

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

*Centre for Warmth – Evolve*

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Lead

July 2024



## 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>	
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>N/A</b>

makes them more vulnerable to health risks associated with cold homes.	
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 1 (see Appendix 1).	N/A
c) 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.	N/A

<b>Section 3 - Eligibility criteria for Collaborative VCMA Projects</b>	
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
<b>Project Title</b>	Evolve Community Interest Company (CIC) - Centre for Warmth
<b>Funding GDN(s)</b>	Cadent
<b>New / Updated (indicate as appropriate)</b>	New
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Not applicable
<b>Date of PEA Submission</b>	July 2024
<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>	Centre Costs: £111,853.00 Plaque: £30.00 Leaflets: £1,470.00 Slow Cookers: £4,176.00 Project Management Fee: £4,701.16
<b>Total VCMA Funding Required (£k)</b>	£122,230.16

<p><b>Problem(s)</b></p>	<p>Based on cost-of-living, Nottingham is “England’s poorest city” according to the Office of National Statistics (ONS) data. Strelley/Aspley are in the top 1% in England for social/economic deprivation with a considerable number reliant on disability allowance and benefits. Residents have lower life expectancy and higher than the average incidents of respiratory disease than elsewhere because of unhealthy behaviours (including inactivity, smoking, and poor diets). 33% of the local community are under 16 meaning this young population need a cohesive community to support their childhood and to understand the benefits of nutrition, education, and a healthy and active lifestyle, etc.<sup>2</sup></p> <p>Nottingham City Council recently issued a Section 114 Notice; effectively meaning the organisation is in significant financial difficulties and has or is about to incur unlawful expenditure.<sup>3</sup> The Council has announced massive budget reductions which will inevitably have a significant impact on the community around Strelley. Services are being cut back meaning the most vulnerable are the most likely to suffer. This includes local green spaces which would usually provide an outlet for youth and families, but now are not being maintained due to a lack of funding.</p> <p>In addition to low employment/income, Strelley has high numbers of people living in inadequate housing with inefficient insulation and/or central heating systems. They struggle to access support services due to barriers. Evolve CIC are the only local organisation offering solutions to these problems but know the centre would be able to do more with greater resources.</p>
<p><b>Scope and Objectives</b></p>	<p><u>Project scope</u></p> <p>Cadent will invest £122,230.16 of VCMA funding to deliver a 21-month project in partnership with Evolve CIC.</p> <p>The July 2024- March 2026 agreement will replicate other Centre for Warmth models, whereby specialist advisors are employed using VCMA funding. The centres will provide essential information and support on carbon monoxide (CO) safety, energy efficiency advice and the priority services register (PSR).</p> <p>The project would offer local people two key elements:</p> <ol style="list-style-type: none"> <li>1. Advice on the priority services register, carbon monoxide safety (including free carbon monoxide alarms), energy efficiency tips, understanding payments/charges, debt, benefits, and employability support. This ensures we can provide tailored energy advice which will lead to people having more money in their pockets to lift themselves out of poverty.</li> <li>2. Evolve CIC will utilise other services Cadent provide such as the Green Doctor, Services Beyond the Meter and access to slow cooking classes. This will support individuals by educating them on ways to save money on their energy bills. It will also ensure that those eligible will have gas appliances that work correctly and safely. Evolve CIC will continue to provide their health and wellbeing services so that the community can continue to build confidence when it comes to</li> </ol>

<sup>2</sup> <https://explore-local-statistics.beta.ons.gov.uk/areas/E06000018-nottingham/indicators>

<sup>3</sup> <https://www.nottinghamcity.gov.uk/media/jmzb22b0/report-made-under-par-viii-s114-3-of-the-local-government-finance-act-1988-291123.pdf>

maintaining a healthy lifestyle and saving money on their energy bills. This ensures people have the basics and can lead a functioning life.

Project Objectives:

CO and PSR awareness will be raised with individuals attending the Centres for Warmth, via the community kitchens, at events attended by community house staff, with residents accessing the community house trips (many of whom are elderly), and via the welfare support officers.

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

Service(s)	Summary of Service(s)	Expected Number of Customers Reached
Energy advice	Project staff will work with the community as part of our wider advice team to communicate/clarify key messages about saving money on fuel and other benefits available to local people – large events, group sessions, 1-2-1s, visiting other activities at the hub to explain to participants.	1,410
Educate individuals on carbon monoxide	As above.	1,410
Provide CO alarms	As above	250
Raise awareness on the PSR register	As above	250
Sign families onto the PSR	As above	125
Offer income maximisation advice, such as supporting with applying for benefits	As above	550

**Why the Project is Being Funded Through the VCMA**

We believe that the project meets all the Vulnerability and Carbon Monoxide Allowance eligibility criteria:

- a. 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 income maximisation, registrations to the PSR and education on carbon monoxide. More information can be found in the relevant section below.*

- b. Either:**
  - 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.**

*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*

	<p><i>will also raise awareness of the dangers of CO and promote registration to the PSR.</i></p> <p><b>c. Have defined outcomes and the associated actions to achieve these:</b></p> <p><i>Cadent and Evolve CIC have entered into a grant agreement that will contain the project objective and actions. Further detail can also be found below.</i></p> <p><b>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and,</b></p> <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><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>This project will be solely delivered 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 and again after year two.</p> <p>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. The results of our research studies, including our Energy Diaries thought leadership programme are available to view on the Cadent website. However, we have captured some of the key evidence below.</p> <ul style="list-style-type: none"> <li>• 61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty.</li> <li>• Over 70% of customers are concerned about the level of their energy costs.</li> <li>• Very few customers understand their energy bill.</li> <li>• Less than 20% of customers feel as though they understand the range of support opportunities that they may be entitled to.</li> <li>• There is exceptionally low trust associated with energy companies.</li> </ul> <p>This project focuses on tackling fuel poverty by offering energy/income advice to at-risk households.</p> <p>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 an enormous 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.</p>
<p><b>Information Required</b></p>	<p><b>Description</b></p>

**Outcomes, Associated Actions and Success Criteria**

The partnership with Evolve CIC 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 individuals in vulnerable situations.

Project Outcomes

The Evolve CIC Centre for Warmth project aims to achieve the following outcomes:

- 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 local individuals, ensuring that they can access the community centre and the services it offers.
- Provide individuals with energy efficiency advice and carbon monoxide awareness.
- Individuals will report reduced levels of anxiety in fearing a utility outage.
- Tackle loneliness and isolation.

Associated Actions

The Evolve CIC will implement the following associated actions to deliver the project's outcomes:

- Cadent will fund a full-time project lead, the project lead will be responsible for the day-to-day running of the project. Community engagement including giving out advice around income maximisation, the priority services register, carbon monoxide awareness and energy efficiency.
- Cadent will fund a part-time project officer for 2.5 days of the week. They will assist the project lead in delivering the Cadent message.
- The funding will also be used to implement the use of slow cookers and slow cooking lessons. This will help the local community to get advice on cooking healthy low-cost meals and provide individuals with an option to cook more energy efficiently.
- Individuals will report increased levels of household income through working with the centre's specialist benefits advisors.
- Specialist benefits advisors will support households to identify and access previously unclaimed benefits.
- Individuals will report reduced levels of anxiety in fearing a utility outage through being assisted to register to the PSR. Centre staff will all receive an awareness of the PSR and will help eligible individuals through the registration process.
- Individuals will report an increased awareness on the dangers of CO and have a reduced risk of harm caused by CO. This will be achieved through the centre's staff providing CO awareness conversations and distributing CO alarms to the most at-risk households.
- Individuals will report a better awareness of energy efficiency measures.
- Individuals will report an improvement in their mental health because of attending the centres.

