

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

*Magic Breakfast*

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August 2024



**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> |
| <b>a)</b> Have a positive, or a forecasted positive, Social Return on Investment (SROI) and Net Present Value (NPV) including for the gas consumers funding the VCMA Project (GDNs should use a common SROI model.  | <b>Yes</b>                         |
| <b>b)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li><b>ii.</b> Provide awareness on the dangers of CO, or</li> <li><b>iii.</b> Reduce the risk of harm caused by CO;</li> </ul>  | <b>Yes</b>                         |
| <b>c)</b> Have defined outcomes and the associated actions to achieve these;  | <b>Yes</b>                         |
| <b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through license obligations; and  | <b>Yes</b>                         |
| <b>e)</b> Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.   | <b>Yes</b>                         |
| <b>Section 2 - Eligibility criteria for company-specific essential gas appliance servicing</b>  |                                    |
| To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:   |                                    |
| <b>a)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> A GDN has had to isolate and condemn an essential gas appliance following a supply interruption or as part of its emergency service role; or</li> <li><b>ii.</b> A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in the owner-occupied home of a customer in a Vulnerable Situation where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes; or</li> <li><b>iii.</b> A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant's responsibility to maintain the essential gas appliance, where an occupier of the property suffers from a permanent or temporary health condition that</li> </ul> | <b>N/A</b>                         |

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| makes them more vulnerable to health risks associated with cold homes.   |     |
| b) The household cannot afford to service the essential gas appliance, which is assessed against criteria consistent with the Energy Company Obligation (ECO4) Guidance: Delivery document 1 (see Appendix 1). | N/A |
| c) Sufficient funding is not available from other sources (including a social or private landlord, national, devolved, local government funding) to fund the essential gas appliance service.                  | N/A |

| <b>Section 3 - Eligibility criteria for Collaborative VCMA Projects</b>  |     |
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| 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  |
|---|--|
| <b>Project Title</b>  | Magic Breakfast partnering with YES Energy   |
| <b>Funding GDN(s)</b>   | Cadent   |
| <b>New / Updated (indicate as appropriate)</b>                  | New  |
| <b>Role of GDN(s)<br/>*For Collaborative VCMA Projects only</b> | Cadent – network specific  |
| <b>Date of PEA Submission</b>                                   | August 2024  |
| <b>VCMA Project Contact Name, email and Number</b>              | Name: Phil Burrows<br>Job Title: Customer Vulnerability Social Programmes Manager<br>Email: <a href="mailto:phil.burrows@cadentgas.com">phil.burrows@cadentgas.com</a><br>Phone: 07773545451 |
| <b>Total Cost (£k)</b>  | Costs:<br>Magic Breakfast<br>Fixed - £329,868.00<br>Variable – up to £32,000.00 (depending on number of schools)<br><br>YES Energy Solutions<br>Fixed - £144,457.00                          |

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|   | <p>Variable - £46,075.00 - £276,450.00 (ranging from 10 sessions a month to 60 sessions)</p> <p>Slow Cookers - (max 1600)<br/>£44,544.00</p> <p>Leaflets &amp; packs<br/>£30,000.00</p> <p>Combined Fixed Costs: £548,869.00<br/>Combined Variable Costs: Up to £308,450.00</p> <p>Project Management Fee 4% - £34,292.76</p>   |
| <b>Total VCMA Funding Required (£k)</b> | £891,611.76   |
| <b>Problem(s)</b>                       | <p>Magic Breakfast exists because there are children and young people in the UK who are arriving at school hungry. In the UK today, three million children are at risk of hunger, that equates to one in five children<sup>2</sup>, and 800,000 children and young people live in a household that accessed a food bank in 2022/2023<sup>3</sup>.</p> <p>At Magic Breakfast, the schools they collaborate with are in communities with significant economic challenges. This is clearly illustrated by their 2023 measurement and monitoring survey, which, among other findings, revealed that:</p> <ul style="list-style-type: none"> <li>• 49% of pupils on roll in Magic Breakfast partner schools in England are eligible for pupil premium<sup>4</sup>. This is more than double the UK average.</li> <li>• 81% of Magic Breakfast partner schools believe that child hunger has increased in their school community in the past year, and 90% believe that child poverty has increased in their school community in the past year.</li> </ul> <p>The families that use the services of Magic Breakfast are on the front-line of the UK's child hunger and poverty crisis, grappling to make ends meet and put food on the table for their children. Unfortunately, this also makes them vulnerable to other issues too, such as fuel poverty as people make the difficult decision between feeding their families and heating their homes.</p> <p>This project aims to reach those families that use the services of Magic Breakfast and offer advice and guidance on the issues that are the root cause behind their need for Magic Breakfast. This includes tackling areas of income maximisation such as benefit entitlement checks and help on current debts, as well as giving advice on energy efficiency in the home.</p> |

<sup>2</sup> <https://foodfoundation.org.uk/initiatives/food-insecurity-tracking#tabs/Round-14>

