



GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

"Warm and Safe Homes"

*Emma Turnbull Cadent
& Linda Spence SGN*

April 2022

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;	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						
Funding GDN(s)	Cadent Gas Ltd & SGN						
Role of GDN(s) *For Collaborative VCMA Projects only	Cadent Gas Ltd - Project Lead SGN - Project participants						
Date of PEA Submission	July 2022						
VCMA Project Contact Name, email and Number	Phil Burrows Head of Customer Vulnerability Social Programme Delivery Phil.m.burrows@cadentgas.com 07773 545451 Linda Spence Vulnerability Manager Linda.Spence@sgn.co.uk 07850946425						
Total Cost (£k)	£237,721 (exc. VAT) <table border="1" data-bbox="427 958 986 1178"> <thead> <tr> <th>Commercial Party</th> <th>Percentage Allocation</th> </tr> </thead> <tbody> <tr> <td>SGN (SoGN & ScGN together)</td> <td>£127,741.79</td> </tr> <tr> <td>Cadent Gas</td> <td>£109,979.21</td> </tr> </tbody> </table>	Commercial Party	Percentage Allocation	SGN (SoGN & ScGN together)	£127,741.79	Cadent Gas	£109,979.21
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SGN (SoGN & ScGN together)	£127,741.79						
Cadent Gas	£109,979.21						
Total VCMA Funding Required (£k)	£237,721 (exc. VAT)						
Problem(s)	<p>The UK is challenged with high levels of fuel poverty and financial hardship. This is demonstrated by data from the department for Business, Energy and Industrial Strategy (BEIS) which shows that in 2020 13.2% of households within England are living in fuel poverty¹.</p> <p>The country is facing a cost-of-living crises as record inflation hits 9.1% in the 12 months to May 2022. Customers in vulnerable situations are disproportionately affected according to the Institute of Government which explains that energy and food costs, a major driving factors of the recent inflation, make up a greater proportion of low-income household's budgets².</p> <p>The result of this crises means that customers will struggle to pay for essential goods and services such as energy and food, pushing households into fuel poverty and debt.</p> <p>Financial worries such as arrears and outstanding debt can also negatively impact mental health. This was demonstrated by polling undertaken by the Money and Mental Health Policy Institution, which found that 46% of people who were in debt also had mental health problems³. Customers living with this form of hardship are more likely to turn their heating down below an adequate level and are more at risk of living in a cold, damp home which carries associated health risks including:</p>						

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1056777/annual-fuel-poverty-statistics-lilee-report-2022-2020-data.pdf

² <https://www.instituteforgovernment.org.uk/explainers/cost-living-crisis>

³ <https://www.moneyandmentalhealth.org/money-and-mental-health-facts/>

	<ul style="list-style-type: none"> • Respiratory & circulatory conditions • Cardio-vascular disease, and • Metal health conditions <p>The financial information offered to customers will significantly raise their household income.</p>
<p>Scope and Objectives</p>	<p><u>Project scope</u></p> <p>The Warm and Safe Homes project will run in partnership with National Energy Action (NEA) in England and Wise Group in Scotland. Both organisations specialise in providing vital support to households who live in fuel poverty and are in vulnerable situations.</p> <p>Both a reactive and proactive services will be set up in order to respond to the clients' needs as they actively seek help, and to proactively seek out the most vulnerable households who require support.</p> <p>The Warm and Safe Homes (WASH) advice service will deliver the support via a two-tiered approach. NEA and Wise's accredited telephone advisors will offer telephone advice to all customers who require it. Those with more complex needs will be triaged to energy caseworkers who can offer more specialised advice and support. All of the advice and support provided has a Social Return on Investment (SROI) and all data will be captured using NEA's client management system to ensure GDNs can accurately report the SROI for the service to Ofgem.</p> <p>This project will utilise the collaborative VCMA funding to support customers through the provision of three energy advisors. The advisors will provide energy and financial support to customers who contact NEA and Wise. This will be split between one telephone advisor and two energy caseworkers (one for England and one for Scotland).</p> <p>The project will run for a period of 12 months and aims to support approximately 2,430 households, equating to an average cost per reach of £98.00.</p> <p>The project delivers essential support to fuel poor households within the project area.</p> <p>The telephone advisor will be supporting clients with advice on the following areas:</p> <ul style="list-style-type: none"> • Checking tariffs for the best deals; • Priority Services Register (information and sign ups); • Simple hints and tips on how to make a home more energy efficient and warmer; • Billing/metering issues; • SMART meter advice; • Switching opportunities (when appropriate); • Condensation and dampness; • Housing disrepair- options and services; • Energy company complaints procedure; • CO advice and referrals for CO alarms; • Signposting to local and national sources of support for vulnerable clients; • The provision of advice leaflets to support information given; • Warm Home Discount; • Pre-payment meter top up vouchers; • ECO (signposting); • Cold weather payments; • Green Homes grants (signposting); • Energy industry trust fund applications (signposting) <p>NEA's energy caseworkers will then also support the most vulnerable clients with the following areas:</p> <ul style="list-style-type: none"> • Making applications to Trust Funds and other sources of financial support for clients experiencing hardship;

