

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

*Helping Hands Partnership*

Edward Allard – Social Programmes Manager

October 2023

Updated  
July 2024

Updated  
September 2024



## 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.	<b>Yes</b>
<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>	<b>Yes</b>
<b>c)</b> Have defined outcomes and the associated actions to achieve these;	<b>Yes</b>
<b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through license obligations; and	<b>Yes</b>
<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.	<b>Yes</b>
<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 appliance, where an occupier of the property suffers from a permanent or temporary health condition that</li> </ul>	<b>N/A</b>

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>	Helping Hands Partnership
<b>Funding GDN(s)</b>	Cadent – West Midlands Network
<b>New / Updated (indicate as appropriate)</b>	New VCMA Project Updated – July 2024 Updated – September 2024
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Not applicable – company-specific project
<b>Date of PEA Submission</b>	October 2023 Updated July 2024 Updated September 2024
<b>VCMA Project Contact Name, email and Number</b>	Contact Name: Phil Burrows Contact Title: Head of Customer Vulnerability Social Programme Delivery Contact Number: 07773545451 Contact Email: phil.m.burrows@cadentgas.com
<b>Total Cost (£k)</b>	Total Cost = £23,934.56 Partner Delivery Costs = £23,014.00 Project Management Costs @4%= £920.56  Updated Costs July 2024 Partner Delivery Costs = £25,254.00

	<p>Project Management Costs @4% = £1,010.16 Total Cost = £26,264.16</p> <p>*Cost increase due to a 28-week extension of the project to fall in line with the mobile food pantry project.</p> <p>Updated Costs September 2024 Partner Delivery Costs = £139,089.27 Project Management Costs @4% = £5,563.57 Total Cost = £144,652.84</p> <p>*Cost increase of £113,835.27 due to a 17-month extension of the project.</p>
<p><b>Total VCMA Funding Required (£k)</b></p>	<p>£23,934.56</p> <p>Updated July 2024 Total Cost = £26,264.16</p> <p>Updated September 2024 Total Cost = £144,652.84</p>
<p><b>Problem(s)</b></p>	<p>There are many people in fuel poverty and there is a greater proportion who are vulnerable and struggle to access the benefits that they are entitled to. This may be because people struggle to navigate the benefit system or simply have a lack of knowledge of benefit entitlement. The project seeks to provide expertise to target and support these people to help take them out of fuel poverty.</p> <p>Updated July 2024 We are extending our partnership with Helping Hands to continue providing crucial income maximisation services to vulnerable individuals. This extension is vital as it allows us to support those facing financial hardships, ensuring they receive the guidance and resources necessary to optimise their income. By continuing this collaboration, we can reach more individuals and families in need, helping them navigate complex financial systems, access available benefits, and ultimately achieve greater financial stability. This ongoing support is essential for enhancing their quality of life and fostering a more equitable community.</p> <p>Updated September 2024 Contract extended for a further 17-months to include more locations and extend the reach by 900 individuals.</p>
<p><b>Scope and Objectives</b></p>	<p><u>Project Scope</u></p> <p>The project focuses on using VCMA funding for Leicestershire-based charity Helping Hands for the purpose of recruiting a specialist income maximisation advisor. The specialist advisor will work alongside mobile food pantry sessions delivered by Feed the Hungry Coventry, allowing vulnerable households receiving subsidised groceries to access free, expert, tailored income maximisation support.</p> <p>The Helping Hands advisor will be able to support an average of two clients per mobile food pantry session on topics such as: means tested benefits eligibility checks, completing applications forms, claims support, and wider budgeting advice.</p>

	<p>In addition to the above quantitative objectives, the project also aims to achieve the following qualitative objectives:</p> <ul style="list-style-type: none"> <li>• Households supported through the project will report reduced feelings of stress due to feeling in better control of their household finances.</li> <li>• Customers will report improved feelings of comfort at home due to increases in their disposable household income, resulting in an increased ability to heat their homes to a healthier temperature.</li> </ul>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>Cadent believes that this project meets all of the VCMA company specific eligibility criteria:</p> <p><b>A. The project is forecasted to have a positive social return on investment (SROI):</b>  <i>The project will offer advice and assistance to clients attending a Leicestershire-based mobile food pantry, allowing them to maximise their household income and claim their full entitlement of means tested benefits. Cadent has an appreciation of the social value generated through funding income maximisation work and more detail of the project's positive SROI can be found in the relevant section below.</i></p> <p><b>B. The project will either:</b></p> <ul style="list-style-type: none"> <li><i>i. Provide support to consumers in vulnerable situations and relate to energy safeguarding, or,</i></li> <li><i>ii. Provide awareness on the dangers of CO, or,</i></li> <li><i>iii. Reduce the risk of harm caused by CO The project will provide support to consumers in vulnerable situations and relate to energy safeguarding by offering clients that access a mobile food pantry to Helping Hands' free, specialist income maximisation advice.</i></li> </ul> <p><b>C. Have defined outcomes and the associated actions to achieve these:</b>  <i>This project has clearly defined outcomes and success criteria, and the associated actions to meet them. Further information on the project's outcomes, associated actions, and success criteria can be found in the relevant section below.</i></p> <p><b>D. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and:</b>  <i>Cadent believes that this project goes outside of activities funded through other price control mechanisms, due to the nature of service being offered and the method through which customers are being engaged.</i></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>  <i>This project will be solely funded through Cadent's VCMA and will not access external funding sources.</i></p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>Cadent continues to conduct regular stakeholder and customer engagement on its customer vulnerability strategy. These engagement activities act as temperature checks and ensure that</p>



