

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Centres for Warmth – Four Estates Community Centres

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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: <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	Centres For Warmth – Four Estates Community Centre
Funding GDN(s)	Cadent
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent specific project
Date of PEA Submission	December 2021
VCMA Project Contact Name, email, and Number	Name: Phil Burrows, Email: phil.m.burrows@cadentgas.com Number: 07773 545451
Total Cost (£k)	£36,666.66
Total VCMA Funding Required (£k)	£36,666.66
Problem(s)	<p>Halton Brook is an area in Runcorn, situated with Cadents North West Network. The area has high levels of deprivation.</p> <p>High levels of deprivation are often linked to broader issues such as fuel poverty, increased risk of carbon monoxide poisoning and financial hardship.</p> <p><u>Unemployment</u></p>

	<p>According to Labour market indicators, working-age people living in the most deprived areas are more than twice as likely to be unemployed as the national average. Furthermore, the unemployment rate in the top decile of IMD areas is 17%, compared with the English average of 8% across England (and 4% in the least deprived areas).</p> <p><u>Fuel poverty</u></p> <p>Statistics suggest that a higher percentage of people living in deprived areas experience unemployment and have a lower income as a result.</p> <p>They are more at risk of being in fuel poverty, as they may not have enough income to adequately heat their homes. They are more likely to turn their heating off or down, which in turn brings about cold, damp living conditions, increasing the risk of associated conditions like respiratory issues, high blood pressure and depression/anxiety.</p> <p><u>Debt</u></p> <p>According to the Citizens Advice Bureau those households in the lowest income group are three times more likely to be in debt, with the value of the debt being up to six months' worth of their income. Additionally, customers who rent are twice as likely as those who have a mortgage to owe more than six months of their income.</p> <p>When we factor in unemployment, low income, drug and alcohol abuse and mental health, the chances of people being in debt are huge. These people often do not have access to advice or believe there is a stigma to seeking advice on debt.</p> <p><u>Risk of exposure to carbon monoxide and levels of deprivation</u></p> <p>Around 30-40 people living in the UK die from carbon monoxide poisoning each year. An additional 4,000 people attend accident and emergency each year as a result of carbon monoxide and 200 people are left hospitalised.</p> <p>Issues such as fuel poverty and high household debt can influence a customers risk of exposure to the dangers of carbon monoxide. An unavailability of household income can mean that many customers do not have the means to regularly service their gas appliances and/or purchase audible carbon monoxide alarms.</p>
<p>Scope and Objectives</p>	<p><u>Project scope</u></p>

Cadent will provide Four Estates Community Centres with £36,666.66 of VCMA funding to enable the delivery of an initial 12-month Centre For Warmth project.

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

These services include:

- The employment of two part time community influencers who will support residents by issuing a range of advice including home energy efficiency, debt management, benefit entitlement checks/applications and gas safety.
- The delivery of slow cooking classes designed to promote slow cooking as an affordable, energy efficient and healthy method of feeding a family.
- The coordination and delivery of 6 weekly community events that will utilise the centres large public hall. The community events will allow a large number of residents to receive support through attending themed events on topics such as energy debt, income maximisation, employment, and gas safety.
- The delivery of Carbon monoxide safety sessions to children across holiday clubs to increase awareness about the dangers and signs of Carbon monoxide.
- Issuing local residents key messaging via the community radio station, including the dangers of fuel poverty, home efficiency advice and carbon monoxide safety.

The project aims to reach approximately 1300 households/customers over the course of the initial 12 - month project. This total reach will be divided between:

- 80-100 households receiving income maximisation/energy efficiency advice.
- 80-100 customers receiving slow cookers and advice on slow cooking/efficiency.
- 1000 customers attending the community events.

	<ul style="list-style-type: none"> • 100 children attending the Carbon monoxide safety sessions. <p><u>Project objectives</u></p> <p>The project contains a series of objectives that will allow success to be measured:</p> <ul style="list-style-type: none"> • To support customers across the project area living in isolation, fuel poverty and at risk of exposure to carbon monoxide. • To generate a positive social return on investment - see the below relevant section for more details. • To deliver income maximisation/home energy efficiency advice to approximately 80-100 customers. • To deliver slow cooking awareness sessions to approximately 80 -100 customers. • To deliver community events to approximately 1000 customers. The events will promote messaging on energy efficiency, gas safety, debt management and CO awareness. • To deliver Carbon monoxide safety sessions across 4 holiday clubs to approximately 100 children. • Reach local community members through the community radio station.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>Cadent believe that this project meets all the required VCMA eligibility criteria.</p> <p>a. The project is forecasted to have a positive SROI. Please see the relevant section for more information.</p> <p>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</p> <p>b. The project will either:</p> <p>i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</p>

