

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
The Royal British Legion- Cost of living support

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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. 	
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	The Royal British Legion- Cost of living support
Funding GDN(s)	This is a Cadent specific project.
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable
Date of PEA Submission	June 2024
VCMA Project Contact Name, email and Number	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Phone: 07773 545451
Total Cost (£k)	Project cost: £950,000.00 Project management fee (4%): £38,000.00
Total VCMA Funding Required (£k)	£988,000.00
Problem(s)	<p><u>Background</u></p> <p>In the current economic climate, many people are struggling due to the cost-of-living crisis. This is the same and sometimes worse for people who are part of the Armed Forces Community.</p> <p>According to a report carried out in 2011 many suffer from health, welfare and social issues.¹ The six groups investigated were:</p> <ul style="list-style-type: none"> • Those seriously injured by Service or their family members • Veterans with a health condition or disability not caused by Service, and their family members. • Serving Armed Forces and family members • Estranged spouses and partners of Service personnel • Family members or Service personnel who have died. • Gurkhas and Commonwealth soldiers discharged from the Armed Forces within the last five years. <p>The most common health problems included depression, anxiety, stress, physical limitations, cognitive impairment and pain.</p> <p>Poverty causes ill health, drives inequality in health outcomes and increases use of health services.² In addition to the personal stresses it causes, poverty is also expensive, in direct costs to the state and in lost opportunity and productivity. People in all groups faced financial hardships including lack of employment and difficulties accessing benefits. Common social problems included loneliness, adjusting to civilian life, social isolation and difficulties with new or existing relationships.</p>

¹ https://www.britishlegion.org.uk/docs/default-source/campaigns-policy-and-research/welfare_2010_qualitative_study.pdf?sfvrsn=b533fa83_2

² [Poverty And the Health and Care System: The Role Of Data And Partnership In Bringing Change | The King's Fund](https://www.kingsfund.org.uk/poverty-and-the-health-and-care-system-the-role-of-data-and-partnership-in-bringing-change)
(kingsfund.org.uk)

	<p>Although the Royal British Legion (RBL) offers support in these areas, more is needed as they have had an increase in the number of people asking for help.</p>
<p>Scope and Objectives</p>	<p>Cadent will provide The Royal British Legion with £950,000.00 of VCMA funding to deliver a 21-month project to assist the Armed Forces Community with advice across all Cadent Networks.</p> <p>The advice will be offered through the following services:</p> <ul style="list-style-type: none"> • Benefits, debt and money advice service which provide specialist advice to serving personnel and veterans struggling with unmanageable debt, negotiating the benefits system and financial literacy. • Physical and mental wellbeing support which supports wounded, injured or sick serving personnel and veterans through the Battle Back Centre. This helps improve confidence and motivation. • Care and independent living which offers advice and support to enable people to live well and safe in their own homes. • Local Community Connections which offer support through over 700 branches aimed and counteracting social isolation and loneliness. <p>The Royal British Legion employ caseworkers who support RBL customers and tailor advice to fit customer's needs. The advice will include:</p> <ul style="list-style-type: none"> • Help with applying for benefits they are entitled to but not claiming. • Raising awareness of the dangers of CO in the home and the signs and symptoms of CO. • Raising awareness of the PSR and the benefits of being registered. • The offer of free gas safety checks to keep them safe in their homes. <p>The VCMA funding will be used for the following:</p> <ul style="list-style-type: none"> • To pay for 13.3 FTE Independent Living Advisors who will offer support and advice on CO, PSR and energy tips in an outreach capacity. • To pay for 23 caseworkers within the benefits, debt and money advice team who will assist with income maximisation advice. • To pay for 53.5 FTE caseworkers who deal with grant applications and can therefore also offer advice on CO and PSR. <p><u>Objectives of the project</u></p> <p>The success of the project will be measured by meeting the following objectives over a two-year period:</p> <ul style="list-style-type: none"> • 1,000 people will receive advice on benefits and income maximisation. • 1,000 people will receive advice on debt management. • 10,000 people will raise their awareness of the dangers, signs, and symptoms of CO in the home. • 10,000 people will raise their awareness of the benefits of being registered on to the PSR. • 100 people will receive a free gas safety check to keep them safe in their homes. • 2.2 million people will receive advice on CO, PSR and energy efficiency tips via social media blog, posts and The Royal British Legion magazine and via the RBL newsletter (this is subject to a 3% retention rate).

	<p>As well as achieving the above forecasts for the number of clients benefitting from the project's services, the partnership will also deliver the following positive indicators:</p> <ul style="list-style-type: none"> • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Customers will report improved levels of comfort from being in their own home and able to heat it to a healthier temperature and having an increased awareness of energy efficiency measures and support. • Customers will report improved feelings of safety from improving their awareness on the signs, symptoms, and dangers of CO. • Customers will report feeling more secure and happy due to being safe and warm in their own home.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>A. Cadent believes that this project meets all the required VCMA eligibility criteria.</p> <p>B. The project is forecasted to have a positive SROI.</p> <p><i>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</i></p> <p>C. The project will either:</p> <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. <p><i>The project will provide support to customers living in vulnerable situations through energy efficiency advice/income maximisation. The project will also offer customers education on the dangers of CO and issue audible alarms to particularly at-risk households.</i></p> <p>D. The project has defined outcomes and the associated actions to achieve them.</p> <p><i>This project has clearly defined outcomes and associated outcomes, the meeting of which will quantify success. Further information on the project's outcomes and associated actions can be found in the relevant section below.</i></p> <p>E. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.</p> <p><i>The method in which energy efficiency, gas safety and income maximisation advice are issued to clients on this project is innovative and goes beyond BAU.</i></p> <p>F. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding.</p> <p><i>This project will be delivered solely through Cadent's VCMA funding.</i></p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent conducted and continues to obtain extensive stakeholder and customer engagement on its RIIO-GD2 business plans and subsequent VCMA delivery. For instance, we regularly seek to obtain the feedback of</p>