<sup>3</sup> <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2023/households-below-average-income-an-analysis-of-the-uk-income-distribution-fye-1995-to-fye-2023#low-income-indicators>

<sup>4</sup> [partnersurveysummary.pdf \(magicbreakfast.com\)](https://partnersurveysummary.pdf(magicbreakfast.com))

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| <p><b>Scope and Objectives</b></p>                             | <p>The project aims to reach 80 schools within Cadent's network over the 19-month project. Cadent will provide VCMA funding to support children in high deprivation, who are at greater risk of fuel poverty and carbon monoxide exposure.</p> <p>The project will deliver:</p> <ul style="list-style-type: none"> <li>• Introductions into Magic Breakfast schools to gain access to families using the services.</li> <li>• Training to pastoral and senior leadership staff within schools on Energy Efficiency (EE), Carbon Monoxide (CO) awareness and the Priority Services Register (PSR).</li> <li>• Packs to go home with children including a CO alarm and information on EE, CO &amp; PSR.</li> <li>• Two dedicated advisors providing one to one advice on benefit and debt advice and income maximisation to families referred by the schools.</li> <li>• Triage service from the dedicated advisors to other services such as housing etc.</li> <li>• Distribution of slow cookers to families identified in most need.</li> </ul>  |
| <p><b>Why the Project is Being Funded Through the VCMA</b></p> | <p>We believe that the project meets all the vulnerability and Carbon Monoxide Allowance eligibility criteria:</p> <p><b>a. Have a positive, or forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project:</b></p> <p><i>The project delivers a positive forecasted social return on investment. This is based on achieving the target reach for income maximisation, registrations to the PSR and educating school staff on energy efficiency and CO awareness.</i></p> <p><b>b. Either:</b></p> <ul style="list-style-type: none"> <li><b>i. Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or,</b></li> <li><b>ii. Provide awareness of the dangers of CO, or,</b></li> <li><b>iii. Reduce the risk of harm caused by CO;</b></li> </ul> <p>The project delivers services that meet all three elements of this criteria. For example, the school staff will be educated on energy efficiency and CO awareness to allow them a better understanding of where to signpost families should they need help. The project will also give the schools access to dedicated advisors that can raise awareness of the PSR as well as helping to sign them up and promote energy efficiency.</p> <p><b>c. Have defined outcomes and the associated actions to achieve these:</b></p> <p><i>The project objective and actions are detailed below.</i></p> |

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|   | <p><b>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and,</b></p> <p>This method of delivering support to individuals and families in vulnerable situations falls outside of Cadent’s BAU activities and other licence conditions.</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></p> <p><i>This project will be solely delivered through Cadent’s VCMA funding.</i></p>   |
| <p><b>Evidence of Stakeholder/Customer Support</b></p>          | <p>This initiative addresses the pressing issue of fuel poverty, directly benefiting families in need by providing essential resources and support. Testimonials from beneficiaries of the Magic Breakfast charity underscore the tangible benefits of the current service they offer as demonstrated below:</p> <p>“Sometimes there is no food at home, but I know when I come to school there will be breakfast for me to eat” – <b>Pupil, Magic Breakfast Partner School</b></p> <p>“I am so grateful to be able to access the Magic Breakfast provision. Some weeks money is so tight, it is a great relief knowing that I can send my children to school, and they will be adequately fed” – <b>Parent, Magic Breakfast Partner School</b></p> <p>Although there are many reasons why a child might be arriving at school hungry, compounded by the recent cost-of-living crisis and pandemic the leading cause of the UK’s child hunger crisis is poverty. According to the DWP analysis of the UK income distribution 4.3 million (30%) of children live in poverty in the UK and as result families struggle to pay their bills, heat their homes, and put food on the table for their children.</p> <p>Cadent and Magic Breakfast have partnered to create a dual approach of addressing both nutritional needs through Magic Breakfast and energy efficiency and income maximisation through YES Energy, demonstrating a comprehensive and compassionate strategy to alleviate fuel poverty.</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>This project will aim to achieve the following outcomes:</p> <ul style="list-style-type: none"> <li>• Provide support to school staff on the greater knowledge of energy efficiency, PSR and CO awareness,</li> <li>• Provide carbon monoxide alarms</li> <li>• Provide families with support by offering referral appointments to tackle issues such as benefit and debt advice, energy efficiency measures and income maximisation.</li> </ul>   |

