

GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Services Beyond the Meter

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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;	YES
b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	YES
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.	YES
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	YES
c) Involve two, or more, gas distribution companies.	YES

Information Required	Description
Project Title	Services Beyond the Meter
Funding GDN(s)	Cadent Gas / Northern Gas Networks
Role of GDN(s) *For Collaborative VCMA Projects only	Cadent Gas- Project Lead Northern Gas Networks- Project participants
Date of PEA Submission	TBC
VCMA Project Contact Name, email and Number	Cadent Gas- Sam Graham, sam.graham@cadentgas.com , 07966981964 Northern Gas Networks- Steven Dacre, SDacre@northerngas.co.uk , 0778733867
Total Cost (£k)	<p>Year 2</p> <p>£606,751.48 - Broken down below</p> <p>CADENT GAS - £523,293,89</p> <ul style="list-style-type: none"> • Engineers training £254,080.35 • Tools and equipment £44,948,00 • Work management costs £39,000.00 (x2 Network Lead's) • Engineering time on jobs £127,578.01 • Assessment and training facilities £57,687.53 <p>NORTHERN GAS - £83,457.59</p> <ul style="list-style-type: none"> • Engineers training £27,175.67 • Tools and equipment £44,017.92 • Assessment £12,264,00 <p>Year 3</p> <p>Note: Forecasted cost for job delivery only</p> <p>£585,995.01- Broken down below</p> <p>CADENT GAS - £523,293,89</p> <ul style="list-style-type: none"> • Engineering time on jobs £221,568,00 <p>NORTHERN GAS - £62,701,12</p> <ul style="list-style-type: none"> • Engineering time on jobs £22,400,00 <p>Year 4</p>

	<p>Note: Forecasted cost for job delivery only</p> <p>£585,995.01- Broken down below</p> <p>CADENT GAS - £523,293,89</p> <ul style="list-style-type: none"> • Engineering time on jobs £435,640,00 <p>NORTHERN GAS - £62,701,12</p> <ul style="list-style-type: none"> • Engineering time on jobs £44,800,00 <p>Year 5 –</p> <p>Note: Forecasted cost for job delivery only</p> <p>£585,995.01- Broken down below</p> <p>CADENT GAS - £523,293,89</p> <ul style="list-style-type: none"> • Engineering time on jobs £889,380,00 <p>NORTHERN GAS - £62,701,12</p> <ul style="list-style-type: none"> • Engineering time on jobs £89,600,00
<p>Total VCMA Funding Required (£k)</p>	<p>£585,996,01</p>
<p>Problem(s)</p>	<p>Our emergency engineers enter thousands of homes across our footprint each year, attending any customer reported Gas or Carbon Monoxide (CO) emergency. Our primary focus completing this work is to ensure the customer and property are safe.</p> <p>When attending the above we come across a large proportion of customers living in vulnerable situations, this group of customers often don't have the means to maintain safe working gas appliances. In most cases where we have attended their property due to a gas emergency, we will have established the need to isolate the gas supply. This would mean that any gas appliances in the property will be left "safe" but inoperable, likely leaving the customer without heating, hot water and cooking facilities.</p> <p>This can cause a lot of undue stress with customers not knowing who to turn to for help. Some will just go without and there is a risk that others might attempt a self-reconnection of a dangerous gas appliance, which could lead to a whole host of dangers. Both Cadent and NGN engineers are keen to provide an excellent customer experience during each household visit, but they know that in when simply focussing on making the gas network safe (primary role within the licence conditions), it is possible that some customers would be left vulnerable without gas; far from an outstanding customer experience.</p>

In some instances, especially with reports of CO, we leave the supply isolated due to being unable to test and confirm appliances are safe. Sometimes the cause of the alarm activation could be a faulty alarm or the incorrect use of an appliance. This would mean we leave the supply isolated, and the customer would have to employ a Gas Safe engineer to confirm the appliances are safe. This can be extremely costly and difficult for the customer to find an engineer with the correct skillset.

Scope and Objectives

The whole concept of Services Beyond the Meter is to offer vulnerable customers a way to keep themselves safe, warm and independent in their own home giving them access to support that wasn't previously there. Where we have attended a Natural Gas or Carbon Monoxide emergency and isolated the gas supply, we now have the means to return and test the appliances to confirm safe operation and ultimately restore the gas supply to the customer's property.. Please see the below process flow:

1. Emergency call received from the customer.
2. Emergency engineer attends site and following our policies and procedures needs to leave the customer off supply.
3. Emergency engineer recognises sign of vulnerability on site (vulnerability trained).
4. They offer the customer the choice of an upskilled engineer to attend site to test the appliances for safety.
5. Appointment is booked in with the customer usually within 24hrs of the emergency call.
6. Upskilled engineer attends site and works downstream on the customer gas installation and appliances.
7. Gas installation and appliances are tested and confirmed safe.
8. Gas supply and appliances re-established leaving the customer on supply and safe.
9. If an unsafe issue is highlighted on the installation and / or appliance. We can now leave that single appliance isolated and refer into our charity partners to complete any further works.

