

GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Scope Disability Energy Support with water advice service

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Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

| Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement) | |
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| In order to qualify as a VCMA project, a project must: | |
| VCMA Eligibility Criteria | Criteria Satisfied (Yes/No) |
| a) Have a positive, or forecasted positive Social Return on Investment (SROI), including for the gas consumers funding the VCMA project; | Yes |
| b) Either: i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or ii. Provide awareness on the dangers of CO, or iii. Reduce the risk of harm caused by CO; | Yes |
| c) Have defined outcomes and the associated actions to achieve these; | Yes |
| d) Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and | Yes |
| e) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding. | Yes |
| Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair and replacement projects | |
| In order to qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, repair or replacement must meet the following criteria: | |
| a) A GDN has to isolate and condemn unsafe pipework or an essential gas appliance following a supply interruption or as part of its emergency service role; | NA |
| b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and; | NA |
| c) Sufficient funding is not available from other sources (including national, devolved or local government funding) to fund the unsafe pipework or essential gas appliance servicing, repair or replacement. | NA |
| Section 3 - Eligibility criteria for collaborative VCMA projects | |
| In order to qualify as a collaborative VCMA project, a project must: | |
| a) Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria; | NA |
| b) Have the potential to benefit consumers on the participating networks; and | Yes |
| c) Involve two, or more, gas distribution companies. | Yes |

Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - Project Registration Table 2

| Information Required | Description | | | | | | | | | | | | | | | |
|---|---|------------|------------|------------|-----|-----|--------|------------|------------|------------|------------|--------|------------|------------|------------|------------|
| Project Title | Scope – Disability Energy Support | | | | | | | | | | | | | | | |
| Funding GDN(s) | The GDN(s) which register(s) the VCMA project Cadent, Northern Gas Networks, SGN and Wales & West Utilities | | | | | | | | | | | | | | | |
| Role of GDN(s) *For Collaborative VCMA Projects only | The specific role(s) of GDN(s) participating in a collaborative VCMA Project SGN lead partner, Cadent, Northern Gas Networks and Wales & West Utilities | | | | | | | | | | | | | | | |
| Date of PEA Submission | 15 March 2022 | | | | | | | | | | | | | | | |
| VCMA Project Contact Name, email and Number | Kerry Potter Kerry.potter@sgn.co.uk | | | | | | | | | | | | | | | |
| Total Cost (£k) | £240,000 | | | | | | | | | | | | | | | |
| Total VCMA Funding Required (£k) | £120,000 per year £240,000 overall <table border="1" data-bbox="485 1055 1294 1216"> <thead> <tr> <th>Year</th> <th>Cadent</th> <th>NGN</th> <th>SGN</th> <th>WWU</th> </tr> </thead> <tbody> <tr> <td>Year 1</td> <td>£59,767.32</td> <td>£13,867.80</td> <td>£32,485.20</td> <td>£13,879.68</td> </tr> <tr> <td>Year 2</td> <td>£59,767.32</td> <td>£13,867.80</td> <td>£32,485.20</td> <td>£13,879.68</td> </tr> </tbody> </table> | Year | Cadent | NGN | SGN | WWU | Year 1 | £59,767.32 | £13,867.80 | £32,485.20 | £13,879.68 | Year 2 | £59,767.32 | £13,867.80 | £32,485.20 | £13,879.68 |
| Year | Cadent | NGN | SGN | WWU | | | | | | | | | | | | |
| Year 1 | £59,767.32 | £13,867.80 | £32,485.20 | £13,879.68 | | | | | | | | | | | | |
| Year 2 | £59,767.32 | £13,867.80 | £32,485.20 | £13,879.68 | | | | | | | | | | | | |
| Problem(s) | <p>This should outline the problem(s) which is/are being addressed by the VCMA Project.</p> <p>Disabled people are more likely to face financial vulnerability, fuel poverty, and increased energy costs, they also find it more challenging to access information and support in a way that works for the disabled community</p> <p>Low-income households spend a substantial share of their income on utility services such as electricity, heating, and water. This is particularly disproportionate in the case of many disabled people, as they consume more energy and water based upon need. Disabled people have less household income and face two times the average unemployment rates, resulting in poverty being 6% higher in the disabled community.</p> <p>Scope's 'Out in the cold' report published in 2018 showed that over a third of disabled adults say that their impairment or condition has a significant effect on their energy costs, highlighting.</p> <ul style="list-style-type: none"> • That 55% of disabled adults worry about paying their energy bills; • That disabled families pay significantly more on their utilities than non-disabled families and; • That more than 900,000 households with a disabled person in England are living in fuel poverty. <p>Scope's recent research into the impact of Covid 19 has only widened the gap here. Recent research conducted during Covid 19 by Accenture and Scope identified that the impact of sustained shielding has had a further detrimental impact on disabled people. That disabled people used more energy than non-disabled people during the pandemic, and that 35% say</p> | | | | | | | | | | | | | | | |

