

## Vulnerability & Carbon Monoxide Allowance (VCMA)

### Project Eligibility Assessment (PEA) *Live Inclusive*

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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>
<b>a)</b> Have a positive, or a forecasted positive, Social Return on Investment (SROI) and Net Present Value (NPV) including for the gas consumers funding the VCMA Project (GDNs should use a common SROI model).	Yes
<b>b)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li><b>ii.</b> Provide awareness on the dangers of CO, or</li> <li><b>iii.</b> Reduce the risk of harm caused by CO.</li> </ul>	Yes
<b>c)</b> Have defined outcomes and the associated actions to achieve these.	Yes
<b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through license obligations; and	Yes
<b>e)</b> 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</b>	
To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:	
<b>a)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> A GDN has had to isolate and condemn an essential gas appliance following a supply interruption or as part of its emergency service role; or</li> <li><b>ii.</b> A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in the owner-occupied home of a customer in a Vulnerable Situation where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes; or</li> <li><b>iii.</b> A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant's responsibility to maintain the essential gas</li> </ul>	N/A

appliance, where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes.	
b) The household cannot afford to service the essential gas appliance, which is assessed against criteria consistent with the Energy Company Obligation (ECO4) Guidance: Delivery document 1 (see Appendix 1).	N/A
c) Sufficient funding is not available from other sources (including a social or private landlord, national, devolved, local government funding) to fund the essential gas appliance service.	N/A

<b>Section 3 - Eligibility criteria for Collaborative VCMA Projects</b>	
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
<b>Project Title</b>	Live Inclusive
<b>Funding GDN(s)</b>	Cadent
<b>New / Updated (indicate as appropriate)</b>	New
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	N/A
<b>Date of PEA Submission</b>	June 2024
<b>VCMA Project Contact Name, email and Number</b>	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: <a href="mailto:Phil.m.burrows@cadentgas.com">Phil.m.burrows@cadentgas.com</a> Number: 07773 545451
<b>Total Cost (£k)</b>	Partner costs: £55,545.73 Project management costs: £2,221.83 Total Project Costs: £57,767.56

<b>Total VCMA Funding Required (£k)</b>	£57,767.56
<b>Problem(s)</b>	<p>As of April 2023, it's estimated that 3.6 million disabled people are in fuel poverty. The Office for National Statistics (ONS) reported that between June to September 2022 almost 55% of disabled adults found it hard to afford their energy bills. ONS also found that disabled adults are more likely to have cut back their spending on food and other essentials because of the cost-of-living crisis. <sup>2</sup></p> <p>Living costs were already higher for disabled people before the cost-of-living crisis. Right now, a household with at least one disabled adult or child needs around £975 extra a month on average to have the same standard of living as a non-disabled household. Extra costs for disabled people might include: Powering medical or specialist equipment, such as an electric wheelchair or hoist. Travel, such as taking taxis more frequently because public transport is not accessible and needing to have the heating on for longer or more often to make their homes more comfortable. Alongside this, disabled people are twice as likely to be unemployed than non-disabled people. Disabled people are also more likely to be living below the poverty line. <sup>3</sup></p> <p>Live Inclusive is a Registered Disability Charity and a Company Limited by Guarantee. They are advocates of the social model of disability, which emphasises the role that society plays in enabling, or disabling, people's ability to participate in civic life, things that many of us take for granted.</p>
<b>Scope and Objectives</b>	<p><u>Project Scope</u></p> <p>Cadent will invest a total of £57,767.56 of VCMA funding to deliver the project from June 2024 to June 2025, in partnership with Live Inclusive.</p> <p>Live Inclusive will use the funding to provide a range of services to disabled individuals living within Rotherham and Doncaster. The project will:</p> <ul style="list-style-type: none"> <li>• Employ two Energy Advisors, who will provide one-to-one advice through home visits and outreach centres. Their support will cover energy efficiency advice, Priority Service Register (PSR) awareness and sign ups, carbon monoxide (CO) safety, distribution of leaflets, provision of CO alarms to those without the means to purchase one themselves and make income maximisation referrals.</li> <li>• Increase the working hours of existing staff to meet the need of support within the area.</li> <li>• Employ an administration assistant to provide monthly case studies, vigorous reporting, and the coordination of visits.</li> </ul> <p><u>Project Objectives</u></p>

<sup>2</sup> <https://energysavingtrust.org.uk/disabled-people-help-energy-bills/#:~:text=As%20of%20April%202023%2C%20it%27s,to%20afford%20their%20energy%20bills.>

<sup>3</sup> How can disabled people get help with energy bills? - Energy Saving Trust

	<p>The project has several objectives that the success will be measured against.</p> <ul style="list-style-type: none"> <li>• To generate a positive social return on investment (see the below relevant section for further details).</li> <li>• 306 individuals will receive energy efficiency advice including advice on ways to save both on energy consumption and costs through behaviour changes, energy saving measures, alternative tariffs and accessing available discounts and services.</li> <li>• 306 individuals will receive advice about the PSR, with the aim to sign up all 306 eligible individuals.</li> <li>• 306 individuals will receive CO education to improve their CO safety awareness and the most at-risk households will also receive a CO alarm.</li> <li>• Individuals will receive income maximisation support on a range of topics including money budgeting and debt management via referrals.</li> </ul>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>We believe that the project meets all the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</p> <p><b>Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project:</b></p> <p><i>The project delivers a positive forecasted social return on investment. This is based on achieving the target reach for energy efficiency advice, income maximisation, registrations to the PSR and education on CO. More information can be found in the relevant section below.</i></p> <p><b>Either:</b>  <b>Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or,</b>  <b>Provide awareness of the dangers of CO, or,</b>  <b>Reduce the risk of harm caused by CO;</b></p> <p><i>The project delivers services that meet all three elements of this criteria. For example, the specialist advisors will offer advice on energy efficiency, enabling residents to reduce the cost of heating their home. The project will also raise awareness of the dangers of CO and promote registration to the PSR.</i></p> <p><b>Have defined outcomes and the associated actions to achieve these:</b></p> <p><i>Live Inclusive have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</i></p> <p><b>Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and,</b></p> <p><i>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</i></p>



