

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Halton Brook/Palace fields Community Centre - Centre for Warmth

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Updated February 2024



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;	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
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;	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	Halton Brook/Palace Fields Community Centre -Centre for Warmth
Funding GDN(s)	Cadent
New/ Updated	Updated February 2024
Role of GDN(s) *For Collaborative VCMA Projects only	Cadent specific project
Date of PEA Submission	December 2023 Updated February 2024
VCMA Project Contact Name, email and Number	Phil Burrows Head of Customer Vulnerability Social Programme Delivery Phil.m.burrows@cadentgas.com 07773545451
Total Cost (£k)	Centre costs – (years 2&3) £111,424.00 Community Cooking project– 1 year £17,052.00 Slow cookers – £1,903.05 (60x large £27.83 and 15x small £15.55) Project Management fee - £18,638.24 Updated February 2024 Summer kettle - £3,500.00 Additional Advisor - £44,913.92 Project management fee - £1,936.56
Total VCMA Funding Required (£k)	£149,017.29 Updated February 2024 - £199,367.77
Problem(s)	Halton is a borough in Runcorn and in the latest Index of Multiple Deprivation (IMD) this area was ranked 519 out of 32,844 in England. This project aims to tackle several problems that are faced by people living in Halton <u>Fuel Poverty</u> One of the biggest problems people in Halton face is fuel poverty. This tends to predominantly effect low-income households with the least energy efficient properties who pay the most for their energy. As there is also a high incidence of unemployment in Halton this means they have less income and will therefore not have as much money to heat their homes. This leaves people in a position where they either heat their home or feed their family Fuel poverty leads to people living in damp, cold living conditions.

The National Institute of Care Excellence (NICE) has a list of groups it considers most at risk from living in damp, cold living conditions, these include the following:

- Individuals with respiratory conditions
- Individuals with cardiovascular problems
- Individuals with disabilities
- Individuals over the age of 65
- Young children
- Pregnant women

ONS statistics report that there were 50,100 excess winter deaths in 2017-2018 and it is estimated that 10% were directly attributed to Fuel Poverty.

According to the Government's annual data review, in 2018, 2.4 million households were in fuel poverty. ¹

Unemployment

According to the latest official data, there were 5,340 unemployed Halton residents in November 2020, up by 2,487 since the same month a year before.

The figure was also up by 2,073 from five years earlier.

Among 18-24-year-old young adults, the number stood at 1,064 claimants, up 85% year on year.²

People who are unemployed also find themselves in debt and struggling to pay their heating bills and then find themselves in poor health both physically and mentally.

Debt

³Five per cent of adults in the UK have unsecured debt equivalent to six months or more of their income, when you take into account their financial assets such as their savings, which is commonly used as an indicator of unmanageable debt. When looking at different groups in society however, the proportions of people with unmanageable debt are far higher. For example:

- Those in the lowest income group are three and a half times more likely than the highest earning fifth of the population to have debt worth more than six months of their income (7% compared to 2%)
- 20-29-year-olds are twice as likely than 30-39 year olds to have debts worth more than six months of their income. (14% compared to 7%)

¹ <https://heatable.co.uk/boiler-advice/fuel-poverty-in-uk>

² <https://www.inyourarea.co.uk/news/halton-unemployment-still-more-than-double-pre-pandemic-level-as-bid-launched-to-boost-kickstart-uptake/>

³ <https://www.citizensadvice.org.uk/>

	<ul style="list-style-type: none"> Private renters are nearly twice as likely as those with a mortgage, and five times as likely as those who own outright, to have debts worth six months of their income. (10%, 6%, 2% respectively) <p>When we factor in unemployment, low income, drug and alcohol abuse and mental health the chances of people being in debt are huge.</p> <p>These people often do not have access or are embarrassed about seeking advice to get them out of debt.</p> <p><u>Lack of Awareness on the Dangers of Carbon Monoxide</u></p> <p>⁴An alarming 326 cookers, fires and boilers in Runcorn and Widnes were found to be unsafe by National Grid engineers.</p> <p>One in six households across the Northwest were found to have an unsafe appliance when inspected.</p> <p>Many customers who live in deprived areas have little or no awareness of the dangers of CO. Appliances are often left un-serviced due to financial constraints and CO alarms are often viewed as a luxury item. Families that are struggling to provide food for their family do not see staying CO safe as a priority.</p> <p>Updated February 2024</p> <p>Due to the success of the project, Halton have requested an additional advisor to cope with demand. Now the project is in its third year more people are aware of the services and are presenting with issues that require one-to-one appointments.</p> <p>There are currently two advisors, but they cannot fulfil the number of appointments required.</p>
<p>Scope and Objectives</p>	<p><u>Project Scope</u></p> <p>Cadent will provide Halton Brook with £149,017.29 of VCMA funding to deliver a two-year centre for warmth and a cookery project.</p> <p><u>Centre for Warmth.</u></p> <p>The two-year 2022-2024 agreement replicates the previous project model in other Centres for Warmth, whereby specialist benefits advisors are employed using the VCMA. This service provided vulnerable households with essential financial support and also created a very strong SROI.</p> <p>Alongside specialist benefits advice, the centre will also offer essential information on carbon monoxide safety and the priority services register.</p> <p>2 x Community influencers:</p> <ul style="list-style-type: none"> Offer advice on benefits, debt, housing and energy efficiency. This will be done in groups and one to ones to help people maximise their income.

⁴ www.runcornandwidnesworld.co.uk/news/11603817.halton-residents-warning-of-the-dangers-of-carbon-monoxide-poisoning/

- Liaise with other groups and charities to access vulnerable people in the Halton borough.
- Visit people in their homes that cannot attend the centre to receive advice and help.
- Hold sessions within Halton Brook and Palace fields centres on Carbon monoxide awareness and supply carbon monoxide alarms to vulnerable people who need one and cannot afford to purchase one.

Community cooking course:

Halton Brook will deliver 6 weekly sessions for adults covering the below:

- Education on how to cook on a budget.
- How to utilise “what is in their cupboard/fridge to make a healthy warm meal.”
- How and what to cook in a slow cooker.
- How to cook a healthy meal from scratch rather than using convenience foods which are more expensive.
- Different methods of cooking will be covered.

- How to produce a well-balanced meal containing the main food groups - Protein, carbohydrate, fats, fibre, sugar.
- There will be sessions on cooking with fresh and tinned foods.
- There will also be 6 weekly sessions to educate parents and children on cooking healthy, on a budget, with fresh and tinned foods and slow cooking.

The centre for warmth project aims to reach 8,872 people over the two-year period.

- 3,976 people receiving Income maximisation advice.
- 1,508 people receiving Energy efficiency advice.
- 2,812 people will engage with others tackling loneliness and isolation.
- 600 will be registered on the PSR and over 3,000 will engage in conversations relating to the PSR.
- 200 Carbon monoxide alarms will be supplied to vulnerable people with over 1,000 people receiving CO awareness advice.
- 112 Families will attend the community cooking course to increase knowledge of cooking methods. Cooking on a budget , cooking more efficiently.

Project Objectives

Cadent will measure the success of the Centre for Warmth Halton Brook against the achievement of the following objectives:

- To deliver income maximisation advice to 3,976 households per annum.
- To deliver energy efficiency advice to 1,508 households per annum.
- To deliver carbon monoxide safety advice to 1,000 per annum

	<ul style="list-style-type: none"> • Provide 200 alarms per annum to households that do not have one • To alleviate stress and anxiety regarding keeping the home warm for approximately 1,200 customers per annum • To support 600 people to sign onto the PSR register per annum • To generate a positive social return on investment - see the below relevant section for more details • To educate 112 Families on how to cook more efficiently, healthier and on a budget by hosting the Community Cooking course. <p><u>Updated February 2024</u></p> <p>The additional funding will provide a third advice worker, offering advice on income maximisation, energy efficiency, CO and PSR. The funding will also provide free meals and activities for the community.</p> <ul style="list-style-type: none"> • To deliver income maximisation to an extra 500 people • To deliver energy efficiency advice to an extra 760 people. • To deliver CO advice to an extra 760 people • To deliver PSR advice to an extra 760 people • To register an extra 76 people to the PSR. • 360 people will receive a free hot meal.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that the project meets all of the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</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>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 and education on carbon monoxide. More information can be found in the relevant section below.</p> <p>b. Either:</p> <p>i. Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or,</p> <p>ii. Provide awareness of the dangers of CO, or,</p> <p>iii. Reduce the risk of harm caused by CO;</p> <p>The project delivers services that meet all three elements of this criteria. For example, the specialist advisors will help households maximise their income, enabling residents to afford the cost of heating their home to an adequate level. The project will also raise awareness of the dangers of CO and promote registration to the PSR.</p> <p>c. Have defined outcomes and the associated actions to achieve these:</p>

