

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Services Beyond the Meter – Year 5

Phil Donoghue – Regional Supervisor

April 2025



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 a forecasted positive, Social Return on Investment (SROI) and Net Present Value (NPV) including for the gas consumers funding the VCMA Project (GDNs should use a common SROI model).	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 license 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	
To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:	
a) Either: <ul style="list-style-type: none"> i. A GDN has had to isolate and condemn an essential gas appliance following a supply interruption or as part of its emergency service role; or ii. A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in the owner-occupied home of a customer in a Vulnerable Situation where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes; or iii. A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant's responsibility to maintain the essential gas appliance, where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes. 	Yes
b) The household cannot afford to service the essential gas appliance, which is assessed against criteria consistent with the Energy Company Obligation (ECO4) Guidance: Delivery document ¹ (see Appendix 1).	Yes

c) Sufficient funding is not available from other sources (including a social or private landlord, national, devolved, local government funding) to fund the essential gas appliance service.	Yes

Section 3 - Eligibility criteria for Collaborative VCMA Projects	
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	Services Beyond the Meter (SBtM) Year 5
Funding GDN(s)	Cadent
New / Updated (indicate as appropriate)	New
Role of GDN(s) *For Collaborative VCMA Projects only	N/A
Date of PEA Submission	1 st April 2025
VCMA Project Contact Name, email and Number	Earl Richards earl.richards@cadentgas.com 07773073496

Total Cost (£k)											
	<table border="1"> <thead> <tr> <th>Cost Item</th> <th>Forecast cost</th> </tr> </thead> <tbody> <tr> <td> Operating model - Delivery of work - Management of Operations including: - Resource - Health & Safety - Policy & Procedure - Process' - CDM - Compliance & Assurance - Fleet - Tools & Equipment - PPE - Finance - Contracts & Procurement - Surveying - Logistics - Business expenditure Training - Re assessment - New trainees - Managed learning programme - Energy Efficiency - CO awareness Comms - Development - Programme promotion - Collateral - Campaigns CRM - Customer journey - Customer aftercare - Customer enquiries - Collateral </td> <td style="vertical-align: middle; text-align: center;">£3,864,000.00</td> </tr> <tr> <td> Materials - Appliances - Consumables </td> <td style="text-align: center;">£300,000.00</td> </tr> <tr> <td> Systems - Services Beyond the Meter IT System </td> <td style="text-align: center;">£336,000.00</td> </tr> <tr> <td style="text-align: center;">Cadent Gas Total</td> <td style="text-align: center;">£4,500,000.00</td> </tr> </tbody> </table>	Cost Item	Forecast cost	Operating model - Delivery of work - Management of Operations including: - Resource - Health & Safety - Policy & Procedure - Process' - CDM - Compliance & Assurance - Fleet - Tools & Equipment - PPE - Finance - Contracts & Procurement - Surveying - Logistics - Business expenditure Training - Re assessment - New trainees - Managed learning programme - Energy Efficiency - CO awareness Comms - Development - Programme promotion - Collateral - Campaigns CRM - Customer journey - Customer aftercare - Customer enquiries - Collateral	£3,864,000.00	Materials - Appliances - Consumables	£300,000.00	Systems - Services Beyond the Meter IT System	£336,000.00	Cadent Gas Total	£4,500,000.00
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Total VCMA Funding Required (£k)	£4,500,000.00										

