

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Cadent and Warwickshire Rural Community Council Partnership - Mobile Warm Hubs Extension and Winter Warm Hubs

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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	Cadent and Warwickshire Rural Community Council Partnership - Mobile Warm Hubs Extension and Winter Warm Hubs
Funding GDN(s)	Cadent - West Midlands Network
New/Updated	Updated March 2024
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - company specific project
Date of PEA Submission	Initial Submission: October 2022 Update version submission: March 2024
VCMA Project Contact Name, email and Number	Contact Name: Phil Burrows Role: Head of Customer Vulnerability & Social Programme Delivery Email: phil.m.burrows@Cadentgas.com Number: 07773 545451
Total Cost (£k)	<p><u>Original Costs:</u> Total costs: £49,730.00</p> <p>Mobile Warm Hubs: £19,730.00 Winter Warm Hubs: £30,000.00 CO Alarms: £6,550.00 (These costs and SROI will be on the CO alarm PEA for consistency)</p> <p><u>Updated March 2024</u></p> <p>Due to the success of the Mobile and Warm Hub projects, this has led to interest across the county, and it has shown a need to extend the projects to continue supporting the communities.</p> <p>The Mobile Hubs and Warm Hubs will continue to support customers living in vulnerable situations across Warwickshire & Solihull.</p> <p><u>Additional costs:</u> Mobile: £45,550.48 Winter Warm Hubs: £25,000.00 Project Management: £4,811.22</p> <p><u>New combined project costs:</u> Mobile Warm Hubs: £65,280.48 Winter Warm Hubs: £55,000.00 Project Management: £4,811.22 Total costs: £125,091.70</p>
Total VCMA Funding Required (£k)	<p><u>Original Funding:</u> £49,730.00</p> <p><u>Updated March 2024</u> £125,091.70</p>

<p>Problem(s)</p>	<p>The partnership between Cadent and Warwickshire Rural Community Council (WRCC) will deliver two initiatives aimed at supporting rural and semi-rural communities impacted by the hardship over Winter 2022-2023 - Winter Warm Hubs and Mobile Warm Hub. The communities supported by the initiatives will face numerous challenges as outlined below.</p> <p><u>Rural Fuel Poverty</u></p> <p>WRCC are a rural community's charity that operate across rural Warwickshire and Solihull in Cadent's West Midlands network. Rural communities can be disproportionately impacted by fuel poverty due to several factors such as:</p> <ul style="list-style-type: none"> • Limited employment opportunities and higher housing costs. • Poor energy efficiency due to older housing stock. • A digital divide and poor broadband, resulting in rural customers inability to access information (e.g., online energy efficiency advice); <p>The latest government fuel poverty statistics also highlight the challenges that rural West Midlands communities face in 2022. For example, the ¹statistics show that 19.2% of West Midlands households are currently living in fuel poverty; a level significantly above the national average of 13.4%. Additionally, West Midlands households spend an average of £1,668 per annum on fuel (2022 data) and face an average fuel poverty gap of £305 - the amount of additional funding the household requires to no longer be classed as fuel poor.</p> <p>With specific regards to rural fuel poverty, the government statistics report that rural households spend an average of £2,319 per/annum (2022 data) on fuel and have an average fuel poverty gap of £956.</p> <p>The project aims to support rural households living in fuel poverty through the provision of energy efficiency advice and the opportunity to attend warm spaces during the coldest months of the year - allowing rural residents to avoid the high costs of heating their larger, less energy efficient homes.</p> <p><u>Loneliness and Isolation</u></p> <p>As well as creating a mechanism for rural households to access energy efficiency advice, both the Winter Warm Hubs and Mobile Warm Hubs projects offer residents activities designed to promote social interaction and togetherness.</p> <p>Customers living in rural communities can be at an increased risk of experiencing loneliness due to a number of factors including:</p> <ul style="list-style-type: none"> • Limited public transport networks. • Poor quality broadband and a digital divide. • Support services can be more expensive when compared to urban equivalents. <p>Recent government statistics also support the hypothesis that a large number of customers face feelings of loneliness. According to</p>
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¹ <https://www.gov.uk/government/statistics/fuel-poverty-supplementary-tables-2023-2022-data>

