

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) Mobile Advice Centre

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January 2024

Updated July 2024



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

Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)	
In order to qualify as a VCMA project, a project must:	
VCMA Eligibility Criteria	Criteria Satisfied (Yes/No)
a) Have a positive or 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 (Gas Distribution Networks), 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 (Gas Distribution Networks) has to isolate and condemn unsafe pipework or an essential gas appliance following a supply interruption or as part of its emergency service role.	Not applicable
b) The household cannot afford to service, repair, or replace the unsafe pipework or essential gas appliance, and.	Not applicable
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.	Not applicable
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.	Not applicable
b) Have the potential to benefit consumers on the participating networks; and	Not applicable
c) Involve two, or more, gas distribution companies.	Not applicable

**Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA)
Governance Document - Project Registration Table 2**

Information Required	Description
Project Title	Mobile Advice Centre (MAC)
Funding GDN(s)	Cadent – Northwest and West Midlands network specific
New / Updated (indicate as appropriate)	New
Role of GDN(s) *For Collaborative VCMA Projects only	Cadent – Northwest and West Midlands network specific
Date of PEA Submission	January 2024 Updated – July 2024
VCMA Project Contact Name, email, and Number	Name: Phil Burrows Job Title: Customer Vulnerability Social Programmes Delivery Manager Email: phil.m.burrows@cadentgas.com Phone: 07773545451
Total Cost (£k)	<p>Vehicle Costs: £142,907.50 (initial set up in year one only) Two year running costs of vehicle: £6,000 Driver costs: £90,000 (loaded costs) Advisor costs: £120,000 (loaded costs) Literature and other costs: £30,000 Project management costs: £15,556.30 Total costs = £404,463.80</p> <p>Updated Costs – July 2024</p> <ul style="list-style-type: none"> • MAC 1 Vehicle Costs: £145,941.47 (includes additional payments for extras to the vehicle) • Vehicle running costs (two year): £6,000 • Allocated parking costs/maintenance: £30,000 • Driver/ advisor costs: £322,038.00 (YES Energy contract update) • Additional staff recruited: £67,892 • Literature and other costs: £30,000 <ul style="list-style-type: none"> • MAC 2 Vehicle Costs: £146,088.87 • Vehicle running-costs (18-month): £5,000 • Allocated parking costs: £20,000.00 • Driver/ advisor costs: £281,749.64 (Citizens Advice contract update) • Literature and other costs: £10,000 <ul style="list-style-type: none"> • MAC 3 Vehicle Costs: vehicle already owned and paid for by Citizens Advice • Vehicle running costs (17-month): £96,973.27 • Driver/ advisor costs: included in the above • Literature and other costs: £5,000 <p>MAC 4 Vehicle Costs: vehicle already owned and paid for by</p>

	<p>Citizens Advice 12-month running costs of the vehicle: £89,035.00</p> <p>Project management costs: £50,228.73 Total costs = £1,305,946.98</p>
Total VCMA Funding Required (£k)	<p>£404,463.80</p> <p>Updated Costs – July 2024 £1,305,946.98</p>
Problem(s)	<p>Cadent operates four gas distribution networks across England and transports gas to around 11 million homes and businesses. The cost-of-living crisis is having a significant impact on our customers with c.30% now living in fuel poverty. The situation is worsening and is showing no signs of slowing down. The Office of National Statistics (ONS) compiles an index of multiple deprivation (IMD) and in their list published in 2019, of the top 30 local authorities, 25 were on Cadent’s footprint.¹</p> <p>Cadent have an extensive network of Centres for Warmth which are incredibly successful, however, they do not cover all our networks and rely on people in communities knowing about them and going to the centres. The Mobile Advice Centre (MAC) will allow Cadent to provide services like that of a Centre for Warmth but delivered into the heart of the most deprived communities. We will also be able to offer access and support into more rural communities. The MAC will provide a safe, secure, and welcoming environment for people to visit and access information to support them during challenging financial times.</p> <p>As mentioned, in rural areas, the establishment of a mobile advice centre is crucial to bridging the gap in access to essential services and support. Many residents face significant barriers, such as limited transportation options and the scarcity of local advice facilities, which hinder their ability to seek timely assistance on various issues including legal matters, financial guidance and social services. Citizens Advice have approached us with a need for this mobile assistance in some of their hardest to reach areas.</p>

¹ [Mapping income deprivation at a local authority level - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Scope and Objectives

The MAC will be driven into the heart of the communities and will have expert support on a variety of things including:

- Benefit advice
- Debt support
- Carbon Monoxide awareness
- Energy efficiency information and guidance
- Priority Services Register (PSR) information
- Other onward referral pathways, including the Services Beyond the Meter programme.

