

# GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

## Project Eligibility Assessment (PEA)

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### Make Life Better

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*December 2024*

<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 forecasted positive Social Return on Investment (SROI), including for the gas consumers funding the VCMA project;	Y
<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>	Y
<b>c)</b> Have defined outcomes and the associated actions to achieve these;	Y
<b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and	Y
<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.	Y
<b>Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair, and replacement projects</b>	
In order to qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, repair or replacement must meet the following criteria:	
<b>a)</b> 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>b)</b> The household cannot afford to service, repair, or replace the unsafe pipework or essential gas appliance; and;	N/A
<b>c)</b> 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
<b>Section 3 - Eligibility criteria for collaborative VCMA projects</b>	
In order to qualify as a collaborative VCMA project, a project must:	
<b>a)</b> Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria;	N/A
<b>b)</b> Have the potential to benefit consumers on the participating networks; and	Y
<b>c)</b> Involve two, or more, gas distribution companies.	Y

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

<b>Information Required</b>	<b>Description</b>
<b>Project Title</b>	Make Life Better (MLB)
<b>Funding GDN(s)</b>	Cadent and SGN (Southern)
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Cadent (lead partner) and SGN (Southern)
<b>Date of PEA Submission</b>	December 2024
<b>VCMA Project Contact Name, email, and Number</b>	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451
<b>Total Cost (£k)</b>	Cadent £50,000 SGN £50,000
<b>Total VCMA Funding Required (£k)</b>	£100,000
<b>Problem(s)</b>	<p>Government statistics from November 2024 indicate that 13% of households in the UK are living in fuel poverty.<sup>1</sup></p> <p>There are three crucial factors that determine whether a household is fuel-poor:</p> <ul style="list-style-type: none"> <li>• Household income</li> <li>• Household energy requirements – energy efficiency plays a significant role in fuel poverty, as improved energy efficiency reduces a household’s fuel costs for a specific property size.</li> <li>• Fuel prices – the energy price cap, which prevents suppliers from setting their default tariff above a certain limit, is mainly influenced by wholesale energy prices.</li> </ul> <p>Additionally, the total amount of unclaimed benefits in the UK has reached £22.7 billion annually. Overall, around 8.4 million people could be missing out on an average of £2,700 per year.<sup>2</sup></p> <p>The primary issue for many customers is having sufficient income, and many are uncertain about their entitlements. Factors contributing to this uncertainty include lack of knowledge, digital exclusion, and mental health issues that lead to social isolation. Even those who can access information often find themselves struggling to apply for benefits due to the complexity of the forms.</p>
<b>Scope and Objectives</b>	<p>Cadent and SGN are working with Make Life Better (MLB) to deliver a 15-month project that helps financially vulnerable customers increase their household incomes to address the crucial factor that underpins fuel poverty.</p> <p>MLB will play a crucial role in this process. Customers will first complete an assessment on the IE Hub, which is an online tool that helps customers with energy debt and income maximisation. They enter their income and expenditure, and the IE Hub generates a report that identifies any benefits, grants and tariffs they may be eligible for based on the information entered.</p> <p>Those identified as the most vulnerable, who may find it challenging to apply for new tariffs, grants, and benefits, will be eligible for in-depth support from the Make Life Better team, and will receive assistance throughout the entire process until it is completed.</p> <p>MLB aims to maximise the success of participants identified through the IE Hub by assisting them in claiming their full entitlement to benefits. Eligible customers will be referred to MLB by the IE Hub.</p>

<sup>1</sup> Annual fuel poverty statistics in England, 2024 (2023 data)

<sup>2</sup> Missing out 2024: £23 billion of support is unclaimed each year - Policy in Practice

	<ul style="list-style-type: none"> <li>• The IE Hub and MLB will develop eligibility criteria to identify the most vulnerable customers.</li> <li>• Eligible customers will be referred to MLB to complete a benefit application where necessary.</li> <li>• MLB will support the application process through to the benefit award, including any tribunals or appeals.</li> </ul> <p><u>Project Objectives</u></p> <p>The success of this collaborative project will be evaluated based on the achievement of the following objectives:</p> <ul style="list-style-type: none"> <li>• Establishing a robust eligibility check to ensure that the most vulnerable individuals who require additional support are reached.</li> <li>• Assisting 166 customers within each GDN with comprehensive benefit support (total 332 customers).</li> <li>• Guiding benefit applications through to completion, ensuring that awards are successfully received.</li> <li>• Providing customers with additional income maximisation support, such as grants.</li> </ul>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>The GDNs believe that this project meets all of the VCMA company specific and collaborative eligibility criteria.</p> <p><u>Company specific VCMA eligibility criteria</u></p> <p><b>A. The project is forecasted to have a positive SROI:</b> We believe that the project has the deliverables necessary to create a positive social return on investment (SROI). The GDNs will utilise social value proxies and calculations approved by industry experts. More information on the project's positive forecasted SROI can be found in the relevant section below.</p> <p><b>B. The project will either:</b></p> <ol style="list-style-type: none"> <li><b>Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</b></li> <li><b>Provide awareness on the dangers of CO, or</b></li> <li><b>Reduce the risk of harm caused by CO</b></li> </ol> <p><b>C. Have defined outcomes and the associated actions to achieve these:</b> This project has clearly defined outcomes and success criteria, and the associated actions to meet them. Further information on the project's outcomes, associated actions, and success criteria can be found in the relevant section below.</p> <p><b>D. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and:</b> The GDNs believe that this project goes outside of activities funded through other price control mechanisms due to:</p> <ol style="list-style-type: none"> <li>The types of services being delivered to customer, and,</li> <li>The method in which the support is delivered to customers (e.g., through a publicly facing advice line and in person community events)</li> </ol> <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> This project will be delivered solely through the GDNs' VCMA funding.</p> <p><u>Collaborative VCMA projects criteria</u></p> <p><b>A. Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria:</b> This project meets the company-specific eligibility criteria - see relevant section above.</p>