	<p>a ²2019/2020 survey, approximately 3,000,000 people in England stated that they felt lonely often or all of the time. Furthermore, older age groups can be at an increased risk of experiencing loneliness. For instance, 40% of 65- to 74-year-olds reported experiencing feelings of loneliness at frequencies from "occasionally" to "always".</p> <p>The Winter Warm Hubs and Mobile Warm Hubs projects aim to reach a large number of customers from older age groups and will tackle feelings of loneliness by offering inclusive and free community activities. The activities will be easily accessible and will allow WRCC to engage households on messaging around energy efficiency, carbon monoxide safety and the Priority Services Register (PSR).</p> <p><u>Updated March 2024</u></p> <p>³Loneliness can affect anyone. Experiences of loneliness can vary, but its effects can be profound and wide-ranging. It is considered by many to be one of the largest public health challenges we face.</p> <ul style="list-style-type: none"> • In 2022, 49.63% of adults (25.99 million people) in the UK reported feeling lonely occasionally, sometimes, often or always [1] • Approximately 7.1% of people in Great Britain (3.83 million) experience chronic loneliness, meaning they feel lonely 'often or always' [2]. <p>This has risen from 6% (3.24 million) in 2020, indicating that there has not been a return to pre-pandemic levels of loneliness.</p>
<p>Scope and Objectives</p>	<p>Cadent's VCMA funding will be utilised by WRCC to deliver two initiatives over Winter 2022-2023 - Winter Warm Hubs and Mobile Warm Hubs.</p> <p><u>Project Scope - Winter Warm Hubs</u></p> <p>Winter Warm Hubs focusses on creating temporary venues that will host free and inclusive community activities over the coldest months of the year. A Winter Warm Hub will be hosted in an existing community venue, will run for approximately four hours, and will offer attendees activities, free/discounted hot meals, as well as the opportunity to receive important safety/energy efficiency advice. More information is available on Cadent's and our partner's ⁴website.</p> <p>Cadent and WRCC forecast that between 15 - 25 customers will attend each Winter Warm Hub, with each venue running activities on twenty occasions throughout the winter. This equates to a total reach of 2,400 attendees.</p> <p><u>Project Scope - Mobile Warm Hubs</u></p>

² <https://www.gov.uk/government/statistics/community-life-survey-202021-wellbeing-and-loneliness/wellbeing-and-loneliness-community-life-survey-202021#:~:text=Overall%20in%202020%2F21%3A,%2F19%20and%202019%2F20.>

³ [Facts and Statistics | Campaign to End Loneliness](#)

⁴ <https://www.wrccrural.org.uk/services/wrcc-warm-hubs/>

Mobile Warm Hubs will utilise a repurposed minibus to deliver events in villages that do not have access to an existing community building (e.g. village hall, church hall etc.). This approach will ensure that all customers can benefit from the project, as there is no reliance on there being an existing community space.

Mobile Warm Hubs will deliver similar community activities that are designed to promote togetherness. The project will also provide residents with free expert energy efficiency and gas safety information. Cadent and WRCC have forecasted an average of 10 attendees per Mobile Warm Hubs session and aim to visit 4 venues per week across the 6-month project duration; this equates to a total forecasted reach of 880 attendees. More information is available on Cadent's and our partner's ⁵website.

Project Objectives - Winter Warm Hubs

Overall, the Winter Warm Hubs project aims to support approximately 2,400 attendees across duration of the project. Customers will be provided with a safe, warm space and free community activities.

As well as meeting the above forecast for the number of Winter Warm Hub attendees, the project also aims to achieve the following objectives:

- Attendees report improved senses of wellbeing and togetherness through participating in Winter Warm Hub events.
- Attendees report improvements in their levels of comfort due to being able to heat their homes to a healthier temperature. This will be achieved through reducing attendee's reliance on their home's heating system and improving knowledge of energy efficiency techniques.
- The project aims to continue the strong levels of social return on investment witnessed in the previous Warm Hubs project(s) between Cadent and WRCC. Please see the below section for more information.

