

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
Safeguarding customers in High Rise Multi Occupancy Buildings (MOBs)

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January 2024



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 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.	Y
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; 	Y
c) Have defined outcomes and the associated actions to achieve these;	Y
d) Go beyond activities that are funded through other price control mechanism(s) or required through license obligations; and	Y
e) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	Y
Section 2 - Eligibility criteria for company-specific essential gas appliance servicing	
To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:	
a) Either: <ul style="list-style-type: none"> i. 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 ii. 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 iii. 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 	N/A

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

Section 3 - Eligibility criteria for Collaborative VCMA Projects	
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	Safeguarding customers in London and North West, High Rise Multi Occupancy Buildings (MOBs) extension
Funding GDN(s)	Cadent
New / Updated (indicate as appropriate)	Updated PEA
Role of GDN(s) *For Collaborative VCMA Projects only	N/A
Date of PEA Submission	3 rd February 2022 Updated 29 th January 2025
VCMA Project Contact Name, email and Number	Name: Phil Burrows Job Title: Customer Vulnerability Social Programmes Delivery Manager Email: phil.m.burrows@cadentgas.com Phone: 07773545451
Total Cost (£k)	Costs: £233,334.00 (£214,560.00 external) (£18,774 internal engineer cost to install tracker in the valve)

	<p>Updated Costs:</p> <table border="1" data-bbox="472 304 1313 864"> <tr> <td>Valve track installation, technology and subscription</td> <td>638</td> <td>1288</td> <td>£821,744.00</td> </tr> <tr> <td>Cadent Labour</td> <td></td> <td></td> <td>£90,000.00</td> </tr> <tr> <td>Resources eg Leaflets</td> <td></td> <td></td> <td>£16,000.00</td> </tr> <tr> <td>Funding an advice worker</td> <td></td> <td></td> <td>£33,000.00</td> </tr> <tr> <td>Management fee (Cadent) 4%</td> <td></td> <td></td> <td>£38,429.76</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>£999,173.76</td> </tr> <tr> <td>Tranche 2 Spend (December 2024)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Valve Track installation, technology and subscription</td> <td>638</td> <td>313</td> <td>£200,000.00</td> </tr> <tr> <td>New Total</td> <td></td> <td></td> <td>£1,199,173.00</td> </tr> </table>	Valve track installation, technology and subscription	638	1288	£821,744.00	Cadent Labour			£90,000.00	Resources eg Leaflets			£16,000.00	Funding an advice worker			£33,000.00	Management fee (Cadent) 4%			£38,429.76	Total			£999,173.76	Tranche 2 Spend (December 2024)				Valve Track installation, technology and subscription	638	313	£200,000.00	New Total			£1,199,173.00
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<p>Total VCMA Funding Required (£k)</p>	<p>Original costs: £233,340</p> <p>Total Costs: £1,432,513</p>																																				
<p>Problem(s)</p>	<p>People living in deprived areas are at a greater risk of living in fuel poverty to those that live in more affluent areas. This is a particular issue for many people living in multiple occupancy buildings (MOBs).</p> <p>There are various factors that further exacerbate these issues and are often hand in hand with living in MOBs including:</p> <p>Unemployment The unemployment rate in the top IMD areas is 17%, compared with the English average of 8% across England (and 4% in the least deprived areas).</p> <p>Fuel poverty People are more at risk of being in fuel poverty, as they may not have enough income to adequately heat their homes. They are more likely to turn their heating off or down, which in turn brings about cold, damp living conditions</p> <p>Debt According to the CAB, those households in the lowest income group are three times more likely to be in debt, with the value of the debt being up to six months' worth of their income.</p> <p>Risk of exposure to carbon monoxide and levels of deprivation Issues such as fuel poverty and high household debt can influence a customers risk of exposure to the dangers of carbon monoxide. An unavailability of household income can mean that many customers do not have the means to regularly service their gas appliances and/or purchase audible carbon monoxide alarms.</p>																																				

