

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) Turn 2 Us Online Benefits Calculator

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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	Turn 2 Us Online Benefits Calculator
Funding GDN(s)	Cadent
Role of GDN(s) *For Collaborative VCMA Projects only	Not Applicable - Company Specific Project
Date of PEA Submission	14.02.2022
VCMA Project Contact Name, email, and Number	Name: Phil Burrows, Email: phil.m.burrows@cadentgas.com Number: 07773 545451
Total Cost (£k)	£6,000
Total VCMA Funding Required (£k)	£6,000
Problem(s)	<p><u>Fuel Poverty in 2021</u></p> <p>The effects of fuel poverty have been exasperated by the Covid-19 pandemic, with increases in financial difficulties due to job losses and furlough. The latest national statistics estimate that 13.4% of households, a total of 3.18 million live in fuel poverty.</p> <p>Available household income, along with energy prices and property efficiency are the major factors that affect a home's risk of experiencing fuel poverty.</p> <p>Cadent works on the basis that increasing a home's income may allow them to use their heating more frequently, heating their home to a healthy temperature.</p>

	<p><u>Unclaimed benefits</u></p> <p>The Department of Work & Pensions (DWP) manages the range of financial support available through the UK benefits system. This includes the granting of benefits applications and advertising the support on offer to millions of households across the country. However, a large number of customers are not aware of, or do not have the means to claim the financial support that they are entitled to.</p> <p>¹2017/2018 statistics from the Department of Work & Pensions reports that nearly £16 billion of benefits go unclaimed in the UK each year. The statistics also break down the number of eligible households that make up the total £16 billion. These include:</p> <ul style="list-style-type: none"> • 670,000 families not claiming child tax credits, amounting to a total value of £2,490,000,000. • 1,060,000 households not claiming pension credits, equating to a total value of £2,160,000,000. • 950,000 households not claiming working tax credits, amounting to a total value of £2,540,000,000. <p>The DWP point to a variety of reasons for this vast unclaimed amount, but primarily attribute the issue to many families not knowing what support they are entitled to. Other issues include varying rules and the complex different types of benefits available. This can often confuse and alienate those who need them.</p> <p>Finally, the time and effort required to fill in applications can lead to household feeling apprehensive or reluctant to make a benefit application.</p>
<p>Scope and Objectives</p>	<p><u>Project scope</u></p> <p>The project aims to provide an accessible method for households living in Cadent's network to access income maximisation support.</p> <p>Cadent will work with national financial hardship charity Turn 2 Us, embedding the Turn 2 Us online benefit calculator into Cadent's website. We believe that this method will be most effective, as it will utilise the trust and relationships that Cadent forms</p>

¹ <https://www.entitledto.co.uk/blog/2020/february/16-billion-remains-unclaimed-in-means-tested-benefits-each-year/>

with customers as part of its wider VCMA activities. For example, Cadent will engage customers on a variety of projects who stand to benefit from the Turn 2 Us online Benefits Calculator (e.g. Centre For Warmth, Warm Hubs etc.).

The broader support that Cadent offers through those projects will build a relationship with customers, meaning they are more likely to trust a service hosted on Cadent's website.

We believe that this approach will be far more effective versus the contrast of Cadent signposting to a 3rd party that customers have no prior relationship with.

Additionally, our collaboration with Turn 2 Us highlighted that people are generally unaware of them and the support they offer.

Subsequently, the decision was made to actively promote Turn 2 Us through Cadent's website, which is visited by 100's of customers each day, many of whom are living in fuel poverty.

Our customer research also told us that generally customers trust us and our brand (e.g. from the Green Print for Gas research and that undertook to support our response to COVID). Joining the two up created an ideal opportunity for us to host the tool to gain a far wider impact.

This will enable households that do not have local support to access a means of expert financial advice. Use of the online benefits calculator will allow customers to understand their eligibility for DWP benefits, as well as offering a process for making a claim.

Cadent will also create supporting literature and links into the Turn 2 Us Benefits Calculator from wider VCMA projects. This will create a coherent approach to tackling financial hardship across all VCMA projects.

The calculator has been designed with a customer focus and is inviting and easy to use. The average use is 10 minutes and allows the customer to avoid unwanted stress and time in independently navigating the UK benefits system. This means that customers will be encouraged to try the calculator, due to its low time investment, and easy to interpret results.

Project objectives

	<p>The project has several objectives. Cadent will evaluate the success of the project against the achievement of these objectives.</p> <ul style="list-style-type: none"> • Statistics from project partner Turn 2 Us report that 9.3% of benefits calculator uses translate to a successful claim. The average successful claim amounts to £4,918 in realised income. • This online service is a first for Cadent and as such, we forecast that interest and uses of the online benefits calculator will take time to grow. • As a result, we have forecasted that 100 customers will use the benefits calculator within the first iteration of this project. • Using Turn 2 Us's statistics based on historic use of the online benefits calculator, this will translate to 10 successful claims in the first phase of the project. • The project also has the secondary objective of increasing awareness on the support on offer to customers experiencing financial hardship through Turn 2 Us.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that this project meets the required company specific VCMA project eligibility criteria.</p> <p>a. Has a positive, or forecasted positive SROI, including for the gas consumers funding the VCMA project:</p> <p>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</p> <p>b. Either:</p> <ul style="list-style-type: none"> a. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or b. Provide awareness on the dangers of CO. or c. Reduce the risk of harm caused by CO <p>This project will provide support to consumers in vulnerable situations and relate to energy safeguarding. Project customers will access financial advice and realise</p>

	<p>additional household income, both of which may result in a customer being able to adequately heat their home.</p> <p>c. Have defined outcomes and the associated actions to achieve these:</p> <p>This project has clearly defined actions 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.</p> <p>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations;</p> <p>The addition of an online benefits calculator to Cadent's website will be a GDN-first and will create a new innovative method of providing essential support to gas consumers.</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>This project will solely be delivered by Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent's ²independent customer engagement group report for its RIIO-GD2 business plans contains feedback on a variety of proposals, including Cadent's ambitions for tackling fuel poverty.</p> <p>The report supported Cadent's holistic approach to tackling fuel poverty, whereby a household is supported with a combination of services/advice.</p> <p>The CEG recognised the need for a holistic approach that supports a household with its fuel prices (FPNES), energy efficiency (advice/repair and replacement) and household income (income maximisation).</p> <p>The addition of the Turn 2 Us benefits calculator will allow Cadent to expand its holistic approach to tackling fuel poverty by adding income maximisation services.</p>

² <https://cadentgas.com/nggdwsdev/media/Downloads/business-plan/Cadent-CEG-report-with-appendices.pdf>

Information Required	Description
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project outcomes</u></p> <p>The project aims to provide customers with income maximisation advice to achieve the following outcomes:</p> <ul style="list-style-type: none"> • An increased awareness amongst Cadent's customers of the financial support that households are entitled to. • Customers utilise the Turn 2 Us online benefits calculator to assess their eligibility for benefits. This will translate into realised income for a percentage of households. <p><u>Associated Actions</u></p> <ul style="list-style-type: none"> • Cadent will embed the Turn 2 Us online benefits calculator into its website to provide an accessible and efficient means for customers to receive financial support. <p><u>Success criteria</u></p> <p>The success of the project will be evaluated against the meeting of the project's objectives. These objectives include:</p> <ol style="list-style-type: none"> 1. 100 customers will use the benefits calculator within the first iteration of this project. 2. Based on Turn 2 Us's statistics, 10 successful claims will be made in the first phase of the project. 3. Awareness will increase on the support on offer to customers experiencing financial hardship via Turn 2 Us.
<p>Project Partners and Third Parties Involved</p>	<p>National financial hardship charity Turn 2 Us</p>
<p>Potential for New Learning</p>	<p>The project will create opportunity for Cadent to gain insight into the effectiveness of alternative income maximisation methods and the use of online tools made available to the public. This can help guide future projects, ensuring they are successful in achieving the intended outcomes and customers.</p> <p>The project will also offer insight around the effectiveness of a self-serve model versus partner lead support. The Turn 2 Us online benefits calculator is navigated by the customer. This has the benefit of accessibility, as a customer can use</p>

	<p>the service without having to rely on local agencies etc.</p> <p>However, some customers may still not have the confidence to use the service and may benefit from a guided approach.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA project</u></p> <p>The project's first phase will run for an initial 12-months between 30/06/2021 - 30/06/2022. The project will then be evaluated and renewed, providing that the success criteria is met.</p> <p>We forecast that an initial 100 customers will use the online benefits calculator, with 10 households successfully claiming benefits.</p> <p><u>Social return on investment calculations</u></p> <ul style="list-style-type: none"> • Forecasted social return on investment = £43,180.30 • Investment = £6000 • Forecasted gross present value = £49,180.30 <p>Information from the partner Turn 2 Us is used to calculate potential social return on investment.</p> <p>9.3% of all those who used the calculator successfully made a claim, with the average claim being £4918.03.</p> <p>Based on the project's forecasted reach, we expect 10 customers to be successful in realising additional income.</p>
<p>VCMA Project Start and End Date</p>	<p>Project start date = 30/06/2021 Project end date = 30/06/2022</p>
<p>Geographical Area</p>	<p>The project focuses on the embedding of an online benefits calculator into Cadent's website. This means that the calculator is accessible throughout all 4 Cadent networks.</p>
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>To be confirmed following Director of Sustainability and Social Purpose sign-off.</p>

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: Customer Strategy Team PEA Peer Review	
Date Immediate Team Peer Review Completed: 08.02.22	Review Completed By: Gemma Norton
Stage 2: Customer Strategy Team Management Review	
Date Management Review Completed: 03/02/02	Review Completed By: Philip Burrows
Step 3: Director of Sustainability and Social Purpose Sign-off	
Director of Sustainability and Social Purpose Sign-Off Date: 14.02.2022	
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 :Feb 22	
Date that Notification Email Sent to Ofgem: Feb 22	