

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) Centre For Warmth - Waltham Forest Community Hub

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September 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;	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	Centre For Warmth - Waltham Forest Community Hub
Funding GDN(s)	Cadent - North London Network
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - company specific project
Date of PEA Submission	TBC upon receiving Director of Sustainability & Social Purpose sign-off
VCMA Project Contact Name, email and Number	Name: Phil Burrows - Head of Customer Vulnerability Social Programmes Delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451
Total Cost (£k)	Partner Costs: £70,000 CO Alarm Costs: £6,504.00
Total VCMA Funding Required (£k)	£76,504.00
Problem(s)	<p>Waltham Forest, East London is a borough located in Cadent's North London Network. The borough is affected by various social issues and forms of poverty - particularly within certain neighbourhoods. It remains one of London's most deprived ¹areas.</p> <p>Areas with high levels of deprivation are typically affected by fuel poverty and are at a higher risk of carbon monoxide (CO) poisoning.</p> <p><u>Fuel Poverty</u></p> <p>Statistics suggest that areas of high deprivation are at higher risk of fuel poverty - particularly as the key factors that contribute to fuel poverty are home energy efficiency, the cost of energy bills, and household income. Waltham Forest has the 3rd highest level of fuel poverty in London-14.2% of households are in ²fuel poverty.</p> <p>Deprived areas are typically affected by relatively high unemployment rates and low income. Evidence shows that there is a trend in fuel poverty: the lower your income the more likely you are to be at risk of fuel poverty. Additionally, fuel poor homes often have low energy efficiency ratings resulting in higher than average energy bills. Waltham Forest also has a high percentage of ³old homes, which tend to be less energy efficient.</p>

¹ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

² https://lginform.local.gov.uk/reports/lgastandard?mod-metric=2131&mod-area=E09000031&mod-group=AllBoroughInRegion_London&mod-type=namedComparisonGroup

³ <https://www.walthamforest.gov.uk/sites/default/files/2021-10/2011-lbwf-final-private-sector-report.pdf>

	<p>According to ⁴Waltham Forests Fuel Strategy, in Waltham Forest 31 cold related deaths occur each winter and there are approximately 248 hospital admissions.</p> <p>The project aims to support households living in fuel poverty by offering home energy efficiency advice, helping households to maximise their income, and offering a safe and war space for residents to visit during colder months.</p> <p><u>Debt</u></p> <p>According to ⁵ONS (2019), households in Britain on lower incomes are more likely to be in net debt - their total debt is higher than their total wealth. Prolonged periods of households being unable to afford their bills can result in increased and unsustainable levels of household debt.</p> <p>The project area (Waltham Forest) is the 7th most deprived area in England in relation to barriers to housing and services.</p> <p>The project aims to support customers living in debt by offering wider advice on welfare, housing and income maximisation.</p> <p><u>Loneliness and Isolation</u></p> <p>Social isolation and loneliness commonly affects individuals and households who are also at risk of fuel poverty and carbon monoxide poisoning. This is because the associative factors of loneliness are similar to the latter. ⁶DDCMS reports that individuals from most deprived areas were more likely to feel higher levels of loneliness than those living in the least deprived areas.</p> <p>Based on Waltham Forest's population profile, residents in Waltham Forest have a higher risk of experiencing social isolation and loneliness. Some of the associative factors are being acutely poor, going through life changes, being new to London, and/or being single or living alone.</p> <p>The project aims to support customers at risk of experiencing loneliness and isolation by delivering activities from the Waltham Forest Community Hub. These activities will be aimed at promoting togetherness and social interaction.</p>
<p>Scope and Objectives</p>	<p><u>Project Scope</u></p> <p>Cadent will provide Waltham Forest Community Hub with £70,000 of VCMA funding to enable the delivery of an initial 12-month Centre for Warmth project.</p> <p>The project will form part of Cadent's wider Centre For Warmth strategy, whereby Cadent combines VCMA funding, resource, and training with a small local charities expertise and trusted position.</p>

⁴ https://www.walthamforest.gov.uk/sites/default/files/2021-11/_LBWF%C2%A0Fuel%20Poverty%20Strategy%C2%A02020-2025.pdf

⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddebtgreatbritain/april2016tomarch2018>

⁶ <https://www.gov.uk/government/statistics/community-life-survey-202021-wellbeing-and-loneliness/wellbeing-and-loneliness-community-life-survey-202021>

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

- The employment of one full time and three part time staff respectively. The staff will support residents by facilitating and issuing a range of advice including home energy efficiency, debt management, benefit entitlement checks/applications, and carbon monoxide safety through the centre's existing housing, befriending and youth service.
- The delivery of activities focused on the key messaging of slow cooking and the potential affordability, health and efficiency benefits.
- The coordination and delivery of 4 community events that allow a large number of residents to receive support through attending themed events. The events will feature support on topics such as energy debt, income maximisation, employment, and gas safety.