Along with testing for CO we are also utilising the upskilled engineers' downstream qualifications to complete further downstream work which includes:

- Pipework faults, trace and repairs which fall out of our current license conditions.
- Safety inspections of gas appliances that haven't been checked within 12 months.
- Servicing of appliances

Installation of Gas cooking appliances

All the above services are offered to customers who are on or qualify to be on the PSR register.

Phase 1 - 21/22	Phase 2 – 21/22	Phase 3 – 22/23
<ul style="list-style-type: none"> • Submit a deviation and gain approval from engineering services / policy to undertake fumes investigation work and other services beyond the meter work types • Take several engineers from different locations in the networks and re-assess them on their competencies to work on appliances and downstream of the Gas Meter • Once re-assessed we will upskill the engineers to hold CMDDA1. • Train the engineers internally and send externally for initial assessment for CMDDA1. • Brief operational & customer teams on the process prior to go live. 	<ul style="list-style-type: none"> • Utilise our training centre in Hitchin to accommodate the training and upskilling of the additional competencies that our engineers require to do this work type. • Work alongside our IS process teams to create a work type for our engineers to raise these work orders via their field force devices. Removing the manual side of the process in creating another work order. • Evaluate the pilot and address any blockers. Document and build on the successes. • Prove there is value in a GDN undertaking this work and proving there is a positive SROI. • Work along side Northern Gas networks and assist in their roll out. 	<ul style="list-style-type: none"> • Expand work across whole business footprint EM, EA, WM, NW. • Upskill approximately 40 additional resources to complete Services Beyond the Meter work types. • Employ a Network lead in EM, EA, WM. To oversee the safe operation of Services Beyond the Meter in their own geographical area. • Embed Services Beyond the Meter into core systems. • Provide engineers with energy advice training to directly deliver with the customers while on site. • Continue to prove the value in delivering these work type at local and national levels.

	<ul style="list-style-type: none"> • Pilot the process in parts of the Eastern network and the North West Network with a small number of engineers. Test the process and identify any blockers and document the successes. • Use existing manual task to create a further work type and capture data from the pilot to form a new work task for wider roll out of the project. 		
<p>Why the Project is Being Funded Through the VCMA</p>	<p>This project is directly helping the challenges being faced by customers in vulnerable situations every single day and especially in light of the cost of living and energy crisis which is being felt across the UK. This project forms part of our work which supports customers living in fuel poverty, helping them stay safe, warm, and independent in their homes.</p> <p>We have assessed the project eligibility against the criteria laid out in the VCMA governance and it meets them all. The scope of this project goes well beyond the work we would class as business as usual, and we believe its pushing the boundaries in way which a GDN can support its most vulnerable customers.</p> <p>When one of our Engineers attends an emergency report of Carbon Monoxide the mostly likely outcome will be the customer being left off supply. This is our standard licence conditions executed. By isolating the supply at the meter outlet leaving the customer without heating, hot water and potentially cooking facilities.</p> <p>This can leave the customer in a very vulnerable situation with nowhere to turn which could lead to other safety issues like:</p> <ul style="list-style-type: none"> • Customer self-reconnection • They continue to live without heating or hot water due to affordability issues. • Employment of rogue traders • Pay day loans to fund 		
<p>Evidence of Stakeholder/Customer Support</p>	<p>We have conducted extensive stakeholder and customer feedback to hone and shape our strategy for supporting customers living in vulnerable situations in RIIO-GD2.</p> <p><u>Key Stakeholders engaged for this project:</u></p> <p>Gas Safe Register Head of Stakeholder & Large Business Relationships</p> <p>“This is a great idea as there is circa 140,000 registered engineers on the Gas Safe Register yet there are only circa 2,000 of them that carry the CMDDA1 qualification. Having the ESP (emergency service providers) engineers being able to react to this work, it will be a great outcome for consumers in vulnerable situations where a trusted competent engineer can deem what remedial work, if any, is required”.</p> <p>HSE Downstream Senior Gas Investigation Policy Officer</p> <p>“This is great area of work to explore to reduce the impacts of CO on Gas consumers. If Cadent engineers can carry out this work, then why wouldn’t they as they’re the first responders on site”.</p> <p>BEIS Policy Advisor</p> <p>“What a great idea to go a step further to support your customers in vulnerable situations. It’s great to see Cadent taking an initiative in this area of work and utilising their field operatives to give a better customer experience”.</p> <p>NEA – National Energy Action Project Management & Policy Team</p> <p>“This is potentially a great lifeline for the people who wouldn’t be able to afford a Gas Safe Registered engineer to reinstate their supply after an investigation has taken place. Nor would these consumers have an engineer to call in the first place. Using</p>		