	<p>Cadent's approach to investing its VCMA remains up to date and reflects the needs of communities.</p> <p>Cadent conducted a customer and stakeholder insights project following the completion of financial year 2022-2023. The project was specifically aimed at gauging customers' and stakeholders' perceptions of Cadent's RIIO-GD2 year two VCMA delivery and built upon a similar project conducted in July 2022 – allowing us to identify both trends and differing views year on year.</p> <p>The customer surveys element of the 2022-2023 project found that tackling affordability and fuel poverty was top of mind. Every customer engaged as part of the project reported affordability as a concern, with many pointing to the mental and physical health impacts that they had directly experienced as a result of the cost of living/fuel crisis.</p> <p>The Helping Hands Partnership October 2023 will be targeted at customers impacted by affordability concerns, through engaging attendees of Cadent's VCMA-funded mobile food pantry. The mobile food pantry attendees will be offered tailored income maximisation and budgeting advice, increasing their disposable income, and alleviating previous concerns.</p> <p>Additionally, stakeholders were asked to comment on Cadent's current and proposed funding allocation to each of the four VCMA pillars – 1) tackling affordability and fuel poverty, 2) carbon monoxide awareness, 3) going beyond to never leave a customer vulnerable without gas, and 4) identifying individual needs and joined up services.</p> <p>Stakeholders supported Cadent's current split of its VCMA funding, with 45% of all allowances focussed on tackling affordability and fuel poverty. Stakeholders felt that because this is such a pressing issue, a larger proportion of Cadent's funding should go towards this VCMA pillar. Stakeholders acknowledge that in 'normal times' they might also think differently but in the short term they consider tackling affordability and fuel poverty hugely important.</p>
<b>Information Required</b>	<b>Description</b>
<b>Outcomes, Associated Actions and Success Criteria</b>	<p><u>Project Outcomes</u></p> <p>Cadent will provide Helping Hands with VCMA funding and will facilitate a partnership with Feed the Hungry Coventry – a charity that operates the VCMA-funded mobile food pantry project. The funding will be used to employ a specialist income maximisation advisor that will attend three mobile food pantry sessions per week.</p> <p>The Helping Hands October 2023 Partnership will achieve the following outcomes:</p> <ul style="list-style-type: none"> <li>• Mobile food pantry clients will be offered access to the Helping Hands-delivered specialist income maximisation advice service.</li> <li>• Clients accessing the service will receive tailored advice on their eligibility, and how to claim means tested benefits.</li> <li>• Recent data from Helping Hands stated that 472 clients achieved a saving of £213,977 across a three-month period. This equates to an average saving of £453 per</li> </ul>

client and equates to £9,060 per client profiled for a 5-year period.

#### Associated Actions

Cadent, Helping Hands, and third party Feed the Hungry Coventry will complete the following associated actions to achieve the project's outcomes and success criteria:

- Cadent will provide Helping Hands with VCMA funding for the purpose of recruiting a specialist income maximisation advisor on a three day per week basis.
- Cadent will facilitate a partnership between Helping Hands and Feed the Hungry Coventry for the purpose of coordinating the specialist advisor's activities with mobile food pantry visits.
- Helping Hands will recruit and train an advisor to be able to deliver expert, tailored income maximisation advice to mobile food pantry clients.
- Feed The Hungry Coventry will liaise with Helping Hands to ensure resources are aligned, ensuring that the specialist income maximisation advisor has access to mobile food pantry sessions.

#### Success Criteria

The meeting of the below criteria will help Cadent to evaluate the success of the project:

- The Helping Hands specialist advisor will support an average of two clients per mobile food pantry session, equating to a total of 258 customers across the twelve-month duration of the project.
- Clients supported by Helping Hands will achieve an average 5-year financial benefit of £9,060, equating to a total financial benefit of £2,337,480 across all 258 customers assisted across the term of the project.

In addition to the above quantitative criteria, the below qualitative positive indicators will be assessed when measuring the project's success:

- Households supported through the project will report reduced feelings of stress due to feeling in better control of their household finances.
- Project clients will report improved feelings of comfort at home due to increases in their disposable household income, resulting in an increased ability to heat their homes to a healthier temperature.

#### Updated July 2024

- The Helping Hands specialist advisor will support an average of two clients per mobile food pantry session, equating to a total of 398 customers across the eighteen-month duration of the project.

