

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *Centres for Warmth – Cortonwood*

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Updated September 2024 (Will Allard)



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)	
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	
To qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, repair or replacement must meet the following criteria:	
a) A GDN must 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	
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 – Cortonwood
Funding GDN(s)	Cadent
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent specific project
Date of PEA Submission	June 2022 Updated: September 2024
VCMA Project Contact Name, email, and Number	Name: Phil Burrows, Email: phil.m.burrows@cadentgas.com Number: 07773 545451
Total Cost (£k)	£168,099.39 Updated September 2024 £348,199.97
Total VCMA Funding Required (£k)	£155,130.00 £6,504.00 (based on distributing 20 CO alarms per month @ £13.55) Project management costs £6,465.36 Total – £168,099.39 Updated September 2024 The project ran for two years and due to the success, Cadent will extend the project for 19 months until the 31 st March 2026. We will now invest the following additional funding. The breakdown is as follows: <u>Additional costs:</u> Centre costs: £168,626.00 Slow cookers cost: £2,784.00 Leaflets: £1,763.64 Project management costs: £6,926.95 Total: £180,100.58

<p>Problem(s)</p>	<p>Cortonwood Comeback Centre is an area located in Barnsley on Cadent's East Midlands network. Barnsley is one of the most deprived areas in South Yorkshire and the UK.</p> <p>Elevated levels of deprivation can and 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, people of working age 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 an 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 areas of high deprivation 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, resulting in cold, damp living conditions, and an increased risk of suffering from associated illnesses such as respiratory issues, high blood pressure, depression, and anxiety.</p> <p>Many industry observers predict that the rates of fuel poverty national fuel poverty will rise significantly over the year ahead, due to increases in the energy price cap and wider challenges relating to the cost of living.</p> <p><u>Debt</u></p> <p>According to the Citizens Advice Bureau, 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 factoring in unemployment, low income, drug and alcohol abuse and mental health issues, the chances of people being in debt are significantly higher. To compound this, 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 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.</p>
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	<p>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.</p> <p><u>Updated September 2024</u></p> <p>During the two years of Cadent's Centres for Warmth partnership with the Cortonwood Comeback Centre, individuals in the community have received essential information and support on income maximisation, carbon monoxide (CO) safety, energy efficiency advice and the Priority Services Register (PSR). During this period, there were learning outcomes, and the charity highlighted the need to continue with the project. There is still a real need in the community, in relation to fuel poverty and tackling isolation and loneliness.</p> <p>Additional funding is required to extend the project for a further 19 months, will provide Cortonwood Comeback Centre with an opportunity to continue supporting vulnerable members of the community, meet the growing demand within the community via capacity building and enable the charity to engage in outreach that focuses on supporting disengaged members of the community. In turn, this project will continue to create an overall positive social return on investment.</p>
<p>Scope and Objectives</p>	<p><u>Project scope</u></p> <p>Cadent will provide Cortonwood Comeback Community Centre with £168,099.39 of VCMA funding to enable the delivery of a 24-month Centre for Warmth.</p> <p>The funding will be used by the centre to provide a range of services to residents living in vulnerable situations.</p> <p>These services include:</p> <ul style="list-style-type: none"> • Supporting residents with 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. • Signing up appropriate attendees to the PSR as well as raising awareness. • The delivery of carbon monoxide safety advice and where appropriate alarms. • Delivery of general gas safety advice. <p>The project aims to reach approximately 4,000 people over the course of the initial 24-month project. This total</p>

reach (some people will receive more than one service) will be divided between:

- 400 income maximisation/debt support.
- 1500 energy efficiency advice.
- 1500 carbon monoxide awareness.
- Issue 240 CO alarms.
- 2000 PSR registrations.
- 80 - 100 customers receiving advice on slow cooking.

Project objectives

The project contains a series of objectives that success will be measured:

- To support customers across the project area living in isolation, fuel poverty, and at risk of exposure to carbon monoxide.
- To deliver income maximisation/home energy efficiency advice to approximately 1,500 households.
- To deliver slow cooking awareness sessions to 80-100 people.
- To encourage and support eligible customers to sign up to the PSR - we forecast that approximately 2,000 customers will register to the PSR through this project.

Updated September 2024

Project Scope

Cadent will provide Cortonwood Comeback Centre with an additional £180,100.58 of VCMA funding. This funding will be used to extend the project by 19 months up until the end of the current price control for gas networks.

Project objectives

The project aims to reach an additional 1,086 individuals over a 19-month period. The reach of the project, and the success that the project will be measured against will be broken down as follows:

- 300 individuals will receive income maximisation/debt support.
- 600 individuals will receive energy efficiency advice.
- 600 individuals will receive CO awareness.
- 271 CO alarms will be issued to people living in a vulnerable situation.
- 1,086 individuals will be engaged in conversations about the PSR and 380 will be registered onto the PSR.
- 100 individuals will receive advice on slow cooking.

<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><i>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> <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. <p><i>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.</i></p> <p>c. The project has defined outcomes and the associated actions to achieve them.</p> <p><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.</p> <p><i>The method of delivering support to customers living in venerable situations is innovative, as it uses partnerships with key community stakeholders. This will allow Cadent to distribute essential advice to one of a customer group that has been historically difficult to engage.</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 delivered solely 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 year one of RII0-2. The research's aim was to assess customer and stakeholder opinion on Cadent's allocation</p>

of VCMA spend and gain insight on where we should direct VCMA funding in the future.

61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty.

The Cortonwood Comeback Community Centre for Warmth project focusses on tackling fuel poverty by offering energy/income advice to at risk households.

Cadent's ¹independent Customer Engagement Group report for its RII0-2 business plans contains feedback on a variety of proposals, including Cadent's ambitions for tackling fuel poverty.

The report supported Cadent's comprehensive approach to tackling fuel poverty, whereby a household is supported with a combination of services/advice.

The Customer engagement group recognised the need for a comprehensive approach that supports a household with its fuel prices (FPNES), energy efficiency (advice/repair and replacement) and household income (income maximisation).

The Centre for Warmth partnership with Cortonwood Comeback Community centre will allow Cadent to apply a comprehensive 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.

Cadent sought feedback from national rural communities' charity ACRE on our proposals, particularly how we ensure that rural and semi-rural communities stand to receive benefit from Cadent's management of the VCMA.

ACRE supported Cadent's strategy of using projects that promote togetherness in rural and semi-rural communities. The charity also supported Cadent's strategy of tackling isolation, fuel poverty and promoting awareness of carbon monoxide, recognising these as critical issues in communities.

Although parts of Barnsley are urban, many Cortonwood Comeback Community Centre clients live in surrounding rural/semi-rural communities; some which suffer from a lack of employment opportunities, expensive fuel (e.g. LPG/oil etc.), and poor transport infrastructure. The Centre for Warmth project will support rural/semi-rural households by maximising their income and helping them to better manage their home energy.

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

	<p>Cadent conducted a national survey in 2024. 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. We have captured some of the key evidence below:</p> <ul style="list-style-type: none"> • Four out of five people are willing to pay £2.70 per year to fund each of the interventions that Cadent fund using the VCMA funding. • 82% of people were willing to pay the extra £2.70 to help people in vulnerable situations with free repairs and replacements. • 75% of people feel that they understand their gas beyond the overall price. With only two out of five fully understanding it. • There is exceptionally 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>Cortonwood Case Study: Cadent also continue to gather evidence and real-life examples of case studies from the Centres for Warmth network. Cortonwood worked with a local resident who was experiencing financial issues, with support from Cadent funded benefits advisors, Cortonwood were able to maximise the individual's income by gaining her £13,919.00 in savings and unclaimed benefits.</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 Cortonwood Comeback Community Centre and aims to support approximately 1500 residents with energy/safety/loneliness issues across an initial 24-month project period.</p> <p>The Cortonwood Comeback Community 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 residents to promote the potential affordability, efficiency, and health benefits. • Provide support to lonely residents, ensuring that they can access the community centre and the services it offers. • Provide residents with energy efficiency advice and carbon monoxide awareness and general gas safety.

Associated actions.

- Cadent's funding will be principally used to employ and train two community advisors. The advisors will have the skills to provide services aimed at tackling fuel poverty, provide support on energy efficiency measures, assist with debt consolidation, and deliver benefit entitlement checks. The advisors will also be skilled at providing awareness on the dangers, signs, and symptoms of CO, and facilitating community activities that support lonely and isolated residents.
- Cortonwood Comeback Community centre 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 for the additional staff members, cooking classes and ingredients as well as providing slow cookers and CO alarms.

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 1500 customers across the course of the initial 12 months. Customers will be engaged through a variety of methods including: 1-2-1 sessions, home visits, or community centre drop-in clinics.
2. 80 - 100 residents will receive support with learning how to use slow cookers as an affordable, efficient, and healthy means of cooking.
3. Approximately 2,000 people will sign-up to the PSR.

As well as aiming to reach a target number of customers, Cadent and Cortonwood Comeback Community Centre 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 are claiming the benefits to which they are entitled.
- Homeless 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.

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Project Outcomes

This Centre for Warmth project will be delivered in partnership with the Cortonwood Comeback Centre. The project aims to support and educate an additional 1,086 individuals during a 19-month project period.

Due to the success of the initial two-year project Cadent have extended the funding. The original project outcomes will be remaining the same. The associated actions and success criteria have been amended. Please see the following sections for updates.

