

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
Warrington Borough Council Centre for Warmth

Amanda Jones
Safeguarding & community partnership lead



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	Centre for Warmth – Warrington Borough Council
Funding GDN(s)	Cadent company specific project
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable
Date of PEA Submission	December 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 - £788,143.20 for 2 years Slow Cookers = 2,000 large £55,680 and 570 small £8,863.50 = £64,543.50 Project management costs = £34,107.47
Total VCMA Funding Required (£k)	Total = £886,794.17
Problem(s)	<p>Warrington is ranked 147 on the indices of deprivation report of 2019. ¹Within this, 24 of the Warrington LSOAs are in the top 20% most deprived in England.</p> <p><u>Fuel Poverty</u></p> <p>Data from the Department for Business, Energy and Industrial Strategy shows that an estimated 10,401 Warrington households experienced fuel poverty in 2019.</p> <p>²Fuel poverty has damaging effects on health and overall quality of life. Research identifies that certain groups are particularly vulnerable with regards to fuel poverty and the adverse effects of cold housing. These include older people, particularly those living on their own, lone parents, young children, disabled people, and families where adult members are either unemployed or working on a low income.</p> <p><u>Debt</u></p> <p>³Warrington, Aldershot and Milton Keynes had over £4,800 in outstanding unsecured lending per adult, around double the level in each of Exeter, Cambridge and Oxford.</p>

¹ www.warrington.gov.uk/sites/default/files/2020- warrington_2019_deprivation_profile_report.pdf

² www.warrington.gov.uk/sites/default/files/2019-09/jsna-fuel_poverty-2015.pdf

³ www.centreforcities.org/wp-content/uploads/2020/04/Household-debt-and-problem-debt-in-British-cities-1.pdf

	<p>⁴Figures released by the Step Change Debt Charity show more than 10,000 people in the Northwest called its helpline for advice in the first half of this year, with average debts of £13,053.</p>
<p>Scope and Objectives</p>	<p>Cadent will provide Warrington Borough Council with £886,794.17 of VCMA funding to deliver a 2-year project in the 17 community centres listed below:</p> <ul style="list-style-type: none"> • Bank Park Pavilion • Bewsey and Dallam Hub • Bewsey Pavilion • Capesthorpe Community Centre • Croft Youth Academy • Culcheth Community Centre • Fearnhead Community Centre • Greenwood Community Centre • Nora Street Community Centre • Orford Community Hub • Penketh Community Centre • Radley Common Community Centre • Sandy Lane Community Centre • Sankey Bridge Community Centre • Westy Community Centre • Whitecross Community Centre • Padgate Community Centre <p>The two-year 2022-2024 agreement replicates the previous project model in other Centres for Warmth, whereby specialist benefits advisors are employed using the VCMA. This service provides vulnerable households with essential financial support, alongside essential information on carbon monoxide safety and the priority services register.</p> <p>1 x Vulnerability health & wellbeing co-ordinator – This person will manage the supervisor and the 3 health & wellbeing advisors.</p> <p>1 x Vulnerability health & wellbeing Supervisor - This person will coordinate the 3 advisors to ensure that all centres are covered and there is an advisor available when required. They will organise drop-in sessions, events and plan a timetable for advice surgeries at each centre.</p> <p>3 x Health and wellbeing advisors – They will be responsible for delivering advice on CO, energy efficiency, benefits, and income maximisation.</p> <p>1 x Digital champion – This person will assist the most vulnerable customers in accessing support including registering individuals as vulnerable with energy companies and accessing household support funding and other sources of income and benefit.</p> <p><u>Warm Hub</u></p> <p>The centres will extend their opening hours to families/individuals who are struggling to pay for energy and food. These will be set up in the most vulnerable areas of Warrington and will provide a</p>

⁴ www.itv.com/news/granada/2015-12-10/charity-warns-debt-is-a-growing-problem-in-north-west

	<p>safe warm space for people, where they can get food, interact with others, obtain advice, and not need to worry about using their gas/electric.</p> <p><u>Slow cooker sessions</u></p> <p>They will facilitate approx. ten slow cooker sessions over ten centres with approx. ten participants in each session. This will help educate people on how to cook more efficiently and to feed their family on a budget.</p> <p><u>Carbon Monoxide awareness sessions</u></p> <p>They will offer group sessions on the dangers of CO, signs and symptoms and will supply a CO alarm to the most vulnerable families and those who cannot afford to purchase one.</p> <p>The project aims to reach approximately 32,000 households/customers over the course of the initial 2-year project. This total reach will be divided between:</p> <ul style="list-style-type: none"> • 21,000 households across all centres receiving income maximisation advice. • 21,000 households across all centres receiving energy efficiency advice. • 32,000 households across all centres will engage with others to tackle social isolation and loneliness. • 8,000 households will receive a warm, nutritious, healthy meal, alleviating stress, and anxiety regarding keeping their homes warm and feeding their family. • 15,000 PSR conversations and 5,000 signs ups. • Provide 4,000 CO alarms. <p><u>Project Objectives</u></p> <p>Cadent will measure the success of the 17 Warrington Community Centres against the achievement of the following objectives:</p> <ul style="list-style-type: none"> • To deliver income maximisation/home energy efficiency advice to 10,500 households per annum • To deliver Carbon Monoxide safety advice to approximately 5,000 per annum • Provide 2,000 alarms per annum to households that do not have one. • To alleviate stress and anxiety regarding keeping the home warm and feeding 8,000 customers per annum • To support 2,500 people to sign onto the PSR register per annum. • To deliver slow cooker sessions to 1,000 customers to help them cook healthier and more energy efficient by using a slow cooker twice a week.
<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> <ul 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> <p>b. Either:</p> <ul 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 Warrington Borough Councils 17 Community Centres 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 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>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>Firstly, we conducted "Energy Diaries", 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 - Warrington partnership recognises this feedback by offering vulnerable households essential support with income maximisation and energy efficiency services.</p> <p>Secondly, we regularly seek to obtain the feedback of stakeholders such as Citizens Advice and National Energy</p>