Project Objectives - Mobile Warm Hubs

In total, the Mobile Warm Hubs project aims to support approximately 880 beneficiaries between October 2022 and April 2023. Isolated rural residents will be provided with free, accessible community activities, and will also be offered an opportunity to receive expert advice.

As well as meeting the above forecast for the number of Mobile Warm Hub attendees, the project also aims to achieve the following objectives:

- Attendees report improved senses of wellbeing and togetherness through participating in Mobile Warm Hub events.
- Attendees report improvements in their levels of comfort due to being able to heat their homes to a healthier

⁵ <https://www.wrccrural.org.uk/services/wrcc-warm-hubs/>

	<p>temperature. This will be achieved through improving knowledge of energy efficiency techniques.</p> <p><u>Updated March 2023</u></p> <p><u>Project Scope - Winter Warm Hubs</u></p> <p>The Winter Warm Hubs will now expand to 36 temporary venues. A Winter Warm Hub will be hosted in existing community venues. More information is available on Cadent's and our partner's ⁶website.</p> <p><u>Project Objectives – Winter Warm Hubs</u></p> <p>Cadent and WRCC forecast that with each venue running activities on through the winter, this will equate to a total reach of 16,500 attendees.</p> <p><u>Project Scope - Mobile Warm Hubs</u></p> <p>WRCC will maintain and operate the existing Mobile Warm Hub vehicle 2-3 days per week in the Autumn/Winter months and 4-5 days per week in the Spring/Summer.</p> <p><u>Project Objectives – Mobile Warm Hubs</u></p> <p>The Mobile Warm Hub will visit between 12-15 locations across Warwickshire and Solihull.</p> <p>Overall this service will reach 2,000 individuals.</p> <p>Both projects also will continue to achieve the following objectives:</p> <ul style="list-style-type: none"> • Attendees report improved senses of wellbeing and togetherness through participating in Mobile Warm Hub events. • Attendees report improvements in their levels of comfort due to being able to heat their homes to a healthier temperature. This will be achieved through improving knowledge of energy efficiency techniques.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that this project meets all of the necessary company-specific VCMA criteria - see below:</p> <p>A. The project is forecasted to have a positive SROI. <i>Due to our understanding on social value and experience from previous Warm Hub partnerships, we believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</i></p> <p>B. The project will either:</p> <ol style="list-style-type: none"> I. Provide to consumers in vulnerable situations, and relate to energy safeguarding, or II. Provide awareness on the dangers of carbon monoxide, or III. Reduce the risk of harm caused by carbon monoxide

⁶ <https://www.wrccrural.org.uk/services/wrcc-warm-hubs/>

	<p><i>The project will provide support to consumers in vulnerable situations and relate to energy safeguarding through the provision of energy efficiency and carbon monoxide advice to consumers engaged through the Winter and Mobile Warm Hubs' activities.</i></p> <p>C. The project has defined outcomes and the associated actions to achieve them <i>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.</i></p> <p>D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations. <i>We believe that this project goes outside of activities funded through other price control mechanisms due to:</i></p> <ul style="list-style-type: none"> <i>a) the types of support being delivered, and,</i> <i>b) the method through which customers are to be engaged (e.g. not through Cadent's BAU activities)</i> <p>E. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local) funding. <i>This project will be delivered solely through Cadent's VCMA funding.</i></p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent has sought the views of a wide range of stakeholders to support its strategy for shaping VCMA projects. For instance, Cadent conducted extensive stakeholder engagement to gather the views of organisations on its year one VCMA delivery.</p> <p>Cadent obtained stakeholder feedback on individual projects (e.g. specifically Mobile Warm Hubs) and categories of activities (e.g. tackling affordability and fuel poverty).</p> <p>With regards to categories of activities, tackling affordability and fuel poverty saw the highest percentages of support for increasing funds, with 61% of stakeholders and 43% of customers supporting an increase in funding when compared to 2021-2022 levels.</p> <p>When looking at specific projects from the first year of VCMA delivery, 81% of customers and 78% of stakeholders supported or somewhat supported an increase in funding for Mobile Warm Hubs.</p> <p>One customer aged 60-69 commented "<i>You are providing valuable information, how to reduce their bills, people need educating how to manage their money better and can share this information with family and friends</i>", whilst a stakeholder stated that "<i>I have seen this in action, and it seems like a great initiative which should be given the time to grow so that more people hear about it and can then engage with it</i>".</p> <p>Overall, Cadent has received strong stakeholder support and justification for extending its partnership with WRCC to deliver Winter and Mobile Warm Hubs for a further 6-months between October 2022 and April 2023.</p>

