

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *Back O'th Moss – Centre for Warmth*

Kerry Doyle, Student, Customer Safeguarding Support
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Updated March 2024 (Emma Stead)



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) | |
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| 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 |
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| Project Title | 'Cost of Living Assistance and Safety Education' Back O'th Moss – Centre for Warmth |
| Funding GDN(s) | Cadent company-specific project. |
| New/Updated | Updated February 2024 |
| Role of GDN(s) *For Collaborative VCMA Projects only | Not Applicable |
| Date of PEA Submission | September 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: £99,200.00 Slow cookers 60 x large , 40 x small = £2,429.60 *Extra slow cookers to be provided Slow Cookers 200 x £27.84)=£5,568.00 Updated February 2024: Additional 900 large slow cookers x £27.84 = £25,056.00 Project management cost 4% = £5,290.14 |
| Total VCMA Funding Required (£k) | Total = £107,197.60 Updated February 2024 Total = £137,543.74 |
| Problem(s) | Back O'th Moss is a standalone charity that heavily relies on funding to provide sessions to their community. Heywood is one of the most economically deprived areas in the North West. Manchester and Rochdale are one of the highest deprived areas across Cadent's network. The health needs of Rochdale borough are shaped by deprivation. Rochdale have more health problems and poorer life expectancy. Not all areas of the borough are deprived and people living in the least deprived areas of the borough usually have better health. <u>Fuel Poverty</u> In 2022, there were an estimated 13.4% of households (3.26 million) in fuel poverty in England and under the Low-Income Low Energy Efficiency (LILEE) metric, risen from 13.1% in 2021 (3.16 million) ¹ . |

¹ Annual Fuel Poverty Statistics LILEE Report 2023 (2022 data) (publishing.service.gov.uk)

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| | <p>The average fuel poverty gap (reduction in fuel costs needed for a household not to be in fuel poverty) in 2022 has risen by 33% since 2021 to £338 in comparison to £254 billion in 2022².</p> <p>Around 14,500 children are living in relative poverty (before housing costs) in Greater Manchester. The child poverty rate in the city region is higher than the UK average³. Children who live in poverty have an increased risk of asthma, respiratory diseases, weight gain, increased hospital admissions, and poor grades at school⁴. One in ten households are struggling with food insecurity⁵.</p> |
| <p>Scope and Objectives</p> | <p><u>Project Scope</u></p> <p>Cadent will invest £107,197.60 of the VCMA funding to deliver a two-year extension project with Back O'th Moss.</p> <p>The 2023-2025 agreement will be an extension from the previous year and replicates other Centre For Warmth models, whereby specialist advisors are employed using VCMA funding.</p> <p>The centre will provide essential information and support on carbon monoxide safety, energy efficiency advice and the priority services register (PSR).</p> <p>The project will be to fund a full-time advisor, who will support clients of Back O'th Moss, and those living in communities surrounding the centre. Supporting and providing information on priority services register, home energy efficiency, financial worries, well-being, and safety advice to individuals affected by homelessness. Referrals to partner agencies for support with wider issues e.g., income maximisation, benefits checks and support with non-fuel debts.</p> <p>Training and materials to enable the issuing of Carbon Monoxide safety advice and alarms (where required).</p> <p><u>Project Objectives</u></p> <p>The following objectives are what Cadent will use to measure the success of the Centre For Warmth:</p> <p>The centre will reach approximately 6,000-9,200 clients across the initial 2-year period.</p> <ul style="list-style-type: none"> • 3,200-4000 clients supported with income maximisation • 3,200-4000 clients supported with energy efficiency advice • The centre will reach around 3,200-4,000 clients on Carbon Monoxide awareness and distribute Carbon Monoxide alarms to those most vulnerable. |

² Annual Fuel Poverty Statistics LILEE Report 2023 (2022 data) (publishing.service.gov.uk)

³ Poverty Monitor 2022: Child Poverty - Greater Manchester Poverty Action (gmpovertyaction.org)

⁴ [How fuel poverty affects children – Beat the Cold \(beatcold.org.uk\)](https://beatcold.org.uk)

⁵ [More children to be pushed into poverty in city-region without government intervention, study says - Manchester Evening News](https://www.manchestereveningnews.com)