	<p>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>Finally, Cadent asked customers for their views on which of the below statements best described their health and financial situation compared to 2021:</p> <ul style="list-style-type: none"> • My current household's health or financial situation is worse off compared to 2021. • My current household's health or financial situation is the same compared to 2021. • My current household's health or financial situation is better off compared to 2021. <p>60% of participants responded that their households' health or financial situation was worse off this year compared to 2021 levels.</p> <p>This project aims to support households most impacted by a downturn in the financial health through offering services such as income maximisation and benefit entitlement checks.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The partnership with Warrington Borough Councils community centres 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 Warrington Borough councils 17 community centres - 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 support to lonely 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.
- Individuals will report an increased knowledge of cooking on a budget, healthy cooking, and use of a slow cooker to save on energy.

Associated Actions

The Warrington Borough councils 17 community centres will implement the following associated actions to deliver the project's outcomes:

- 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 being 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.
- Individuals will report an increased knowledge of reducing their energy usage by using a slow cooker from attending a slow cooking course at a centre and from energy efficiency advice.

Success Criteria

The success of the project will be measured against meeting the below criteria:

- The project will reach approximately 32,000 customers across the course of the 2 years.
- Around 21,000 households will receive specialist advice on identifying and accessing previously unclaimed benefits.
- Around 21,000 households will receive help and support on energy efficiency.
- Around 21,000 individuals will receive an awareness conversation on the dangers of CO. Approximately 2,000 of the most at-risk households will also receive a CO alarm.
- Around 21,000 households will improve their awareness of the PSR. Approximately 5,000 eligible households will also be supported to register.

	<ul style="list-style-type: none"> • Around 1,000 customers will improve their knowledge of using a slow cooker to help lower their energy consumption.
Project Partners and Third Parties Involved	<p>Cadent will work in partnership with Warrington Borough councils' health and wellbeing team and their 17 community centres.</p>
Potential for New Learning	<p>Every area within Cadent's networks see households suffering the same issues, lack of money, fuel poverty and low-income jobs.</p> <p>Cadent have also learned that each area also has issues specific to them and these are dealt with differently.</p> <p>To help increase cross network understanding Cadent have set up a forum for the Centres. Every quarter they meet online and discuss various topics, share stories, tips and best practice but most importantly resources such as food. Where one centre may have an excess, they will give it to a neighbouring one.</p> <p>Cadent will continue to listen to our partners to try to improve, the support and services where possible, through our centre for warmth partnerships to assist our most vulnerable customers.</p>
Scale of VCMA Project and SROI Calculations	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £886,794.17 in partnership with Warrington Borough Councils 17 community centre Community Centres over 2 years.</p> <p>This VCMA project will be delivered across a two-year partnership with Warrington Community Centres. The project will support approximately 32,000 households with a range of services.</p> <p>The project will benefit households near the community centres, 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 = £886,794.17</p> <p><u>SROI Calculations</u></p> <ul style="list-style-type: none"> • 21,000 people supported with benefits and debt advice: £36,059,310.00. • 21,000 people supported with energy efficiency advice: £7,723,170.00. • 5000 PSR sign-ups: £719,450.00 • 32,000 tackle social isolation: £4,416,000.00 (for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support) • 1,000 families attending slow cooking classes. (By replacing 2 meals per week to be cooked in a slow cooker

it can produce a saving for a family of approximately £236.42 over 1 year = £236,420.00

Total reach of around 32,000 across the duration of the project.

5-year gross present value = £49,154,350.00

1-year gross present value = £13,363,670.00

5-year Social Return on Investment = £48,267,555.83

1-year Social Return on Investment = £12,920,272.92

SROI ratio = £1: £54

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.

An average of 21,000 clients will receive this service over the course of the project, equating to a total 5-year gross present value of £36,059,310.00.

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 several 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.

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.

The Cost of loneliness

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

⁵⁶BBC report found that 46% of England's urban population are aged 65 or over.

⁷One-fourth of the population aged 65 years and older reported feelings of loneliness.

⁸Social 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 depression.

⁹The 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 dialogue.

The centres For Warmth project aim to reach 32,000 urban customers. 46% of which will be aged 65 and over.

¹⁰Campaign to end loneliness reported that over 700,000 people aged 65 and over are experiencing feelings of loneliness. 46% of this age group lives in urban areas which equates to 322,000 people.

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

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>

	<p>The Centre for Warmth project will run for 2 years, equating to a saving of £1,200 per customer.</p> <p>This equates to an overall benefit of £4,416,000 for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support.</p> <ol style="list-style-type: none"> 1. 32,000 people using centres. 2. 46% of the population are over 65 = 14,720 people 3. 25% of 14,720 people are lonely with health conditions = 3680 people <p>3680 people X £1200 (£600 per annum) = £4,416,000</p>
<p>VCMA Project Start and End Date</p>	<p>Start date: 1st December 2023 End Date: 30th November 2025</p>
<p>Geographical Area</p>	<p>The project will be delivered in Cadent's Northwest network supporting communities and benefiting customers residing throughout Warrington.</p>
<p>Remaining Amount in the Allowance at Time of Registration</p>	<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

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: 19/12/2023.	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 20/12/23.	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: 21/12/23	
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	