

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *Centres for Warmth – Harphurhey*

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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	Centres For Warmth – Harpurhey
Funding GDN(s)	Cadent
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent specific project
Date of PEA Submission	December 2021
VCMA Project Contact Name, email, and Number	Name: Phil Burrows, Email: phil.m.burrows@cadentgas.com Number: 07773 545451
Total Cost (£k)	£25,000.00
Total VCMA Funding Required (£k)	£25,000.00
Problem(s)	<p>Harpurhey is an area located on Cadents North West network and has high levels of deprivation. This is evidenced in the indices of multiple deprivation, which ranks Harpurhey as the second most deprived area in Manchester.</p> <p>High levels of deprivation can be linked to broader issues such as fuel poverty, increased carbon monoxide risk and financial hardship.</p> <p><u>Unemployment</u></p> <p>According to Labour market indicators, working-age people living in the most deprived areas are more than twice as likely to be unemployed as the national average. Furthermore, the unemployment</p>

	<p>rate in the top decile of IMD areas is 17%, compared with the English average of 8% across England (and 4% in the least deprived areas).</p> <p><u>Fuel poverty</u></p> <p>Statistics suggest that a higher percentage of people living in deprived areas experience unemployment and have a lower income as a result.</p> <p>They are more at risk of being in fuel poverty, as they may not have enough income to adequately heat their homes. They are more likely to turn their heating off or down, which in turn brings about cold, damp living conditions, increasing the risk of associated conditions like respiratory issues, high blood pressure and depression/anxiety.</p> <p><u>Debt</u></p> <p>According to the Citizens Advice Bureau, those households in the lowest income group are three times more likely to be in debt, with the value of the debt being up to six months' worth of their income. Additionally, customers who rent are twice as likely as those who have a mortgage to owe more than six months of their income.</p> <p>When we factor in unemployment, low income, drug and alcohol abuse and mental health, the chances of people being in debt are huge. These people often do not have access or believe there is a stigma to seeking advice on debt.</p> <p><u>Risk of exposure to carbon monoxide and levels of deprivation</u></p> <p>Around 40 people living in UK die from carbon monoxide poisoning each year. An additional 4,000 people attend accident and emergency each year as a result of carbon monoxide and 200 people are left hospitalised.</p> <p>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.</p>
<p>Scope and Objectives</p>	<p><u>Project scope</u></p> <p>Cadent will provide Harpurhey Community Centre with £25,000 of VCMA funding to enable the</p>

delivery of an initial 12-month Centre For Warmth project.

The funding will be utilised by the centre to provide a range of services to local residents living in vulnerable situations.

These services include:

- Delivery of support to residents by issuing a range of advice including home energy efficiency, debt management, benefit entitlement checks/applications and gas safety.
- The delivery of 3 slow cooking classes designed to promote slow cooking as an affordable, energy efficient and healthy method of feeding a family.
- The coordination and delivery of 6 weekly community events that will utilise the centres large public hall. The community events will allow a large number of residents to receive support through attending themed events on topics such as energy debt, income maximisation, employment, and gas safety.
- The delivery of Carbon monoxide safety sessions to children across 4 holiday clubs to increase awareness about the dangers and signs of Carbon monoxide.

The project aims to reach approximately 1800 people over the course of the initial 12-month project. This total reach will be divided between:

- 80 - 100 households receiving income maximisation/energy efficiency advice and carbon monoxide awareness.
- 80 - 100 customers receiving advice on slow cooking/efficiency.
- 1500 customers attending the community events.
- 80-120 children attending the Carbon monoxide safety sessions.
- 300 PSR sign ups

Project objectives

	<p>The project contains a series of objectives that success will be measured:</p> <ul style="list-style-type: none"> • To support customers across the project area living in isolation, fuel poverty and at risk of exposure to carbon monoxide. • To generate a positive social return on investment - see the below relevant section for more details. • To deliver income maximisation/home energy efficiency advice to approximately 80-100 customers. • To deliver slow cooking awareness sessions to approximately 80 -100 customers. • To deliver community events to approximately 1500 customers. The events will promote messaging on energy efficiency, gas safety, debt management and CO awareness. • To deliver Carbon monoxide safety sessions across 4 holiday clubs to approximately 80-120 children. • To encourage and support signing up to the PSR for those customers that will benefit
<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. Please see the relevant section for more information.</p> <p>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</p> <p>b. The project will 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 on the dangers of CO, or iii. Reduce the risk of harm caused by CO <p>The project will provide support to customers living in vulnerable situations through energy</p>

	<p>efficiency advice/income maximisation. The project will also offer customers education on the dangers of CO and issue audible alarms to particularly at-risk households.</p> <p>c. The project has defined outcomes and the associated actions to achieve them.</p> <p>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.</p> <p>d. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.</p> <p>The method of delivering support to customers living in vulnerable situations is innovative, as it utilises partnerships with key community stakeholders. This allows for some of the hardest to reach communities to benefit from Cadent's messaging</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 delivered solely through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent's ¹independent customer engagement group report for its RIIO-GD2 business plans contains feedback on a variety of proposals, including Cadent's ambitions for tackling fuel poverty.</p> <p>The report supported Cadent's holistic approach to tackling fuel poverty, whereby a household is supported with a combination of services/advice.</p> <p>The Customer engagement group recognised the need for a holistic approach that supports a household with its fuel prices (FPNES), energy efficiency (advice/repair and replacement) and household income (income maximisation).</p> <p>The Centre For Warmth partnership with Harpurhey Community centre will allow Cadent to apply a</p>

¹ <https://cadentgas.com/nggdwsdev/media/Downloads/business-plan/Cadent-CEG-report-with-appendices.pdf>

	<p>holistic approach to supporting fuel poor households. Residents will receive a combination of services such as energy advice and benefit entitlement checks, all of which are designed to increase household income and help residents better manage their energy.</p> <p>Cadent sought feedback from national rural communities charity ACRE on our proposals, particularly how we ensure that rural and semi-rural communities stand to receive benefit from Cadent's management of the VCMA.</p> <p>ACRE supported Cadent's strategy of using projects that promote togetherness in rural and semi-rural communities. The charity also supported Cadent's strategy of tackling isolation, fuel poverty and promoting awareness of carbon monoxide, recognising these as important issues in communities.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project outcomes</u></p> <p>The VCMA project will be delivered in partnership with Harpurhey community centre and aims to support approximately 1800 residents with energy/safety/loneliness issues across an initial 12-month project period.</p> <p>The Harpurhey Centre For Warmth project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Provide support and advice to customers on numerous topics including benefit entitlement checks, homelessness, energy advice, fuel bank vouchers, income maximisation and mental health support. • Provide slow cooking classes to local residents to promote the potential affordability, efficiency, and health benefits • Provide support to lonely local residents, ensuring that they can access the community centre and the services it offers. • Provide residents with energy efficiency advice and carbon monoxide awareness. <p><u>Associated actions</u></p> <ul style="list-style-type: none"> • Cadent's funding will be used to employ and train two part time community advisors. The

advisors will have the skills to provide services aimed at tackling fuel poverty, risk of exposure to CO and loneliness.

- Harpurhey community centre will deliver slow cooking classes which promote affordable, healthy, and efficient cooking. Slow cookers will then be provided free of charge to those who attended the classes.
- Cadent will provide funding to enable Harpurhey community centre to deliver 4 community information days with links to energy, debt management and safety messaging.

Success criteria

The success of the project will be evaluated against the meeting of the project's objectives. These objectives include:

1. The project will reach approximately 1800 customers across the course of the initial 12 months.
2. 80 -100 customers will receive in-depth 1-2-1 advice on income maximisation and home energy efficiency advice.
3. 80 - 100 residents will receive support with learning how to use slow cookers as an affordable, efficient, and healthy means of cooking.
4. 1500 customers will attend large quarterly community events focussed on topics such as energy efficiency, debt management, safety, and employability.
5. 80 - 120 children will attend Carbon monoxide safety sessions increasing awareness of dangers and signs of Carbon monoxide.
6. 300 people signing up to the PSR

As well as aiming to reach a target number of customers, Cadent and Harpurhey Community Centre will review the qualitative benefits/indicators of the project as part of the final evaluation.

