

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *Foleshill Community Centre*

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Lead

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Updated February 2024



**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 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.	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 license 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	
To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:	
a) Either: <ul style="list-style-type: none"> i. 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 ii. 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 iii. 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 	N/A

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

Section 3 - Eligibility criteria for Collaborative VCMA Projects

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 – Foleshill Community Centre “Feeding Coventry”
Funding GDN(s)	Cadent company specific project
New / Updated (indicate as appropriate)	Updated
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable
Date of PEA Submission	Initial submission: March 2023 Updated version 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)	<u>Original Costs:</u> Centre Costs: £102,000.00 Slow Cookers: £2,476.75 Total project costs: £104,476.75

	<p><u>Updated February 2024</u></p> <p>The project has run for one-year and due to the success and learning outcomes, we have agreed to additional funding for the second further year.</p> <p>We will now invest additional funding into the centre for the remainer of the project.</p> <p><u>Additional costs:</u> Centre Costs: £67,065.81 Project Management: £6,861.70</p> <p>New Project Costs: £178,404.26</p>
<p>Total VCMA Funding Required (£k)</p>	<p><u>Original Total:</u> £104,476.75</p> <p><u>Updated February 2024:</u> New total: £178,404.26</p>
<p>Problem(s)</p>	<p>The Centre for Warmth Foleshill project will be delivered in Foleshill, Coventry.</p> <p>The project will deliver a range of services to local, vulnerable individuals including:</p> <ul style="list-style-type: none"> • Benefit entitlement checks and claims support; • The issuing of carbon monoxide (CO) alarms and education on the dangers of CO. • Supporting individuals to register to the priority services register (PSR). • Support on energy efficiency advice. <p><u>Problems Families are facing in Coventry</u></p> <ul style="list-style-type: none"> • Low – income families are struggling with heating their homes and feeding their families with the rise in the cost of living and energy costs. • These families do not have access to energy saving services and products or are just not aware of them. • These families are more likely to be struggling with debt and managing their finances. • They are also more likely to be digitally excluded not having access to the internet or have the technology due to lack of money and are therefore limited when it comes to applying for benefits, jobs etc. <p><u>Fuel Poverty</u></p> <p>A household is said to be in fuel poverty if their fuel costs are above average, and when having paid for fuel, they are left with an income below the official poverty line.</p> <p>In the latest figures, released from 2020, Coventry was one of the worst affected authorities in the country, with 20.3% of</p>

households in fuel poverty. Some areas of Coventry have fuel poverty rates of over 50%².

The main factors contributing to fuel poverty are:

- *high energy costs*
- *poorly insulated and inefficient housing*
- *low household income*

Fuel poverty is most keenly felt by certain groups of individuals. The elderly, the very young and those with existing respiratory, heart and mental health conditions are particularly affected as their symptoms are made worse by living in cold homes. These individuals may also be at home more often and need to heat their homes more to keep warm, increasing their energy bills further.

Those on low incomes will also be more at risk of fuel poverty due to having to spend a greater percentage of their income to heat their homes.

Loneliness and social isolation

³In 2019, Coventry's Health and Wellbeing Board selected 'loneliness and social isolation' as one of its three priorities. It was chosen as a priority due to growing awareness that social isolation and loneliness impact negatively upon the quality of life and well-being of those who experience them, with demonstrable negative health and social effects. By tackling loneliness and social isolation, the Health & Well-being Board aimed to help reduce the burden on health and care services, building resilience that enables people to remain independent for longer and addressing social needs outside of formal settings. There are also financial benefits to tackling loneliness - the national Campaign to End Loneliness was launched in 2011 and found that every £1 invested in tackling loneliness saves £3 in health costs.

Risk of exposure to carbon monoxide and levels of deprivation

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 because of carbon monoxide and 200 people are left hospitalised

Issues such as fuel poverty and high household debt can influence a customer's 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.

² Fuel poverty in Coventry – Coventry City Council

³

	<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>Updated February 2024</u></p> <p>Due to an increase in footfall through the centre and the opportunity provided by renovating the kitchen at the Foleshill Community Centre. A need has been identified for extra funding and potential benefits that this could provide. The extra funding will provide Foleshill Community centre with the opportunity to help more of the local community and in turn increase the overall social return of the project.</p>
<p>Scope and Objectives</p>	<p>Cadent will provide Foleshill Community Centre with £104,476.75 of VCMA funding to deliver a two-year project.</p> <p>The two-year 2023-2025 agreement replicates the previous project model in other Centres for Warmth, whereby specialist benefits advisors are employed using the VCMA. This service provided vulnerable households with essential financial support and also created a very strong SROI.</p> <p>Alongside specialist benefits advice, the centre will also offer essential information on carbon monoxide safety and the priority services register.</p> <p>2 x Support Workers</p> <ul style="list-style-type: none"> • These staff will provide intensive 1;1 support on a wide range of issues relating to financial hardship, energy advice, food poverty and fuel poverty with a focus on achieving a positive well-being. • They will also run a slow cooker course to educate people on how to cook more efficiently to help save money and to offer healthy cheap meals to their family. • They will run sessions to offer advice on Carbon Monoxide awareness and offer CO alarms to the most vulnerable and those who cannot afford to purchase one. • They will host sessions on energy efficiency to help people reduce their usage and therefore save money. • The centre runs many different activities which are aimed at tackling loneliness and isolation and the Centre for Warmth project will run alongside these enabling people to access a wide range of services, meet new people and help them integrate back into the community. <p>The project aims to reach approximately 1,800 individuals over the course of the initial 2 year project. The total reach will be divided as below:</p>

