



GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Warm and Safe Homes – National Extension 2023 - 2025

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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;	No
b) The household cannot afford to service, repair, or replace the unsafe pipework or essential gas appliance; and;	No
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.	No
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;	Yes
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	Warm and Safe Homes – National Extension 2023 - 2025
Funding GDN(s)	Cadent Gas Limited, Northern Gas Networks, SGN, and Wales & West Utilities
Role of GDN(s) *For Collaborative VCMA Projects only	All four gas distribution networks will provide National Energy Action (England and Wales) and the Wise Group (Scotland) with VCMA funding to deliver a two-year programme aimed at supporting customers with energy affordability concerns.
Date of PEA Submission	April 2023
VCMA Project Contact Name, email, and Number	VCMA Project Contact Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451
Total Cost (£k)	Total Project costs: £731,325.84 Total Cadent costs: £264,290.66 Total Northern Gas Networks costs: £72,843.20 Total SGN costs: £321,299.39 Total Wales & West Utilities costs: £72,892.59
Total VCMA Funding Required (£k)	Total VCMA funding required: £731,325.84 Total Cadent costs: £264,290.66 Total Northern Gas Networks costs: £72,843.20 Total SGN costs: £321,299.39 Total Wales & West Utilities costs: £72,892.59
Problem(s)	<p>The project builds on the twelve-month pilot delivered by Cadent and SGN in 2022-2023, aiming to benefit customers nationally across all four gas distribution networks.</p> <p>The project sits under the fuel poverty and affordability pillar of the Vulnerability and Carbon Monoxide Allowance (VCMA) and will deliver energy efficiency advice, income maximisation, and hardship fund support to customers with energy affordability concerns.</p> <p><u>Fuel poverty and the cost of fuel</u></p> <p>Customers in vulnerable situations across the country continue to experience higher rates of fuel poverty when compared to previous years. A household's risk of experiencing fuel poverty is influenced by three main factors: the price of fuel, levels of disposable household income, and the property's energy efficiency. Unprecedented rises in the Ofgem energy price cap have resulted in sustained higher fuel prices and increases in the rates of fuel poverty.</p> <p>The below bullet points illustrate the dramatic increases in the Ofgem energy price cap when compared to the price customers paid at the start of the RIIO-GD2 price control (£1042.00 - Winter 2020/2021):</p> <ul style="list-style-type: none"> - Winter 2023 = £4,279.00 (310.65% increase) - Spring 2023 = £3,280.00 (214.78% increase) - Summer 2023 = £2,074.00 (99.04% increase) <p>Increases in fuel prices have been a contributing factor to higher rates of fuel poverty across England, Scotland, and Wales. For instance, the most recent annual fuel</p>

<p>poverty statistics for England report that 13.4% (3.26 million homes) of homes are currently living in fuel poverty - a rise of 0.4% from 2021.</p> <p>The Scottish government's 2019 house conditions survey found that 24.6% (613,000 households) of households were living in fuel poverty, with 12.4% (311,000 homes) living in extreme fuel poverty.</p> <p>National Energy Action's "<i>Fuel Poverty in Wales</i>" statistics report that 45% (614,000 households) of Welsh homes are living in fuel poverty according to the Welsh government's statistics.</p> <p><u>Fuel Poverty and decreases in disposable household income</u></p> <p>As well as facing challenges with meeting the cost of fuel, customers in vulnerable situations have also experienced price rises in other essentials such as food and housing. The rate of inflation can influence levels of disposable income, that can then in turn be used by customers to afford their required fuel costs. Publicly reported data showed the national interest rate at 1.5% in March 2021, close to the start of the RIIO-GD2 price control. More recently, the national inflation rate (RPI) reached 14% in November 2022 and 13.5% in March 2023 respectively.</p> <p>Finally, Cadent and the other networks conducted customer research to inform their investment of the Vulnerability and Carbon Monoxide Allowance following the change in landscape due to the cost-of-living crisis.</p> <p>Cadent asked customers for their views on which of the below statements best described their health and financial situation compared to 2021:</p> <ul style="list-style-type: none"> • My current household's health or financial situation is worse off compared to 2021; • My current household's health or financial situation is the same compared to 2021; • My current household's health or financial situation is better off compared to 2021; <p>Worryingly, 60% of participants responded that their households' health or financial situation was worse off this year compared to 2021 levels.</p> <p>Overall, this project aims to support customers at risk of, or living in fuel poverty by offering tailored advice to improve energy efficiency and boost levels of household income.</p> <p><u>Challenges that networks face in engaging customers</u></p> <p>Gas distribution networks (GDNs) do not have a direct relationship with customers through charging a bill. Instead, GDNs usually engage customers through gas emergency and planned works home visits. Fortunately, the chance of a customer experiencing a gas emergency and/or planned works is rare. Furthermore, gas emergencies and planned works can impact customers from a range of demographics and are not necessarily targeted at customers in vulnerable situations.</p> <p>The partnership with NEA and the Wise Group will offer the GDNs another means of engaging customers at scale, with the project forecasted to support in excess of 6,400 households. Furthermore, rather than reaching a range of customer demographics (like the GDN's business as usual activities), the partnership with NEA and the Wise Group will target a group of households most impacted by fuel poverty.</p> <p>In addition to the benefit of creating another customer touch point beyond the GDN's business as usual activities, the decision to work with NEA and the Wise Group allows the GDNs to partner with trusted, expert, and widely known organisations. For instance, NEA's partnership with money saving expert Martin Lewis means that an even greater number of households are aware of, and approach NEA when in crisis.</p> <p>Additionally, developments over the past several years in the energy industry has created some distrust, particularly amongst vulnerable demographics within society (e.g., households facing financial hardship and forced to switch to a prepayment meter). The partnerships with NEA and the Wise Group will enable the GDNs to utilise the knowledge, expertise, and trusted brands of these expert organisations.</p>

