GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Services Beyond the Meter

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Date- TBC

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: **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)	**£585,995,01- Broken down below** ***CADENT GAS - £523,293,89*** • 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 ***NORTHERN GAS - £62,701,12*** • Engineers training £9,437,12 • Tools and equipment £41,000,00 • Assessment £12,264,00
Total VCMA Funding Required (£k)	**£585,995,01**
Problem(s)	Our emergency engineers enter thousands of homes across our footprint each year, attending to any Natural Gas or Carbon Monoxide emergency. Our primary focus completing this work is to ensure the customer and property are safe from the above dangers. Attending to the above we come across a large portion of customers living in vulnerable situations, this group of customers usually 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 have established the need to isolate the gas supply. This would mean that any gas appliances in the property will be left "safe" but in operational leaving the customer without heating, hot water or cooking facilities. This can cause a lot of undue stress with customers not knowing who to turn to for help. In reality they will usually just go without or take the risk of self-reconnection of a dangerous gas appliance, which could lead to a whole host of dangers. Further more speaking to these customers the interaction with the GDN can be a negative one from their perspective. This could mean when they are in actual danger in the future they

	may not contact the gas emergency helpline because they are scared of us turning off their gas supply. A lot of the time 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 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 and warm in their own home giving them another avenue where there was none before. 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. 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. 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 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 engineer's downstream qualifications to complete further downstream work which will include: • Pipework faults, trace and repairs which fall out of our current license conditions. • Safety inspections of gas appliances, which would apply to appliances that haven't been checked within 12 months. • Servicing of appliances which would apply to customer who own their own home and could be at risk CO exposure. • Installation of Gas cooking appliances which are usually owned by the occupier in rented accommodation. This also would normally be completed by our charity partner. **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
• 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.	• 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	• 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

	• Brief operational & customer teams on the process prior to go live. • 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.	and proving there is a positive SROI. • Work along side Northern Gas networks and assist in their roll out.	directly deliver with the customers while on site. • Continue to prove the value in delivering these work type at local and national levels.

Why the Project is Being Funded Through the VCMA	This project is directly helping the challenges being faced by customers in vulnerable situations every single day, 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. 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. When one of our emergency engineers attends an emergency report of Carbon Monoxide the mostly likely outcome will be the customer being left off supply. The reason for this is the lack of equipment and knowledge to confirm the gas appliances are safe so we naturally default to making it safe. By isolating the supply at the meter outlet leaving the customer without heating, hot water and potentially cooking facilities. This can leave the customer in a very vulnerable situation with nowhere to turn which could lead to other safety issues like: • Customer self-reconnection • They continue to live without heating or hot water due to affordability issues. • Employment of rogue traders
Evidence of Stakeholder/Customer Support	We have conducted extensive stakeholder and customer feedback to hone and shape our strategy for supporting customers living in vulnerable situations in RIIO-GD2. <u>Key Stakeholders engaged for this project:</u> **Gas Safe Register | Head of Stakeholder & Large Business Relationships** “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”. **HSE | Downstream Senior Gas Investigation Policy Officer** “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”. **BEIS | Policy Advisor** “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”. **NEA – National Energy Action | Project Management & Policy Team**

	"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 your existing workforce to help the people who need it the most can only result in a positive outcome for all involved". **Citizens Advice | Customer Engagement Team** "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". **Customer and stakeholder insight / feedback around CO** 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. **Strategy / policy** "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. **Customer comments**
Outcomes, Associated Actions and Success Criteria	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. 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. 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. **CMDDA1 Outcomes** • **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)** Under normal BAU activities all these jobs would have been left isolated at the meter outlet leaving the customer off supply.
Project Partners and Third Parties Involved	**Kane International, Kane House, 11 Bessemer Road, Welwyn Garden City, Hertfordshire, AL7 1GF** **Northern Gas Assessment services, Unit 3b, Denaby Lane Industrial Estate, Coalpit Road, Doncaster, DN12 4LH**
Potential for New Learning	Areas for new learning throughout this project include: • Potential scope for GDNs to work downstream of the gas meter to not leave a customer in a vulnerable situation relating to CO / fumes and support such as appliance checks and rectifying pipework faults • Take learning and success (getting a customer back on supply in short time) from the project and look to mirror in other process' • 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. • Have a workforce that can work on appliances in other process's that may be involved in the future like Hydrogen.
Scale of VCMA Project and SROI Calculations	**<u>Scope</u>** 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 task types in their area. We have also ring fenced a Network Lead who is responsible and accountable for all Services Beyond the Meter work types. 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. 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 the most of the costs are incorporated. 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. Year to date 22 / 23 we have completed: CMDDA1 checks: **649** Appliance safety checks: **20** Pipework trace / repair / replace: **24** (SROI Calculations to be confirmed) Cooker replacement: **8** **<u>SROI</u>** We have had SROI calculations completed for CMDDA1 and appliance safety checks please see the below: • CMDDA1- £846.00 per job x 649 • SROI- **£549,054,00** • Appliance safety check- £469.00 per job x 20 • SROI- **£9,380,00** • Total SROI- **£558,434,00** The SROI for this year is lower than in future years due to extensive one off costs for training and training centre costs.
VCMA Project Start and End Date	Project start date: 1th April 2021 Project end date: 1st April 2023
Geographical Area	**<u>Cadent Gas</u>** North West West Midlands East Midlands North London

	East Anglia **Northern Gas Networks**
Remaining Amount in the Allowance at Time of Registration	Remaining funding left in the Licensee's/ Licensees' funding pot. Amount before this project: Project costs: Remaining following this project:

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:	Philip Burrows	Philip Burrows	30/03/2023
NGN:	Eileen Brown		
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:
Date that Notification Email Sent to Ofgem: