

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

*"Inspire, Chorley Youth Zone – Centre for Warmth"*

Kerry Doyle, Student, Customer Safeguarding Support

January 2023



## Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

<b>Section 1 - Eligibility criteria for company-specific projects (other than condemned essential gas appliance repair and replacement)</b>	
In order to qualify as a VCMA project, a project must:	
<b>VCMA Eligibility Criteria</b>	<b>Criteria Satisfied (Yes/No)</b>
<b>a)</b> Have a positive, or a forecasted positive, Social Return on Investment (SROI) and Net Present Value (NPV) including for the gas consumers funding the VCMA Project (GDNs should use a common SROI model.	<b>Yes</b>
<b>b)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li><b>ii.</b> Provide awareness on the dangers of CO, or</li> <li><b>iii.</b> Reduce the risk of harm caused by CO;</li> </ul>	<b>Yes</b>
<b>c)</b> Have defined outcomes and the associated actions to achieve these;	<b>Yes</b>
<b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through license obligations; and	<b>Yes</b>
<b>e)</b> Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	<b>Yes</b>
<b>Section 2 - Eligibility criteria for company-specific essential gas appliance servicing</b>	
To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:	
<b>a)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> A GDN has had to isolate and condemn an essential gas appliance following a supply interruption or as part of its emergency service role; or</li> <li><b>ii.</b> A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in the owner-occupied home of a customer in a Vulnerable Situation where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes; or</li> <li><b>iii.</b> A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant's responsibility to maintain the essential gas appliance, where an occupier of the property suffers from a permanent or temporary health condition that</li> </ul>	<b>Not Applicable</b>

<p>makes them more vulnerable to health risks associated with cold homes.</p>	
<p><b>b)</b> The household cannot afford to service the essential gas appliance, which is assessed against criteria consistent with the Energy Company Obligation (ECO4) Guidance: Delivery document<sup>1</sup> (see Appendix 1).</p>	<p><b>Not Applicable</b></p>
<p><b>c)</b> Sufficient funding is not available from other sources (including a social or private landlord, national, devolved, local government funding) to fund the essential gas appliance service.</p>	<p><b>Not Applicable</b></p>

<p><b>Section 3 - Eligibility criteria for Collaborative VCMA Projects</b></p> <p>To qualify as a Collaborative VCMA project, a project must:</p>	
<p><b>a)</b> Meet the above company-specific and boiler repair and replace (if applicable) project eligibility criteria;</p>	<p><b>Not Applicable</b></p>
<p><b>b)</b> Have the potential to benefit consumers on the participating networks; and</p>	<p><b>Not Applicable</b></p>
<p><b>c)</b> Involve two, or more, gas distribution companies.</p>	<p><b>Not Applicable</b></p>

**Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA)  
Governance Document - Project Registration Table 2**

Information Required	Description
<b>Project Title</b>	Inspire, Chorley Youth Zone – Centre for Warmth
<b>Funding GDN(s)</b>	Cadent company specific project.
<b>New / Updated (indicate as appropriate)</b>	New
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Not Applicable – Cadent company specific project.
<b>Date of PEA Submission</b>	January 2023
<b>VCMA Project Contact Name, email and Number</b>	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451
<b>Total Cost (£k)</b>	Partner costs: £120,000.00 Slow cookers costs: £164.04 (27.34 x 6 large) Project management costs (4%): £4,806.56
<b>Total VCMA Funding Required (£k)</b>	£124,970.60
<b>Problem(s)</b>	<p>Chorley, Lancashire is an area located on Cadent’s Northwest network and is in one of the highest areas of deprivation. Chorley, Lancashire falls in the top 10%<sup>2</sup> of most deprived areas nationally with 4,850 households<sup>3</sup> in west Lancashire struggling with food insecurity and poverty. High levels of deprivation are usually linked to much wider issues such as financial adversity, fuel debt and fuel poverty as well as greater risk to Carbon Monoxide exposure.</p> <p>Young people are disadvantaged as well as being exposed to a range of inequalities based on their education, employment and well-being. The district has approximately 11.2% children<sup>4</sup> living in low-income families.</p> <p>Following a yearlong partnership, there is still a need for the service offered by Inspire Youth Zone. People continue to experience many issues as a result of the rising cost of living and the fuel crisis.</p>
<b>Scope and Objectives</b>	<p><u>Project Scope</u></p> <p>Cadent will provide Inspire, Chorley Youth Zone £124,970.60 of VCMA funding to deliver a 2-year project.</p> <p>The 2023-2025 agreement replicates other Centre for Warmth locations where specialist advisors are employed using VCMA funding.</p> <p><u>The project will fund:</u></p> <ul style="list-style-type: none"> <li>• Family day (sponsorship) – provides 150 hours per year of free entry, opportunities, engagement, and fun education initiatives</li> </ul>

<sup>2</sup> Social Value Policy - Introduction - Chorley Council

<sup>3</sup> Appendix 1 - Food Insecurity in West Lancashire- Iconic Consulting.pdf (westlancs.gov.uk)

<sup>4</sup> <https://www.lancashire.gov.uk/media/929938/chorley-2022.pdf>

that would otherwise be unaffordable for families. Activities include but are not limited to football, cooking, Safety Seymour and CO sessions, dog therapy as well as arts and crafts.

- 'Come Dine with Inspire' programme – programme led by members 12–19-year-olds (up to 25 with additional needs). supporting the recruitment of local business involvement/vulnerable families, prepare meals, score their peers, deliver social actions, and help to create key Cadent messaging together with videography for social media.
- Inspire's Centre for Warmth is a warm, safe place where members of the community can expect a friendly and inclusive welcome and a place to keep the community connected. A place to enjoy a free cup of tea/coffee or soup and a roll.
- Funding the 'Scran Van' which runs every Wednesday between 6:30-8:30 pm. Providing free meals to everyone in the neighbourhood. Scran Van focuses on the towns surrounding areas such as Adlington, Ecclestone, and Clayton Brook.
- Provide Cadent's key messaging around topics on Fuel Poverty, Energy Efficiency, CO and PSR

#### Project Objectives

- The centre will reach 9,600 attendees face-to-face over the 2-year period. The centre will reach an audience of 323,600 individuals with a range of channels such as social media, leaflets etc.

#### Family Days

- The centre will reach 400 individuals with energy efficiency advice.
- The centre will have PSR conversations with 400 individuals.
- The centre will reach 400 individuals on carbon monoxide advice and distribute 400 alarms where required.

#### Come Dine with Inspire

- The centre will reach 24,000 individuals with energy efficiency advice.
- The centre will reach 5,000 individuals raising awareness of the priority services register through social media.
- The centre will reach 5,000 individuals raising awareness of carbon monoxide through social media.

#### Inspire Invites

- 100 families will receive face-to-face energy efficiency advice.
- The centre will reach 12,000 individuals on energy efficiency through community groups, noticeboards, leaflets, and social media.
- The centre will reach 10,000 individuals with Cadent's safeguarding messages through social media.
- The centre will reach 200 individuals on carbon monoxide awareness and distribute 200 alarms where required.

#### Scran Van

- The centre will reach 160-200 individuals with energy efficiency advice.
- The centre will reach 160-200 individuals with awareness of the priority services register.

	<ul style="list-style-type: none"> <li>The centre will reach 300 individuals with carbon monoxide advice and distribute 200 alarms where required.</li> </ul> <p>The centre will support 800 eligible individuals to register to the priority services register over the duration of the project.</p>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>Cadent believes this project meets all the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</p> <p><b>a) Social Return on Investment (SROI) is forecasted to be positive. We believe that this project has the deliverables to create a positive SROI including for the gas consumers funding the VCMA project:</b></p> <p><i>The project delivers a positive forecasted return on investment based on achieving the target for registrations to the PSR and carbon monoxide education.</i></p> <p><b>b) The project will either:</b></p> <ol style="list-style-type: none"> <li><b>Provide support to consumers in vulnerable situations, and relate to energy safeguarding or,</b></li> <li><b>Provide awareness of the dangers of CO, or</b></li> <li><b>Reduce the risk of harm caused by CO.</b></li> </ol> <p><i>The project meets all three elements of the criteria. Offering support to customers living in vulnerable situations through energy efficiency advice, carbon monoxide education.</i></p> <p><b>c) Project has defined outcomes and associated actions to achieve these:</b></p> <p><i>The project's defined outcomes have been agreed upon by Cadent and Inspire following the service agreement. Further information can be found in the appropriate section below.</i></p> <p><b>d) The project goes beyond the activities funded through the price control mechanisms or required license obligations.</b></p> <p><i>This method of delivering support to customers living in vulnerable situations falls outside the scope of Cadent's BAU activities. This project utilises partnerships with community stakeholders to reach communities with Cadent messaging to benefit those customers who are difficult to reach.</i></p> <p><b>e) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding.</b></p> <p><i>Delivered solely through Cadent's VCMA funding.</i></p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>Cadent conducted extensive stakeholder and customer research in May 2022 following the completion of RIIO-GD2 year one. The research's aim 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.</p> <p>61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty.</p>

	<p>The Inspire Youth Zone Centre for Warmth project focuses on tackling fuel poverty by offering energy/income advice to at-risk households.</p> <p>Cadent's independent 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) and energy efficiency (advice/repair and replacement).</p> <p>The Centre for Warmth partnership with Inspire Youth zone will allow Cadent to apply a holistic approach to supporting fuel-poor households. Residents will receive a combination of services such as energy advice and carbon monoxide awareness.</p> <p>Cadent has worked in partnership with Inspire, Chorley Youth Zone over the past 12 months. Within these 12 months, Inspire has been able to relaunch their family days for the first time since the pandemic. Family days run every Sunday and are aimed at encouraging low-income, hardest-to-reach families, to enjoy a wide range of activities. Providing opportunities, engagement and fun across the years that would have otherwise been unaffordable to families with very little spare income.</p> <p>There has been a 150% increase in attendance to the family days as the cost of living is affecting more and more families every day.</p> <p>Family days also provide an opportunity to share important gas safety and energy-saving advice with families most in need of extra support and guidance.</p>
<p><b>Information Required</b></p>	<p><b>Description</b></p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p><u>Project Outcomes</u></p> <p>Inspire, Chorley Youth Zone – Centre for Warmth aims to achieve the outcomes listed below:</p> <ul style="list-style-type: none"> <li>• Individuals will report increased levels of household income.</li> <li>• Individuals will report an increased awareness of the dangers of carbon monoxide and have a reduced harm of carbon monoxide.</li> <li>• Provide individuals with energy efficiency advice.</li> <li>• People will be brought together at events; this will tackle social isolation and loneliness.</li> </ul> <p><u>Associated Actions</u></p> <p>Inspire, Chorley Youth Zone will implement the following associated actions to deliver the project outcomes:</p> <ul style="list-style-type: none"> <li>• Individuals will report increased levels of household income through efficient use of appliances and behaviours. Inspire, Chorley Youth Centre staff will receive training on energy efficiency to increase individual awareness of how to manage energy use more efficiently in the home.</li> </ul>

- Individuals will report an increased awareness of carbon monoxide and have a reduced risk of the danger caused by carbon monoxide.
- Bring people together to reduce feelings of loneliness and improve connection within the local community. Improving mental health and emotional wellbeing.
- Distribution of slow cookers and slow cooker sessions. Resulting in greater awareness of health and well-being and reduced cooking costs for low-income households.

#### Success Criteria

Cadent will work in partnership with Inspire, Chorley Youth Zone to capture data throughout the duration of the 2-year project. This data will help the parties to understand whether the following success criteria has been met.

The following objectives are what Cadent will use to measure the success of the Centre for Warmth:

- The centre will reach 9,600 attendees face-to-face over the 2-year period. The centre will reach an audience of 323,600 individuals with a range of social media and face-to-face messaging.

