

Vulnerability & Carbon Monoxide Allowance (VCMA)

Turn 2 Us Online Benefits Calculator and Grants Search

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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)	
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: <ul style="list-style-type: none"> 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;	N/A
b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	N/A
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.	N/A
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;	N/A
b) Have the potential to benefit consumers on the participating networks; and	N/A
c) Involve two, or more, gas distribution companies.	N/A

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

Information Required	Description
Project Title	Turn 2 Us Benefits Calculator and Grants search
Funding GDN(s)	Cadent - all networks
Role of GDN(s) *For Collaborative VCMA Projects only	Not Applicable - Company Specific Project
Date of PEA Submission	March 2023
VCMA Project Contact Name, email and Number	Contact Name: Phil Burrows Role: Head of Customer Vulnerability & Social Programme Delivery Email: phil.m.burrows@Cadentgas.com Number: 07773 545451
Total Cost (£k)	£30,000.00
Total VCMA Funding Required (£k)	£30,000.00
Problem(s)	<p><u>Fuel Poverty</u></p> <p>Research shows that cold homes can have a detrimental impact on the physical and mental health of inhabitants that are unable to afford their property's required fuel costs. However, rising energy costs, low incomes, and energy-inefficient homes are restricting people's options, leaving them in impossible situations like having to choose between heating their homes, feeding their children, or paying their bills.</p> <p>Fuel poverty continues to impact a significant proportion of the population. ¹In 2022, there were an estimated 13.4 percent of households (3.26 million) in fuel poverty in England under the Low-Income Low Energy Efficiency (LILEE) metric, up from 13.1 percent in 2021 (3.16 million).</p> <p>The aggregate fuel poverty gap for England in 2022 was estimated at £1.10 billion under the LILEE metric up by 37 percent since 2021 (£0.8 billion) in real terms.</p> <p>The average fuel poverty gap for England in 2022 (the reduction in fuel costs needed for a household to not be in fuel poverty) was estimated at £338, up by 33 percent since 2021 (£254).</p> <p>Despite improvements in energy efficiency, there has been no increase in the share of households meeting the 2030 fuel poverty target. 2022 statistics showed that only 52.8 percent of all low-income households lived in a property with a fuel poverty energy efficiency rating (FPEER) of band C or better.</p> <p>Many industry experts predict that national rates of fuel poverty will continue to rise in 2023-2024 and beyond. It is projected that in 2023, fuel poverty will increase to 14.4 percent (3.53 million) with the average fuel poverty gap rising by 31 percent in real terms to £443 (in 2022 prices).</p>

¹ Annual Fuel Poverty Statistics LILEE Report 2023 (2022 data) (publishing.service.gov.uk)

The Turn 2 Us Online Benefits Calculator and Grants Search Tool will support customers at risk of or living in fuel poverty by supporting them to identify potential sources of additional household income. Households with higher levels of disposable income are more likely to be able to afford the costs of heating their homes to an adequate temperature, avoiding the risk of exposure to cold related illness.

Fuel Debt

Fuel debt can cause worry and depression and leave people in financial hardship. The Fuel Bank Foundations' "Fuel Crisis Report 2022" reported that:

- 96% of their clients were having to make the choice between heating their homes or putting food on the table,
- 14% of people supported by the Fuel Bank Foundation were sacrificing hot food daily, and,
- 74% of Fuel Bank Foundation clients were struggling with other essential household bills alongside fuel costs.

Households that struggle to pay their bills for a prolonged period can experience an increased risk of incurring debt, creating a cycle that is challenging for the household to break.

The Impacts of Cold Homes

The living conditions of cold homes can prevent children from thriving, resulting an increased likelihood of them falling behind at school or potentially being isolated. Additionally, a household's inability to afford their required energy costs can lead to an increased risk of exposure to cold related health conditions such as heart attacks, strokes, bronchitis, and asthma. Cold related illnesses places increased pressure on the National Health Service and the exchequer.

A recent National Energy Action (NEA) report showed that 11,400 Winter deaths are caused by people living in cold homes. Staggeringly, more people die from cold homes than they do from alcohol, Parkinson's Disease, or traffic accidents. Many experts also report links between fuel poverty and detrimental effects on residents' mental health.

The Turn 2 Us Online Benefits Calculator and Grants Search Tool will support customers to reduce their risk of living in cold housing conditions through identifying additional unclaimed income.

²Unclaimed benefits

The Department for Work and Pensions (DWP) are responsible for the management of the range of financial support available through the UK benefits system; this includes welfare, pensions, and the child maintenance policy. As the UK's biggest public service department, the DWP administers the state pension and a range of working-age, disability, and ill health benefits to around 20 million claimants and customers.

The DWP regularly publish statistics on the volume of applications and claimants of a range of financial support types.

