

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *"Citizens Advice Manchester"*

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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.	No
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	Citizen's Advice Manchester
Funding GDN(s)	Cadent only
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable, Cadent only project.
Date of PEA Submission	January 2023
VCMA Project Contact Name, email and Number	Name: Gemma Norton Title: Social Programmes Portfolio Manager Email: Gemma.norton@cadent gas.com Mobile: 07867 691679
Total Cost (£k)	£1,536,638.00
Total VCMA Funding Required (£k)	£1,536,638.00
Problem(s)	<p>Fuel Poverty</p> <p>Fuel poverty remains a prominent form of hardship that impacts millions of households across the United Kingdom. The government's latest fuel poverty statistics illustrate the scale of hardship in 2022 with 13.4% UK households currently living in fuel poverty.</p> <p>The North West area is also ranked the 2nd highest region for fuel poor households in England at 12.5%.</p> <p>Fuel poverty can have many adverse effects on the health of families living in this particular form of hardship. A recent National Energy Action (NEA) article listed a number of negative impacts which can all have devastating consequences:</p> <ul style="list-style-type: none"> • Households can adopt unsafe energy rationing practices; • Customers may elect to voluntarily self-disconnect from their energy supplies; • Fuel poverty can increase the risk of exposure to several health conditions including heart disease, chronic obstructive pulmonary disease (COPD) and asthma. <p>At the more severe end of the scale, fuel poverty can result in early mortality and excess winter deaths. More people die in the winter than in the summer in England and Wales, due to a higher number of residents experiencing cold housing conditions. 2017/2018 statistics report that 16,890 excess UK winter deaths were attributable to cold housing conditions. Separate government statistics report the cost of a death to the UK economy £1,897,129.00.</p> <p>This project aims to support customers at risk of or living in fuel poverty by creating access to expert advice and casework services. Many of the services offered by the caseworker(s) will be aimed at increasing household income and improving properties' and customers' energy efficiency/behaviours.</p>

	<p>Financial Hardship</p> <p>As well offering services that will support households to improve energy efficiency, Citizens Advice Manchester caseworkers will also assistance customers with managing debt and maximising income.</p> <p>Government and charities such as the Joseph Rowntree Foundation use the metric of Minimum Income Standard (MIS) to measure a household's ability to afford all of the necessities required to live with dignity and good health.</p> <p>A 2023 Joseph Rowntree Foundation report stated that 29.1% of all individuals in the UK were living in households with incomes below MIS. This percentage equates to 806,070 people across the project area of Greater Manchester that do not have the finances to afford to live with dignity.</p> <p>The project will support households affected by financial hardship by:</p> <ul style="list-style-type: none"> • Helping them to access industry financial benefits (e.g., Warm Homes Discount); • Conducting benefit entitlement checks and claims support; • Supporting with debt and money management advice; <p>Digital Exclusion</p> <p>There are large pockets of digital exclusion in the North West. Although the number of older people who are digitally connected continues to rise, there are still millions of people over the age of 55 who are not online. And while factors such as income and levels of education play a part, age is still the biggest indicator of who's digitally excluded.</p> <p>In 2015 there were 907,000 people aged over 50 in Greater Manchester. Twenty years from now 1.1 million people in Greater Manchester will be over 50 – that's 37% of the city-region population.</p> <p>The project has the ability to target people who are digitally excluded through the sessions being hosted in the communities and an output of the project will likely be an increase in digital skills and confidence to be able to access more support and services available.</p>
<p>Scope and Objectives</p>	<p>The Citizens Advice Manchester (CAM) Vulnerable Energy Customer Support Service will reach a minimum of 25,000 customers over a 2 year period and provide critical support against 6 key areas:</p> <ol style="list-style-type: none"> 1. Income maximisation and money management by providing access to financial assistance/income related benefits i.e. the Warm Home Discount Scheme. 2. Support in switching to more suitable tariff (subject to market conditions) or payment methods. 3. Providing practical energy efficiency measures which include home 'walk-throughs' to identify energy saving measures and customer referrals to insulation schemes for improved home efficiency. 4. Referrals for boiler replacements, heating controls and other heating/hot water systems and heating technologies.