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| | <ul style="list-style-type: none"> The centre will reach around 3,200-4,000 clients raising awareness of the priority services register (PSR), and support 720 to register with the help of centre staff. <p>300-400 clients receive slow cooking advice and 100 slow cookers distributed to those who need it most.</p> <p>Updated February 2024:</p> <p>Cadent will invest VCMA funding to deliver a two-year extension project with Back O'th Moss.</p> <p>Following the success of the slow cooking energy saving sessions held at the centre, there is a need to increase the number of sessions held, therefore increasing the volume of slow cookers distributed.</p> <ul style="list-style-type: none"> 1,200 clients will receive a slow cooker and slow cooking advice following on from them attending a slow cooking energy saving session. |
| <p>Why the Project is Being Funded Through the VCMA</p> | <p>Cadent believes this project meets all the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</p> <p>a) Social Return on Investment (SROI) is forecasted to be positive. We believe that this project has the deliverables to create a positive SROI including for the gas consumers funding the VCMA project:</p> <p>The project delivers a positive forecasted return on investment based on achieving the target for registrations to the PSR and carbon monoxide education.</p> <p>b) The project will either:</p> <ol style="list-style-type: none"> Provide support to consumers in vulnerable situations, and relate to energy safeguarding or, Provide awareness of the dangers of CO, or Reduce the risk of harm caused by CO <p>The project meets all three elements of the criteria. Offering support to customers living in vulnerable situations through energy efficiency advice, carbon monoxide education.</p> <p>c) Project has defined outcomes and associated actions to achieve these:</p> <p>The project's defined outcomes have been agreed upon by Cadent and Back O'th Moss following the service agreement. Further information can be found in the appropriate section below.</p> <p>d) The project goes beyond the activities funded through the price control mechanisms or required license obligations.</p> <p>This method of delivering support to customers living in vulnerable situations falls outside the scope of Cadent's BAU activities. This project utilises partnerships with community stakeholders to reach communities with Cadent messaging to benefit those customers who are difficult to reach.</p> |

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| | <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>Delivered solely through Cadent's VCMA funding.</p> |
| <p>Evidence of Stakeholder/Customer Support</p> | <p>During the last year of partnership with Back O'th Moss, the centre has supported hundreds of clients who attend the centre and live in the Heywood area. The centre has run sessions providing support on tackling fuel poverty, benefit entitlement checks, the priority services register (PSR) and carbon monoxide education.</p> <p>Furthermore, the centre manager who has been employed by Back O'th Moss remains in a successful full-time job for another year.</p> <p>Temperature Checks – we complete periodic 'temperature checks' with a cross-section of our customer base, including our Customer Forum. These demonstrate that customers continue to support the key measures that we identified when developing our RIIO-2 plan, with a heightened requirement to support people with the cost-of-living crisis – hence this.</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>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>Information Required</p> | <p>Description</p> |
| <p>Outcomes, Associated Actions and Success Criteria</p> | <p>The VCMA project forms part of Cadent's wider Centre for Warmth network. The Centre for Warmth project model ensures resources, materials and VCMA funding are allocated to a community centre located in an area of high deprivation. Enabling, the community centre to enhance and expand existing support for customers in vulnerable situations.</p> <p>This project will be delivered in partnership with Back O'th Moss community centre. The project aims to support around 6,000-9,200 clients over a two-year period.</p> <p><u>Project Outcomes</u></p> <p>The Back O'th Moss – Centre for Warmth aims to achieve the outcomes listed below:</p> |

- Provide slow cooking sessions to promote the potential affordability, health benefits and affordability.
- Provide support and advice to customers on topics such as benefit entitlement checks, homelessness, energy advice, mental health support and income maximisation.
- Provide energy efficiency advice, gas safety advice and carbon monoxide awareness.
- Provide awareness on the priority services register (PSR) and help sign-up eligible customers.

Associated Actions

- Keep the centre running by assisting with running costs for time spent on the project.
- Clients mental health will be improved through receiving support with fuel poverty. Having confidence in the advice they are receiving, understating information, and continuing a trusted relationship.
- An increased awareness of carbon monoxide safety and the dangers of the poisonous gas. There will be a reduced risk of harm accomplished by quarterly carbon monoxide awareness sessions on CO and distributing audible alarms to the households at greatest risk.

Success Criteria

The success of the project will be evaluated against the meeting of the projects objectives. These objectives include:

The centre will reach approximately 6,000-9,200 clients across the initial 2-year month period.

- 3,200-4000 clients supported with income maximisation.
- 3,200-4000 clients supported with energy efficiency advice.
- The centre will reach around 3,200-4,000 clients on Carbon Monoxide awareness and distribute Carbon Monoxide alarms to those most vulnerable.
- The centre will reach around 3,200-4,000 clients raising awareness of the priority services register (PSR), and support around 720 to register with the help of centre staff.

300-400 clients receive slow cooking advice and 100 slow cookers distributed to those who need it most.

Updated February 2024:

- 1,200 clients will receive a slow cooker and slow cooking advice following on from them attending a slow cooking energy saving session.