² Income-related benefits: estimates of take-up: financial year 2018 to 2019 - GOV.UK (www.gov.uk)

	<p>Housing benefit</p> <p>The most recent DWP estimates show that:</p> <ul style="list-style-type: none"> • Up to 1.1 million families (an increase on last year's statistics) who were entitled to receive Housing Benefits did not claim the benefit. • Up to £3.4 billion of available Housing Benefits went unclaimed. On average, this amounted to around £3,100 per year for each eligible family who did not claim the Housing Benefit. <p>Pension Credit</p> <ul style="list-style-type: none"> • Up to 1 million families who were entitled to receive Pension Credit did not claim the benefit. • Up to £1.8 billion of available Pension Credit went unclaimed. On average, this amounted to around £1,700 per year for each eligible family who did not claim the Pension Credit benefit. <p>The DWP point to a variety of reasons for this vast unclaimed amount, but primarily attribute the issue to low household awareness. Other issues include varying rules and the complex different types of benefits available, often confusing and alienating eligible households.</p> <p>The Turn 2 Us Online Benefits Calculator and Grants Search Tool will support eligible households to claim their full entitlement of benefits through improving awareness and simplifying the complexity of the benefits system.</p>
<p>Scope and Objectives</p>	<p><u>Project scope</u></p> <p>The project will continue Cadent's partnership with the national financial hardship charity Turn 2 Us. The Turn 2 Us Online Benefits Calculator was embedded into Cadent's website last year and proved an effective addition to wider Vulnerability and Carbon Monoxide Allowance (VCMA) projects, allowing customers reached through community activities to identify and access additional household income.</p> <p>The inclusion of the Turn 2 Us Online Benefits Calculator on Cadent's website enabled a new group of customers to access specialist income maximisation support. The Online Benefits Calculator achieved the following outcomes in 2021-2022:</p> <ul style="list-style-type: none"> • 201 people used the tool between 01/04/2022 – 21/03/2023 • Of the 201 users, 75 were eligible for benefits as identified by the calculator tool. • 64 users were identified as eligible for universal credit benefits only, 6 were identified as eligible for pension age benefits only, and 5 were identified as eligible for both universal credit and pension age benefits. • With regards to the 69 customers eligible for universal credit, each user would stand to be £54.35 per/week better off

This year, the project will broaden the services available to Cadent customers through the addition of the Grant Search tool. This will take the project to a new level, offering financial assistance to people living on Cadent's network that cannot claim welfare benefits because of their status in the UK.

Customers will be signposted towards the Online Benefits Calculator and Grants Search Tool from wider VCMA projects where Cadent has already built a trusted relationship. This trust will increase the success rate in which customers visit and utilise the Online Benefits Calculator and Grants Search Tool webpage on Cadent's website. Additionally, our customer research also told us that generally, customers trust us and our brand (e.g. our Green Print for Gas).

Turn 2 Us calculator

The Turn 2 Us Online Benefits Calculator will enable households that do not have local support to access a means of expert financial information. Use of the Online Benefits Calculator will allow customers to understand their eligibility for DWP benefits, as well as offering a process for making a claim.

The calculator's design is customer-focussed, inviting, and easy to use. The average use time is approximately 10 minutes and allows a user to avoid unwanted stress and time in independently navigating the UK benefits system. This means that customers will be encouraged to try the calculator, due to its low time investment, and easy to interpret results.

Grant Search Tool

Grant-giving funds (also known as "charitable funds") give financial help in the form of a grant to people in need.

Grants can be given as money, products, or services that don't have to be paid back.

The Grant scheme has specific qualifying rules which an individual must meet in order to get help from the fund. In general, the individuals would need to be in financial need or on a low income. This will support vulnerable customers across Cadent's network that are not eligible for DWP-issued benefits.

Project objectives

Cadent will evaluate the success of the project against the achievement of the following objectives:

- Statistics from project partner Turn 2 Us report a conversion rate of 37.3% for Online Benefits Calculator and Grants Search Tool uses that translate into additional realised income.
- With regards to the Online Benefits Calculator, the average successful claim amounts to £5,300.00 in realised income per year.
- When using the Grants Search Tool, users will be £1,150.00 better off in realised income.
- Users that successfully claim and access additional income will experience improved levels of comfort due to having the income necessary to heat their homes to an adequate temperature.

