

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

*Centre For Warmth - Fazakerley
Community Federation*

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September 2022

Updated January 2024 (Amanda Jones)



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	Centre For Warmth & Community Laundry - Fazakerley Community Federation
Funding GDN(s)	Cadent company-specific project - North West Network
New/ Updated (indicate as appropriate)	Updated January 2024
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent company-specific project
Date of PEA Submission	25 th September 2022 (Original) January 2024 (Updated)
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)	<u>Original costs</u> Total Costs: £205,629.19 Partner Costs: £194,734.04 Project Management Costs: £4,391.15 Carbon Monoxide Alarm Costs: £6,504.00 <u>Updated January 2024</u> Partner Costs: £231,934.04 Project Management Costs: £4,391.15 Carbon Monoxide Alarm Costs: £6,504.00 *Additional funding for: Debt Advisor: £32,200.00 Community Laundry: £5,000.00
Total VCMA Funding Required (£k)	£205,629.19 (Original) £242,829.19 (Updated January 2024)
Problem(s)	Liverpool is ranked as the 3rd most deprived of 317 local authority areas in the UK. Furthermore, Liverpool ranks second nationally in terms of the number of Lower Super Output Areas (LSOAs) in the most deprived areas (top 10%). ¹ Liverpool City Council's 2019 Index of Multiple Deprivation (IMD) analysis evidences the scale of deprivation in Fazakerley and across the city. IMD is based on seven categories including income, health, employment and living environment.

¹ [imd-2019-liverpool-analysis-main-report.pdf](#)

	<p>Fazakerley also contains a high proportion of the top ten percent of deprived LSOAs. As well as deprivation, Liverpool residents also face challenges with fuel poverty. A recent Liverpool City Council report stated that almost 20% of Liverpool is said to be in fuel poverty based on 2020 statistics, more than 5% above the national average.</p> <p>Fuel poverty can have many adverse effects on households' health, including excess winter deaths at the extremity. The City Council's analysis identified a scenario of up to 688 excess winter deaths linked to fuel poverty in 2022 and 2023.</p> <p>Households with increased levels of income have a higher chance of being able to afford the cost of fuel required to heat their homes to an adequate level.</p> <p>A 2022 ²Entitled to statistics report that an estimated £15bn of benefits goes unclaimed by approximately 7,000,000 families. This equates to an average of £2,142 per household, a figure which would make a significant difference in helping families to meet rises in the cost of living and fuel.</p> <p><u>Updated January 2024</u></p> <p>Fazakerley Community federation have experienced an increase in people attending the centre asking for help with debt and bailiffs and because they do not have a qualified debt advisor, they are referring these people to other organisations. This is not ideal as the people attend this centre because they trust them and have accessed support for other things.</p> <p>According to the research, carried out in partnership with Clarion Housing, Liverpool is in third place when it comes to towns and cities where people are likely to have fallen into debt during the pandemic. ³</p> <p>The report suggests that people in 47% of the city's neighbourhoods are likely to have taken on debt over the period of the pandemic.</p> <p>Furthermore, people attending the centre have reported they are struggling with the rising costs of energy. Washing and drying clothes can hike up energy bills significantly. The Energy Trust said washing machines, dishwashers and tumble dryers account for a huge 14% of households' total energy bills. ⁴</p>
<p>Scope and Objectives</p>	<p><u>Project Scope</u></p> <p>Cadent will provide Fazakerley Community Federation with £205,629.19 of VCMA funding to deliver a two-year project. The project is an extension of a year one VCMA initiative, that was funded on a pilot basis.</p>

² <https://www.entitledto.co.uk/>

³ [People in Liverpool facing 'debt avalanche' when covid support is withdrawn - Liverpool Echo](#)

⁴

www.google.com/search?q=how+much+electric+do+you+use+to+wash+and+dry+clothes&aq=how+much+electric+do+you+use+to+wash+and+dry+clothes&aqs=edge..69i57.12173j0j1&sourceid=chrome&ie=UTF-8

The two-year 2022-2024 extension replicates the previous project model, whereby specialist benefits advisors were employed using the VCMA. This service provided vulnerable households with essential financial support and also realised a very strong SROI.

As well as employing specialist benefits advisors, the 2022-2024 extension will include a community outreach worker. The community outreach worker will support clients with mobility and transport challenges in their homes and will also signpost new clients to Fazakerley Community Federation's services.

Alongside specialist benefits advice, the centre will also offer essential information on carbon monoxide safety and the priority services register. Fazakerley Community Federation will also operate a food pantry out of the centre, providing local households with affordable groceries.

Project Objectives

Cadent will measure the success of the Centre for Warmth - Fazakerley Community Federation project against the achievement of the following objectives:

- The specialist benefits/advice workers will support between 1,000 - 1,200 clients per annum. Each client will be supported to identify all benefits that they are eligible for and will also be guided through the claims process.
- The community outreach worker will support between 1,000 - ,1200 clients per annum. The worker will offer essential advice on carbon monoxide safety, registration to the priority services register and signposting to Fazakerley Community Federation's wider services.
- The project will deliver the positive forecasted social return on investment - please see the below section for more details.

Updated January 2024

Cadent will provide Fazakerley Community Federation with £32,200 of VCMA funding to deliver a one-year debt advisor service. The debt advisor will support 180 clients. They will offer advice on debt management, budgeting and repayment plans to help alleviate stress caused by this. This service will be delivered through 1:1 and telephone appointments tailored to the individual's needs.

The Centre will also open a Community Laundry for use by its customers to help with rising costs of energy. Washing and drying clothes can hike up energy bills significantly. The Energy Trust said washing machines, dishwashers and tumble dryers account for a huge 14% of households' total energy bills.

The Community Laundry project aims to provide washing and drying facilities to the community at an affordable rate of £1 per load to wash and dry. Whilst at the Laundry customers will have access to other services such as:

	<ul style="list-style-type: none"> • Advice on income maximisation and benefits. • Advice on energy efficiency. • Advice on CO. • Advice on PSR and support to sign up. • Access to group and activities to alleviate loneliness. • Access to discounted/free food from the Community shop. <p>The VCMA funding will be used for the following:</p> <ul style="list-style-type: none"> • To provide to large capacity energy efficient washing machines for use by the community. • To provide two large capacity energy efficient tumble dryers for use by the community. • To provide washing powder and fabric softener for people who cannot afford it. • To pay for installation of the above by a qualified person to comply with safety. • To contribute to energy costs for use.
<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: <ul style="list-style-type: none"> 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. 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; <ul style="list-style-type: none"> 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. c. Have defined outcomes and the associated actions to achieve these: <ul style="list-style-type: none"> Cadent and Fazakerley Community Federation have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below. 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> <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>The Fazakerley Community Federation - Centre for Warmth project aims to offer customers in vulnerable situations support, particularly those impacted by the cost-of-living crisis.</p> <p>Cadent and Britain Thinks conducted research on customer's attitudes towards energy in 2022. The research focussed on measuring customer's attitudes towards energy and understanding any shifts in perception since the development of Cadent's RIIO-GD2 business plans.</p> <p>The research evidenced that customers are making changes to household spend and energy. For example, the Cadent study found similarities with the ONS February 2022 survey where 79% of customers said that their cost of living had increased due to price rises in energy and food.</p> <p>Additionally, the same survey found that 26% of customers had needed to use their savings to pay for household essentials such as energy and food.</p> <p>This VCMA project is aimed at helping Liverpool households who are finding the need to eat into savings or reduce energy and food consumption as a result of the cost-of-living crisis. The project will offer essential support through helping households to maximise their income and use their energy more efficiently.</p> <p>Cadent also conducted customer and stakeholder feedback on its 2021-2022 VCMA delivery. Cadent asked participants for feedback on its 4 key VCMA project areas: Identifying customers' needs and joining up support services, tackling affordability and fuel poverty, protecting our customers from the dangers of CO, and Going beyond to never leave a customer vulnerable without gas.</p> <p>81% of customers and 78% of stakeholders supported Cadent continuing its funding of community base community based as Centres for Warmth and Warm Hubs. For instance, one customer participant (aged >70) commented:</p> <p><i>"Some interaction is vital for people on their own - giving them a safe and warm place to meet up is vital for many people's mental health"</i></p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The partnership with Fazakerley Community Federation 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</p>

monoxide risk. The increased levels of funding, resource and materials enable the community centre to ramp up its existing support for customers in vulnerable situations.

Project Outcomes

The Fazakerley Community Federation - Centre for Warmth Project aims to achieve the following outcomes:

- Centre clients report increased levels of household income.
- Clients will report reduced levels of anxiety in fearing a utility outage.
- Clients will report an increased awareness on the dangers of carbon monoxide (CO) and have a reduced risk of harm caused by CO.

Associated Actions

Cadent and Fazakerley Community Federation will implement the following associated actions to deliver the project's outcomes:

- Clients 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.
- Clients 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:

- Between 2,000 - 2,400 clients will receive specialist advice on identifying and accessing previously unclaimed benefits.
- Between 2,000 - 2,400 clients will receive an awareness conversation on the dangers of CO and other gas safety measures. Approximately 400 of the most at-risk households will also receive a CO alarm.
- Between 2,400 - 2,000 households will improve their awareness of the PSR. Approximately 650 - 800 eligible households will also be supported to register.