- 1,800 households will receive income maximisation advice on a range of topics including benefit checks, budgeting money etc.
- 1,800 households will receive energy efficiency advice including, setting heating hot water controls, turning appliances off standby etc.
- 1,800 will engage with others to tackle isolation.
- 1,800 people will receive advice on the PSR and will aim to sign up 500 to the register.
- 1,800 will engage in CO sessions to improve CO awareness and 500 alarms will be supplied to the most vulnerable.

Project Objectives

Cadent will measure the success of the Centre for Warmth - Foleshill Community Centre against the achievement of the following objectives:

- To deliver income maximisation/home energy efficiency advice to approximately 900 households per annum
- To deliver CO safety advice to approximately 900 per annum
- Provide 250 alarms per annum to households that do not have one
- To support 250 people to sign onto the PSR register per annum.
- To facilitate 2 slow cooker courses per annum. These will run for 4 weeks each and host 15 people.
- To generate a positive social return on investment - see the below relevant section for more details

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Cadent will provide Foleshill Community Centre with £178,404.26 of VCMA funding to deliver a two-year project.

This extra funding will be used to hire additional staff to help with the increased footfall that the center has seen. The funding will also be used to renovate Foleshill community centre's existing kitchen facilities. This will help to increase the level of slow cooking classes but will also help to rise the overall reach of the center.

The total reach will be divided below:

- 2,050 individuals will receive specialist advice on identifying and accessing previously unclaimed benefits.
- 2,020 individuals will receive help and support on energy efficiency.
- 2,100 individuals will receive an awareness conversation on the dangers of CO. Approximately 600 of the most at-risk households will also receive a CO alarm.

	<ul style="list-style-type: none"> • 2100 individuals will improve their awareness of the PSR. 530 eligible households will also be supported to register.
<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> <p>a. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project:</p> <p><i>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.</i></p> <p>b. Either:</p> <p>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;</p> <p><i>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.</i></p> <p>c. Have defined outcomes and the associated actions to achieve these:</p> <p><i>Cadent and Foleshill Community centre have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</i></p> <p>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and,</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>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><i>This project will be solely delivered through Cadent's VCMA funding.</i></p>
<p>Evidence of Stakeholder/Customer Support</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</p>

	<p>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've captured some of the key evidence below.</p> <ul style="list-style-type: none"> • 61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty. • Over 70% of customers are concerned about the level of their energy costs • Very few customers understand their energy bill • Less than 20% of customers feel as though they understand the range of support opportunities that they may be entitled to • There is very low trust associated with energy companies <p>This project focusses 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 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.</p> <p><u>Updated February 2024:</u></p> <p>Due to feedback from the Foleshill Community Centre there has been a need identified that extra funding will allow them to extend the services that they offer. By doing this Foleshill Community will be able to extend their reach and in term increase Cadent's social return on investment.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The partnership with Foleshill Community Centre 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 customers in vulnerable situations.</p> <p><u>Project Outcomes</u></p> <p>The Foleshill Community Centre - Centre for Warmth Project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Individuals will report increased levels of household income. • Individuals will report an increased awareness on the dangers of carbon monoxide (CO) and have a reduced risk of harm caused by CO.

- Provide support to lonely local residents, 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.

Associated Actions

The Foleshill Community Centre will implement the following associated actions to deliver the project's outcomes:

- Individuals will report increased levels of household income through working with the centre's specialist benefits advisors. The 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 Priority Services Register (PSR). Centre staff will all receive an awareness on the PSR and will help eligible households through the registration process.
- Clients will report an increased awareness on the dangers of carbon monoxide (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.

Success Criteria

The success of the project will be measured against meeting the below criteria:

- The project will reach approximately 1,800 customers across the course of the 2 years.
- Around 1,800 households will receive specialist advice on identifying and accessing previously unclaimed benefits.
- Around 1,800 households will receive help and support on energy efficiency
- Around 1,800 individuals will receive an awareness conversation on the dangers of CO. Approximately 500 of the most at-risk households will also receive a CO alarm.
- Around 1,800 households will improve their awareness of the PSR. Approximately 500 eligible households will also be supported to register.