	<ul style="list-style-type: none"> • Users that successfully claim and access additional income will experience reductions in stress due to a relief from debt and financial worry.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that this project meets the required company specific VCMA project eligibility criteria.</p> <p>a. Has a positive, or forecasted positive SROI, including for the gas consumers funding the VCMA project:</p> <p>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</p> <p>b. Either:</p> <ul style="list-style-type: none"> a. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or b. Provide awareness on the dangers of CO. or c. Reduce the risk of harm caused by CO <p>This project will provide support to consumers in vulnerable situations and relate to energy safeguarding. Project customers will access financial advice and realise additional household income, both of which may result in a customer being able to adequately heat their home to a healthy temperature.</p> <p>c. Have defined outcomes and the associated actions to achieve these:</p> <p>This project has clearly defined outcomes and associated actions to achieve them. Further information on the project's outcomes and associated actions can be found in the relevant section below.</p> <p>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations;</p> <p>We believe that this project goes outside of activities funded through other price control mechanisms due to:</p> <ul style="list-style-type: none"> a) the types of support being delivered, and, b) the method through which customers are to be engaged (e.g. not through Cadent's BAU activities) <p>e. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding.</p> <p>This project will solely be delivered by Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent has sought the views of a wide range of stakeholders to support its strategy for shaping VCMA projects. For instance, Cadent conducted extensive stakeholder engagement to gather the views of organisations on its year one VCMA delivery.</p> <p>Cadent obtained stakeholder feedback on individual projects (e.g., the model of enabling customers to access emergency grants and income maximisation services) and categories of activities (e.g., tackling affordability and fuel poverty).</p> <p>With regards to categories of activities, tackling affordability and fuel poverty saw the highest percentages of support for increasing funds, with</p>

	<p>61% of stakeholders and 43% of customers supporting an increase in funding when compared to 2021-2022 levels.</p> <p>When looking at specific projects from the first year of VCMA delivery, 83% of customers and 74% of stakeholders support or somewhat support Cadent funding income advice in partnership with Turn 2 Us. One stakeholder commented " <i>I would say Turn2Us winter grants offer, and emergency fuel vouchers are key. Residents are going to need immediate crisis support more than ever going into next winter and local provision via local authorities isn't enough</i>".</p> <p>Finally, Cadent asked customers for their views on which of the below statements best described their health and financial situation compared to 2021:</p> <ul style="list-style-type: none"> • My current household's health or financial situation is worse off compared to 2021. • My current household's health or financial situation is the same compared to 2021. • My current household's health or financial situation is better off compared to 2021. <p>60% of participants responded that their households' health or financial situation was worse off this year compared to 2021 levels.</p> <p>Overall, Cadent believes that it has obtained strong stakeholder feedback to support the extension of its partnership with Turn 2 Us, enabling Cadent customers to access the Online Benefits Calculator and Grants Search Tool. Additionally, the 2021-2022 customer usage and financial gains statistics referenced in the above Scope and Objectives section support the extension of the partnership.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project outcomes</u></p> <p>The project aims to provide customers with income maximisation advice to achieve the following outcomes:</p> <ul style="list-style-type: none"> • An increased awareness amongst Cadent's customers of the financial support that households are entitled to. • Customers utilise the Turn 2 Us Online Benefits Calculator to assess their eligibility for benefits. This will translate into realised income for 37.3% of users, with an average benefit of £5,300.00 per household (per year). • Customers utilise the Grant Search Tool to assess their eligibility for wider charitable grants. This will translate into realised income for 9.3% of users, with an average benefit of £1,150.00 per household. Cadent and Turn 2 Us have assumed a lower success rate (9.3%) when compared to the Online Benefits Calculator due to the Grants Search Tool being a new feature to Cadent's website. Additionally, the criteria to qualify for a grant is different to the DWP benefits identified through the Online Benefits Calculator. <p><u>Associated Actions</u></p>

	<ul style="list-style-type: none"> • Cadent will continue to present the Turn 2 Us online benefits calculator on its website to provide an accessible and efficient means for customers to receive financial support. • Cadent will embed the Grant Search into its website to provide an accessible and efficient means for customers to receive financial support. • Turn2us will provide a monthly report on the usage of the Cadent-hosted Online Benefits Calculator and Grants Search Tool. This will allow Cadent to monitor the number of uses and additional realised income identified through both services. • Cadent will create referral pathways from wider VCMA projects (e.g., Centres for Warmth, Services Beyond the Meter etc.) into the Online Benefits Calculator and Grants Search Tool, allowing a wider group of customers to access the services. <p><u>Success criteria</u></p> <p>The success of the project will be evaluated against the meeting of the project's objectives. These objectives include:</p> <ol style="list-style-type: none"> 1. A total of 865 users will access the Online Benefits Calculator throughout the three-year duration of the project. 2. Turn 2 Us predict that 37.3% of users will successfully identify and claim benefits through the Online Benefits Calculator, equating to 323 customers. 3. Online Benefits Calculator users that successfully claim benefits will on average receive an additional £5,300.00 in realised income per year. 4. A total of 865 users will access the Grants Search Tool throughout the three-year duration of the project. 5. Turn 2 Us forecast that 9.3% of users will successfully identify and receive charitable grants through the Grants Search Tool, equating to 80 customers. 6. Grants Search Tool users that successfully claim charitable grants will on average receive an additional £1,150.00 in additional income.
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will principally work in partnership with national financial hardship charity Turn 2 Us.</p> <p>Cadent's network of wider VCMA partners will act as referral partners to direct customers in vulnerable situations to the Online Benefits Calculator and Grants Search Tool.</p>
<p>Potential for New Learning</p>	<p>The project will continue to create an opportunity for Cadent to gain insight into the effectiveness of alternative income maximisation methods and the use of online tools made available to the public. This can help guide future projects, ensuring they are successful in achieving the intended outcomes and customers.</p> <p>The project will also offer insight into the effectiveness of a self-serve model versus partner lead support. Customers are responsible for navigating through the Turn 2 Us Online Benefits Calculator and Grant</p>