	<p>5. Creating behavioural changes through advice on how to improve the thermal comfort and living environment in the home (such as control of mould and damp and to reduce household energy consumption where possible).</p> <p>6. Raising awareness of Priority Service Register including registrations.</p> <p>Customers will be identified through a range of channels including direct enquiries to Citizens Advice, referral pathways, and advertised community events.</p> <p>The VCMA funding will allow CAM to employ 15 full-time members of staff for a 24-month period. These roles and responsibilities are broken down as follows:</p> <ol style="list-style-type: none"> 1. 5 x Contact Centre Advisors = The advisors will handle a range of calls from customers and provide a triage service to ensure fuel poor households receive the right support in this cost-of-living crisis. 2. 3 x Energy Advice Caseworker = The caseworkers will perform this service to resolve queries in depth with multiple strands (e.g., helping a client with a benefits decision or supporting a household to make a formal complaint against their energy supplier). The service will also include support on a number of topics including welfare benefits, energy efficiency advice, carbon monoxide safety, and PSR 3. 7 x Energy Champions = The energy champions will work in and around Greater Manchester communities to have conversion with other key support services such as GP surgeries and foodbanks to raise awareness of the support service available through CAM and our safeguarding advice. <p>Why Citizens Advice Manchester?</p> <p>CAM are a respected and trusted partner which have coverage across the Northwest. We have focussed a lot of our VCMA strategy around our Centres for Warmth and this has proven hugely successful. The challenge with the Centres for Warmth are that they are only in certain areas across our network and don't reach all our communities. Our customers would need to live in an area that is served by a C4W to be able to reap the benefits and get additional support.</p> <p>Working in partnership with CAM will allow another opportunity and avenue for our customers, should they need to, through a wide and trusted network that CAM provide.</p> <p>This project will allow us to understand whether partnering a regional wide partner and therefore reaching larger numbers across one network (along with our other regional projects) will have a positive impact on driving down fuel poverty and helping support more customers in a particular region.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that this project meets all of the necessary company-specific VCMA criteria - see below:</p> <p>A. The project is forecasted to have a positive SROI.</p>

	<p>We have forecasted that the project will achieve a positive social return on investment based on Cadent's wider experience of social value - see the below section for more details.</p> <p>B. The project will either:</p> <ul style="list-style-type: none"> I. Provide to consumers in vulnerable situations, and relate to energy safeguarding, or II. Provide awareness on the dangers of carbon monoxide, or III. Reduce the risk of harm caused by carbon monoxide <p>The project meets all three of the above criteria through providing fuel poor households with energy efficiency/income maximisations services and raising awareness on the dangers of carbon monoxide.</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 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.</p> <p>D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.</p> <p>We believe that this project goes outside of activities funded through other price control mechanisms due to:</p> <ul style="list-style-type: none"> a) the types of support being delivered, and, b) the method through which customers are to be engaged (e.g., not through Cadent's BAU activities) <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's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent has sought the views of a wide range of stakeholders to support its strategy for shaping VCMA projects and have conducted extensive stakeholder engagement to gather the views of organisations on its year one VCMA delivery.</p> <p>Cadent obtained stakeholder feedback on individual projects (e.g., the model of charity-delivered energy efficiency advice) and categories of activities (e.g., tackling affordability and fuel poverty).</p> <p>With regards to categories of activities, tackling affordability and fuel poverty saw the highest percentages of support for increasing funds, with 61% of stakeholders and 43% of customers supporting an increase in funding when compared to 2021-2022 levels.</p> <p>When looking at specific projects from the first year of VCMA delivery, 61% of stakeholders supported increases in funding in income maximisation activities, with one customer (aged 30-29) commenting "<i>income maximisation can be the step to someone going into debt or becoming vulnerable</i>".</p>

	<p>Additionally, Cadent asked stakeholders and customers for feedback on where VCMA funding should be prioritised in 2022-2023. Stakeholders commented " <i>We are in the midst of an energy crisis which is likely to continue for the next 18 months to 2 years and will leave clients in very vulnerable situations. Any increase in this support from Cadent would be extremely helpful to fuel poor clients</i>".</p> <p>Finally, Cadent asked customers for their views on which of the below statements best described their health and financial situation 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>Overall, Cadent has received strong stakeholder support and justification for funding its partnership with Citizens Advice Manchester.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>Outcomes</p> <p>During year one, the Citizens Advice Manchester Vulnerable Customer Support Unit will deliver the following outcomes:</p> <ul style="list-style-type: none"> • The Contact Centre will provide initial support and advice to 12,000 customers per annum. • The Energy Advice Casework Team will provide in depth casework support to 2400 customers per annum which may involve the following: <ul style="list-style-type: none"> ○ Empowering clients to 'Check, Switch and Save' reducing spend on energy bills. ○ Assess a customer's eligibility to receive fuel vouchers ○ Offering energy efficiency advice to reduce energy bills and change behaviours. ○ Discussing heating, appliance usage and insulation. ○ Dealing with complex energy disputes on behalf of the customer. ○ Improved customers understanding of energy bills ○ Completing trust fund applications to help clear energy debt. ○ Completing applications for white goods to be more energy efficient. • Each Energy Champions will deliver: <ul style="list-style-type: none"> ○ 30 Front Line Worker Energy sessions (GP surgeries, LA's, foodbanks, schools) per year - reaching a minimum of 300.

