

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Home-Start Centres for Warmth - Warm Spaces, Friendly Faces

*Kerry Doyle, Student, Customer Safeguarding Support
April 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;	Not Applicable
b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	Not Applicable
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.	Not Applicable
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;	Not Applicable
b) Have the potential to benefit consumers on the participating networks; and	Not Applicable
c) Involve two, or more, gas distribution companies.	Not Applicable

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

Information Required	Description
Project Title	Home-Start Warm Spaces, Friendly Faces
Funding GDN(s)	Cadent company – specific project
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable – Cadent company-specific project
Date of PEA Submission	April 2023
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)	Centre Costs: £350,000.00 Slow Cookers: (27.84 x 1,347 slow cookers) = £37,500.48 Project management costs: £15,500.02
Total VCMA Funding Required (£k)	£403,000.50
Problem(s)	<p>Home-Start UK supports the most vulnerable and disadvantaged children across the UK. Helping families get through arduous situations in a child's early years is pivotal and lasts a lifetime. Their support includes but is not limited to, bereavement, physical/mental health issues, fuel poverty and financial insecurity.</p> <p>Home-Start UK has supported 53,000 children in 35,000 families over the past year. There is a growing concern of the lasting effects of the Covid pandemic, and now the cost-of-living crisis which has left many hard-hit families feeling desperate with nowhere to turn. The significant rise in fuel and food prices has caused many to become trapped in poverty feeling lonely and socially isolated.</p> <p>In recent surveys, 86% of families were worried about rising energy bills and 75% of families most common challenge was feeling isolated.</p> <p>Fuel Debt</p> <p>Low-income households are more likely to face fuel debt, due to the rising cost of living. Many households are in unmanageable debt and find themselves in the difficult decision of 'heating or eating'. Those with low-income households have staple diets that are high in fats and sugars and go without hot nutritious meals. Increasing the risk of conditions such as heart problems, diabetes, and respiratory problems.</p> <p>Those who face fuel debt are more likely to struggle with depression and anxiety due to increased stress caused from uncertainty about fuel and food prices. Uncertainty around fuel debt can feel very isolating and socially excluding as financial</p>

worries are at the forefront of people's minds. Fuel debt puts a strain on people's health as many face difficult decisions about affordability. This puts pressure on front line services as more individuals are admitted for medical attention.

The early development and socialisation of a child can be significantly harmed by a parent's financial worries. As, they are more likely to feel less secure because they cannot afford the same items as their friends, and as a result find it challenging to socialise with their peers. Missing out on 'treats' and 'activities', as a result, leaving children and their parents feeling lonely and socially excluded.

Fuel Poverty

In 2022, there were an estimated 13.4% of households (3.26million) in fuel poverty in England and under the Low-Income Low Energy Efficiency (LILEE) metric, increased from 13.1% in 2021 (3.16million).

The cost of living and fuel crisis has seen many struggling to afford their energy bills. People facing fuel poverty are more likely to be on low income or unemployed. People who have inadequate income are turning their heating down or turning it completely off to try to save money on their energy bills. This will reduce the quality of life due to living in cold damp conditions. This is a major problem as there is an increased risk in conditions such as respiratory issues, heart problems, high blood pressure and depression/anxiety. Heightening pressure on front-line services as more people seek medical attention.

Social isolation and loneliness

75% of Home-Start families reported feelings of isolation, which can enhance the likelihood of anxiety, depression, and mental health conditions. Those who face loneliness feel excluded from society. Financial worries and affordability often cause isolation as many believe there is a stigma to getting help, or maybe unaware of how to access support available. This puts pressure on front-line services.

Children do not get to experience and enjoy the activities and treats that their peers get to participate in. This can negatively affect children's mental health as their socialisation is restricted and they are likely to feel an outsider to society as they cannot join in with their peers. As, a result this leaves parents and their children feeling lonely and socially excluded.

CO Education

Approximately 40 people die of carbon monoxide poisoning per annum. An additional 4,000 people attend accident and emergency each year because of CO poisoning and around 2,000 are left hospitalised.

Fuel poverty and high household debt can significantly impact a customer's risk of exposure of carbon monoxide, as there is a lack of awareness and understanding of CO safety. Those in low-income households do not have adequate income to have their gas appliances serviced regularly or purchase a CO alarm. Consequently, putting their lives at risk as they are unaware of the dangers of CO and oblivious to faults with their gas appliances.

