

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *Centre For Warmth- L30 Community Centre*

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Updated March 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;	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 – L30 Community Centre
Funding GDN(s)	Cadent
New/Updated	March 2024
Role of GDN(s) *For Collaborative VCMA Projects only	N/A
Date of PEA Submission	January 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)	<p><u>Original costs:</u> Centre for warmth - £70,254 for 2 years.</p> <p>Slow cookers – £3,712.80 = 144 cookers over 2 years (120 large x £27.83 = £3,339.60 24 small x £15.55 £373.20)</p> <p>Updated March 2024</p> <p>Due to the success of the project the centre now requires extra funding the meet the demand and needs of the community.</p> <p><u>Additional costs:</u> Extra Advisor: £7,743.00 Slow cooking sessions: £4,405.00 Project Management costs: £3,444.59 Total: £15,592.59</p>
Total VCMA Funding Required (£k)	<p>Initial submission total: £73,966.80</p> <p>Updated March 2024 New total project cost: £89,559.39</p>
Problem(s)	<p>The L30 community centre is based in the Netherton area of Liverpool.</p> <p>In the latest Index of Multiple Deprivation (IMD) this area was ranked 6,291 out of 32,844 in England, where 1 was the most deprived and 32,844 the least. Liverpool is ranked as number 4 in the IMD¹ as of 2019 and due to the cost-of-living crisis, unemployment, and fuel poverty this has become worse.</p> <p>The people of Netherton have a high dependency on benefits, high health inequalities and low life expectancy. Due to these issues, they are more likely to be in Fuel poverty.</p>

¹ modgov.sefton.gov.uk/documents/s112131/Enc.%201%20for%20Cost%20Of%20Living%20Crisis.pdf

This project aims to tackle several problems that are faced by people living in Netherton.

Fuel Poverty

Due to the cost-of-living crisis and the pandemic more and more families are finding themselves living in fuel poverty.

In a report by CPAG in August 2022 it stated that; **By January 2023, over half of households in the UK (15 million) will be in fuel poverty – spending over 10 per cent of net income on fuel.**²

Richard Jones, head of intelligence and analytics stated that almost 20% of Liverpool is said to be in fuel poverty according to the 2020 figures, placing it more than 5% above the national average.³

The residents in Netherton have a high dependency on benefits due to unemployment and poor physical and mental health. Having a lower income impact on peoples wellbeing but add to this health inequalities and it means that many are suffering with illnesses.

If we also factor in living in cold damp homes this increases the probability of illness.

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.

Unemployment

The rate of unemployment in Netherton is both higher than the average for and higher than the national average, suggesting that finding a job in this area maybe hard. The rate of claiming any benefit (which includes in work benefits) is more than 25% higher in Netherton than the national average, suggesting that many people maybe under employed or on a low salary.

Due to high unemployment and low income salaries people also find themselves struggling with debt and paying their fuel bills.

² [Fuel poverty: updated estimates for the UK | CPAG](#)

³ [Fuel poverty 'could become endemic in months' in Liverpool - Liverpool Echo](#)

Loneliness and Isolation

In Netherton many people are suffering from loneliness and isolation. This comes from not having much disposable income, being in fuel poverty and suffering with mental health issues.

All the above problems contribute to people withdrawing themselves. Being unemployed means they are not mixing with others in a workplace environment and can go days without even speaking to anyone.

In a 2015 study, researchers found that loneliness was related to long-lasting changes in the body. The study showed that when someone is lonely, they feel socially threatened, and so their brain triggers the 'fight or flight' reaction in non-threatening situations. This response means that the body produces fewer infection-fighting white blood cells, which leads to a less active immune system and increased inflammation within the body. In short, lonely people are less able to fight off viruses, and if they do get sick their bodies are slow to recover.⁴

There is a clear link between loneliness and poor mental and physical health, with lonely and socially isolated adults being more likely to be admitted to residential care and individuals who are socially isolated being between two and five times more likely than those who have strong social ties, to die prematurely

Alleviating loneliness and isolation in older people is inexpensive but results in substantial gains including fewer GP visits, less use of medication, fewer falls, and reduced risk factors for long-term care.

Risk of exposure to carbon monoxide and levels of deprivation

Around 30-40 people living in the UK die from carbon monoxide poisoning each year. An additional 4,000 people attend accident and emergency each year because of carbon monoxide and 200 people are left hospitalised

Issues such as fuel poverty and high household debt can influence a customer's risk of exposure to the dangers of carbon monoxide. An unavailability of household income can mean that many customers do not have the means to regularly service their gas appliances and/or purchase audible carbon monoxide alarms.

