

GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

"Parsley Box"

September 2023

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;	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;	YES
b) Have the potential to benefit consumers on the participating networks; and	YES
c) Involve two, or more, gas distribution companies.	YES

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

Information Required	Description
Project Title	Parsley Box
Funding GDN(s)	Collaborative VCMA project funded by all four gas distribution networks
Role of GDN(s) *For Collaborative VCMA Projects only	Lead GDN = Cadent (responsible for relationship management with supplier and project delivery) Northern Gas Networks = Content creation and delivery SGN = content input and feedback WWU = content input and feedback, SROI calculations
Date of PEA Submission	05 October 2023
VCMA Project Contact Name, email, and Number	Name: Ellen Cox Title: Customer Safeguarding Specialist Email: ellen.cox@cadentgas.com Number: 07870821400
Total Cost (£k)	£20,452.00
Total VCMA Funding Required (£k)	Total Project Costs = £19,183.50 Print Costs = £2,683.50 (Vendor Latcham) Item Costs = £16,500.00 (Vendor Parsley Box) <ul style="list-style-type: none"> Total print costs for 22k prints of each = 140gsm £2683.50 (recommended by printer) 25p per item based on estimate weight/size A4 on 140gsm uncoated, saddle stitched. £5,500 per month x 3 = £16,500 <p>Cost breakdown:</p> <p>Cadent = £8,250 (Parsley Box) & £1,341.75 (Latcham) = Total £9,591.75 WWU = £2,062.50 (Parsley Box) & £335.43 (Latcham) = Total £2,397.93 NGN = £2,062.50 (Parsley Box) & £335.43 (Latcham) = Total £2,397.93 SGN = £4,125 (Parsley Box) & £670.88 (Latcham) = Total £4,795.89</p>
Problem(s)	<p>There continues to be a lack of knowledge regarding the PSR amongst our digitally excluded customers.</p> <p>Following a recent incident in Sheffield, a story highlighted a disabled resident and how she felt that the needs of disabled people being overlooked in disaster planning. This customer wasn't on the PSR and was digitally excluded so didn't receive the additional help available. Her story can be found here: https://nowthenmagazine.com/articles/i-really-did-feel-forgotten-about-a-disabled-residents-experience-of-the-stannington-gas-outage</p> <p>Whilst 97% of the UK population are estimated to have an internet connection this does not necessarily mean that they all use social media channels to get information/updates posted by organisations such as ours. Statistics indicate that only 77.9% of the UK population have active social media accounts, whether this be by choice or circumstance.</p> <p>Financial constraints</p>

