

GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Cost of Living Project

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November 2024

Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

<p>Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)</p> <p>In order to qualify as a VCMA project, a project must:</p>	
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
<p>Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair, and replacement projects</p> <p>In order to qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, repair or replacement must meet the following criteria:</p>	
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
<p>Section 3 - Eligibility criteria for collaborative VCMA projects</p> <p>In order to qualify as a collaborative VCMA project, a project must:</p>	
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	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	Cost of Living Project – YMCA																				
Funding GDN(s)	Cadent, SGN, Wales & West Utilities																				
New/Updated (indicate as appropriate)	New																				
Role of GDN(s) *For Collaborative VCMA Projects only	Cadent – Project Lead SGN & WWU - Project participants																				
Date of PEA Submission	November 2024																				
VCMA Project Contact Name, email, and Number	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451																				
Total Cost (£k)	£1,392,800.00 (Exc VAT) over 14 months																				
Total VCMA Funding Required (£k)	<table border="1"> <thead> <tr> <th></th> <th>Cost per GDN</th> <th>Leaflets</th> <th>Total cost</th> </tr> </thead> <tbody> <tr> <td>Cadent</td> <td>£614,400.00</td> <td>NA</td> <td>£614,400.00</td> </tr> <tr> <td>SGN</td> <td>£441,600.00</td> <td>£10,000.00</td> <td>£451,600.00</td> </tr> <tr> <td>WWU</td> <td>£316,800.00</td> <td>£10,000.00</td> <td>£326,800.00</td> </tr> <tr> <td>Total</td> <td>£1,372,800.00</td> <td>£20,000.00</td> <td>£1,392,800.00</td> </tr> </tbody> </table>		Cost per GDN	Leaflets	Total cost	Cadent	£614,400.00	NA	£614,400.00	SGN	£441,600.00	£10,000.00	£451,600.00	WWU	£316,800.00	£10,000.00	£326,800.00	Total	£1,372,800.00	£20,000.00	£1,392,800.00
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Problem(s)	<p>The remit of the YMCA is primarily to support vulnerable, disadvantaged, and disenfranchised people, as well as the wider communities in which YMCAs operate. This includes but is not limited to, low-income households, vulnerably housed individuals, people with poor physical and/or mental health, socially excluded and isolated people, and elderly people. Many people face multiple adversities or vulnerabilities.</p> <p>The YMCA is concerned that the current economic climate (“the cost-of-living crisis”) which has seen significant and sustained rises in the cost of necessities such as food and fuel has, and will continue to, exacerbate existing vulnerabilities, and cause greater social and health issues for families. Research has shown that those people amongst the hardest hit by the current economic climate include the poorest households, renters, single-parent households, and the older generation.</p> <p>Cadent and the YMCA ran a ‘Cost of Living Project’ as a pilot over six months (01st February – 31st July 2024). This was a huge success, reaching 35,033 individuals across 32 YMCAs with a range of cost-of-living support. Cadent and the YMCA are keen to see this project reinstated and extended until the end of March 2026 and scale the project to other locations.</p> <p>Cadent Report Template One Column Option3.docx (cadentgas.com)</p> <p>On reflection of the ‘Cost of Living’ project, this identified a need beyond the Cadent areas. By replicating and extending the work piloted by the YMCA and Cadent, the project can support even more people in need across the communities served by SGN and WWU in England, Scotland, and Wales.</p>																				