	<p>Support with resolving gas and electricity account issues including dealing with fuel debt issues;</p> <ul style="list-style-type: none"> • Water- advice on meter/billing issues and social tariff; • Water debt; • Winter fuel payments; • Access to local authority and other charity trust funds; <p>NEA will also administer a hardship fund to further support clients in the most vulnerable situations and provide invaluable assistance during a time of crisis. The funds will be utilised to offer a variety of support, including emergency pre-payment top ups, debt relief, and supplier credit (credit meter customers).</p> <p>Clients referred into the service by the GDNs will be provided with the full package of support outlined above, and, subject to eligibility and availability, would be able to benefit from this funding in the absence of meeting other scheme criteria.</p> <p>In addition to the reactive Warm and Safe Homes advice service outlined above, NEA and the Wise Group will also proactively support vulnerable people across the UK with a programme of community based events.</p> <p>Both NEA and the Wise Group have vast experience of organising and delivering a range of community engagement events including Community Advice Events; Energy Efficiency Interactive Sessions; Engagement Roadshows; Bill and debt management Drop-in Surgeries and Pop-up Advice Shops.</p> <p>In terms of fuel poverty levels on Cadent's network, the ⁴top ten parliamentary constituency areas (based on proportion of households in fuel poverty) are all situated on Cadent's footprint. These areas include Birmingham Hodge Hill (27.4%), Barking (24%), Stoke-on-Trent Central (23.7%), Wolverhampton South East (23.7%), and Sheffield Brightside and Hillsborough (23.2%).</p> <p>In England, NEA will target events at 'hot spots' areas identified through social mapping and index of multiple deprivation data as being in high demand for the service. NEA will also be able to target these sessions at particular communities of interest within each GDN network area. These could be communities identified as historically hard to engage, in particular need for the service, or those not previously supported by the GDNs. Examples of these communities include people with disabilities, people with mental health illness, ex-service personnel, people who are not confident communicating in English, and other harder to reach groups.</p> <p>Sessions will be delivered in a range of settings to ensure that they are fully accessible to those who would benefit most. This could be in community buildings, libraries, food banks and specifically working with other partner organisations. These events could also be run with other utilities in the area, offering a combined package of advice and assistance that covers a whole range of domestic infrastructure issues. The messaging could range from water poverty and water efficiency, through to fuel poverty, energy efficiency and domestic insulation. This holistic approach would allow for vulnerable households to reap the maximum possible benefit from the sessions, helping them gain a much better overall view of their bills and how to manage their energy usage.</p> <p>In Scotland, SGN have utilised data to identify a 'hot spot' where the support is minimum and there is a greater need. The Scottish Government's 2020 Scottish Index of Multiple Deprivation report showed that Inverclyde continues to suffer from very high levels of multiple and acute deprivation. Energy Action Scotland (EAS) recently revealed that 28 per cent of households in Inverclyde are affected by fuel poverty - four per cent higher than the Scottish average of 24 per cent. It is also important to note that Inverclyde has higher than average levels of deprivation and child poverty when compared to Scotland as a whole.</p>
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⁴ <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2021>