Information Required	Description
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes - Winter Warm Hubs</u></p> <p>Utilising Cadent's funding, WRCC aim to deliver the following outcomes:</p> <ul style="list-style-type: none"> • Approximately 2,400 attendees will visit a Winter Warm Hub event at one of thirty venues across the project area. Participation in these events will tackle loneliness and improve attendees' wellbeing. • 2,400 attendees will receive literature on energy efficiency advice, carbon monoxide safety and the Priority Services Register (PSR). • 250 households will be issued with a free audible carbon monoxide alarm. The alarms will be distributed on a needs basis to customers who are unable to purchase one through their own financial means. <p>As well as achieving the above quantitative outcomes, the project also aims to deliver the following qualitative outcomes:</p> <ul style="list-style-type: none"> • Rural households supported through the project will report increased levels of comfort due to being able to afford and have the knowledge to heat their home to a healthy temperature. • Customers supported through the project will report an improved sense of wellbeing through feeling less lonely. <p><u>Project Outcomes - Mobile Warm Hubs</u></p> <p>Utilising Cadent's funding, WRCC will aim to deliver the following project outcomes:</p> <ul style="list-style-type: none"> • Approximately 880 attendees will benefit from a Mobile Warm Hub event between October 2022 and April 2022. Participation in these events will offer customers the opportunity to access energy/safety advice and free community activities. • Approximately 880 attendees will receive literature on energy efficiency advice, carbon monoxide safety and the Priority Services Register (PSR). • 250 households will be issued with a free audible carbon monoxide alarm. The alarms will be distributed on a needs basis to customers who are unable to purchase one through their own financial means. <p>As well as achieving the above quantitative outcomes, the project also aims to deliver the following qualitative outcomes:</p> <ul style="list-style-type: none"> • Rural households supported through the project will report increased levels of comfort due to being able to afford and have the knowledge to heat their home to a healthy temperature. • Customers supported through the project will report an improved sense of wellbeing through feeling less lonely.

Associated Actions - Winter Warm Hubs

Cadent and WRCC will perform the following associated actions in order to achieve the Winter Warm Hubs project outcomes and success criteria:

- Cadent will provide WRCC with the necessary funding, approved educational materials (e.g., energy efficiency, PSR, and carbon monoxide), and training to ensure that all information disseminated through the project is informative and accurate.
- WRCC will conduct engagement with existing community groups and venues across Warwickshire and Solihull to ensure that Winter Warm Hubs venues are positioned proportionately and in areas of need across the project area.
- WRCC will support Winter Warm Hub venues with a small start-up grant, training, and resources. This will increase the quality of support offered by the venue and will also ensure sustainable benefits beyond the lifecycle of the project.
- WRCC will work with Winter Warm Hub venues to gauge their interest and suitability to become a longer term fixed Warm Hub - see published PEA "*Fixed Warm Hubs Project*". This approach will increase the longevity of benefits that Warwickshire and Solihull communities stand to receive from Cadent's funding.

Associated Actions - Mobile Warm Hubs

Cadent and WRCC will perform the following associated actions in order to achieve the Mobile Warm Hubs project outcomes and success criteria:

- Cadent will provide WRCC with the necessary funding, approved educational materials (e.g., energy efficiency, PSR, and carbon monoxide), and training to ensure that all information disseminated through the project is informative and accurate.
- WRCC will conduct research and stakeholder engagement to ensure that the Mobile Warm Hub visits communities with the most need for the project. Communities' need will be assessed on factors such as remoteness, levels of current infrastructure, customer demographics, and housing stock.
- WRCC will employ staff to deliver Mobile Warm Hub events on a four working day week basis in communities across the project area. Communities will be attended on a carousel basis, with the aim of reaching as many locations as possible across the six-month project duration.