	<p>ii. Provide awareness on the dangers of CO, or</p> <p>iii. Reduce the risk of harm caused by CO</p> <p>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.</p> <p>c. The project has defined outcomes and the associated actions to achieve them.</p> <p>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.</p> <p>d. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.</p> <p>The method of delivering support to customers living in venerable situations is innovative, as it utilises partnerships with key community stakeholders. This allows for some of the hardest to reach communities to benefit from Cadent's messaging</p> <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> <p>This project will be delivered solely through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>¹Cadent'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</p>

¹ <https://cadentgas.com/nggdwsdev/media/Downloads/business-plan/Cadent-CEG-report-with-appendices.pdf>

	<p>household with its fuel prices (FPNES), energy efficiency (advice/repair and replacement) and household income (income maximisation).</p> <p>The Centre For Warmth partnership with Four Estates Community centres 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 benefit entitlement checks, all of which are designed to increase household income and help residents better manage their energy.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project outcomes</u></p> <p>The VCMA project will be delivered in partnership with Four Estates community centres and aims to support approximately 1300 residents with energy/safety/loneliness issues across an initial 12 month project period.</p> <p>The Four Estates Centre For Warmth project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Provide support and advice to customers on numerous topics including benefit entitlement checks, homelessness, energy advice, fuel bank vouchers, income maximisation and mental health support. • Provide slow cooking classes to local residents to promote the potential affordability, efficiency, and health benefits • Provide support to lonely local residents, ensuring that they can access the community centre and the services it offers. • Provide residents with energy efficiency advice and carbon monoxide awareness. <p><u>Associated actions</u></p> <ul style="list-style-type: none"> • Cadent's funding will be used to employ and train two part time community advisors. The advisors will have the skills to provide services aimed at tackling fuel poverty, risk of exposure to CO and loneliness. • Four Estates community centres will deliver slow cooking classes which promote affordable, healthy, and efficient cooking.

Slow cookers will then be provided free of charge to those who attended the classes.

- Cadent will provide funding to enable Four Estates community centres to deliver 6 themed community information days with links to energy, debt management and safety messaging.
- Four Estates community centre will deliver Carbon Monoxide safety sessions to between 80-120 children across 4 holiday clubs aimed at raising awareness of the dangers of CO.
- Four Estates community centres will use the community radio station to issue key Cadent messaging to local residents.

Success criteria

The success of the project will be evaluated against the meeting of the project's objectives. These objectives include:

1. The project will reach approximately 1300 customers across the course of the initial 12 - months.
2. 80-100 customers will receive in-depth 1-2-1 advice on income maximisation and home energy efficiency advice.
3. 80-100 residents will receive support with learning how to use slow cookers as an affordable, efficient, and healthy means of cooking.
4. 1000 customers will attend large community events focussed on topics such as energy efficiency, debt management, safety, and employability.
5. Sign 500 people upto the PSR

As well as aiming to reach a target number of customers, Cadent and Four estates Community centres will review the qualitative benefits/indicators of the project as part of the final evaluation.

Meeting of the below indicators will help Cadent determine the success of the project:

- Customers will realise increases in household income through ensuring that they

	<p>are claiming the benefits that they are entitled to.</p> <ul style="list-style-type: none"> • Homeless local residents are supported with financial, wellbeing and safety advice. • Customers will report a decrease in anxiety and stress due to receiving support with home energy, financial and wider issues. • Customers will be able to utilise slow cooking to make affordable and healthy meals whilst reducing their energy and food bills. • Isolated members of the community will report an improvement in mental wellbeing through experiencing lower feelings of loneliness. • Customers will report an increased awareness of the dangers of carbon monoxide and an increased feeling of safety at home.
<p>Project Partners and Third Parties Involved</p>	<p>Four Estates Community Centre</p>
<p>Potential for New Learning</p>	<p>The Centre for Warmth project offers learning opportunities for other VCMA projects that Cadent may look to support. It will allow us to understand whether we can have a positive impact on communities by our presence that are most vulnerable and deprived.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA project</u></p> <p><u>PLEASE NOTE THAT THE CALCULATIONS BELOW FOR SROI ARE BASED ON FORECASTED DATA FROM SIA PARTNERS HOWEVER, EXISTING C4W SCHEMES ACTUAL DATA SHOW CONSIDERABLY MORE BENEFIT. THIS WILL BE AMENDED WHEN WE HAVE SUFFICIENT ACTUAL DATA FROM THIS PARTNERSHIP.</u></p> <p>The Four Estates Centre For Warmth project will deliver support for an initial 12 month duration. The project will focus on the provision of advice to approximately 1300 customers.</p> <p>Social return on investment calculations</p> <ul style="list-style-type: none"> • Forecasted social return on investment = £140,204 • Investment = £36,666.66 • Forecasted 5-year gross present value from the issuing energy/income advice = £55,059

