

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
Birmingham Warm Welcome - Centre for Warmth

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Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)	
In order to qualify as a VCMA project, a project must:	
VCMA Eligibility Criteria	Criteria Satisfied (Yes/No)
a) Have a positive, or forecasted positive Social Return on Investment (SROI), including for the gas consumers funding the VCMA project;	Yes
b) Either: <ul style="list-style-type: none"> i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or ii. Provide awareness on the dangers of CO, or iii. Reduce the risk of harm caused by CO; 	Yes
c) Have defined outcomes and the associated actions to achieve these;	Yes
d) Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and	Yes
e) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	Yes
Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair and replacement projects	
In order to qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, repair or replacement must meet the following criteria:	
a) A GDN has to isolate and condemn unsafe pipework or an essential gas appliance following a supply interruption or as part of its emergency service role;	N/A
b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	N/A
c) Sufficient funding is not available from other sources (including national, devolved or local government funding) to fund the unsafe pipework or essential gas appliance servicing, repair or replacement.	N/A
Section 3 - Eligibility criteria for collaborative VCMA projects	
In order to qualify as a collaborative VCMA project, a project must:	
a) Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria;	N/A
b) Have the potential to benefit consumers on the participating networks; and	N/A
c) Involve two, or more, gas distribution companies.	N/A

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

Information Required	Description
Project Title	Birmingham Warm Welcome - Centre for Warmth
Funding GDN(s)	Cadent
New / Updated (indicate as appropriate)	New
Role of GDN(s) *For Collaborative VCMA Projects only	The specific role(s) of GDN(s) participating in a collaborative VCMA Project
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 Phone: 07773 545451
Total Cost (£k)	Project funding =£185,206.00 Slow cookers = £5,568 Project management costs= £7,408.24
Total VCMA Funding Required (£k)	£198,182.24
Problem(s)	<p>Birmingham was ranked seventh most deprived local authority in England in 2019.¹ The city is also the most deprived authority in the West Midlands Metropolitan area. Whilst there are pockets of deprivation in all parts of the city, deprivation is most heavily clustered around the city centre. As a result of the cost-of-living-crisis, increasing numbers of people are seeking support to make ends meet, many being pushed into fuel-poverty.</p> <p>Thrive and the city council have worked together to respond to the challenge of providing food support, financial advice and support to address energy costs. Unfortunately, the funding is running out and more is required to keep the support in place which has become a vital safety net for many people in Birmingham.</p>
Scope and Objectives	<p><u>Project Scope</u></p> <p>Cadent will provide £198,182.24 of VCMA funding to deliver a two-year project. Building off the success of the other Centres for Warmth, the project aims to provide a comprehensive advice service for all customers and will be delivered across ten hubs within Birmingham.</p> <p>The VCMA funding will be used for the following:</p> <ul style="list-style-type: none"> • To provide advice on benefits entitlement.

¹ [INDEX OF MULTIPLE DEPRIVATION \(IMD\) IN BIRMINGHAM 2019 \(arcgis.com\)](https://arcgis.com)

	<ul style="list-style-type: none"> • To provide debt advice. • To raise awareness of carbon monoxide and the Priority Services Register (PSR). • To provide energy efficiency advice. • To offer slow cooking classes. • To provide access to food through the social supermarket. • To provide access to employment and training resources. • To provide access to a range of activities tailored to the needs of different age/cultural and gender groups. • To provide money to enhance and extend the services already provided by the ten hubs. <p><u>Objectives of the project</u></p> <p>The success of the project will be measured by meeting the following objectives:</p> <ul style="list-style-type: none"> • 5,000 people will receive advice on benefits /income maximisation and debt. • 5,000 people will receive advice on energy efficiency. • 5,000 people will receive advice on carbon monoxide awareness. • 5,000 people will be given advice on the PSR. • 500 people will be assisted to sign-up to the PSR. • 200 people will attend slow cooker sessions. <p>As well as achieving the above forecasts for the number of clients benefitting from the project’s services, the partnership will also deliver the following positive indicators:</p> <ul style="list-style-type: none"> • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Customers will report improved levels of comfort from being able to heat their homes to a healthier temperature. • Customers will report improved feelings of safety from receiving free carbon monoxide alarms and improving their awareness on the signs, symptoms, and dangers of carbon monoxide.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>Cadent believe that this project meets all the required VCMA eligibility criteria.</p> <p>A. The project is forecasted to have a positive SROI.</p> <p><i>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</i></p> <p>B. The project will either:</p> <ol 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. <p><i>The project will provide support to customers living in vulnerable situations through energy efficiency</i></p>