Success Criteria - Winter Warm Hubs

The Winter Warm Hubs project's success will be measured through a variety of metrics including:

- Evaluating the number of attendees supported against the forecast(s) referenced in the Scope and Objectives section of this document.
- Measuring customers' attitudes towards the positive indicators listed in the Project Outcomes section of this document (e.g., residents supported through the project will report an improved sense of wellbeing through feeling less lonely).
- Evaluating a positive social return investment on the VCMA funding invested in the Winter Warm Hubs project - see the below section for the project's SROI forecast.

Success Criteria - Mobile Warm Hubs

The Mobile Warm Hubs project's success will be measured through a variety of metrics including:

- Evaluating the number of attendees supported against the forecast(s) referenced in the Scope and Objectives section of this document.
- Measuring customers' attitudes towards the positive indicators listed in the Project Outcomes section of this document (e.g. residents report improvements in their levels of comfort due to being able to heat their homes to a healthier temperature. This will be achieved through improving knowledge of energy efficiency techniques).
- Evaluating a positive social return investment on the VCMA funding invested in the Mobile Warm Hubs project - see the below section for the project's SROI forecast.

Updated March 2024

Project Outcomes - Winter Warm Hubs

Utilising Cadent's funding, WRCC aims to deliver the following outcomes:

- 18,900 Individuals will visit a Winter Warm Hub event at one venue across the project area. Participation in these events will tackle loneliness and improve attendees' wellbeing.
- 1,890 individuals will receive literature on energy efficiency advice, carbon monoxide safety, and the Priority Services Register (PSR).

Project Outcomes - Mobile Warm Hubs

Utilising Cadent's funding, WRCC will aim to deliver the following project outcomes:

- 2,880 individuals will benefit from a Mobile Warm Hub event which will tackle loneliness and isolation.

- 288 individuals will receive literature on energy efficiency advice, carbon monoxide safety, and the Priority Services Register.

Associated Actions - Winter Warm Hubs

Cadent and WRCC will perform the following associated actions in order to achieve the Winter Warm Hubs project outcomes and success criteria:

- Cadent will provide WRCC with the necessary funding, approved educational materials (e.g., energy efficiency, PSR, and carbon monoxide), and training to ensure that all information disseminated through the project is informative and accurate.
- WRCC will conduct engagement with existing community groups and venues across Warwickshire and Solihull to ensure that Winter Warm Hubs venues are positioned proportionately and in areas of need across the project area.
- WRCC will continue to support and expand the Winter Warm Hub venues with a small start-up grant, training, and resources. This will increase the quality of support offered by the venue and will also ensure sustainable benefits beyond the lifecycle of the project.

WRCC will work with Winter Warm Hub venues to gauge their interest and suitability to become a longer-term fixed Warm Hub - see published PEA "*Fixed Warm Hubs Project*".

Associated Actions - Mobile Warm Hubs

Cadent and WRCC will perform the following associated actions to achieve the Mobile Warm Hubs project outcomes and success criteria:

- Cadent will continue to provide WRCC with the necessary funding, approved educational materials (e.g., energy efficiency, PSR, and carbon monoxide), and training to ensure that all information disseminated through the project is informative and accurate.
- WRCC will conduct research and stakeholder engagement to ensure that the Mobile Warm Hub visits communities with the most need for the project. Communities' need will be assessed on factors such as remoteness, levels of current infrastructure, customer demographics, and housing stock.
- WRCC will continue with the employment of the staff to deliver Mobile Warm Hub events.