	<p><b>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><i>This project will be solely delivered through Cadent's VCMA funding.</i></p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>A household's fuel poverty status depends on the interaction of energy efficiency, income, and energy prices. In February 2024, the Department for Energy Security &amp; Net Zero published a fuel poverty factsheet which summarises the headline estimates of fuel poverty in England in 2023.</p> <p>It found that 13% of households in England were classified as fuel poor last year, with rising energy prices moving 238,000 households in England into fuel poverty. Energy efficiency measures lifted 112,000 households out of fuel poverty between 2022 and 2023 and rising incomes (although offset by rising housing costs) moved 128,000 out of fuel poverty. Live Inclusive has focused on tackling fuel poverty by enabling energy efficiency advice and income maximization support.</p> <p>This project takes this evidence into account by creating a partnership with a trusted local charity, while enabling the delivery of specialised support in target areas affected by deprivation and fuel poverty.</p>
<p><b>Information Required</b></p>	<p><b>Description</b></p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p><u>Project Outcomes</u></p> <p>The project aims to achieve the following outcomes.</p> <ul style="list-style-type: none"> <li>• Provide individuals with energy efficiency advice, resulting in individuals reporting better understanding of energy efficiency measures and support.</li> <li>• Individuals will report an increased level of CO awareness and the risks associated with CO.</li> <li>• Individuals will have increased awareness of the PSR and sign up, decreasing anxiety in fear of utility outage.</li> </ul> <p><u>Associated Actions</u></p> <ul style="list-style-type: none"> <li>• Individuals will report a better understanding of energy efficiency measures. This will be achieved through Live Inclusive advisors providing energy efficiency advice to each household.</li> <li>• Further to the above individuals will report an increased knowledge of reducing their energy usage and lowering their bills.</li> <li>• Individuals will report reduced levels of anxiety in fearing a utility outage through being assisted to register to the PSR. Live Inclusive Advisors will all receive training on the PSR and will help eligible households through the registration process.</li> <li>• Cadent will provide energy efficiency, PSR and CO training, and resources to and resources to the advisors.</li> </ul>

	<p>This will enable individuals to receive advise and support related to the project's key deliverables.</p> <p><u>Success Criteria</u></p> <p>The success of the project will be measured against meeting the below criteria.</p> <ul style="list-style-type: none"> <li>• Live Inclusive will recruit two Energy Advisors, who will deliver the advice.</li> <li>• The project will reach a minimum of 306 individuals over the period of the project.</li> <li>• 306 individuals will receive energy efficiency advice, including energy saving measures.</li> <li>• 306 individuals will receive CO education, raising CO awareness and reducing risk within the home. Those most vulnerable will receive a CO alarm.</li> <li>• 306 individuals will receive advice about the PSR, with the aim to sign up all 306 (providing they are not already registered).</li> </ul>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>Live Inclusive</p>
<p><b>Potential for New Learning</b></p>	<p>Households across the UK have been suffering from the effects of various socioeconomic and political challenges over the past few years, seeing the numbers affected by fuel poverty increase.</p> <p>Therefore, community organisations and partners such as Live Inclusive have an increased pressure and demand to be able to support vulnerable individuals. This project provides Cadent the opportunity to understand the needs of the community and how best to support them in overcoming these challenges.</p> <p>To help improve the impact of projects, Cadent will continue to listen to their partners to try to improve the support and services provided to vulnerable individuals and enable opportunities for cross network learning to ensure best practise is identified, transferred, and implemented.</p>
<p><b>Scale of VCMA Project and SROI Calculations, including NPV</b></p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £57,767.56 in partnership with Live Inclusive. The project will be delivered from June 2024 to June 2025 and is forecasted to reach a minimum of 306 individuals. It will enable disabled individuals in targeted areas across the network to access essential information and support on energy efficiency, CO safety, income maximisation, and the PSR.</p> <p><u>SROI Calculations</u></p> <p>The reach will be divided as per below:</p> <ul style="list-style-type: none"> <li>• 306 individuals will receive in-depth on-to-one advice on income maximisation internally = £525,435.66</li> </ul>

	<ul style="list-style-type: none"> <li>• 306 individuals will receive advice on energy efficiency = £112,537.62</li> <li>• 306 individuals will receive awareness advice on CO = £2,671.38</li> <li>• 306 individuals will register to the PSR = £44,030.34</li> </ul> <p>Total Investment = £57,767.56</p> <p>Five-year gross present value = £684,675.00 One-year gross present value = £136,935.00</p> <p>Five-year net value = £626,907.44 One-year net value = £ 79,167.44</p> <p>SROI = £1:11</p>
<b>VCMA Project Start and End Date</b>	June 2024 – June 2025
<b>Geographical Area</b>	The project will be delivered in Cadent’s East Midlands area in Rotherham and Doncaster.

**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: 12/06/2024	Review Completed By: Nicola Campbell
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed:	Review Completed By: Sam Graham
Step 3: Head of Customer Vulnerability Sign-Off: Phil Burrows	
Head of Customer Vulnerability Sign-Off Date: 06/11/24	
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: December 24	
Date that Notification Email Sent to Ofgem: December 24	



