

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Claremont Community Centre - Centre for Warmth

Phil Burrows Head of Customer Vulnerability
October 2022



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	Centre For Warmth – Claremont Park Community
Funding GDN(s)	Cadent company-specific project - North West Network
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent company-specific project
Date of PEA Submission	October 2022
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)	Total Costs: £108,000.00 Project Management Costs: £4,391.15 Carbon Monoxide Alarm Costs: £6,504.00
Total VCMA Funding Required (£k)	£118,895.15
Problem(s)	<p>Blackpool contains a high proportion of the highest of deprived LSOAs. Fuel poverty can have many adverse effects on household's health, including excess winter deaths at the extremity. Households with increased levels of income have a higher chance of being able to afford the cost of fuel required to heat their homes to an adequate level.</p> <p>A 2022 ¹Entitled to statistics report that an estimated £15bn of benefits goes unclaimed by approximately 7,000,000 families. This equates to an average of £2,142 per household, a figure which would make a significant difference in helping families to meet rises in the cost of living and fuel.</p> <p>It is essential that during the current energy crisis we are able to support our customers, and especially those living in vulnerable situations to avoid living in cold homes.</p>
Scope and Objectives	<p><u>Project Scope</u></p> <p>Cadent will provide Claremont Community Centre with £108,000 of VCMA funding to deliver a two-year project.</p> <p>The two-year 2022-2024 agreement replicates other Centres For Warmth, whereby specialist benefits advisors are employed using the VCMA.</p> <p>Alongside specialist benefits advice, the centre will also offer essential information on carbon monoxide safety and the priority services register.</p> <p><u>Project Objectives</u></p>

¹ <https://www.entitledto.co.uk/>

	<p>Cadent will measure the success of the Centre For Warmth against the achievement of the following objectives:</p> <ul style="list-style-type: none"> • The centre will support around 780 clients per annum. Each client will be supported to identify all benefits that they are eligible for and will also be guided through the claims process. • The centre will support around 780 clients per annum. The worker will offer essential advice on carbon monoxide / natural gas safety and registration to the priority services register. • The centre will support around 780 people per annum on energy efficiency advice.
<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> <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> c. Have defined outcomes and the associated actions to achieve these: <p>Cadent and Claremont Community Centre have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</p> d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and, <p>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</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>This project will be solely delivered through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>The Claremont Community Centre project aims to offer customers in vulnerable situations support, particularly those impacted by the cost-of-living crisis.</p> <p>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.</p> <p>Additionally, the same survey found that 26% of customers had needed to use their savings to pay for household essentials such as energy and food.</p> <p>This VCMA project is aimed at helping Blackpool households who are finding the need to eat into savings or reduce energy and food consumption because of the cost-of-living crisis. The project will offer essential support through helping households to maximise their income and use their energy more efficiently.</p> <p>Cadent also conducted customer and stakeholder feedback on its 2021-2022 VCMA delivery. Cadent asked participants for feedback on its 4 key VCMA project areas: Identifying customers needs and joining up support services, tackling affordability and fuel poverty, protecting our customers from the dangers of CO, and going beyond to never leave a customer vulnerable without gas.</p> <p>81% of customers and 78% of stakeholders supported Cadent continuing its funding of community based projects such as Centres For Warmth and Warm Hubs. For instance, one customer participant (aged >70) commented:</p> <p><i>"Some interaction is vital for people on their own - giving them a safe and warm place to meet up is vital for many peoples mental health"</i></p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The partnership 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 Claremont Community Centre - Centre For Warmth Project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Centre clients report increased levels of household income.