A trained and dedicated resource will ensure that customers that need it most will be able to access support and get the best advice available to them in and around their communities. The MAC will target and go into different areas on different days meaning that Cadent can take the MAC to areas that need it most.

The VCMA funding will be used for:

- Procuring and renovating a vehicle to become the MAC.
- Providing a resource to drive the MAC.
- Providing an advice worker to provide the services listed above.
- Annual running costs associated with ensuring utilisation of the MAC.

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- The procurement of a second vehicle (MAC 2) to operate in another region across Cadent's network distributing the same advice and benefits. Working with Citizen's Advice in the West Midlands network who have long standing expertise on the services mentioned above.
- Funding of an existing vehicle owned by Citizens Advice Manchester (MAC 3) to provide advice services to hard-to-reach areas. The service is a continuation of an already existing project with CAM.
- Additional funding awarded to Rural Community Council (RCC) to utilise an existing vehicle (previously funded by Cadent), to be operated as MAC 4, targeting rural and hard to reach areas with advice and support in Leicestershire and Rutland.

<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that the project meets all the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</p> <p>a. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project:</p> <p><i>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 (Priority Services Register) and education on carbon monoxide. More information can be found in the relevant section below.</i></p> <p>b. 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 of the dangers of CO, or, iii. Reduce the risk of harm caused by CO. <p><i>The project delivers services that meet all three elements of this criteria. For example, the specialist advisors will help households maximise their income, enabling residents to afford the cost of heating their home to an adequate level. The project will also raise awareness of the dangers of CO and promote registration to the PSR.</i></p> <p>c. Have defined outcomes and the associated actions to achieve these:</p> <p><i>The project objective and actions are detailed below.</i></p>
	<p>d. Go beyond activities that are funded through other price control mechanism(s) or required through license obligations, and,</p> <p><i>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</i></p> <p>e. Not be delivered through other external funding sources directly accessed by a GDN (Gas Distribution Networks), including through other government (national, devolved, or local) funding,</p> <p><i>This project will be solely delivered through Cadent's VCMA funding.</i></p>

<p>Evidence of Stakeholder/Customer Support</p>	<p>Temperature Checks – we complete periodic ‘temperature checks’ with a cross section of our customer base, including our Customer Forum. These demonstrate that customers continue to support the key measures that we identified when developing our RIIO-2 plan, with a heightened requirement to support people with the cost-of-living crisis – hence this.</p> <p>The Energy Diaries research – through extensive research with customers living in fuel poverty over a period of several months, we then engaged with experts such as Citizen’s Advice, NEA (National Energy Action) and a suite of other charities operating in this space to co-create several additional initiatives that Cadent could offer to its customers. This was one of these initiatives.</p> <p>Charity Partnerships – we have strategic level partnerships in place with around 40 consumer advice organisations and charities. We engage regularly to assess the benefits of existing projects and consider options elsewhere, taking the opportunity to benchmark against others and seek to learn.</p> <p>Centre’s for Warmth – the teams running the centres also fed into the development of this initiative, when considering the successes of the existing centre projects and opportunities for enhancements, based on the specific needs of the customers/households already being supported.</p> <p>Stakeholder feedback – Working with various Stakeholders we can understand the needs of customers living in vulnerable situations across our networks. Regular conversations and check ins with organisations such as Citizens Advice, National Energy Action, and Groundwork. These regular check ins allow us to gain feedback on the projects we are or should be supporting and ensuring that the projects are in the best interests of our customers. The guidance we are being given is consistently around supporting customers living in fuel poverty and especially considering the current energy crisis.</p> <p>Stakeholder feedback – We have sent out questionnaires to organisations we deal with and some that have an interest in the customers we are looking to support, and we have received overwhelming support and confirmation that the projects we are supporting are appropriate and are helping those most at risk.</p>
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<p>Information Required</p>	<p>Description</p>
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Outcomes, Associated Actions and Success Criteria