	<p><b>B. Have the potential to benefit consumers on the participating networks; and:</b> This project will benefit customers in vulnerable situations living across all nine gas distribution network areas of Great Britain.</p> <p><b>C. Involve two, or more, gas distribution companies:</b> This project will be funded by Cadent and SGN.</p> <p>This partnership aligns to the collaborative GDN commitment to deliver support services customers aligned to our four strategic pillars:</p> <ol style="list-style-type: none"> <li>1. Services Beyond the Meter</li> <li>2. Supporting Priority Customer Groups</li> <li>3. <b>Fuel Poverty &amp; Energy Affordability</b></li> <li>4. Carbon Monoxide Awareness</li> </ol> <p>This project aligns to strategic pillar 3 with outcomes also in 2.</p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p><b><u>Cadent stakeholder evidence</u></b></p> <p>Cadent conducted extensive stakeholder and customer engagement to obtain feedback on its RIIO-GD2 business plans and subsequent VCMA delivery.</p> <p>Firstly, we conducted "Energy Diaries", a piece of research aimed at gauging the customer's attitudes towards the rises in energy prices, as well as the support offered by organisations such as Cadent. The Energy Diaries demonstrated that customers continue to support the key measures that we identified when developing our RIIO-2 plan, with a heightened requirement to support people with the cost-of-living crisis.</p> <p>The partnership between Make Life Better recognises this feedback by offering vulnerable households essential support with income maximisation services.</p> <p>Secondly, 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 the projects are in the best interests of our customers. 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.</p> <p>Finally, Cadent asked customers for their views on which of the below statements best described their health and financial situation compared to 2021:</p> <ul style="list-style-type: none"> <li>• My current household's health or financial situation is worse off compared to 2021.</li> <li>• My current household's health or financial situation is the same compared to 2021.</li> <li>• My current household's health or financial situation is better off compared to 2021.</li> </ul> <p>60% of participants responded that their households' health or financial situation was worse off this year compared to 2021 levels.</p> <p><b><u>SGN stakeholder evidence</u></b></p> <p>SGN's Vulnerable Steering Group has helped shape SGN's vulnerability strategy and priorities for GD2 from strategy into delivery. With their guidance we intend to prioritise key initiatives to support our most vulnerable customers.</p> <p>With a data driven approach to identify communities most likely to suffer detriment from living in a cold and unhealthy home, it was identified that we should prioritise programmes those most in need, include priority customers groups.</p> <p>In 2024 our strategic steering group re-iterated the vital impact we could have by co-ordinating our activities with others to identify and support those most in need, those most impacted by the cost of living and energy cost crisis.</p>

