GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Warm Homes Network - Fuel-poverty partner ecosystem 2023 to 2026

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Updated by:

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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: **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;	**NA**
b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	**NA**
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.	**NA**

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;	**Yes**
b) Have the potential to benefit consumers on the participating networks; and	**Yes**
c) Involve two, or more, gas distribution companies.	**Yes**

[1] State of Health in the City [2]Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - Project Registration Table 2

Information Required	Description
Project Title	Warm Homes Network - Fuel-poverty partner ecosystem 2023/24 (Birmingham and Cumbria pilots) Updated November 2024 Warm Homes Network - Fuel-poverty partner ecosystem 2023 to 2026
Funding GDN(s)	Cadent Gas Limited and Northern Gas Networks Limited.
Role of GDN(s) ***For Collaborative VCMA Projects only**	Cadent Gas Limited (lead GDN) and Northern Gas Networks Limited will provide VCMA funding to multiple delivery partners (YES Energy Solutions, Groundwork West Midlands, Pennysmart CIC, National Energy Action, Citizens Advice – Carlisle and Eden, Cumbria Action for Sustainability, Sia Partners) to deliver a range of services (needs assessments, income maximisation, debt advice, energy efficiency advice) to vulnerable customers. Updated November 2024 Cadent Gas Limited (lead GDN) and Northern Gas Networks Limited will provide VCMA funding to multiple delivery partners (YES Energy Solutions, Turn2Us, Citizens Advice Manchester,) to deliver a range of services (needs assessments, income maximisation, debt advice, energy efficiency advice) to vulnerable customers.
Date of PEA Submission	March 2024
VCMA Project Contact Name, email and Number	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451
Total Cost (£k)	Cadent - £865,636.79 Cadent Foundation - £35,916 (not included in VCMA funding). NGN - £231,676.20 Updated November 2024 Cadent £2,209,975.00 NGN £1,130,221.00
Total VCMA Funding Required (£k)	£1,097,312.99 Updated November 2024 £4,437,508.99
Problem(s)	Cadent and NGN will continue to work with expert partners to deliver two Fuel Poverty Partner Ecosystem pilots alongside a scaling strategy which will guide the implementation of the newly developed service in a wider range of regions.

[1] State of Health in the City [2] Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

	The first phase of the Fuel Poverty Partner Ecosystem focussed on understanding the challenges that fuel poor households face and the barriers that organisations face in delivering support to alleviate fuel poverty. In the subsequent phases, a new proposition which joins-up support services for fuel poor customers will be designed and tested in two regions (Birmingham and Cumbria). Learnings from these pilots will be taken into a future phase which will involve forming a scaling strategy with the ambition to launch a nationwide service for vulnerable customers under the name 'the Warm Homes Network' in 2024. <u>Challenges faced by fuel poor households</u> Fuel poverty remains a prominent form of hardship that impacts millions of households across the United Kingdom. The government's 2022 fuel poverty statistics illustrate the scale of hardship. For example, the 2022 statistics state that 13.4% of UK households are currently living in fuel poverty. There are areas of Cadent's network that report levels of fuel poverty significantly higher than the national average of 13.4%; with a greater proportion of households in the West Midlands (19.2%) and Yorkshire and the Humber (15.9%) experiencing fuel poverty.[1] Applying the 13.4% national average, approximately 1,474,000 households are currently living in fuel poverty across Cadent's network. Fuel poverty can have many adverse effects on the health of residents living in this form of hardship. For instance, a recent National Energy Action (NEA) article listed the following negative impacts: • 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. 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 a higher risk of residents experiencing cold housing conditions. 2017/2028 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 to be £1,897,129.00. A household's risk of experiencing fuel poverty in principally influenced by three factors:

[1] https://assets.publishing.service.gov.uk/media/63fcdcaa8fa8f527fe30db41/annual-fuel-poverty-statistics-lilee-report-2023-2022-data.pdf

[1] State of Health in the City [2]Deprivation Factfile - Liverpool Express

2 Fuel poverty in the UK - House of Commons Library

- The price of fuel,
- The levels of available household income, and,
- Property energy efficiency and customer behaviours.