	<p>Wise Group have established a footprint in Inverclyde for nearly ten years and are seen as a trusted source of expert and independent energy related support. They have built strong links with a number of key community organisations. These include:</p> <ul style="list-style-type: none"> ▪ Inverclyde Council ▪ Inverclyde Council Health & Social Care Partnership ▪ Inverclyde Financial Inclusion Partnership ▪ River Clyde Homes ▪ Oaktree Housing Association ▪ Larkfield Housing Association ▪ Cloch Housing Association ▪ Inverclyde Carers Centre ▪ Financial Fitness ▪ Inverclyde Macmillan Cancer Support ▪ Inverclyde CVS Community Link ▪ DWP Job Centre Plus <p>Wise Group will be able to engage with all of the above partners and create outreach partnership support in line with NEA to offer Community Advice Events, Energy Awareness Sessions, Drop-in Surgeries and Pop-up Advice Shops & Cafés. They have also created partnerships with various Inverclyde community venues that includes community resource centres, GP surgeries, Inverclyde libraries, supported elderly residential complexes, and Foodbanks.</p> <p>Based on experience of engagements within the Inverclyde area, the key customer demographic(s) would be:</p> <ul style="list-style-type: none"> ▪ Families with children (one parent families/kinship carers) ▪ Elderly ▪ Unemployed ▪ Persons living with mental health issues ▪ Person impacted by alcohol or substance abuse <p>Community sessions typically attract (at present, post-covid) 8-10 people, however, this could increase as people feel more comfortable going back into their community and continuing to mix socially. 20 community events will be delivered across England and Scotland targeting support at 200 vulnerable and fuel poor people. This equates to a total reach of 480 individuals when applying the 2.4 average UK household size multiplier.</p> <p><u>Project objectives</u></p> <ol style="list-style-type: none"> 1. Provide 2,430 households living in fuel poverty access to a NEA telephone advisor. The telephone advisor will provide customers with general advice and triage the customers with complex needs onto further support. 2. Provide 450 households (of the households above) living in fuel poverty with access to a Caseworker. The Caseworker will provide customers with in-depth support and assistance. 3. Provide 200 households with advice and support through community events. 4. Manage a hardship fund to provide invaluable assistance during a time of crisis (supporting a minimum of 400 clients with crisis energy funds)
<p>Why the Project is Being Funded Through the VCMA</p>	<p>Cadent and SGN believe that this project meets all the required VCMA eligibility criteria.</p> <p>a. The project is forecasted to have a positive SROI. Please see the relevant section for more information.</p>

	<p>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</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 customers living in vulnerable situations through the provision of energy and financial advice.</p> <p>c. The project has defined outcomes and the associated actions to achieve them.</p> <p>This project has clearly defined outcomes and associated actions, 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.</p> <p>d. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.</p> <p>This project with NEA to provide energy and financial support to customers goes beyond Cadent and SGN's licence obligations and other price control mechanisms.</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 delivered solely through Cadent and SGN's VCMA funding</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent Gas:</p> <p>Cadent conducted extensive stakeholder engagement and customer feedback in order to shape its strategy for investment of the VCMA funding, particularly centred around fuel poverty.</p> <p>Many stakeholders including Citizens Advice, National Energy Action and Trussell Trust supported our "whole home" approach to tackling fuel poverty.</p> <p>Previously, GDNs have relied on the FPNES as a provision for alleviating fuel poverty. However, stakeholders have provided feedback, reporting that customers need further support and advice beyond the installation of a gas connection and central heating system.</p> <p>This has been reinforced through recent customer workshops, our Customer Forum and 'Energy Diaries' research, with many customers living in fuel poverty participating.</p> <p>In March 2022, we engaged with hundreds of our customers to ask them to assess our current suite of vulnerability projects, helping us to prioritise our focus areas for 2022/23. There was overwhelming support for the expansion of projects that help customers living in fuel poverty, especially in light of the increases to the cost of living and fuel prices.</p> <p>Stakeholders/customers asked for a range of support initiatives, including direct engagement with the most at risk customers to provide energy and income advice, agreeing that this is best delivered through third party, trusted, expert agencies.</p> <p>The Warm and Safe Homes partnership implements this feedback through offering clients a holistic service with a combination of energy/income maximisation topics.</p> <p>Stakeholder feedback also reported that customers already hesitant around home visits are even more cautious around organisations and third parties entering their homes as a result of Covid.</p>