Problem(s)	Cadent's emergency engineers and customer teams enter thousands of homes across our four GDNs each year, responding to natural gas and Carbon Monoxide (CO) emergencies. Our primary focus in these situations is always to safeguard life and property.
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	<p>During these visits, our engineers often meet individuals in vulnerable situations who may lack the resources or funds to maintain safe gas appliances. Where safety cannot be assured it is sometimes necessary to isolate the gas supply, leaving appliances inoperable. This can result in the loss of essential services such as heating, hot water and cooking facilities increasing the risk of cold homes and associated health issues.</p> <p>While network safety is our legal obligation, we recognise that necessary safety actions can unintentionally place individuals in difficult situations. They may then need to engage with a Gas Safe engineer to confirm the appliance is safe, which can create financial and logistical challenges for those already vulnerable.</p>
<p>Scope and Objectives</p>	<p><u>Scope</u></p> <p>Cadent's First Call Operatives (FCO) often must turn a customer's gas off after a gas escape or suspected CO leak. When this happens individuals can be left in a more vulnerable situation, living in a cold home at risk of health problems, debt, fuel poverty, or even trying dangerous self-reconnections.</p> <p>Our additionally trained SBtM engineers are there to undertake work e.g. CO /fumes investigations, appliance services, repairs or replacements and pipework trace and repairs. The aim is to ensure our customers have their gas back on quickly and safely so individuals who have been affected by a gas or CO emergency, can stay safe, warm and independent in their home.</p> <p>As well as the capital works such as appliance repair and replacements, our engineers provide CO advice, CO alarms and provide energy efficiency advice. This generates a social return on investment of every £1 spent creating £12.09 in social return.</p> <p><u>Objectives</u></p> <ul style="list-style-type: none"> • Provide support and advice to customers on energy efficiency in their home • Provide a free service of appliance to those that are eligible • Provide a repair or replacement appliance to customers in the event of their gas being turned off • Educate and provide advice and CO alarms to customers through our in-home activities • Provide second checks on CO (CMDDA1 or fumes investigation) following CO reports • Utilise onward referral routes for customers in vulnerable situations • Ensure that customers are in a better position because of our intervention
<p>Why the Project is Being Funded Through the VCMA</p>	<p>This project directly addresses the daily challenges faced by individuals in vulnerable situations across our networks.</p> <p>It is a pivotal part of our customer vulnerability strategy, aimed at supporting individuals living in fuel poverty, ensuring their safety, warmth, and independence within their homes.</p> <p>After a comprehensive assessment of the project's eligibility against the VCMA governance criteria, it meets all outlined requirements. The project's scope exceeds what we typically classify as routine business operations (licence conditions), demonstrating our commitment to pushing boundaries in supporting the most vulnerable customers within Cadent's network.</p> <p>In the event of one of Cadent's FCOs responding to an emergency report of CO the standard procedure involves disconnecting an individual's gas supply,</p>

	<p>aligning with our license conditions. This action results in isolating the gas supply at the meter outlet, leaving them without heating, hot water, and potentially cooking facilities.</p> <p>Such a situation leaves the individual in an extremely vulnerable situation with limited recourse, potentially leading to other safety issues, including:</p> <ul style="list-style-type: none"> • The individual reconnecting the gas supply (self-reconnection) • The individual continuing to live without heating or hot water due to affordability issues, potentially suffering the health conditions associated with cold homes. • The individual hiring unlicensed contractors. • The individual resorting to payday loans to cover repair expenses.
<p>Evidence of Stakeholder/Customer Support</p>	<p>We have conducted extensive stakeholder and customer feedback to hone and shape our strategy for supporting individuals living in vulnerable situations in RIIO-GD2.</p> <p>Energy Diaries</p> <p>The data reveals a notable shift in consumer behaviour and sentiment between 2023 and 2025. Engagement with energy-saving practices has declined- smart meter usage dropped by 8%, and home energy efficiency improvements fell by 9%, suggesting reduced capacity or motivation to invest in sustainability. Interestingly, fewer people now report that rising energy bills are impacting every area of their life (down 13%), which may reflect adaptation or resignation rather than improved affordability. Trust in energy companies has slightly improved, with an 8% decrease in scepticism about their advice, yet belief in their responsibility to support vulnerable groups has dropped significantly (13%), indicating growing public doubt about their social role. Overall, the data suggests that while financial pressures persist, consumer expectations and behaviours are evolving, potentially signalling fatigue, shifting priorities, or a call for more effective support and communication from the energy sector.</p> <p><u>Significant figure changes 2023/2025:</u></p> <p>Using my smart meter more often so I can monitor how much energy I use' Answered 'yes': Ⓜ 2023: 39% Ⓜ 2025: 31% 8% decrease</p> <p>'Making home improvements to make my home more energy efficient (e.g., loft insulation)' Answered 'yes': Ⓜ 2023: 30% Ⓜ 2025: 21% 9% decrease</p> <p>'The increase in energy bills is negatively impacting every area of my life' Answered 'yes': Ⓜ 2023: 51% Ⓜ 2025: 38% 13% decrease</p> <p>'Energy companies are the last people I would go to for objective advice about using energy more sustainably.' % Net Agree: Ⓜ 2023: 42% Ⓜ 2025: 34% 8% decrease</p>

'Energy companies have a particular responsibility for helping the most vulnerable in our society to be more sustainable.'

