to co-designed resources. Key to this success has been

connecting the Gas Safe Charity to our community partners to deliver Think CO training to frontline workers.

262. We'll continue to build skills and capacity of our community partners to educate vulnerable households on CO through the Gas Safe Charity training programme in GD3.
263. Acknowledging the essential role of our partners in educating communities on CO safety, we'll continue to measure the number of frontline workers trained on CO safety and the pre- and post-engagement awareness scores to demonstrate that our CO awareness raising interventions are making a genuine impact.

Supporting priority customer groups

264. Some communities find it more challenging to access help without trusted support and are more impacted by living in a cold and unsafe home. This includes customer groups who are recognised as requiring extra support via the PSR, groups including disabled people, older people, people with mental health conditions, those with communication needs and those who are critically ill.
265. We will continue to use data and insights and work with stakeholders, including our VSG, to identify which priority customer groups would benefit most from energy industry initiatives to stay safe and warm at home. We currently have 11 priority customer groups, but just as we've done in GD2, we'll annually review our priority groups to ensure we're targeting our support where it's needed most.
266. To have the greatest impact on these core customer groups, we will co-develop programmes with strategic partners that have extensive first-hand expertise in supporting these specific communities. This will ensure our priority vulnerability groups can access support tailored to their circumstances. Our partners will deliver tailored and practical help with core services that include:
- Support to sign up to the PSR;
 - CO awareness sessions including free CO alarms;
 - Income Maximisation, benefits checks and debt support;
 - Energy advisory services from crisis, safe ways to reduce energy costs and assessments for energy efficiency schemes; and
 - As well as support to access local initiatives to help vulnerable households with the challenges they face.
267. In establishing collaborative programmes with national charitable organisations, our support can benefit customers beyond our geographical footprint. Because of this, we will continue to proactively invite other gas networks and utility networks to join these impactful partnerships, enabling us to reach some of priority vulnerability groups more effectively and more inclusively than if we were to run the programme alone.
268. We've recognised the impact of our Safe & Warm Partnership Network in identifying and supporting priority customer groups who would most benefit from advice services provided by trusted partner organisations based on common customer characteristics. We will expand our Safe & Warm Partnership Network bringing skills and resources to help vulnerable customer groups use energy safely, efficiently and affordably.
269. We'll work with partners to expand the scope of energy advice we provide in GD3. Alongside support to help households tackle immediate needs, we'll also identify opportunities to get vulnerable customers on the most effective path to net zero based on their personal circumstance and the barriers they face. As we do now, we'll ensure the information and provision of support is designed and delivered in a way that works best for each priority customer group.

270. In recent years, our Safe & Warm Partnership Network has evolved beyond our initial ambition to create a group of expert partners to support our customers. We've proudly fostered an engaged and expanding community, eager to join together to build greater learning, skills and capacity through shared learning and cross referrals.
271. We'll facilitate more opportunities to bring our partners together and create new connections in GD3, which will enrich their own services to amplify the benefits of our partnership beyond our funded work. As well as bringing partners together around areas such as winter preparedness, we'll also provide a two-way platform for them to engage with the energy industry to support greater understanding of the barriers vulnerable customer groups face, not just today but also as we look to ensure no one is left behind in the journey to net zero.

