

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)  
*Solihull Citizens Advice & Colebridge trust advice service*

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

<b>Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)</b>	
In order to qualify as a VCMA project, a project must:	
<b>VCMA Eligibility Criteria</b>	<b>Criteria Satisfied (Yes/No)</b>
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"> <li>i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li>ii. Provide awareness on the dangers of CO, or</li> <li>iii. Reduce the risk of harm caused by CO;</li> </ul>	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
<b>Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair and replacement projects</b>	
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
<b>Section 3 - Eligibility criteria for collaborative VCMA projects</b>	
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**

<b>Information Required</b>	<b>Description</b>
<b>Project Title</b>	Solihull Citizens Advice & Colebridge Trust Advice Service
<b>Funding GDN(s)</b>	Cadent
<b>Date of PEA Submission</b>	October 2023
<b>VCMA Project Contact Name, email and Number</b>	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Phone: 07773 545451
<b>Total Cost (£k)</b>	Citizen's Advice Solihull = £70,000 Warmer nights with Citizen's Advice Solihull = £3,600 Colebridge trust = £70,000 Warmer nights with Colebridge trust = £6,300 Project management costs = £6,218.72 Slow cookers = £5,568.00
<b>Total VCMA Funding Required (£k)</b>	£161,686.72
<b>Problem(s)</b>	<p><sup>1</sup>Research from the charity National Energy Action (NEA) found that 11 per cent of people living in Solihull are in fuel poverty. This is used to defined by them paying out more than ten per cent of their monthly or annual income on fuel bills. Whilst Solihull is known for being a very affluent area, there are areas within it where fuel poverty is very prevalent and residents can find it difficult to access services to support them.</p> <p>High levels of deprivation can and are often linked to broader issues such as fuel poverty, increased carbon monoxide risk, and financial hardship.</p>
<b>Scope and Objectives</b>	<p><u>Project Scope</u></p> <p>Cadent will provide £161,686.72 through VCMA to both Solihull Citizens Advice and Colebridge trust, to deliver a 24 month project.</p> <p>This project aims to support people impacted by the cost -of- living-crisis and fuel poverty, living in and around Solihull. This project will provide advice on benefits, income maximisation, Carbon monoxide, PSR and energy efficiency.</p> <p>The VCMA funding will be utilised by the 2 organisations to offer advice and support to vulnerable residents:</p> <ul style="list-style-type: none"> <li>To employ an advice worker at Solihull Citizens Advice who will offer advice to customers on income, benefits and debt queries.</li> </ul>

<sup>1</sup> www.marmox.co.uk/marmox-news/one-in-ten-solihull-residents-is-in-fuel-poverty

- To employ a Community Advice Worker for the Colebridge Trust who will offer advice on CO, PSR and energy efficiency in the home.

The most vulnerable customers will be referred to the services through the 3 foodbank networks in Solihull and will be users of these services. This will ensure that the people with the most need receive the support required.

The Foodbanks are:

1. Helping Hands
2. Colebridge Trust
3. Wecare UK

The funding will also help to deliver a 21-week warmer nights programme, offering customers a warm space, free hot food and beverages and access to advice and support.

The community advisor will work in an outreach capacity at the following venues across Solihull:

VCSE group
North Solihull
Seeds of hope
Cars Area
Colebridge Trust
Foodbank Network
West Locality
The Bridge Community Lunch
St James Church Coffee morning
Shirley Community Church
Shirley churches together
East Locality
Hockley Heath PC
Knowle Parish Church
Borough wide
Hampers for Hero's
Be Kind 6
Fire service

The project aims to reach 500 people over the course of the 24 month project. The total reach (some receiving more than one service) will be divided as below:

- 250 will receive income maximisation/ benefit advice.
- 25 will receive debt advice.
- 250 will receive energy efficiency advice.
- 250 will receive CO advice.
- 50 will be signed up to the PSR.
- 250 will receive advice on the PSR.
- 200 will receive advice on slow cooking.

Warmer Nights

	<p>Both Solihull CA and Colebridge Trust will be offering a warm space 2 days per week. Customers will have access to a warm space with free hot food and beverages. Whilst there, they can access the advice on offer. This programme will run for 21 weeks from November to April and will support 840 customers.</p> <p>Overall the project will support 1,340 customers with a range of income maximisation, energy efficiency, CO awareness and the PSR, along with a hot meal.</p>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>Cadent believe that this project meets all the required VCMA eligibility criteria.</p> <p><b>a. The project is forecasted to have a positive SROI. Please see the relevant section for more information.</b></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>b. The project will either:</b></p> <ul style="list-style-type: none"> <li><b>i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</b></li> <li><b>ii. Provide awareness on the dangers of CO, or</b></li> <li><b>iii. Reduce the risk of harm caused by CO.</b></li> </ul> <p>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.</p> <p><b>c. The project has defined outcomes and the associated actions to achieve them.</b></p> <p>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.</p> <p><b>d. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.</b></p> <p>The method of delivering support to customers living in venerable situations is innovative, as it utilises partnerships with key community stakeholders. This will allow Cadent to distribute essential advice to one of a customer group that has been historically difficult to engage.</p> <p><b>e. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding.</b></p> <p>This project will be delivered solely through Cadent's VCMA funding.</p>