	<p><i>advice/income maximisation. The project will also offer customers education on the dangers of CO and issue audible alarms to particularly at-risk households.</i></p> <p>C. The project has defined outcomes and the associated actions to achieve them. <i>This project has clearly defined outcomes and associated outcomes, the meeting of which will quantify success. Further information on the project's outcomes and associated actions can be found in the relevant section below.</i></p> <p>D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations. <i>The method in which energy efficiency, gas safety and income maximisation advice is issued to clients on this project is innovative and goes beyond BAU.</i></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. <i>This project will be delivered solely through Cadent's VCMA funding.</i></p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent conducted extensive stakeholder and customer research in May 2022 following the completion of RII0-GD2 year one and again after year two.</p> <p>The aim of the research was to assess customer/stakeholder opinion on Cadent's allocation of VCMA spend and gain insight on where we should direct VCMA funding in the future. The results of our research studies, including our Energy Diaries thought leadership programme are available to view on the Cadent website. However, we've captured some of the key evidence below.</p> <ul style="list-style-type: none"> • 61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty. • Over 70% of customers are concerned about the level of their energy costs • Very few customers understand their energy bill • Less than 20% of customers feel as though they understand the range of support opportunities that they may be entitled to • There is very low trust associated with energy companies <p>This project focusses on tackling fuel poverty by offering energy/income advice to at risk households.</p> <p>Cadent work with over 40 strategic partners to continually feed into our strategic thinking and project prioritisation (in support of customers in vulnerable situations). The Centres for Warmth initiative has proven a huge success and receives excellent feedback from charities such as National Energy Action and Age UK. We use the ongoing engagement with these key</p>

	partners to inform our decision making, as we have with this project.
Information Required	Description
Outcomes, Associated Actions and Success Criteria	<p><u>Project Outcomes</u></p> <p>The VCMA project will be delivered in partnership with Thrive Birmingham Warm Welcome and aims to support a total of 5,000 people with home energy, income, carbon monoxide and PSR advice over the two-year project duration.</p> <p>The Project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Provide project clients with advice on income maximisation and benefit entitlement. • Provide customers with advice on energy efficiency. • Provide project clients with advice on carbon monoxide safety. • Provide free carbon monoxide alarms to customers living in vulnerable situations. • Provide customers with advice on the PSR and assistance to sign up. • Provide project clients with broader advice on Health/wellbeing. <p>As a result of delivering the above project services, customers reached through the project will report the following positive indicators:</p> <ul style="list-style-type: none"> • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Clients will report improved levels of comfort from being able to heat their homes to a healthier temperature. • Customers will report improved feelings of safety from receiving free carbon monoxide alarms and improving their awareness on the signs, symptoms, and dangers of carbon monoxide. <p><u>Associated Actions</u></p> <p>Birmingham Warm Welcome will utilise Cadent's VCMA funding to deliver the following associated actions:</p> <ul style="list-style-type: none"> • Employ a Development Worker that will oversee and coordinate the project across the ten hubs. • Distribute funding to the Hubs to enable them to increase services to include income maximisation, energy efficiency, carbon monoxide awareness and PSR. • Provide hot food and drinks for customers at the ten hubs. <p><u>Success criteria</u></p> <p>The success of the project will be evaluated against the meeting of the project's objectives. These objectives include:</p>

	<ul style="list-style-type: none"> • The project will reach 5,000 individuals with tailored advice based on the customers' needs throughout the two-year duration. • 5,000 people will receive in-depth 1-2-1 advice on income maximisation. • 5,000 people will receive energy efficiency advice. • 5,000 people will receive advice on carbon monoxide safety. • 500 people will receive support to sign up to the PSR. • 5,000 people will receive an awareness conversation on the benefits of the PSR. • 200 people will attend slow cooker sessions. • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Clients will report improved levels of comfort from being able to heat their homes to a healthier temperature. • Customers will report improved feelings of safety from receiving free carbon monoxide alarms and improving their awareness on the signs, symptoms, and dangers of carbon monoxide. • The project will deliver a positive social return on investment.
Project Partners and Third Parties Involved	Thrive Birmingham Warm Welcome
Potential for New Learning	<p>We believe that this project offers Cadent the opportunity for new learning in various areas. The project will offer Cadent insight into the extent of the impact of the cost-of-living crisis on the communities in Birmingham, and which services best support them. Through other projects that Cadent have participated in, we have realised that a regional approach to offering advice and support to our customers works well especially the Centre for Warmth model.</p> <p>We continue to listen and learn from our partners to provide what these communities need.</p>
Scale of VCMA Project and SROI Calculations	<p><u>Scale of VCMA Project</u></p> <p>Cadent and Warm Welcome Birmingham will enter an initial two-year project.</p> <p>The project aims to support 5,000 households across the project area with a variety of income maximisation, energy efficiency, carbon monoxide safety, and PSR advice.</p> <p>The project's total reach will be divided as below:</p> <ul style="list-style-type: none"> • 5,000 customers will receive advice on income maximisation. • 5,000 customers will receive in-home energy efficiency advice. • 5,000 customers will receive advice on the signs, symptoms and dangers of carbon monoxide. • 500 customers will receive support to sign up to the PSR. • 5,000 customers will receive a conversation that improves their awareness of the benefits of the PSR.

	<ul style="list-style-type: none"> 200 Customers will attend slow cooking sessions to enable them to cook more efficiency on a budget and reduce their usage of fuel. <p><u>SROI Summary</u></p> <ul style="list-style-type: none"> Investment = £198,182.24 Five-year gross present value = £10,587,279.00 One-year gross present value = £2,117,455.80 Five-year social return on investment = £10,389,096.76 One-year social return on investment = £2,018,364.68 SROI ratio = £1: £52
VCMA Project Start and End Date	Start date 02 nd October 2023 End date 01 st October 2025
Geographical Area	The project will be delivered on Cadent's West Midlands Network in Birmingham.

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: 22/09/2023	Review Completed By: Kerry Doyle
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 29/11/2023	Review Completed By: Guv Dosanjh and Phil Burrows
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 06/12/2023	
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: December 2023	
Date that Notification Email Sent to Ofgem: December 2023	