Centre for Warmth Project

	<p>Cadent is looking to utilise Home Start's unique network and community engagement levels to support thousands of customers living in vulnerable situations, in particular financial vulnerability.</p> <p>The Centre for Warmth project has previously invested direct funding into many centres, which makes perfect sense due to the specific nature of the communities served by these centres.</p> <p>Cadent has now expanded on the highly successful Centre for Warmth project by flexing the model and partnering with Home-Start UK. The one-to-many approach allows Cadent's VCMA funding to support more communities that they serve across our network, where full-time resources are not required to be directly appointed into a single centre.</p> <p>Home-Start run community-based events and group activities that will provide families with places to go where they can meet other families, tackling both loneliness and isolation, as well as allowing families to save on their own fuel usage.</p> <p>As well as giving families a secure, warm, and welcoming space to spend time in, local Home-Starts can provide enriching and empowering activities and groups including support programmes, friendship cafes, creative therapies, and mental health groups. These groups provide varied support & activities based on local needs.</p>
<p>Scope and Objectives</p>	<p><u>Project Scope</u></p> <p>Cadent will invest £403,000.50 of VCMA funding to deliver a two-year project across 28 Home-Start Centre for Warmths with Home-Start UK.</p> <p>Cadent will provide materials, and resources to support people in fuel poverty, who are living in areas of high deprivation and at risk of carbon monoxide poisoning.</p> <p>Cadent will fund Home-Start UK to coordinate and deliver carbon monoxide safety advice, energy efficiency advice, and raise awareness of the PSR among households living in a vulnerable situation.</p> <p>The project aims to reach 12,000 households.</p> <p><u>Families supported through Home-Start UK</u></p> <p>The project will provide holistic support relating to income maximisation, energy efficiency, and CO safety to enhance existing support offered by Home-Start UK. This will decrease the effects of affordability and fuel debt on families and the effects this has on children's early years improving overall well-being. Additionally, this project will promote living sustainably, building a good understanding of how to reduce energy consumption, and thereby promoting a lifestyle that is more climate-friendly and energy efficient. This will be achieved through:</p>

- Delivery of a training package for Home-Start UK which allows staff to embed knowledge of energy efficiency, CO awareness, and available fuel-related support services and benefits into their activities and conversations with residents. Improving parents, carers and their young children's mental health and wellbeing.
- Distributing information to households, including advice on energy efficiency, CO awareness, and the priority services register (PSR).
- Issuing carbon monoxide alarms to residents moving on to private accommodation.
- Delivery of slow cooking sessions for families, sharing low-cost and healthy recipes.

Families with children under five who attend Home-start UK

The project will issue information and support to families with children under the age of 5 accessing Home-Start UK. To improve overall financial, emotional, and physical wellbeing of both children and their parents/ carers. This will be achieved through:

- Distributing information to families, including advice on CO safety, energy efficiency, income maximisation and benefits families may be entitled to.
- Issuing slow cookers to Home-Start for use in group sessions.
- Delivery of slow cooking sessions at Home-Start centres to promote healthy eating amongst parents and their young children. Providing valuable life skills.
- Community workshops including but not limited to friendship cafes, creative therapies, and mental health groups.

Home-Start supporters

- Distributing information, including advice on CO safety, income maximisation, energy efficiency and cost-cutting tips.

Project Objectives:

Cadent will measure the success of Home-Start 'Warm spaces' against the achievements of the following objectives:

- Educate 12,000 households on the dangers, symptoms, and signs of carbon monoxide (CO) exposure.
- Promote healthy eating to 1,347 households through slow cooking sessions. Providing 1,347 slow cookers to those households who need them most.
- Provide 12,000 households with energy efficiency advice for around their homes.

