

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
*Healthy Homes Solutions Extension 2023
- 2024*

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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: <ul style="list-style-type: none"> 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;	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
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;	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	Healthy Homes Solutions Extension 2023 2024
Funding GDN(s)	Cadent – all five Cadent gas distribution network areas
New / Updated (indicate as appropriate)	New VCMA Project
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable – company-specific project
Date of PEA Submission	October 2023
VCMA Project Contact Name, email, and Number	Contact Name: Phil Burrows Contact Title: Head of Customer Vulnerability Social Programme Delivery Contact Number: 07773 545451 Contact Email: phil.m.burrows@cadentgas.com
Total Cost (£k)	Total Cost = £380,358.16 Partner Delivery Costs = £365,729.00 Project Management Costs = £14,629.16
Total VCMA Funding Required (£k)	Total Cost = £380,358.16 Partner delivery costs = £365,729.00 Project management costs = £14,629.16
Problem(s)	<p>The project is a twelve-month extension of a 2022 – 2023 VCMA initiative and is based on a similar model. The delivery model focuses on utilising a combination of profiled vulnerability data and data from the Vulnerability Registration Service (VRS) usership to proactively identify customers living in vulnerable situations.</p> <p>Healthy Homes Solutions will expertly source and profile vulnerability data from thousands of sources to help Cadent understand where customers living in vulnerable situations are situated on its networks. Additionally, Healthy Homes Solutions will maintain its relationship with the VRS to ensure both an “inbound” referral pathway, and an “outbound” channel for VRS customers to access the wider support offered by the VCMA project.</p> <p>Historically, Cadent has been reliant on identifying customers in vulnerable situations through its BAU emergency, repair, and mains replacement programmes. This new approach of using profiled data sets and a partnership with the VRS will allow Cadent to help households not impacted by its BAU activities.</p> <p>Once identified, households are engaged through a variety of channels (e.g., social media, letter, phone call, website etc.) and offered holistic support through several services such as:</p> <ul style="list-style-type: none"> • Priority Services Register (PSR) registration,

	<ul style="list-style-type: none"> • Department of Work and Pensions benefit entitlement checks, • Free water saving kits, • Broadband social tariffs, • Carbon Monoxide alarms and education
<p>Scope and Objectives</p>	<p><u>Project Scope</u></p> <p>In return for Cadent's Vulnerability and Carbon Monoxide Allowance (VCMA) funding, HHS will provide an integrated platform to identify and implement collaborative programmes that improve homes and provide greater care and safety for vulnerable people.</p> <p>The programme builds on 2022 – 2023 pilots where an initial 1,000 households were supported. The 2023 – 2024 extension will utilise the same delivery model where:</p> <ul style="list-style-type: none"> • Healthy Homes Solutions will utilise data from 1,000 indices and 15 sources to understand the vulnerability and location of customers living on Cadent's network who stand to benefit most from the project. • Healthy Homes Solutions will continue their partnership with the VRS, engaging the entire VRS usership on Cadent's network with the offer to receive support delivered through the programme. The VRS are a not-for-profit organisation that provide a central independent register of vulnerable people, helping companies with aligned objectives to identify vulnerability and keep people safe. The VRS members reached through the project will receive the opportunity to access additional free interventions (e.g., registration to the Priority Services Register), all of which are designed to improve customers' awareness and safety at home. • Once the combination of customers uncovered through the data profiling exercise and the VRS usership are identified, Healthy Homes Solutions will engage, support, and measure the success of the intervention offered (e.g., benefit entitlement checks, PSR registrations, CO education etc.). <p><u>Project Objectives</u></p> <p>The Healthy Homes Solutions Extension 2023 – 2024 extension aims to achieve the following objectives:</p> <ul style="list-style-type: none"> • Healthy Homes Solutions will hold 25,000 conversations with vulnerable households identified and engaged through the data profiling and VRS partnership activities. Vulnerable households can be daunted and fatigued by lengthy telephone consultations that ask many questions and offer lots of separate interventions. Healthy Homes Solutions have identified this issue and have ensured that their approach best meets the needs of clients, through offering several short, engaging, and digestible conversations to the same household.

