

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)  
*Citizens Advice North Warwickshire*

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1/10/2023

Updated 01/07/2024.



## 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>
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>	
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**

Information Required	Description
Project Title	North Warwickshire Citizens Advice
Funding GDN(s)	Cadent specific
New /Updated (indicate as appropriate)	Updated
Role of GDN(s) *For Collaborative VCMA Projects only	N/A
Date of PEA Submission	02/01/2023
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 - £413,525  <b>Updated costs</b> - £59,987.92 Project management costs - £18,940.51 Total - £492,453.44
Total VCMA Funding Required (£k)	£413,525  <b>Updated</b> - £492,453.44
Problem(s)	<p>Approximately 80% of the clients seeking advice from Citizen's advice North Warwickshire, Solihull and Southeast Staffordshire have either a long-term health condition or disability. The majority of these are below state pension age and are therefore reliant on state benefits as a source of income, this also impacts their eligibility for reductions in council tax or access to other state support. Many clients return with recurring issues with the average enquiry having up to 11 issues.</p> <p><u>Fuel Poverty</u></p> <p>Fuel Poverty remains a prominent form of hardship that impacts millions of households across the United Kingdom. The government's latest fuel poverty statistics illustrate the scale of hardship in 2022.</p> <p>For example, the 2022 statistics state that 13.4% UK households are currently living in fuel poverty. Fuel poverty can have many adverse effects on the health of residents living in this form of hardship. For instance, a recent National Energy Action article listed the following negative impacts:</p> <ul style="list-style-type: none"> <li>• Households can adopt unsafe energy rationing practices;</li> <li>• Customers may elect to voluntarily self-disconnect from their energy supplies;</li> </ul>

	<ul style="list-style-type: none"> <li>Fuel poverty can increase the risk of exposure to several health conditions including heart disease, chronic obstructive pulmonary disease (COPD) and asthma. Up to 80% of those accessing the service in this area have a disability or long-term health condition.</li> </ul> <p>At the more severe end of the scale, fuel poverty can result in early mortality and excess winter deaths. More people die in the winter than in the summer in England and Wales, due to a higher risk of residents experiencing cold housing conditions. 2017/2028 statistics report that 16,890 excess UK winter deaths were attributable to cold housing conditions. Separate government statistics report the cost of a single fatality due to CO poisoning the UK economy is £1,897,129.</p> <p>This project aims to support customers who are at risk of or are already living in fuel poverty by creating access to expert advice and casework services. Many of the services offered by the caseworker(s) will be aimed at increasing household income and improving properties' and customers' energy efficiency/behaviours.</p>
<p><b>Scope and Objectives</b></p>	<p>Cadent's VCMA funding will be utilised by North Warwickshire Citizens Advice to provide</p> <ul style="list-style-type: none"> <li>three full-time caseworkers</li> <li>single supervisor operating across three districts North Warwickshire, Solihull and South Staffordshire.</li> <li>The project will be delivered across twenty-four months between October 2023 and September 2025.</li> </ul> <p><b><u>Project Scope</u></b></p> <p>The Citizens Advice North Warwickshire partnership focuses on providing support to vulnerable households across three local authority areas of North Warwickshire, Solihull and South Staffordshire. Customers will be identified through various channels, including direct enquiries to Citizens Advice, referral pathways via social prescribers, local MPs and Councillors and a network of community partners and community events.</p> <p>Cadent's funding will used to employ a full-time caseworker in each local authority area with one supervisor across the three areas, for twenty-four months. The caseworker(s) will work on providing self-help advice including detailed instructions of steps the client should follow to resolve the issue. However, in most cases due to individual capability and/or the complexity of the issue the client will require casework.</p> <p>The caseworkers will be required to resolve queries with multiple strands, currently up to eleven interrelating issues per single client. These can include complex benefits applications including appeals if unsuccessful, or fuel and council tax debts due to income deficit. All clients are offered energy efficiency advice, carbon monoxide safety, and PSR information as standard, with CO alarms issued to those who do not currently have one or who have replaced one that is out of date. The objective of the caseworker is to understand the complexity of issues affecting both the physical and mental health of the client</p>