% Net Agree:

- Ⓜ 2023: 72%
- Ⓜ 2025: 59%
- 13% decrease

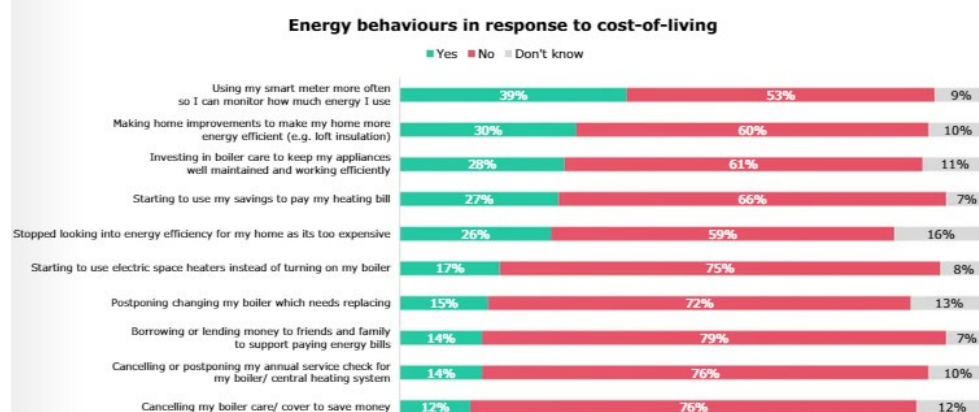
Other interesting stats:

- 21% of SMEs agree with the statement 'if the heating broke, the organisation would not be able to afford to fix/replace it'
- 57% of charities agree with the statement 'the increase in our energy bills is negatively impacting the service we are currently providing to our customers/service users'.
- 58% of SME's and 78% of charities agree with the statement 'I would like there to be one single comprehensive information source for accurate and trustworthy information about how I can reduce my energy bills and support available.'
- 31% of SME's agree with the statement 'Sustainability is not a priority for my organisation right now'.
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- 55% Of SMEs say gas heating is vital – they couldn't operate without it.

Fair Sustainability (Sept 23)

Private & Confidential

Energy behaviours in response to cost-of-living



Public Quant Survey Wave 1: Q. Are you doing any of the actions below, this year, in response to the increase pressure of cost of living? Base: All public (n=2,080)

Thinks

- Postponing changing my boiler which needs replacing (15%)
- Cancelling or postponing my annual service check for my boiler/ central heating system (14%)

There is recognition that energy companies have the expertise and a responsibility to help:

- 79% agree that energy companies have the resources and expertise to take the lead in creating a more sustainable UK.

- 72% agree energy companies have a particular responsibility for helping the most vulnerable in our society to be more sustainable.
- Overall, stakeholders feel positive towards initiatives to support individuals in a vulnerable situation. In response to examples, they feel that Cadent is working hard towards supporting these people. Centres for Warmth and SBtM initiatives are meaningful and a vital safety net for individuals in a vulnerable situation.
- However, more can be done to expand these services beyond the most vulnerable, particularly SBtM, due to the risk of gas leaks and being left without power.

“[Services Beyond the Meter] I have experience of this, so I know they try really hard with this. This seems like a useful service. I got my mum put on the list. A little bit of care for you as a customer can make all the difference.” 55+, homeowner.

Key Stakeholders engaged for this project:

Gas Safe Register | Head of Stakeholder & Large Business Relationships

“This is a great idea as there is circa 140,000 registered engineers on the Gas Safe Register yet there are only circa 2,000 of them that carry the CMDDA1 qualification. Having the ESP (emergency service providers) engineers being able to react to this work, it will be a great outcome for consumers in vulnerable situations where a trusted competent engineer can deem what remedial work, if any, is required”.

HSE | Downstream Senior Gas Investigation Policy Officer

“This is great area of work to explore to reduce the impacts of CO on Gas consumers. If Cadent engineers can carry out this work, then why wouldn't they as they're the first responders on site”.

NEA – National Energy Action | Project Management & Policy Team

“This is potentially a great lifeline for the people who wouldn't be able to afford a Gas Safe Registered engineer to reinstate their supply after an investigation has taken place. Nor would these consumers have an engineer to call in the first place. Using your existing workforce to help the people who need it the most can only result in a positive outcome for all involved”.