Recent increases in the cost of living have caused customers to have less available household income to afford their required fuel costs.

Additionally, increases in the energy price cap have led to the cost of fuel rising, and many experts predict that both socio-economic factors will cause rises in fuel poverty.

This project aims to support households living in fuel poverty by creating a community of organisations that can codesign and deliver initiatives that aid customers. This assistance may include fully funded fuel poverty solutions such as income maximisation, debt management, energy efficiency, and retrofit (funded outside of the VCMA). This community approach also aims to generate a greater social return on investment by maximising the support offered to customers and creating cost savings/efficiencies.

Barriers that organisations face in delivering support to alleviate fuel poverty

Both customers and funders can face barriers to accessing and delivering fuel poverty support. These barriers can lead to duplication, whereby a customer is receiving a confusing mixture of the same message, and a funder is investing capital in an initiative that is delivering support that is broadly similar to other national/local programmes.

Due to the increases in the cost of living and the energy price cap, many regulated and non-regulated organisations are committing more funds to tackling the issue of fuel poverty. However, funders face challenges in delivering support to households who stand to benefit most from this additional support.

For example, customers' awareness on the amounts and types of support available remains at a level where millions of households miss out of assistance. For instance, the government's energy price guarantee reduces bills for people on direct debits and provides vouchers to prepayment meter customers. Despite voucher uptake increasing in recent months (£1.7mil worth of vouchers claimed in January 2023), the Department for Business, Energy, and Industrial Strategy report that 24% of pre-payment meter vouchers remain unclaimed.

As well as low levels of customer awareness presenting challenges to organisations working to alleviate fuel poverty, the issue of identification remains a barrier to delivering support. Households living in fuel poverty can be difficult to identify due to a number of factors including:

- The transient nature of property occupation. Many customers that stand to be most at risk of experiencing fuel poverty (due to lower levels of household income) can occupy private rented and social housing

[1] State of Health in the City [2] Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

	properties. It is not uncommon for customers to move from property to property, presenting challenges to agencies that are attempting to identify households most in need of support. • Data sharing. Organisations such as charitable foundations and regulated utility networks can often have existing access or obtain data on fuel poor households through their customer vulnerability activities. However, many organisations work in silos and are currently not sharing data outside of their organisations. GDPR compliance is an important factor in data sharing, but the many of the current ways of working do not help the industry to consistently identify customers living in fuel poverty. This project aims to overcome barriers such as customer awareness and identification by creating a community of organisations that can codesign and deliver initiatives that aid customers. These initiatives will consider important factors such as comms/marketing, the use of trusted organisations (e.g. well-known charities and local authorities) and the compliant sharing of data. **Updated November 2024** Cadent and NGN will continue to work with expert partners to deliver an extension to the Fuel Poverty Partner Ecosystem project (based on the original pilots) based on a scaling strategy which will guide the implementation of the newly developed service in a wider range of regions, starting with the Liverpool City Region. Liverpool is the third most deprived local authority in England out of 317 English local authorities, with 63% of residents living in areas ranked among the most deprived in England, and 3 in 10 children living in poverty[1]. Liverpool has the second highest number of areas in the most deprived 10% nationally[2]. **Updated March 2025** With the addition of NGN funding delivery will also be made in Leeds and Sunderland. Sunderland and Leeds are two densely populated areas within NGN's network. Both cities rank in the top 1% deprived areas in the country and have a life expectancy lower that the national average. Findings published by the Department for Energy Security and Net Zero for the year 2022, show that in England, 3.18million households (13.1%) are fuel poor and 43,000 households in the North East are living in fuel poverty. Sunderland has very high levels of fuel poverty, food poverty, people living in older, cold and uninsulated or hard-to-heat homes. Many of these vulnerable customers are not aware of energy support, food and crisis support, income maximisation advice available and are

[1] State of Health in the City [2] Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

	less likely to be aware of, or be included in, the Priority Services Register (PSR). Local people in Leeds face multiple, compounding health inequalities. There is a prevalence of low-income households and inter-generational unemployment. Literacy skills are below the national average in Leeds, whilst the number of benefit claimants is higher than the national average. According to a Parliament briefing published in November 2024[2]: “fuel poverty relates to households that must spend a high proportion of their household income to keep their home at a reasonable temperature. Fuel poverty is affected by three key factors: a household’s income, their fuel costs, and their energy consumption (which in turn can be affected by the energy efficiency of the dwelling). The rapid increases in energy prices from late 2021 onwards led to higher energy debt, more customers on prepayment meters ‘self-disconnecting’ and others having to drastically cut their energy usage. This, along with wider cost of living pressures, have all led to heightened concerns about the extent and severity of fuel poverty and its impact on people.
Scope and Objectives	Cadent and NGN will deliver the Fuel Poverty Partner Ecosystem project. Cadent has identified an opportunity to lead on a piece of work that will evaluate how fuel poverty support is currently delivered and pilot a new improved way of working collaboratively. The term "partner ecosystem" defines a community of partners with aligned objectives that leverage each other's capabilities to achieve a set of mutually beneficial outcomes - in this case, the common goal of tackling fuel poverty. The first phase of the Fuel Poverty Partner Ecosystem project focussed on understanding the needs of fuel poor households, the barriers of organisations supporting those needs and assessing how organisations deliver fuel poverty initiatives. This involved over 40 stakeholder interviews with GDNs, DNOs, charitable trusts, local city councils and large multi-national corporations. The second phase of the Fuel Poverty Partner Ecosystem will be focussed on designing two partner ecosystem pilots in Birmingham and Cumbria through engaging over 50 potential partner organisations, conducting 5 collaborative workshops and onboarding 14 delivery partners across the two pilots. A vision and proposition will be developed collaboratively with partners. Ways of working are to be defined, and infrastructure established to enable the delivery of a novel service in Birmingham and Cumbria which joins up delivery mechanisms to streamline fuel poverty support for vulnerable customers. The third phase will involve continuing and extending the delivery of pilot propositions in Birmingham and Cumbria whilst gathering learnings to guide the design and delivery of a scaled proposition to cover a larger region within the United Kingdom.

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	The partner ecosystem will also consider wider collaborative working factors including: • The joint and consistent measurement of social value and other metrics across the industry; • How regulated network business plans and customer vulnerability strategies are informed; • The duplication of programme coverage and minimising the risk of creating a postcode lottery with how fuel poverty support is delivered. <u>Project Objectives</u> Overall, the Fuel Poverty Partner Ecosystem - Phases 1-3 aims to achieve the following objectives: • Increase understanding on the needs of fuel poor households. • Improve its awareness on the barriers facing organisations when working to support fuel poor households, and approaches to overcome them. • Assess the ways in which organisations (such as regulated energy networks) have delivered fuel poverty initiatives in the past, will identify best practice from these approaches, and identify limitations. • Receive interest from a range of stakeholders interested in joining the partner ecosystem and will map their capabilities and define roles against the categories of strategic, delivery, and support partners. • Co-design and deliver two pilots that provide fully funded fuel poverty solutions to customers in 2023-2024. • Gather learnings from both pilots and design a scaling strategy to expand the programme across a larger geography and eventually nationwide. • Gather further non-regulated funding to enhance the services offered to vulnerable customers to include things like energy efficient retrofit measures, job seeking advice and mental health support. • Use the platform of the partner ecosystem to promote wider collaborative working on factors such as the joint evaluation of fuel poverty projects, the informing of regulated energy network business plans, and the reduction of programme duplication. Overall, the fuel poverty partner ecosystem project has the objective of designing and testing a new approach to alleviating fuel poverty. The new approach will centre on the sharing of funding, expertise, resources, and customer relationships to deliver two pilots and a scaled programme that offers practical support to customers. Updated November 2024 Project Objectives

[1] State of Health in the City [2] Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