	<p>ensuring they access relevant services and are safe and warm in their homes.</p> <p><b><u>Project Objectives</u></b></p> <p>Overall, the North Warwickshire Citizens Advice Casework project aims to support approximately 700 clients with over 6,000 issues over a twenty-four-month period.</p> <p>With regards to the services offered and the benefits to customers, Cadent and Citizens Advice North Warwickshire have forecasted the project to realise approximately £850,000 in monetary outcomes.</p> <p>As well as meeting the above forecast for the number of customers accessing the project’s services and benefits realised, the project also aims to achieve the following objectives:</p> <ul style="list-style-type: none"> <li>• Clients report improved wellbeing and reductions in stress due to feeling in better control of their personal finances.</li> <li>• Clients will report improvements in their levels of comfort due to being able to heat their homes to a healthier temperature. This will be achieved through increasing household income and improving knowledge of energy efficiency techniques.</li> </ul> <p><b><u>Updated July 2024</u></b></p> <p>Due to the increased level of demand for support with applying for specialist benefits including Personal Independence Payment (PIP) and the time taken to complete a successful application funding was agreed for an additional advisor with specialist knowledge in this area.</p>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p><b>We believe that the project meets all of the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</b></p> <ol style="list-style-type: none"> <li>a. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project: <p>The project delivers a positive forecasted social return on investment. This is based on achieving the target reach for, registrations to the PSR and education on carbon monoxide and Energy efficiency. More information can be found in the relevant section below.</p> </li> <li>b. Either: <ol 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 of the dangers of CO, or,</li> <li>iii. Reduce the risk of harm caused by CO.</li> </ol> <p>The project delivers services that meet all three elements of this criteria. The project will also raise awareness of the dangers of CO and promote registration to the PSR and offer</p> </li> <li>c. Have defined outcomes and the associated actions to achieve these:</li> </ol>

	<p>Cadent and Citizens Advice Warwickshire have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</p> <p>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and, This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</p> <p>e. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding,</p> <p>This project will be solely delivered through Cadent's VCMA funding.</p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>Cadent conducted extensive stakeholder and customer research in May 2022 following the completion of RIIO-GD2 year one. The research's aim was to assess customer/stakeholder opinion on Cadent's allocation of VCMA spend and gain insight on where we should direct VCMA funding in the future.</p> <p>61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty. Cadent's independent Customer Engagement Group report for its RIIO-GD2 business plans contains feedback on a variety of proposals, including Cadent's ambitions for tackling fuel poverty.</p> <p>The report supported Cadent's holistic approach to tackling fuel poverty, whereby a household is supported with a combination of services/advice.</p> <p>The Customer engagement group recognised the need for a holistic approach that supports a household with its fuel prices (FPNES), energy efficiency (advice/repair and replacement) and household income (income maximisation).</p> <p>Additionally, Cadent asked stakeholders and customers for feedback on where VCMA funding should be prioritised in 2022-2023. Stakeholders commented " We are in the midst of an energy crisis which is likely to continue for the next 18 months to 2 years and will leave clients in very vulnerable situations. Any increase in this support from Cadent would be extremely helpful to fuel poor clients."</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> <p>My current household's health or financial situation is worse off compared to 2021.</p> <p>My current household's health or financial situation is the same compared to 2021.</p> <p>My current household's health or financial situation is better off compared to 2021.</p>

	<p>60% of participants responded that their households' health or financial situation was worse off this year compared to 2021 levels.</p> <p>Overall, Cadent has received strong stakeholder support and justification for funding its partnership with North Warwickshire Citizens Advice from October 2023 – September 2025</p>
<p><b>Information Required</b></p>	
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p>The partnership with North Warwickshire Citizens Advice will focus on the recruitment of three full-time caseworkers that operate across three districts North Warwickshire, Solihull and South Staffordshire. Workers will offer advice on both issues that customers are able to self-resolve, and more complex cases that require in-depth support. Examples of the types of advice that the caseworkers will issue include:</p> <p>Welfare benefits advice including,          Universal Credit,          Personal Independence Payment (PIP),          Limited Capability to work and attendance allowance.          Support with utility provider issues including debts and meter issues.          Debt, money, and pensions advice;          Referrals to the Priority Services Register;          Advice on CO and alarm distribution          Requesting small measures i.e. Heated blankets          Referrals to the Warm Homes Discount;          Energy efficiency advice          Referrals to retrofit grants</p> <p>All the above support provided by the caseworkers will be aimed at alleviating fuel poverty. Fuel poverty is influenced by several factors including fuel costs, property energy efficiency, additional costs due to disability and household income.</p> <p><u>Financial Hardship</u></p> <p>As well as offering services that will support households to improve energy efficiency, Citizens Advice caseworkers will also be assisting customers with managing debt and maximising income.</p> <p>The project will support households affected by financial hardship by:</p> <p>Helping them to access industry financial benefits e.g. Warm Homes Discount);          Conducting benefit entitlement checks and claims support;          Supporting with debt and money management advice;</p> <p><b>Updated July 2024</b>          A dedicated specialist advisor will support an additional 360 individuals with disability related claims in addition to providing them with information regarding the Priority Services Register, Carbon Monoxide and any other services that may be appropriate.</p>

