

# Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

*Project Shout*

Sam Graham – Social Programmes Technical Manager

August 2023

Updated November 2024



## Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

<b>Section 1 - Eligibility criteria for company-specific projects (other than condemned essential gas appliance repair and replacement)</b>	
In order to qualify as a VCMA project, a project must:	
<b>VCMA Eligibility Criteria</b>	<b>Criteria Satisfied (Yes/No)</b>
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.	Yes
b) Either: <ul style="list-style-type: none"> <li>i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li>ii. Provide awareness on the dangers of CO, or</li> <li>iii. Reduce the risk of harm caused by CO;</li> </ul>	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 license 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
<b>Section 2 - Eligibility criteria for company-specific essential gas appliance servicing</b>	
To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:	
a) Either: <ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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 makes them more vulnerable to health risks associated with cold homes.</li> </ul>	N/A
b) The household cannot afford to service the essential gas appliance, which is assessed against criteria consistent with the Energy	N/A

Company Obligation (ECO4) Guidance: Delivery document1 (see Appendix 1).	
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

<b>Section 3 - Eligibility criteria for Collaborative VCMA Projects</b>	
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**

<b>Information Required</b>	
<b>Project Title</b>	Project Shout (Mental Health Innovations partnership)
<b>Funding GDN(s)</b>	Cadent
<b>New / Updated (indicate as appropriate)</b>	New project
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Cadent specific
<b>Date of PEA Submission</b>	01/08/2023 <b>Updated 18/11/2024</b>
<b>VCMA Project Contact Name, email and Number</b>	Sam Graham Sam.graham@cadentgas.com
<b>Total Cost (£k)</b>	Partner costs: £51,792 Management costs (4%): £2,071.68 <b>Updated November 2024</b> <b>Additional costs for year 2</b> Partner costs: £41,760.00 Management costs (4%): £1,670.04
<b>Total VCMA Funding Required (£k)</b>	£53,863.68 <b>Updated November 2024</b> £97,293.72

<p><b>Problem(s)</b></p>	<p>The cost-of-living and fuel poverty crisis continues to affect everyone, with many people feeling stressed, lonely or financially insecure. Anyone can be impacted by poor mental health, and it is important that we not only look after our customers but also ensure we are prioritising our colleague's wellbeing.</p> <p>Cadent's engineers visit homes and regularly come into direct contact with individuals who may be vulnerable. Often engineers don't know what to do in such situations or where to guide customers to. This project will allow our engineers to hand details of this project to customers to give additional support. Services like Shout can act as a lifeline to people experiencing difficulties with their mental health. Shout's text message support offers customers and colleagues a way to seek help via an anonymous service for support and guidance.</p> <p>We want to provide our customers and colleagues with as many support options as possible and it's important that we give people in crisis the ability to ask for help in a way that is most comfortable to them.</p> <p>Some individuals may be comfortable speaking to a support service over the phone or in person however calling a support service personally can be intimidating to someone in crisis and may not be suitable for everyone. Providing the option to anonymously text Shout for support can take away that fear and allow customers and colleagues to accept the help they need.</p> <p><b>Project Shout (MHI) – Research and how they can support</b> Mental Health Innovations has seen significant continued growth in overall demand for mental health services. In February 2022, NHS Confederation figures suggested 1.6m people in England alone were waiting for specialised mental health treatment and a further 8m people would benefit from support but were unable to get onto waiting lists.</p> <p>In this context, the availability of immediate, 'in the moment' support from Shout is even more important, and demand for the service continues to grow. Shout supported 630,047 conversations from mid-July 2021 - mid July 2022, an increase of 45% on the previous 12 months and currently support an average of between 1,600-1,800 conversations each day.</p> <p><b>Two million conversations</b> In a recent report MHI announced they had reached the milestone of two million text conversations. In this report they highlighted the risk and increase in communication with people living in poverty. This highlights the need for us to offer this service to both our customers and our colleagues. The below extract is taken from the report. The full report can also be found here: <a href="https://ams3.cdn.digitaloceanspaces.com/FINAL_Two_Million_Report_cHLavT6.pdf">FINAL Two Million Report cHLavT6.pdf (ams3.cdn.digitaloceanspaces.com)</a></p> <p><b>Those in poverty</b> While 3% of conversations are with texters specifically contacting MHI about financial difficulties, they are contacted every day by hundreds of people who are much more likely to be in poverty and impacted by the cost-of-living crisis. Among children who contact the service, 25% of texters under the age of 18 are from a disadvantaged background and in receipt of free school meals. More than a fifth (21%) of adult texters are unemployed. Additionally, they see demand for Shout across the UK correlating with national indices of deprivation. This means that people from more deprived areas in the UK are more likely to contact Shout than those living in the least deprived areas.</p>
<p><b>Scope and Objectives</b></p>	<p>Our new partnership with Shout offers 24/7, free and confidential text support from a trained mental health advisor, available to all our colleagues and customers. Shout launched in 2019 with the mission to provide support to people who are anxious, stressed, depressed, suicidal or overwhelmed and in-need of someone to confide in. Our colleagues and customers can now access 2,100 trained volunteers and support over 2,000 individuals each day through text conversations. There will be support and guidance available for anyone that needs it 24 hours a day 365 days a year. This free to use service will be a lifeline for people that are struggling mentally and will ensure that they have someone to talk to. The Shout team will also signpost and refer customers and colleagues to income maximisation advice, debt advice and energy efficiency advice as required. Following the initial contact being made by the customer or colleague, Shout will endeavour to support them with immediate support. Where the customer or colleague is experiencing mental ill health due to the impact of debt or money worries, they will then make onward referral to Cadent's partners to gain targeted support and advice on income maximisation, debt management and energy efficiency advice. These additional measures will help to deliver enduring solutions to our customers and colleagues.</p>

