

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
*Citizens Advice Derbyshire Districts-
Derbyshire 65+ Project*

Amanda Jones – Safeguarding & Community Partnership Lead



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	Citizens Advice Derbyshire Districts (CADD) Derbyshire 65+ Project
Funding GDN(s)	Cadent – East Midlands and North West networks
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable – company-specific project
Date of PEA Submission	July 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 Number: 07773 545451
Total Cost (£k)	VCMA Delivery Partner Costs: £329,684.00 Project Management Costs: £13,187.36
Total VCMA Funding Required (£k)	£342,871.36
Problem(s)	<p>¹ According to the Office of National statistics, 28% of the population in the Derbyshire dales and 22.6% in the Amber Valley are aged 65 and over. This trend is witnessed nationally, where the UK population is ageing rapidly, with the number of people aged 65 and over growing by nearly half in the past 30 years.</p> <p>²Figures from the Department for Business, Energy and Industrial strategy show 59,295 households in Derbyshire were in Fuel poverty in 2021, equating to 13.7% of homes. Broken down by area, we see that in the Derbyshire dales 15.9% of households are in fuel poverty and 14.2% in Amber valley respectively, both rates higher than the national average. Access to energy efficiency advice</p> <p>This project aims to offer advice and support to over 65s who are struggling with fuel poverty and the cost-of-living crisis. This will include advice on benefits and grants available, awareness of the dangers of CO, advice on energy saving tips and awareness of the PSR.</p>
Scope and Objectives	<p><u>Project Scope</u></p> <p>Cadent will provide Citizens Advice Derbyshire Districts (CADD) with £329,684 of VCMA funding to deliver a two year project.</p> <p>The project will be delivered across all 8 local authority areas within Derbyshire. Each one of CADDs over 65 champions will</p>

¹ www.derbytelegraph.co.uk

² One in eight Derbyshire households in fuel poverty (derbyshiretimes.co.uk)

be responsible for two local authority areas each, as identified in the table below:

Amber Valley and Bolsover	1 FTE
Chesterfield and North East Derbyshire	1 FTE
Derbyshire Dales and High Peak	1 FTE
Erewash and South Derbyshire	1 FTE

Project Scope

Cadent will provide Citizens Advice Derbyshire Districts (CADD) with £329,684 of VCMA funding to deliver a two year project. The project will be delivered across all 8 local authority areas within Derbyshire. Each one of CADDs over 65 champions will be responsible for two local authority areas each.

The project will deliver as follows:

- Each over 65 champion will assist 375 customers per year making a reach of 2,625 customers over the 2 years.
- The service will be delivered through a mixture of telephone, face-to-face and home visits appointments.
- Referrals will come for CADDs network of partners across Derbyshire.
- Customers will receive income maximisation advice including benefit applications , tribunals and debt advice.
- Customers will receive energy efficiency advice.
- Customers will receive CO awareness advice and a CO alarm if required.
- Customers will receive advice and support to sign up to the PSR.

Objectives of the project

The success of the project will be measured by meeting the following objectives:

- The project aims to reach 2,625 individuals over the full two year duration, we forecast that this will be split as follows:

Year 1:

- 1,125 people will receive advice on benefits /income maximisation.
- 1,125 people will receive advice on energy efficiency.
- 1,125 people will receive advice on Carbon monoxide awareness.
- 1,125 people will be given advice on the PSR.
- 125 people will be assisted to sign up to the PSR.

	<p>Year 2:</p> <ul style="list-style-type: none"> - 1,500 people will receive advice on benefits /income maximisation. - 1,500 people will receive advice on energy efficiency. - 1,500 people will receive advice on Carbon monoxide awareness. - 1,500 people will be given advice on the PSR. - 125 people will be assisted to sign up to the PSR. - Overall, the project will deliver a positive social return on investment – see below section for more details. <p>As well as achieving the above forecasts for the number of clients benefitting from the project's services, the partnership will also deliver the following positive indicators:</p> <ul style="list-style-type: none"> - Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. - Customers will report improved levels of comfort from being able to heat their homes to a healthier temperature. - Customers will report improved feelings of safety from receiving free CO alarms and improving their awareness on the signs, symptoms, and dangers of CO.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>Cadent believe that this project meets all the required VCMA eligibility criteria.</p> <p>A. The project is forecasted to have a positive SROI. <i>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</i></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. <i>The project will provide support to customers living in vulnerable situations through energy efficiency advice/income maximisation. The project will also offer customers education on the dangers of CO and issue audible alarms to particularly at-risk households.</i> <p>C. The project has defined outcomes and the associated actions to achieve them. <i>This project has clearly defined outcomes and associated outcomes, the meeting of which will quantify success. Further information on the project's outcomes and associated actions can be found in the relevant section below.</i></p>