<b>Project Partners and Third Parties Involved</b>	Cadent and Citizens Advice Warwickshire
<b>Potential for New Learning</b>	<p>We believe that this project offers Cadent the opportunity for new learning in various areas.</p> <p>Firstly, this project will operate across three local authority areas. Cadent and CAW know that customers have been disproportionately affected by the cost-of-living crisis due to factors such as limited access to advice ,digital exclusion and a sense of pride. The project will offer Cadent insight into the extent of the impact of the cost-of-living crisis on these communities, and which services best support this specific age group.</p> <p>Secondly, Cadent previously participated in a national collaborative VCMA project with the three other GDNs and Citizens Advice’s national team. The project was delivered in 2022-2023 and delivered fantastic outcomes for customers nationally. However, Cadent elected to modify its delivery model and relationship with Citizens Advice, from working nationally with its central team, to creating 1-2-1 partnerships with regional networks closer to grass roots and customers (e.g. Citizens Advice Essex, Citizens Advice Greater Manchester, and now Citizens Advice Warwickshire).</p> <p>The new partnership with CAW will help Cadent to further understand the benefits and limitations of each approach – national and regional.</p>
<b>Scale of VCMA Project and SROI Calculations</b>	<p><u>Scale of VCMA Project</u></p> <p>The project aims to support households across the project area with a variety of 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"> <li>- 700 clients will receive advice on income maximisation;</li> <li>- 70 clients will receive advice on the signs, symptoms and dangers of CO;</li> <li>- 70 customers will receive support to sign up to the PSR;</li> </ul> <p><u>SROI Summary</u></p> <ul style="list-style-type: none"> <li>- Investment = £413,525.00</li> <li>- 5-year gross present value = £1,212,660.40</li> <li>- 1-year gross present value = £242.532.08</li> <li>- 5-year social return on investment = £799,135.40</li> <li>- 1-year social return on investment = £35,769.58</li> <li>- SROI ratio = £1.93</li> </ul> <p><b>Updated SROI</b></p>

	<p>An extra 360 clients will receive advice on:</p> <ul style="list-style-type: none"> <li>- 360 clients will receive advice on income maximisation;</li> <li>- 36 clients will receive advice on the signs, symptoms and dangers of CO;</li> <li>- 36 customers will receive support to sign up to the PSR;</li> </ul> <p>For the avoidance of doubt this project will now reach a total of 1060 customers.</p> <p><u>SROI Summary</u></p> <ul style="list-style-type: none"> <li>- Investment = £492,453.44</li> <li>- 5-year gross present value = £1,836,314.32</li> <li>- 1-year gross present value = £367,262.86</li> <li>- 5-year social return on investment = £1,343,860.88</li> <li>- 1-year social return on investment = £160,500.36</li> </ul> <p>SROI = £2.72</p>
<b>VCMA Project Start and End Date</b>	Start date 01/10/2023 to 30/09/25
<b>Geographical Area</b>	West Midlands

## 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: 11/11/24	Review Completed By: A Jones
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 04/12/24	Review Completed By: Gemma Norton
Step 3: Head of Customer Vulnerability Sign-Off: Phil Burrows	
Head of Customer Vulnerability Sign-Off Date: 04/12/24	
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 2024	
Date that Notification Email Sent to Ofgem: December 2024	