	The Fuel Poverty Partnership Ecosystem extension will be delivered by several partners including the Supplier and will create a One Stop Shop for customers in vulnerable situations to access a range of services designed to alleviate fuel poverty. **Citizens Advice Manchester (CAM)** Will deliver across and against 6 key interventions to support customers in vulnerable situations: 1. Income maximisation and welfare benefit advice to provide access to financial assistance including in /out of work benefits. 2. Advice and practical help to navigate the welfare benefit system including specialist level advice and casework to challenge decisions when and where appropriate. 3. Debt advice and management through providing regulated debt advice including access to debt solutions. 4. Money management through budgeting advice to increase resilience and providing information on digital tools which can increase financial capability. 5. Housing advice to help people remain in their homes through challenging landlord decisions and disrepair issues such as control of mould and damp and to reduce household energy consumption where possible 6. An increased customer ability to maintain health and well-being through raising awareness of Priority Service Register; the signs/ dangers of carbon monoxide and of what to do if clients suspect carbon monoxide; mobility, home safety and security. **YES Energy Solutions** Will deliver 1. Energy efficiency measures, home improvements and access to funding a. EPC Checker and measure recommendations b. Assistance accessing relevant funding and grants 2. Income maximisation* a. Benefit entitlement b. Warm Homes Discount c. Cold Weather Payments d. Winter Fuel Payments e. Fuel vouchers f. Alternative Fuel Payment g. Discounted Council Tax Bill

[1] State of Health in the City [2]Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

	3. Behaviour change / energy use advice a. Energy saving tips b. Smart Meters c. Understanding your energy bill d. Tariffs and supplier support with affordability e. Saving water 4. Resilience advice a. Priority Services Register sign-ups b. Befriending services 5. Low Carbon Technology readiness a. An overview of the different LCTs available b. Advice about the benefits and considerations of different technologies available c. Surveys with customers to gain a more in-depth understanding of the ongoing barriers to uptake d. Checks for available funding support (e.g. local authority schemes) in each area e. Smart meter uptake advice f. Energy saving advice **Turn2Us** Will deliver 1. The Turn2us Benefit Calculator and Grants Search as a portal service 2. The Turn2us chatbot will be extended in the first instance to identify potential users who would benefit from the WHN scheme and refer them directly to either CAM or Yes Energy, dependent on postcode and responses to qualifying questions by users (as set out by Yes Energy and CAM). 3. Turn2us will embed links to information about the scheme in all relevant information pages, refer eligible Helpline callers to the scheme and embed links to the chatbot throughout our sight. 4. Further iterations of the chatbot will increase the depth of energy support provided, accept incoming referrals for online financial information from WHN partners and refine the user journey as data is gathered.
Why the Project is Being Funded Through the VCMA	**A. The project is forecasted to have a positive SROI.** *Regarding social return on investment, the project has a point of difference when compared to the majority of GDN-funded VCMA projects. Cadent and NGN have analysed past and current GDN fuel poverty initiatives to understand the average SROI ratio that was achieved when working in on a one-to-one basis. We believe that the fuel poverty ecosystem approach has the potential to increase the SROI ratio on each pound spent by Cadent, NGN and other funding partners in the community.*

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[2] Fuel poverty in the UK - House of Commons Library

	Estimations conducted indicate a positive SROI. **B. The project will either:** **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** *The project relates to the provision of support to consumers in vulnerable situations and relates to energy safeguarding. The Fuel Poverty Ecosystem project will design an approach that maximises the support delivered to consumers living in vulnerable situations, by directing funding, resources, and insight towards the common goal of alleviating fuel poverty.* **C. The project has defined outcomes and the associated actions to achieve them.** *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.* **D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.** *We believe that this project goes outside of activities funded through other price control mechanisms due to:* *a) the types of support proposed to be delivered to consumers in vulnerable situations, and* *b) the method in which this support will be delivered (i.e. through a partner ecosystem approach).* **E. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding.** *The project will be delivered with Cadent and NGN's VCMA funding.*
Evidence of Stakeholder/Customer Support	Cadent and NGN sought a wide range of stakeholder and customer views when shaping its wider strategy for supporting fuel poor households and designing this project specifically. **<u>Stakeholder feedback on the Fuel Poverty Partner Ecosystem – the Warm Homes Network</u>** Cadent and NGN have conducted extensive stakeholder consultation on the partner ecosystem project. In the initial phase, stakeholder feedback was gathered over the course of 40 stakeholder interviews with GDNs, DNOs, charitable trusts, local city councils and large multi-national corporations. The key feedback received on challenges faced when working to alleviate fuel poverty were:

