

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Health Homes Solutions Vulnerability Intervention Programme

Simon Hames
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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;	Y
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; 	Y
c) Have defined outcomes and the associated actions to achieve these;	Y
d) Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and	Y
e) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	Y
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;	NA
b) Have the potential to benefit consumers on the participating networks; and	NA
c) Involve two, or more, gas distribution companies.	NA

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

Information Required	Description
Project Title	Vulnerable Homes Intervention Programme
Funding GDN(s)	Cadent - Cadent company specific project across all four of Cadent's distribution network areas
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent company specific project
Date of PEA Submission	September 2022
VCMA Project Contact Name, email and Number	Contact Name: Phil Burrows Role: Head of Customer Vulnerability & Social Programme Delivery Email: phil.m.burrows@Cadentgas.com Number: 07773 545451
Total Cost (£k)	£161,333.00
Total VCMA Funding Required (£k)	£161,333.00
Problem(s)	<p>We know that around 2 in 3 people living in vulnerable situations are not registered on the PSR. We are working alongside other network businesses, the Energy Network Association and water companies to improve this statistic and ultimately create a single national PSR. However, these projects will take time to materialise and, in the meantime, without 'perfect' knowledge, driven by accurate and up to date data, it can be difficult to target where we deliver our various support initiatives.</p> <p>The founders of Healthy Homes Solutions (HHS), have spent over 10 years researching, meeting, and engaging with people who are or feel vulnerable and excluded, or individuals who feel unable to easily improve their lives and homes.</p> <p>HHS have found that a lack of awareness of the services and additional support that is available exists within vulnerable and 'most in need' homes. This additional support not only has the potential to improve residents' wellbeing, housing conditions and lives, but also provides them with products and services that make them feel safer, 'better off' and supports reducing carbon emissions across the UK.</p> <p>In October 2021, new research by the Health Foundation's Networked Data Lab (NDL) revealed the extent to which the pandemic has had a devastating and lasting impact on more than four million people who were identified as being 'extremely vulnerable'. The analysis suggested that there is now significant unmet health need and worsening levels of mental health among this group.</p> <p>Furthermore, in February 2021 the FAC announced that 28m adults were deemed "vulnerable", equating to a 15% increase year on year from Feb 2020 to Feb 2021. The regulator's work also found that the number of adults with low financial resilience had grown throughout 2020, increasing from 10.7m to 14.2m. The increases in vulnerability and financial hardship has the potential to impact the wellbeing of these demographics further negatively.</p>

	<p>The estimated social and economic cost of leaving people in poor and cold housing is in excess of tens of billions of pounds per annum. Poor housing conditions can directly impact the well-being and safety of people ‘most in need’, as they afford to meet the costs of repair and improvement works to their homes. Ultimately, these conditions have contributed to more than half of the United Kingdom’s population experiencing some form of vulnerability.</p> <p>The results of the above analysis and the first hand experiences of organisations like HHS has led to the creation of a comprehensive database. The database has been created through investment by HHS and contains information on homes, health, and wellness indices. Cadent and HHS believe that the database will improve the effectiveness of targeting vulnerable households, as well as enabling profiling for key programmes that raise awareness amongst customer demographics that stand to benefit most from support services (e.g. income maximisation, energy efficiency, Priority Services Register, and carbon monoxide safety).</p>
Scope and Objectives	<p><u>Project Scope</u></p> <p>In return for Cadent's Vulnerability and Carbon Monoxide Allowance (VCMA) funding, HHS will provide an integrated platform to identify and implement collaborative programmes that improve homes and provide greater care and safety for vulnerable people.</p> <p>The programme will initially be tested by focusing on a series of pilot trials across a number of locations. For the initial trial programme, HHS will engage 1,000 Voluntary Registration Service (VRS) members across four Cadent network locations profiled as “homes most in need”. This profiling process will be determined through discussions between the VRS, Cadent and HHS as part of the programme initiations sessions.</p> <p>VRS are a not for profit organisation that provide a central independent register of vulnerable people, helping companies with aligned objectives to identify vulnerability and keep people safe. The VRS members reached through the project will receive the opportunity to access additional free interventions (e.g. registration to the Priority Services Register), all of which are designed to improve customers' awareness and safety at home.</p> <p>The approach is modular, enabling digital inclusion, financial, and energy efficiency support, as well as further safety programmes to be rolled out overtime across Cadent's network. Through use of HHS's database and VRS's client group, the support offered through the project will be extremely targeted at households most impacted by factors such as the cost of living crisis, poor housing conditions, and utility outages.</p> <p><u>Project Objectives</u></p> <p>The project's objectives can be split into two distinct phases of customer engagement and tailored support.</p> <p>Firstly, HHS will work in partnership with VRS to send communications to approximately 1,000 vulnerable households. The communications will range from formal letters, to printed literature, digital content, and email. All initial</p>

	<p>communications will overview the energy efficiency, income maximisation, and home safety support offered through the subsequent home visits.</p> <p>Secondly, HHS will conduct approximately 450 home visits to vulnerable households that were engaged through the initial HHS/VRS communications activities. Households will be offered interventions that are tailored to their specific needs - the full scope of interventions includes:</p> <p><u>Financial wellbeing and cost of living support</u></p> <ul style="list-style-type: none"> • Support to access the Warm Homes Discount payment; • Assistance to claim emergency fuel vouchers; • Access to social housing rent-flex assessment; • Support to submit grant applications; • Water saving packages/small measures; <p><u>Connectivity, Support, and Inclusion</u></p> <ul style="list-style-type: none"> • The installation of free carbon monoxide alarms; • Assistance with broadband access checks and applications to social tariffs; • Support to register to the PSR <p>Overall, the project aims to raise awareness on the priority services register and the dangers of carbon monoxide amongst a customer group of 1,000 households (2,400 individuals applying the 2.4 average UK household size multiplier).</p> <p>Additionally, the project aims to offer tailored interventions to 450 targeted vulnerable households; these interventions will include income maximisation, the installation of carbon monoxide alarms, and access to wider support services.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that this project meets all of the necessary company-specific VCMA criteria - see below:</p> <p>A. The project is forecasted to have a positive SROI: We have forecasted the project to achieve a positive social return on investment due to a number of factors including the modelling of the independent Housing Association Charity Trust (HACT) report and our experience of past social value work with third parties such as SIA Partners. More information can be found in the section below.</p> <p>B. The project will either:</p> <ul style="list-style-type: none"> i. Provide support to vulnerable consumers 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 <p>The project will meet all three of the above criteria through enabling customers to register to the Priority Service Register, access income maximisation services, receive educational materials on the dangers of carbon monoxide, and obtain free carbon monoxide alarms.</p>

	<p>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.</p> <p>D. The project goes beyond the activities funded through other price control mechanisms or required licence obligations: We believe that this project goes outside of activities funded through other price control mechanisms due to:</p> <ul style="list-style-type: none"> a) the types of support being delivered, and, b) the method through which customers are engaged (i.e. not through Cadent's BAU activities) <p>E. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding: This project will be delivered solely through Cadent's VCMA funding.</p>
Evidence of Stakeholder/Customer Support	<p>Cadent has sought the views of a wide range of stakeholders to support its strategy for shaping VCMA projects.</p> <p>For example, Cadent conducted extensive stakeholder engagement to gather the views of organisations on its year one VCMA delivery. Cadent obtained the views of stakeholders and customers on categories of activities (e.g. tackling affordability and fuel poverty), seeking views on whether Cadent should reduce, increase or keep 2021-2022 funding levels consistent.</p> <p>With regards to categories of activities, tackling affordability and fuel poverty saw the highest percentages of support for increasing funds, with 61% of stakeholders and 43% of customers supporting an increase in funding when compared to 2021-2022 levels. This project supports the tackling of affordability and fuel poverty by offering targeted customers services designed to maximise household income and improve energy efficiency.</p> <p>Additionally, an overwhelming majority of stakeholders and customers supported or somewhat supported Cadent funding the distribution of carbon monoxide alarms. 83% of customers and 91% of stakeholders supported Cadent's approach of providing alarms to the most vulnerable groups in society. One stakeholder commented <i>"The smoke alarm has now become a much more accepted piece of safety equipment with many people having smoke alarms installed, however there is still much to be done in getting the CO alarm to be considered a vital piece of safety equipment similar to the status of a smoke alarm"</i>.</p> <p>Finally, the Vulnerable Homes Intervention Programme will provide customers with energy efficiency and income maximisation advice, as well as free carbon monoxide alarms. The deliverables of energy efficiency/income maximisation conversations and the distribution of carbon monoxide alarms are key features of Cadent's customer vulnerability business plans. Cadent sought feedback on the validity of Cadent's business plan through our recent 'temperature checks'. The 'temperature checks' were completed with a cross section of our customer base, including our customer forum. The 'temperature checks' demonstrated demonstrate 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>