Project Outcomes

The MAC will aim to achieve the following outcomes:

- Individuals will report an increased awareness on the dangers of carbon monoxide and remain safer in their home.
- Provide support to local communities across our networks by offering appointments to those who cannot attend a Centre for Warmth or are not aware of a Centre for Warmth.
- Provide individuals with energy efficiency advice.
- Provide carbon monoxide alarms.
- Individuals will report reduced levels of anxiety in fearing a utility outage by having conversations about the PSR and registering.
- Individuals will report more money in their back pocket through benefit advice and support.
- Individuals will report a greater knowledge of energy efficiency and measures and how to save money.

Success Criteria

The success of the project will be measured by meeting the below criteria over two years:

- 9,000 individuals will receive help and support on energy efficiency.
- 300 will receive in-home energy efficiency support. This will be a full in-home assessment and will provide greater in-depth support from an energy expert.
- 9,000 individuals will receive an awareness conversation on the dangers of carbon monoxide.
- 3,000 of the most at-risk households will also receive a carbon monoxide alarm.
- 9,000 individuals will improve their awareness of the PSR, and 3,000 eligible households will also be supported to register.
- 300 people will receive benefit advice.
- 300 people will have debt advice and support.

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Success Criteria

The success of the project will be measured by the following criteria:

MAC 1 – YES Energy Solutions – 24-months

- 9,000 individuals will receive help and support on energy efficiency.
- 300 will receive in-home energy efficiency support. This will be a full in-home assessment and will provide greater in-depth support from an energy expert.
- 9,000 individuals will receive an awareness conversation on the dangers of CO.
- 3,000 of the most at-risk households will also receive a CO alarm.
- 9,000 individuals will improve their awareness of the PSR, and 3,000 eligible households will also be supported to register.
- 300 people will receive benefit advice.
- 300 people will have debt advice and support.

MAC 2 – North Warwickshire Citizen’s Advice - 17-months

	<ul style="list-style-type: none"> • 1000+ individuals will receive help and support on energy efficiency. • 1000+ individuals will receive awareness conversation on the dangers of CO. • 700+ CO alarms will be provided to individuals, reaching 2800+ people. • 500+ individuals will receive information on the PSR and be enrolled onto the service. • 100 eligible individuals will be issued with a fuel voucher. • 100+ individuals to go through disability benefit referrals. • 40+ individuals will receive a referral relating to debt support. • 40+ individuals will be assisted to access charitable grants. <p><u>MAC 3 – Citizens Advice Manchester – 17-months</u></p> <ul style="list-style-type: none"> • 3,536 individuals to receive advice and support on energy efficiency. • 3,536 individuals to receive advice on welfare benefit, housing and debt advice service. • 3,536 individuals to receive advice on CO awareness and distribute 350 CO alarms to those who need them. • 3,536 individuals to receive advice on the PSR including helping 353 people to sign up. <p><u>MAC 4 – Rural Community Council – 12-months</u></p> <ul style="list-style-type: none"> • 1,200 individuals to receive advice and support on energy efficiency. • 600 one-to-one advice sessions on benefit and debt advice. • 1,200 individuals to receive advice on CO awareness and safety. • 1,200 individuals to receive advice on the PSR including helping 120 people to sign up. • 3,200 individuals engaged online via social media with advice and signposting.
<p>Project Partners and Third Parties Involved</p>	<p>None initially.</p> <p><u>Updated – July 2024</u></p> <p>MAC 1 - YES Energy Solutions MAC 2 - North Warwickshire Citizen’s Advice MAC 3 - Citizens Advice Manchester MAC 4 – Rural Community Council</p>
<p>Potential for New Learning</p>	<p>The MAC will allow us to further understand the needs of the communities we serve; it will allow us to understand whether there is an appetite for advice to be given in the communities in which our customer live.</p> <p>We will be able to further understand how our customers ‘consume’ their advice and support and be able to offer an alternative way of engaging our customers.</p>

Scale of VCMA Project and SROI Calculations, including NPV

Scale of VCMA Project

Cadent will invest a total of £404,463.80 for a 2-year project.