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| | <p>that the costs of energy caused them to worry. Three in five (57%), say that their energy bills have increased significantly and that they are concerned about being able to afford their energy in winter.</p> <p>It was also determined in this research that disabled people are largely unaware of the support available to them to safeguard their needs, including key services like the Priority Services Register, and that disabled people value targeted and tailored support designed for their needs.</p> <p>It is also likely that disabled people are going to be hit the hardest in the biggest cost of living crisis in a generation. Scope research carried out by Opinium captured the responses of 1,005 disabled UK adults shows the extent of living and energy costs on disabled people.</p> <ul style="list-style-type: none"> • 76 per cent of disabled people have seen rising living costs and have had to cut household spending. • Energy bills is the biggest increase in household cost for disabled adults • Disabled people are twice as likely to be unable to heat their homes and have a cold house, with 43 per saying they need to use more energy to meet their needs. • Half of those experiencing increased costs over the past 3 months said that their mental health had worsened because of rising costs. <p>We are expecting to see increasing numbers of disabled young people, 1.25m by 2029. (SIA Partners Vulnerability Research 2020)</p> <p>In 2020 Scope launched the Disability Energy Service (DES) with water advice and since then have seen a significant and growing demand for independent and tailored advice and advocacy support to help disabled people and their families achieve a safe and warm home. This demand has grown to exceed the current funding Scope has to deliver the service, so promotion of the scheme is being managed to maintain a good service experience.</p> |
| <p>Scope and Objectives</p> | <p>The scope and objectives of the VCMA Project should be clearly defined including the benefits which would directly impact customers on the participating GDNs' network(s), and where the benefits of the VCMA Projects lie.</p> <p>Scope is the UK's leading pan disability equality charity, providing practical information and emotional support to disabled people and their families when it is most needed.</p> <p>The partnership looks to provide a bespoke and dedicated utility advocacy service for disabled people, designed for and marketed to disabled people to let them know that there is help available to support them with their utility and energy needs.</p> <p>The services for disabled people will be provided by trained specialists in both areas of utilities and disability to ensure that the best outcomes are achieved and to ensure that people who use the service have better access to a safe and warm home.</p> <p>To ensure that the support provided is accurate and up to date, the partner organisations will work together to co-design the support that delivers tailored guidance to empower and assist disabled users to access services and support to achieve a safe and warm home by proactively addressing their individual utility needs and household income.</p> <p>The partnership will include the following scope;</p> |

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| | <ol style="list-style-type: none"> 1. Enable each GDN including SGN’s Scotland network to identify and refer customers into the DES with water advice service where a household is eligible and would value the independent support 2. Direct marketing of the DES with water advice service to disabled people through the Scope network 3. Promotion of the benefits of joining the Priority Services Register to disabled people 4. Deliver an inclusive, multi-channel appointment service for disabled people including an upfront offer of three set appointments with an experienced utility advisor to work through the customers utility needs and look for opportunities to increase access to support services 5. Assesses the needs of the household and where there is opportunity provide a warm handover to additional support services designed to help disabled households <p>The objective of the partnership is to ensure that where a GDN identifies a disabled household in need they have an appropriately skilled pathway to access help designed to meet the needs of disabled people. More broadly the objective is to provide disabled people with marketing and good quality information on what support services are available should they need help with their utilities, and should they need active help that there is a team with capacity to support them with their utility needs.</p> |
| <p>Why the Project is Being Funded Through the VCMA</p> | <p>This should include an explanation of why the VCMA Project meets the VMCA eligibility criteria.</p> <p>The project meets the VCMA eligibility criteria as it will provide energy safeguarding services including direct advice and support to households where vulnerability exists, for those with disabilities and those at risk of or living in fuel poverty.</p> <p>This project will also engage on key matters to build energy resilience for disabled people, increase awareness on the dangers of CO and key support services including the Priority Services Register whilst delivering a forecast positive Social Return on Investment.</p> |
| <p>Evidence of Stakeholder/ Customer Support</p> | <p>This should provide information of the customer engagement that has taken place in the development of VCMA Projects where appropriate. If there is no evidence of stakeholder engagement or customer support, this should justify why it was not appropriate to engage with stakeholders and customers.</p> <p>Scope – Customer Feedback on the DES service “It was great to have someone on the other end of the phone that was empathetic and understood my needs.” “Very good, friendly, helpful and supportive and understanding for disabled people like myself who are finding it difficult to get help from anywhere else.” “Phil was amazing very knowledgeable, reassuring and friendly, put me at ease, totally understood where I was coming from, took time to listen as well as give great advice.” In addition, from the insights of the customers supported during 2021, customers saved on average a potential of £658 per year, and wellbeing had increased by 38% after the first appointment.</p> <p>SGN Customer Engagement Group and Vulnerable Steering Group During the shaping of the SGN business plan we committed to, over the 5-year price control, to support over 250,000 vulnerable customers to use gas safely, affordably, and efficiently. To ensure that we adapt to market conditions we continue to engage our SGN Vulnerable Steering Group, they help us shape our vulnerability and CO strategies and our priorities for GD2</p> |