<p>Scope and Objectives</p>	<p><u>Project scope</u></p> <p>The four Great Britain gas distribution networks will provide funding to deliver a two-year partnership under the Fuel Poverty and Affordability pillar of the VCMA in alignment with our collaborative VCMA strategy. The project will be delivered across England, Wales (both by NEA), and Scotland (the Wise Group).</p> <p>The project's delivery will be split into the following activities, ensuring a range of audiences are reached through a hybrid of remote and face to face engagement.</p> <ol style="list-style-type: none"> 1. Home energy efficiency, income maximisation, Priority Services Register (PSR) and access to industry funding advice will be delivered remotely through NEA's Warm and Safe Homes (WASH) and the Wise Group's Home Energy Advice Team (HEAT) advice lines. NEA and the Wise Group will also offer in-depth case work support to clients experiencing complex issues. Examples of the areas of support offered through the advice lines and case work activities include tariff and switching advice, billing and supplier enquiry resolution, condensation/dampness support, and access to industry grants such as the Warm Homes Discount. 2. Face to face advice on home energy efficiency, income maximisation, PSR, and access to industry funding will be delivered through targeted community events, hosted by specialist advisors from both NEA and the Wise Group. The face-to-face community events will be delivered in areas of significant need; the level of need assessed by measures such as fuel poverty rates, index of multiple deprivation, scale of existing services, and presence of customer demographics most impacted by fuel poverty. 3. The administration of a hardship fund to further support the most vulnerable clients and provide invaluable assistance during a time of crisis. The hardship fund will be used by NEA and the Wise Group on measures that provide immediate support to households in crisis such as emergency prepayment vouchers, the clearing of energy debt, and credit direct to suppliers. The GDNs and delivery partners will agree a framework of eligibility criteria based on factors such as household income, number of dependents, and access to alternate support to ensure that the hardship funds support those most in need. <p><u>Project Objectives</u></p> <p>The collaborative VCMA project aims to achieve the following objectives:</p> <ol style="list-style-type: none"> 1. 5,070 clients across England/Wales-based will be supported through the NEA WASH public facing advice line and NEA-delivered community events. This support will be split between initial telephone and face to face advice to resolve less complex issues and in-depth case work to support households with more intricate challenges. NEA have forecasted that each community event will reach an average of 10 individuals and will be delivered in areas of high fuel poverty with a lack of existing infrastructure. The GDNs and NEA forecast that the following number of customers will be supported, split by GDN network area: <ol style="list-style-type: none"> a. Cadent = 2,755 customers b. NGN = 639 customers c. SGN (England) = 1,036 customers d. WWU = 640 customers 2. 1,400 Scotland-based clients will receive support through the Wise Group's HEAT public facing advice line and Wise Group-delivered community events across Scotland. Like the NEA's WASH helpline and NEA's community events, support delivered will be split between initial advice and follow-on complex case work. The Wise Group will deliver the community events in areas of high fuel poverty, and where there is a current lack of local support 3. 400 households will receive immediate hardship fund support with measures such as prepayment vouchers, the clearing of energy debt, and credit direct to suppliers. This forecast is based on the 2022-2023 pilot, where 134
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	<p>households were supported using a hardship fund of £20,000 – the national extension will have access to an increased fund of £60,000.</p> <p>In addition to the above quantitative objectives, the project also aims to achieve the following qualitative objectives:</p> <ol style="list-style-type: none"> 1. Households supported through the project will report reduced feelings of stress due to feeling in better control of their energy affordability. 2. 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>Why the Project is Being Funded Through the VCMA</p>	<p>The GDNs believe that this project meets all of the VCMA company specific and collaborative eligibility criteria.</p> <p><u>Company specific VCMA eligibility criteria</u></p> <p>A. The project is forecasted to have a positive SROI: We believe that the project has the deliverables necessary to create a positive social return on investment (SROI). The GDNs will utilise social value proxies and calculations approved by industry experts. More information on the project's positive forecasted SROI can be found in the relevant section below.</p> <p>B. The project will either:</p> <ol 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 The project will provide support to consumers in vulnerable situations and relate to energy safeguarding. The partnership with NEA and the Wise Group falls under the Fuel Poverty and Affordability pillar of the VCMA and provides tailored energy efficiency and income maximisation advice to households living in fuel poverty. <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: The GDNs believe that this project goes outside of activities funded through other price control mechanisms due to:</p> <ol style="list-style-type: none"> a) The types of services being delivered to customer, and, b) The method in which the support is delivered to customers (e.g., through a publicly facing advice line and in person community events) <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 delivered solely through the GDNs' VCMA funding.</p> <p><u>Collaborative VCMA projects criteria</u></p> <p>A. Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria: This project meets the company-specific eligibility criteria - see relevant section above.</p> <p>B. Have the potential to benefit consumers on the participating networks; and:</p>