	<p>Cadent and Halton Brook/Palace fields Community Centre have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</p> <p>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and,</p> <p>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</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>This project will be solely delivered through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Our enhanced engagement programme for the RIIO-2 business plan identified a variety of proposals, including Cadent's ambitions for tackling fuel poverty that were of high importance to Cadent customers and expert stakeholders.</p> <p>When we asked our stakeholders "To what extent do they support Cadent funding the following activities?" 70% of stakeholders supported Cadent funding Centres for Warmth. We also asked "To what extent did they support Cadent educating customers on the dangers of Carbon Monoxide?" and 87% of stakeholders agreed with Cadent funding this.</p> <p>The report supported Cadent's holistic approach to tackling fuel poverty, whereby a household is supported with a combination of services/advice.</p> <p>Centres for Warmth The teams running the centres also fed into the development of this initiative, when considering the successes of the existing centre projects and opportunities for enhancements, based on the specific needs of the customers / households already being supported.</p> <p>The Energy Diaries research Through extensive research with customers living in fuel poverty over a period of several months, we then engaged with experts such as Citizen's Advice, NEA and a suite of other charities operating in this space to co-create a number of additional initiatives that Cadent could offer to its customers. This was one of these initiatives.</p> <p>Charity Partnerships We have strategic level partnerships in place with around 40 consumer advice organisations and charities. We engage regularly to assess the benefits of existing projects and consider options elsewhere, taking the opportunity to benchmark against others and seek to learn.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The partnership with Halton Brook/Palace fields Community Centre will form part of Cadent's wider Centres for Warmth network. The Centre for Warmth project model relies on the provision of VCMA funding, materials and resource to a community centre located in an area of high deprivation, fuel poverty, and carbon monoxide risk. The increased levels of funding, resource and materials enable the</p>

community centre to ramp up its existing support for customers in vulnerable situations.

Project Outcomes

The Halton Brook/Palace fields Community Centre - Centre for Warmth Project aims to achieve the following outcomes:

- Individuals will report increased levels of household income.
- Individuals will report an increased awareness on the dangers of carbon monoxide (CO) and have a reduced risk of harm caused by CO.
- Provide support to lonely local residents, ensuring that they can access the community centre and the services it offers.
- Provide individuals with energy efficiency advice and carbon monoxide awareness.
- Individuals will report reduced levels of anxiety in fearing a utility outage.

Associated Actions

The Halton Brook/Palace fields Community Centre will implement the following associated actions to deliver the project's outcomes:

- Individuals will report increased levels of household income through working with the centre's specialist benefits advisors. The specialist benefits advisors will support households to identify and access previously unclaimed benefits.
- Individuals will report reduced levels of anxiety in fearing a utility outage through be assisted to register to the Priority Services Register (PSR). Centre staff will all receive an awareness on the PSR and will help eligible households through the registration process.
- Clients will report an increased awareness on the dangers of carbon monoxide (CO) and have a reduced risk of harm caused by CO. This will be achieved through the centre's staff providing CO awareness conversations and distributing CO alarms to the most at-risk households.

Success Criteria

The success of the project will be measured against meeting the below criteria:

- 8872 customers will attend the centre for various services across the 2-year project.
- Around 3,976 customers will receive specialist advice on identifying and accessing previously unclaimed benefits/income maximisation.
- Around 1,508 customers will receive help and support on energy efficiency.

	<ul style="list-style-type: none"> • Around 1,000 customers will receive an awareness conversation on the dangers of CO. Approximately 200 of the most at-risk customers will also receive a CO alarm. • Around 1,760 customers will improve their awareness of the PSR. Approximately 600 eligible customers will also be supported to register. <p><u>Updated February 2024</u></p> <ul style="list-style-type: none"> • To deliver income maximisation to an extra 500 people.= 4,476 • To deliver energy efficiency advice to an extra 760 people = 2268 • To deliver CO advice to an extra 760 people= 1,760 • To deliver PSR advice to an extra 760 people. • To register an extra 76 people to the PSR.=676 • 360 people will receive a free hot meal. <p>These figures are included in the SROI calculation below</p>
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will work in partnership with Halton Brook/Palace fields Community Centre to deliver the project.</p>
<p>Potential for New Learning</p>	<p>Since the Centre for Warmth project began Cadent have learned that most areas of the more deprived areas on their networks face the same problems for e.g. Fuel poverty, low income etc. But we have also found that each area seems to be dealing with specific issues and they deal with these in differing ways.</p> <p>To enable these findings to be shared we have decided to set up a quarterly forum where the Centres get together to share best practice, funding, stories and tips.</p> <p>Cadent are aware that the opportunities for funds are getting less and less and some Centres are much better at bidding than others so hopefully the forum will enable collaboration between them.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £149,017.29 in partnership with Halton Brook/Palace fields Community Centre over 2 years.</p> <p>This VCMA project will be delivered across a two-year partnership with Halton brook /Palace fields Community Centre. The project will support approximately 8,872 households with a range of services.</p> <p>The project will benefit households in close proximity to the community centre, and those in the wider area through the specialist benefits advisors and community outreach workers.</p> <p><u>SROI Calculations</u></p> <p>Total investment = £149,017.29</p> <ul style="list-style-type: none"> • 3,976 people supported with benefits and debt advice: £6,827,229.36 • 1,508 people supported with energy efficiency advice: £554,229.39 • 1,000 people will receive Carbon monoxide education £8,730.00 • 600 PSR sign-ups: £86,334.00

- 2,812 tackle social isolation: £1,224,336 (for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support)
- 75 replacing a traditionally cooked meal by using a slow cooker £17,731.50

5-year gross present value= £8,700,858.75

1-year gross present value= £2,719,640.55

5-year Social Return on Investment = £8,551,841.46

1-year Social Return on Investment = £2,645,131.91

Supporting households to maximise their income

Cadent worked with SIA Partners to evaluate the average 5-year gross present value of supporting households to maximise their income. SIA Partner's based their analysis on the "actual" data from a 3-month project between Cadent and NEA, and historic data from NEA over the past 3 years.

