

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
Southend Association of Voluntary Services (SAVS) - 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;	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	Southend Association of Voluntary Services (SAVS) – Centre for Warmth
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	October 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)	Project Cost: £370,000.00 Project Management Costs: £14,800.00
Total VCMA Funding Required (£k)	£384,800.00
Problem(s)	<p>Southend-on-Sea is one of Essex's most deprived areas with 25.8% of residents living in 20% of the most deprived areas in England. It has a higher index of deprivation (IMD) than both Essex and England as a whole.</p> <p>9 areas have been identified as being in the top 10% most deprived areas in England, whilst 13 areas are ranked in the least 10% deprived.</p> <p>In Southend-on-Sea, just under 1 in 5 children live in low-income families (households where income is less than 60% of the median income before housing costs). Around 10% of households experience fuel poverty.</p> <p>Areas with high levels of deprivation are typically affected by fuel poverty and are at a higher risk of carbon monoxide (CO) poisoning and other gas safety related issues.</p>
Scope and Objectives	<p><u>Project Scope</u></p> <p>Cadent will be going into partnership Southend Association of Voluntary Services (SAVS) using £384,800.00 of VCMA funding to deliver a two-year project across 11 Centres for Warmth.</p> <p>Cadent will provide VCMA funding, materials, and resources to support people in high deprivation, fuel poverty, and at carbon monoxide risk.</p> <p>Cadent will fund Southend to coordinate and deliver energy efficiency advice, carbon monoxide safety advice and raise awareness of the PSR to vulnerable customers across multiple centres. The project will utilise an innovative 'one to many' partnership approach, with 11 VCFSE organizations involved in its delivery:</p> <ul style="list-style-type: none"> • Citizens Advice (Debt, Finance and I&G) • SAVS (CVS) • Southend Carers (Unpaid Carers)

	<ul style="list-style-type: none"> • South Essex Advocacy Services (Advocacy) • Send the Right Message (SEND) • Southend in Sight (Sight Loss Community) • Cake Club (Young Families) • Age Concern Southend (Older People) • Southend Foodbank (Emergency/Crisis) • One Love (Emergency/Crisis) • South Essex Homes / Community Hub (Housing) <p>Each of the organisations within the partnership will bring their own skills, experience and trusted relationships with Southend’s diverse communities.</p> <p>The project will be coordinated by Southend Association of Voluntary Services (SAVS) and, Southend Council for Voluntary Services. There will be an experienced primary partner and then nine other organizations who work with and support Southend’s community.</p> <p>Each partner has their own audience and reach, which they will be able to directly support via the activities of the project. Activities include promoting energy safeguarding and carbon monoxide safety.</p> <p><u>Project Objectives</u></p> <p>Cadent will measure the success of Southend – Centre for Warmth against the achievement of the following objectives:</p> <ul style="list-style-type: none"> • To educate individuals on the dangers, signs, and symptoms of carbon monoxide (CO) exposure. • Provide individuals with energy efficiency advice for around their homes. • To support eligible individuals to sign onto the Priority Service Register (PSR). • To educate individuals on the benefits of the PSR. • Individuals will report increased levels of household income. • Promotion of six relevant campaigns across social media and mailing lists. • To generate a positive social return on investment – see the below relevant section for more details.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that the project meets all 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> <p>c. Have defined outcomes and the associated actions to achieve these:</p> <p>Cadent and Southend have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</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 license 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>Cadent conducted extensive stakeholder and customer engagement to obtain feedback on its RIIO-GD2 business plans and subsequent Vulnerability and Carbon Monoxide Allowance (VCMA) delivery.</p> <p>This year, we conducted our "Energy Diaries" campaign; a piece of research aimed at gauging the customer's attitudes towards the rises in energy prices, as well as the support offered by organisations such as Cadent. The Energy Diaries demonstrated 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.</p> <p>The Centre for Warmth – Broomhall partnership recognises this feedback by offering vulnerable households essential support with income maximisation and energy efficiency services.</p> <p>In addition to this, we regularly seek to obtain the feedback of stakeholders such as Citizens Advice and National Energy Action (NEA) to understand the needs of customers in vulnerable situations. These regular conversations allow Cadent to gain feedback on the initiatives we are or should be supporting and ensure that the projects are in the best interests of our customers. Stakeholders have provided consistent feedback on the need for energy networks to focus their funding on supporting households most impacted by the cost-of-living crisis.</p> <p>This project takes this feedback into account by creating a partnership with a trusted local charity, positioned in an area with levels of deprivation and fuel poverty significantly higher than the national average.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes</u></p> <p>The partnership with Southend expects to achieve the following project outcomes:</p> <ul style="list-style-type: none"> • To reach 371,640 households over the course of the initial 2-year project. • To educate individuals on the dangers, signs, and symptoms of carbon monoxide (CO) exposure.