	<p>This project will benefit customers in vulnerable situations living across all nine gas distribution network areas of Great Britain.</p> <p>C. Involve two, or more, gas distribution companies: This project will be funded by all four GDNs.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>The GDNs regularly seek customer and stakeholder feedback to ensure that the validity of their customer vulnerability strategies. For instance, the GDNs recently submitted updated strategies to Ofgem (shaped on stakeholder/customer feedback) that supported their proposed investment of the newly repurposed VCMA funding.</p> <p><u>Cadent Stakeholder/Customer Support</u></p> <p>With regards to the customer/stakeholder engagement conducted by Cadent, an insights project was undertaken in May 2023 to support the future delivery of VCMA projects. The project was undertaken by experts from Savanta and consisted of stakeholder and customer interviews, as well as a national omnibus survey. The customer surveys 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 partnership with NEA and the Wise Group will provide support to customers concerned and impacted by affordability and fuel poverty, through offering tailored advice and access to hardship funding.</p> <p>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> <p><u>SGN's Vulnerable Steering Group (VSG) Support</u></p> <p>SGNs VSG has helped shape their vulnerability strategy and their priorities for GD2 guiding how best to utilise the VCMA to help those most at risk of living in a cold and unhealthy home. The VSG have recommended that we look at ways in which we can build stronger links with other organisations to deliver support services that tackle the fuel poverty gap and the underlying causes of fuel poverty. In 2023 following an increase in the amount of funding available via the VCMA the VSG endorsed SGN's approach to apportion a minimum of the 40% of the VCMA collaborative allowance to working alongside the other gas networks to provide national initiatives that tackle energy affordability and fuel poverty.</p> <p><u>WWU Stakeholder/Customer Support</u></p> <p>Through WWU's business planning for RIIO GD2, priority customer research and stakeholders highlighted that tackling fuel poverty was a priority for WWU alongside raising awareness of the PSR and the dangers of CO amongst hard-to-reach groups and those who are most in need. As the cost-of-living crisis unfolds, it has emphasised the direct link between financial struggles and mental health for those in or at risk of Fuel Poverty.</p> <p>WWU also engaged with key stakeholder groups towards the end of 2020/beginning of 2021, to fully understand the impact COVID 19 and to confirm assumptions on the split of how the VCMA should be allocated and what projects should be a priority. The majority of stakeholders flagged fuel poverty as the biggest factor impacting society affecting people's mental health, income and the and upward cost of electricity.</p> <p>WWU's strategy and approach have been developed and influenced by engagement with key stakeholders and taking into consideration insight on WWU customers' prioritisation of the current business plan commitments.</p> <p><u>NGN Stakeholder/Customer Support</u></p>