<p>Scope and Objectives</p>	<p>The scope of the project is to target around High Rise Multi-Occupancy Buildings across London and NW.</p> <p>Customers living in MOBs will be provide or offered the following:</p> <ul style="list-style-type: none"> • Debt support • Benefit advice and support • Carbon monoxide advice • PSR information and support signing up. • Free welfare provisions • CO alarms • Onward referral to other services • Servicing of appliances • Replacement of appliances <p>The project will also facilitate the installation of a GPS tracker in the pipeline isolation valves (PIV) to all the High rise multi occupancy buildings. This will allow the valve to be easily located in the event of emergency or maintenance meaning that should we need to isolate the whole of the building for safety, we will have easy access to the valves.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that the project meets all the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</p> <p>a. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project:</p> <p>The project delivers a positive forecasted social return on investment. This is based on achieving the target reach for income maximisation, registrations to the PSR and education on carbon monoxide. More information can be found in the relevant section below.</p> <p>b. Either:</p> <p>i. Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or,</p> <p>ii. Provide awareness of the dangers of CO, or,</p> <p>iii. Reduce the risk of harm caused by CO.</p> <p>The project delivers services that meet all three elements of this criteria. For example, the specialist advisors will help households maximise their income, enabling residents to afford the cost of heating their home to an adequate level. The project will also raise awareness of the dangers of CO and promote registration to the PSR.</p> <p>c. Have defined outcomes and the associated actions to achieve these:</p> <p>Cadent and Warrington Borough Councils 17 Community Centres 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,</p> <p>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>Evidence of Stakeholder/Customer Support</p>	<p>Temperature Checks – we complete periodic ‘temperature checks’ with a cross section of our customer base, including our Customer Forum. These demonstrate that customers continue to support the key measures that we identified when developing our RIIO-2 plan, with a heightened requirement to support people with the cost-of-living crisis – hence this.</p> <p>The Energy Diaries research – through extensive research with customers living in fuel poverty over a period of several months, we then engaged with experts such as Citizen’s Advice, NEA and a suite of other charities operating in this space to co-create several additional initiatives that Cadent could offer to its customers. This was one of these initiatives.</p> <p>Charity Partnerships – we have strategic level partnerships in place with around 40 consumer advice organisations and charities. We engage regularly to assess the benefits of existing projects and consider options elsewhere, taking the opportunity to benchmark against others and seek to learn.</p> <p>Centres for Warmth – the teams running the centres also fed into the development of this initiative, when considering the successes of the existing centre projects and opportunities for enhancements, based on the specific needs of the customers/households already being supported.</p> <p>Stakeholder feedback – Working with various Stakeholders we can understand the needs of customers living in vulnerable situations across our networks. Regular conversations and check ins with organisations such as Citizens Advice, National Energy Action and Groundwork. These regular check ins allow us to gain feedback on the projects we are or should be supporting and ensuring that the projects are in the best interests of our customers. The guidance we are being given is consistently around supporting customers living in fuel poverty and especially considering the current energy crisis.</p> <p>Stakeholder feedback – We have sent out questionnaires to organisations we deal with and some that have an interest in the customers we are looking to support, and we have received overwhelming support and confirmation that the projects we are supporting are appropriate and are helping those most at risk.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The project will facilitate Cadent being able to offer greater support to customers living in vulnerable situations and those most at risk. The support offered will include:</p> <ul style="list-style-type: none"> • Offering carbon monoxide guidance • Offering and installing CO alarms • Making onward referrals through Cadent’s partners • Promotion and signing up people to the PSR register. • Offering energy efficiency advice • Onward referral for financial advice or debt consolidation. • Installing a GPS device in the Pipeline Isolation Valve to allow isolation in the event of emergency. • Leaflet drop every property.