	<ul style="list-style-type: none"> • Clients will report reduced levels of anxiety in fearing a utility outage. • Clients will report an increased awareness on the dangers of carbon monoxide (CO) and have a reduced risk of harm caused by CO / natural gas. <p><u>Associated Actions</u></p> <p>Claremont Community Centre will implement the following associated actions to deliver the project's outcomes:</p> <ul style="list-style-type: none"> • Clients 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. • Clients will report reduced levels of anxiety in fearing a utility outage through be 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) / natural gas and have a reduced risk of harm caused by CO / natural gas. This will be achieved through the centre's staff providing CO / natural awareness conversations and distributing CO alarms to the most at risk households. <p><u>Success Criteria</u></p> <p>The success of the project will be measured against meeting the below criteria:</p> <ul style="list-style-type: none"> • Around 780 clients will receive specialist advice on identifying and accessing previously unclaimed benefits. • Around 780 clients will receive an awareness conversation on the dangers of CO / natural gas. Approximately 400 of the most at-risk households will also receive a CO alarm. • Around 780 households will improve their awareness of the PSR, with around 500 eligible households will also be supported to register. <p>*per annum</p>
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will work in partnership with Claremont Community Centre to deliver the project.</p>
<p>Potential for New Learning</p>	<p>Cadent expects this VCMA project of offer several opportunities for new learning.</p> <p>Several other Centre For Warmth projects support households to access unclaimed benefits, and the learning from the Claremont Community Centre project will be disseminated across the Centre For Warmth programme.</p> <p>The national landscape is quite different at the time of project registration, versus the start of RIIO-GD2. There have been significant rises in the cost of living and fuel in 2022, and it is important that</p>

	<p>Cadent's support through the VCMA meets these changes. This Centre For Warmth agreement will offer Cadent insight on the new challenges faced by communities in 2022. This new learning will be circulated across Cadent's entire VCMA programme beyond just Centre For Warmth.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £118,895.15 in partnership with Claremont Community Centre over 2 years.</p> <p>This VCMA project will be delivered across a two-year partnership with Claremont Community Centre. The project will support approximately 780 households per annum with a range of services.</p> <p>The project will benefit households in close proximity to the community centre, and those in the wider area through the specialist benefits advisors and community outreach worker.</p> <p><u>SROI Calculations</u></p> <ul style="list-style-type: none"> • Investment = £118,895.15 • 780 families supported with benefits and debt advice – £1,339,345.80 • 780 families given advice on energy efficiency –£546,078.00 • 780 families advised on CO £6807.63 • 400 CO alarms issued to families £4363.87 • 500 PSR sign ups £71,945 • 5-year Social Return on Investment = £2,087,435.45 x2(years) =£4,174,870.90 • 5-year net Present Value = £4,055,975.75 <p><u>Supporting households to maximise their income</u></p> <p>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.</p> <p>SIA Partners calculated an average 5-year gross present value of supporting households to maximise their income of £1,717.11.</p> <p><u>Educating customers on the dangers of carbon monoxide</u></p> <p>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.</p> <p>SIA Partners pointed to a number of factors that influenced the social value generated by educating customers on the dangers of carbon monoxide:</p> <ul style="list-style-type: none"> • 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;

	<ul style="list-style-type: none"> • A reduction in time of work due to injury caused by CO; • A reduction in ambulance call outs linked to CO; <p>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.</p> <p><u>Distributing carbon monoxide alarms to the most at risk households</u></p> <p>Approximately 400 of the most at risk households will receive a free CO alarm over the course of the two year project.</p> <p><u>Supporting households to register to the Priority Services Register</u></p> <p>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.</p> <p>SIA Partners evaluated an average 5-year gross present value of £143.89 for a single PSR registration.</p>
<p>VCMA Project Start and End Date</p>	<p>Project start date: 15/10/2022 Project end date: 15/10/2024</p>
<p>Geographical Area</p>	<p>The project will be delivered in Cadent's Northwest network and will provide benefit to customers located in Blackpool.</p>
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>To be confirmed upon receipt of Director of Sustainability and Social Purpose sign-off.</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 & Social Purpose Team PEA Peer Review	
Date Immediate Team Peer Review Completed: 13 October 2022	Review Completed By: Gemma Norton
Stage 2: Sustainability & Social Purpose Team Management Review	
Date Management Review Completed:13/10/22	Review Completed By: Phil Burrows
Step 3: Director Sustainability and Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date:16/11/22	
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: January 2023	
Date that Notification Email Sent to Ofgem: January 2023	