Citizens Advice | Customer Engagement Team

“You can provide a better service for your customers who would usually be left without Gas. Providing this service to your customers in vulnerable situations is really showing that Cadent are focusing more on their customers than ever before. We would like to see this happen”.

Customer and stakeholder insight / feedback around CO

Stakeholders recognise the value of Cadent's work on CO and want to see networks adopt innovative new approaches to eradicate the dangers E.g., targeting dangerous appliances, repairing / replacing where appropriate.

Strategy / policy

“Ofgem / Industry bodies want to see networks go above and beyond the minimum level of service and deliver services with a strong social return on investment to protect the most vulnerable.

Customers in vulnerable situations workshop

	<p>During NGN's November 2021 Energy Crisis / Partnership Working Workshop, stakeholders said the energy crisis will result in people not getting their appliances serviced every year, which increases the risks of CO poisoning.</p> <p>NGN CO Research August 2022</p> <p>Customer self-rating of CO awareness, captured during the recent CO research project 2022 In 2022, around 6 in 10 customers felt they have good awareness of Carbon Monoxide (CO). This was significantly higher than last wave in 2020. Older customers, especially those retired, as well as males have higher levels of claimed CO awareness when compared to those younger or females. Customers in Bradford recorded lower awareness than East Riding and Wear. Homeowners are more likely to have better awareness of CO than those who rent or live in shared accommodation. Overall, Cadent have both received strong stakeholder and customer support to justify their investment of VCMA funding.</p>
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Information Required	Description																		
Outcomes, Associated Actions and Success Criteria	<p>Our goal is to restore the gas supply promptly after ensuring safety in compliance with our current licensing obligations, particularly for individuals in a vulnerable situation, following instances of CO alarm activation, suspected fumes, gas leaks, or faults on their installation.</p> <p>This restoration is targeted to occur either on the same day, the following working day, or on a date convenient for the individual. Our success lies in reinstating the gas supply within a working day, preventing them from being in a vulnerable situation due to an isolated gas supply or the temptation of self-reconnection.</p> <p>Furthermore, we commit to providing people who lack a CO alarm or need a replacement with a new one. Our objective is to enhance their knowledge regarding Gas safety, risks associated with CO, the benefits of being on the Priority Service Register (PSR), and offer personalised, in-home energy advice. This guidance aims to help the individual, optimise the efficiency of their heating system for better energy management.</p> <p><u>Cadent Services Beyond the Meter Delivery forecast</u></p> <div style="background-color: #e67e22; color: white; text-align: center; padding: 5px;">01 April 2025 to 31 March 2026</div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Co investigations completed</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>Cooker repair / replacements</td> <td style="text-align: right;">250</td> </tr> <tr> <td>Appliances serviced</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Pipework repairs / replacement's</td> <td style="text-align: right;">600</td> </tr> <tr> <td>Energy Advice – Heating & Hot Water Controls</td> <td style="text-align: right;">3,500</td> </tr> <tr> <td>Energy Advice – Efficient use of appliances & behaviours</td> <td style="text-align: right;">3,500</td> </tr> <tr> <td>CO Alarm installation</td> <td style="text-align: right;">2,700</td> </tr> <tr> <td>Co Advice</td> <td style="text-align: right;">3,500</td> </tr> <tr> <td>Boiler replacement's</td> <td style="text-align: right;">50</td> </tr> </table>	Co investigations completed	3,000	Cooker repair / replacements	250	Appliances serviced	2,000	Pipework repairs / replacement's	600	Energy Advice – Heating & Hot Water Controls	3,500	Energy Advice – Efficient use of appliances & behaviours	3,500	CO Alarm installation	2,700	Co Advice	3,500	Boiler replacement's	50
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	<p style="text-align: center;">Boiler repair's 100</p> <p>Under normal business as usual (BAU) activities, all these initial work orders would have been left isolated at the meter outlet leaving the individual off supply.</p>
<p>Project Partners and Third Parties Involved</p>	<p>Cadent SBtM will work in partnership with of suppliers and stakeholders.</p>
<p>Potential for New Learning</p>	<p>Areas for potential growth and learning within Cadent Gas SBtM involve several significant aspects:</p> <ul style="list-style-type: none"> • Proving the potential for GDNs to expand support beyond the Gas meter, specifically to assist individuals in vulnerable situations, thus broadening the range of aid offered. • Utilising lessons and successes from this project to replicate effective strategies within our operational processes and potentially extend these practices to benefit the wider industry. • Strengthening our engineers' training to effectively identify appliances at higher risk of CO emissions, fostering a more proactive approach to mitigating these risks. • Identifying the most common appliances in the home of individuals living in a vulnerable situation, that may pose CO risks, enabling us to take proactive measures when encountering similar appliances elsewhere. • Improving our workforce's skills to better recognise and respond to vulnerabilities, ensuring a more personalised and empathetic service delivery. • Equipping our workforce with versatile capabilities to handle appliances across various processes, aligning our capacities with the evolving landscape of the energy transition. • Learn how to get better and quicker at what we do. Every time we carry out a CO/ fumes investigation, appliance service, repair or replacement, there is something new we can pick up to make the job smoother and more efficient. By finding smarter ways to trace and repair pipework, or by spotting issues early so they don't escalate into bigger problems, we can save time, keep costs down and help more people. The more we learn and share as a team, the easier it will be to keep people safe, warm and worry free in their homes. <p>These initiatives underscore our commitment to a proactive and adaptable service delivery approach, keeping us at the forefront of the energy industry's ongoing advancements.</p>
<p>Scale of VCMA Project and SROI Calculations, including NPV</p>	<p>Our dedication to expanding and fortifying SBtM operations has been relentless. This effort ensures our capability to execute all work types across our network's footprint. Our regional supervisors now oversee approximately 14 Directly Managed Contractors (DMC) and 65 upskilled engineers, empowered to handle SBtM activities. Additionally, local delivery partners within each network bolster resilience during winter periods and times of high demand.</p> <p>Each region has a dedicated lead, responsible and accountable for all SBtM work types, ensuring thorough compliance. SBtM also have a thorough assurance schedule were every capital works job gets audited and assured.</p>