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	• **Limitations of current funding landscape:** Funding pots are limited in tenure and do not overlap. Schemes struggle to interact and do not encourage efficient spend. • **Customer engagement issues:** Some geographical areas are well off in terms of funding but struggle to encourage uptake. Fragmentation confuses customers, and generic services/message continue to dampen success rates. • **Onerous requirements for Partners**: With 10 networks, multiple suppliers, redress schemes etc. there's significant waste in the application process for funding. In addition, with no minimum standards, data reporting is weak/patchy. • **Complexity of cases:** Households usually get the support offered by the first organisation through the door. Due to the nature of the crisis, organisations aren't focused on specialisms, yet customers need more specialist support. This feedback encouraged the development of a proposition which will: • Coordinate funding, creating a mechanism that encourages a "sophisticated overlap" in funding availability. • Introduce a single point of contact, that can co-ordinate between various delivery organisations. • Put impact reporting at the centre of the scheme to add value, rather than create burdens. • Introduce clear role splits, with sufficient funding for organisations to focus on their specialisms.

Information Required	**Description**
Outcomes, Associated Actions and Success Criteria	**<u>Programme Level</u>** Outcomes: • Obtain an improved understanding on the needs of fuel poor households in 2023 and the current barriers organisations face in supporting those needs. • Assess the way in which organisations like regulated utility networks have delivered fuel poverty initiatives in the past. This will lead to a better appreciation of best practice, as well as the limitations that have minimised past benefit. • Define a potential partner ecosystem structure that defines roles and responsibilities for interested organisation into the categories of Strategic Partner, Delivery Partner, Support Partner. • Create a vision for how organisations will collectively deliver support to fuel poor households. This vision will be codesigned and may include outputs such as creating a "one stop shop that delivers fully funded financial, energy efficiency, and low carbon measures to support fuel poor customers".

[1] State of Health in the City [2] Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

- Co-design a pilot that will be delivered across an area of Cadent and NGN's network. The pilot will be co-designed with organisations engaged through the stakeholder engagement process, ensuring that the views of the wider industry are considered.
- Use the platform of the partner ecosystem to promote wider collaborative working on factors such as the joint evaluation of fuel poverty projects, the informing of regulated energy network business plans, and the reduction of programme duplication.
- Achieve the outcome of designing a new way of working that combines funding, expertise, resource, and data to achieve the common goal of effectively tackling fuel poverty in Great Britain.

Associated Actions:

- Obtain insight from over 40 organisations from across the industry. This will be used to help understand the challenges currently faced by funders, delivery partners, and customers, as well as helping to shape the partner ecosystem approach.
- Work with engaged organisations to define roles in the partner ecosystem that best utilise their capabilities.
- Design a partner ecosystem structure and vision that will be the basis of for the pilots to be delivered across an area of Cadent and NGN's network.
- Partner ecosystem members will share wider best practice on elements such as the joint evaluation of fuel poverty projects, the informing of regulated energy network business plans, and the reduction of programme duplication.
- Learnings from the pilots will be gathered to inform a scaling blueprint that outlines how pilots can be expanded to cover a larger region within the United Kingdom including a scaled MVP, and an understanding of scope, costs, and anticipated benefits at scale.

Success Criteria:

- Ensuring that a range of stakeholder insights are obtained and considered when designed the partner ecosystem. These insights will represent the views of funders, delivery partners, support partners, and customers.
- The successful design of a partner ecosystem structure that combines funding, resource, expertise, and data from a range of partners from across the industry.
- The effective design of a partner ecosystem vision that will be practically tested in a Cadent and NGN pilot.
- The scaling of the Warm Homes Network with the ambition of launching a nationwide service supporting vulnerable customers.

Pilot Level

Objectives:

- Birmingham Pilot (August 2023 - March 2024): Engage 600 vulnerable customers through our single point of contact and service ~640 referrals through delivery partners.
- Cumbria Pilot (October 2023 - March 2024): Engage 300 vulnerable customers through our single point of contact and service ~450 referrals through delivery partners.

Associated Actions:

Following Phase 1 of the programme, after partners had been identified, the team will take the following steps to launch pilots in Birmingham and Cumbria:

[1] State of Health in the City [2] Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

a) **Determine pilot location**: identify tools for data analysis, collect data on fuel poverty in Birmingham and Cumbria, decide the criteria for target prioritisation with partners and undertake analysis based on the criteria selected.
b) **Understand customer pain points and needs:** brainstorm customer pain points and needs, conduct in-person validation with customers and map the customer journey
c) **Build pilot service**: develop a list of solutions to offer customers, define activities, roles, tools and channels for the pilot and calculate the resource and cost requirements.
d) **Pilot infrastructure & launch**: procure partner services with contracts, data sharing agreements signed between partners, set-up communication channels and a shared system for partners to use for operations and finalise governance and ways of working.
e) **Branding and Marketing**: decide on PE name and branding for pilots, put together a comms strategy, launched directed comms within industry and on websites and launch widespread media campaign showcasing pilot results.

Success Criteria:

The success of the pilots will be evaluated on the back of a range of metrics including:

- # of referrals received
- # of referrals received from engagement partners
- # of referrals successfully contacted
- % customers sent to multiple referral partners
- Actual £ one-off financial benefit [first year] [Total for all customers with completed cases]
- Forecasted £ one-off financial benefit [first year] [Total for all customers with ongoing cases]
- Forecasted £ enduring financial benefit [annual total for all customers, from year 2]
- Description of any soft benefits delivered [text answer, per customer]
- Carbon Savings [CO2e]
- # Customers requiring retrofit advice
- Average time from referral received to case closed [days]
- % of referrals who benefit from service
- % customers who complete all referred services

Following completion of the service, customers provide the following feedback on the service as a whole:

- Access - How easy was it to access the service as a whole?
- Value - How valuable has the service been?
- Response - How quick were the response times?
- Resources - How well equipped were the advisors in helping you with your issues(s)?
- Communication - How clear was the communication throughout?
- Understanding - How well did you feel that the various advisors understood your issue?
- Ease - How 'pain free' was the process?
- Information - Was the information about the service easy to understand?
- Overall satisfaction - Overall, how would you rate your experience?

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Project Extension Level

[1] State of Health in the City [2]Deprivation Factfile - Liverpool Express
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	YES Energy YES Energy will deliver the Services detailed in the updated Scope & Objectives section to the forecasted number of customers (7,761) in vulnerable situations. The assumptions are, as per the proposal that YES will generate 6,650 referrals and will also handle an additional 1,411 received from the other partners as onward referrals (therefore 7, total). If the volume of referrals from the other partners far exceeds the 1,411 expected, Cadent will pay for YES to service these and apply the additional variable cost rate. As well as this YES will refer 1,500 people to the PSR and provide CO Safety Awareness to 1,500 people. **Turn2us** Turn2us will deliver the Services to the forecasted number of customers (6,300) in vulnerable situations. As well as this Turn2us will refer 1,500 people to the PSR and provide CO Safety Awareness to 1,500 people. **Citizens Advice Manchester (CAM)** CAM will deliver energy and welfare support (as detailed in the updated Scope & Objectives section) to 28,200 clients. 6,600 clients will be reached via referrals from the other 2 project partners. 5,640 of the total number of customers will receive Tier 2 level advice with casework. 1,128 of the total number of customers will receive Tier 3 Enhanced Vulnerability Casework. The delivery will also include 800 PSR Referral and 1,000 CO awareness surveys. **Success Criteria** Success will be measured using the same criteria as the previous phases.
Project Partners and Third Parties Involved	Cadent will principally deliver the project in partnership with Northern Gas Networks (for the Cumbria Pilot). Delivery partners for the Birmingham pilot include: • Birmingham City Council (engagement partner) • Groundwork West Midlands (single point of contact) • National Energy Action (income maximisation services) • Pennysmart CIC (debt advice services) • Sia Partners (programme coordinator) • YES Energy Solutions (energy efficiency and LCT advice services) Deliver partners for the Cumbria pilot include: • Cumberland Council (engagement partner) • Royal Agricultural Benevolent Institution (engagement partner) • YES Energy Solutions (single point of contact)

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	• Cold to Cosy Homes (CAfS) (energy efficiency and LCT advice services) • Citizens Advice – Carlisle and Eden (income maximisation services) • Pennysmart CIC (debt advice services) • Sia Partners (programme coordinator) • United Utilities (water debt advice services) In addition to these project partners, a longer list of support partners (third parties) will be consulted through the process of designing and launching this initiative. These include: • Cadent Foundation, Ovo Energy, National Grid, Auriga, Marches Energy Agency, Google Cloud, Citizens Advice, Agility Eco, Energy Projects Plus, ACRE, Northern PowerGrid, Wales & West Utilities, SGN, Aston Villa Foundation, Electricity North West, Northumbrian Water, WRCC, Collaboration Network, Reachout, ACTion with Communities in Cumbria, Age UK – Carlisle and Eden, TellJO, Lloyds Banking Group, Cumbria Community Foundation, Copeland Age & Advice Service, Cumbria CVS, Wise Group, Westmorland & Furness Council, Cumberland Community Foundation, and Churches Together in Cumbria As we look to scale the programme across the United Kingdom further partners will be consulted and onboarded depending on capabilities and project requirements. **Updated November 2024** Cadent Gas Limited will deliver the project in partnership with Northern Gas Networks Limited. Delivery partners will be: • YES Energy Solutions • Turn2Us • Citizens Advice Manchester • Citizens Advice Liverpool Other partners may be used by the main project partners as the need arises.
Potential for New Learning	We believe that this project offers Cadent and NGN the wider industry opportunities for significant learning. Firstly, the project aims to design and ultimately test the benefits of a new way of working through the partner ecosystem approach. As mentioned above, energy networks have traditionally delivered a lot of their fuel poverty initiatives via a one-two-one relationship with a single partner. This has resulted in scenarios where the partner has not had the expertise to offer services to serve all the of the customers' needs or have been unable to use all of their expertise due to restrictions such as regulatory boundaries. The partner ecosystem approach will create a "patchwork" of funding and capabilities that should allow delivery partners to access a range of expertise and not be confined to the usual regulatory boundaries. In order to learn and test this new way of working Cadent and NGN will evaluate the SROI ratio of the pilot and compare it will the SROI of past Cadent fuel poverty initiatives. Our hypothesis is that the trial should show an increased SROI ratio, through the reduction in duplication, economies of scale, and maximising of benefits to individual customers.

[1] State of Health in the City [2] Deprivation Factfile - Liverpool Express
[2] Fuel poverty in the UK - House of Commons Library

	Secondly, the project will test the compatibility of funding pots and regulation between GDNs and DNOs. The partner ecosystem aims to engage and feature organisations from across the industry, including different types of energy network. DNOs and GDNs have different regulatory incentives and governance documents across GD2 and ED2, and the partner ecosystem project will test an approach that directs different regulatory allowances at a common deliverable. Cadent and NGN will aim to capture both the benefits and restrictions of this approach, and the outputs will help influence policy debate and business planning for future price controls. Additionally, the project will provide Cadent and NGN with learning on how value is apportioned. Cadent and NGN have worked together to deliver collaborative Vulnerability and Carbon Monoxide Allowance projects through the first two years of GD2. On these projects, value is typically apportioned based on factors such as the proportion of funding provided by each network company or the split of forecasted outputs by network area. Cadent and NGN aim to apply a more advanced method for apportioning value that considers non-financial contributions (e.g. data) and referrals etc.
Scale of VCMA Project and SROI Calculations	**<u>Scale of VCMA Project</u>** Deliver the second phase of the project from April 2023. The third phase (scaling of the pilots) will continue through 2024. The project aims to design and deliver two pilots of a fuel poverty partner ecosystem on the back of exploratory work conducted in phase one from February to April 2023. **Updated March 2025** The fourth phase of the project will continue until 31st March 2026. **<u>SROI Summary</u>** Cadent and NGN will invest £1,097,312.99 of VCMA funding to deliver the second phase of the fuel poverty partner ecosystem project which will focus on the design and delivery of two pilots of the Warm Homes Network proposition in Cumbria and Birmingham. An initial SROI calculation conducted by Sia Partners showed the two pilot projects will return a positive social return on investment. Five-year gross social return on investment: £1,790,244.82 Five-year net social return on investment: £692,931.83 **Ratio:** £1: £1.7 **Updated November 2024** Cadent and NGN will invest £4,437,508.99 of VCMA funding to deliver the fourth phase of the fuel poverty partner ecosystem project which will focus on the design and delivery of services in Liverpool, Leeds & Sunderland. The SROI calculation shows that this phase will return a positive social return on investment.

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<table>
<tr>
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Total Costs: £4,437,508.99
Total Gross Present Value: £96,158,223.06
Total Net Present Value: £91,930,816.19
Ratio: £1: £21.75

The SROI has been calculated using the following information on the GDN Rulebook;

- 4,000 individuals receiving CO safety advice 1:1
- 37,761 individuals receiving energy advice to help with fuel poverty
- 28,200 individuals receiving Income Maximization advice
- 550 Individuals receiving front line worker training
- 3,800 direct referrals to the PSR
</td>
</tr>
<tr>
<td>VCMA Project Start and End Date</td>
<td>Project Start Date: 01 April 2023
Project End Date: 31 March 2024

Updated November 2024

Project Start Date: 01 November 2024
NGN project start date: 01 April 2025
Project End Date both GDNs: 31 March 2026</td>
</tr>
<tr>
<td>Geographical Area</td>
<td>The project will be delivered across Cadent's West Midlands network and NGN's network.

Updated November 2024

The project will be delivered across Cadent's Northwest network and NGN's network.</td>
</tr>
</table>

[1] State of Health in the City [2] Deprivation Factfile - Liverpool Express
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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: February 2024
Review completed by: Gurvinder Dosanjh
Job title: Social Programmes Manager

GDN:	Name(s):
Cadent	Gurvinder Dosanjh
NGN	Jill Walker

Stage 2: GD2CVG Panel Review
Date review completed: February 2024
Review completed by: Phil Burrows
Job title: Head of Customer Vulnerability Social Programme Delivery

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

Step 3: Participating GDN individual signatory sign-off

GDN	Name(s)	Signature(s)	Date
Cadent:	Phil Burrows	Philip Burrows	13/02/2024
NGN:	Eileen Brown		11/03/2024

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 2024

Date that Notification Email Sent to Ofgem: March 2024

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Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA)
Governance Document - PEA Control Table Updated March 2025

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: March 2025
Review completed by: Gurvinder Dosanjh
Job title: Social Programmes Manager

GDN:	Name(s):
Cadent	Gurvinder Dosanjh
NGN	Jill Walker

Stage 2: GD2CVG Panel Review
Date review completed: March 2025
Review completed by: Phil Burrows
Job title: Head of Customer Vulnerability Social Programme Delivery

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

Step 3: Participating GDN individual signatory sign-off

GDN	Name(s)	Signature(s)	Date
Cadent:	Phil Burrows	Philip Burrows	28/03/2025
NGN:	Eileen Brown		25/03/2025

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 2025

Date that Notification Email Sent to Ofgem: March 2025

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