Tackling fuel poverty and energy affordability

272. We will continue to prioritise working in local communities based on where we can have the greatest impact on helping vulnerable customers to maintain a safe and warm home.
273. To do this, we will further develop our Vulnerability Index – created in partnership with Energy Savings Trust (EST) and shaped by Sustainability First and Centre for Sustainable Energy. We use this to identify the regional communities in greatest need of support from their utility companies to use energy safely, efficiently and affordably. The Vulnerability Index data is current and takes into consideration the fuel poverty rank as well as the impact the cost-of-living crisis is having in the community, in addition to longer-term social indicators such as age, deprivation, health and disability.
274. Combining data from our Vulnerability Index with insight from our partners, stakeholders and Vulnerability and Carbon Monoxide Steering Group, we'll map the areas where need is greatest and where there are gaps in service provision. This approach enables us to integrate into local authority schemes to provide greater capacity and deliver complementary interventions for households living in these areas
275. The help we'll provide is two-fold; we'll help households we encounter who are already in energy crisis and turning to us and our partners for help, as well as supporting communities that are more likely to be in fuel crisis and have gaps in the local resources available to address their needs.
276. We began GD2 having identified 10 priority locations most in need of our support in each of our two network areas. Through the additional VCMA funding, we've been able to extend this to 15 areas of greatest need. We'll use these 15 areas as the foundation for our GD3 activity, reviewing the data underpinning these delivery areas annually.
277. In the second year of GD2, our stakeholders highlighted that local and need-specific grassroots organisations and charities were being flooded with customers in energy crisis. Communities turn to these trusted organisations over more mainstream sources of support, but these organisations lacked skills and resources in energy advice and safeguarding to offer meaningful support. We introduced our Safe & Warm Community Scheme as a mechanism to equip these organisations with the funding and skills they needed to produce energy advice and safeguarding services. We'll continue to build connections with and support hyperlocal community organisations in the same way during the next price control.
278. Our approach to tackling fuel poverty and energy affordability in all these areas centres on building capacity in community resources where people in crisis are going for help.
279. Warm spaces have been a particularly effective way of us reaching and engaging with at risk communities in GD2, which we'll expand in GD3. These warm spaces have been vital support pathways not just for respite from a cold home, but have also provided support pathways to energy debt advice, benefits eligibility assessments, take-home warmth packs and a much-needed warm meal with company.
280. We'll continue working with local authorities and regional energy advisory services such as Citizens Advice and Citizens Advice Scotland to co-design warm spaces across our network areas. As well as bringing communities together to address their immediate issues around barriers to maintaining a safe and warm

home, skilled energy advisers embedded in these warm spaces can also identify opportunities to increase household incomes and improve energy efficiency over the longer term.

- 281. As well as local authorities, we also partner regionally with electricity networks (Distribution Network Operators (DNOs)) and water companies to support households to use all their utilities efficiently and affordably. This reflects our whole household approach to supporting vulnerable customers.
- 282. We'll also build more partnerships with skilled energy advisory services and community energy groups. By partnering with groups who are connected to energy schemes locally, our customers can benefit from advice on energy debt, smart meters and energy efficiency behaviour.
- 283. With the increased levels of energy debt and volume of unclaimed benefits, we're working with experts in debt and income maximisation to support those most vulnerable with income resilience. Recognising our community partners are also seeing the households they support facing these same challenges, we're providing effective referral pathways from our partners to these debt experts to increase capacity within our broader Safe & Warm Partnership Network.
- 284. We adopt a similar approach when it comes to supporting customers with energy efficiency measures. Once we or one of our Safe & Warm community partners has identified a vulnerable household, we will refer them to energy efficiency experts who can identify opportunities to improve the energy efficiency of their home – bespoke to their circumstances. This ranges from offering information for households to self-serve or supporting a household through a full home energy audit, action plan and applications for eligible funding schemes.
- 285. Key to supporting communities most at risk of fuel poverty with energy affordability interventions is providing good quality information, resources and assistance. We'll continue to develop the resources and tools that enable us, and our partners, to provide households with the support they need to stay safe and warm at home in the way they need it.

Figure 8: Vulnerability priority areas Scotland



Figure 9: Vulnerability priority areas Southern



Maximising the impact of the Vulnerability and Carbon Monoxide Allowance

286. In developing our GD3 Vulnerability Strategy, we have made assumptions on potential funding levels based on engagement with our stakeholders and with Ofgem through the sector-specific consultation.

287. We believe these funding assumptions to be appropriate, given the success that has been realised in GD2 and the outcomes we've achieved for our vulnerable customers.

288. Based on our four priority areas, we will assign the forecast value of £43.58m funding as follows:

- Direct services £12.20m = 28%;
- Priority customer groups £13.26 = 31%;
- Reducing carbon monoxide harm £3.98 = 9%; and
- Fuel Poverty and Energy affordability £14.14 = 32%.