<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>Cadent conducted extensive stakeholder and customer engagement to obtain feedback on its RIIO-GD2 business plans and subsequent Vulnerability and Carbon Monoxide Allowance (VCMA) delivery.</p> <p>Firstly, we conducted "Energy Diaries", a piece of research aimed at gauging the customer's attitudes towards the rises in energy prices, as well as the support offered by organisations such as Cadent. The Energy Diaries demonstrated that customers continue to support the key measures that we identified when developing our RIIO-2 plan, with a heightened requirement to support people with the cost-of-living crisis.</p> <p>The partnership between Solihull Citizens advice &amp; Colebridge trust recognises this feedback by offering vulnerable households essential support with income maximisation and energy efficiency services.</p> <p>Secondly, we regularly seek to obtain the feedback of stakeholders such as Citizens Advice and National Energy Action (NEA) in order 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 also ensure that the projects are in the best interests of our customers. 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.</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"> <li>• My current household's health or financial situation is worse off compared to 2021.</li> <li>• My current household's health or financial situation is the same compared to 2021.</li> <li>• My current household's health or financial situation is better off compared to 2021.</li> </ul> <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 support households most impacted by a downturn in their financial health through offering services such as income maximisation and benefit entitlement checks.</p>
<p><b>Information Required</b></p>	
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p><u>Project Outcomes</u></p> <p>The VCMA project will be delivered in partnership with Solihull Citizens Advice &amp; Colebridge Trust and aims to support 500 residents with income, energy, CO and PSR advice across a</p>

	<p>24-month period and 840 customers through the warmer nights program over a 21-week period.</p> <p>This project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> <li>• Provide advice and support to customers on income maximisation/ benefit checks and application.</li> <li>• Provide advice on debt management.</li> <li>• Provide advice on Carbon monoxide safety and issue alarms to those who need one.</li> <li>• Provide advice and support to customers regarding the PSR.</li> <li>• Provide advice to customers on energy efficiency.</li> <li>• Provide a safe, warm space for customers struggling with fuel poverty. They will have access to a free hot meal, beverages and advice.</li> </ul> <p><u>Associated Actions</u></p> <p>Cadent's VCMA funding will be utilised for the following:</p> <ul style="list-style-type: none"> <li>• 1 Citizens advice worker to offer advice on income and debt issues.</li> <li>• 1 community advisor to offer advice on CO, energy efficiency and the PSR.</li> <li>• Delivering the warmer nights program.</li> </ul> <p><u>Success Criteria</u></p> <p>The success of the project will be evaluated against the meeting of the project objectives that include:</p> <ol style="list-style-type: none"> <li>1. The project will reach 1,340 people over 24 months.</li> <li>2. The project will reach 250 people with income advice and benefit help in a 1:1 capacity.</li> <li>3. The project will reach 25 people with debt advice and management.</li> <li>4. The project will reach 250 people with energy efficiency advice.</li> <li>5. The project will support 50 people to sign up to the PSR.</li> <li>6. The project will reach 250 people with CO awareness.</li> <li>7. The project will reach 250 people with PSR awareness.</li> <li>8. This project will reach 200 people with slow cooking advice.</li> <li>9. The warmer nights project will reach 840 customers struggling with fuel poverty over 21 weeks.</li> </ol>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>Solihull Citizens Advice &amp; Colebridge Trust.</p>
<p><b>Potential for New Learning</b></p>	<p>The Solihull Citizens Advice &amp; Colebridge trust project offers many potential areas of learning that Cadent can adopt for other VCMA-funded projects in RIIO-GD2.</p> <p>One of the main rationales behind funding the project is the number of local residents living in vulnerable situations and fuel poverty. These organisations also focus on supporting isolated members of the community, in an area where previous Cadent projects had not directly focused on. This project will combine the VCMA-focussed services of CO education and energy</p>