	<p>Search Tool. This has the benefit of accessibility, as a customer can use the service without having to rely on local agencies etc.</p> <p>However, some customers may still not have the confidence to use the service or may face digital exclusion. These customers may benefit from a guided approach offered by our Centres for Warmth/Warm Hubs.</p>										
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>The scale of VCMA project</u></p> <p>The success of the partnership was evaluated in 2022 and a renewal has been agreed (with the addition of the Grants Search Tool) between November 2023 and November 2025.</p> <p>Based on insight from Turn 2 Us, we have forecasted that the Online Benefits Calculator and Grants Search Tool will deliver the following levels of support:</p> <table border="1" data-bbox="491 757 1442 1070"> <thead> <tr> <th>Project Period</th> <th>Forecasted Rate of Use</th> </tr> </thead> <tbody> <tr> <td>01/11/2022 - 31/03/2023</td> <td>Approximately 17 users per month (a total 85 individuals)</td> </tr> <tr> <td>01/04/2023 - 31/03/2024</td> <td>Approximately 20 users per month (a total 240 individuals)</td> </tr> <tr> <td>01/04/2024 - 31/03/2025</td> <td>Approximately 25 users per month (a total 300 individuals)</td> </tr> <tr> <td>01/04/2025 - 30/11/2025</td> <td>Approximately 30 users per month (a total 240 individuals)</td> </tr> </tbody> </table> <p><u>SROI Summary</u></p> <ul style="list-style-type: none"> • Investment = £30,000.00 • 5-year social return on investment = £8,012,604.35 • 1-year social return on investment = £463,431.25 • 5-year gross present value = £8,642,604.25 • 1-year gross present value = £493,431.25 <p><u>Gross present value created by supporting customers to identify and access unclaimed DWP benefits</u></p> <p>Cadent has forecasted that a total of 865 individuals will use the Online Benefits Calculator throughout the three-year duration of the project.</p> <p>Statistics from Turn 2 Us predict a conversion rate of 37.3% for the likelihood of an Online Benefits Calculator customer using the service and realising additional income at the end. This equates to a total of 323 customers that will receive a financial benefit of £5,300.00 per/year.</p> <p>Overall, this equates to a 5-year gross present value of £8,550,092.50.</p> <p><u>Gross present value created by supporting customers to access charitable grants</u></p> <p>Cadent has forecasted that a total of 865 individuals will use the Grants Search Tool throughout the three-year duration of the project.</p> <p>Statistics from Turn 2 Us predict a conversion rate of 9.3% for the likelihood of a Grants Search Tool customer using the service and realising additional income at the end. This equates to a total of 80 customers that will each receive a financial benefit of £1,150.00 per charitable grant.</p>	Project Period	Forecasted Rate of Use	01/11/2022 - 31/03/2023	Approximately 17 users per month (a total 85 individuals)	01/04/2023 - 31/03/2024	Approximately 20 users per month (a total 240 individuals)	01/04/2024 - 31/03/2025	Approximately 25 users per month (a total 300 individuals)	01/04/2025 - 30/11/2025	Approximately 30 users per month (a total 240 individuals)
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	Overall, this equates to a 5-year gross present value of £92,511.75.
VCMA Project Start and End Date	Project start date = November 2022 Project end date = November 2025
Geographical Area	The project focuses on continuing the use of the Online Benefits Calculator into Cadent's website and adding an additional Grant Search Tool. This calculator and tool will be accessible throughout all 4 Cadent networks.
Remaining Amount in the Allowance at Time of Registration	To be confirmed following Director of Sustainability and Social Purpose

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: Sustainability and Social Purpose Team PEA Peer Review	
Date Immediate Team Peer Review Completed: 16/03/23	Review Completed By: Ed Allard
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 16/03/23	Review Completed By: Phil Burrows
Step 3: Director of Sustainability and Social Purpose Sign-off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 20/03/23	
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: March 2023	
Date that Notification Email Sent to Ofgem: March 2023	