	<p>Finally, Cadent approached a number of customers and stakeholders to obtain feedback on its 2021-2022 VCMA delivery. Cadent's VCMA activities were split into 4 key areas for the purpose of gathering stakeholder feedback: identifying customer needs and join up support services, tackling affordability and fuel poverty, protecting customers from the dangers of carbon monoxide, and going beyond to never leave a vulnerable customer without gas.</p> <p>The Warm and Safe Homes project has a large focus on tackling affordability and fuel poverty. The Cadent survey revealed that 89% of customers and 78% of stakeholders either supported an increase or maintained levels of VCMA investment in projects that tackle this form of hardship.</p> <p>SGN Customer Engagement Group and Vulnerable Steering Group Engagement</p> <p>During the shaping of the SGN business plan we committed to supporting over 250,000 vulnerable customers to use gas safely, affordably and efficiently. To ensure that we adapt to market conditions we continue to engage our SGN Vulnerable Steering Group (VSG), have guided us to look for communities most vulnerable where the impact is greatest, to work with existing organisations that already support those in crisis and where we are able to broaden the reach or increase the capacity of those established organisations. This partnership is supported by the VSG as it supports the most vulnerable in the community with support to join the PSR and help with maintaining a safe and warm home. In addition, the VSG are keen on seeing sustainable partnerships that can maintain the required support in the long term.</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project outcomes</u></p> <p>Develop a service which provides a single point of contact for people on low incomes or living in vulnerable circumstances. The service will address clients' energy issues and ensure a customer journey which is easy to engage with and streamlined in its approach.</p> <p>The project aims to provide customers with numerous types of support to achieve the following outcomes:</p> <ul style="list-style-type: none"> • 2,430 Cadent and SGN customers will receive financial and energy advice through a telephone advisor. The customers reached will benefit from advice around in-home energy usage, carbon monoxide awareness, and support with registering on the PSR (if applicable). • 450 Cadent and SGN customers will receive in depth support through a case worker. • 200 Cadent and SGN customers will receive financial and energy advice through targeted community events <p><u>Associated actions</u></p> <ul style="list-style-type: none"> • Cadent and SGN will provide funding to NEA and Wise Group for the provision of a telephone advisor and two case workers (one NEA and one Wise Group). This will enable the provision of support to Cadent and SGN customers who contact the charity via the telephone line. • Cadent and SGN will provide funding to NEA and Wise Group for the provision of 20 community events. <p>NEA's approach will deliver a core energy advice service that meets all of the GDN's requirements, but which also brings together the range of activities delivered by the charity as part of its WASH service to deliver extended services.</p> <p><u>Success criteria</u></p> <p>Meeting of the below criteria will help Cadent and SGN determine the success of the project:</p>

	<ul style="list-style-type: none"> • Customers supported under the project report improved comfort and warmth at home. • Customers supported under the project feel safer at home due to registration on the PSR (where applicable), increased awareness of the signs, symptoms and dangers of carbon monoxide and receiving a carbon monoxide detector (in appropriate circumstances). • Customers reached through the project are supported with wider referral services where a need is identified as part of NEA Detailed Advice Calls and events. • 2,630 unique customers report increased financial wellbeing from the provision of income and energy advice/support.
Project Partners and Third Parties Involved	<p><u>Delivery Partners</u></p> <p>National Energy Action and The Wise Group</p>
Potential for New Learning	<p>This project builds on the learnings of independent 2021-2022 partnerships that both Cadent and SGN delivered with NEA and The Wise Group. The GDN's have taken these learnings and joined up to provide consistent support services for our customers, enabling our delivery partners to help more people as a result.</p> <p>The partnership with NEA and Wise Group will give Cadent and SGN insight into the effectiveness of using energy advisors to help provide support to our customers. The partnership will also offer learnings on the approaches that are most effective for engaging customers, particularly those that stand to benefit most from this project's energy and safety messaging.</p> <p>The project will also allow the GDN's to evaluate the issues that are most prevalent amongst customers by analysing the types of support that are most issued. We'd like to see other networks join this collaboration to create greater capacity and reach as the project progresses.</p>
Scale of VCMA Project and SROI Calculations	<p>The project aims to have a total reach of 2,630 customers. This reach will be divided between 2,430 supported through the telephone advisor, 450 customers receiving in depth support from the caseworkers (of those helped by the telephone advisor), and 200 at community events.</p> <p>The services provided through the remote advisor/caseworker and the community-based events will create social value in three main areas:</p> <ul style="list-style-type: none"> • Financial = customers achieving monetary savings through energy efficiency advice, resolution of supplier debt issues and income maximisation. • Societal = savings to the wider UK PLC through areas such as reductions in cold related illness, reductions in GP and A&E visits due to CO, and reductions in stress due to registration to the PSR. • Environmental = reductions in carbon emissions due to increased energy efficiency. <p>The GDN's commissioned social value experts at SIA Partners to evaluate the average 5-year gross present value of a range of energy advice topics typically offered by NEA.</p> <p>SIA Partners based their evaluation on a number of data sources including historic NEA reports, industry averages, and past VCMA project data.</p> <p>SIA Partners evaluated the average 5-year gross present value of 15 separate topics offered through NEA's advice service. These topics will be offered on a needs basis to clients supported through the project's advice, casework, and community events services.</p> <p><u>Telephone advisor</u></p> <p>The telephone advisor will offer advice on less complex issues such as:</p> <ul style="list-style-type: none"> • Condensation and dampness support £183.82