	<p><u>Updated: February 2024</u></p> <p><u>Success Criteria</u></p> <p>The success of the project will be measured against meeting the below criteria:</p> <ul style="list-style-type: none"> • 2,050 individuals will receive specialist advice on identifying and accessing previously unclaimed benefits. • 2,020 individuals will receive help and support on energy efficiency • 2,100 individuals will receive an awareness conversation on the dangers of CO. Approximately 600 of the most at-risk households will also receive a CO alarm. • 2100 individuals will improve their awareness of the PSR. 530 eligible individuals will also be supported to register.
<p>Project Partners and Third Parties Involved</p>	<p>Foleshill Community Centre – “Feeding Coventry”</p>
<p>Potential for New Learning</p>	<p>The Foleshill Community Centre Centre for Warmth project offers many potential areas of learning that Cadent can adopt for other VCMA-funded projects in RIIO-2.</p> <p>One of the main rationales behind funding the project is the number of residents living in vulnerable situations and fuel poverty. The centres also focus on supporting isolated members of the community, an area where previous Cadent projects had not directly focused on. This project will combine the VCMA-focussed services of CO education and energy efficiency advice, with activities that support the mental wellbeing of lonely residents. This will provide Cadent with learning on the effectiveness of combining both types of support and the best method(s) of delivering it.</p> <p>When assessing options for VCMA projects, we considered the effectiveness of directly engaging with end customers (rather than using a project partner). This project will provide insight on the effectiveness of working with community stakeholders such as the Foleshill Community Centre. We believe that these stakeholders are trusted members of communities, and Cadent's partnerships with them allow us to engage previously difficult to reach customers with VCMA-funded services. The partnership with Foleshill Community Centre will also provide Cadent with learning on customers receptiveness to support from Gas Distribution Networks in the midst of an energy crisis. Some customers may be unaware of the industry's structure between suppliers, shippers and GDNs; and the project will offer good learning on customer's attitudes towards support offered by energy companies.</p> <p><u>Updated February 2024:</u></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</p>

	<p>understanding Cadent has set up a forum for the Centres for Warmth.</p> <p>Every quarter we will meet and discuss various topics, share stories, tips, and best practice .</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>Scale of VCMA Project and SROI Calculations, including NPV</p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £104,476.75 in partnership with Foleshill Community Centre over 2 years.</p> <p>This VCMA project will be delivered across a two-year partnership with Foleshill Community Centre. The project will support approximately 1,800 individuals with a range of services.</p> <p>The project will benefit households in close proximity to the community centre, and those in the wider area through the specialist benefits advisors and community outreach workers.</p> <p><u>SROI Calculations</u></p> <p>Total investment = £104,476.75 GBP</p> <p><u>SROI Calculations</u></p> <ul style="list-style-type: none"> • 1,800 people supported with benefits and debt advice: £3,090,798.00 • 1,800 people supported with energy efficiency advice: £661,986.00 • 1,800 people advised on CO: £15,709.92 • 500 CO alarms issued to families: £5,454.83 • 500 PSR sign-ups: £71,945.00 • 1,800 tackle social isolation: £248,400 (for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support) <p>Total reach of around 1,800 across the duration of the project.</p> <p><u>5-year SROI calculations:</u></p> <p>5-year gross present value= £4,100,293.75</p> <p>5-year net social return on investment = £3,995,817.00 (minus investment Centre costs: £102,000</p> <p>Slow cooker costs: £2865.50)</p> <p><u>1-year SROI calculations:</u></p> <p>1-year gross present value= £818,058.75</p> <p>1-year Social Return on Investment = £799,163.40</p>

	<p>(minus investment Centre costs: £102,000)</p> <p>Slow cooker costs: £2865.50)</p> <p>Updated (February 2024)</p> <p>Cadent will invest £178,404.26 in partnership with Foleshill Community Centre over two years.</p> <p>The project will benefit households in close proximity to the community centre, and those in the wider area through the specialist benefits advisors and community outreach workers.</p> <p>Total investment = £178,404.26</p> <ul style="list-style-type: none"> • 2,050 individuals supported with benefits and debt advice: £3,520,075.50 • 2,020 individuals supported with energy efficiency advice: £742,895.40 • 2,100 individuals advised on CO: £18,333 • 530 PSR sign-ups: £76,261.70 • Support 242 individuals to tackle social isolation: £289,800.00 <p>Five-year gross present value = £4,502,765.60 One-year gross present value = £1,016,713.12</p> <p>Five-year net value = £4,324,361.34 One-year net value = £927,561.12</p> <p>SROI Ratio = £1:24</p>
VCMA Project Start and End Date	Start date March 2023 End Date February 2025
Geographical Area	The project will be delivered in Cadent's West Midlands network. Supporting the communities located in Coventry

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: 09/03/2023	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	

Date Management Review Completed: 09/03/23	Review Completed By: Phil Burrows
Step 3: Director of Sustainability and Social Purpose Sign-Off; Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 10/03/23	
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 23	
Date that Notification Email Sent to Ofgem: March 23	