Asking stakeholders what's important – using a wide range of engagement mechanisms from strategic workshops to customer perceptions, NGN asked stakeholders to prioritise what is most important to them. Since 2019 NGN have held regular workshops with stakeholders, on the subject of Customers In Vulnerable Situations (CIVS). This ensures that strategies are well informed to address the needs of customers across the network and through collaborative projects.

Stakeholder engagement throughout 2022 highlighted that fuel poverty and the choice between heating and eating is becoming more prevalent. The energy and cost of living crises have further compounded this issue. This project provides a solution to helping those customers who are financially struggling and need extra help to address energy affordability. The project fully aligns with the need to help vulnerable customers in fuel poverty.

Recent social indicator mapping research carried out in June 2022, indicated that Bradford, Hull, Scarborough, South Tyneside, and Sunderland were the top five places, to emerge as having the greatest concentration of vulnerabilities within NGN's network. This was based on a combination of the following vulnerability factors:

- Fuel poverty
- Benefit claims
- No qualifications
- Long term health problem / disability

The project will operate across all regions of Great Britain, including the communities with the most prevalent vulnerabilities as indicated by NGN's social mapping indicator research.

NGN conduct annual Customer Perceptions Research to understand the priorities of customers. Amongst a set of general tracker questions (i.e., same questions that are asked year on year), the evidence in the most recent research (February 2023), indicated that keeping bills as low as possible ranked more highly, than providing a safe and reliable supply of gas. This is a clear indication, as to how concerned customers are about the cost of energy and the subsequent impact this will have on other bills.

NGN's most recent 2023 stakeholder engagement underlined that financial hardship is still a key area of focus, alongside the health impacts associated with, or exacerbated by, living in cold and damp homes. Stakeholders also stated that increasing capacity for support within services would be key to addressing the immediate and longer-term impacts of fuel poverty and energy affordability. This project addresses this need and ensures additional capacity to support households who may be at risk, through a well-established and trusted advice service.

The GDNs' Wider Approach to their Collaborative Strategy

In terms of the GDNs' approach to their collaborative strategy, the approach has been developed and influenced by engagement with key stakeholders and by undertaking research to determine areas of greatest customer need.

Customers' needs can change quickly based upon economic and social factors and new legislation and regulations. In order to understand what the needs of customers are, and how, as GDNs we can help to address those needs, we gather insight from multiple sources including engagement with key stakeholders, demographic insight and data, legislation and regulation and supporting the most vulnerable groups in the communities served by GDNs.

National Energy Action Evidence of Support

"The winter will be the single biggest challenge that NEA will have experienced. Our support to households, and our partnerships will be ever more important," Adam Scorer, CEO

Households are being forced to make impossible decisions with how to spend over-stretched incomes and are reaching out to NEA for help. A recent review of NEA's service has shown that cases are becoming more desperate and complex therefore, it