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| | <p>based on current need. Our expert stakeholders representing a range of vulnerable customer segments guided us to work with existing organisations that already support those in crisis and where we are able to broaden the reach or increase the capacity of those established charities that support people most in need. It is with guidance and support from our dedicated Vulnerable Steering Group that SGN prioritise support for those most likely to need help from their utility company due to low incomes, those in extreme financial vulnerability and in fuel crisis.</p> <p>GDN Vulnerability Collaboration Group Representatives from all four GDNs are supportive of delivering tailored support services to disabled customers as it aligns to our overall strategic ambition to increase awareness of the Priority Services Register to those most likely to benefit from the support linked to this service.</p> <p>GDN GD2 Consumer Vulnerability and Carbon Monoxide Steering Group The steering group membership includes senior leaders from each representative gas network and representation from key consumer advocacy groups including Citizens Advice, National Energy Action and Energy UK. The steering group ensures that the VCMA is managed in accordance with Ofgem guidelines and the strategic ambitions of the group. This initiative was discussed by the chair of the GDN Vulnerability Collaboration group, and the initiative was broadly supported.</p> |
| <p>Outcomes, Associated Actions and Success Criteria</p> | <p>Details of the VCMA Project, outcomes and the associated actions to achieve these, interim milestones and how the Funding Licensee will evaluate whether the project has been successful. Each action should have a proportion of the funding allocated.</p> <p>Through this partnership the Scope Disability Energy Support with water advice service we will work to directly support 1,200 vulnerable people per year with energy advice that improves their financial independence, their health and wellbeing, and increases their confidence to manage their household utility costs as well as provide access to practical advice on the dangers of CO and how to mitigate them.</p> <p>The partnership will be embedded within the Scope Disability Energy Support (DES) with water advice service and provide the following outcomes:</p> <ul style="list-style-type: none"> • Access to a referral pathway from gas network into the DES team for disabled households to access tailored support to meet utility needs • DES advice team educated on CO safety and confident to provide CO awareness to customers they work with • Marketing of the DES service through Scopes networks of disabled people • Marketing of the Priority Services Register to Scope’s network of disabled people • Delivery of the DES with water advice service through the appointment programme in an accessible way – ensuring channel options meet disabled people's needs <p>Success Criteria</p> <ul style="list-style-type: none"> • 8 Scope DES advisors provided CO safety training • 1,200 customers per year supported to use energy safely, efficiently, and affordably via one-to-one utility discussions • Where relevant customers will be more aware of the risks of CO and how to mitigate these following one-to-one CO awareness discussions • Customers provided with easy access to the Priority Services Register |

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| | <ul style="list-style-type: none"> • Customers referred on to access fuel vouchers, access to subsidised white goods, access to benefits, grants, and trusts • Customers assessed for income maximisation including benefits checks to increase household income. <p>To monitor our impact in line with the above, we will:</p> <ul style="list-style-type: none"> • Monitor outcomes against services provided • Monitor who is making use of the service - customer demographics, vulnerabilities, and needs • Survey service users for satisfaction and impact • Work closely with our partners to ensure that we all understand the issues faced to continue to develop our services by need • Provide case studies of the impact of the programme on frontline support and impact of individuals supported by the initiative (partner and individual) Work with Scope and other funding partners of DES with water advice to solve the problem around measuring the outcomes from a partner that is embedded within other referral pathways. |
| Project Partners and Third Parties Involved | <p>Details of Project Partners or third-party involvement.</p> <p>Scope – Lead delivery partner, delivering both community marketing, the services agreed under DES with water advice service, and insight reporting.</p> <p>AgilityEco – Utility advice training provider for the DES team</p> <p>SGN – Lead gas network, providing funding and support to the delivery team, including training and access to broader referral partners and direct services for customers including but not limited to Locking Cooker Valves, CO alarms and access to the Fuel Poor Network Extension Scheme.</p> <p>Cadent / Northern Gas Networks / Wales & West Utilities – Partner gas networks providing funding and access to broader referral partners and direct services for customers including but not limited to Locking Cooker Valves, CO alarms and access to the Fuel Poor Network Extension Scheme.</p> <p>UK Power Networks – Lead electricity network, providing funding and guidance on the support services available from electricity network operators</p> <p>Anglian Water & South East Water – Regional water provider, providing funding and guidance on the support services provided by water networks</p> <p>Energy retailers – energy retailers providing funding and guidance on the support available linked to energy company obligations.</p> |
| Potential for New Learning | <p>Details of what the GDN(s) expect to learn and how the learning will be disseminated.</p> <p>Working with Scope and their broader network we are hoping to enhance our understanding of the additional benefits for customers that come from a partner embedded within the disabled community, with other referral pathways through which they're able to refer out customers in need to receive other services specific to disabled household needs.</p> <p>We are looking to better understand how to best engage and support disabled people to confidently manage their utilities ensuring that access is fair. We intend to learn how to effectively engage with and better understand the challenges faced by disabled people and share these stories and insights to improve accessibility and service.</p> |

