

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)  
*Helping Hands Partnership*

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October 2023



## 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 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"> <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 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
<b>Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair, and replacement projects</b>	
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
<b>Section 3 - Eligibility criteria for collaborative VCMA projects</b>	
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**

<b>Information Required</b>	<b>Description</b>
<b>Project Title</b>	Helping Hands Partnership
<b>Funding GDN(s)</b>	Cadent – West Midlands Network
<b>New / Updated (indicate as appropriate)</b>	New VCMA Project
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Not applicable – company-specific project
<b>Date of PEA Submission</b>	October 2023
<b>VCMA Project Contact Name, email, and Number</b>	Contact Name: Phil Burrows Contact Title: Head of Customer Vulnerability Social Programme Delivery Contact Number: 07773 545451 Contact Email: phil.m.burrows@cadentgas.com
<b>Total Cost (£k)</b>	Total Cost = £23,934.56 Partner Delivery Costs = £23,014.00 Project Management Costs @4%= £920.56
<b>Total VCMA Funding Required (£k)</b>	£23,934.56
<b>Problem(s)</b>	There are many people in fuel poverty and there is a greater proportion who are vulnerable and struggle to access the benefits that they are entitled to. This may be because people struggle to navigate the benefit system or simply have a lack of knowledge of benefit entitlement. The project seeks to provide expertise to target and support these people to help take them out of fuel poverty.
<b>Scope and Objectives</b>	<p><u>Project Scope</u></p> <p>The project focuses on using VCMA funding for Leicestershire-based charity Helping Hands for the purpose of recruiting a specialist income maximisation advisor. The specialist advisor will work alongside mobile food pantry sessions delivered by Feed the Hungry Coventry, allowing vulnerable households receiving subsidised groceries to access free, expert, tailored income maximisation support.</p> <p>The Helping Hands advisor will be able to support an average of two clients per mobile food pantry session on topics such as: means tested benefits eligibility checks, completing applications forms, claims support, and wider budgeting advice.</p> <p>In addition to the above quantitative objectives, the project also aims to achieve the following qualitative objectives:</p>

	<ul style="list-style-type: none"> <li>• Households supported through the project will report reduced feelings of stress due to feeling in better control of their household finances.</li> <li>• Customers will report improved feelings of comfort at home due to increases in their disposable household income, resulting in an increased ability to heat their homes to a healthier temperature.</li> </ul>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>Cadent believes that this project meets all of the VCMA company specific eligibility criteria:</p> <p><b>A. The project is forecasted to have a positive social return on investment (SROI):</b>  The project will offer advice and assistance to clients attending a Leicestershire-based mobile food pantry, allowing them to maximise their household income and claim their full entitlement of means tested benefits. Cadent has an appreciation of the social value generated through funding income maximisation work and more detail of the project's positive SROI can be found in the relevant section below.</p> <p><b>B. The project will either:</b></p> <ul style="list-style-type: none"> <li>i. <b>Provide support to consumers in vulnerable situations and relate to energy safeguarding, or,</b></li> <li>ii. <b>Provide awareness on the dangers of CO, or,</b></li> <li>iii. <b>Reduce the risk of harm caused by CO</b></li> </ul> <p>The project will provide support to consumers in vulnerable situations and relate to energy safeguarding by offering clients that access a mobile food pantry to Helping Hands' free, specialist income maximisation advice.</p> <p><b>C. Have defined outcomes and the associated actions to achieve these:</b>  This project has clearly defined outcomes and success criteria, and the associated actions to meet them. Further information on the project's outcomes, associated actions, and success criteria can be found in the relevant section below.</p> <p><b>D. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and:</b>  Cadent believes that this project goes outside of activities funded through other price control mechanisms, due to the nature of service being offered and the method through which customers are being engaged.</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>  This project will be solely funded through Cadent's VCMA and will not access external funding sources.</p>

<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>Cadent continues to conduct regular stakeholder and customer engagement on its customer vulnerability strategy. These engagement activities act as temperature checks and ensure that Cadent's approach to investing its VCMA remains up to date and reflects the needs of communities.</p> <p>Cadent conducted a customer and stakeholder insights project following the completion of financial year 2022-2023. The project was specifically aimed at gauging customers' and stakeholders' perceptions of Cadent's RIIO-GD2 year two VCMA delivery and built upon a similar project conducted in July 2022 – allowing us to identify both trends and differing views year on year.</p> <p>The customer surveys element of the 2022-2023 project found that tackling affordability and fuel poverty was top of mind. Every customer engaged as part of the project reported affordability as a concern, with many pointing to the mental and physical health impacts that they had directly experienced as a result of the cost of living/fuel crisis.</p> <p>The Helping Hands Partnership October 2023 will be targeted at customers impacted by affordability concerns, through engaging attendees of Cadent's VCMA-funded mobile food pantry. The mobile food pantry attendees will be offered tailored income maximisation and budgeting advice, increasing their disposable income, and alleviating previous concerns.</p> <p>Additionally, stakeholders were asked to comment on Cadent's current and proposed funding allocation to each of the four VCMA pillars – 1) tackling affordability and fuel poverty, 2) carbon monoxide awareness, 3) going beyond to never leave a customer vulnerable without gas, and 4) identifying individual needs and joined up services.</p> <p>Stakeholders supported Cadent's current split of its VCMA funding, with 45% of all allowances focussed on tackling affordability and fuel poverty. Stakeholders felt that because this is such a pressing issue, a larger proportion of Cadent's funding should go towards this VCMA pillar. Stakeholders acknowledge that in 'normal times' they might also think differently but in the short term they consider tackling affordability and fuel poverty hugely important.</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 provide Helping Hands with VCMA funding and will facilitate a partnership with Feed the Hungry Coventry – a charity that operates the VCMA-funded mobile food pantry project. The funding will be used to employ a specialist income maximisation advisor that will attend three mobile food pantry sessions per week.</p>