	<ul style="list-style-type: none"> • Provide individuals with energy efficiency advice for around their homes. • To support eligible individuals to sign onto the Priority Service Register (PSR). • To educate individuals on the benefits of the PSR. • Individuals will report increased levels of household income. • Individuals will report reduced levels of anxiety in fearing utility outages. • Promotion of six relevant social media campaigns. <p><u>Project Actions</u></p> <p>Southend will implement the following associated actions to deliver the project's outcomes:</p> <ul style="list-style-type: none"> • Individuals will report an increased awareness of carbon monoxide (CO) and have a reduced risk of harm caused by CO. This will be achieved through partners providing CO awareness conversations and distributing CO alarms to the most at-risk households. • Individuals will report increased levels of household income through efficient use of appliances and behaviours. Partners will receive energy efficiency training on how to manage energy more efficiently in the home. • Individuals will report reduced levels of anxiety in fearing a utility outage through being assisted to register to the Priority Services Register (PSR). Partners will receive an awareness of the PSR and help eligible households through the process. <p><u>Success criteria</u></p> <p>The success of the project will be measured by meeting the below criteria:</p> <ul style="list-style-type: none"> • Reach 371,640 households over the course of the initial 2-year project. <ul style="list-style-type: none"> • 840 households will receive help and support on energy efficiency. • 2,520 households will receive an awareness on the dangers of CO. • 3,600 households will improve their awareness of the PSR. 240 eligible households will also be supported to register. • 120 households will receive advice on condensation/damp advice. • 4,080 households will receive information and guidance on benefits and other types of support: including PIP, Attendance Allowance, Carers Allowance, Universal Credit, DLA, ESA, Tax Credits, and Pension Credit. • 240 households will receive warm home discount conversation. • 360,000 households will have an awareness of a relevant social media campaign.
Project Partners and Third Parties Involved	Cadent will work in partnership with Southend Association of Voluntary Services (SAVS).
Potential for New Learning	When the Centre for Warmth project began the financial climate was very different and funding was readily available from many sources. With the onset of Covid, war in Ukraine and the cost-of-living crisis all factor into an increased demand for services, Community centres have become a lifeline for people living in surrounding communities.

The centres are being asked to help with many different aspects such as benefit entitlement, housing problems and debt to name but a few.

We have realised that by partnering with these centres, Cadent are in a better position to reach many more vulnerable customers than we would alone. The reason for this is because the people who work in the centres are trusted by the community.

Cadent has nearly 150 of these centres and this number is growing. The centres are all operating in slightly different ways to meet the needs of their specific communities.

Cadent hosts regular lessons learnt sessions to ensure best practice is identified and transferred. We will continue to listen and learn from their findings to support our customers.

Scale of VCMA Project and SROI Calculations

Scale of VCMA Project

Cadent will invest £384,800.00 in partnership with Southend. This VCMA project will be delivered across a two-year partnership through 11 Centres for Warmth.