	<p>D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations. <i>The method in which energy efficiency, gas safety and income maximisation advice are issued to clients on this project is innovative and goes beyond BAU.</i></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. <i>This project will be delivered solely through Cadent's VCMA funding.</i></p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent conducted and continues to obtain extensive stakeholder and customer engagement on its RIIO-GD2 business plans and subsequent Vulnerability and Carbon Monoxide Allowance (VCMA) delivery.</p> <p>For instance, we regularly seek to obtain the feedback of stakeholders such as Citizens Advice and National Energy Action (NEA) in order to understand the needs of customers in vulnerable situations. These regular conversations allow Cadent to gain feedback on the initiatives we are, or should be supporting, and also ensure that our VCMA-funded projects are in the best interests of our customers.</p> <p>Stakeholders have provided consistent feedback on the need for energy networks to focus their funding on supporting households most impacted by the cost-of-living crisis.</p> <p>This project takes this feedback into account by creating a partnership with a trusted local charity, positioned in an area with levels of deprivation and fuel poverty significantly higher than the national average. Additionally, the customer demographic of >65 years old can be disproportionately impacted by fuel poverty, due to factors such as being more at risk of cold related illness, generally having lower levels of household income, and spending a greater proportion of time at home.</p> <p>In terms of customer engagement, we asked customers for their views on which of the below statements best described their health and financial situation in 2022-2023, when 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>60% of participants responded that their households' health or financial situation was worse off this year compared to 2021 levels.</p> <p>This project aims to act upon this customer insight and feedback, through supporting over 65's impacted by a downturn in their financial health. This will be achieved through offering</p>

	services such as income maximisation and benefit entitlement check along with a wraparound support service.
Information Required	Description
Outcomes, Associated Actions and Success Criteria	<p><u>Project Outcomes</u></p> <p>The VCMA project will be delivered in partnership with CADD and aims to support a total of 2,625 people with home energy, income, carbon monoxide and Priority Services Register (PSR) advice over the two-year project duration.</p> <p>The Derbyshire 65+ Project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> - Provide project customers with advice on income maximisation and benefit entitlement. - Provide customers with advice on energy efficiency. - Provide project clients with advice on Carbon Monoxide safety. - Provide free CO alarms to customers living in vulnerable situations. - Provide customers with advice on the PSR and assistance to sign up. - Provide project clients with broader advice on Health/wellbeing. <p>As a result of delivering the above project services, customers aged over 65 reached through the project will report the following positive indicators:</p> <ul style="list-style-type: none"> - Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. - Clients will report improved levels of comfort from being able to heat their homes to a healthier temperature. - Customers will report improved feelings of safety from receiving free CO alarms and improving their awareness on the signs, symptoms, and dangers of CO. <p><u>Associated Actions</u></p> <p>CADD will utilise Cadent's VCMA funding to deliver the following associated actions:</p> <ul style="list-style-type: none"> - Employ a designated project lead that will oversee and coordinate the project's advisors across the eight local authority areas. - Employ four full time, specialist advisors to deliver advice on energy efficiency, CO safety, PSR awareness and registration, and income maximisation.