The Helping Hands October 2023 Partnership will achieve the following outcomes:

- Mobile food pantry clients will be offered access to the Helping Hands-delivered specialist income maximisation advice service.
- Clients accessing the service will receive tailored advice on their eligibility, and how to claim means tested benefits.
- Recent data from Helping Hands stated that 472 clients achieved a saving of £213,977 across a three-month period. This equates to an average saving of £453 per client and equates to £9,060 per client profiled for a 5-year period.

#### Associated Actions

Cadent, Helping Hands, and third party Feed the Hungry Coventry will complete the following associated actions to achieve the project's outcomes and success criteria:

- Cadent will provide Helping Hands with VCMA funding for the purpose of recruiting a specialist income maximisation advisor on a three day per week basis.
- Cadent will facilitate a partnership between Helping Hands and Feed the Hungry Coventry for the purpose of coordinating the specialist advisor's activities with mobile food pantry visits.
- Helping Hands will recruit and train an advisor to be able to deliver expert, tailored income maximisation advice to mobile food pantry clients.
- Feed The Hungry Coventry will liaise with Helping Hands to ensure resources are aligned, ensuring that the specialist income maximisation advisor has access to mobile food pantry sessions.

#### Success Criteria

The meeting of the below criteria will help Cadent to evaluate the success of the project:

- The Helping Hands specialist advisor will support an average of two clients per mobile food pantry session, equating to a total of 258 customers across the twelve-month duration of the project.
- Clients supported by Helping Hands will achieve an average 5-year financial benefit of £9,060, equating to a total financial benefit of £2,337,480 across all 258 customers assisted across the term of the project.

In addition to the above quantitative criteria, the below qualitative positive indicators will be assessed when measuring the project's success:

- Households supported through the project will report reduced feelings of stress due to feeling in better control of their household finances.

	<ul style="list-style-type: none"> <li>Project clients will report improved feelings of comfort at home due to increases in their disposable household income, resulting in an increased ability to heat their homes to a healthier temperature.</li> </ul>
<b>Project Partners and Third Parties Involved</b>	<p>The project will principally be delivered in partnership with Leicestershire-based charity Helping Hands.</p> <p>The project will be delivered in unison with the VCMA-funded mobile food pantry, operated by Coventry Feed the Hungry.</p>
<b>Potential for New Learning</b>	<p>The Helping Hands October 2023 partnership offers Cadent the opportunity for new learning.</p> <p>For example, the project tests a new model of Cadent facilitating links between previously separate VCMA projects for the purpose of providing a more holistic service to customers in vulnerable situations.</p> <p>The mobile food pantry utilises Feed the Hungry Coventry’s specialisms in sustainably tackling food poverty, whereas the Helping Hands October 2023 partnership funds access to support to alleviate financial hardship.</p> <p>It is Cadent’s and the project delivery partners’ belief that there are intrinsic links between a vulnerable household’s risk of experiencing both food poverty and financial hardship – financial hardship is a factor in determining a household’s chance of experiencing food poverty.</p> <p>The joining up of Cadent-VCMA funded projects forecasts to provide new learning on the benefits in terms of engagement, targeting of customers in severe need (the mobile food pantry membership almost “pre-qualifies” customers for assistance from Helping Hands), and reducing costs through avoided duplication.</p>
<b>Scale of VCMA Project and SROI calculations, including NPV</b>	<p><u>Scale of VCMA Project</u></p> <p>The project will be delivered on a twelve-month basis in partnership with financial hardship charity – Helping Hands. Cadent’s VCMA funding will be used to recruit a specialist income maximisation advice on a three day per/week basis. The advisor will collaborate with the Cadent VCMA-funded mobile food pantry project, enabling food pantry attendees to access specialist advice alongside subsidised groceries. Helping Hands forecast to support an average of two clients per Mobile Food Pantry session, equating to a total of 258 customers across the project’s full duration. Cadent and Helping Hands have forecasted that each client accessing income maximisation advice will realise a five-year financial benefit of £9.060.</p> <p><u>SROI Calculations, Including NPV</u></p> <ul style="list-style-type: none"> <li>SROI = &gt;£90:£1</li> <li>5-year SROI = £2,313,545.44</li> <li>1-year SROI = £443,563.44</li> <li>5-year GPV = £2,337,480.00</li> <li>1-year GPV = £467,498</li> <li>Investment = £23,934.56</li> </ul>

	Project Partner - Helping Hands shared recent case data to evidence the savings that previous clients actually realised. 472 Helping Hands clients realised actual savings of £453 over a quarter, equating to £9,060 per client profiled over a 5-year period.
<b>VCMA Project Start and End Date</b>	Project Start Date: 1 <sup>st</sup> November 2023 Project End Date: 30 <sup>th</sup> October 2024
<b>Geographical Area</b>	The project will be delivered across communities in South Leicestershire that predominantly fall under Cadent's West Midlands network.

### **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: 28/02/24	Review Completed By: Nicola Campbell
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 20/03/2024	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: 20/03/2024	
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: March 2024	
Date that Notification Email Sent to Ofgem: March 2024	



