

GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

MyBnk – financial inclusion and energy safeguarding school's programme

Kerry Potter
Kerry.potter@sgn.co.uk

29 March 2022

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: 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	MyBnk- financial inclusion and energy safeguarding school's programme																				
Funding GDN(s)	The GDN(s) which register(s) the VCMA project SGN, Cadent, Wales & West Utilities and Northern Gas Networks																				
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 co-funders																				
Date of PEA Submission	15 March 2022																				
VCMA Project Contact Name, email and Number	Kerry Potter Kerry.potter@sgn.co.uk																				
Total Cost (£k)	£377,000 over 3 years <table border="1"> <thead> <tr> <th>Cadent</th> <th>NGN</th> <th>SGN</th> <th>WWU</th> </tr> </thead> <tbody> <tr> <td>£187,769.00</td> <td>£43,568.01</td> <td>£102,057.67</td> <td>£43,605.32</td> </tr> </tbody> </table>	Cadent	NGN	SGN	WWU	£187,769.00	£43,568.01	£102,057.67	£43,605.32												
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Problem(s)	<p>This should outline the problem(s) which is/are being addressed by the VCMA Project.</p> <p>During 2021 it was estimated that three million English households were living in fuel poverty (Dept for Business, Energy and Business Strategy). Nearly half of low-income households are still living in hard to heat homes, and the rate of improvements is well below what is needed to lift people out of fuel poverty by a target date of 2030.</p> <p>It is clear that many young people do not have the essential information, resources or support networks in place to avoid poverty, including fuel poverty.</p> <p>According to the UK Government, Department for Business, Energy and Industrial Strategy, there are 3 determining factors as to whether a household is in fuel poverty:</p> <ul style="list-style-type: none"> • household income • household energy requirements • fuel prices <p>The significant cost of living increases has already started to make an impact on families, and we are expected to continue to see inflation to reach over 6% before the end of 2022. 30% of children already live in poverty in the UK (Child Poverty Action Group, 2020), and with increases in fuel prices, and forecast increases to the real cost of living we understand that we will see more children growing up in poverty-stricken households, with fuel poverty becoming their norm.</p>																				

	<p>Evidence shows that financial habits can be formed as young as 7 years old, suggesting that work on habit formation and behaviours should begin as early as possible. Educating young people at primary age of how to be efficient with their energy consumption could stay with them well into adulthood and independent living. The world is currently facing a climate crisis and it is imperative that future generations are armed with the knowledge and skills to allow them to make informed decisions and take decisive action to avoid the use of finite energy resources and understand the relationship between money, energy and climate change.</p> <p>Simple behaviours can become habitual with practice. Highlighting the importance of small changes to young people means that they will continue through their lives with good energy habits – checking gas cookers are off, switching off lights when not in a room, keeping doors closed to keep the heat in. Simple measures that young children adopt and continue in their lives.</p> <p>Young people are one of the most at risk groups from CO poisoning and one of the least aware about the dangers of CO. The NHS Carbon Monoxide guidance page listing young children as being a particularly at-risk group, and Gas and CO safety research carried out collaboratively by all GDNs in 2020 showing that the awareness of CO poisoning fatality was significantly lower amongst younger people (82% for 16-24 years olds compared to 92% overall). It also showed that nearly half (49%) of 16-24yr olds thought that CO had a smell.</p> <p>We understand that younger people, particularly those between the age of 5 – 11 take messages home and share learning with their families. In order to reduce CO risk not just to young people, but to their families and friends through shared learning, education is essential.</p> <p>In addition, we understand following research carried out by Dr Andy Shaw from Liverpool John Moores University, in partnership with the fire and rescue services from the West Midlands and Merseyside, that deprived areas were less likely to own an audible CO alarm than homes in non-deprived areas, meaning low-income households are more at risk from the dangers of CO.</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>Through partnership we can leverage this expertise to deliver material to primary age young people as part of their financial education programme from MyBnk. With a dedicated module specifically focused on energy safety, usage and efficiency a long term and successful partnership with tangible outcomes can be achieved.</p> <p>Specific areas of the UK and groups within society are more at risk and we understand how to identify these communities using publicly available data, for example the % of students receiving pupil premium at schools. Through our partnership interventions, we will aim to target schools with young people most in need and at the highest risk of fuel poverty. The partnership will look to use data on poverty that impacts children to support the identification of need.</p> <p>To deliver a programme targeted to supporting 9-11 year old children and their communities to build financial literacy skills and empower young people to use energy safely, efficiently and affordably, today and in the future.</p> <p>Our partnership will explore the connection between financial literacy and energy. We will help young people in across the UK understand the</p>