	<p>With 9,466 beds across England and Wales, their holistic support connects more than 20,000 people each year with case workers and provides access to life skills, healthy living activities, and budgeting sessions designed to help them to live independently. The aim for all people living in YMCA-supported accommodation is that there is support enabling people to move on to live in their own independent accommodation, whether this might be social housing or private rented accommodation.</p> <p>While YMCA housing upholds safety regulations and provides a safe and positive space for vulnerable people, YMCA knows that some accommodation they move on to are unfortunately often not of the same quality – with issues of dampness, poor insulation, and other factors affecting fuel efficiency as well as sometimes having the absence of functioning smoke and carbon monoxide alarms. Furthermore, YMCA residents may lack awareness of housing regulations and the responsibilities of their landlord regarding their safety, so may not question any inadequacies nor identify hazards. Amongst those supported in YMCA accommodation are asylum seekers and care leavers, whose understanding of the issues would be significantly lower.</p>
<p>Scope and Objectives</p>	<p><u>Project Scope</u></p> <p>Delivered in partnership with the YMCA, and co-funded by three of the UK GDNs, this project aims to support vulnerable households with a single point of contact for independent and bespoke support to keep a safe and warm home for less.</p> <p>Given the evidenced success of both partnership projects with Cadent and the continuing need for cost-of-living related support, including need beyond Cadent areas of operation, this initiative proposes to build on the existing ‘Cost of Living Project’ to create more widely accessible support to vulnerable customers affected by the cost-of-living crisis, and to support communities in other parts of England as well as Scotland and Wales.</p> <p>Scaling the project to areas covered by SGN and WWU as well as Cadent would see the existing cost-of-living project replicated, with 78 local YMCAs in these areas (most of which are multi-site) expressing interest in participating. The project takes a place-based approach, providing tailored services aligning with the six key themes of the project to meet the needs of local people.</p> <p>The project’s delivery will be split into the below six services and information distribution. This will ensure a range of audiences are reached through a hybrid of remote and face-to-face engagement:</p> <ul style="list-style-type: none"> • Benefits and welfare support • Health and wellbeing • Employment and education/ training • Life skills • Money/ budgeting • Cooking and healthy eating. <p>Training will enable staff to have meaningful conversations with vulnerable customers engaged with services within the six key project themes to complement and embed learning from the safeguarding information distributed.</p> <p>This is a 14-month collaborative project between Cadent, SGN and WWU, commencing January 2025 with a two-month implementation period, running until the end of February 2026.</p>
<p>Why the Project is Being Funded Through the VCMA</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>A. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project:</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, tackling loneliness and isolation and education on carbon monoxide. More information can be found in the relevant section below.</i></p> <p>B. The project will either:</p> <p>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</p> <p><i>The project delivers services that meet all three elements of this criteria. For example, the project will raise awareness of the dangers of CO and promote registration to the PSR. The project will also promote energy-saving tips and how to cook more efficiently on a budget.</i></p> <p>C. Have defined outcomes and the associated actions to achieve these:</p> <p><i>Cadent, SGN, WWU, and the YMCA have entered into a service agreement that will contain the project objective and actions. Further details can also be found below.</i></p> <p>D. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and:</p> <p><i>This method of delivering support to customers in vulnerable situations falls outside of the GDNs BAU activities and other license conditions.</i></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><i>This project will be delivered solely through the GDNs' VCMA funding.</i></p>
<p>Evidence of Stakeholder/ Customer Support</p>	<p>Breaking Barriers to Work: Return on Investment Analysis</p> <p>An independent evaluation report, looking at two key policy recommendations proposed in YMCA's, 'Breaking Barriers to Work' (August 2023), has concluded that such reforms could yield significant savings for the Government and the taxpayer while ensuring young people in supported housing have the financial means to achieve independent living.</p> <p>The evaluation, conducted by data and insight specialists Stonehaven, explores two key proposals:</p> <ul style="list-style-type: none"> • Raising the standard allowance for under-25s in supported housing to the same rate as the over-25s; and • Introduce a single-person work allowance for all residents of supported housing. <p>Assessing the economic viability of the proposed recommendations, Stonehaven found that implementing these modest reforms could yield substantial benefits for taxpayers and residents. While the proposed policies would incur an estimated cost of £130 million per year, they have the potential to save the Government in tax receipts and welfare spending up to £11 for every £1 invested, with the possibility of increasing to £18 when considering broader health, societal, and justice impacts.</p>

YMCA's 'Breaking Barriers to Work' report, which formed the basis of this study, highlighted how young people face additional financial challenges due to lower benefit levels and minimum wage rates compared to older adults. Those under 25 receive lower Standard Allowance rates and lower minimum wage rates.

Rising food and energy prices further strain their finances, as these increases outpace the rise in Universal Credit. Additionally, young people in supported accommodation receive 20% less welfare support despite facing similar living costs as older individuals.

"With the Job Centre, you'll say you need to go to this appointment or this training course or whatever, and they need travel to get there, and the job centre will say, we'll reimburse you when you've got your ticket. But they haven't got the money to have the ticket in the first place. So they don't go, and then they get sanctioned."