Project Partners and Third Parties Involved	This project will be managed and delivered by Cadent
Potential for New Learning	This project presents Cadent with the opportunity to gather learning that may be applicable to future VCMA projects. We will be able to ascertain what is the impact to people living in MOBs and high-rise properties and are they more vulnerable and at risk than those living in “conventional housing”?
Scale of VCMA Project and SROI Calculations, including NPV	<p>Original</p> <ul style="list-style-type: none"> • We will leaflet drop all 10,616 properties in the MOBs -Based on 80% of customers reading the leaflet £5559.22 (per annum) • • Hold advice and drop-in sessions in the foyer of 600 MOBs reaching in excess of 10,000 people. The sessions will give advice on the topic listed above. • • Issue and install 1000CO alarms - £2181.93 (per annum) • Give additional support to 1000 customers on debt management, switching and energy efficiency. £4,286,690.00 • Sign 1000 people up to the PSR £28,778(per annum) Total SROI per annum – £4,317,649.93 SROI over 5 years - £21,588,249.60 <p>Updated January 2025</p> <p>We will leaflet drop all 8970 properties in the MOBs</p> <ul style="list-style-type: none"> • Debt support delivered to 3588 • Benefit advice and support delivered to 3588 • Carbon monoxide advice delivered to 4500 • PSR information and support signing up 3588 • CO alarms to 1794 (SROI and costs not in this PEA costs and on CO alarm costs) • Onward referral to other services to 1794 • Energy efficiency advice to 3588 <p><u>Tranche 2 (January 2025)</u></p> <p><u>Additional 200 units</u></p> <p><u>We will leaflet drop around 4000 properties</u></p> <ul style="list-style-type: none"> • Debt support delivered to 1500 • Benefit advice and support delivered to 1500 • Carbon monoxide advice delivered to 2500 • PSR information and support signing up 1500 • CO alarms to 80(SROI and costs not in this PEA costs and on CO alarm costs) • Onward referral to other services to 400 • Energy efficiency advice to 1700 <p><u>SROI (for both Tranches)</u></p> <ul style="list-style-type: none"> • Debt support delivered to 1500 • Benefit advice and support delivered to 1500 • Carbon monoxide advice delivered to 2500 • PSR information and support signing up 1500

- Onward referral to other services to 1794
- Energy efficiency advice to 1700

GDN Rulebook
Latest Version Date: 10-09-2024



Load Project:

Project information:		Results:	
Name:	Mobs Vive trak	Cost (discounted):	€1,356,437.42
WACC:	4.97%	Customer volume:	96724
Year of assessment:	2025	GPV:	€26,706,818.29
Start year of benefits:	2024	NPV:	€25,350,380.87
End year of benefits:	2026	SROI:	€18.69
Attribution:	0.00%		

Non-standardised activity inputs:	
Cost (discounted):	€12,707.78
GPV:	€8,318,637.02

Cost 24 / 25 £1,410,513.00

The above calculation has been completed using the ENA GDN Rulebook and is based on the following:

Debt support signposting – 5088
 Income max/Benefits 1:1 – 5088
 Energy efficiency advice 1:1 – 15288, leaflets 23586
 CO advice 1:1 – 17000 leaflets 23586
 PSR Registrations – 6088
 Gas safety check referrals -1000

SROI = £18.69

VCMA Project Start and End Date

Original
Dec 2021 – June 2022

Updated
April 2024 – March 2026

Geographical Area

The project will be delivered across the London and NW area

Internal governance and project management evidence

The SROI for this 12-month project has been calculated using information that has been provided by both Operations and Valvetrak as well as support from Local Authorities. This is set out in the project outcomes of this document.

We have based the SROI on figures generated from a five-year forecast SROI using the GDN Rulebook.

Cadent and Valve Trak will meet monthly to review outcomes, share best practise and enable the project to grow from strength to strength, ensuring all customers are being supported and we address any issues that may arise.

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: 22/01/25	Review Completed By: Guv Dosanjh
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 05/02/25	Review Completed By: Gemma Norton
Step 3: Head of Customer Vulnerability Social Programmes Sign-Off: Phil Burrows	
Director of Sustainability and Social Purpose Sign-Off Date: 06/02/25	
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: February 25	
Date that Notification Email Sent to Ofgem: February 25	