	<ul style="list-style-type: none"> • Identifying customers in vulnerable situations aged 65 and over who are at an increased risk of exposure to CO. Once identified, CADD’s advisors will educate the customers on the signs, symptoms and dangers of CO, and distribute free CO alarms. • CADD will deliver the project’s services through a flexible delivery model, including face to face and remote support. <p><u>Success criteria</u></p> <p>The success of the project will be evaluated against the meeting of the project's objectives. These objectives include:</p> <ul style="list-style-type: none"> - The project will reach 2,625 individuals with tailored advice based on the customers’ needs throughout the two-year duration; - 2,625 people will receive in-depth 1-2-1 advice on income maximisation. - 2,625 people will receive energy efficiency advice. - 2,625 people will receive advice on CO safety. - 262 people will receive support to sign up to the PSR. - 2,625 people will receive an awareness conversation on the benefits of the PSR. - 2,625 will be given advice on health/wellbeing. - Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. - Clients will report improved levels of comfort from being able to heat their homes to a healthier temperature. - Customers will report improved feelings of safety from receiving free CO alarms and improving their awareness on the signs, symptoms, and dangers of CO. <p>The project will deliver a positive social return on investment.</p>
<p>Project Partners and Third Parties Involved</p>	<p>Cadent and Citizens Advice Derbyshire Districts (CADD)</p>
<p>Potential for New Learning</p>	<p>We believe that this project offers Cadent the opportunity for new learning in various areas.</p> <p>Firstly, this project will operate across eight local authority areas, of which around 28% of the population are aged 65 and over. Cadent and CADD believe that over 65’s 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 Derbyshire Districts).</p> <p>The new partnership with CADD will help Cadent to further understand the benefits and limitations of each approach – national and regional.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent and CADD will enter into an initial two-year project (three months recruitment/mobilisation and twenty one months delivery) between July 2023 and June 2025.</p> <p>The project aims to support 2,625 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"> - 2,625 clients will receive advice on income maximisation; - 2,625 customers will receive in-home energy efficiency advice. - 2,625 clients will receive advice on the signs, symptoms and dangers of CO. - 262 customers will receive support to sign up to the PSR. - 2,625 clients will receive a conversation that improves their awareness of the benefits of the PSR. <p><u>SROI Summary</u></p> <ul style="list-style-type: none"> - Investment = £341,871.36 - 5-year gross present value = £6,276,083.66 - 1-year gross present value = £627,363.52 - 5-year social return on investment = £5,934,212.30 - 1-year social return on investment = £456,427.84 - SROI ratio = >£17: £1 <p>Cadent has conducted its own research and has worked with specialist from energy and utilities consultants at SIA Partners to evaluate the gross present value generated by activities typically funded through the VCMA.</p>

The SIA Partners-led work offers Cadent a library of average social values that can be used to produce a forecasted SROI in the absence of partner data.

CADD have delivered income maximisation and benefit entitlement check services for a number of years and have an in-depth understanding on the rate of uptake and average financial gain per client.

The below calculations utilise both the SIA Partners calculated average five-year gross present values, as well as the actual data provided by CADD.

The social value generated through supporting clients to maximise their income.

CADD have provided Cadent with a conservative forecasted for the average financial benefit per customer when delivering income maximisation, benefit entitlement checks, and claims support.

CADD have forecasted that the 2,625 clients will each receive an average financial gain of £2,000, equating to a total gross present value of £5,250,000 from income maximisation alone.

The social value generated through educating customers on the dangers of carbon monoxide.

As part of its RIIO-GD business planning process, Cadent employed SIA Partners to evaluate the forecasted social return on investment of several RIIO-GD2 business plan elements. These elements included CO education, CO alarm distribution and the repair/replacement of gas appliances.

SIA Partners calculated the average 5-year gross present value of a Co-educational conversation to be £8.73 - this is based on a 1-2-1 conversation with an 80% retention rate.

CADD forecast to educate 2,625 clients on the signs, symptoms, and dangers of carbon monoxide over the course of the two-year project. This equates to a total gross present value of £22,916.25.

The social value generated by supporting households to register to the Priority Services Register

Cadent worked with SIA Partners to evaluate the average 5-year gross present value of supporting households to register to the PSR. SIA Partner's based their analysis on the DNO proxy bank value for an avoided stress management course.

SIA Partners evaluated an average 5-year gross present value of £143.89 for a single PSR registration.

CADD will hold PSR awareness conversation with 2,625 clients over the course of the two-year project, and we have conservatively estimated that 10% of clients will register to the PSR.

	<p>This equates to an overall gross present value of £37,771.16 across the project's client group.</p> <p><u>The social value generated by offering customers in-home energy efficiency advice.</u></p> <p>Cadent worked with SIA Partners and National Energy Action (NEA) to evaluate the 5-year gross present value generated from a range of 15 advice topics.</p> <p>These advice topics covered the support most frequently offered through VCMA-funded projects.</p> <p>SIA Partners and NEA evaluated a 5-year gross present value of £367.77 from a 1-2-1 conversation on efficient use of appliances and behaviours.</p> <p>CADD have forecasted that 2,625 clients will receive a conversation on efficient use of appliances and behaviours, equating to an overall gross present value of £965,396.25.</p>
VCMA Project Start and End Date	<p>Start Date 1st July 2023 End date 30th June 2025</p>
Geographical Area	<p>The project will be delivered in the Derbyshire area of Cadent's East Midlands and Northwest network(s).</p>
Remaining Amount in the Allowance at Time of Registration	<p>To be confirmed upon Director of Sustainability and Social Purpose sign-off</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: 31/05/2023.	Review Completed By: Kerry Doyle
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 17/07/2024	Review Completed By: Phil Burrows
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 14/03/2024	
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 2024	
Date that Notification Email Sent to Ofgem: March 2024	