	<ul style="list-style-type: none"> • Provide 8,000 PSR conversations raising awareness of the PSR and supporting 3,000 eligible households to register with the support from centre staff. • The project will tackle loneliness and isolation. • To generate a positive social return on investment – see the relevant section below for more details on this
<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> <ol style="list-style-type: none"> a. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project: <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> b. Either: <ol style="list-style-type: none"> i. Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or, ii. Provide awareness of the dangers of CO, or, iii. Reduce the risk of harm caused by CO; <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> c. Have defined outcomes and the associated actions to achieve these: <p>Cadent and Home-Start have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</p> d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and, <p>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</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>This project will be solely delivered through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p><u>Home-Start UK</u></p> <p>There are 181 Home-Starts around the UK, situated in communities that are living in deprived and vulnerable situations.</p>

	<p>Home-Start supports around 53,000 children in 35,000 families annually.</p> <p>Children living in unstable, deprived environments are less likely to have a positive healthy future due to being faced with tragedy, hardship, and neglect.</p> <p>These children do not have the foundations to handle life step backs and consequently not reaching their full potential. Families reach breaking point because of isolation, bereavement, physical and mental health issues, financial insecurity and more.</p> <p>Home-Start is a place to turn which provides compassionate, confidential help and expert support to struggling parent/carers, with no judgement. 96% of families that visit Home-Start can cope with isolation going forward.</p> <p>Home-Start improves children's early years as their parents/carers receive the care they need. Helping them cope with the stresses and strains of life, ensuring they have the skills, confidence, and strength they need to nurture their children.</p> <p>Home-Start opens a positive future for children living in vulnerable deprived environments making sure there are no limits to a child's future. Home-Start has been described as 'lifesaving' for many¹.</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 several 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>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>Stakeholder feedback – Working with various Stakeholders we can understand the needs of customers living in vulnerable situations across our networks. Regular conversations and check ins with organisations such as Citizens Advice, National Energy Action and Groundwork. These regular check ins allow us to gain feedback on the projects we are or should be supporting and ensuring that the projects are in the best interests of our customers. The guidance we are being given is consistently around supporting customers living in fuel poverty and especially considering the current energy crisis.</p>
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¹ Home-Start UK

Information Required	Description
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes:</u> The partnership with Home-Start expects to achieve the following project outcomes through 28 of their centres:</p> <ul style="list-style-type: none"> • Households will report increased levels of household income. • Households will report an increased awareness of the dangers of carbon monoxide and have a reduced harm of carbon monoxide. • Provide households with energy efficiency advice. • Households will report reduced levels of anxiety in fearing rising energy bills. • People will be brought together at events; this will tackle loneliness, social isolation and improve mental well-being in both children and parents. <p><u>Project Actions:</u> Home-Start will implement the following associated actions to deliver the project outcomes:</p> <ul style="list-style-type: none"> • Households will report efficient use of appliances and behaviours. Home-Start staff will receive training on energy efficiency to increase individuals' awareness of how to manage energy use more efficiently in the home. • Households will report reduced levels of anxiety in fearing a utility outage through being assisted to register to the Priority Services Register (PSR). Home-Start UK staff will all receive an awareness of the PSR and will support eligible households through the registration process. • Households will report an increased awareness of carbon monoxide and have a reduced risk to the dangers caused by carbon monoxide. This will be achieved through the Home-Start staff providing CO awareness conversations and distributing CO alarms to the most at-risk households. • Bring people together to reduce feeling of loneliness and improve connections within their local community. Improving mental health and emotional wellbeing. • Distribution of slow cookers to Home-starts and delivery of slow cooker sessions. Resulting in greater awareness of health and wellbeing and reduced cooking costs for low-income households. <p><u>Success criteria:</u> The success of the project will be measured by meeting the below criteria:</p> <ul style="list-style-type: none"> • Educate 12,000 households on the dangers, symptoms, and signs of carbon monoxide (CO) exposure. • Promote healthy eating to 1,347 households through slow cooking sessions. Providing 1,347 slow cookers to those households who need them most.

	<ul style="list-style-type: none"> • Provide 12,000 households with energy efficiency advice for around their homes. • Provide 8,000 PSR conversations raising awareness of the PSR and supporting 3,000 eligible households to register with the support from centre staff. • The project will tackle loneliness and isolation. 																												
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will work in partnership with Home-Start UK to deliver the project.</p>																												
<p>Potential for New Learning</p>	<p>Partnership with Home-Start offers several areas of potential learning that Cadent can adopt for other VCMA projects in RIIO-GD2.</p> <p>One of the main rationales behind funding the project is the number of families living in deprived and vulnerable situations. In 2022, there have been significant rises in cost of living and fuel prices. Through the VCMA, Cadent can support these changes. The VCMA project will give insight for Cadent to identify new challenges faced by families who face difficult situations. With findings shared across Cadent's VCMA programme.</p>																												
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project</u> Cadent will invest £403,000.50 to deliver a project in partnership with Home-Start UK. This VCMA project will be delivered across a two-year partnership.</p> <p>The project will support 12,000 households with a range of services.</p> <p>Total investment = £403,000.50</p> <table border="1" data-bbox="600 1279 1374 1503"> <thead> <tr> <th>Initiative</th> <th>Quantity of Customers Supported</th> <th>Total SROI for 5 years</th> </tr> </thead> <tbody> <tr> <td>Efficient Use of Appliances & Behaviours</td> <td>12,000</td> <td>£4,413,240.00</td> </tr> <tr> <td>Priority Services Register</td> <td>3000</td> <td>£431,670.00</td> </tr> <tr> <td>CO Education</td> <td>12,000</td> <td>£104,760.00</td> </tr> <tr> <td>Providing a slow cooker</td> <td>1347</td> <td>£318,457.74</td> </tr> <tr> <td>Loneliness and Isolation</td> <td>2,570.40</td> <td>£3,084,480.00</td> </tr> </tbody> </table> <table border="1" data-bbox="600 1559 1374 1805"> <thead> <tr> <th colspan="2">SROI Calculations:</th> </tr> </thead> <tbody> <tr> <td>5 year Gross:</td> <td>£8,212,647.10</td> </tr> <tr> <td>1 year Gross</td> <td>£2,595,865.55</td> </tr> <tr> <td>5 year Net:</td> <td>£7,809,646.60</td> </tr> <tr> <td>1 year Net:</td> <td>£2,394,365.30</td> </tr> </tbody> </table> <p>Ratio: £1:19</p> <p><u>Supporting households to maximise their income</u> 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.</p>	Initiative	Quantity of Customers Supported	Total SROI for 5 years	Efficient Use of Appliances & Behaviours	12,000	£4,413,240.00	Priority Services Register	3000	£431,670.00	CO Education	12,000	£104,760.00	Providing a slow cooker	1347	£318,457.74	Loneliness and Isolation	2,570.40	£3,084,480.00	SROI Calculations:		5 year Gross:	£8,212,647.10	1 year Gross	£2,595,865.55	5 year Net:	£7,809,646.60	1 year Net:	£2,394,365.30
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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.

BBC report found that 63% of England's urban population are aged between 18-34².

34% of young adults aged 18-34 experience feelings of loneliness³.

Social Psychiatry and Psychiatric Epidemiology reported a net present value of £6,000 for people who reported being lonely most of the time⁴. This figure was across a 10-year period and equates to £600 per annum. This research concluded that younger people who feel lonely are at greater risk of developing conditions such as anxiety and depression.

The project aims to reach 12,000 urban customers. 63% of which will be aged between 18-34. This equates to 7,560 customers.

² [Where are the UK's youngest and oldest city populations? - BBC News](#)

³ [Loneliness in young people: policy recommendations | Mental Health Foundation](#)

⁴ <https://link.springer.com/content/pdf/10.1007/s00127-019-01733-7.pdf>

	<p>Campaign to end loneliness reports that 25,000 young adults report feeling of loneliness. 63% of this population living in urban areas, this equates to 15,750 people.</p> <p>The Centre For warmth project will run for 2 years, equating to a saving of £1,200 per customer.</p> <p>2,570.4 customers report being lonely most of the time: $(£600 \times 2,570.4) \times 2$</p> <p>This equates to an overall benefit of £3,084,480.00 across the entire customer group supported through the project.</p> <p>12,000 households using a centre 63% of the population are aged between 18-34 = 7,560 34% of people are lonely with health conditions = 2,570.4 households $2,570.4 \text{ people} \times £1200 \text{ (£600 per annum)} = £3,084,480.00$</p>
<p>VCMA Project Start and End Date</p>	<p>Start Date: 1st April 2023 End Date: 31st March 2025</p>
<p>Geographical Area</p>	<p>Across all 5 of Cadent's networks</p>
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>To be confirmed upon receipt of Director of Sustainability and Social Purpose sign off.</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: 10/11/23	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 13/11/23	Review Completed By: Phil Burrows
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 16/11/23	
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: November 2023	
Date that Notification Email Sent to Ofgem: November 2023	