	<p>is vital NEA is supported by the GDNs to enable a greater response to the increased demand on services.</p> <p>NEA’s advice service is a lifeline for many people, the quote below demonstrates the impact the advice and support can offer to people in vulnerable situations:</p> <p><i>“If it weren’t for this service, my husband and I would have been cold, hungry and in arrears with our mortgage. I had no idea how to get any help or benefits, thank you very, very much for all your help and support.”</i></p> <p>NEA’s advice service is multi-channel, meaning clients can access support through the most convenient medium for them, whether that be by phone, online or in person at a community event. Accessibility and inclusivity are central to delivery of NEA’s activities so that all customers can access our services.</p> <p>More people than ever before are turning to NEA for help to manage unaffordable energy prices; call volumes have increase by a further 20% in the last year despite NEA growing the advice team accordingly. Further expansion of NEA’s energy advice service is imperative to respond to the ever-growing number of people seeking support.</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project outcomes</u></p> <p>The GDNs will provide NEA and the Wise Group with of VCMA funding to deliver a two-year initiative between April 2023 and March 2025. The project’s delivery will be split between NEA (England and Wales) and the Wise Group (Scotland) and will create the following outcomes:</p> <ul style="list-style-type: none"> • Customers that “raise their hand” and call NEA’s Warm and Safe Homes (WASH) and the Wise Group’s Home Energy Advice Teams (HEAT) will receive tailored energy efficiency, income maximisation, and access to industry funding advice from specialist advisors. Households will have identified a need for support to avert crisis in order to proactively call the NEA and Wise Group advice lines. • Both NEA and the Wise Group will deliver community events to account for vulnerable households that are unable to “raise their hand”, due to factors such as a lack of awareness, trust, or communication barriers. The delivery of community events will create a second mechanism for targeted, vulnerable households to receive support designed to alleviate fuel poverty. • The benefits from much of the advice offered through the remote telephone lines and face to face community events will take time to mature (e.g., energy efficiency behavioural changes and DWP benefit claims etc.) Whilst hugely valuable in the longer term, many households living in fuel poverty require more immediate support to navigate crisis. NEA will manage a hardship fund (£60,000 combined) available to clients across England/Wales and Scotland to deliver interventions such as emergency prepayment fuel vouchers, clearing energy debt, and credit direct to suppliers. <p><u>Associated Outcomes</u></p> <p>The GDNs, NEA, and the Wise Group will complete the following associated actions in order to achieve the project’s outcomes and success criteria:</p> <ul style="list-style-type: none"> • The GDNs will provide NEA and the Wise Group with access to their social mapping indicator tools in order to identify locations that stand to benefit most from face-to-face community events. The GDNs social mapping indicator tools will be able to overlay publicly available data sets (e.g., index of multiple deprivation, fuel poverty rates, property EPC etc.) with known existing infrastructure to highlight communities with the highest need. • NEA and the Wise Group will utilise the GDNs’ VCMA funding to grow the capacity in their WASH and HEAT advice lines respectively, allowing thousands of fuel poor households to access expert, tailored advice.

	<ul style="list-style-type: none"> • NEA and the Wise Group will build links with communities identified through the use of social mapping tools as well as their current network of members and partners in order to effectively deliver face to face community event. The events will create focal points in communities where fuel poor households can access in person support. <p><u>Success Criteria</u></p> <p>Meeting of the below criteria will help the GDNs to evaluate the success of the project:</p> <ul style="list-style-type: none"> • 5,070 England/Wales-based clients will be supported through the NEA WASH public facing advice line and face to face community events. This support will be split between initial advice to resolve less complex issues either on the telephone or at events and in-depth case work to support households with more intricate challenges. Additionally, the parties forecast that the spread of customers supported through the project will be split by the GND network areas below: <ul style="list-style-type: none"> ○ Cadent = 2,755 customers ○ NGN = 639 customers ○ SGN (England) = 1,036 customers ○ WWU = 640 customers • 1,400 Scotland-based clients will receive support through the Wise Group's HEAT public facing advice line and face to face community events. Like the NEA, support delivered through this element of the project will be split between initial advice and follow-on complex case work. <ul style="list-style-type: none"> ○ SGN (Scotland) = 1,400 customers • 400 households will receive immediate hardship fund support with measures such as prepayment vouchers, the clearing of energy debt, and credit direct to suppliers. This forecast is based on the 2022-2023 pilot, where 134 households were supported using a hardship fund of £20,000 – the national extension will have access to an increased fund of £60,000. <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 feelings of stress due to feeling in better control of their energy affordability. • Projects 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.
Project Partners and Third Parties Involved	The project will be delivered in partnership with National Energy Action (England and Wales delivery) and the Wise Group (Scotland delivery).
Potential for New Learning	<p>The project will build on the 2022-2023 partnership between Cadent and SGN and offer many additional opportunities for new learning.</p> <p>Firstly, collaborative VCMA projects offer GDNs the opportunity to share best practice amongst networks, ensuring customers living across Great Britain can benefit equally. Cadent, SGN, NEA, and the Wise Group refined the project's delivery model in 2022-2023, creating a hybrid of face-to-face advice, remote advice, and hardship fund support to maximise benefits to customers in vulnerable situations. The expanded VCMA project will allow NGN and WWU to share in this best practice and enable their customers to access support.</p> <p>Secondly, the expansion of the project in 2023-2025, from Cadent/SGN to fully collaborative will offer the GDNs insight on customers' perceptions of their needs for support.</p> <p>Cadent and SGN launched the previous iteration of the project in April 2022 and delivered support during a period of historic energy price cap highs. The price of energy was well publicised during the project and customer uptake of energy efficiency and income maximisation advice was high.</p>

