

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)  
*Cost of Living Project*

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**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>
<b>a)</b> 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.	<b>Yes</b>
<b>b)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li><b>ii.</b> Provide awareness on the dangers of CO, or</li> <li><b>iii.</b> Reduce the risk of harm caused by CO;</li> </ul>	<b>Yes</b>
<b>c)</b> Have defined outcomes and the associated actions to achieve these;	<b>Yes</b>
<b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through license obligations; and	<b>Yes</b>
<b>e)</b> Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	<b>Yes</b>
<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:	
<b>a)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> 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><b>ii.</b> 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><b>iii.</b> 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</li> </ul>	<b>N/A</b>

makes them more vulnerable to health risks associated with cold homes.	
b) The household cannot afford to service the essential gas appliance, which is assessed against criteria consistent with the Energy Company Obligation (ECO4) Guidance: Delivery document1 (see Appendix 1).	N/A
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**

Information Required	Description
Project Title	YMCA – Cost of Living Project
Funding GDN(s)	Cadent
New / Updated (indicate as appropriate)	New PEA
Role of GDN(s) *For Collaborative VCMA Projects only	Cadent specific
Date of PEA Submission	February 2024
VCMA Project Contact Name, email and Number	Philip Burrows <a href="mailto:Phil.m.burrows@cadentgas.com">Phil.m.burrows@cadentgas.com</a> 07773545451
Total Cost (£k)	Partner costs: £384,000.00 Manifesto costs: £35,000.00 Project management costs (4%): £16,760.00
Total VCMA Funding Required (£k)	£435,760.00

<p><b>Problem(s)</b></p>	<p>The remit of YMCA is primarily to support vulnerable, disadvantaged, and disenfranchised people, as well as the wider communities in which YMCA operate. This includes but is not limited to, low-income households, vulnerably housed individuals, people with poor physical and/or mental health, socially excluded and isolated people, and elderly people. Many people face multiple adversities or vulnerabilities.</p> <p>The current cost-of-living crisis has seen significant and sustained rises in the cost of necessities such as food and fuel has, and will continue to, exacerbate existing vulnerabilities, and cause greater social and health issues for the people. Research has shown that those people amongst the hardest hit by the current economic climate include the poorest households, renters, single-parent households, and the older generation.</p> <p>Data from Burton YMCA (Burton-on-Trent), which has run a community foodbank (i.e. one that is not means-tested, or referral based) since 2014, shows a significant increase in demand in 2022. The main reason for accessing the food bank is cited as income not covering household bills, and foods that require little to no energy expenditure to prepare are in the highest demand. The YMCA team has also experienced a decrease in donations made to the bank, as the wider population is feeling the effects of the economic downturn.</p> <p>YMCA have identified audiences within YMCA where they feel Cadent's support via the VCMA fund could make a considerable difference.</p> <p>With 9,466 beds across England and Wales, their holistic support connects more than 20,000 people each year with case workers and provides access to life skills, healthy living activities, and budgeting sessions designed to help them to live independently. The aim for all people living in YMCA-supported accommodation is that there is support enabling people to move on to live in their own independent accommodation, whether this might be social housing or private rented accommodation.</p> <p>While YMCA housing upholds safety regulations and provides a safe and positive space for vulnerable people, YMCA knows that some accommodation they move on to is unfortunately often not of the same quality – with issues of dampness, poor insulation, and other factors affecting fuel efficiency as well as sometimes having the absence of functioning smoke and carbon monoxide alarms. Furthermore, YMCA residents may lack awareness of housing regulations and the responsibilities of their landlord regarding their safety, so may not question any inadequacies nor identify hazards. Amongst those supported in YMCA accommodation are asylum seekers and care leavers, whose understanding of the issues would be significantly lower.</p> <p>These people are also more likely to face fuel poverty, with Shelter reporting in September 2021 that one in four renters cannot keep their homes warm. Those moving on from YMCA are most likely to be receiving state benefits and/or in low-paid, part-time employment – adversely affecting their ability to keep up with rising costs.</p>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>We believe that the project meets all of 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><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, tackling loneliness and</i></p>

	<p><i>isolation and education on carbon monoxide. More information can be found in the relevant section below.</i></p> <p><b>b. Either:</b></p> <ul style="list-style-type: none"> <li><b>i. Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or,</b></li> <li><b>ii. Provide awareness of the dangers of CO, or,</b></li> <li><b>iii. Reduce the risk of harm caused by CO;</b></li> </ul> <p><i>The project delivers services that meet all three elements of this criteria. For example, the project will also raise awareness of the dangers of CO and promote registration to the PSR. The project will also promote energy-saving tips and how to cook more efficiently.</i></p> <p><b>c. Have defined outcomes and the associated actions to achieve these:</b></p> <p><i>Cadent and YMCA have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</i></p> <p><b>d. Go beyond activities that are funded through other price control mechanism(s) or required through license obligations, and,</b></p> <p><i>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other license conditions.</i></p> <p><b>e. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding,</b></p> <p><i>This project will be solely delivered through Cadent's VCMA funding.</i></p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p><u>YMCA Foodbanks</u></p> <p>With information shared by Burton YMCA showing an increase in demand for food packages and most users not being able to afford household bills, this audience is at risk of fuel poverty, developing debt related to energy and other household bills, and risk of deteriorating health if not keeping adequately heated homes. Between January and May 2022, Burton's YMCA food bank supported 2,136 individuals, including 222 families – more than double what it had served in the same months last year. Furthermore, users are looking to secure food items that require little cooking or heating due to rising energy costs – affecting their diet and overall health of them and their families.</p> <p>In 2021/22, YMCA food banks supported more than 4,000 individuals (unique users) – often multiple times.</p> <p><u>McCann Market research CO survey</u></p> <p>McCann Market research carried out a survey and out of 52 18-34-year-olds, all were unable to identify the signs of CO poisoning and with 21 respondents believing you can "smell gas". This highlights that education is a key issue for this audience.</p> <p><u>Energy UK's 'CO Be Alarmed!' research.</u></p> <p>Research from Energy UK's 'CO Be Alarmed!' campaign found that CO alarm ownership is relatively low versus customer's perceived levels of awareness.</p>

	<p>The research found that one in three Britons (over 17 million people) is at risk of not identifying carbon monoxide through not owning an alarm.</p> <p><u>The Energy Diaries research</u></p> <p>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 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><u>Charity Partnerships</u></p> <p>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><b>Information Required</b></p>	<p><b>Description</b></p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p><u>Project Outcomes:</u></p> <p>Cadent will invest VCMA funding to support and develop a range of services and research.</p> <p>£384,000.00 will be directly for 32 of the YMCAs on Cadent's network, to design, coordinate and deliver a cost-of-living project over five months.</p> <p>This project will be an enhancement of the project we currently have ongoing called "<a href="#">Safe and Well Communities</a>" by offering a range of additional services. This will provide the current YMCAs additional funding, but also enable additional YMCAs to join this project.</p> <p>Cadent will also invest £35,000.00 in the Inside the cost-of-Living research and a Supporters Gamification.</p> <p>YMCA will release a research report in April 2024, <b>Inside the cost-of-living Crisis</b> – an in-depth exploration across the country into the experiences of young people living on welfare benefits in supported accommodation during the cost-of-living crisis.</p> <p>Inside the Cost-of-Living Crisis:</p> <p>Purpose: Building on their previous '<a href="#">Inside the Cost-of-Living</a>' report they will aim to find out how young people living in supported accommodation are doing now, and how interventions supported them and what more is needed for them to achieve financial stability. The report will allow YMCA to understand how far they have come over the past year and what more needs to be done.</p> <p>Method: Minimum of 8 focus groups around the country with 8-10 residents in each, aiming to speak to over 100 young people.</p> <p>During April 2024, YMCA will deliver various influencing activities, one of which is an online game. Many people won't have direct experience of living in poverty so they are developing an online gamification tool to allow supporters / the general public to make a series of decisions in the role of one of the YMCA residents to see how they would find living in their shoes. This will go on social media and to the YMCAs email list of campaigners and supporters.</p>

Purpose: to allow supporters to walk in the shoes of someone living in a YMCA that is experiencing the cost-of-living crisis.

Method: online decision tree making game emailed to campaigners and shared on social media.

The partnership with the 32 YMCAs will be broken down as per below and our funding will help and support the enhancement of the below services:

- Benefits and welfare support
- Health and wellbeing
- Employment and education/ training
- Life skills
- Money/ budgeting
- Cooking and healthy eating.

Project Actions:

YMCA will implement the following associated actions to deliver the project's outcomes:

- The YMCA Cadent project coordinator will coordinate the 32 YMCAs and set them target deliverables to ensure the objectives are met.
- YMCA will arrange events such as cooking sessions, budgeting, and resident meetings. YMCA will deliver sessions that will bring people together which will tackle loneliness and social isolation.
- Create an online decision tree-making game to be emailed to campaigners and shared on social media.
- Coordinate a minimum of eight focus groups around the country with 8-10 residents in each, aiming to speak to over 100 young people.
- Staff will receive training on energy to increase individual awareness of how to manage energy use more efficiently in the home.
- The Employability Co-ordinator will secure trials, apprenticeships, training, and jobs. This is to ensure practical skills are taught and practiced such as CV writing, job applications, and interviewing techniques.
- Staff will receive training or a refresher on the PSR and will help eligible households through the registration process.
- Staff will receive training or a refresher on CO awareness and general gas safety awareness.
- Staff will support and signpost individuals to help claim benefits and welfare support to ensure income maximisation.

Success Criteria:

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

Service	Success of Service	Expected Number of Customers Reached
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		Benefits/Welfare	Individuals will feel supported in applying for/accessing benefits and welfare support – ensuring access to all benefits entitled to maximise individual's income to support their energy bills.	929	
		Health & Wellbeing	Individuals will report an improvement to their physical, and emotional health by having wellbeing support and activity provision.	1,571	
		Employment and/or Education and Training	Individuals will report feeling supported accessing academic or technical education and/or training in local settings (or in some cases direct provision by YMCA), development of skills and provision of practical/financial support needed to access work experience, apprenticeships, voluntary and paid employment	812	
		Life Skills	Individuals will have person-centred action plans and group work to develop understanding of self-care, building 'soft' and practical skills and supporting community integration needed to manage the independent day to day living	1,102	
		Money management/Budgeting	Individuals will build an understanding of and support managing personal finances and budgeting, in some cases including debt management/reduction	1,075	
		Cooking/Meal-planning/Healthy Eating	Individuals will know and understand the importance of nutrition, cooking/eating on a budget, and basic cooking,	1,033	

	<table border="1" data-bbox="561 241 1417 439"> <tr> <td data-bbox="561 241 874 338"></td> <td data-bbox="874 241 1257 338">meal-planning, and food-preparation skills</td> <td data-bbox="1257 241 1417 338"></td> </tr> <tr> <td data-bbox="561 338 874 439"><b>Total individuals reached</b></td> <td data-bbox="874 338 1257 439"></td> <td data-bbox="1257 338 1417 439"><b>6,522</b></td> </tr> </table> <p data-bbox="491 465 1487 562">YMCA hopes to release three research reports on cost of living, depending on capacity and resources, along with campaign actions which encourage their residents and the public to support them.</p> <p data-bbox="491 589 1487 741">Last year in the Cost-of-Living Crisis campaign they built enough pressure to make incredible changes for the lives of people they represent. From joining with others to call for welfare benefits to be increased in line with inflation, to demonstrating the impact of small local authority grants which has a transformational impact on their residents ability to buy food or pay bills.</p> <p data-bbox="491 768 1487 831">The YMCA campaigns work, and with support they can transform even more lives.</p>		meal-planning, and food-preparation skills		<b>Total individuals reached</b>		<b>6,522</b>
	meal-planning, and food-preparation skills						
<b>Total individuals reached</b>		<b>6,522</b>					
<b>Project Partners and Third Parties Involved</b>	Cadent will work in partnership with YMCA to deliver the project.						
<b>Potential for New Learning</b>	<p data-bbox="491 954 1487 1016">The opportunity to work with specialist partners at YMCA will provide Cadent the chance to learn:</p> <ul data-bbox="549 1043 1487 1603" style="list-style-type: none"> <li>• What approaches are the most effective for engaging young adults that stand to benefit most from safety messaging and advice.</li> <li>• Which resource and training is the most effective and engaging for young adults.</li> <li>• Learn energy-saving tips from families/individuals going through fuel poverty.</li> <li>• Utilise the research and learnings from the Cost-of-Living research for future PEAs and the shaping of future projects.</li> <li>• Identify gaps of support that we are not covering for fuel poor projects to ensure we are shaping future projects correctly.</li> <li>• The research could bring to light that we need to support current projects with additional funding to close the gaps of services we haven't been offering and that are needed.</li> </ul>						
<b>Scale of VCMA Project and SROI Calculations, including NPV</b>	<p data-bbox="491 1655 1487 1688"><u>Scale of VCMA Project</u></p> <p data-bbox="491 1715 1487 1868">Cadent will invest £435,760.00 in partnership with YMCA. This VCMA project will be delivered across five months. The project will support 6,522 individuals with a range of services across Cadent's five gas distribution networks, this will also fund the delivery of the Cost-of-Living research and a supporters gaming tool.</p> <p data-bbox="491 1895 743 1928">SROI Calculations:</p> <p data-bbox="491 1955 1487 2051">Total Investment = £435,760.00  6,522 individuals receiving support with societal benefits = £54,487,015.29  SROI = £1:125</p>						

	The social benefits have been calculated based on the duration of the project only, using the new calculator endorsed by the ENA. This includes mental health and physical support, budgeting, life skills, income maximisation advice, employment, and education support.
<b>VCMA Project Start and End Date</b>	Start Date: 1 <sup>st</sup> February 2024 End Date: 31 <sup>st</sup> July 2024
<b>Geographical Area</b>	Across all five of Cadent's network.
<b>Internal governance and project management evidence</b>	Description of GDN(s) review of proposal and project sign-off, with details on how the project will be managed.

### **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: 29.2.2024	Review Completed By: Kate Ravenscroft
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 20/03/2024	Review Completed By: Gurvinder Dosanjh
Step 3: Director of Sustainability & Social Purpose Sign-Off: p.p Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 22/03/24	
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: March 2024	
Date that Notification Email Sent to Ofgem: March 2024	