289. We have committed to helping 650,000 vulnerable households to use energy safely, efficiently and affordably through the duration of the next price control. This target reflects where we've handhold customers through a service. It does not include customers who receive light-touch energy advice, where they've received literature, attended an event or access information through self-service.

290. The three-tier cost-to-serve framework that we developed with stakeholders, and adapted to needs, in GD2 will remain at the foundation of our delivery. We will use this model, which is designed to be agile and consider societal need to demonstrate how we will allocate the provision of a broad range of needs-based services, allocating budget accordingly.

- The agility of our three-tier framework enables us to adapt our support based on the allocated funding. Should the funding be in line with GD2, we'll increase the depth of our support to customers most in need, where we have experience in supporting households beyond the immediate crisis. However, should funding be increased, we'll increase our tier 2 support volumes. This is where we've achieved the greatest impact on households struggling to maintain a safe and warm home in GD2. This includes projects that deliver holistic, whole household support across energy crisis, energy efficiency, carbon monoxide safety, income maximation and supported access to the PSR.
- **Tier 1** = cost to serve band – over £200 (circa 20k)
 - includes Care and Repair and partner complex case work
 - Average SROI for initiatives in this area £3.48
- **Tier 2** = Value between £25 - £200 (circa 300k)
 - VCMA = partner advisory programmes including crisis and eligibility assessment support
 - Average SROI for initiatives in this area £6.33

- **Tier 3** = Value less than £25 (circa 330k)
 - VCMA = Safe and Warm community team triage, partner outreach programmes
 - Average SROI for initiatives in this area £27.72

Innovation

291. We support Ofgem's proposal to maintain a focused theme for vulnerability within the Network Innovation Allowance (NIA) for GD3. This will build on the work done in GD2 to provide funding for projects to address customer vulnerability and we have detailed our request for funding within our innovation chapter of the business plan.
292. Through close engagement with our operational teams and with our Vulnerability and Carbon Monoxide Steering Group, we will review and evaluate innovation ideas to understand the impact of broader innovations on customers in vulnerable circumstances.
293. This approach will allow us to develop a detailed understanding of the changing nature of vulnerability and prepare SGN to respond to our customers' needs when they require us to.

Measuring impact

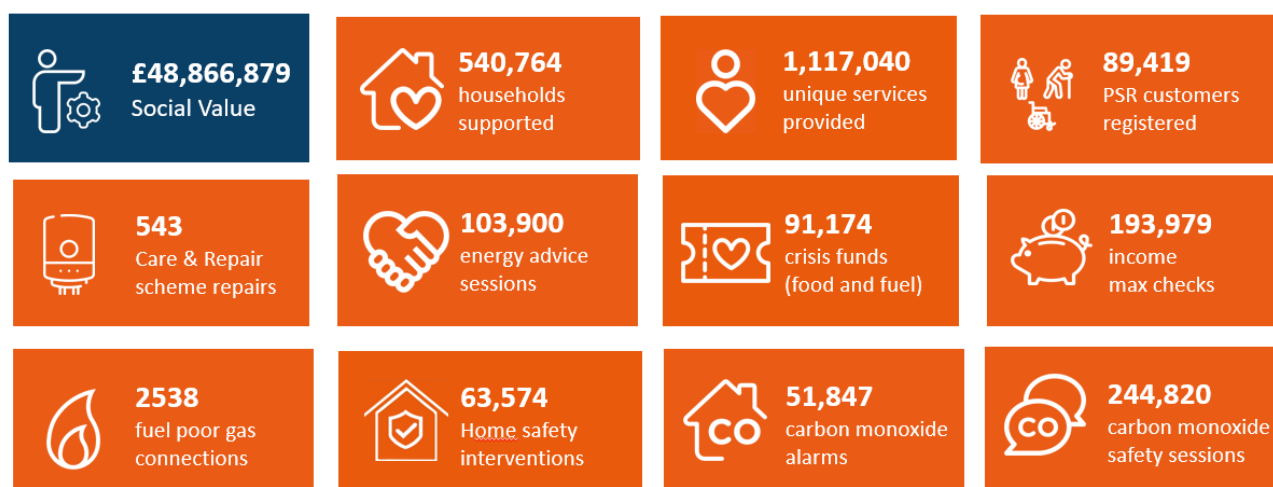
Ensuring value for customers

294. We understand our trusted position to use customer funding responsibly and impactfully to support customers in vulnerable situations. Robust and resilient measurement is fundamental to our strategy. It's our ambition to make data-driven decisions when co-designing partnerships to ensure we provide enduring benefits to those in our communities who face the greatest barriers to maintaining a safe and warm home.
295. Our ambition is to support those most in need, households who often face complex barriers to accessing help independently. Working closely with other regional networks including DNOs and water providers we look to coordinate partnership services and funding to bridge gaps for customers in need. By considering coordinated funding and programme outcome measurement from the outset, we can make informed decisions about how to have the greatest impact on the households we aim to help.
296. In addition, the forecast measurement of SROI provides a credible framework for assessing the overall societal benefit linked to the proposed initiative outcomes. This detailed assessment ensures that we're balanced and where possible provide the greatest financial and societal benefits relative to cost.
297. Throughout GD2 we've worked with industry-leading experts including SIA Partners and SIRIO Strategies to carry out and assure our SROI forecasting across our programme of initiatives, with the goal of robust, consistent, and comparable outputs. To support broader consistency in impact measurement we've been heavily involved in the development of the new Industry Standard Social Value Framework, working with ENA and SIRIO Strategies.
298. In September 2024, the overall framework for an industry tool was finalised and rolled out across GDNs, electricity distribution networks (DNOs) and transmission system operators (TSOs). However, as a group of GDNs, due to the extremely subjective nature of social value forecasting, we didn't feel this went far enough in driving a consistent standardised approach.
299. As a result, we initiated a follow-on piece with SIRIO Strategies to develop a GDN rulebook to support the industry standard social value framework. The GDN rulebook is designed to standardise many of the more subjective inputs required to accurately forecast social value for a pre-determined set of outcomes commonly delivered by GDN initiatives. This tool is now being used across the GDNs and is being used through the assessment of new initiatives under VMCA. We will continue to use the standardised measurement tools in GD3 to help stakeholders with comparability and understand the forecast value of funded VCMA projects.

Monitoring and evaluation

300. Key to how we manage our approved VCMA partners is the framework we've established to support partners from mobilisation to delivery and onto shared learning.
301. All our VCMA projects are established to deliver a clear set of measurable outcomes which informs how the SROI is calculated. With every delivery partner involved in the co-design of the service, our partners have a shared ambition to deliver the scope and outcomes detailed in the Project Eligibility Assessment documentation required. In addition, we will go beyond SROI assessments to ensure that the value of our vulnerability programmes are understood through the lived experience of those supported, in recognition that SROI is one assessment of impact in our broader communities.
302. Our current VCMA portfolio is forecast to deliver a minimum of £8.69 for every £1 spent, and to date, and based on a subset of fixed customer outcomes our network of partners has delivered a minimum of £43.8 million broader social value based on a subset of customer outcomes. Throughout GD3 we're committed to ensuring that we're delivering a positive forecast SROI, with support targeted to customers most in need.
303. We pride ourselves on being an engaged and collaborative programme partner to charitable organisations large and small. We'll continue to provide long-term support for our partners and as we've seen that this results in long-term meaningful change for its service users.
304. Reporting and evaluation are an integral part of our VCMA contractual agreements, which map out the scope of agreed outcomes with payment linked to the achievement of pre-agreed milestones. Designing our programmes in this way ensures that the VCMA budget(s) are assured, and charitable organisations are funded without risk of requesting funding that hasn't realised the agreed outcomes. All partners are supported with their monthly and quarterly reporting through scheduled partner meetings. Our approach is to ensure that we work collaboratively to make sure they have the knowledge, skills and access to help when required to address new or unexpected challenges in delivery.
305. Detailed below is a snapshot of VCMA portfolio outcomes delivered for customers from April 2021 until September 2024. We've achieved this by working closely with our VCMA partners to capture monthly reporting against a set of agreed minimum outcomes.
306. Social value is aligned to outcomes where possible, captured and calculated to measure the project-level social return and the portfolio-level social value based on these minimum outcomes for customers.