To date, we've trained and assessed over 100 Engineers for Cadent. Every SBtM DMC has 12 workplace audits per year, while an FCO with SBtM competencies has two per year, as they carry out fewer work types.

While a significant focus lies on CO/CO² Atmosphere testing, our scope extends to diverse tasks like gas appliance servicing, repairs, replacements, and pipework trace and repairs. These endeavours specifically target society's most vulnerable individuals, referred through by Cadent staff and field force as well as partnerships with local charities and organisations.

Year 5 SROI

Total cost - £4,500,000,.

GPV - £35,416,606.47

NPV - £31,155,328.44

SROI- £7.31

VCMA Project Start and End Date	<u>Start date:</u> 01 st April 2025 <u>End date:</u> 31 st March 2026
Geographical Area	Across all four of Cadent's GDNs
Internal governance and project management evidence	<p>SBtM operates within a clear internal governance structure which ensures that proposals, delivery and outcomes are effectively reviewed and signed off at each stage. Information and data are gathered daily by the regional planners, supervisors and customer teams and fed into the governance process. This information is collected and presented through weekly meetings and quarterly steering groups where project performance, challenges and opportunities for improvement are reviewed. The Technical Specialists and Technical Manager assess proposals and delivery data before providing updates and recommendations to the head of sustainability and social purpose and ultimately the director of sustainability and social purpose who provide sign off and oversight.</p> <p>Project management is supported through an extensive delivery plan which sets out all phases of the project. We utilise trackers to monitor progress and ensure work is completed to scope, on time and to the required standard. SBtM has also introduced a new management system (Waypoint) designed to give engineers and staff the ability to capture data accurately and efficiently. This ensures that governance decisions are based on real time, reliable information. Delivery is managed using SBtM DMCs and FCOs with SBtM competencies to carry out CO / fumes investigations, gas appliance services, repairs, replacements and pipework trace and repairs, all free of charge to individuals in a vulnerable situation.</p> <p>This structured approach ensures that SBtM has robust reviews and that sign off is carried out at the appropriate governance level and project management is underpinned by accurate data, clear accountability and regular performance review.</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: Sustainability and Social Purpose Team PEA Peer Review	
Date Immediate Team Peer Review Completed: 13/11/2025	Review Completed By: Earl Richards
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 20/02/26	Review Completed By: Gemma Norton
Step 3: Director of Sustainability & Social Purpose Sign-Off: Phil Burrows	
Director of Sustainability and Social Purpose Sign-Off Date: 20/03/26	

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 26

Date that Notification Email Sent to Ofgem: March 26