<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p>The partnership with MLB will allow Cadent and SGN to support customers living in fuel poor households that have been identified through the IE hub as being entitled to benefits they are not already claiming.</p> <p>This will result in a wraparound service that's supports the most vulnerable customers to increase their income via a trusted GDN partner.</p> <p><u>Project outcomes</u></p> <p>The project aims to provide comprehensive income maximisation support to 332 vulnerable customers across the Cadent and SGN networks over a 15-month period.</p> <ul style="list-style-type: none"> <li>• Refer 166 vulnerable customers per GDN (332 in total) to receive further in-depth support for claiming additional benefits</li> <li>• Offer a complete service to highlight any social tariffs, grants, or discounts that may be available to customers</li> <li>• Support customers throughout the application process until they receive their award</li> <li>• Increase the income of eligible customers by helping them obtain benefits they are not already claiming</li> <li>• These customers will have already accessed the IE Hub tool, raising their awareness of the Priority Services Register (PSR) and Carbon Monoxide Safety information</li> <li>• As a result of increased income, customers will experience an enhanced sense of well-being</li> <li>• Additionally, customers will feel a reduced level of anxiety and stress associated with financial struggles.</li> </ul> <p><u>Associated Actions</u></p> <ul style="list-style-type: none"> <li>• IE Hub and MLB will work in partnership with Cadent and SGN to ensure the most vulnerable customers receive in depth income maximisation/benefit advice to enable them to claim extra benefits increasing their household income.</li> <li>• MLB and IE Hub will measure the impact by reporting to the GDNs on: <ul style="list-style-type: none"> <li>○ Total number of customers referred to MLB for support</li> <li>○ Total numbers of customers who successfully claimed extra benefits, grants, tariffs</li> <li>○ Total amount of financial gains</li> </ul> </li> </ul> <p><u>Success Criteria</u></p> <p>The success of the project will be evaluated against the achievement of the project's objectives. These are:</p> <ul style="list-style-type: none"> <li>• Assisting 332 customers (166 per GDN) with claiming extra benefits, grants, discounts and social tariffs</li> <li>• Ensuring they have a robust eligibility check to capture the most vulnerable customers that require extra support</li> <li>• Supplying a report to the GDNs to measure the impact on the customers receiving help to increase their income.</li> </ul>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>Make Life Better, IE Hub, Cadent and SGN</p>
<p><b>Potential for New Learning</b></p>	<p>This project provides the GDNs with the opportunity to understand the true impact of assisting customers who may be digitally excluded or unable to complete a benefit application on their own.</p> <p>The IE hub will indicate whether a customer is entitled to additional benefits. However, if they are unable to pursue those benefits, they will remain in the same situation as before.</p> <p>This project aims to close this gap by offering the in-depth support that many vulnerable customers require.</p> <p>Ultimately, this will help us determine whether this approach is the right one for the future.</p>
<p><b>Scale of VCMA Project and SROI Calculations</b></p>	<p><u>Scale of VCMA project</u></p>

This collaboration will deliver a 15-month project with IE Hub to enable vulnerable customers to access previously unclaimed benefits.

Customers will be supported throughout the application process by MLB up to benefit award where applicable.

The Gas Distribution Networks worked with leading social impact research consultancy SIRIO Strategies on the development of the Industry Standard Social Value Framework and supporting GDN Rulebook. We have used that GDN Rulebook to carry out an assessment of the financial and wellbeing outcomes applicable to our services for vulnerable customers incorporated in this partnership. Carrying out an assessment of the predicted outcomes we forecast a positive net Social Return on Investment of £31.50

**GDN Rulebook**  
Latest Version Date: 27-09-2024



The screenshot shows a web-based calculator interface. At the top, there is a 'Load Project' dropdown menu with a 'Load' button. Below this, the interface is divided into several sections:

- Project information:** A table with the following data:
 

Name:	MLB
WACC:	4.97%
Year of assessment:	2025
Start year of benefits:	2025
End year of benefits:	2030
Attribution:	0.00%
- Results:** A table with the following data:
 

Cost (discounted):	€100,000.00
Customer volume:	332
GPV:	€3,250,190.34
NPV:	€3,150,190.34
SROI:	€31.50
- Non-standardised activity inputs:** A table with the following data:
 

Cost (discounted):	
GPV:	
- Buttons:** 'Calculate', 'Save', and 'Clear' buttons are located to the right of the input tables.
- Summary:** At the bottom right, a summary bar shows 'Cost 24 / 25' as €100,000.00.

Investment = £100,000  
 5-year social return on investment =£1: £31.50  
 5-year net present value = £3,150,190.34  
 5-year gross present value = £3,250,190.34

**VCMA Project Start and End Date**

VCMA Project Start Date: January 2<sup>nd</sup> 2025  
 VCMA Project End Date: March 31<sup>st</sup> 2026

**Geographical Area**

The project will be delivered across the Cadent network and SGN (Southern).

**Internal governance and project management evidence**

Cadent and SGN have worked alongside SGN MLB to co-design this partnership and ensure that it aligns to the delivery of our collaborative Vulnerability Strategy and the VCMA governance criteria.

The SROI for this project has been calculated utilising the information shared by MLB. Over the 15-month period they will carry out 332 benefit, grant and tariff applications until award.

We have based the SROI on those figures which has generated a forecast 5-year SROI of £31.50 using the GDN Rulebook.

MLB, Cadent and SGN will meet quarterly to review outcomes, learn, share best practice, ensure the correct customers are being supported, and address any delivery issues.

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

In order to ensure that a VCMA project is registered in accordance with the Ofgem VCMA governance document (incl. project eligibility assessment), the below table should be completed as part of the project registration process.

**Stage 1: GDN Collaboration Group PEA Review**

Date completed:  
Review completed by:  
Job title:


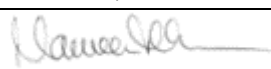
GDN:	Name(s):
Cadent	Gurvinder Dosanjh
SGN	Kerry Potter

**Stage 2: GD2CVG Panel Review**

Date review completed:  
Review completed by:  
Job title:

GDN:	Name(s)
Cadent	Phil Burrows
SGN	Maureen Mcintosh

**Step 3: Participating GDN individual signatory sign-off**

GDN	Name(s)	Signature(s)	Date
Cadent:	Phil Burrows		18/12/24
SGN:	Maureen Mcintosh		12/12/24

**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: December 24

Date that Notification Email Sent to Ofgem: December 24