	<p>efficiency advice with the professional income/ benefit advice that CA can offer. This will provide Cadent with learning on the effectiveness of combining both types of support and the best method(s) of delivering it.</p> <p>When assessing options for VCMA projects, we considered the effectiveness of directly engaging with end customers (rather than using a project partner). This project will provide insight on the effectiveness of working with community stakeholders such as Solihull Citizens Advice &amp; Colebridge trust. We believe that these stakeholders are trusted members of communities, and Cadent's partnerships with them allow us to engage previously difficult to reach customers with VCMA-funded services. The partnership with Solihull Citizens Advice &amp; Colebridge trust will also provide Cadent with learning on customers receptiveness to support from Gas Distribution Networks in the midst of an energy crisis. Some customers may be unaware of the industry's structure between suppliers, shippers and GDNs; and the project will offer good learning on customer's attitudes towards support offered by energy companies.</p>
<p><b>Scale of VCMA Project and SROI Calculations</b></p>	<p><u>Scale of the VCMA project</u></p> <p>Solihull Citizens Advice &amp; Colebridge Trust will deliver support for a 24 month period and will focus on advice for 500 customers.</p> <p>The total reach will be divided as below:</p> <ul style="list-style-type: none"> <li>• 250 will receive income maximisation/benefit checks and applications to increase their income= £429,227.50</li> <li>• Approx. 25 will receive debt advice = £75,000.00</li> <li>• 250 will receive energy advice = £91,942.50</li> <li>• 250 will receive CO advice = £2,182.50</li> <li>• 50 will receive support to sign up to the PSR = £7194.50</li> <li>• 200 will receive slow cooking advice and a free slow cooker= £47,284.00</li> </ul> <p><u>Warmer Nights SROI</u></p> <ul style="list-style-type: none"> <li>• 840 customers will receive advice on CO = £7,333.20</li> <li>• 84 customers will receive support to sign to PSR. =£12,086.76</li> <li>• 840 customers will receive advice on energy efficiency (a 10% retention rate will be added to this as it is not 1:1 advice) 10%x840= 84 customers =£12,086.76</li> </ul> <p>Total reach 500 customers across the 24 months. 840 customers reached through warmer nights across 21 weeks Total 1,340</p> <p><u>A 5% assumption rate has been applied to total reach to calculate expected number of customers requiring debt advice.</u></p> <p>Total Investment = £161,686.72</p> <p><u>SROI calculations</u></p>



	<p>5-year gross present value= £703,193.64  1-year gross present value= £140,638.73</p> <p>5-year Social Return on Investment = £539,425.64  1-year Social Return on Investment = £61,554.73</p> <p>SROI ratio = £1: £3</p> <p><u>Supporting households to maximise their income.</u></p> <p>Cadent worked with SIA Partners to evaluate the average 5-year gross present value of supporting households to maximise their income. SIA Partner's based their analysis on the "actual" data from a 3-month project between Cadent and NEA, and historic data from NEA over the past 3 years.</p> <p>SIA Partners calculated an average 5-year gross present value of supporting households to maximise their income of £1,717.11.</p> <p><u>Educating customers on the dangers of carbon monoxide</u></p> <p>Cadent also employed SIA Partners to evaluate the forecasted social return on investment of several RIIO-GD2 business plan elements. These elements included CO education, CO alarm distribution and the repair/replacement of gas appliances.</p> <p>SIA Partners pointed to a number of factors that influenced the social value generated by educating customers on the dangers of carbon monoxide:</p> <ul style="list-style-type: none"> <li>• A reduction in A&amp;E visits linked to CO;</li> <li>• A reduction in long term hospitalisations linked to CO;</li> <li>• A reduction in deaths caused by CO;</li> <li>• A reduction in time of work due to injury caused by CO;</li> <li>• A reduction in ambulance call outs linked to CO;</li> </ul> <p>SIA Partners calculated the average 5-year gross present value of a CO educational conversation to be £8.73 - this is based on a 1-2-1 conversation with an 80% retention rate.</p> <p><u>Supporting households to register to the Priority Services Register</u></p> <p>Cadent worked with SIA Partners to evaluate the average 5-year gross present value of supporting households to register to the PSR. SIA Partner's based their analysis on the DNO proxy bank value for an avoided stress management course.</p> <p>SIA Partners evaluated an average 5-year gross present value of £143.89 for a single PSR registration.</p>
<p><b>VCMA Project Start and End Date</b></p>	<p>Start Date: 1<sup>st</sup> November 2023 (first 3 months mobilisation period)  End Date: 31<sup>st</sup> October 2025</p>

<b>Geographical Area</b>	This project will be delivered in Cadent's West Midlands network and will benefit residents living in Solihull.
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**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: 19/12/2023	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 19/10/23	Review Completed By: Phil Burrows
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 20/12/2023	
Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem ( <a href="mailto:vcma@ofgem.gov.uk">vcma@ofgem.gov.uk</a> )	
Date that PEA Document Uploaded to the Website: March 2024	
Date that Notification Email Sent to Ofgem: March 2024	