The project will benefit households across all our networks as required.

- 9,000 individuals will receive help and support on energy efficiency. (20% of people taking action £1,260,180.00)
- 300 will receive in home energy efficiency support. (£341,997.00)
- 9,000 individuals will receive an awareness conversation on the dangers of CO. (£78,549.60)
- 3,000 of the most at-risk households will also receive a CO alarm. (£32,729.00)
- 9,000 individuals will improve their awareness of the PSR (Priority Services Register), and 3,000 eligible households will also be supported to register. (£431,670.00)
- 300 people will receive benefit advice/ 300 people will have debt advice and support. (£930,870.00)

SROI calculations

Total investment = £404,463.80

Five-year gross present value = £3,075,995.60

One-year gross present value = £472,291.62

Five-year net present value = £2,671,531.80

One-year net present value = £391,398.86

SROI = £1: £7.60

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Scale of VCMA Project

Cadent will invest a total of £1,305,946.98 spanning over the course of two years.

The project will benefit households across all our networks as required.

MAC 1

- 9,000 individuals will receive help and support on energy efficiency.
- 300 will receive in home energy efficiency support.
- 9,000 individuals will receive an awareness conversation on the dangers of CO.
- 3,000 of the most at-risk households will also receive a CO alarm.
- 9,000 individuals will improve their awareness of the PSR (Priority Services Register), and 3,000 eligible households will also be supported to register.
- 300 people will receive benefit advice/ 300 people will have debt advice and support.

MAC 2

- 1000+ individuals will receive help and support on energy efficiency.

- 1000+ individuals will receive awareness conversation on the dangers of CO.
- 700+ CO alarms will be provided to individuals, reaching 2800+ people.
- 500+ individuals will receive information on the PSR and be enrolled on the service.
- 100 eligible individuals will be issued with a fuel voucher
- 100+ individuals to go through disability benefit referrals
- 40+ individuals will receive a referral relating to debt support

40+ individuals will be assisted to access charitable grants

- Providing additional income maximisation services – aiming on average between £500 and £750 per person income gain. (Estimated £625,000 income gain)

MAC 3

- 3,536 individuals to receive advice and support on energy efficiency
- 3,536 individuals to receive advice on welfare benefit, housing and debt advice service.
- 3,536 individuals to receive advice on CO awareness and distribute 350 CO alarms to those who need them.
- 3,536 individuals to receive advice on the PSR including helping 353 people to sign up.

MAC 4

- 1,200 individuals to receive advice and support on energy efficiency
- 600 one-to-one advice sessions on benefit and debt advice
- 1,200 individuals to receive advice on CO awareness and safety
- 1,200 individuals to receive advice on the PSR including helping 120 people to sign up.
- 3,200 individuals engaged online via social media with advice and signposting

SROI calculations

Total investment: £1,305,946.98

One-year gross present value: £5,559,954.45

One-year net present value: £5,316,724.64

Five-year gross present value: £27,799,772.24

Five-year net present value: £26,583,623.21

New GDN Calculator SROI = £21.86

GDN Rulebook
 Latest Version Date: 27-09-2024



Load Project:

Project information:		Results:	
Name:	MAC Project	i Cost (discounted):	€1,216,149.03
WACC:	4.97%	i Customer volume:	25856
Year of assessment:	2025	i GPV:	€27,799,772.24
Start year of benefits:	2024	i NPV:	€26,583,623.21
End year of benefits:	2023	i SROI:	€21.86
Attribution:	0.00%		

Non-standardised activity inputs:	
Cost (discounted):	<input type="text"/>
GPV:	<input type="text"/>

<input type="button" value="Calculate"/>
<input type="button" value="Save"/>
<input type="button" value="Clear"/>

VCMA Project Start and End Date	01/08/2023 31/03/2026
Geographical Area	Cadent's networks

**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: 30/01/2025	Review Completed By: Gurvinder Dosanjh
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed:30/01/2025	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: 30/01/2025	
Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)	
Date that PEA Document Uploaded to the Website: February 2025	
Date that Notification Email Sent to Ofgem: February 2025	