SIA Partners calculated an average 5-year gross present value of supporting households to maximise their income of £1,717.11.

Educating customers on the dangers of carbon monoxide

Cadent also employed SIA Partners to evaluate the forecasted social return on investment of several RIIO-GD2 business plan elements. These elements included CO education, CO alarm distribution and the repair/replacement of gas appliances.

SIA Partners pointed to a number of factors that influenced the social value generated by educating customers on the dangers of carbon monoxide:

- A reduction in A&E visits linked to CO;
- A reduction in long term hospitalisations linked to CO;
- A reduction in deaths caused by CO;
- A reduction in time of work due to injury caused by CO;
- A reduction in ambulance call outs linked to CO;

SIA Partners calculated the average 5-year gross present value of a CO educational conversation to be £8.73 - this is based on a 1-2-1 conversation with an 80% retention rate.

Supporting households to register to the Priority Services Register

Cadent worked with SIA Partners to evaluate the average 5-year gross present value of supporting households to register to the PSR. SIA

Partner's based their analysis on the DNO proxy bank value for an avoided stress management course.
SIA Partners evaluated an average 5-year gross present value of £143.89 for a single PSR registration.

The Cost of loneliness

The Centre for Warmth project will reach customers living in urban areas of Cadent's network.

[1]BBC report found that 46% of England's urban population is aged 65 or over.

[2]One-fourth of the population aged 65 years and older reported feelings of loneliness.

[3]Social Psychiatry and Psychiatric Epidemiology reported a net present value of £6,000 for people who reported being lonely most of the time. This figure was across a 10-year period and equates to £600 per annum. This research concluded that older people who feel lonely are at greater risk of developing conditions such as dementia and depression.

[4]The health foundation reported that 21% of older people who live alone, or face feelings of loneliness visit their GP at least once a month. This places pressure on front-line services since many people who experience loneliness think of their GP as someone they can relate to and who will listen to them, engaging in an open, friendly dialogue.

This equates to an overall benefit of £1,656,000 across the entire customer group supported through the project.

This project aims to reach 8,872 people through the 2-year project, equating to a saving of £1,200.00 per customer.

This equates to an overall benefit of £1,224,336 across the entire customer group supported through the project.

1. 8,872 people using centre
2. 46% of the population are over 65 = 4,081.12 people
3. 25% of 4,081.12 people are lonely with health conditions = 1,020.28 people
4. 1020.28 x £1200 (£600 per annum) = £1,224,336

Updated February 2024

- 4,476 people will receive Income maximisation advice = £7,685,784.36
- 2,268 people will receive energy efficiency advice=£834,102.36
- 1,760 people will receive advice on CO = £15,364.80
- 676 customers will be registered to the PSR = £97,269.64
- 360 customers will receive a free hot meal = 400kg of waste saved from landfill.
- 75 people will receive advice on cooking healthier using a slow cooker = £17,731.50

	<ul style="list-style-type: none"> • 1,388.28 customers will alleviate loneliness = £1,227,202.54 <p>Total investment = £199,367.77</p> <p>Five-year gross present value = £9,877,454.66 One-year gross present value = £2,957,252.53</p> <p>Five-year Social return on investment = £9678,086.89 One-year Social return on investment = £2,846,207.75</p> <p>SROI = £48.54</p> <p>The Centre for Warmth Summer Kettle project will run for six weeks, equating to a saving of £69.24 per customer.</p> <p>This equates to an overall benefit of £2,866.54 for six weeks only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support.</p> <ol style="list-style-type: none"> 1. 360 people using centre 2. 46% of the population are over 65 = 165.6 people 3. 25% of 165.6 people are lonely with health conditions = 41.4 people <p>41.4 people x £69.24 (£600 / 52 weeks = £11.54 per week) = £2,866.54 for six weeks.</p> <p>Total SROI for loneliness = £1,227,202.54</p>
<p>VCMA Project Start and End Date</p>	<p>Start date July 2022. End Date June 2024</p>
<p>Geographical Area</p>	<p>The project will be delivered in Cadent's North West network.</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: 23/03/2023	Review Completed By: Emma Turnbull
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 31/03/23	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: 31/03/23	
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 2023	
Date that Notification Email Sent to Ofgem: March 2023	