Updated March 2024

Social Isolation and loneliness

Individuals are suffering from the cost-of-living crisis and need support and advice. Seeking help can be daunting especially when English isn't your first language. Cultural barriers can leave many feeling lonely and an outsider to the community as they feel like they have nowhere to turn for support. Social isolation can

⁴ Health Impacts of Loneliness - WaveLength

	<p>lead to conditions such as depression, anxiety, and mental health conditions.</p>
<p>Scope and Objectives</p>	<p><u>Project Scope</u></p> <p>Cadent will provide £73,966.80 of the VCMA funding to deliver a two-year centre for warmth project in partnership with the L30 Community centre.</p> <p><u>Centre for Warmth</u></p> <p>The two-year 2023-2025 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><u>1 Part-Time Advice worker</u></p> <ul style="list-style-type: none"> • Work 21 hours per week. • Offer advice on benefits, debt, housing, and energy efficiency. This will be done in groups and 1:1 to help people maximise their income. • Give advice and tips on energy efficiency e.g., how to set heating controls. • Hold group sessions within the centre to offer information on how to keep warm and energy efficiency. • Hold group sessions to increase Carbon Monoxide awareness and offer CO alarms to vulnerable people who cannot afford to purchase one. <p><u>Carbon Monoxide awareness and advice</u></p> <p>The centre will host sessions with groups of people to raise awareness of CO and offer alarms to vulnerable people who need one or cannot afford to purchase one.</p> <p><u>Loneliness and isolation</u></p> <p>The centre and staff will also focus on attracting new people into the centre to help alleviate loneliness. Many are still feeling the effects of covid and are frightened to go out and mingle so are very lonely and isolated. They know that people attend the centre on word-of-mouth recommendations and the people attending report a gain in confidence and a feeling of belonging. L30 encourage the community to set up new groups and listen to what their community wants and facilitates by putting them in touch with various other partners.</p> <p>The project aims to reach 2,000 people over the course of the 2-year project. This reach will be divided as below:</p> <ul style="list-style-type: none"> • 1,088 people will receive advice on income maximisation and benefits entitlement. • 1,376 people will receive advice on energy efficiency.

	<ul style="list-style-type: none"> • 2,000 people will engage with others to tackle social isolation and loneliness. • 1,000 will receive advice on the PSR. • 500 will be registered on the PSR. <p><u>Project Objectives</u></p> <p>Cadent will measure the success of the Centre For Warmth – L30 Community Centre against the achievement of the following objectives:</p> <ul style="list-style-type: none"> • To deliver income maximisation/home energy efficiency advice to approximately 544 households per annum. • To deliver Carbon monoxide safety advice to approximately 1,000 per annum. • To alleviate stress and anxiety regarding keeping the home warm and feeding approximately 1,000 customers per annum. • To support 250 people to sign onto the PSR register per annum. <p>To generate a positive social return on investment - see the below relevant section for more details.</p> <p>Updated March 2024</p> <p>Cadent will provide an additional £15,592.59 of the VCMA funding to deliver slow cooking classes to 192 individuals. This will educate individuals on how to cook a healthy meal on a budget, whilst also raising awareness on how cook more energy efficiently.</p>
<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"> Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project: <p><i>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.</i></p> Either: <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><i>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.</i></p>

	<p>c. Have defined outcomes and the associated actions to achieve these:</p> <p><i>Cadent and L30 Community Centre have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</i></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><i>This project will be solely delivered through Cadent's VCMA funding.</i></p>
<p>Evidence of Stakeholder/Customer Support</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 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 in light of the current energy crisis.</p>
<p>Information Required</p>	<p>Description</p>