Meeting of the below indicators will help Cadent determine the success of the project:

- Customers will realise increases in household income through ensuring that they

	<p>are claiming the benefits that they are entitled to.</p> <ul style="list-style-type: none"> • Homeless local residents are supported with financial, wellbeing and safety advice. • Customers will report a decrease in anxiety and stress due to receiving support with home energy, financial and wider issues. • Customers will be able to utilise slow cooking to make affordable and healthy meals whilst reducing their energy and food bills. • Isolated members of the community will report an improvement in mental wellbeing through experiencing lower feelings of loneliness. • Customers will report an increased awareness of the dangers of carbon monoxide and an increased feeling of safety at home.
<p>Project Partners and Third Parties Involved</p>	<p>Harpurhey Community Centre</p>
<p>Potential for New Learning</p>	<p>The Harpurhey Centre For Warmth project offers many potential areas of learning that Cadent can adopt for other VCMA-funded projects in RIIO-GD2.</p> <p>One of the main rationales behind funding the project was its focus on supporting isolated members of the community, an area where previous Cadent projects had not directly focused on</p> <p>When assessing options for VCMA projects, we considered the effectiveness of directly engaging with end customers (rather than using a project partner. This project will provide insight on the effectiveness of working community stakeholders such as Harpurhey Community centre. We believe that these stakeholders are trusted members of communities, and Cadent's partnerships with them allow us to engage previously difficult to reach customers with VCMA-funded services.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA project</u></p> <p>The Harpurhey Centre For Warmth project will deliver support for an initial 12-month duration. The project will focus on the provision of advice to approximately 1800 customers.</p> <p>Social return on investment calculations</p>

- Forecasted social return on investment = £693,500.09
- Investment = £25,000
- Forecasted 5-year gross present value from the issuing energy/income advice = £627,852.29
- Forecasted 5-year gross present value from the issuing Carbon monoxide advice and alarms = £2,080.80
- Forecasted 5-year gross present value from tackling loneliness = £20,400
- Forecasted 5 year gross present value from PSR sign ups =£43,167

Gross present value from the issuing of energy/income advice

Previous centre data forecasts that 30 customers will receive benefit advice with the average claim across 5 years being £20,589. This gives a forecasted 5-year gross present value of £617,688.46.

Centre data also forecasts that 13 customers will receive energy advice with the average return of £781.83. This gives a forecasted 5-year gross present value of £10,163.83.

Gross present value from Carbon Monoxide advice

Centre data forecasts 120 customers will receive Carbon monoxide advice and alarms. The average social return across 5 years equates to £17.34. This gives a forecasted 5-year gross present value of £2,080.80.

Gross present value from tackling

²The Office of National Statistics reports that 18% of the British population (11.4 million people) is aged 65 or over

²<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/livinglongerisage70thenewage65/2019-11-19>

	<p>³Research by Global Health and Pharma shows that on average 9.5% of the population over the age of 65 had feelings of loneliness most or all the time</p> <p>⁴London School of Economics' 2017 briefing paper reported that the cost to individuals, their families and society that arises from loneliness related poor health could be estimated conservatively at £6000 in older people. This figure was across a 10-year period and equates to an annual cost of £600.</p> <p>The Harpurhey Centre For Warmth project aims to reach 1800 customers across the entire project duration, 18% of which will be over the age of 65. This equates to 324 customers.</p> <p>Rural England's research suggests that 34 individuals (10.5%) within this aged 65 and over group may have feelings of loneliness.</p> <p>London School of Economics' research suggests a potential saving of £600 per annum for each older customer supported that was previously experiencing feelings of loneliness.</p> <p>The Harpurhey Centre For Warmth project will run for 12 months, equating to a saving of £600 per customer.</p> <p>34 customers each receiving £600 of benefit equates to a total gross present value of £20,400.</p>
<p>VCMA Project Start and End Date</p>	<p>Project start date: July 2021 Project completion date: July 2022</p>
<p>Geographical Area</p>	<p>The project will be delivered to communities in and around the Harpurhey in our North West Network.</p>
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>To be confirmed upon Director of Customer Strategy sign-off.</p>

³ <https://www.ghp-news.com/2018-the-scale-of-loneliness-amongst-the-uk-s-elderly-population/>

⁴ <https://www.lse.ac.uk/business/consulting/assets/documents/making-the-economic-case-for-investing-in-actions-to-prevent-and-or-tackle-loneliness-a-systematic-review.pdf>

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: 31/03/2022	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Management Review	
Date Management Review Completed: 31/03/2022	Review Completed By: Phil Burrows
Step 3: Director of Sustainability and Social Purpose Sign-Off: Mark Belmega	
Director of Customer Strategy Sign-Off Date: 31/03/2022	
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: March 2022	
Date that Notification Email Sent to Ofgem: March 2022	