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|   | <ul style="list-style-type: none"> <li>• Provide a triage service for families to other service providers to help tackle the issue of fuel poverty.</li> <li>• Provide slow cookers to each of the 80 targeted schools to give out to those most in need or to be used for educational purposes on teaching energy efficiency cooking classes.</li> </ul> <p><u>Success Criteria</u></p> <p>The success of the project will be measured by meeting the below criteria over 19-months:</p> <ul style="list-style-type: none"> <li>• Cadent will recruit two specialist advisors through YES Energy Solutions who will deliver the advice. There is scope to increase this number if the demand is greater.</li> <li>• The project will reach a minimum of 12,500 children over the period of the project.</li> <li>• 80 schools will be provided with training on energy efficiency, CO awareness and the PSR register.</li> <li>• 12,500 children will have access to a CO alarm</li> <li>• Up to 60 families a month will be provided with benefit, debt, income max advice. As well as advice on other utility bills and further triage services.</li> <li>• 12,500 children will be given information and educated on CO awareness, we expect that to reach a minimum of an additional 30,000 people indirectly through passing the messages to family and friends.</li> <li>• 12,500 will be given leaflets and information on the PSR to take home with them with the aim of signing up 1250 (10%).</li> <li>• 1600 slow cookers to be distributed to those most in need or for educational purposes within the schools.</li> </ul> |
| <p><b>Project Partners and Third Parties Involved</b></p> | <p>Magic Breakfast and YES Energy Solutions</p>  |
| <p><b>Potential for New Learning</b></p>                  | <p>This project supporting families of children who receive free breakfasts from Magic Breakfast presents significant opportunity for new learning across multiple domains. Firstly, it introduces families to critical CO awareness, enhancing their understanding of the dangers associated with this silent killer and equipping them with the knowledge to identify potential risks and take preventative measures. By integrating CO awareness education with the provision of free breakfasts, the project ensures that safety becomes an ingrained part of the daily routine for these families, thereby fostering a culture of vigilance and proactive health management.</p> <p>Additionally, the initiative offers a comprehensive suite of benefit and debt advice, opening new avenues for financial literacy and stability. Families are provided with the tools and information needed to navigate the complexities of the welfare system, identify, and claim all eligible benefits, and manage their finances more effectively. This aspect of the project is particularly valuable in empowering families to overcome financial obstacles and improves their economic situation. Through one-to-one sessions with dedicated advisors, participants gain practical skills in debt management and accessing financial support, which can have a transformative impact on their long-term financial health and resilience.</p>   |

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|  | <p>The project also emphasizes income maximisation and energy efficiency guidance, areas that are crucial for sustaining a healthy household economy, by educating families on how to maximise their income and reduce energy consumption, the project not only helps to lower monthly expenses but also promotes environmental sustainability. Families learn about various energy-saving techniques, government schemes, and technologies that can reduce their energy bill and carbon footprint. This dual focus on financial and environmental education ensures that families are better equipped to create a stable, sustainable living environment. Overall, the project offers a holistic learning experience that address immediate needs while also building a foundation for future prosperity and well-being.</p>   |
| <p><b>Scale of VCMA Project and SROI Calculations, including NPV</b></p> | <p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £785,775.00 in partnership with Magic Breakfast and YES Energy Solutions. The project will be delivered from September 2024 to March 2026 and is forecasted to reach around 12,500 children. It will enable targeted children in Magic Breakfast schools in the Northwest region to access information on CO awareness and provide support to families on energy efficiency, benefit and debt advice and income maximisation.</p> <p><u>SROI Calculations</u></p> <p>The reach will be divided as per below:</p> <ul style="list-style-type: none"> <li>• 12,500 children will receive a CO alarm = £136,370.83</li> <li>• 1,140 families will have one-to-one dedicated advice and support on; <ul style="list-style-type: none"> <li>Income Maximisation = £1,957,505.40</li> <li>Tariffs &amp; Payment Options = £254,630.40</li> <li>Energy Efficiency = £419,257.80</li> </ul> </li> <li>• 12,500 children will be given information and education on CO awareness, we expect that to reach a minimum of an additional 30,000 people indirectly through passing the message on to family and friends = £109,125.00</li> <li>• 12,500 children will take home a leaflet with information on the PSR with an aim of signing up 10% (1250) = £179,862.50</li> <li>• 12,500 children will take home a leaflet with information on Energy Efficiency – 10% (1250) = £459,712.50</li> <li>• 1,600 slow cookers to be distributed to those most in need = £378,272.00</li> </ul> <p>Total Investment = £891,611.76</p> <p>Five-year gross present value = £3,894,736.43<br/> One-year gross present value = £778,947.29</p> <p>Five-year net value = £3,108,961.43<br/> One-year net value = £621,792.29</p> <p>SROI = £1:£3.36</p> |



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| <b>VCMA Project Start and End Date</b> | August 2024 – March 2026                                    |
| <b>Geographical Area</b>               | The project will be delivered in Cadent’s Northwest Region. |

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

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| 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:<br>15/07/2024  | Review Completed By:<br>Amanda Jones      |
| Stage 2: Sustainability and Social Purpose Team Management Review   |   |
| Date Management Review Completed:<br>19/07/2024   | Review Completed By:<br>Gurvinder Dosanjh |
| Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega  |   |
| Director of Sustainability and Social Purpose Sign-Off Date: 22/08/2024   |   |
| 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: November 2024   |   |
| Date that Notification Email Sent to Ofgem: November 2024   |   |