Associated Actions

Cortonwood Comeback Centre will implement the following associated actions to deliver the project's outcomes:

- Cortonwood will use the VCMA funding to fund a full-time community development outreach worker. Who will deliver messaging about CO, PSR and energy efficiency to individuals at community events.
- Cortonwood will use the VCMA funding to fund a full-time information and advice worker. Their role will be to primarily deliver advice on income maximisation. However, they will also help to deliver the other Cadent messaging.
- Cortonwood will use the VCMA funding to fund a part time assistant advice worker. They will assist the full-time advice worker with income maximisation appointments.
- Cortonwood will also use the VCMA funding to fund a part -time kitchen assistant role. Cadent will be funding 16 hours of the role. During these 16 hours the kitchen assistant will be delivering information about CO, PSR and energy efficiency advice.

Success Criteria

	<p>The success of the extension project will be measured against meeting the below criteria:</p> <ul style="list-style-type: none"> • 600 individuals will receive information and advice about energy efficiency. • 600 individuals will receive education and advice about the dangers of CO. • 271 of the most at-risk individuals will receive a CO alarm. • 1,086 individuals will improve their awareness of the PSR. • 380 individuals will be assisted to register for PSR. • 300 individuals will receive advice about maximising their income. • 100 individuals will receive advice on slow cooking.
<p>Project Partners and Third Parties Involved</p>	<p>Cortonwood Comeback Community Centre</p>
<p>Potential for New Learning</p>	<p>The Cortonwood Comeback Community 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 collaborating with community stakeholders such as Cortonwood Comeback 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 Cortonwood Comeback Community Centre will also provide Cadent with learning on customers receptiveness to support from Gas Distribution Networks during 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 September 2024</u></p> <p>The continuation in Cadent funding will allow Cortonwood Comeback Centre to carry on combating</p>

	<p>key issues in the local community. This will allow individuals to gain support maximising their income and get help in other key areas such as CO, PSR and energy efficiency. We will use the partnership with the Cortonwood Comeback centre to gain knowledge of how we can improve the centre for warmth project. Cadent will use opportunities such as the Share the vision webinar to gain feedback, the information gained from this will allow Cadent to listen to the centres and implement relevant improvements.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA project</u></p> <p>The Cortonwood Comeback Community Centre for Warmth project will deliver support for a 24 -month duration. The project will focus on the provision of advice to approximately 4,000 customers.</p> <p>Social return on investment calculations</p> <ul style="list-style-type: none"> • 400 income maximisation/debt support • 1500 energy efficiency advice • 1500 carbon monoxide awareness. • 2,000 PSR sign ups • 80 - 100 customers receiving advice on slow cooking • Issue 240 CO alarms <ul style="list-style-type: none"> • Forecasted 5-year social return on investment gross = £2,115,016.00 • Investment = £168,099.39 • Forecasted 5-year social return net = £1,946,916.61 • Forecasted 5-year gross present value from the issuing energy advice = £551,655.00 • Forecasted 5-year gross present value from income maximisation = £686,844.00 • Forecasted 5-year gross present value from providing customers with CO awareness = £29,456.10 • Forecasted 5-year gross present value from registering customers to the PSR = £287,700 • SROI Ratio: £1: £22 <p><i>The SROI calculations from data provided by SIA partners and are conservative They also don't include the slow pot cooking SROI.</i></p> <p><u>Updated September 2024</u></p>

	<p>Cadent will provide the Cortonwood Comeback Centre with £180,100.58 in additional VCMA funding to deliver a 19-month project extension. The project will focus on the provision of advice to an updated reach of 6,380 individuals. The figures below are a combination of the original project and extension.</p> <ul style="list-style-type: none"> • 2,100 individuals will receive energy efficiency advice = £772,317.00 • 2,100 individuals will receive education on the dangers of CO = £18,333.00 • 2,380 individuals will be helped to register for the PSR = £342,458.20 • 700 individuals will receive advice on income maximisation = £1,201,977.00 • 190 individuals will receive advice and education on slow cooking = £44,919.80 • 733 individuals will attend sessions to help relieve loneliness and isolation =£549,750 <p>Total Investment = £348,199.97</p> <p>Five-year gross present value = £2,929,755.00 One-year gross present value = £915,801.00</p> <p>Five-year net value = £2,581,555.03 One-year net value = £831,751.30</p> <p>SROI = £1:8</p>
<p>VCMA Project Start and End Date</p>	<p>Project start date: 01/09/2022 Project completion date: 31/08/2024</p> <p>Updated September 2024 Start date: 1st September 2024 End date: 31st March 2026</p>
<p>Geographical Area</p>	<p>The project will be delivered to communities in and around the Barnsley area of our East Midlands network.</p>

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

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 PEA Peer Review	
Date Immediate Team Peer Review Completed: 02/10/2024	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 02/10/2024	Review Completed By: Guv Dosanjh
Step 3: Head of Customer Vulnerability Social Programmes Sign-Off: Phil Burrows	
Head of Customer Vulnerability Social Programmes Sign-Off Date: 21/01/2025	
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 2025	
Date that Notification Email Sent to Ofgem: March 2025	