	<p>Changes in the socioeconomic landscape in 2023 has resulted in the Ofgem price cap and rate of inflation reducing when compared to 2022 levels. The anticipated falls in the energy price cap have been equally as publicised by the press etc. and there may be customer complacency on their own need for continued energy efficiency/income maximisation support.</p> <p>The GDNs will be able to compare uptake in the 2023-2025 WASH/HEAT advice lines and face-to-face community events versus 2023 rates, and gain learning on customers' perceived versus actual needs.</p> <p>Finally, the expansion of the project will offer the GDNs learning on the types of support that customers stand to require between 2023-2025 versus 2022. Advice on efficient use of appliances and behaviours, utility tariff services, and PSR registrations was most commonly offered by NEA in 2022. Many industry observers expect the issue of debt to grow in 2023 and beyond, as customers borrowed to maintain a reasonable standard of living in 2022.</p> <p>Project reporting will show any trend changes on the types of support being offered through the project and will highlight the hypothesis of energy debt being an issue for customers in vulnerable situations.</p>
Scale of VCMA Project and SROI Calculations	<p><u>Scale of VCMA project</u></p> <p>The national partnership with NEA and the Wise Group will be delivered on a two-year basis between April 2023 and March 2025. The project aims to help 6,470 customers through a combination of remote, face-to-face, and hardship fund support.</p> <p>The households supported through the partnership will receive benefit from bill savings (energy efficiency advice), resolution of supplier bill queries (income maximisation), access to energy trust funds (income maximisation, and bill credits/emergency pre-payment meter top-ups).</p> <p><u>SROI Summary</u></p> <p>Investment = £731,325.84 5-year social return on investment = £3.20 5-year net present value = £2,295,615.98 5-year gross present value = £3,012,405.20</p> <p><u>SROI calculations background information</u></p> <p>The project's forecasted SROI has been calculated using the SIRIO social value framework – initially designed for WWU in 2021-2022. Past collaborative VCMA projects have been assessed using this tool as an interim measure, prior to the introduction of the ENA-led collaborative tool in October 2023.</p>
VCMA Project Start and End Date	<p>VCMA Project Start Date: April 2023 VCMA Project End Date: March 2025</p>
Geographical Area	<p>The project will be delivered across all nine gas distribution networks in England, Scotland, and Wales.</p>
Remaining Amount in the Allowance at Time of Registration	<p>*To be confirmed following registration of the project.</p> <p>*NB: the GDNs have responded to an Ofgem consultation that proposes changes to the VCMA governance document. This response includes a recommendation to move away from reporting the remaining amount in allowance at time of registration, and instead report a six-monthly view of actual/committed spend.</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

Date completed:
 Review completed by:
 Job title:

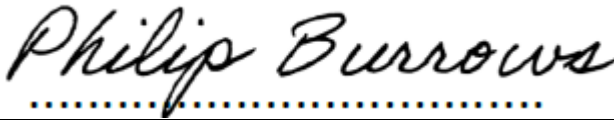


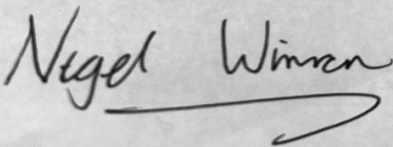
GDN:	Name(s):
Cadent	Edward Allard
NGN	Laura Ratcliffe
SGN	Linda Spence
WWU	Sophie Shorney

Stage 2: GD2CVG Panel Review

Date review completed:
 Review completed by:
 Job title:

GDN:	Name(s)
Cadent	Phil Burrows
NGN	Eileen Brown
SGN	Maureen McIntosh
WWU	Nigel Winnan

Step 3: Participating GDN individual signatory sign-off

GDN	Name(s)	Signature(s)	Date
Cadent:	Philip Burrows		09.11.2023
NGN:	Eileen Brown		25.10.2023
SGN:	Maureen McIntosh		3.11.23
WWU:	Nigel Winnan		11.10.2023

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:

Date that Notification Email Sent to Ofgem: