

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
Cheshire West Voluntary Action- Centres 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: 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	Cheshire West Voluntary Action – Centre for Warmth
Funding GDN(s)	Cadent
New / Updated (indicate as appropriate)	New
Role of GDN(s) *For Collaborative VCMA Projects only	N/A
Date of PEA Submission	February 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)	Project cost = £396,812.60 Slow cookers = 500 x £27.84 = £13,920.00 Project management (4%) = £16,429.30
Total VCMA Funding Required (£k)	£427,161.90
Problem(s)	<u>Background</u> In Cheshire West, there are over 18,000 households experiencing fuel poverty. The local authority (Cheshire West and Chester) declared a Poverty Emergency in 2019. Whilst deemed to be an affluent borough, the overall picture masks stark gaps between areas of prosperity and deprivation. c.11% of local households still have an annual income of less than £15,000. Recent data from Cheshire and Chester Local Authority shows that visits to foodbanks increased from 16,494 (in 2019) to 22,182 (in 2021). The percentage of local pupils eligible for free school meals increased from 13% (in 2019) to 18% (in 2022). Cheshire West Citizens Advice supported more than 2,480 people from April to June 2023 with a range of issues including debt relief, housing issues, and fuel poverty. Of these, 50% were over 55, and two-thirds were disabled or living with a lifelong illness.
Scope and Objectives	<u>Project Scope</u> Cadent will provide Cheshire West Voluntary Action with VCMA funding to deliver a two-year Centre for Warmth project. This project aims to support people in Cheshire West and Chester with advice on income maximisation / benefits, energy

	efficiency, the Priority Services Register (PSR) and carbon monoxide (CO) awareness. Cheshire West Voluntary Action will develop, promote, administer, and manage a two-tier grant pot, for community groups, charities and social enterprises who work with and support vulnerable adults across the borough of Cheshire West and Chester. They will offer money from this funding to 20 community groups to deliver the Centres for Warmth. The VCMA funding will be used for the following: • To provide advice on benefits entitlement. • To provide debt advice. • To raise awareness of CO and PSR. • To provide energy efficiency advice. • To offer slow cooking classes. <u>Objectives of the project</u> The success of the project will be measured by meeting the following objectives: • 500 people will receive advice on benefits /income maximisation and debt. • 1,500 people will receive advice on energy efficiency. • 2,400 people will receive advice on CO awareness. • 2,400 people will be given advice on the PSR. • 500 people will be assisted to sign-up to the PSR. • 300 people will attend slow cooker sessions. • 500 people will receive in-depth one-to-one advice on income maximisation. As well as achieving the above forecasts for the number of clients benefitting from the project's services, the partnership will also deliver the following positive indicators: • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Customers will report improved levels of comfort from being able to heat their homes to a healthier temperature. • Customers will report improved feelings of safety from receiving free CO alarms and improving their awareness on the signs, symptoms, and dangers of CO. • Individuals at risk of loneliness and isolation will receive general support through the Centre for Warmth.
Why the Project is Being Funded Through the VCMA	Cadent believe that this project meets all the required VCMA eligibility criteria. A. The project is forecasted to have a positive SROI. <i>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</i> B. The project will either:

	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. <i>The project will provide support to customers living in vulnerable situations through energy 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.</i> C. The project has defined outcomes and the associated actions to achieve them. <i>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.</i> D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations. <i>The method in which energy efficiency, gas safety, and income maximisation advice is issued to clients on this project is innovative and goes beyond BAU.</i> E. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding. <i>This project will be delivered solely through Cadent's VCMA funding.</i>
Evidence of Stakeholder/Customer Support	Cadent conducted extensive stakeholder and customer research in May 2022 following the completion of RIIO-GD2 year one. The aim of the research was to assess customer/stakeholder opinion on Cadent's allocation of VCMA spend and gain insight on where we should direct VCMA funding in the future. 61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty. Cadent work with over 40 strategic partners to continually feed into our strategic thinking and project prioritisation (in support of customers in vulnerable situations). The Centres for Warmth initiative has proven a huge success and receives excellent feedback from charities such as National Energy Action and Age UK. We use the ongoing engagement with these key partners to inform our decision making, as we have with this project. This project aims to act upon this customer insight and feedback, through supporting customers in Cheshire West and Chester impacted by a downturn in their financial health. This will be achieved through offering services such as income

	maximisation and benefit entitlement checks along with a wraparound support service.
Information Required	Description
Outcomes, Associated Actions and Success Criteria	<u>Project Outcomes</u> The VCMA project will be delivered in partnership with Cheshire West Voluntary Action and aims to support a total of 2,400 people with home energy, income, carbon monoxide, and PSR advice over the two-year project duration. The project aims to achieve the following outcomes: • Provide project clients with advice on income maximisation and benefit entitlement. • Provide customers with advice on energy efficiency. • Provide project clients with advice on CO safety. • Provide free CO alarms to customers living in vulnerable situations. • Provide customers with advice on the PSR and assistance to sign-up. • Provide project clients with broader advice on health and wellbeing. • Provide support to lonely and isolated residents, ensuring that they can access the community centre and the services it offers - tackling loneliness and isolation. As a result of delivering the above project services, customers reached through the project will report the following positive indicators: • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Clients will report improved levels of comfort from being able to heat their homes to a healthier temperature. • Customers will report improved feelings of safety from receiving free CO alarms and improving their awareness on the signs, symptoms, and dangers of CO. <u>Associated Actions</u> Cheshire West Voluntary Action will utilise Cadent's VCMA funding to deliver the following associated actions: • To set-up Centres for Warmth in 20 community organisations throughout Cheshire and Chester. • Distribute funding to the Centres to enable them to increase services to include income maximisation, energy efficiency, CO awareness, and PSR. • Provide hot food and drinks for customers at the ten hubs. • Individuals will report an improvement in their mental health as a result of attending the centre. <u>Success criteria</u> The success of the project will be evaluated against the meeting of the project's objectives. These objectives include: • The project will reach 2,400 individuals with tailored advice based on the customers' needs throughout the two-year duration.

	• 500 people will receive in-depth one-to-one advice on income maximisation. • 1,500 people will receive energy efficiency advice. • 2,400 people will receive advice on CO safety. • 2,400 people will receive an awareness conversation on the benefits of the PSR. • 500 people will receive support to sign up to the PSR. • 500 people will attend slow cooker sessions. • Customers will report decreased levels of stress and financial worry due to improvements in the level of disposable household income. • Clients will report improved levels of comfort from being able to heat their homes to a healthier temperature. • Customers will report improved feelings of safety from receiving free CO alarms and improving their awareness on the signs, symptoms, and dangers of CO. • Individuals at risk of loneliness and isolation will report feeling less lonely and isolated, as well as any symptoms associated with it.
Project Partners and Third Parties Involved	Cadent and Cheshire West Voluntary Action
Potential for New Learning	We believe that this project offers Cadent the opportunity for new learning in various areas. The project will offer Cadent insight into the extent of the impact of the cost-of-living crisis on the communities in Cheshire West and Chester, and which services best support them. Through other projects that Cadent have participated in we have realised that a regional approach to offering advice and support to our customers works well especially the centre for warmth model. Partnering with local community groups has given Cadent the relationships, with vulnerable groups of people we would not have had access to previously through our business as usual. We continue to listen and learn from our partners to provide what these communities need.
Scale of VCMA Project and SROI Calculations	<u>Scale of VCMA Project</u> Cadent and Cheshire West Voluntary Action will enter into an initial two-year project. The project aims to support 2,400 households across the project area with a variety of income maximisation, energy efficiency, CO safety, and PSR advice. The project's total reach will be divided as below: • 500 customers will receive advice on income maximisation. • 1,500 customers will receive in-home energy efficiency advice. • 2,400 customers will receive advice on the signs, symptoms, and dangers of CO. • 2,400 customers will receive a conversation that improves their awareness of the benefits of the PSR.

	• 500 customers will receive support to sign up to the PSR. • 500 customers will attend slow cooking sessions to enable them to cook more efficiently on a budget and reduce their usage of fuel. • 276 individuals will attend sessions at the centre to help alleviate isolation and loneliness over the duration of the project = £331,200.00 <u>SROI Summary</u> Investment = £427,161.90 • Five-year gross present value = £1,952,517.00 • One-year gross present value = £489,863.40 • Five-year social return on investment = £1,525,355.10 • One-year social return on investment = £276,282.45 • SROI = £1:£3.5
VCMA Project Start and End Date	Start date: 01st December 2023 End date: 31st March 2026
Geographical Area	The project will be delivered on Cadent's North-West Network and assist the people in Cheshire and Chester.

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: 31/10/2023	Review Completed By: Kerry Doyle
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 01/03/2024	Review Completed By: Gurvinder Dosanjh
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 01/03/2024	
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 2024	
Date that Notification Email Sent to Ofgem: March 2024	