	<p>Social mapping tools currently available are able to highlight areas where households are unable to financially meet broadband Universal Service Obligations (USO), which is a financial rule set by OFCOM which is deemed to be an affordable cost to pay for broadband/telephony.</p> <p>Ageing population</p> <p>As reported in Ageing Better's State of Ageing 2022 report, over 3 million people aged 55 and over have never been online, with people aged over 75 the most likely to be digitally excluded. Exclusion was also almost twice as high among disabled people aged 64-75 than among their non-disabled peers.</p> <p>Rural customers</p> <p>Broadband speeds are on average 33% slower than in urban areas, and rural internet users are 3x as likely to have internet that doesn't meet the minimum connection speed (10Mbps).</p>																																
Scope and Objectives	<p><u>Project Scope</u></p> <p>Parsley Box deliver easy to store microwave meals across the UK with a primary customer base of over 65's and have a high repeat customer base. This project will create and deliver a leaflet to be inserted in Parsley Box deliveries over a 3-month period with a different focus each month ranging from the PSR, to CO awareness and energy efficiency advice.</p> <p>Client base location from previous orders over 3 years:</p> <table border="1" data-bbox="424 990 1362 1621"> <thead> <tr> <th>ITV Region</th> <th>Customers</th> </tr> </thead> <tbody> <tr> <td>ANGLIA</td> <td>67713</td> </tr> <tr> <td>BORDER</td> <td>10277</td> </tr> <tr> <td>CENTRAL</td> <td>99344</td> </tr> <tr> <td>CENTRAL SCOTLAND</td> <td>38275</td> </tr> <tr> <td>GRANADA</td> <td>72031</td> </tr> <tr> <td>LONDON</td> <td>87665</td> </tr> <tr> <td>MERIDIAN</td> <td>106466</td> </tr> <tr> <td>MERIDIAN (CHANNEL ISLANDS)</td> <td>612</td> </tr> <tr> <td>NORTH SCOTLAND</td> <td>15922</td> </tr> <tr> <td>TYNE TEES</td> <td>31862</td> </tr> <tr> <td>ULSTER</td> <td>4681</td> </tr> <tr> <td>WALES</td> <td>40096</td> </tr> <tr> <td>WEST</td> <td>35752</td> </tr> <tr> <td>WESTCOUNTRY</td> <td>34896</td> </tr> <tr> <td>YORKSHIRE</td> <td>77349</td> </tr> </tbody> </table> <p><u>Project Objectives</u></p> <p>The project aims to achieve the following objectives:</p> <p>Parsley Box will deliver approximately 22,000 meals each month. Agreement with Parsley Box is for them to insert one of the below leaflets in every delivery during the 3-month period.</p> <p>Reach will be 22,000 customers per subject matter as stated below. Overall reach is 66,000 however some of these will be repeat customers.</p> <ol style="list-style-type: none"> Information relating to energy efficiency & the risks associated with self-disconnections. Customers will be signposted to partners for support such as Citizen Advice, Maggie's, Scope, Age UK. 	ITV Region	Customers	ANGLIA	67713	BORDER	10277	CENTRAL	99344	CENTRAL SCOTLAND	38275	GRANADA	72031	LONDON	87665	MERIDIAN	106466	MERIDIAN (CHANNEL ISLANDS)	612	NORTH SCOTLAND	15922	TYNE TEES	31862	ULSTER	4681	WALES	40096	WEST	35752	WESTCOUNTRY	34896	YORKSHIRE	77349
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	<p>Switching off or not using enough energy to stay warm and well at home is the choice many people are facing as costs remain high. Living in a cold home could impact a pre-existing health condition, cause dampness in homes and affect your physical and emotional wellbeing. Customers who are living in a cold home have help available from their energy supplier or trusted organisations who can support with advice around energy usage, access to funding, benefit checks and many more services.</p> <p>2. Information relating to the PSR, including what is it, the benefits and how to register.</p> <p>A range of support services are available to customers on the PSR, including:</p> <ul style="list-style-type: none"> • Wherever possible, advanced notice of scheduled power cuts • Priority support in an unplanned interruption to gas or power supply • Priority support when calling a network operator. • Identification, password, and nominee schemes. <p>3. Information relating to CO Awareness, the signs and symptoms and the importance of appliance maintenance. The current cost of living crisis has created the potential of households choosing to put food on the table rather than servicing gas appliances to save money.</p> <p>Faulty gas appliances can release carbon monoxide, a poisonous gas which you can't see, hear, or taste, making it very difficult to detect. It is important to know that coal, wood, and fuel oil can also release carbon monoxide when burnt.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>This project operates across all the GDN networks and aligns to our GDN strategic mission to reflect and understand our changing customer's needs. This project meets the VCMA eligibility criteria as it will provide safeguarding information for those most in need and increase awareness of PSR, Fuel efficiency and the dangers of CO exposure. The campaign will also support customers by helping them gain access to further support and help they need to live in a safe and warm home. This will ensure that the funding achieves a positive social return on investment.</p>
<p>Evidence of Stakeholder/ Customer Support</p>	<p>The VCMA Customer Feedback Report</p> <p>Identifying customer needs and joining up support services</p> <ul style="list-style-type: none"> • Overall customers and stakeholders support the funded projects that identify customer needs and join up support services. Keeping you safe and warm (Customer booklet) received the highest percentage of customers and stakeholders who supported funding this project. • Stakeholder's views strongly reflected customer views, with the expectation of Keeping communities safe and warm (Stakeholder booklet) and Carers Trust which received stronger support from stakeholder than customers. • Over half of customers would keep the amount of funding allocated to identifying customer needs and joining up support services the same, while stakeholders were more divided in how much funding should go towards these activities. <p>Tackling affordability and fuel poverty</p> <ul style="list-style-type: none"> • While the majority of customers and stakeholders support or somewhat support the projects that have been funded that tackle affordability and fuel poverty, there was a high percentage of customers and stakeholders that neither supported nor opposed or did not know if they supported or opposed these activities. This is because while customer see the value of these projects, they believe that it is only scraping the surface for the amount of support required as a result of the current cost of living crisis.