The project aims to reach up to approximately 3,800 over an initial 12-month project. The total reach will be divided between:

- Approximately 2,000 customers at risk of living in loneliness and isolation will receive general support through the Centre For Warmth.
- Approximately 600 households will receive a range of advice including home energy efficiency, debt management, benefit entitlement checks/applications, and carbon monoxide safety through the centre's existing housing, befriending and youth service;
- Approximately 200 customers will receive advice on slow cooking / home energy efficiency;
- Approximately 1,000 customers will attend the 4 community events held throughout the duration of the project;

Project Objectives

Waltham Forest Community Hub Centre For Warmth project has a number of objectives that success will be measured against:

- To support the local clients of Waltham Forest Community Hub and in surrounding areas at risk of and/or living in fuel poverty, in isolation and at risk of dangerous exposure to carbon monoxide;
- To generate a positive social return on investment - see relevant section for more information;
- To deliver a range of advice including home energy efficiency, debt management, benefit entitlement checks/applications, and carbon monoxide safety to approx. 600 households, through the centre's existing housing, befriending and youth service;
- To deliver slow cooking awareness activities to approx. 200 households. The sessions will be focused on the key messaging of slow cooking's potential affordability, health and efficiency benefits;

	<ul style="list-style-type: none"> To deliver 4 community events held throughout the 12-month period to approx. 1,000 customers;
<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"> Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project: The project delivers a positive forecasted social return on investment. This is based on achieving the target reach for advice, carbon monoxide awareness, and tackling loneliness/isolation. Either: <ol style="list-style-type: none"> Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or, Provide awareness of the dangers of CO, or, 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> Have defined outcomes and the associated actions to achieve these: Cadent and Waltham Forest Community Hub have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and, This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding, This project will be solely delivered through Cadent's VCMA funding.
<p>Evidence of Stakeholder/Customer Support</p>	<p>The Waltham Forest Community Hub - Centre For Warmth 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 Waltham Forest households who are finding the need to eat into savings or reduce energy and food consumption as a result 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>"Some interaction is vital for people on their own - giving them a safe and warm place to meet up is vital for many people's mental health"</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes</u></p> <p>This VCMA project will be delivered in partnership with Waltham Forest Community Hub. The project's aim is to support approximately 3,800 local residents with fuel poverty, safety and loneliness issues within an initial 12-month project period.</p> <p>The Waltham Forest Community Hub project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Customers will receive a range of advice including home energy efficiency, debt management, benefit entitlement checks/applications, and carbon monoxide safety, though the centre's existing housing, befriending and youth service; • Customers will engage in slow cooking awareness activities, focused on slow cooking's key affordability, health and efficiency benefits messaging; • Customers will attend the 4 community events held throughout the 12-month period. Attendees will receive support through receiving advice on topics such as energy debt, income maximisation, employment, and gas safety; <p>Customers engaged through the project will also report the following positive indicators:</p>

- Customers will feel less lonely and isolated through being able to access local community-based activities that are focussed on togetherness/social interaction;
- Customers will report reduced stress and anxiety levels through feeling in better control of their finances, housing, and energy efficiency;
- Customers will report improved levels of safety through having an improved understanding on the signs, symptoms, and dangers of carbon monoxide;
- Customers will feel in more control of their home's energy usage through an improved awareness on energy efficiency techniques, including slow cooking;

Associated Actions

- Waltham Forest Community Hub will employ, equip, and train the full time and part time staff to deliver the support required under this project;
- Waltham Forest Community Hub will coordinate and deliver four large community events to broaden the support offered through the community centre;
- Waltham Forest Community Hub will manage and deliver slow cooking sessions designed to tackle loneliness and isolation, and promote energy efficiency;
- Cadent will provide Forest Community Hub with audible CO alarms, slow cookers, literature, and training to broaden the support offered through the project;

Success Criteria

The success of the project will be judged by evaluating the project outcomes against the objectives. These objectives include:

- The project will reach approximately 3,800 customers across the course of the initial 12 month;
- The project will achieve a positive social return on investment will be generated - see relevant section for data;
- Approximately 600 households will receive a range of advice including home energy efficiency, debt management, benefit entitlement checks/applications, and carbon monoxide safety through the centre's existing housing, befriending and youth service.
- Approximately 200 customers will receive advice on slow cooking/home energy efficiency;
- Approximately 1,000 customers will attend the 4 community events held throughout the 12-month period. The customers will receive support on topics such as energy debt, income maximisation, employment, and gas safety;