- 25 Carbon Monoxide awareness publicity events to help protect customers in vulnerable situations from the dangers of carbon monoxide. These will focus raising awareness of the signs and symptoms of carbon monoxide poisoning and what actions to take if carbon monoxide is suspected.
- 50 pop-up sessions (30-100 customers per session) with a minimum reach of 1500 - 5000 consumers per year. An example of an event is attending Manchester Pride

The CAM Vulnerable Customer Support Service will be accessed through five main channels:

- Face-to-face drop-in at local Citizens Advice office or outreach.
- Telephone/digital via a free phone number
- Partner/professional referral via CAMs secure digital referrals system 'ReferNet'
- Self-help materials via CAM's and delivery partners websites
- Chat Platform - providing 24/7 access to the service.
- Chatbot providing users to self-help information
- Video appointments if requested
- Internal referral from an energy champion.

The Citizens Advice Vulnerable Energy Customer Support Unit will operate across the North West Region including Barrow, Lancaster, Preston, Blackpool, Liverpool, Greater Manchester and Chester.

Associated Actions

Cadent and CAM will perform the following associated actions in order to achieve the project outcomes and success criteria:

- Cadent will provide Citizens Advice Manchester with funding and training to the caseworkers on how to hold effective carbon monoxide safety and PSR registration conversations.
- Citizens Advice Manchester will train the recruited caseworkers to a high standard standard - this will ensure the robustness and accuracy of the energy efficiency advice offered through the project.
- Citizens Advice Manchester will embed referral pathways and plan community events to engage customers in vulnerable situations who stand to benefit most from the casework services.

Success Criteria

The CAM project's success will be measured through a variety of metrics including:

- Evaluating the number of customers benefitting from the casework advice and casework - full support forecasts referenced in the Scope and Objectives section of this document.
- Measuring customers' attitudes towards the positive indicators listed in the Project Outcomes section of this document (e.g., Clients will report improvements in their levels of comfort due

	<p>to being able to heat their homes to a healthier temperature. This will be achieved through increasing household income and improving knowledge of energy efficiency techniques).</p> <ul style="list-style-type: none"> Evaluating a positive social return on investment on the VCMA funding invested in this project - see below section for the project's SROI forecast.
<p>Project Partners and Third Parties Involved</p>	<p>Citizens Advice Manchester</p>
<p>Potential for New Learning</p>	<p>We believe that this project offers Cadent the opportunity for new learning in various areas. We expect to understand how effective one-to-one energy advice and CO safety discussions are for people in crisis.</p> <p>Working with Citizens Advice Manchester and their broader network we are hoping to enhance our understanding of the additional benefits for customers that come from a partner embedded within other referral pathways and able to refer out customers in need to other services.</p> <p>We will be able to look at the benefits of large scale partnerships across one region to see if it has a significant reduction or impact on fuel poverty.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p>Scale of VCMA Project</p> <p>Cadent and Citizens Advice Manchester will deliver a 24-month project between December 2022 and December 2024. The project aims to support in dept 4,800 households across the project area with a variety of income maximisation, energy efficiency, carbon monoxide safety, and PSR advice.</p> <p>SROI Summary</p> <p>Investment = £1,536,638.00 (annual investment £768,319.00) 5-year social return on investment = £16,840,955.10 1-year social return on investment = £3,368,191.02 5-year gross present value = £18,377,593.10 1-year gross present value = £3,675,518.62</p> <p>Cadent has conducted its own research and has worked with specialists from energy and utilities consultants at SIA Partners to evaluate the gross present value generated by activities typically funded through the VCMA. This work has produced a bank of five-year average gross present values that incorporate financial, environmental, and societal benefits of VCMA activities.</p> <p>For the purposes of the SROI calculation, this has been based on 2400 households receiving trust fund support (fuel related), efficient use of appliances & behaviours, heating & hot water controls and tariffs & payment options switching a year. Of this figure, 10% will be registered the to the PSR annually.</p> <p>Cadent's work with SIA Partners calculated an average 5-year gross present value of £143.89 per registration to the PSR. This value was based on a customer's reduction in stress during a utility's outage.</p> <p>We have estimated that 21350 individuals will received our CO messaging annually through the range channels outlined in this project to which we have applied a knowledge retention rate of 80%.</p>

VCMA Project Start and End Date	1 st December 2023 until 30 th November 2025
Geographical Area	Cadent's North West Network
Remaining Amount in the Allowance at Time of Registration	To be confirmed at the point of sign off.

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: N/A	Review Completed By: N/A
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 17/03/23	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: 20/03/2023	
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 2023	
Date that Notification Email Sent to Ofgem: March 2023	