Success Criteria



	<p>The success of the project will be measured against meeting the below criteria:</p> <ul style="list-style-type: none"> <li>• 550 individuals will receive specialist advice on identifying and accessing previously unclaimed benefits.</li> <li>• 1,410 individuals will receive help and support on energy efficiency.</li> <li>• 1,410 individuals will receive an awareness conversation on the dangers of CO. 250 of the most at-risk individuals will also receive a CO alarm.</li> <li>• 250 individuals will improve their awareness of the PSR. 125 individuals will also be supported to register.</li> <li>• 163 individuals attending group sessions to alleviate loneliness and isolation</li> <li>• 150 individuals will improve their knowledge of healthy eating and energy efficiency by attending slow cooking workshops.</li> </ul>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>Cadent and Evolve Community Interest Company</p>
<p><b>Potential for New Learning</b></p>	<p>Every area within Cadent’s network sees households suffering the same issues, fuel poverty and low-income. Cadent have learned that each area also has issues specific to them and these are dealt with differently. To help increase cross-network understanding Cadent have set up a forum for the Centres for Warmth.</p> <p>Every quarter we will meet and discuss assorted topics, share stories, tips, and best practice but most importantly resources such as up to date energy efficiency advice.</p> <p>Cadent will continue to listen to our partners to try to improve the support and services where possible, through our Centre for Warmth partnerships to assist our most vulnerable customers.</p>
<p><b>Scale of VCMA Project and SROI Calculations, including NPV</b></p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £122,230.16 in partnership with Evolve CIC over a 21-month project.</p> <p>The project will support households with a range of services. The project will benefit households near the community centres, and those in the wider area through the specialist benefits advisors and community outreach workers.</p> <p><u>SROI Calculations</u></p> <p>The reach will be divided as below:</p> <ul style="list-style-type: none"> <li>• 550 individuals will receiving in-depth on-to-one advice on income maximisation, benefits = £944,410.50</li> <li>• 1,410 individuals will receive advice on energy efficiency = £518,555.70</li> <li>• 1,410 individuals will receive awareness advice on CO = £12,309.30</li> <li>• 125 individuals will register to the PSR = £17,986.25</li> <li>• 150 individuals will be provided with a slow cooker = £35,463.00</li> <li>• 163 individuals will attend group sessions to help alleviate isolation and loneliness = £171,150.00</li> </ul> <p>Total Investment = £122,230.16</p> <p>Five-year gross present value = £1,699,874.75</p>



	<p>One-year gross present value = £403,544.95</p> <p>Five-year net value = £1,573,713.79</p> <p>One-year net value = £350,708.95</p> <p>SROI Ratio = £1:14</p>
<b>VCMA Project Start and End Date</b>	<p>Start Date: July 2024</p> <p>End Date: March 2026</p>
<b>Geographical Area</b>	<p>The project will be delivered in Cadent's East Midlands network. Supporting the communities located in the Strelley area of Nottingham.</p>

### Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - PEA Control Table

<p>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.</p>	
<p>Stage 1: Sustainability and Social Purpose Team PEA Peer Review</p>	
<p>Date Immediate Team Peer Review Completed: 28/05/2024</p>	<p>Review Completed By: Kerry Doyle</p>
<p>Stage 2: Sustainability and Social Purpose Team Management Review</p>	
<p>Date Management Review Completed: 09/09/2024</p>	<p>Review Completed By: Gurvinder Dosanjh</p>
<p>Step 3: Head of Customer Vulnerability Social Programmes Sign-Off: Phil Burrows</p>	
<p>Head of Customer Vulnerability Social Programmes Sign-Off Date: 06/01/2025</p>	
<p>Step 4: Upload PEA Document to the Website &amp; Notification Email Sent to Ofgem (<a href="mailto:vcma@ofgem.gov.uk">vcma@ofgem.gov.uk</a>)</p>	
<p>Date that PEA Document Uploaded to the Website: January 2025</p>	
<p>Date that Notification Email Sent to Ofgem: January 2025</p>	