Information Required	Description
Outcomes, Associated Actions and Success Criteria	<p><u>Project Outcomes</u></p> <p>Utilising Cadent's funding, HHS aim to deliver the following outcomes:</p> <ul style="list-style-type: none"> • Approximately 1,000 households identified as vulnerable will receive communications from HHS. The communications will range from formal letters, to printed literature, digital content, and email. All communications will overview the energy efficiency, income maximisation, and home safety support offered through the subsequent home visits. • Approximately 1,000 households will be informed of the Priority Services Register, its benefits and how to register. Additionally, these 1,000 households will be educated on the signs, symptoms, and dangers of carbon monoxide. • A minimum of 450 households will receive tailored interventions as a result of their engagement with the project. These tailored interventions will include benefit entitlement checks, Warm Homes Discount payments, and support to apply for small grants. • Customers supported through the project will report improved levels of comfort due to increases in their household income and a better understanding of how to manage their fuel bills. • Customers supported through the project will report decreased levels of stress during outages due to registration to the Priority Services Register. • Customers supported through the project will improve their understanding on the signs, symptoms, and dangers of carbon monoxide. <p><u>Associated Actions</u></p> <p>Cadent, HHS, and their partners will perform the following associated actions in order to achieve the project's outcomes and success criteria:</p> <ul style="list-style-type: none"> • HHS will utilise social media and work with the VRS and Date of Delivery data to identify and deliver communications to 1,000 households identified as vulnerable. • HHS will operate a triage service that receives expressions of interest from vulnerable households that receive communications during the initial phase of the project. • HHS will contact customers that express an interest in receiving support for the purpose of assessing their needs; and agreeing a tailored approach to assisting them with services such as benefit entitlement checks, Warm Homes Discount payments, and small grant applications; • HHS will (with the consent of the customer) register households to the Priority Services Register and Voluntary Registration Service. These

	<p>registrations will provide households with benefits such as additional support during utilities outages and relief from debt recovery agencies.</p> <p><u>Success Criteria</u></p> <p>The project's success will be measured through a variety of metrics including:</p> <ul style="list-style-type: none"> Evaluating the number of households that express an interest and subsequently receive a tailored suite of interventions based on their specific needs. Measuring customers' attitudes towards the positive indicators listed in the Project Outcomes section of this document.
Project Partners and Third Parties Involved	<p>Cadent will principally work in partnership with Healthy Homes Solutions. Healthy Homes Solutions are an organisation that help energy inefficient and vulnerable households improve their homes.</p> <p>Healthy Homes Solutions will work in partnership with the Voluntary Registration Service to reach households that have been identified as vulnerable.</p>
Potential for New Learning	<p>We believe that this project offers Cadent the opportunity for new learning in various areas.</p> <p>Firstly, the Vulnerable Homes Intervention Programme will see Cadent's first use of the Voluntary Registration Service (VRS) as a method of identifying vulnerable households. There are thousands of households registered to the VRS, and registration ensures that creditors adapt their approach when attempting to recover debt or provide financial products. The approach of utilising the VRS to engage vulnerable households will test the effectiveness of this communication method when compared to other Cadent strategies (e.g. PSR and social mapping data).</p> <p>Additionally, the approach of utilising the VRS as a method for identifying potentially vulnerable households will provide Cadent with insight on the links between financial vulnerability and energy-specific forms of hardship such as fuel poverty. Households' primary driver for registering to the VRS is financial services related benefits. HHS will monitor the conversation rates of VRS customers engaging with the programme and ultimately receiving tailored interventions.</p>
Scale of VCMA Project and SROI Calculations	<p><u>Scale of VCMA Project</u></p> <p>Cadent and HHS will deliver a 10-month pilot that aims to engage a minimum of 1,000 households and provide tailored interventions to approximately 450 customers. The project will be delivered across all 4 of Cadent's gas distribution network areas and will provide customers with support on income maximisation, energy efficiency, PSR registration, and carbon monoxide awareness.</p> <p><u>SROI Summary</u></p> <p>Investment = £161,333.00 5-year social return on investment = £2,387,819.00 1-year social return on investment = £348,497.40 5-year gross present value = £2,549,152.00 1-year gross present value = £509,830.4</p>

	HHS have partnered with Housing Association Charity Trust (HACT) to model the social value of the project based on the anticipated number of beneficiaries. All values used in the social value calculations have been generated using HACT's UK Social Value Bank 2022. Values are a combination of improvements to individual wellbeing and net exchequer savings to the public purse (e.g. savings in housing benefit resulting from beneficiaries being able to afford to pay for housing).
VCMA Project Start and End Date	Project Start Date: September 2022 Project End Date: July 2023
Geographical Area	The project will be delivered across all four of Cadent's gas distribution network areas.
Remaining Amount in the Allowance at Time of Registration	To be confirmed upon receipt of Director of Sustainability and Social Purpose sign-off.

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: September 2023	Review Completed By: Edward Allard - Social Programmes Manager
Stage 2: Sustainability and Social Purpose Management Review	
Date Management Review Completed: 16/03/23	Review Completed By: Phil Burrows
Step 3: Director of Sustainability and Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 16/03/23	
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 23	
Date that Notification Email Sent to Ofgem: March 23	