	<p>importance of energy efficiency, safety, and affordability. We will explore the connection between energy usage, social impact, and money.</p> <p>The partnership will involve development and delivery of an additional module to MyBnk’s flagship Primary Money Twist programme to enable the partnership to reach a minimum of 2781 young people per year, for 3 years. The additional module will deliver material centred around:</p> <ul style="list-style-type: none"> • Energy and the environment • Financial relationship to energy – cost and saving • Habit formation and behaviour change • Multi-generational impact – encouraging young people to engage with their adults at home about their knowledge and learning • Prior energy knowledge • Energy efficiency and core terminology <p>Through an enhanced version of MyBnk’s Primary Money Twist programme, young people will have an additional 75-minute session focused on energy – making practical links back to content focused on costs of living and budgeting.</p> <p>The partnership aims to set habits and behaviours of young children to ensure they are using energy efficiently and understand the environmental and cost implications of not doing so. Young people who take part in the session will also be provided with a family energy activity pack for them to take home – the packs will be designed to be in home interactive guides and encourage multi-generational education around energy efficiency, safety and signposting.</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>This project meets the VCMA eligibility criteria as it will provide energy safeguarding services including direct advice and support to households where extreme vulnerability exists, including those at risk of or living in fuel poverty. The aim of the programme is to help families in need today and build the financial and energy resilience skills in young people to help them avoid fuel poverty in the future.</p> <p>This project will also engage the dangers of CO and flag 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>MyBnk Stakeholder feedback "Teaching financial education to children has a massive positive impact on their attitudes toward money. The evaluation also demonstrates that training teachers to deliver financial education could play a huge role in building financial capability among the next generation" "Our children must be taught the necessary skills to navigate life, and this should begin at primary school." "As a nation, we are allowing our children to develop harmful habits and attitudes around money. Primary financial education has been neglected for too long and the government must take action to ensure our teachers are equipped to deliver it". Jane Goodland – Former Chair of Kickstart Money and Former Corporate Affairs Director – Quilter PLC.</p>

	<p>“Our study [into effect of Primary age financial education] has demonstrated the importance of this pioneering intervention, through its ability to help children understand how to create and stick to savings plans and delay gratification for their own future benefit”. - Dr Kath Edgar – Senior Researcher - Substance</p> <p>Audrey Mackenzie, Teacher, Year 5, Starks Field Primary School “Financial education is important because it gets children ready for now and the future. Money Twist practically helps my students by ensuring they can handle money. It makes them see money physically which is so important in a time of contactless cards and mobile payments. It’s helping them build their financial capability and is teaching them the importance of saving. It’s also enabling them to stop and think that there are things you might want for the future, but you can’t always get them straight away. I’d advise other teachers to get someone external in to talk about money. The children are far more engaged because it’s someone different”.</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, supporting 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 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 are looking to prioritise the support they provide to young people who are most likely to be at risk of living in fuel poverty.</p> <p>GDN Vulnerability Collaboration Group Representatives from all four GDNs are supportive of delivering tailored support services to young people as it aligns to our overall strategic ambition to provide support to customers most likely to be unable to maintain a safe and warm home.</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>Over the partnership we aim to provide a minimum of 8643 pupils and their families with financial resilience and energy skills to avoid fuel poverty and maintain a safe and warm home.</p> <p>Success Criteria – Primary School engagement</p>