	<ul style="list-style-type: none"> The main reason some customers (14%) opposed or somewhat opposed one or more projects was due to the reach. Some customers stated they wanted projects to support more people while others wanted regional projects to be available nationally. No stakeholders opposed or somewhat opposed to the funding of these projects. Overall customers are divided on whether to keep the amount of funding allocated to tackling affordability and fuel poverty the same or increase funding in this area. While stakeholders would like to increase the amount of funding allocated towards these activities. <p>Protecting our customers from the dangers of carbon monoxide (CO)</p> <ul style="list-style-type: none"> Overall customers and stakeholders support funding projects that protect our customers from the dangers of CO, with the highest percentage of support and somewhat support from both customers and stakeholders for the Fire and rescue service, Providing CO alarms and funding CO awareness week. No specific reasons were given by those customers (6%) who somewhat oppose funding certain projects. Over half of customers would keep the same amount of funding allocated to projects that protect our customers from the dangers of carbon monoxide, while stakeholders were more divided in how much funding should go towards these activities.
Outcomes, Associated Actions and Success Criteria	<p>Delivery of 30k leaflets per month for 3 months covering the 3 topics mentioned above.</p> <p>PSR Leaflet Reach - Assumption of action rate is 10% meaning we estimate 90% of users will dispose without reading/acting on the content. The SROI has been calculated based on this assumption.</p> <p>Energy advice and CO Awareness - Assumption of action rate is 3% meaning we estimate 97% of users will dispose without reading/acting on the content. The SROI has been calculated based on this assumption.</p> <p>Success will be measured by reviewing PSR gap changes in the relevant LSOA's after a quarterly data cleanse within the social mapping tool.</p>
Project Partners and Third Parties Involved	<p>Parsley Box</p>
Potential for New Learning	<p>Parsley Box is a chain that claims to reach those living alone and primary demographic is elderly.</p> <p>This project is a new way of trying to reach an already hard to reach audience that is yet to be successful.</p> <p>As Parsley Box are a trusted supplier to its customers, they are likely to trust content enclosed rather than a random leaflet posted through the door.</p> <p>If this proves to be a good route for reaching our less digital customer base further research can be done to identify other organisations offering a similar service.</p>
Scale of VCMA Project and SROI Calculations	<p>Scale of VCMA Project</p> <p>The project will run for 3 consecutive months and reach approximately 22,000 customers every month,</p> <p>The inserts will be sent within orders for Parsley box customers.</p>

	SROI of £20.90/£1 based on a reach of 22,000 and costs of £19,183.50.	
	5-year Results	
Economic	Total cost	£19,183.50
	Total gross present value	£420,202.32
	NPV	£401,018.82
	SROI	£20.90
	Data inputs	
	Company discount rate (WACC)	4.14%
	# of households in network	2,500,000
	Social discount rate	3.50%
	First year of initiative	2023
	Year of valuation (year of prices)	2022
	The project's social value evaluation was based on financial factors such as helping customers with energy debt, as well as societal benefits such as raising CO awareness to avoid hospital admissions.	
VCMA Project Start and End Date	October 2023 – January 2024	
Geographical Area	England, Scotland, and Wales	
Remaining Amount in the Allowance at Time of Registration	Networks will provide a quarterly update of projects and costs to Ofgem going forward as stated in the VCMA Governance v2	

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

Meeting date review completed:

Review completed by:

GDN:	Name:	Job Title:
Cadent		
NGN		
SGN	Linda Spence	Vulnerability Manager (Sco)
WWU		

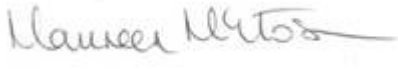
Stage 2: GD2CVG Panel Review

Meeting date sign off agreed:

Review completed by:

GDN:	Name:	Job Title:
Cadent		
NGN		
SGN	Maureen McIntosh	Director of Customer Services
WWU		

Step 3: Participating GDN individual signatory sign-off

GDN	Name:	Job Title:	Signature:	Date:
Cadent:				
NGN:				
SGN:	Maureen McIntosh	Director of Customer Services		3.11.23
WWU				

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:

Date that Notification Email Sent to Ofgem: