

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
National Association for Voluntary and Community Action (NAVCA) - 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	National Association for Voluntary and Community Action (NAVCA) - Centres for Warmth
Funding GDN(s)	Cadent company specific project
New / Updated (indicate as appropriate)	New
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable
Date of PEA Submission	May 2024
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: £870,000.00 Large slow cookers costs: 2,500 x £27.84 = £69,600.00 Plaque cost: 78 x £30.00 = £2,340.00 Leaflet costs: £19,500 Project management costs: £38,457.60
Total VCMA Funding Required (£k)	£999,897.60
Problem(s)	<p>Across the UK, patterns of deprivation are complex. The most and least deprived areas are distributed, with only pockets of deprivation in some regions. It is reported that in 2022/23 nearly 14.3 million people (21%) were in relative poverty before housing costs.¹</p> <p>With the UK's current socio-economic climate, more individuals are being pushed into relative poverty and the impact is disproportionately felt by those who were already struggling to make ends meet. Therefore, these individuals are also being pushed further into fuel poverty. Being in fuel poverty means that these individuals are more susceptible to carbon monoxide (CO) poisoning, being in financial difficulties, and various physical and mental-health related issues.</p> <p>Voluntary, community and social enterprises (VCSE) play a vital role in supporting the most vulnerable communities to address some of these issues. However, VCSEs face their own challenges. They often receive limited resource or support themselves and are rarely skilled and resourced enough to offer a range of specialist advice linked to these challenges. In turn, this has an impact on the quantity and quality of support that can be provided to individuals in vulnerable situations.</p>

¹ <https://researchbriefings.files.parliament.uk/documents/SN07096/SN07096.pdf>

	<p>National Association for Voluntary and Community Action (NAVCA) is the national body for local VCSE infrastructure organisations in England. They provide support, resources, and a national voice for over 180 VCSE members, helping them to thrive and deliver essential services with local communities.</p>
<p>Scope and Objectives</p>	<p><u>Project scope</u></p> <p>From June 2024 to March 2026, Cadent and NAVCA will work in partnership to deliver a Centres for Warmth project, using £999,897.60 of VCMA funding. The project will replicate other Centre for Warmth models whereby Cadent provides VCMA funding, resource, and training to enable the delivery of vital information and support on income maximisation, CO safety, energy efficiency, and the PSR in community centres.</p> <p>Overall, the aim of the project will be to deliver 78 Centres for Warmth, in areas where there are gaps in Cadent’s Centres for Warmth network – particularly areas where there are pockets of deprivation, hidden poverty and marginalised communities. For example, Sutton Coldfield is regarded as an affluent town, but pockets of poverty exist across all wards – and it is in affluent wards that there will likely be fewer services and support available. NAVCA will manage and coordinate the project using a portion of the allocated VCMA funding, and the delivery approach NAVCA have chosen will enable NAVCA to leverage their members' existing networks and enhance the capacity and capabilities of selected VCSE organizations.</p> <p><i>The delivery approach: asset based – building on what exists</i></p> <p>It is recognised that NAVCA’s members’ have unrivalled knowledge and understanding of the needs and opportunities within their local communities and VCSE sector. As the local support organisation for small VCSEs in their area, NAVCA members are best placed to identify how to create strong partnerships for delivery, and ensure local partners have the knowledge and capacity to deliver effective advice and training and, resource distribution.</p> <p>We anticipate that in many places, NAVCA members will seek to build on an existing network of organisations operating in the field. In others, where the VCSE delivery network is not as advanced, we expect they will lead delivery, whilst using it as an opportunity to establish and/or strengthen the local network to take on delivery directly in due course. The approach will consist of the following:</p> <ol style="list-style-type: none"> 1. NAVCA will provide start-up grants to a selection of 13 members, located in priority areas. 2. Each member will develop and manage a “Cadent Centres for Warmth Fund” for small VCSE organisations in their area to apply for. 3. Each member will enable the delivery of the six Centres for Warmth - coordinating a network of local community centres and initiatives led by the selected VCSE organisations, offering warm and welcoming spaces for individuals in their area while providing access to support.

Train-the-trainer

To enable the delivery of advice and support training, a “train-the-trainer” model will be implemented. NAVCA’s experienced staff will deploy the model to upskill members, who will then transfer these skills to the network of centres and support them to deliver a range of activities.

The areas will cover:

- Energy advice and energy efficiency measures
- Gas and CO safety
- Raising awareness of, and supporting, sign-ups to the PSR
- Provision of equipment such as CO alarms and slow cookers

NAVCA will use Cadent’s training and support materials, adapting them as necessary. Income maximisation advice, such as assistance with applying for benefits will be delivered by a specialist provider, such as Citizen’s Advice or an equivalent organisation. Depending on their specific needs, the centres will either allocate a proportion of their funds to increase the hours of an existing advisor or to contract a new part-time advisor to deliver drop-ins at the centre. The support provided is expected to be in-depth one-to-one support.