#### Family Days

- The centre will reach 400 individuals with energy efficiency advice.
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#### Come Dine with Inspire

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<b>Project Partners and Third Parties Involved</b>	Cadent will work in partnership with Inspire Youth zone to deliver the project.																																										
<b>Potential for New Learning</b>	<p>Partnership with Inspire, Chorley Youth Zone offers several areas of potential learning that Cadent can adopt for other VCMA projects in RIIO-GD2.</p> <p>One of the main rationales behind funding the project is the number of young people living in deprived and vulnerable situations. In 2022, there have been significant rises in cost of living and fuel prices. Through the VCMA, Cadent can support these changes. The VCMA project will give insight for Cadent to identify new challenges faced by families who face difficult situations. With findings shared across Cadent's VCMA programme.</p>																																										
<b>Scale of VCMA Project and SROI Calculations, including NPV</b>	<p>Cadent will invest in £124,970.60 in partnership with Inspire, Chorley Youth Zone Centre for Warmth. Delivering support and a range of services to 323,600 individuals over a two-year period.</p> <p>The centre will reach 9,600 attendees face-to-face over the 2-year period. The centre will reach an audience of 323,600 individuals with a range of social media and face-to-face messaging.</p> <p><u>SROI Calculations:</u></p> <p>Total Investment: £124,970.60</p> <table border="1"> <thead> <tr> <th>Initiative</th> <th>Efficient use of Appliances &amp; Behaviours</th> <th>Retention rate 0.03%</th> <th>Educated on CO</th> <th>Retention rate 0.03%</th> <th>PSR Sign Ups</th> <th>Retention rate 0.03%</th> </tr> </thead> <tbody> <tr> <td>Family Days</td> <td>400</td> <td>N/A</td> <td>400</td> <td>N/A</td> <td>400</td> <td>N/A</td> </tr> <tr> <td>Come Dine with Inspire</td> <td>24,000</td> <td>720</td> <td>5,000</td> <td>150</td> <td>5,000</td> <td>150</td> </tr> <tr> <td>Inspire Invites</td> <td>12000 social media &amp; 100 face to face</td> <td>360 (0.03% retention applied to social media reach )</td> <td>400</td> <td>N/A</td> <td>20,000</td> <td>600</td> </tr> <tr> <td>Scran Van</td> <td>360</td> <td>N/A</td> <td>300</td> <td>N/A</td> <td>360</td> <td>N/A</td> </tr> <tr> <td>Total</td> <td></td> <td>1,940</td> <td></td> <td>1,250</td> <td></td> <td>1,510</td> </tr> </tbody> </table> <p>1,940 Efficient use of Appliances &amp; Behaviours = £713,473.80  1,250 carbon monoxide Advice = £10,912.50  1,104 Loneliness and Social Isolation = £1,324,800.00  800 PSR Sign ups = £115,112.00</p> <p>5-year gross present value= £2,164,298.30  1year Gross Present Value= £830,299.66</p> <p>5-year social return on Investment= £1,872,298.30  1year Social Return on Investment= £684,299.663</p> <p>SROI Ratio: 1:13</p>	Initiative	Efficient use of Appliances & Behaviours	Retention rate 0.03%	Educated on CO	Retention rate 0.03%	PSR Sign Ups	Retention rate 0.03%	Family Days	400	N/A	400	N/A	400	N/A	Come Dine with Inspire	24,000	720	5,000	150	5,000	150	Inspire Invites	12000 social media & 100 face to face	360 (0.03% retention applied to social media reach )	400	N/A	20,000	600	Scran Van	360	N/A	300	N/A	360	N/A	Total		1,940		1,250		1,510
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<b>VCMA Project Start and End Date</b>	Start Date: 15th May 2023 End Date: 30th April 2025																																										

<b>Geographical Area</b>	The project will be delivered in Cadent's Northwest Network. Supporting communities and benefitting customers located in Chorley, Lancashire.
<b>Internal governance and project management evidence</b>	Description of GDN(s) review of proposal and project sign-off, with details on how the project will be managed.

**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: 21/03/2024	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed:21/03/24	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: 22/03/24	
Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem ( <a href="mailto:vcma@ofgem.gov.uk">vcma@ofgem.gov.uk</a> )	
Date that PEA Document Uploaded to the Website: March 2024	
Date that Notification Email Sent to Ofgem: March 2024	