	<p><u>Updated January 2024</u></p> <p>Cadent will invest an additional £5,000 in partnership with Fazakerley Federation Centre for Warmth, for a Community Laundry is a one-year project and will support 760 customers.</p> <p>Cadent will also invest an additional £32,200 to fund a Debt Advisor to support approximately 180 people with one-to-one debt advice over one year.</p> <p>The additional funds should lead to the following outcomes:</p> <ul style="list-style-type: none"> • reduced levels of anxiety and stress related to being able to wash and dry clothes. • reduced levels of loneliness and isolation from attending the centre and participating in activities, sessions and interacting with others. • reduced levels of condensation and damp through not drying clothes inside on radiators and airers. • Customers will report an increased awareness of CO and the PSR. • Provide advice to customers on debt. <p>The project will reach approximately 760 customers across the course of one year.</p> <ul style="list-style-type: none"> • 28 customers will reduce condensation and damp by using the laundry service (see SROI calculations) • 760 customers will reduce energy costs by doing their laundry at the Centre. • 760 customers will alleviate loneliness and isolation by attending activities at the centre. • 180 customers will report feeling less anxious after receiving advice on their debt.
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will work in partnership with Fazakerley Community Federation to deliver the project.</p>
<p>Potential for New Learning</p>	<p>Cadent expects this VCMA project of offer several opportunities for new learning.</p> <p>This project is a two-year extension of an initiative previously delivered in year one of RIIO-GD2. Similar to the 2022-2024 extension, the past iteration of the project had a large focus on supporting clients to access previously unclaimed benefits. Both projects deliver help to clients living in the Fazakerley area of Liverpool, and the 2022-2024 extension will offer Cadent learning on whether there is a saturation point for supporting clients to access unclaimed benefits. A large number of clients were previously supported to access unclaimed benefits in 2021-2022, and the issue may not be as prominent moving forwards.</p> <p>Several other Centre for Warmth projects support households to access unclaimed benefits, and the learning from the Fazakerley Community Federation project will be disseminated across the Centre for Warmth programme.</p> <p>The national landscape is quite different at the time of project registration, versus the start of RIIO-GD2. There have been</p>

	<p>significant rises in the cost of living and fuel in 2022, and it is important that Cadent's support through the VCMA meets these changes. This Centre for Warmth extension will offer Cadent insight on the new challenges faced by communities in 2022. This new learning will be circulated across Cadent's entire VCMA programme beyond just Centre for Warmth.</p> <p><u>Updated January 2024</u></p> <p>We have learned that to many customers, the centre is the first place they go for advice and many more are seeking debt services due to the current climate.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £242,829.19 in partnership with Fazakerley Community Federation.</p> <p>This VCMA project will be delivered across a two-year partnership with Fazakerley Community Federation. The project will support approximately 2,000 - 2,400 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 worker.</p> <p><u>SROI Calculations (Original)</u></p> <ul style="list-style-type: none"> • Investment = £205,629.19 • 5-year Social Return on Investment = £3,699,897.94 • 1-year Social Return on Investment = £575,476.24 • 5-year Gross Present Value = £3,905,527.13 • 1-year Gross Present Value = £781,105.43 <p><u>Supporting households to reduce condensation and dampness in the home</u></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.</p> <p>An average of 2,200 clients will receive this service over the course of the project, equating to a total 5-year gross present value of £3,777,642.</p> <p><u>Educating customers on the dangers of carbon monoxide</u></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.

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.

An average of 2,200 customers will receive an improved awareness on the dangers of CO across the two years of the project. This equates to a total 5-year gross present value of £19,201.01

Distributing carbon monoxide alarms to the most at-risk households

Approximately 400 of the most at-risk households will receive a free CO alarm over the course of the two-year project.

SIA Partners calculated the average 5-year gross present value of issuing a CO alarm to be £10.91. This equates to a total 5-year gross present value of £4,363.87 across the 400 households.

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.

An average of 7,25 households will be supported to register to the PSR over the course of the two-year project - this equates to a total 5-year gross present value of £104,320.25.

Updated January 2024

SROI Calculations (Updated)

Total Investment = £242,829.19

- Five-year Gross present value = £6,340,002.62

	<ul style="list-style-type: none"> • One-year Gross present value = £1,268,000.53 • Five-Year Social return on investment = £6,044,733.43 • One-Year Social return on investment = £1,072,123.34 <p>SROI = £1: £23</p>
VCMA Project Start and End Date	Project start date: 18/08/2022 Project end date: 17/08/2024
Geographical Area	The project will be delivered in Cadent's Northwest network and will provide benefit to customers located in the Fazakerley area of Liverpool.

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

September 2022 (Original)

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: 06/10/22	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 06/10/2022	Review Completed By: Phil Burrows
Step 3: Director Sustainability and Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 11/01/24	
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: February 24	
Date that Notification Email Sent to Ofgem: February 24	