	<ul style="list-style-type: none"> • Warms home discount £140.00 • Heating and hot water controls = £332.33 • Tariff checking and switching £223.36 • Priority services register £143.89 • Efficient Use of Appliances & Behaviours £367.77 <p>The average 5-year gross present value for the services provided by the telephone advisor is £231.86.</p> <p>Following our previous programmes, we've seen that on average each household receives 3.1 services, this equates to an average social value of £718.77 per household.</p> <p>With 2,430 households supported this equates to a social value of £1,746,601.00.</p> <p><u>Case worker</u></p> <p>The NEA and Wise Group advisors will offer support on more complex issues such as:</p> <ul style="list-style-type: none"> • Income maximisation services £1717.11 • Fuel debt advice - £156.55 • Trust fund support £822.84 <p>The average 5-year gross present value per household for the services provided by the case worker is £898.83.</p> <p>With 450 households being supported, this equates to a social value of £404,473.50.</p> <table border="1" data-bbox="424 965 1015 1133"> <tr> <td>Total cost</td> <td>£237,721</td> </tr> <tr> <td>Total 5yr gross present value</td> <td>£2,151,074.50</td> </tr> <tr> <td>5yr NPV</td> <td>£1,913,353.50</td> </tr> <tr> <td>SROI</td> <td>£9.05</td> </tr> </table>	Total cost	£237,721	Total 5yr gross present value	£2,151,074.50	5yr NPV	£1,913,353.50	SROI	£9.05
Total cost	£237,721								
Total 5yr gross present value	£2,151,074.50								
5yr NPV	£1,913,353.50								
SROI	£9.05								
VCMA Project Start and End Date	Detail start and end date of the VCMA project and, where relevant, the VCMA project that preceded this initiative. 1 st April 2022 – 31 st March 2023								
Geographical Area	England and Scotland								
Remaining Amount in the Allowance at Time of Registration	<p>Remaining funding left in the Licensee's/ Licensees' funding pot.</p> <p>Amount before this project: £9,725,985 <i>*based on Gameover Project being the last submitted PEA.</i> Project costs: £237,721 (exc. VAT) Remaining following this project: £9,488,264</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:

GDN:	Name(s):
Cadent	Edward Allard - Social Programmes Manager
NGN	Not applicable
SGN	Linda Spence – Vulnerability Manager
WWU	Not applicable

Stage 2: GD2CVG Panel Review

Date review completed:

Review completed by:

GDN:	Name(s)
Cadent	Phil Burrows - Head of Customer Vulnerability Social Programme Delivery
NGN	Not applicable
SGN	Maureen McIntosh – Head of Customer Experience
WWU	Not applicable

Step 3: Participating GDN individual signatory sign-off

GDN	Name(s)	Signature(s)	Date
Cadent:	Phil Burrows - Head of Customer Vulnerability Social Programme Delivery		27/10/2022
NGN:			
SGN:	Rob Gray – Director of Stakeholder and External Communications		26/10/2022
WWU:			

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: 16/03/2023

Date that Notification Email Sent to Ofgem: 16/03/2023