	<ul style="list-style-type: none"> • Healthy Homes Solutions will profile data and liaise with the VRS to target 10,000 new vulnerable households on Cadent’s network. These households will then be offered a range of services based on their individual needs. • Healthy Homes Solutions will complete between 2,000 post-intervention surveys with households that received support through the project. The surveys will be completed for the purpose of measuring the project’s actual SROI and gaining insight on customers’ implementation of measures offered through the programme. <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"> • Households supported through the project will report reduced feelings of stress due to feeling in better control of their household finances. • 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. • Customers will report an improved awareness on the purpose and benefits of the PSR. • Customers will report an improved understanding on the signs, symptoms, and dangers of carbon monoxide.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>Cadent believes that this project meets all of the VCMA company specific eligibility criteria:</p> <p>A. The project is forecasted to have a positive social return on investment (SROI): The project will offer vulnerable households a suite of holistic services designed to support them to remain warm, safe, and independent at home. Examples of the services offered through the programme include benefit entitlement checks, energy efficiency advice, PSR registration, CO alarms/education, water saving kits, and broadband social tariffs. Cadent has an understanding of the average social value created by these activities and has calculated a positive social return on investment – see below section.</p> <p>B. The project will either:</p> <ul style="list-style-type: none"> 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 <p>The project will provide support to consumers in vulnerable situations and relate to energy safeguarding by offering households a suite of services aimed at ensuring safety, warmth, and independence at home.</p>

	<p>Additionally, the project will also provide awareness on the dangers, and reduce the risk of harm caused by CO. This will be achieved through providing customers with educational materials and distributing free CO alarms.</p> <p>C. Have defined outcomes and the associated actions to achieve these: 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.</p> <p>D. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and: 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.</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. This project will be solely funded through Cadent's VCMA and will not access external funding sources.</p>
<p>Evidence of Stakeholder/Customer Support</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 Cadent's approach to investing its VCMA remains up to date and reflects the needs of communities.</p> <p>For instance, 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 Healthy Homes Solutions Extension 2023 – 2024 project will be targeted at customers impacted by affordability concerns through utilising innovative data profiling and partnership work with the VRS. Households engaged through the project will be offered a holistic suite of services including benefit entitlement checks, energy efficiency advice, water saving kits, and broadband social tariffs. All of these services aim to boost households' disposable income and provide techniques to better manage energy/water consumption.</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)</p>

	<p>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> <p>Finally, our 2022-2023 engagement activities also asked stakeholders for feedback on Cadent’s work relating to “Identifying Individual Needs and Joining Up Services”. This particular area of work focusses on simplifying the process of receiving assistance from energy networks for customers in vulnerable situations. Some stakeholders congratulated Cadent on its work in this area, acknowledging both how essential and difficult it can be to get consumers onto the PSR. Electricity Northwest commented:</p> <p><i>“We know that reaching customers often takes multiple times before the message actually sinks in and they will act on that message or realize that actually that message might be for me. And so, I think that I think they’ve done a great job”.</i></p> <p>The Healthy Homes Solution Extension 2023 – 2024 project aims to remove the complexity of receiving energy-related support (e.g., PSR registration) by ensuring that experienced staff communicate with vulnerable households in a simple, digestible way.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes</u></p> <p>Cadent will provide Healthy Homes Solutions with VCMA funding to deliver a twelve-month extension of the 2022 – 2023 programme. The programme will use the same delivery model as the previous iteration of the project, whereby Healthy Homes Solutions will profile data to create predictive models on where customers in vulnerable situations are likely to live on Cadent’s network. Additionally, Healthy Homes Solutions will maintain their partnership with the VRS to ensure that a) Customers already registered to the VRS have access to the support offered by the project, and b) Customers unaware of the benefits of the VRS are supported to register where appropriate.</p> <p>The project will deliver the following outcomes:</p> <ul style="list-style-type: none"> • Customers living in vulnerable situations, but currently unaware of Cadent, or the support they can access through Healthy Homes Solutions will be identified through innovative data profiling. • Once identified, the customers in vulnerable situations will be engaged through a range of channels (e.g., letter,

social media, website etc.) to inform them of the support available through the Healthy Homes Solutions project.

- Customers will be offered a holistic suite of services including CO awareness advice, CO alarms, energy efficiency advice, means tested benefit entitlement checks, broadband social tariffs, and free water saving kits.

Associated Actions

Cadent, Healthy Homes Solutions, and the VRS will complete the following associated actions to achieve the project's outcomes and success criteria:

- Cadent will provide Healthy Homes Solutions with VCMA funding to resource and deliver the twelve-month project extension.
- Additionally, Cadent will provide Healthy Homes Solutions with materials and training on the PSR and CO safety, enabling the Healthy Homes Solutions team to hold effective and accurate conversations with customers.
- Cadent will also provide Healthy Homes Solutions with carbon monoxide alarms and referral pathways such as Locking Cooker Valves, and the Shout keyword service.
- Healthy Homes Solutions will update their data profiling model based on 2023 – 2024 data. The model will be used to predict the communities where customers in vulnerable situations may be living.
- Healthy Homes Solutions will design and produce a range of customer engagement materials across a variety of media types (e.g., letters, webpages, social media assets etc.)
- Healthy Homes Solutions will operate a dedicated advice telephone line that will call customers that elect to receive support through the project.
- Healthy Homes Solutions will maintain their partnership with the VRS, ensuring that customers yet to be registered to the VRS have an awareness of the service and the benefits of registration where appropriate.
- Where appropriate, the VRS will refer customers into the Healthy Homes Solutions programme to receive wider holistic support.