Figure 10: GD2 SGN's Customer Outputs—April 2021 - November 2024

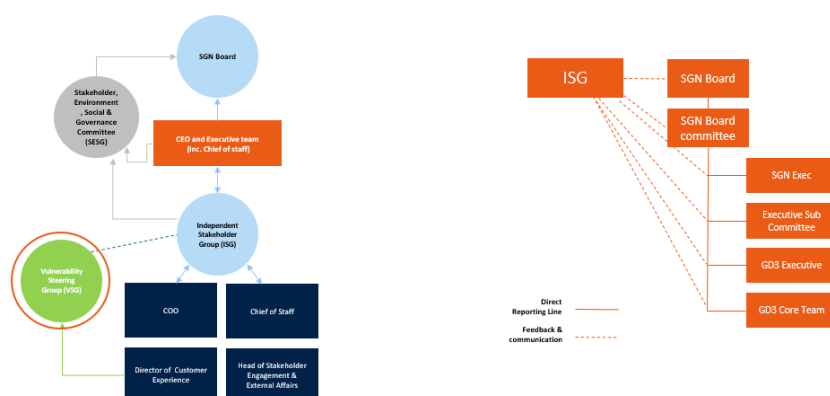


307. For GD3, we're committed to working closely with our Safe & Warm community partners to ensure that they are supported to successfully deliver our shared commitments detailed in our funded VCMA initiatives. We will continue to measure outcomes and learn with a view of sharing best practice in and out of sector for the benefit of vulnerable customers.
308. In addition, we'll continue to invest in external assurance of our VCMA portfolio as well as the impact of our VCMA funded initiatives on the lived experience of customers served to stay close to what has the greatest impact on our customers being able to maintain a safe and warm home.
309. We're committed to keeping our communities safe and warm, to never walk away from a customer in need and champion a fair and inclusive clean energy transition for all of our customers. Between us and our partners we're determined to help households most in need use energy safely, affordably and efficiently, today and tomorrow.

Governance

Figure 11: Company-specific governance

SGNs governance structure



We established our Vulnerability and Carbon Monoxide Steering Group in 2020
We've held 11 strategy sessions since August 2020 developing our GD2 - our approach and priorities

310. We adhere to the Special Condition 5.4 Vulnerability and Carbon Monoxide Allowance Governance Document, as it's a great foundation to ensuring that our portfolio is rooted to our own strategy and business plan commitments.
311. Starting with our Social and Vulnerability programme team, we review the insights shared and prioritised in partnership with our VSG as we look to design projects that address a specific need. We do this by drafting a high-level project, defining the ambition of the projects, its scope, the target community, desired outcomes and ringfenced budget.
312. With a draft project scoped we engage our procurement and legal teams to assess how best to achieve the project, either by approaching the market to open it up for tender or by approaching a partner organisation directly. With a partner successfully identified we work collaboratively to co-design the project and develop the initiative with clear and measurable outcomes that return a positive SROI.
313. Once agreed, this is socialised with our senior leadership governance team prior to the development of the project into the Project Eligibility Assessment (PEA) to ensure alignment with our strategic ambition, commitment, VCMA criteria and procurement governance aligned to the projected cost of the VCMA scheme.
314. Prior to formal sign off the PEA the Social and Vulnerability programme team provide all the supporting evidence for the senior leadership team to review. This includes, but is not limited to the completed VCMA PEA, the validated SROI assessment, inclusive of the Net Present Value (NPV) which will follow the design

of the industry standard social value framework and confirmation that the procurement team and legal team have signed off the project.