	<p>stakeholders such as Citizens Advice and National Energy Action (NEA) to understand the needs of customers in vulnerable situations. These regular conversations allow Cadent to gain feedback on the initiatives we are, or should be supporting, and ensure that our VCMA-funded projects are in the best interests of our customers.</p> <p>Stakeholders have provided consistent feedback on the need for energy networks to focus their funding on supporting households most impacted by the cost-of-living crisis.</p> <p>This project takes this feedback into account by creating a partnership with a trusted local charity, positioned in an area with levels of deprivation and fuel poverty significantly higher than the national average. Additionally, the customer demographic of >65 years old can be disproportionately impacted by fuel poverty, due to factors such as being more at risk of cold related illness, having lower levels of household income, and spending a greater proportion of time at home.</p> <p>In terms of customer engagement, we asked customers for their views on which of the below statements best described their health and financial situation in 2022-2023, when 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>This project aims to act upon this customer insight and feedback, through supporting customers impacted by a downturn in their financial health. This will be achieved through offering services such as income maximisation and benefit entitlement check, energy efficiency advice and CO and PSR awareness to give a wraparound support service.</p> <p>The partnership with the Royal British Legion will enable Cadent to provide an integrated approach to supporting the armed forces community who are struggling with the cost-of-living.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes</u></p> <p>The VCMA project will be delivered in partnership with the Royal British Legion and aims to support 10,000 people with assorted services, including benefit advice, carbon monoxide advice, energy efficiency advice and awareness of the PSR.</p> <p>The Royal British Legion project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Provide advice to customers on topics including benefit entitlement checks and applications. • Raising awareness of CO signs and symptoms. • Providing customers with awareness and the benefits of the Priority Services Register. • Energy saving hacks posted on social media, magazine, and newsletter.

	<p><u>Associated actions</u></p> <p>The Royal British Legion will utilise Cadent's VCMA funding to fund case workers who will offer advice on:</p> <ul style="list-style-type: none"> • Income maximisation and benefit entitlement. • CO signs and symptoms. • PSR awareness and support to register. • Energy efficiency tips. • Free gas safety checks <p><u>Success criteria</u></p> <p>The success of the project will be evaluated against the meeting of the project's objectives which include:</p> <ul style="list-style-type: none"> • The project will reach around 10,000 people with tailored advice based on the customer's needs. • 1,000 customers will receive in-depth one-to-one advice on income maximisation. • 1,000 will receive debt advice. • 10,000 customers will receive advice on CO to raise awareness. • 10,000 customers will receive advice on the benefits of the PSR. • 2.2 million people will be reached through social media, magazine and newsletters on topics of CO, PSR and energy saving tips (subject to a 3% retention rate). <p>This project will deliver a positive social return on investment.</p>
<p>Project Partners and Third Parties Involved</p>	<p>This project will be delivered by the Royal British Legion and Cadent.</p>
<p>Potential for New Learning</p>	<p>This programme will provide trusted advice on carbon monoxide, PSR, energy efficiency, and income maximisation, to a vulnerable group of customers that Cadent would normally find hard to engage with.</p> <p>The Armed Forces Community is very close-knit and tends to be extremely independent and they often avoid seeking help. If they do require assistance, they usually only seek it from charities or organisations associated with the services.</p> <p>Like most people, financial concerns may cause stress and mental health issues which can be very damaging for those who are already suffering from mental health issues. For military personnel, who are exceedingly proud, asking for help is often delayed until the last minute.</p> <p>Charities such as the Royal British Legion have strong connections with their members which makes it easier to offer support and advice, as they know it is confidential.</p> <p>Additionally, it offers Cadent an opportunity to learn about the most effective methods of delivering advice in this area of vulnerability.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent and the Royal British Legion will enter an initial 21-month project.</p> <p>The project aims to support 10,000 households across the project area with a variety of support services, including income maximisation, energy efficiency, carbon monoxide safety, and PSR advice.</p>

	<p>The project's total reach will be divided as below:</p> <ul style="list-style-type: none"> • 1,000 customers will receive advice on income maximisation. • 1,000 customers will receive advice on debt management. • 10,000 customers will receive energy efficiency advice. • 10,000 customers will receive advice on the signs and symptoms of CO poisoning. • 10,000 customers will receive advice on the benefits of the PSR. • A further 2.2 million customers will receive advice on CO, PSR and energy efficiency tips through social media channels, Magazine, newsletters and the blog (this will be subject to a 3% retention rate and then divided by three to reflect the three areas of advice). <p>Five-year gross present value = £18,369,590.00 One-year gross present value = £3,673,918.00</p> <p>Five-year net present value = £17,419,590.00 One-year net present value = £3,198,918.00</p> <p>SROI ratio = £18.34</p>
VCMA Project Start and End Date	<p>Start Date = July 2024 End Date = March 2026</p>
Geographical Area	<p>The project will be delivered on all Cadent's networks and benefit all customers living in these areas who fall into the RBL catchment.</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: Sustainability and Social Purpose Team PEA Peer Review	
Date Immediate Team Peer Review Completed: 22/05/24	Review Completed By: Kate Ravenscroft
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 21/07/2024	Review Completed By: Guv Dosanjh
Step 3 Head of Customer Vulnerability Sign-Off: Phil Burrows	
Director of Sustainability and Social Purpose Sign-Off Date: 11/09/24	
Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk) November 24	
Date that PEA Document Uploaded to the Website: November 24	
Date that Notification Email Sent to Ofgem: November 24	