YMCA Staff, Wolverhampton

The complexity of the Universal Credit and Housing Benefit systems for those in supported housing means that working more can see them worse off, and this acts as a strong disincentive to employment. Stonehaven's findings suggest mitigating these risks through mechanisms such as a grace period for those transitioning out of supported housing or simplifying benefits to eliminate cliff-edge scenarios, which often force young people back to square one.

The study's comprehensive analysis offers policymakers valuable insights into the potential fiscal benefits of supporting residents into work and independent living. As the Government explores strategies to enhance social welfare, these findings serve as a compelling case for investing in measures that promote economic mobility and inclusivity.

YMCA's latest research, published as part of Campaign for Change in the run-up to the next General Election, uncovers how young people have been '[Trapped in the Cost of Living Crisis](#)' (April 2023) – yet reforms to the benefits system could provide critical support and save taxpayers money, as shown by an independent evaluation report.

This research follows on from YMCA's '[Breaking Barriers to Work](#)' report (August 2023) and subsequent workshops and focus groups with employers in the private sector exploring how businesses can support in breaking barriers to work for young people who have experienced homelessness – and what barriers can only be removed through the implementation of key policy recommendations by YMCA.

WWU

Through our business planning activities, priority customer research and stakeholders told us that tackling fuel poverty was a priority for WWU alongside raising awareness of the PSR and the dangers of CO amongst disadvantaged communities and those who are most in need.

Our continued engagement with stakeholders such as the NEA, Citizens Advice, and charities supported by fuel poverty statistics shows due to high inflation and record energy prices that fuel poverty is impacted more homes than ever. People who were struggling are now not using the heating or limiting use to unhealthy levels and appliances are not being serviced leading to future safety risks. The crisis has meant people who have never been in trouble now find themselves needing help but not knowing where to turn for advice.

We have tested support for projects under the VCMA which target fuel poverty through our Independent Stakeholder Group, Citizens panels, VCMA showcase events and Regional Workshops with overwhelming support to continue and do even more. Feedback demonstrated that projects should continue to be delivered through partnership organisations who are experts in delivering support services, such as YMCA.

	<p>Cadent Gas Vulnerability Research</p> <p>In June 2024, Cadent part released the research findings from an investigation into fuel poverty, gas behaviour, cost of living attitudes, concerns and behaviours and other key areas. Some of the key findings were:</p> <ul style="list-style-type: none"> • Tackling the cost-of-living crisis is a top priority for the fuel-poor. • People in poverty prioritise addressing immediate needs over long-term planning to cope with stressors they experience at present. • Knowledge of CO is a key driver for behaviour.
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes</u></p> <p>Cadent, SGN & WWU will invest £1,392,800.00 of the VCMA to support and develop a range of services that will be directly for 78 of the YMCAs and will reach 227,367 individuals throughout England, Scotland, and Wales over 12 months. The partnership with the 78 YMCAs will be broken down as per below and our funding will help and support the enhancement of the below services and information distribution:</p> <ul style="list-style-type: none"> • Benefits and welfare support • Health and wellbeing • Employment and education/ training • Life skills • Money/ budgeting • Cooking and healthy eating. <p><u>Reach:</u></p> <p>Cadent: 73,412 individuals through 32 YMCAs SGN: 95,777 individuals through 35 YMCAs WWU: 58,177 individuals through 11 YMCAs</p> <p><u>Project Actions:</u></p> <p>The YMCA will implement the following associated actions to deliver the project's outcomes:</p> <ul style="list-style-type: none"> • The YMCA GDN Project coordinator will coordinate the 78 YMCAs and set target deliverables to ensure the objectives are met. • The YMCA will arrange events such as cooking sessions, budgeting, and resident meetings. • YMCA will deliver sessions that will bring people together which will tackle loneliness and social isolation. • Staff & volunteers will receive training on energy to increase individual's awareness of how to manage energy use more efficiently in the home. • The Employability Co-ordinator will secure trials, apprenticeships, training, and jobs. This is to ensure practical skills are taught and practiced such as CV writing, job applications, and interviewing techniques. • Staff will receive training or a refresher on the PSR and will help eligible households through the registration process. • Staff will receive training or a refresher on CO awareness and general gas safety awareness. • Staff will support and signpost individuals to help claim benefits and welfare support to ensure income maximisation. <p><u>Success Criteria:</u></p> <p>The success of the project will be measured by meeting the below criteria:</p>