<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>We believe that the project meets all the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</p> <p><b>a. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project:</b></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 energy efficiency training. More information can be found in the relevant section below.</p> <p><b>b. Either:</b></p> <p><b>i. Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or,</b></p> <p><b>ii. Provide awareness of the dangers of CO, or,</b></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 of the support that is available for mental health challenges. The project will also signpost and refer the users to services that will benefit them in terms of energy efficiency advice, debt advice and income maximisation support.</p> <p><b>c. Have defined outcomes and the associated actions to achieve these:</b></p> <p>Cadent and MHI have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</p> <p><b>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and, this method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions</b></p> <p>Yes.</p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>Cadent conducted extensive stakeholder and customer research following the completion of RIIO-GD2 year one and again after year two. The aim of the research was to assess customer/stakeholder opinion on Cadent's allocation of VCMA spend and gain insight on where we should direct VCMA funding in the future. The results of our research studies, including our Energy Diaries thought leadership programme are available to view on the Cadent website. However, we've captured some of the key evidence below.</p> <ul style="list-style-type: none"> <li>• 61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty.</li> <li>• Over 70% of customers are concerned about the level of their energy costs</li> <li>• Very few customers understand their energy bill</li> <li>• Less than 20% of customers feel as though they understand the range of support opportunities that they may be entitled to</li> <li>• There is very low trust associated with energy companies</li> </ul> <p>This project focusses on offering a support service for any customers that are experiencing difficulties with any of the above, as well as being able to support with mental health issues that may be made worse by the stress and worry about the cost of living. As well as customers, colleagues are also experiencing tough times and this service will also be available and valuable to them.</p>
<p><b>Information Required</b></p>	<p>Description</p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p>We will track usage through monthly keyword data that MHI provide. We will be promoting this service through our internal safeguarding champions, which we have in each business unit.</p> <p><b><u>Project Outcomes</u></b></p> <p>The MHI project shout initiative aims to deliver the below outcomes and successes:</p>



	<ul style="list-style-type: none"> <li>• Demography breakdowns (dependent on texters completing the survey at the end of the conversation)</li> <li>• Number of Active Rescues per month and breakdown of stages associated with this</li> <li>• Most common conversation issues</li> <li>• Number of conversations signposted to local services</li> <li>• 80% of texters who say the conversation was helpful</li> <li>• 80% of texters who say they feel calmer</li> <li>• 80% of texters who say they feel like they can better work out problems</li> <li>• Breakdown of where texters heard about the service (social media, referred by a friend or family, marketing campaign)</li> <li>• Analysis of general spikes in activity for the Shout service and what this may be attributed to</li> <li>• Texter feedback and quotes directly related to your keyword</li> </ul> <p><b><u>Success Criteria</u></b></p> <p>The success of the project will be measured against meeting the below criteria:</p> <ul style="list-style-type: none"> <li>• 2,000 individuals (Customers or employees) will use the service to support them with their individual needs and gain necessary support</li> <li>• 2,000 individuals (Customers or employees) will receive advice and support from using the service and gain necessary support.</li> </ul>
<b>Project Partners and Third Parties Involved</b>	Cadent & Mental Health Innovations Partnership
<b>Potential for New Learning</b>	The insights from this project will allow us to understand how colleagues and customers are feeling about the current fuel crisis and what level of support they need.
<b>Scale of VCMA Project and SROI Calculations, including NPV</b>	<p><b><u>Scale of VCMA Project</u></b></p> <p>Cadent will invest in partnership with Mental Health Innovations Partnership. This VCMA project will be delivered across an initial one-year partnership. This will be reviewed prior to any extensions to the contract or service offering.</p> <p>Based on research conducted on behalf of Shout, each life taken through suicide has a value of £2m. Each year, the study confirmed that there are six lives saved through people using the text messaging service.</p> <p><b><u>SROI Calculations</u></b></p> <p><b>Updated November 2024</b></p> <p>Each year Shout receive 500,000 texts per year.  Each life is saved seventy-two times every 500,000 texts. Therefore <math>500,000 / 72 = 6,944</math>  Based on these numbers each life is saved every 6,944 texts.  <math>£2m / 6,944 \text{ texts} = 288.01p</math> which is the value of each text.</p> <p><math>2,000 \text{ (forecasted users)} \times 288.01 \text{ (cost per text)} = £576,020.00</math></p> <p>Five-year gross social return on investment = £576,020.00</p> <p>Five-year net social return on investment = £478,726.28</p> <p>Ratio £1: £5.92</p>
<b>VCMA Project Start and End Date</b>	Start date: 01/10/2023 End date: 01/10/2024 <b>Updated November 2024</b> End date: November 2025
<b>Geographical Area</b>	All of Cadents footprint

**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: 18/11/2025	Review Completed By: Gurvinder Dosanjh
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 18/11/2025	Review Completed By: Gemma Norton
Step 3: Head of Customer Vulnerability Social Programmes Sign-Off: Phil Burrows	
Head of Customer Vulnerability Social Programmes Sign-Off Date: 21/11/2024	
Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem ( <a href="mailto:vcma@ofgem.gov.uk">vcma@ofgem.gov.uk</a> )	
Date that PEA Document Uploaded to the Website: February 2025	
Date that Notification Email Sent to Ofgem: February 2025	