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| | <p>The following activities will be in place to monitor and evaluate project progress and impacts:</p> <ul style="list-style-type: none"> • Quantitative and qualitative service user outcomes and demographics/vulnerabilities recorded/monitored • Service user before-and-after-support surveys and follow-up calls • In-bound and out-bound referrals from/to partners and other services recorded/monitored • Feedback, indicators, outputs, and outcomes reported monthly and quarterly at a regional level |
| Scale of VCMA Project and SROI Calculations | <p>The Funding Licensee(s) should justify the scale of the VCMA Project – including the scale of the investment relative to its potential benefits. As part of this it should provide the SROI calculation.</p> <p>Based on Scope’s own insights on the outcomes of the DES with water advice service the average cost to serve is £104 per household and over the past year on average the potential household savings have been £658 per year.</p> <p>SGN and the gas networks are working with leading social impact research consultancy SIA Partners to carry out an assessment of the financial and wellbeing outcomes applicable to our services for vulnerable customers incorporated in this partnership. Before including the additional benefits attributed to CO advice SIA partners forecast a minimum SROI of £12.48 benefits delivered via the DES with water advice service.</p> |
| VCMA Project Start and End Date | <p>Detail starts and end date of the VCMA project and, where relevant, the VCMA project that preceded this initiative.</p> <p>April 2022 – May 2024</p> |
| Geographical Area | <p>Details of where the VCMA Project will take place. If the VCMA Project is collaborative, the Funding Licensee area(s) in which the project will take place should be identified.</p> <p>England and Wales Direct referrals from the SGN Scotland network</p> |
| Remaining Amount in the Allowance at Time of Registration | <p>Remaining funding left in the Licensee’s/ Licensees’ funding pot.</p> <p>Amount before this project: £11,685,583.10 <i>**based on CO in Pregnancy, Scouts, CA National, Fuel Bank Foundation, CO Schools’ Education and Collaborative GDN Winter Awareness Campaign being the only confirmed spend at time of registration.</i> Project costs: £240,000 Remaining following this project: £11,445,583.10</p> |

Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - PEA Control Table

In order to ensure that a VCMA project is registered in accordance with the Ofgem VCMA governance document (incl. project eligibility assessment), the below table should be completed as part of the project registration process.


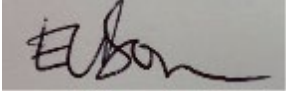
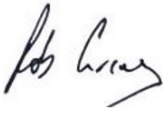
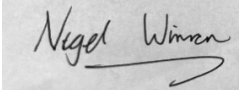
Stage 1: GDN Collaboration Group PEA Review
Meeting date review completed: 02/02/22
Review completed by: Kerry Potter

| GDN: | Name: | Job Title: |
|--------|--------------|-----------------------------|
| Cadent | Simon Hames | Programme Manager |
| NGN | Jill Walker | Vulnerability Manager |
| SGN | Kerry Potter | Group Social Impact Manager |
| WWU | Elaina Cook | Social Obligations Manager |

Stage 2: GD2CVG Panel Review
Meeting date sign off agreed: 18/03/22
Review completed by: Kerry Potter

| GDN: | Name: | Job Title: |
|--------|------------------|--|
| Cadent | Jo Giles | Customer Safeguarding Senior Manager |
| NGN | Eileen Brown | Director of Customer |
| SGN | Maureen McIntosh | Head of Customer Experience |
| WWU | Nigel Winnan | Customer and Social Obligations Strategy Manager |

Step 3: Participating GDN individual signatory sign-off

| GDN | Name: | Job Title: | Signature: | Date: |
|---------|--------------|---|--|----------|
| Cadent: | Jo Giles | Customer Safeguarding Senior Manager |  | 29/03/22 |
| NGN: | Eileen Brown | Director of Customer |  | 14/03/22 |
| SGN: | Rob Gray | Director of Stakeholder and External Communications |  | 29/03/22 |
| WWU: | Nigel Winnan | Customer and Social Obligations Strategy Manager |  | 29/03/22 |

Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)

Date that PEA Document Uploaded to the Website: August 2022

Date that Notification Email Sent to Ofgem: August 2022