<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The partnership with L30 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 community centre to ramp up its existing support for customers in vulnerable situations.</p> <p><u>Project Outcomes</u></p> <p>The L30 Community Centre - Centre for Warmth Project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • 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 a healthy, nutritious, warm meal for people that attend the centre through the "Warmer Nights" project. • 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. <p><u>Associated Actions</u></p> <p>The L30 Community Centre will implement the following associated actions to deliver the project's outcomes:</p> <ul style="list-style-type: none"> • 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. • Customers will report a better understanding of how to cook more efficiently and healthier through attending slow cooker classes hosted by L30.
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	<p><u>Success Criteria</u></p> <p>The success of the project will be measured against meeting the below criteria:</p> <ul style="list-style-type: none"> • The project will reach approximately 2,000 customers across the course of the 2 years. • Around 1,088 households will receive specialist advice on identifying and accessing previously unclaimed benefits. • Around 1,376 households will receive help and support on energy efficiency • Around 1,000 individuals will receive an awareness conversation on the dangers of CO. The most at-risk households will also receive a CO alarm. • Around 1,000 households will improve their awareness of the PSR. Approximately 500 eligible households will also be supported to register. <p>Updated March 2023:</p> <ul style="list-style-type: none"> • Around 192 customers will receive education and guidance on cooking using a slow cooker.
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will work with L30 to deliver the 2-year project.</p>
<p>Potential for New Learning</p>	<p>During this project Cadent has realised that in all areas of our network our customers seem to be suffering from the same issues, for example fuel poverty and low income, but, we have also found that each area seems to be tackling issues that are specific to that area and how they deal with these are quite different.</p> <p>Due to this we have decided to set up a focus group where all Centres for Warmth come together to share best practice, hints, tips, and experiences. This builds strong connections across our Networks with the Centres supporting each other.</p> <p>It has also become clear that by Cadent partnering with the Community centres our reach to vulnerable customers has increased significantly more than if we had attempted this alone.</p> <p>Updated March 2024</p> <p>Since the project began 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>

<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £73,966.80 in partnership with L30 Community Centre over 2 years. This VCMA project will be delivered across a two-year partnership with L30 Community Centre. The project will support approximately 2,000 households with a range of services. 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 = £73,966.80</p> <ul style="list-style-type: none"> • 1,088 people supported with benefits and debt advice: £1,868,215.68 • 1,376 people supported with energy efficiency advice: £506,051.52 • 1,000 people advised on CO: £17,455.46 • 500 PSR sign-ups: £71,945 • 2,000 tackling loneliness and isolation £276,000 (2x years only) Total reach of around 2,000 across the duration of the project. • 5-year gross present value= £2,733,667.66 • 1-year gross present value= £630,733.52 • 5-year Social Return on Investment = £2,659,700.86 • 1-year Social Return on Investment = £504,340.17 <p>Updated March 2024</p> <p><u>Scale of VCMA Project</u></p> <p>Cadent will invest a new total of £89,559.39 in partnership with L30 Community Centre over 2 years.</p> <p><u>SROI Calculations</u></p> <p>Total investment = £89,559.39</p> <p><u>SROI Calculations</u></p> <ul style="list-style-type: none"> • 1,088 people supported with benefits and debt advice: £1,868,215.68 • 1,376 people supported with energy efficiency advice: £506,051.52 • 1,000 people advised on CO: £8,730.00 • 192 people receive advice and a slow cooker: £45,392.64 • 500 PSR sign-ups: £71,945.00 • 2,000 tackling loneliness and isolation £276,000.00 <p>5-year gross present value= £1,405,861.90 1-year gross present value= £638,066.97</p>
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	<p>5-year Social Return on Investment = £1,316,302.51 1-year Social Return on Investment = £593,287.28</p> <p>SROI Ratio: £1:15</p>
VCMA Project Start and End Date	<p>Start date: Feb 2023 End date: Jan 2025</p>
Geographical Area	<p>The project will be delivered in Cadent's North West network. Supporting communities and benefitting customers located in Liverpool.</p>
Remaining Amount in the Allowance at Time of Registration	<p>Remaining funding left in the Licensee's/ Licensees' funding pot.</p>

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

<p>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.</p>	
<p>Stage 1: Sustainability and Social Purpose Team PEA Peer Review</p>	
<p>Date Immediate Team Peer Review Completed: 20/03/23</p>	<p>Review Completed By: Emma Turnbull</p>
<p>Stage 2: Customer Strategy Team Management Review</p>	
<p>Date Management Review Completed: 20/03/23</p>	<p>Review Completed By: Phil Burrows</p>
<p>Step 3: Director of Customer Strategy Sign-Off: Mark Belmaga</p>	
<p>Director of Customer Strategy Sign-Off Date:</p>	
<p>Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)</p>	
<p>Date that PEA Document Uploaded to the Website: March 23</p>	
<p>Date that Notification Email Sent to Ofgem: March 23</p>	