Overview All GDNs	Cadent Regions	SGN Regions	WWU Regions	Overall
	Total reach (annual)	Total Reach (annual)	Total Reach (annual)	Total reach (annual)
Number of YMCAs				
Number of YMCAs joining the project in each GDN network region	32	35	11	78
Information Distribution				
No. of households/people receiving CO, PSR, energy safety and efficiency, and income maximisation related advice (via hard copy)	-	43,500	18,900	62,400
Staff Training				
No. of staff trained on topics of CO, PSR, energy safety and efficiency, and income maximisation	-	105	33	138
Benefits & Welfare				
No. of people receiving benefits and welfare support	12,660	5,498	3,584	21,742
Health and Wellbeing				
No. of people receiving health and wellbeing support	24,279	16,990	13,296	54,565
Employment and Education				
No. of people receiving employment and education support	10,536	9,747	4,556	24,839
Life skills				
No. of people receiving life skills support	8,704	7,631	4,796	21,131
Money management/Budgeting				
No. of people receiving money management/budgeting support	11,184	4,105	2,612	17,901
Cooking/Healthy eating/Meal planning				
No. of people receiving cooking/healthy eating/meal planning support	6,049	8,201	10,400	24,650
Total Reach (including info booklets and Face to Face)	73,412	95,777	58,177	227,366
Total Reach (the 6 service categories only Face to Face conversations)	73,412	52,172	39,244	164,828
Project Partners and Third Parties Involved	YMCA England & Wales - Lead delivery partner, managing relationship with all YMCA.			

	<p>Cadent – Lead gas network, providing funding and support to the delivery team, including training and access to broader referral partners and direct services for customers including leaflets.</p> <p>SGN & WWU – Partner gas networks providing funding and access to broader referral partners and direct services for customers.</p>
Potential for New Learning	<p>Through customer feedback, surveys, and case studies we expect to understand how effective one-to-one and group discussions with cost-of-living related support including energy efficiency and income maximisation advice to reduce fuel poverty alongside PSR, CO, and gas safety guidance can further improve people's quality of life.</p> <p>The opportunity to work with specialist partners at YMCA will provide the GDNs the chance to continue to learn:</p> <ul style="list-style-type: none"> - What approaches are the most effective for engaging young adults who stand to benefit most from safety messaging and advice - Which resource and training is the most effective and engaging for young adults - Learn energy-saving tips from families/individuals going through fuel poverty
Scale of VCMA Project and SROI Calculations	<p><u>The scale of VCMA project</u></p> <p>The GDNs will invest £1,392,800.00 in partnership with YMCA. This VCMA project will be delivered across 14 months, with a two-month mobilisation period. The project will support 227,366 individuals with a range of services across Cadent's, WWU, and SGN's networks.</p> <p><u>SROI Summary</u></p> <p>Investment = £1,392,800.00</p> <p>Gross Present Value = £85,764,545.84 Net Present value = £84,371,745.84</p> <p>Ratio: £1:61</p>
VCMA Project Start and End Date	<p>VCMA Project Start Date: 02/01/2025 VCMA Project End Date: 28/02/2026</p>
Geographical Area	<p>This project will be delivered across Cadent, SGN and WWU's network areas.</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: GDN Collaboration Group PEA Review

Date completed:

Review completed by:

GDN:	Name(s):
Cadent	Gurvinder Dosanjh – Social Programmes Manager
SGN	Kerry Potter – Group Social Impact and Vulnerability Manager
WWU	Nigel Winnan - Head of Customer and Social Obligations

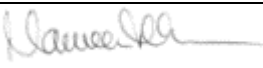
Stage 2: GD2CVG Panel Review

Date review completed:

Review completed by:

GDN:	Name(s):
Cadent	Philip Burrows - Head of Customer Vulnerability Social Programmes Delivery
SGN	Maureen McIntosh - Director of Customer Service
WWU	Nigel Winnan - Head of Customer and Social Obligations

Step 3: Participating GDN individual signatory sign-off

GDN	Name(s)	Signature(s)	Date
Cadent:	Philip Burrows - Head of Customer Vulnerability Social Programmes Delivery		
SGN:	Maureen McIntosh - Director of Customer Service		14/01/25
WWU:	Nigel Winnan - Head of Customer and Social Obligations		

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: