

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
Trussell Trust Financial Inclusion

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Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)	
In order to qualify as a VCMA project, a project must:	
VCMA Eligibility Criteria	Criteria Satisfied (Yes/No)
a) Have a positive, or forecasted positive Social Return on Investment (SROI), including for the gas consumers funding the VCMA project;	Yes
b) Either: <ul style="list-style-type: none"> i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or ii. Provide awareness on the dangers of CO, or iii. Reduce the risk of harm caused by CO; 	Yes
c) Have defined outcomes and the associated actions to achieve these;	Yes
d) Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and	Yes
e) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	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;	N/A
b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	N/A
c) Sufficient funding is not available from other sources (including national, devolved or local government funding) to fund the unsafe pipework or essential gas appliance servicing, repair or replacement.	N/A
Section 3 - Eligibility criteria for collaborative VCMA projects	
In order to qualify as a collaborative VCMA project, a project must:	
a) Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria;	N/A
b) Have the potential to benefit consumers on the participating networks; and	N/A
c) Involve two, or more, gas distribution companies.	N/A

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

Information Required	Description
Project Title	Trussell Trust Financial Inclusion
Funding GDN(s)	Cadent specific project
New / Updated	New
Role of GDN(s) *For Collaborative VCMA Projects only	N/A
Date of PEA Submission	April 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)	£2,000,000 Project costs £80,000 (4% Project management costs). Leaflets £7,636.40
Total VCMA Funding Required (£k)	£2,087,636.40
Problem(s)	<p>The Trussell Trust have 1,400 foodbanks across their footprint, and they distributed almost three million emergency food parcels between April 2022 and March 2023.¹</p> <p>More than 14 million people in the UK now live below the poverty line and are struggling between heating their home and feeding their family.²</p> <p>Fuel poverty occurs when a household cannot afford to adequately heat their home or meet basic energy requirements. Households in fuel poverty are at risk of living in cold homes, which can have significant health consequences, and often experience increasing levels of debt. Fuel poverty is driven by three factors: household income, the affordability of energy, and the energy efficiency of a home.³</p>
Scope and Objectives	<p>Cadent will provide The Trussell Trust with VCMA funding to deliver a two-year project which will offer financial advice and support to users of the foodbanks.</p> <p>This will fund 18.7 FTE financial inclusion advisors with the ability to support 300 people each, per year.</p> <ul style="list-style-type: none"> The financial inclusion managers will work with the foodbanks that are not currently offering this service to vulnerable people.

¹ [About - The Trussell Trust](#)

² www.trusselltrust.org/about/

³ [read-the-report.pdf \(instituteofhealthequity.org\)](#)

	<ul style="list-style-type: none"> • They will help the food banks design and develop services tailored to the needs of the local communities. • They will work with the existing foodbanks that have this service to enable them to expand and support more people. <p>The financial inclusion service offers advice within foodbanks to support people in some of their darkest times.</p> <ul style="list-style-type: none"> • They assist with benefit applications to help people access benefits which were previously unclaimed. • They will help people unlock-grants. • They will assist with debt and money management. • They will refer complex cases to specialist experts for support where required. • They will also connect people to mental health services and housing. • They will deliver the Help through Hardship helpline in partnership with Citizen’s Advice. <p>The VCMA funding will be used for the following:</p> <ul style="list-style-type: none"> • To provide advice on benefit entitlement. • To provide debt advice. • To raise awareness of CO and PSR. • To provide energy efficiency advice. <p><u>Objectives of the project</u></p> <p>The success of this project will be measured by meeting the following objectives over a two-year period:</p> <ul style="list-style-type: none"> • 9,176 people will receive advice on income maximisation and benefits. • 4,708 people will receive advice on debt management. • 20,000 people will receive advice on energy efficiency via leaflets(10% retention rate to be applied) • 20,000 people will have an increased awareness of CO signs and symptoms (a 10% retention rate will be applied). • 20,000 people will have an increased awareness of the PSR (a 10% retention rate will be applied). <p>As well as achieving the above forecasts for the number of clients benefitting from the project’s services, the partnership will also deliver the following positive indicators:</p> <ul style="list-style-type: none"> • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Customers will report improved levels of comfort from being in their own home and able to heat it to a healthier temperature. • Customers will report improved feelings of safety from receiving free CO alarms and improving their awareness on the signs, symptoms, and dangers of CO. • Customers will report feeling more secure and happy due to being safe and warm in their own home.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>Cadent believe that this project meets all the required VCMA eligibility criteria.</p> <p>A. The project is forecasted to have a positive SROI.</p>

	<p><i>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</i></p> <p>B. The project will either:</p> <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 <p><i>The project will provide support to customers living in vulnerable situations through energy efficiency advice/income maximisation. The project will also offer customers education on the dangers of CO and issue audible alarms to particularly at-risk households.</i></p> <p>C. The project has defined outcomes and the associated actions to achieve them.</p> <p><i>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.</i></p> <p>D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.</p> <p><i>The method in which energy efficiency, gas safety and income maximisation advice is issued to clients on this project is innovative and goes beyond BAU.</i></p> <p>E. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding.</p> <p><i>This project will be delivered solely through Cadent's VCMA funding.</i></p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent conducted and continues to obtain extensive stakeholder and customer engagement on its RIIO-GD2 business plans and subsequent VCMA delivery. For instance, we regularly seek to obtain the feedback of stakeholders such as Citizens Advice and National Energy Action (NEA) to understand the needs of customers in vulnerable situations. These regular conversations allow Cadent to gain feedback on the initiatives we are, or should be supporting, and ensure that our VCMA-funded projects are in the best interests of our customers.</p> <p>Stakeholders have provided consistent feedback on the need for energy networks to focus their funding on supporting households most impacted by the cost-of-living crisis.</p> <p>This project takes this feedback into account by creating a partnership with a trusted local charity, positioned in an area with levels of deprivation and fuel poverty significantly higher than the national average. Additionally, the customer demographic of >65 years old can be disproportionately</p>

	<p>impacted by fuel poverty, due to factors such as being more at risk of cold related illness, generally having lower levels of household income, and spending a greater proportion of time at home.</p> <p>In terms of customer engagement, we asked customers for their views on which of the below statements best described their health and financial situation in 2022-2023, when compared to 2021:</p> <ul style="list-style-type: none"> • My current household's health or financial situation is worse off compared to 2021. • My current household's health or financial situation is the same compared to 2021. • My current household's health or financial situation is better off compared to 2021. <p>60% of participants responded that their households' health or financial situation was worse off this year compared to 2021 levels.</p> <p>This project aims to act upon this customer insight and feedback, through supporting customers impacted by a downturn in their financial health. This will be achieved through offering services such as income maximisation and benefit entitlement check along with a wraparound support service.</p> <p>The partnership with Trussell Trust will enable Cadent to provide a holistic approach to supporting fuel poor residents.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes</u></p> <p>The VCMA project will be delivered in partnership with Trussell Trust and aims to support 20,000 people with various advice services.</p> <p>The Trussell Trust Financial Inclusion Project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Advice to customers on topics including benefit entitlement checks and applications. • Advice on debt management. • Energy efficiency advice and energy saving hacks. • Raising awareness of CO signs and symptoms. • Provide customers with awareness and a means of registering to the priority services register. <p><u>Associated actions</u></p> <p>The Trussell Trust will utilise Cadent's VCMA funding to deliver the following associated actions:</p> <ul style="list-style-type: none"> • Employing 18.7 FTE financial inclusion advisors to offer advice in their foodbanks. • They will deliver advice and support on income maximisation and debt. • They will supply information on CO awareness and the PSR. • They will onward refer to organisations for people who need it.

	<p><u>Success criteria</u></p> <p>The success of the project will be evaluated against the meeting of the project's objectives which include:</p> <ul style="list-style-type: none"> • The project will reach 20,000 people with tailored advice based on the customer's needs. • 9,176 customers will receive in depth one-to-one advice on income maximisation. • 4,708 customers will receive debt advice. • 20,000 customers will receive advice on energy efficiency via a leaflet. This is subject to a 10% retention rate = 2,000 • 20,000 customers will receive advice on CO to raise awareness via a leaflet and is subject to a 10% retention rate = 2,000 • 20,000 customers will receive advice on the benefits of the PSR via a leaflet and is subject to a 10% retention rate = 2,000 • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Customers will report improved levels of comfort from being able to heat their homes to a healthier temperature. • Customers will report improved feelings of safety from receiving free CO alarms and improving their awareness on the signs, symptoms, and dangers of CO. • Customers will report feeling safe and secure from staying safe and warm in their own property. <p>This project will deliver a positive social return on investment.</p>
<p>Project Partners and Third Parties Involved</p>	<p>This project will be delivered by Trussell trust in partnership with Cadent.</p>
<p>Potential for New Learning</p>	<p>By working in partnership with the Trussell Trust which is a nationwide, trusted organisation supporting vulnerable individuals, Cadent hope to increase the support services available to a greater number of vulnerable people.</p> <p>Trussell Trust have over 1,400 food banks in their network and deal with people in the most vulnerable situations daily. This project enables the foodbanks to have free advice available on income maximisation, debt, CO and the PSR. The advice is available onsite given by trusted people in a safe environment.</p> <p>We are hoping to learn if this is the best way to offer advice for people who are usually unwilling to access it. This can be due to travel, mental health, embarrassment and many other factors.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p>Cadent and Trussell Trust will enter an initial two-year project.</p> <p>The project aims to support 20,000 people across the project area with a variety of income maximisation, energy efficiency, carbon monoxide safety, and PSR advice.</p> <p>The project's total reach will be divided as below:</p> <ul style="list-style-type: none"> • 9,176 customers will receive advice on income maximisation = £15,756,201.36

	<ul style="list-style-type: none"> • 4,708 customers will receive 1:1 debt advice = £14,124,000. • 20,000 customers will receive advice on energy efficiency via a leaflet. Even if only 10% take decisive action from the advice taken, this will mean that 2,000 homes become more energy efficient = £735,540.00 • 20,000 customers will receive advice on CO to raise awareness. Even if only 10% take decisive action as a result this will mean that 2,000 homes significantly reduce the risk of those inhabitants, generating a social benefit of £17,460.00 • 20,000 customers will receive advice on the PSR to raise awareness. Even if only 10% take decisive action then 2,000 will register to the PSR, generating a social benefit of £287,780.00 <p>Total Investment = £2,087,636.40</p> <p>Five Year Gross Present Value = £30,920,981.36 One Year Gross Present Value = £6,184,196.27</p> <p>Five Year SROI = £28,833,344.96 One Year SROI = £5,144,196.27</p> <p>SROI ratio = £13.81</p>
VCMA Project Start and End Date	Start date = 01 April 2024 End date = 31 March 2026
Geographical Area	This project will be delivered across all Cadent networks and benefit people living in those areas.

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: 13/02/2024	Review Completed By: Kate Ravenscroft
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 14/02/2024	Review Completed By: Gurvinder Dosanjh
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 10/07/24	
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: November 24	
Date that Notification Email Sent to Ofgem: November 24	