#### Updated September 2024

- The 17-month extension of this project will mean that more specialist advisors will have access to more people over various locations and as a result will aim to reach around 900 individuals.

<p><b>Project Partners and Third Parties Involved</b></p>	<p>The project will principally be delivered in partnership with Leicestershire-based charity Helping Hands.</p> <p>The project will be delivered in unison with the VCMA-funded mobile food pantry, operated by Coventry Feed the Hungry.</p>
<p><b>Potential for New Learning</b></p>	<p>The Helping Hands October 2023 partnership offers Cadent the opportunity for new learning.</p> <p>For example, the project tests a new model of Cadent facilitating links between previously separate VCMA projects for the purpose of providing a more holistic service to customers in vulnerable situations.</p> <p>The mobile food pantry utilises Feed the Hungry Coventry’s specialisms in sustainably tackling food poverty, whereas the Helping Hands October 2023 partnership funds access to support to alleviate financial hardship.</p> <p>It is Cadent’s and the project delivery partners’ belief that there are intrinsic links between a vulnerable household’s risk of experiencing both food poverty and financial hardship – financial hardship is a factor in determining a household’s chance of experiencing food poverty.</p> <p>The joining up of Cadent-VCMA funded projects forecasts to provide new learning on the benefits in terms of engagement, targeting of customers in severe need (the mobile food pantry membership almost “pre-qualifies” customers for assistance from Helping Hands), and reducing costs through avoided duplication.</p>
<p><b>Scale of VCMA Project and SROI Calculations, including NPV</b></p>	<p><u>Scale of VCMA Project</u></p> <p>The project will be delivered on a twelve-month basis in partnership with financial hardship charity – Helping Hands. Cadent’s VCMA funding will be used to recruit a specialist income maximisation advice on a three day per/week basis. The advisor will collaborate with the Cadent VCMA-funded mobile food pantry project, enabling food pantry attendees to access specialist advice alongside subsidised groceries. Helping Hands forecast to support an average of two clients per Mobile Food Pantry session, equating to a total of 258 customers across the project’s full duration. Cadent and Helping Hands have forecasted that each client accessing income maximisation advice will realise a five-year financial benefit of £9.060.</p> <p><u>SROI Calculations, Including NPV</u></p> <ul style="list-style-type: none"> <li>• SROI = &gt;£90:£1</li> <li>• 5-year SROI = £2,313,545.44</li> <li>• 1-year SROI = £443,563.44</li> <li>• 5-year GPV = £2,337,480.00</li> <li>• 1-year GPV = £467,498</li> <li>• Investment = £23,934.56</li> </ul> <p>Project Partner - Helping Hands shared recent case data to evidence the savings that previous clients actually realised. 472 Helping Hands clients realised actual savings of £453 over a</p>



	<p>quarter, equating to £9,060 per client profiled over a 5-year period.</p> <p><u>Updated July 2024</u></p> <p>The project will be extended for a further six months to fall in line with the mobile food pantry Project. The advisor will continue to collaborate with the mobile food pantry, enabling food pantry attendees to access specialist advice, alongside subsidised groceries.</p> <p>398 customers realising a five-year financial benefit of £9,060.00</p> <p>SROI = &gt;£137.50:£1  Five-year SROI = £3,605,880.00  One-year SROI = £721,176.00  Five-year GPV = £3,632,144.16  One-year GPV = £726,428.83  Investment = £26,264.16</p> <p><u>Updated September 2024</u></p> <p>After the success of the first 18-months of the project, we will be extending the project for a further 17-months until 31<sup>st</sup> March 2026. Based on both the first 18-months of the project and the extension, which aims to reach a further 900 people, the project will continue to provide specialist income maximisation services.</p> <p>1,298 customers realising a five-year financial benefit of £9,060</p> <p>SROI = &gt;£80.32:£1  Five-year SROI = £11,615,227.20  One-year SROI = £2,323,045.43  Five-year GPV = £11,759,880.00  One-year GPV = £2,351,976.00  Investment = £144,652.84</p>
<b>VCMA Project Start and End Date</b>	<p>Project Start Date: 1st November 2023  Project End Date: 30th October 2024</p> <p><u>Updated September 2024</u>  Project End Date: 31<sup>st</sup> March 2026</p>
<b>Geographical Area</b>	<p>The project will be delivered across communities in South Leicestershire that predominantly fall under Cadent's West Midlands network.</p>

**Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - PEA Control Table**

<p>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.</p>
<p>Stage 1: Sustainability and Social Purpose Team PEA Peer Review</p>

Date Immediate Team Peer Review Completed: 11/11/2024	Review Completed By: Kate Ravenscroft
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 23/12/2024	Review Completed By: Gemma Norton
Step 3: Head of Customer Vulnerability Social Programmes Sign-Off: Phil Burrows	
Head of Customer Vulnerability Social Programmes Sign-Off Date: 06/01/2025	
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: January 2025	
Date that Notification Email Sent to Ofgem: January 2025	