<p>Project Partners and Third Parties Involved</p>	<p>Cadent will work in partnership with Waltham Forest Community Hub to deliver the VCMA project.</p>
<p>Potential for New Learning</p>	<p>The Waltham Forest Community Hub - Centre for Warmth project will offer potential learning which Cadent can adopt for other VCMA-funded projects. The project will also provide specific insights into how fuel poverty and CO impacts London-based households.</p> <p>Currently, many Centre For Warmth projects are located in urban areas. However, only a small number of projects are located in ethnically diverse areas. This project will provide learning about the best methods, communication channels and services to engage vulnerable customers located in diverse urban communities.</p> <p>Through its youth service, Waltham Forest Community Hub engages with a large percentage of young people aged 14-25. The centre will provide a range of fuel poverty and carbon monoxide safety based advice through the youth service. This will provide insight into how young people in this age range engage with the topic. Furthermore, the project will provide learning on how young people engage in the services and what role they may have in the methods, channels and services used to engage other vulnerable customers in the community. A foreseen example may be acting as a translator to a parent.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Project Scale</u></p> <p>The Waltham Forest Community Hub - Centre For Warmth project will be delivered across an initial 12-month duration and is forecasted to reach a total of 3,800 individuals.</p> <p>The project will use the Cadet Centre For Warmth model and will provide local households with support on home energy efficiency, carbon monoxide safety, income maximisation, and awareness on the Priority Services Register (PSR).</p> <p><u>SROI Calculations</u></p> <ul style="list-style-type: none"> • Investment = £76,504.00 • 5-year Social Return on Investment = £391,455.00 • 1-year Social Return on Investment = £17,087.00 • 5-year Gross Present Value = £467,959.00 • 1-year Gross Present Value = £93,591.80 <p><u>Supporting customers to maximise their household 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>The project aims to deliver advice on income maximisation, energy efficiency, and carbon monoxide safety to 600 households. Based on</p>

insight from Waltham Forest Community Hub, Cadent has forecasted that 200 clients will receive support with income maximisation.

Approximately 200 (of the total 600) clients will receive this service over the course of the project, equating to a total 5-year gross present value of £343,422.00.

Supporting customers to improve their energy efficiency

As part of Cadent's work to evaluate the average 5-year gross present value of a number of VCMA-funded activities, SIA Partners were commissioned to measure the social value of energy efficiency advice.

SIA Partners evaluated the gross present value of 15 energy advice topics including efficient use of appliances and behaviours, heating and hot water controls, and tackling condensation and dampness. The Waltham Forest Community Hub team will issue advice on the above topics, with each service yielding the below average 5-year gross present value:

- Efficient use of appliances and behaviours = £367.77;
- Heating and hot water controls = £332.33;
- Tackling condensation and dampness = 183.82;

We have forecasted that each customer will receive support with at least one of the energy advice topics. The average 5-year gross present value across the three topics is £246.50.

Approximately 300 (of the total 600) customers will receive support on energy efficiency advice, equating to a total 5-year gross present value of £73,950.00

Educating customers on the dangers of carbon monoxide

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.

SIA Partners pointed to a number of factors that influenced the social value generated by educating customers on the dangers of carbon monoxide:

- 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;
- A reduction in time of work due to injury caused by CO;
- A reduction in ambulance call outs linked to CO;

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.

Approximately 600 customers will receive an awareness conversation on the signs, symptoms, and dangers of carbon monoxide over the 12-months of the project. This will equate to a total 5-year gross present value of £5,238.00.

	<p><u>Distributing carbon monoxide alarms to the most at risk households</u></p> <p>Approximately 200 of the most at risk households will receive a free CO alarm over the course of the two year project.</p> <p>SIA Partners calculated the average 5-year gross present value of issuing a CO alarm to be £10.91. This equates to a total 5-year gross present value of £2,182.00 across the 200 households.</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.</p> <p>SIA Partners 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>Approximately 300 (of the total 600) customers will be eligible and supported to register to the PSR, equating to a total 5-year gross present value of £43,167.00</p>
<p>VCMA Project Start and End Date</p>	<p>Project Start Date: 01/10/2022 Project End Date: 30/09/2023</p>
<p>Geographical Area</p>	<p>North London</p>
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>TBC upon receiving 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: 13/10/22	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 of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability & Social Purpose Sign-Off Date: 14/10/22	
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: November 22	
Date that Notification Email Sent to Ofgem: November 22	