	<ul style="list-style-type: none"> • Year 1 – 12 pilot programmes reaching 300 young people (From March 22) & 103 programmes reaching 2781 pupils (Sept 22 - Aug 23) • Year 2 – 103 programmes reaching 2781 pupils (Sept 23 – Aug 24) • Year 3 – 103 programmes reaching 2781 pupils (Sept 24 – Aug 25) <p>Outcomes for young people and their families to include:</p> <ul style="list-style-type: none"> • Increased awareness of the risks of Carbon Monoxide and how to mitigate these • Improved financial wellbeing and financial resilience • Increased financial independence – preventative skills on how to avoid debt and manage debt if needed • How to reduce household costs by being energy efficient • Increased awareness and confidence to know who to contact if they have an emergency with their gas or utilities and or struggle with paying energy bills <p>Students and participating schools will also be invited to take part in the annual CO Awareness competition to raise funds and increase awareness on using energy safety in their communities.</p>
<p>Project Partners and Third Parties Involved</p>	<p>Details of Project Partners or third-party involvement.</p> <p>MyBnk – MyBnk are a leading financial education charity with a vision of a financially capable generation. Having worked with over 20,000 individual primary age young people to directly educate them in managing money and financial matters, MyBnk are age and subject experts. MyBnk will be identifying schools across our networks and delivering the enhanced Money Twist programme and resources.</p> <p>SGN – funded partner and lead GDN managing the partnership and coordinating the development of the course content.</p> <p>Cadent, WWU and NGN – funded partners and supporting the development of the course content.</p>
<p>Potential for New Learning</p>	<p>Details of what the GDN(s) expect to learn and how the learning will be disseminated.</p> <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 outcomes for pupils and schools • Feedback, indicators, outputs, and outcomes reported on quarterly • Project progress monitored: these include monthly and quarterly partner meetings to share ideas and challenges through individual and organisational partnership case studies. <p>We are keen to learn from this project and for successes to be incorporated into future delivery as well as shared with other sector participants. We intend to share an annual report across electricity, gas and water networks and with local authorities in addition to sharing project impacts and case studies during our annual showcase event.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<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>Research carried out by SIA partners as part of their SROI calculations showed that education provided to a young person will generally reach 2.4 people through shared learning. Therefore, from a young person educational reach of 8,643 through this project we can expect a shared learning reach of an additional 12,100 people.</p>

	<p>SROI</p> <p>Working with SIA Partners we've developed social proxy values for Residential and school based financial/life skills for young people, and CO education for young people. Using these along with the DNO proxy bank and SROI assessment tool we have assessed the impact of this project. We have carried out an assessment of the financial and wellbeing outcomes associated, and we forecast a positive net SROI of £15.53.</p> <table border="1" data-bbox="485 443 1074 607"> <tr> <td>Total cost</td> <td>£377,000</td> </tr> <tr> <td>Total gross present value</td> <td>£6,008,530</td> </tr> <tr> <td>NPV</td> <td>£5,645,027</td> </tr> <tr> <td>SROI</td> <td>£15.53</td> </tr> </table>	Total cost	£377,000	Total gross present value	£6,008,530	NPV	£5,645,027	SROI	£15.53
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<p>VCMA Project Start and End Date</p>	<p>Detail start and end date of the VCMA project and, where relevant, the VCMA project that preceded this initiative.</p> <p>March 2022 – August 2025</p>								
<p>Geographical Area</p>	<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, Scotland and Wales</p>								
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>Remaining funding left in the Licensee's/ Licensees' funding pot.</p> <p>Amount before this project: £11,445,583.10 <i>**based on CO in Pregnancy, Scouts, CA National, Fuel Bank Foundation, CO Schools' Education, Collaborative GDN Winter Awareness Campaign and SCOPE Disability Energy Support with water advice service being the only confirmed spend at time of registration.</i> Project costs: £377,000 Remaining following this project: £11,068,583.10</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.

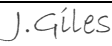
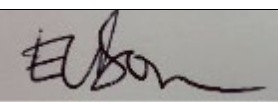
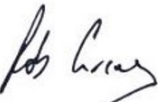
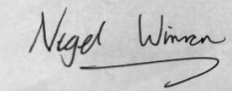
Stage 1: GDN Collaboration Group PEA Review
Meeting date review completed: 19/01/2022
Review completed by: All network participants

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

Stage 2: GD2CVG Panel Review
Meeting date sign off agreed: 18/03/2022
Review completed by: All members of the strategic panel including Citizens Advice, Energy UK, and National Energy Action

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		28/03/22
NGN:	Eileen Brown	Director of Customer Experience		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