- Forecasted 5-year gross present value from tackling loneliness = £13,200
- Forecasted 5-year gross present value from PSR sign ups =£71,945

Gross present value from the issuing of energy/income advice

A significant portion of Cadent's VCMA funding on this project will be used to employ two part time community advisors.

The community advisors will support customers with the issuing of face-to-face in-depth income maximisation/energy advice.

Cadent employed SROI consultants SIA Partners to evaluate the average 5-year gross present value from a series of energy advice and income maximisation topics.

For the purpose of calculating gross present value to be delivered by the community advisors, we have split the energy/income advice topics into the following categories.

Energy debt advice

Fuel debt written off = £842.74
Water debt managed = £543.05
Fuel debt managed = £156.55
Average value = £514.11

Income maximisation support

Income maximisation/benefits claim = £1717.11
Trust fund support = £822.84
Warm Homes Discount = £140.00
Tariffs and switching advice = £223.36
Average value = £725.83

Energy efficiency savings

Efficient use of appliances = £367.77
ECO measures availability = £803.38
Heating/hot water controls = £332.33
Priority services register = £143.89
Average value = £411.84

Average value across all categories = £550.59

100 customers will receive advice on energy efficiency/income maximisation or energy debt.

	<p>The average gross present value of one of these topics is £550.59.</p> <p>100 customers each receiving £550.59 in value equates to a total 5-year gross present value of £55,059</p> <p><u>Gross present value from tackling loneliness</u></p> <p>²The Office of National Statistics reports that 18% of the British population (11.4 million people) is aged 65 or over.</p> <p>³Research by Global Health and Pharma shows that on average 9.5% of the population over the age of 65 had feelings of loneliness most or all the time.</p> <p>⁴London School of Economics' 2017 briefing paper reported that the cost to individuals, their families and society that arises from loneliness related poor health could be estimated conservatively at £6000 in older people. This figure was across a 10-year period and equates to an annual cost of £600.</p> <p>The Four Estates Centre For Warmth project aims to reach 1300 customers across the entire project duration, 18% of which will be over the age of 65. This equates to 234 customers.</p> <p>Global Health and Pharma research suggests that 22 individuals (9.5%) within this age group of 65 and over, may have feelings of loneliness.</p> <p>London School of Economics' research suggests a potential saving of £600 per annum for each older customer supported that was previously experiencing feelings of loneliness.</p> <p>The Four Estates Centre For Warmth project will run for 12 months, equating to a saving of £600 per customer.</p> <p>22 customers each receiving £600 of benefit equates to a total gross present value of £13,200.</p>
<p>VCMA Project Start and End Date</p>	<p>Project start date: July 2021 Project completion date: July 2022</p>

²<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/livinglongerisage70thenewage65/2019-11-19>

³ <https://www.ghp-news.com/2018-the-scale-of-loneliness-amongst-the-uk-s-elderly-population/>

⁴ <https://www.lse.ac.uk/business/consulting/assets/documents/making-the-economic-case-for-investing-in-actions-to-prevent-and-or-tackle-loneliness-a-systematic-review.pdf>

Geographical Area	The project will be delivered to communities in and around the Halton Brook area, in our North West Network
Remaining Amount in the Allowance at Time of Registration	To be confirmed upon Director of Customer Strategy sign-off.

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

<p>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.</p>	
<p>Stage 1: Sustainability and Social Purpose Team PEA Peer Review</p>	
<p>Date Immediate Team Peer Review Completed: 29/03/2022</p>	<p>Review Completed By: Hayley Tranter</p>
<p>Stage 2 Sustainability and Social Purpose Team Management Review</p>	
<p>Date Management Review Completed: 31/03/2022</p>	<p>Review Completed By: Phil Burrows</p>
<p>Step 3: Director of Sustainability and Social Purpose Sign-Off: Mark Belmega</p>	
<p>Director of Sustainability and Social Purpose Sign-Off Date: 31/03/2022</p>	
<p>Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)</p>	
<p>Date that PEA Document Uploaded to the Website: March 2022</p>	
<p>Date that Notification Email Sent to Ofgem: March 2022</p>	