

Consultation: Proposal to update the Vulnerability and Carbon Monoxide (VCMA) Governance Document

Issued by: Ofgem

Territorial extent: Great Britain

Response author: SGN

Deadline for responding: 9th December 2024



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Via email to: VCMA@ofgem.gov.uk

9th December 2024

Consultation on a proposal to update the Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document

Thank you for the opportunity to respond to the above consultation¹ in relation to the Vulnerability and Carbon Monoxide (VCMA) Governance Document.

SGN manage the network that distributes natural and green gas to six million homes and businesses across Scotland and the south of England. We serve our communities by keeping everyone safe and warm. Our 4,600 colleagues keep gas flowing safely and reliably to our customers, 24 hours a day, seven days a week. Our communities are as diverse as the geography we cover, from the rural Scottish Highlands to coastal Kent and encompassing inner cities of Edinburgh, Glasgow and south London. We have some of the most deprived populations of any gas network, with some of the most affluent areas in the country located alongside areas of highest deprivation.

We're trusted to walk through the doors of around 300,000 homes each year as we respond to gas emergencies and upgrade our network. In doing so, we enter the homes of some of the most vulnerable people in our communities. Our people take great pride in going above and beyond to look after customers, whatever their circumstances. Delivering exceptional customer service is in our DNA, we never want to walk away from a customer in need.

We are in support of the proposed amendments to the eligibility criteria as they would enable the Gas Distribution Networks (GDN) to support financially vulnerable households, with health conditions made worse by living in a cold home, with the required help to maintain, repair and replace essential gas appliances in the absence of other funding schemes, quickly minimising the health and wellbeing impacts for the customer by addressing the following challenges;

- 1) Not all financially vulnerable households are currently in receipt of means tested benefits, yet they lack the funding to maintain, repair or replace their essential gas appliances. With low awareness, stigma and complexity of applying to means tested benefits our frontline teams identify customers who 'fall through the gap' and these are mostly older people, those with disabilities and young families. The change in the VCMA governance criteria in 2023 to add affordability criteria in line with ECO4 highlighted this gap in funding that vulnerable consumers for whatever reason, and as a result have lost out on potential support.
- 2) Where servicing of appliances is undertaken, i.e., it could be identified that essential appliances are unsafe and therefore disconnected. In these instances, despite the vulnerable customer being removed from potential harm posed by unsafe appliances, the customer could be placed in a worse situation, by the immediate risk of harm by being left in a cold home as the funding in the current VCMA criteria excludes

¹ [VCMA governance consultation](#)

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repair or replacement in this scenario. This is an unintended consequence and something GDNs and key stakeholders are collectively keen to avoid as an outcome for vulnerable customers.

To ensure that there is a consistent and clear approach to applying the proposed amendments to 2.12 and 2.13 SGN support the change to 2.20 to report all expenditure linked to servicing, repair and replacement of essential gas pipework and appliances under the scheme. We're keen to understand Ofgem's expectation on the requirement for reporting here and assume that this would be a new line to the current template detailing all expenditure in this area.

As such, SGN is supportive of the proposed amendments to the VCMA eligibility criteria to allow an expanded scope for essential gas appliance servicing, repair and replacement eligibility.

Should you wish to discuss our comments further, please do not hesitate to contact me at

[REDACTED].

Yours faithfully,

Hilary Chapman

Regulation Manager

SGN