

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *Foleshill Community Centre*

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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	Centre for Warmth – Foleshill Community Centre “Feeding Coventry”
Funding GDN(s)	Cadent company specific project
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable
Date of PEA Submission	March 2023
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)	Centre Costs – £102,000.00 100 Slow Cookers – £2,476.75 Total = £104,476.75
Total VCMA Funding Required (£k)	Total = £104,476.75
Problem(s)	<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 households 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 customers 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>

In the latest figures, released from 2020, Coventry was one of the worst affected authorities in the country, with 20.3% of households in fuel poverty. Some areas of Coventry have fuel poverty rates of over 50%¹.

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 people. 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 people 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

²In 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.

Debt

¹ Fuel poverty in Coventry – Coventry City Council
²

	<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>Scope and Objectives</p>	<p>Cadent will provide Foleshill Community Centre with £102,000.00 GBP 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 households/ customers over the course of the initial 2 year project. The total reach will be divided as below:</p> <ul style="list-style-type: none"> • 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.

	<p><u>Project Objectives</u></p> <p>Cadent will measure the success of the Centre for Warmth - Foleshill Community Centre against the achievement of the following objectives:</p> <ul style="list-style-type: none"> • To deliver income maximisation/home energy efficiency advice to approximately 900 households per annum • To deliver Carbon monoxide 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
<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>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.</p> <p>b. Either:</p> <p>i. Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or,</p> <p>ii. Provide awareness of the dangers of CO, or,</p> <p>iii. Reduce the risk of harm caused by CO;</p> <p>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.</p> <p>c. Have defined outcomes and the associated actions to achieve these:</p> <p>Cadent and Bangor Street Community Centre have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.</p>

	<p>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and,</p> <p>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</p> <p>e. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding,</p> <p>This project will be solely delivered through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>When we asked our stakeholders if they agreed with how we allocate VCMA funding 61% supported how Cadent did this. 81% of customers and 78% of stakeholders support or somewhat support Cadent funding Warm Hubs and Centres for Warmth.</p> <p>We complete periodic 'temperature checks' with a cross section of our customer base, including our Customer Forum. These demonstrate that customers continue to support the key measures that we identified when developing our RIIO-2 plan, with a heightened requirement to support people with the cost of living crisis.</p> <p>The Energy Diaries research – through extensive research with customers living in fuel poverty over a period of several months, we then engaged with experts such as Citizen's Advice, NEA and a suite of other charities operating in this space to co-create a number of additional initiatives that Cadent could offer to its customers. This was one of these initiatives.</p> <p>Charity Partnerships – we have strategic level partnerships in place with around 40 consumer advice organisations and charities. We engage regularly to assess the benefits of existing projects and consider options elsewhere, taking the opportunity to benchmark against others and seek to learn.</p> <p>Centres for Warmth – the teams running the centres also fed into the development of this initiative, when considering the successes of the existing centre projects and opportunities for enhancements, based on the specific needs of the customers / households already being supported.</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>

The Foleshill Community Centre - Centre for Warmth Project aims to achieve the following outcomes:

- Individuals will report increased levels of household income.
- Individuals will report an increased awareness on the dangers of 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.

	<ul style="list-style-type: none"> • Around 1,800 households will improve their awareness of the PSR. Approximately 500 eligible households will also be supported to register.
Project Partners and Third Parties Involved	<p>Cadent will work in partnership with Foleshill Community Centre to deliver the project.</p>
Potential for New Learning	<p>When the Centre for Warmth approach began the financial climate was very different and funding readily available from many sources. With the onset of Covid, war in Ukraine and the cost-of-living crisis all factoring in to increased demand for services, Community centres have become a lifeline for people living in surrounding communities.</p> <p>The centres are being asked to help with many different aspects such as benefit entitlement, housing problems and debt to name but a few.</p> <p>We have realised that by partnering with these centres, Cadent are in a better position to reach many more vulnerable customers than we would alone. The reason for this is because the people who work in the centres are trusted by the community.</p> <p>We will continue to listen and learn from their findings to support our customers.</p>
Scale of VCMA Project and SROI Calculations	<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 households 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)

Total reach of around 1,800 across the duration of the project.

5-year SROI calculations:

5-year gross present value= £4,100,293.75

5-year net social return on investment = £3, 995,817.00 (minus investment Centre costs: £102,000

Slow cooker costs: £2865.50)

1-year SROI calculations:

1-year gross present value= £818,058.75

1-year Social Return on Investment = £799,163.40

(minus investment Centre costs: £102,000

Slow cooker costs: £2865.50)

Supporting households to maximise their income

Cadent worked with SIA Partners to evaluate the average 5-year gross present value of supporting households to maximise their income. SIA Partner's based their analysis on the "actual" data from a 3-month project between Cadent and NEA, and historic data from NEA over the past 3 years.

SIA Partners calculated an average 5-year gross present value of supporting households to maximise their income of £1,717.11.

An average of 1,800 clients will receive this service over the course of the project, equating to a total 5-year gross present value of £3,090,798,00

Educating customers on the dangers of carbon monoxide

Cadent also employed SIA Partners to evaluate the forecasted social return on investment of several RIIO-GD2 business plan elements. These elements included CO education, CO alarm distribution and the repair/replacement of gas appliances.

SIA Partners pointed to a number of factors that influenced the social value generated by educating customers on the dangers of carbon monoxide:

- A reduction in A&E visits linked to CO;
- A reduction in long term hospitalisations linked to CO;
- A reduction in deaths caused by CO;
- A reduction in time of work due to injury caused by CO;
- A reduction in ambulance call outs linked to CO;

	<p>SIA Partners calculated the average 5-year gross present value of a CO educational conversation to be £8.73 - this is based on a 1-2-1 conversation with an 80% retention rate.</p> <p><u>Distributing carbon monoxide alarms to the most at-risk households</u></p> <p>Approximately 500 of the most at-risk households will receive a free CO alarm over the course of the two year project.</p> <p>SIA Partners calculated the average 5-year gross present value of issuing a CO alarm to be £14.</p> <p><u>Supporting households to register to the Priority Services Register</u></p> <p>Cadent worked with SIA Partners to evaluate the average 5-year gross present value of supporting households to register to the PSR. SIA Partner's based their analysis on the DNO proxy bank value for an avoided stress management course.</p> <p>SIA Partners evaluated an average 5-year gross present value of £143.89 for a single PSR registration.</p> <p><u>The Cost of loneliness</u></p> <p>The Centre for Warmth project will reach customers living in urban areas of Cadent's network.</p> <p>³BBC report found that 46% of England's urban population are aged 65 or over.</p> <p>⁴One-fourth of the population aged 65 years and older reported feelings of loneliness.</p> <p>⁵Social Psychiatry and Psychiatric Epidemiology reported a net present value of £6,000 for people who reported being lonely most of the time. This figure was across a 10-year period and equates to £600 per annum. This research concluded that older people who feel lonely are at greater risk of developing conditions such as dementia and depression.</p> <p>⁶The health foundation reported that 21% of older people who live alone, or face feelings of loneliness visit their GP at least once a month. This places pressure on front-line services since many people who experience loneliness think of their GP as someone they can relate to and who will listen to them, engaging in an open, friendly dialogue.</p>
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³ <https://www.bbc.co.uk/news/uk-43316697>

⁴ <https://www.cdc.gov/aging/publications/features/lonely-older-adults.html#:~:text=Older%20adults%20are%20at%20increased,the%20amount%20of%20social%20contact.>

⁵ <https://link.springer.com/content/pdf/10.1007/s00127-019-01733-7.pdf>

⁶ <https://www.health.org.uk/news-and-comment/news/older-people-living-alone-are-50-more-likely-to-visit-ae-than-those-who-live-with>

	<p>The Centre for Warmth project aims to reach 1,800 customers. 46% of which will be aged 65 and over.</p> <p>⁷Campaign to end loneliness reported that over 700,000 people aged 65 and over are experiencing feelings of loneliness. 46% of this age group lives in urban areas which equates to 322,000 people.</p> <p>Social Psychiatry and Psychiatric Epidemiology research suggest a potential saving of £600 per annum for each older customer supported that was previously experiencing feelings of loneliness.</p> <p>The Centre for Warmth project will run for 2 years, equating to a saving of £1,200 per customer.</p> <p>This equates to an overall benefit of £248,400 for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support.</p> <ol style="list-style-type: none"> 1. 1,800 people using centre 2. 46% of the population are over 65 = 828 people 3. 25% of 828 people are lonely with health conditions = 207 people 4. 207 people X £1200 (£600 per annum) = £248,400
VCMA Project Start and End Date	Start date March 2023 End Date Feb 2025.
Geographical Area	The project will be delivered in Cadent's West Midlands network. Supporting the communities located in Coventry
Remaining Amount in the Allowance at Time of Registration	Remaining funding left in the Licensee's/ Licensees' funding pot.

⁷ <https://campaigntoendloneliness.org/guidance/wp-content/uploads/2015/06/StatisticsGFLA.pdf>

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	