	<p>your existing workforce to help the people who need it the most can only result in a positive outcome for all involved”.</p> <p>Citizens Advice Customer Engagement Team</p> <p>“You can provide a better service for your customers who would usually be left without Gas. Providing this service to your customers in vulnerable situations is really showing that Cadent are focusing more on their customers than ever before. We would like to see this happen”.</p> <p>Customer and stakeholder insight / feedback around CO</p> <p>Stakeholders recognise the value of Cadent’s work on CO and want to see networks adopt innovative new approaches to eradicate the dangers E.g., targeting dangerous appliances, repairing / replacing where appropriate.</p> <p>Strategy / policy</p> <p>“Ofgem / Industry bodies want to see networks go above and beyond the minimum level of service and deliver services with a strong social return on investment to protect the most vulnerable.</p> <p>Customers in vulnerable situations workshop</p> <p>During NGN's November 2021 Energy Crisis / Partnership Working Workshop, stakeholders said the energy crisis will result in people not getting their appliances serviced every year, which increases the risks of CO poisoning.</p> <p>NGN CO Research August 2022</p> <p>Customer self rating of CO awareness, captured during the recent CO research project 2022</p> <p>In 2022, around 6 in 10 customers felt they have good awareness of Carbon Monoxide (CO). This was significantly higher than last wave in 2020.</p> <p>Older customers, especially those retired, as well as males have higher levels of claimed CO awareness when compared to those younger or females.</p> <p>Customers in Bradford recorded lower awareness than East Riding and Wear. Home owners are more likely to have better awareness of CO than those who rent or live in shared accommodation.</p> <p>Overall, Cadent and NGN have both received strong stakeholder and customer support to justify their investment of VCMA funding into this collaborative project</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>We aim to re-instate our customers’ supply after we have made safe (as per current licence obligations) following a report of CO alarm activation / suspect of fumes, or a fault on the customers installation.</p> <p>The aim for this is to be done either the same day, the next working day, or a date to suit the customer. Success is re-instating the customers gas supply within a working day and to not leave the customer in a vulnerable situation by having an isolated gas supply or ensuring the customer doesn’t self-reconnect their supply.</p> <p>Additionally, we will issue customers a new CO alarm to those who don’t have one or require a replacement as well as raising their awareness relating to Gas Safety, CO, the PSR, and any support that will benefit them.</p>

	<p>The below data details the outcome of the visits made to the customers properties following initial isolation and the subsequent outcome following the attendance of our upskilled engineers.</p> <p><u>CMDDA1 Outcomes</u></p> <ul style="list-style-type: none"> • 649 - Co investigations completed • 442 - Left completely live and in use • 181 - Single appliance isolated (main source of heat left on) • 26 - left capped at meter outlet (referred on to charity partner) <p>Under normal BAU activities all these jobs would have been left isolated at the meter outlet leaving the customer off supply.</p> <p>We aim to leave all the customer we visit through SBTM activities in a more positive situation as a result of our visit.</p>
<p>Project Partners and Third Parties Involved</p>	<p>Kane International, Kane House, 11 Bessemer Road, Welwyn Garden City, Hertfordshire, AL7 1GF</p> <p>Northern Gas Assessment services, Unit 3b, Denaby Lane Industrial Estate, Coalpit Road, Doncaster, DN12 4LH</p>
<p>Potential for New Learning</p>	<p>Areas for new learning throughout this project include:</p> <ul style="list-style-type: none"> • Potential scope for GDNs to work downstream of the gas meter to provide further support to customer living in a vulnerable situation. • Take learning and success from the project and look to mirror in other processes and across the wider industry. <ul style="list-style-type: none"> • Train and upskill our engineers to identify in greater detail appliances that are at risk of CO • Identify appliances that are most common in customers' homes who are vulnerable and the ones that are at risk of CO. This will allow us to take a proactive approach to these appliances when we come across them in other homes. • Upskilled workforce to identify vulnerability in customer • Have a workforce that can work on appliances in other process's that may be involved in the future like Hydrogen.
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scope</u></p> <p>Throughout the year of 2022 / 2023 we have been building a firm structure to deliver Services Beyond the Meter safely and effectively across our complete footprint North West, East Midlands, East Anglia, West Midlands and North London. Each area manager now has 2x upskilled engineers to complete Services Beyond the Meter activities in their area. We have also ring fenced a Network Lead who is responsible and accountable for all Services Beyond the Meter work types. This structure ensures a strong audit process, supervisory and due diligence when undertaking these additional tasks</p> <p>We have also upskilled 12x Northern Gas Networks engineers at our training centre which have all gone to an external assessment centre in Doncaster and successfully passed their assessments.</p> <p>Since the start of the project, we have trained and assessed a total of 64 x engineers for Cadent Gas and Northern Gas Networks this is where most of the costs are incorporated. Naturally there are front loaded costs at the start of the project for the training centre, tools and training.</p> <p>The bulk of Services Beyond the Meter work is Carbon Monoxide / Dioxide Atmosphere Testing. We are also completing pro active safety checks of gas appliances for some of the most vulnerable customers in our society, which are referred into us via our local charity partnerships.</p> <p>Year to date 22 / 23 we have completed:</p>

CMDDA1 checks: **649**

Appliance safety checks: **20**

Pipework trace / repair / replace: **24** (SROI Calculations to be confirmed)

Cooker replacement: **8**

SROI

We have had SROI calculations completed for CMDDA1 and appliance safety checks please see the below forecasts:

Year 2

- CMDDA1- £846.00 per job x 649
- 5-year gross present value - **£549,054,00**
- 5-year SROI- **£421,850,00**
- Appliance safety check- £469.00 per job x 20
- 5-year gross present value - **£9,380,00**
- 5-year SROI - **£7,380,00**
- **Total SROI (Net)- £429,230,00**

Year 3


- CMDDA1- £846.00 per job x 1000
- 5-year gross present value - **£849,000,00**
- 5-year SROI - **£652,432,73**
- Appliance safety check- £469.00 per job x 250
- 5-year gross present value - **£117,250,00**
- 5-year SROI - **£92,250,00**
- **Total SROI (Net)- £744,682,00**

Year 4

- CMDDA1- £846.00 per job x 2000
- 5-year gross present value - **£1,698,000,00**
- 5-year SROI- **£1,304,860,00**
- Appliance safety check- £469.00 per job x 500
- 5-year gross present value - **£234,500,00**
- 5-year SROI - **£192,000,00**
- **Total SROI (Net)- £1,496,860,00**

Year 5

- CMDDA1- £846.00 per job x 4000

	<ul style="list-style-type: none"> • 5-year gross present value - £3,396,000,00 • 5-year SROI - £2,606,720,00 • Appliance safety check- £469.00 per job x 1000 • 5-year gross present value - £469,000,00 • 5-year SROI - £368,900,00 • Total SROI (Net)- £2,975,620 <div style="display: flex; justify-content: space-around; align-items: center;">  <div style="border: 1px solid black; padding: 5px;"> <p>Please see the attached SROI calculations for Services Beyond the Meter</p> </div> </div>
VCMA Project Start and End Date	<p>Project start date: 1th April 2021</p> <p>Project end date: 1st April 2026</p>
Geographical Area	<p><u>Cadent Gas</u></p> <p>North West West Midlands East Midlands North London East Anglia</p> <p><u>Northern Gas Networks</u></p> <p>* * * * -</p>
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: TBC following 2022-2023 RRP</p> <p>Project costs: £606,751.48 (£2,364,736.51 total forecasted costs 2022-2026)</p> <p>Remaining following this project:</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:
Job title:

GDN:	Name(s):
Cadent	Sam Graham
NGN	Steve Dacre
SGN	
WWU	

Stage 2: GD2CVG Panel Review

Date review completed:

Review completed by:

Job title:

GDN:	Name(s)
Cadent	Phil Burrows
NGN	Eileen Brown
SGN	
WWU	

Step 3: Participating GDN individual signatory sign-off

GDN	Name(s)	Signature(s)	Date
Cadent:	Phil Burrows	<i>Philip Burrows</i>	30.03.2023
NGN:	Eileen Brown	<i>E Brown</i>	30.03.2023
SGN:			
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: 30/03/2023

Date that Notification Email Sent to Ofgem: 30/03/2023