315. Management of our current portfolio is embedded within our business performance processes. This includes monthly updates to our Operational Executive committee, of the outcomes against our Vulnerability Strategy as well as quarterly performance updates to our core stakeholder groups, including the VSG and ISG.
316. In delivering against the Special Condition 5.4 Vulnerability and Carbon Monoxide Allowance and the associated Governance Document, we update our website with all approved PEAs and provide a company-specific annual VCMA report with detail on the entire VCMA portfolio.
317. We host local stakeholder engagement activities to showcase the projects and invite a range of stakeholders to provide feedback on how we're delivering against our business plan commitments. We provide detailed outputs on the progress of each initiative with an overview of the progress of each funded initiative, including partnership studies via our annual Regulatory Reporting Pack (RRP) submissions which are delivered in-line with the Data Assurance Guidelines.

Joint-GDN governance

318. Over the past 10 years, the gas networks have worked together to develop services for priority customers. In RIIO GD3 we are committed to continuing this collaboration to share best practice, develop services, and establish joint projects that impact gas customers across Great Britain.
319. The GDNs have developed a series of working groups that bring together specialists from the gas networks and external stakeholders. To build our knowledge and develop projects, a structure of these working groups allows for open discussion about work being undertaken in each network area and opportunities for projects to be undertaken collaboratively. The following details the relevant working groups:
- **Customer best practice** - this is a forum to review customer satisfaction, complaints, and Guaranteed Standards of Performance (GSoP). It aims to make sure there is consistency among the networks, alongside sharing best practice. The group is responsible for the contract with our shared independent market research company which undertakes the customer satisfaction surveys;
 - **Vulnerability group** - a forum of experts supported by invited third parties, this group takes the lead on our licence obligations to identify and support customers during our core works (emergency, planned and connections as well as our general enquiries). The group stays close to legislation changes that impact priority customers, plus the control of customer data under the General Data Protection regulation (GDPR). Their remit also includes working with Ofgem and the wider utility industry to develop a one stop shop PSR;
 - **Carbon Monoxide group** – with experts on carbon monoxide awareness from all gas networks this group's focus is on customer initiatives that reduce CO harm as well as campaigns and engagement that has been informed by stakeholder engagement and research. Its members have a close working relationship with the All-Party Parliamentary Gas Safety Group (APPCOG) and the wider group of stakeholders in that forum, which allows for understanding of legislation, coordination of campaigns, and support for national carbon monoxide awareness week;
 - **Vulnerability and fuel poverty group** - this group consists of representatives from the gas network who have expertise on the challenges that vulnerable customers face in the energy market and the causes of fuel poverty. This group works with external stakeholders to identify need and develop collaborative projects under relevant governance guidelines. The intended outcomes are to reach vulnerable customers and tackle the root causes of fuel poverty; and
 - **VCMA Steering group** - this group signs off collaborative projects with the support of key stakeholders including Citizens Advice and National Energy Action. The group tracks budget and monitors delivery of projects to ensure customer money is being well spent. The group aims to share information, data

and insight wherever possible to ensure we are aligned in our ambition, while recognising that individual GDNs may have different approaches directed by their own stakeholders in terms of how outcomes are achieved.

320. Each of the working groups has a clearly defined Terms of Reference and group strategy. These groups feed into the VCMA Governance Group, and its membership includes senior leadership representatives from all gas networks as well as external representation from NEA, Energy UK and Citizens Advice.

321. The VCMA Governance Group meets bi-monthly under agreed Terms of Reference, to a set agenda and regularly reviews the delivery of the collaborative portfolio of VCMA activities, new potential initiatives, and industry relevant updates to help inform our thinking. The focus of this group is to:

- Co-create projects and activities to be delivered via the collaboration groups with stakeholders;
- Identify and support suitable research opportunities;
- Develop a national calendar of activities, and ensure effective support is put in place;
- Where appropriate, lobby and influence changes to address vulnerability as appropriate to the GDNs' responsibilities;
- Identify and support best practice within and beyond the GDN group;
- Develop an annual work plan, reviewed each year;
- Be responsible for budgets/spend of collaboration groups; and
- Foster innovation to bring benefits.