Success Criteria - Winter Warm Hubs

The Winter Warm Hubs project's success will be measured through a variety of metrics including:

	<ul style="list-style-type: none"> • Evaluating the number of attendees supported against the forecast(s) referenced in the Scope and Objectives section of this document. • Measuring customers' attitudes towards the positive indicators listed in the Project Outcomes section of this document (e.g., residents supported through the project will report an improved sense of wellbeing through feeling less lonely). <p><u>Success Criteria - Mobile Warm Hubs</u></p> <p>The Mobile Warm Hubs project's success will be measured through a variety of metrics including:</p> <ul style="list-style-type: none"> • Evaluating the number of attendees supported against the forecast(s) referenced in the Scope and Objectives section of this document. <p>Measuring customers' attitudes towards the positive indicators listed in the Project Outcomes section of this document (e.g. residents report improvements in their levels of comfort due to being able to heat their homes).</p>
<p>Project Partners and Third Parties Involved</p>	<p>The project will be principally delivered in partnership with rural communities' charity - Warwickshire Rural Community Council.</p> <p>The project will utilise a network of Warwickshire and Solihull based village halls to activities.</p>
<p>Potential for New Learning</p>	<p>We believe that this project offers Cadent the opportunity for new learning in various areas.</p> <p>Firstly, much of the research and data on cost-of-living crisis focusses on the impacts felt by urban communities. Cadent and WRCC believe that some rural communities may be disproportionately affected by the cost-of-living crisis due to factors such as higher housing costs, expensive support services, and a lack of employment opportunities. The Winter and Mobile Warm Hub projects will offer Cadent insight on the extent of the impact of the cost-of-living crisis on rural communities.</p> <p>Secondly, extending the Mobile Warm Hubs project and funding the new Winter Warm Hubs project in 2022-2023 will offer Cadent a comparison on customer's needs. For instance, the Warm Hubs projects were launched in the immediate aftermath of the pandemic and looked to tackle loneliness and isolation that was exacerbated by months of lockdown. The vast majority of Covid-19 restrictions have lifted and Cadent wants to understand if there is still a need for activities that tackle loneliness now that communities face the new challenge of the cost-of-living crisis.</p> <p><u>Updated March 2024</u></p> <p>Every area within Cadent's network sees households suffering from 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.</p>

	<p>For example, WRRC and its community such as the demographic and specific service provisions can offer unique learning outcomes.</p> <p>To help increase cross network understanding Cadent have set up a forum for the Centres for Warmth. Every quarter we will meet and discuss various topics, share stories, tips, and best practice but most importantly resources.</p> <p>Where possible, Cadent will continue to listen to its partners to try to improve the support and services provided to vulnerable customers.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project - Winter Warm Hubs</u></p> <p>Cadent and WRCC will deliver a 6-month project between October 2022 and April 2023. The project aims to support approximately 2,400 attendees across the project area with a variety of energy/safety information and community activities.</p> <p>Conservative estimations of 10% of 2400 people taking action as a result of the advice given:</p> <p>Energy efficiency controls and measure: £88,264.80 PSR sign ups £34,533.60 Support for social isolation and loneliness £144,000</p> <p><u>Scale of VCMA Project - Mobile Warm Hubs</u></p> <p>Cadent and WRCC will deliver a 6-month project between October 2022 and April 2023. The project aims to support approximately 880 attendees across the project area with a variety of energy/safety information and community activities.</p> <p>Conservative estimations of 10% of 880 people taking action as a result of the advice given:</p> <p>Energy efficiency controls and measure: £32,363.76 PSR sign ups £12,662.32 Support for social isolation and loneliness £52,800</p> <p><u>SROI Summary</u></p> <p>Investment = £49,730.00 Gross social return on investment for 1 year = £364,644.48 Net social return on investment for 1 year = £314,914.48</p> <p>5 year Net social return - £1,574,572.4</p> <p>Cadent has conducted its own research and has worked with specialist from energy and utilities consultants at SIA Partners to evaluate the gross present value generated by activities typically funded through the VCMA. This work has produced a bank of one to five year average gross present values that incorporate financial, environmental, and societal benefits of VCMA activities.</p> <p><u>Gross present value created through tackling loneliness and isolation</u></p>

	<p>As referenced in the Problem(s) section of this document, rural communities can be at an increased risk of experiencing loneliness, particularly residents from older age groups.</p> <p>A ⁷2017 London School of Economics research 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>⁸Age UK's 2018 Rural Ageing (England) report found that 24.3% of England's rural population are aged 65 and over.</p> <p>Rural England's 2016 research project reports that 10.5% of residents aged 65 and over report feelings of loneliness.</p> <p><u>5-year gross present value from distributing carbon monoxide alarms and educating customers on the dangers</u></p> <p>Cadent worked with SIA Partners as part of its RIIO-GD2 business planning process to evaluate the 5-year gross present value of distributing CO alarms and educating customers on the signs, symptoms, and dangers of CO.</p> <p><u>5-year gross present value of issuing home energy efficiency advice</u></p> <p>Cadent's work with SIA Partners calculated an average 5-year gross present value of £367.77 per efficient use of appliances and behaviours conversation. This value is based on a number of factors including average savings from Energy Savings Trust, reductions in negative impacts of cold weather on customer's health, and carbon emissions savings.</p> <p>Although there will be some face-to-face energy efficiency conversations from attendees such as Act on Energy, the vast majority of advice will be delivered through printed literature. Therefore, Cadent has modified the retention rate of the social value proxy to account for information being distributed through leaflets, rather than face to face conversations.</p> <p>Cadent has applied a retention rate of 5% based on past VCMA projects that were delivered in partnership with expert advertising agencies. The expert agencies were able to provide insight on the retention rates of a range of communication channels.</p> <p>Advice on efficient use of appliances and behaviours will be delivered to 3,280 individuals over the duration of the project. This equates to a total 5-year gross present value of £1,206,285.60 applying the high face to face retention rate. Through applying a 5% retention rate for printed literature, Cadent has calculated a 5-year gross present value of £60,314.28.</p> <p><u>5-year gross present value from assisting customers to register to the PSR</u></p>
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⁷ <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>

⁸ https://www.ageuk.org.uk/globalassets/age-uk/documents/policy-positions/housing-and-homes/ppp_rural_ageing_uk.pdf

	<p>Cadent's work with SIA Partners calculated an average 5-year gross present value of £143.89 per registration to the PSR. This value was based on a customer's reduction in stress during a utilities outage.</p> <p>Although some customers may be supported to register to the PSR in person, most clients will receive printed literature signposting them to register to the PSR. Therefore, Cadent has modified the retention rate of the social value proxy to account for information being distributed through leaflets, rather than face to face conversations.</p> <p>Cadent has applied a retention rate of 5% based on past VCMA projects that were delivered in partnership with expert advertising agencies. The expert agencies were able to provide insight on the retention rates of a range of communication channels.</p> <p>Information on the benefits of the PSR and the process for registration will be delivered to 3,280 households over the duration of the project. This equates to a 5-year gross present value of £471,959.20 applying the high success rate of SIA Partners' calculations. Through applying a 5% success rate, Cadent has calculated a 5-year gross present value of £23,597.96.</p> <p><u>Updated March 2024</u></p> <p>Social Return on Investment</p> <p>Total Investment: £125,091.70</p> <p>Conservative estimation of 10% of 21,780 Individuals across both of the projects taking action as a result of the advice given:</p> <ul style="list-style-type: none"> • 2,178 individuals will be supported with energy efficiency advice: £801,003.06 • 2,178 individuals will receive carbon monoxide awareness: £19,013.94 • 2,178 individuals will be supported in registering on the PSR: £313,392.42 • 556 individuals will attend the centres to reduce feelings of loneliness and isolation: £667,200.00 <p>Five-year gross present value = £1,800,609.42 One-year gross present value = £560,281.88</p> <p>Five-year Social Return on Investment = £1,675,517.72 One-year Social Return on Investment = £510,551.88</p> <p>SROI Ratio: £1:13</p>
<p>VCMA Project Start and End Date</p>	<p>Project Start Date: 01/10/2022 Project End Date: 31/03/2023</p> <p><u>Updated March 2024</u> Start date: 01/04/2023 End date: 31/03/2024</p>
<p>Geographical Area</p>	<p>The project will be delivered across rural and semi-rural communities situated in Warwickshire and Solihull (Cadent's West Midlands network).</p>

Remaining Amount in the Allowance at Time of Registration	To be confirmed upon receiving Director of Sustainability and Social Purpose Sign-off
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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: 09/03/2023	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 2023	
Date that Notification Email Sent to Ofgem: March 2023	