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| Project Partners and Third Parties Involved | Cadent and Back O'th Moss. |
| Potential for New Learning | <p>Since the project began in April 2022 Cadent have come to realise that every area/town seem to be suffering with the same problems. Fuel poverty, unemployment, low wages, homelessness, and the cost-of-living crisis.</p> <p>Alongside these, each area is also dealing with specific issues.</p> <p>Cadent have brought the centres together on a forum in order for them to share ideas, resources, and best practise. The forum has helped forge links with centres that were not previously there and acts as a support network.</p> |
| Scale of VCMA Project and SROI Calculations | <p>Cadent will invest £101,629.60 in partnership with Back O'th Moss for the Centre for Warmth project. Delivering support and a range of services to 6,000-9,200 over a two-year duration.</p> <p>SROI Calculations:</p> <p>5-year gross present value= £7,659,722.40</p> <p>1year Gross Present Value= £1,531,944.48</p> <p>5-year social return on Investment= £7,552,524.80</p> <p>1year Social Return on Investment= £1,478,345.68</p> <p>SROI Ratio:£1: £70</p> <p><u>Supporting households to maximise their income</u></p> <p>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> <p>SIA Partners calculated an average 5-year gross present value of supporting households to maximise their income of £1,717.11 per household.</p> <p><u>Educating customers on the dangers of Carbon Monoxide</u></p> <p>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.</p> <p>SIA Partners pointed to a number of factors that influenced the social value generated by educating customers on the dangers of carbon monoxide:</p> <ul style="list-style-type: none"> • 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.

The Cost of Loneliness

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

BBC report found that 46% of England's urban population are aged 65 or over⁶.

One-fourth of the population aged 65 years and older reported feelings of loneliness⁷.

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 depression⁸.

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 dialogue⁹.

The Centres For Warmth project aims to reach 7,600 urban customers. 46% of which will be aged 65 and over. This equates to 3,496 customers.

Campaign to end loneliness reported that over 700,000 people aged 65 and over are experiencing feelings of loneliness. 46% of this age group living in urban areas this equates to people¹⁰.

Social Psychiatry and Psychiatric Epidemiology research suggests a potential saving of £600 per annum for each older customer supported that was previously experiencing feelings of loneliness.

The Centre For Warmth project will run for 2 years, equating to a saving of £1,200 per customer.

This equates to an overall benefit of £1,048,800.00 for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support.

6,000-9,200 people using the centre per year
Average = 7,600

46% of the population are over 65 = 3,496 people

⁶ <https://www.bbc.co.uk/news/uk-43316697>

⁷ <https://www.cdc.gov/aging/publications/features/lonely-older-adults.html#:~:text=Older%20adults%20are%20at%20increased,the%20amount%20of%20social%20contact.>

⁸ <https://link.springer.com/content/pdf/10.1007/s00127-019-01733-7.pdf>

⁹ <https://www.health.org.uk/news-and-comment/news/older-people-living-alone-are-50-more-likely-to-visit-ae-than-those-who-live-with>

¹⁰ <https://campaigntoendloneliness.org/guidance/wp-content/uploads/2015/06/StatisticsGFLA.pdf>

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| | <p>25% of 1,288 people are lonely with health conditions = 874 people 874 people X £1200 (£600 per annum) = £1,048,800.00</p> <p>Updated February 2024:</p> <p>Cadent will invest £137,543.74 in partnership with Back O'th Moss for the Centre for Warmth project. Delivering support and a range of services over a two-year duration.</p> <p>Total investment = £137,543.74</p> <p>SROI Calculations</p> <p>3,600 individuals supported with income maximisation services: £6,181,596.00 3,600 individuals supported with energy efficiency advice: £1,323,972.00 3,600 individuals advised on carbon monoxide: £31,428.00 720 PSR sign-ups: £103,600.80 874 individuals supported by tackling social isolation: £1,048,800.00 1,200 individuals will receive a slow cooker and will be advised on how to cook a healthy meal on a budget: £283,704.00</p> <p>Five-year gross present value = £8,973,100.00 One-year gross present value = £2,109,260.16</p> <p>Five-year Social Return on Investment = £8,835,557.06 One-year Social Return on Investment = £2,040,488.29</p> <p>SROI Ratio: £1:63</p> |
| VCMA Project Start and End Date | Start Date: 01/09/2023 End Date: 31/08/2025 |
| Geographical Area | The project will be delivered in Cadent's North West network. Supporting communities and benefiting customers located in Heywood are of greater Manchester. |

**Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA)
Governance Document - PEA Control Table**

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| 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: 16.3.22 | Review Completed By: Amanda Jones |
| Stage 2: Sustainability and Social Purpose Team Management Review | |
| Date Management Review Completed: 18/03/24 | 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: 22/03/2024 | |
| 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 2024 | |
| Date that Notification Email Sent to Ofgem: March 2024 | |