Success Criteria

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

- Healthy Homes Solutions will hold 25,000 conversations with vulnerable households identified and engaged through the data profiling and VRS partnership activities.

	<ul style="list-style-type: none"> • Healthy Homes Solutions will profile data and liaise with the VRS to target 10,000 new vulnerable households on Cadent’s network. These households will then be offered a range of services based on their individual needs. • Healthy Homes Solutions will complete 2,000 post-intervention surveys with households that received support through the project. The surveys will be completed for the purpose of measuring the project’s actual SROI and gaining insight on customers’ implementation of measures offered through the programme. <p>In addition to the above quantitative criteria, the below qualitative positive indicators will be assessed when measuring the project’s success:</p> <ul style="list-style-type: none"> • Households supported through the project will report reduced levels 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.
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will principally work in partnership with Healthy Homes Solutions. Healthy Homes Solutions are an organisation that help energy inefficient and vulnerable households improve their homes.</p> <p>Healthy Homes Solutions will work in partnership with the Voluntary Registration Service to reach households that have been identified as vulnerable.</p>
<p>Potential for New Learning</p>	<p>The Healthy Homes Solutions Extension 2023 – 2024 will offer Cadent several opportunities for new learning. For example, the 2022 – 2023 pilot delivered many of the services that will be available to customers in the 2023 – 2024 extension. The below bullet points detail how many customers received each of the services:</p> <ul style="list-style-type: none"> • CO awareness = 469 customers (42.46%) • Tools and advice to maximise income = 570 customers (51.82%) • PSR awareness conversations = 732 customers (66.55%) <p>The 2022-2023 pilot was launched in the middle of a cost-of-living crisis where customers in vulnerable situations faced unprecedented levels of hardship. The extension of the pilot for a further twelve months will allow Cadent and Healthy Homes Solutions to monitor and compare the delivery of services against the previous year’s data – e.g., 42.46% of customers to receive CO awareness, 51.82% of customers to receive tools and advice to maximise income etc.</p> <p>The extension of the project will also offer Cadent learning on saturation and insight on how VCMA projects should be managed moving forwards.</p>

	<p>The project extension will use a model identical to the 2022 – 2023 version of the programme, but with the objective of supporting a greater number of customers (1,000 in the pilot versus 10,000 in the extension). Healthy Homes Solution will update the data used as part of the profiling exercise and will include new services in the holistic offer to customers.</p> <p>The updating of profiled data and the inclusion of new services should allow the project to reach new customers, not previously engaged in the 2022-2023 project. However, Cadent will monitor the uptake of services throughout the project extension to understand if the delivery model (that is identical to the pilot) is still identifying and supporting new customers.</p>
<p>Scale of VCMA Project and SROI calculations, including NPV</p>	<p><u>Scale of VCMA Project</u></p> <p>The project will be delivered on a twelve-month basis in partnership with Healthy Homes Solutions. Cadent's VCMA funding will be used by Healthy Homes Solutions to extend the programme previously piloted in 2022-2023. The programme focuses on the innovative profiling of data and a partnership with the VRS to proactively identify and support customers in vulnerable situations.</p> <p>The extended project aims to deliver 25,000 conversations with 10,000 customers in vulnerable situations, on the basis that households will be offered multiple interventions that are tailored to their needs.</p> <p><u>SROI Calculations, Including NPV</u></p> <ul style="list-style-type: none"> • SROI = >£14:£1 • 5-year SROI = £5,352,716.48 • 1-year SROI = £766,256.77 • 5-year GPV = £5,733,074.64 • 1-year GPV = £1,146,614.93 • Investment = £380,358.16
<p>VCMA Project Start and End Date</p>	<p>Project Start Date: 30th June 2023 Project End Date: 31st July 2024</p>
<p>Geographical Area</p>	<p>The project will be delivered across all five of Cadent's gas distribution network areas.</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: Sustainability and Social Purpose Team PEA Peer Review	
Date Immediate Team Peer Review Completed: 13/03/24	Review Completed By: Gurvinder Dosanjh
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 20/03/24	Review Completed By: Phil Burrows
Step 3: Director of Sustainability & Social Purpose Sign-Off: Marck Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 21/03/24	
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: March 24	
Date that Notification Email Sent to Ofgem: March 24	