The Centres for Warmth

To deliver the project efficiently, the centres will:

- either use existing key workers and volunteers to deliver advice and/or contract additional members of staff, if required.
- use existing trusted relationships in disadvantaged communities to target individuals and households- blending this support alongside support individuals are already accessing will removed stigma and improve receptiveness.
- be expected to collaborate with trusted local partners, tailored to local needs, to achieve the broadest reach
- offer advice and guidance in the broadest set of formats, including one-to-one and group advice tagged on to existing interventions/interactions with individuals where a session is already being delivered with the target cohort. This could, for example, be at a lunch club for elderly individuals, at food banks, or in the context of other activities. Members and centres will be asked to ensure that materials and approaches are accessible to diverse communities, including by providing translations into community languages.

NAVCA will explore the outcomes with each member, requesting their plans to collaborate with existing services, including signposting or referrals, and outlining how they will ensure the network enhances, rather than duplicates, current support.

Project Objectives:

Cadent will measure the success of the project against the achievement of the following objectives:

- To generate a positive social return on investment - see the below relevant section for more details.

	<ul style="list-style-type: none"> • To reach 36,000 individuals over the course of the project - individuals at risk of loneliness and isolation will receive general support through the Centres for Warmth. • 10,000 individuals will receive energy efficiency advice including advice on ways to save both on energy consumption and costs. • 2,500 individuals will receive slow cooker advice and learn how to cook affordable, healthy, and efficient meals. Individuals without a slow cooker already will receive one for free. • 10,000 individuals will receive advice about the PSR, with the aim to sign up 1,000 eligible individuals to the register. • 10,000 individuals will receive CO education to improve their CO safety awareness and 4,000 of the most at-risk households will also receive a CO alarm. • 2,875 individuals will receive income maximisation advice on a range of topics including money budgeting and debt management. <p>Each centre will receive a modest grant. However, the value of the grant is less than the typical annual funding a traditional Centre for Warmth receives. Therefore, while the fund will help the centres address information and service gaps within their communities, the reach of each service will naturally be limited by capacity.</p> <p>The figures shown in the project objectives take these limitations into account, though we hope the centres will ultimately reach more individuals than anticipated.</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> <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><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> 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 of the dangers of CO, or, iii. 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> c. Have defined outcomes and the associated actions to achieve these: <p><i>Cadent and NAVCA have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</i></p> d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and,

	<p><i>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</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,</p> <p><i>This project will be solely delivered through Cadent's VCMA funding.</i></p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>The NAVCA Centres for Warmth project aims to support individuals living in vulnerable situations across the Cadent network. Cadent and Britain Thinks conducted research on customer's attitudes towards energy in 2022. The research focussed on measuring customer's attitudes towards energy and understanding any shifts in perception since the development of Cadent's RIIO-GD2 business plans.</p> <p>The research evidenced that customers are making changes to household spend and energy. For example, the Cadent study found similarities with the ONS February 2022 survey where 79% of customers said that their cost of living had increased due to price rises in energy and food. The same survey also found that 26% of customers needed to use their savings to pay for household essentials such as energy and food.</p> <p>In February 2024, the Department for Energy Security & Net Zero published a fuel poverty factsheet which summarises the headline estimates of fuel poverty in England in 2023. It found that 13% of households in England were classified as fuel poor last year, with rising energy prices moving 238,000 households in England into fuel poverty. Energy efficiency measures lifted 112,000 households out of fuel poverty between 2022 and 2023 and rising incomes (although offset by rising housing costs) moved 128,000 out of fuel poverty.</p> <p>Since inception, the Centres for Warmth model has focused on supporting key areas mentioned in the research pieces, proven a huge success and received excellent feedback from charities such as National Energy Action and Age UK. This project takes this into account by replicating the core elements of the model using NAVCA's expertise and enabling the delivery of specialised support in target areas affected by deprivation and fuel poverty.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The NAVCA Centre for Warmth project will form part of Cadent's wider Centres for Warmth network and aims to reach up to 36,000 individuals. 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 CO risk. These provisions will enable the community centres to expand their existing support for individuals living in vulnerable situations.</p> <p><u>Project Outcomes</u></p> <p>The 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 CO. and have a reduced risk of harm caused by CO.

- Provide support to lonely and isolated residents, ensuring that they can access the community centre and the services it offers - tackling loneliness and isolation.
- Provide individuals with energy efficiency advice and individuals will report a better awareness of energy efficiency measures and support.
- Individuals will report reduced levels of anxiety in fearing a utility outage and increased awareness of the PSR
- 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

NAVCA will implement the following associated actions to deliver the project's outcomes:

- NAVCA will effectively manage the project and use the agreed percentage of VCMA funding to fund 78 Centres for Warmth.
- NAVCA will use a portion of the funding to recruit a dedicated project lead. Their role will be to deliver the train-the-trainer model, and to convey and facilitate peer support across the network.
- NAVCA will provide start-up grants to their VCSE members located in priority areas. Each member will enable the delivery of six Centres for Warmth each.
- The centres will use existing trusted relationships in disadvantaged communities to target individuals and will also collaborate with trusted local partners to achieve the widest possible reach.
- The centres will offer advice and guidance in the broadest set of formats, including one-to-one and group advice tagged onto existing interventions/interactions with individuals, where a session is already being delivered with the target cohort.
- Cadent will provide energy efficiency, PSR and CO training, and resources to NAVCA and its members, who will then share the knowledge and resources with the centres. This will enable individuals who access the centres to receive advice and support related to the project's key deliverables.
- The training, expertise and resources provided by Cadent will be used by all parties

Success Criteria

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

- NAVCA will recruit at least 13 NAVCA members who will enable the delivery of six Centres for Warmth each, which will equate to 78 established Cadent Centres for Warmth.
- The project will reach 36,000 individuals over the project period - individuals at risk of loneliness and isolation will receive general support through the Centre for Warmth.
- 10,000 individuals will receive energy efficiency advice including advice on ways to save both on energy consumption and costs.
- 2,500 individuals will receive slow cooker advice and learn how to cook affordable, healthy, and efficient meals. Individuals without a slow cooker already will receive one for free.
- 10,000 individuals will receive advice about the PSR, with the aim to sign up 1,000 eligible individuals to the register.
- 10,000 individuals will receive CO education to improve their CO safety awareness and 4,000 of the most at-risk households will also receive a CO alarm.
- 2,875 individuals will receive income maximisation advice on a range of topics including money budgeting and debt management.

Project Partners and Third Parties Involved	Cadent will work in partnership with NAVCA
Potential for New Learning	<p>When the Centre for Warmth project began, the financial climate was relatively different. Also, with the onset of Covid, war in Ukraine and the cost-of-living crisis all factoring into an increased demand for services, community centres became a lifeline for people living in surrounding communities.</p> <p>The centres have been under increased pressure to meet the growing demand to support with many different issues. Therefore, this provides Cadent with the opportunity to understand the changing and continuing needs of different communities and how to best support them with overcoming these challenges. In turn, it can also support cross network learning.</p> <p>Through the Centres for Warmth project, Cadent have learnt that each area has issues specific to them and these are dealt with differently. To help increase cross network understanding Cadent will ensure best practise is identified and transferred and continue to listen to their partners to try to improve the support and services provided to vulnerable customers.</p>
Scale of VCMA Project and SROI Calculations	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £999,897.60 in partnership with NAVCA. The project will be delivered from June 2024 to March 2026 and is forecasted to reach up to 36,000 individuals. It will enable individuals in targeted areas across the network to access essential information and support on energy efficiency, CO safety, income maximisation, and the PSR.</p> <p><u>SROI Calculations</u></p> <p>The reach will be divided as per below:</p> <ul style="list-style-type: none"> • 2,875 individuals will receive in-depth on-to-one advice on income maximisation internally = £4,936,691.25 • 10,000 individuals will receive advice on energy efficiency = £3,677,700.00 • 10,000 individuals will receive awareness advice on CO = £87,300.00 • 1,000 individuals will register to the PSR = £143,890.00 • 2,500 individuals will receive advice on slow cooking and a free slow cooker = £591,050.00 • 4,140 individuals will attend the centre to help alleviate isolation and loneliness = £3,519,000.00 <p>Total Investment = £999,897.60</p> <p>Five-year gross present value = £12,955,631.25 One-year gross present value = £4,371,326.25</p> <p>Five-year net value = £11,955,733.65 One-year net value = £3,800,110.71</p> <p>SROI Ratio = £1:12</p>

VCMA Project Start and End Date	Start date: 02 June 2024 End date: 31 March 2026
Geographical Area	The project will be delivered across Cadent's Network

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: 11/06/24	Review Completed By: Shelley Snow
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 20/12/24	Review Completed By: Guv Dosanjh
Step 3: Head of Customer Vulnerability Social Programmes Sign-Off: Phil Burrows	
Head of Customer Vulnerability Social Programmes Sign-Off Date: 07/02/25	
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 2025	
Date that Notification Email Sent to Ofgem: February 2025	