The project will support 371,640 households with a range of services.

SROI Calculations

Cadent has factored in an assumption that 3% of the households reached through the project will retain and use the information received via social media.

360,000 households reached via social media posts about energy efficiency – 3% assumption = 10,800 households. This has been added to the efficient use of appliances and behaviour’s initiative figure of face-to-face advice.

Initiative	Quantity of Customers Support	Total SROI for 5 years
Income Maximisation Services	4080	£7,005,808.80
Efficient Use of Appliances & Behaviours	11640	£4,280,842.80
Condensation/Dampness Support	120	£22,058.40
Priority Services Register	240	£34,533.60
Warm Homes Discount	240	£33,600.00
CO Education	2520	£21,999.60
Lonliness and Isolation	869	£1,042,800.00
1 Year ONLY Lonliness and Isolation		£521,400.00
Totals		£12,441,643.20

Total investment cost: £384,800.00

SROI Calculations:	
5 year Gross:	£12,441,643.20
1 year Gross	£2,801,168.64
5 year Net:	£12,056,843.20
1 year Net:	£2,608,768.64

Ratio: £1:30

Supporting households to maximise their income.

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.

SIA Partners calculated an average 5-year gross present value of supporting households to maximise their income of £1,717.11 per household.

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 callouts 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 over ¹.

One-fourth of the population aged 65 years and older reported feelings of loneliness (2).

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

¹ <https://www.bbc.co.uk/news/uk-43316697>

² <https://www.cdc.gov/aging/publications/features/lonely-older-adults.html#:~:text=Older%20adults%20are%20at%20increased,the%20amount%20of%20social%20contact.>

that older people who feel lonely are at greater risk of developing conditions such as dementia and depression (3).

The health foundation reported that 25% 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 dialogue (4).

The Centres for Warmth project aims to reach 7,560 urban customers. 46% of which will be aged 65 and over. This equates to 3,478 customers. These are customers that are receiving tier 2 and 3 advice and information only.

Please see below the breakdown of tier communication with customers:

Project Deliverable	Summary of Project Deliverable	Expected Number of Beneficiaries Reached through Deliverable
Carbon Monoxide awareness education	Sharing CO Leaflets - Tier 1	1,680 households
	CO safety 1-2-1 conversations - Tier 2	840 households
Provision of fuel poverty support	Efficient Use of Appliances conversations - Tier 2	840 households
	Condensation/Damp conversations - Tier 3	120 households
	PSR 1-2-1 conversations -Tier 2	1200 households
	Sharing of PSR Leaflets -Tier 1	2,400 households
	PSR Sign-ups -Tier 3	240 households
	Warm Homes Discount conversations -Tier 3	240 households
	Information/Guidance on Benefits and other types of support including; PIP, Attendance Allowance, Carers Allowance, Universal Credit, DLA, ESA, Tax Credits and Pension Credit -Tier 3	4,080 households
Share six media campaigns to their shared digital audiences (Facebook, Twitter, Instagram and Mailing List) -Tier 1	60,000 residents and organizations (x6)	

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 people⁵.

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 £1,124,400.00 for 2 x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support.

46% of the population are over 65 = 3478 people
 25% of 3478 people are lonely with health conditions = 869 people
 869 people X £1200 (£600 per annum) = £1,042,800 people.

VCMA Project Start and End Date

Start Date: 30/10/2023
 End Date: 29/10/2025

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

4 <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>

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

Geographical Area	The project will be delivered in Cadent's East Anglia network. Supporting communities and benefitting customers located in Essex.
Remaining Amount in the Allowance at Time of Registration	To be confirmed upon receipt of Director of Sustainability and Social Purpose sign-off.

**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: 01/11/2023	Review Completed By: Emma Stead
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 09/11/2023	Review Completed By: Phil Burrows
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmaga	
Director of Sustainability and Social Purpose Sign-Off Date: 30/11/2023	
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	

