

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
*Centre for Warmth – City of Lincoln –
Connected Communities*

Will Allard– Safeguarding and Community Partnerships
Lead

June 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	City of Lincoln – Connected Communities
Funding GDN(s)	Cadent
New / Updated (indicate as appropriate)	New
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable – Cadent company – specific project
Date of PEA Submission	June 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)	Centre costs: £282,180.00 Slow Cooker costs: £7,127.04 Project Management Costs: £11,794.68 Leaflets: £1,470.00 Plaques: £300.00 Heated Blankets: £3,790.00

Total VCMA Funding Required (£k)	£306,661.72
Problem(s)	<p>The city of Lincoln is witnessing unprecedented numbers of people who need support. Despite the vibrancy of the city, there are ten neighbourhoods that fall within the top 10% of deprived areas in the country. Of these areas, one neighbourhood falls within the top 1% of deprived areas in the country and four within the top 5% of deprived areas. A particular concern is income levels with eight of their neighbourhoods falling in the top 10% for income deprivation.²</p> <p>Alongside this national data, Lincoln city council have a good knowledge of the challenges and opportunities faced in the city. This is built up from previous casework and intelligence from our partners in the public and third sector. Therefore, funding will be used to support these local people living in vulnerable situations. [1]16.5% of Lincoln residents live in fuel poverty compared to the national average of 13.06%.</p>
Scope and Objectives	<p><u>Project scope</u></p> <p>Cadent will invest £306,661.72 of VCMA funding to deliver a 22-month project in partnership with Citizen's Advice Lincoln, Lindsay, and the City of Lincoln council.</p> <p>The 2024-2026 agreement will replicate other Centre for Warmth models, whereby specialist advisors are employed using VCMA funding. The centres will provide essential information and support on carbon monoxide (CO) safety, energy efficiency advice and the priority services register (PSR).</p> <p>This project aims to ensure that the City of Lincoln Council working in partnership with Citizens Advice Lincoln and Lindsay are reaching people in deprived communities, to provide energy advice and ensure that those most in need can access support. The Centres for Warmth will be based within locally known community hubs in the City of Lincoln and provide warm, safe, and welcoming spaces for local people thereby removing barriers to accessing advice for people at risk of disadvantage and detriment and build clients' resilience and independence. There will be ten community hubs in the city.</p> <p>Citizens Advice approach to delivering energy advice will be more than providing detailed information and awareness but pitched at a level to achieve an outcome which enables clients to improve their energy situation. Individuals will have access to an energy advice worker who will provide advice and support including:</p> <ul style="list-style-type: none"> ● Energy efficiency advice. ● Welfare benefit entitlements and claims. ● Information & support to help customers register onto the PSR. <p>However, those individuals with more complex energy issues will be supported through casework. This means that problems are worked through to resolution ensuring that a 'hand holding'</p>

² <https://www.nea.org.uk/constituencies/lincoln/>

service is provided to society's most vulnerable. The Energy Advisers are qualified to City & Guilds NEA (National Energy Action) Energy Awareness Level 3 alongside being qualified Citizens Advice advisers and can provide tailored action plans enabling the customers to feel confident to deal with future energy issues. Customers who receive our support will have a better understanding of

- Tariffs, bills, and fuel options.
- Energy efficiency measures and energy savings around the house.
- Benefit entitlements and claiming the benefit to which they are entitled.
- Financial assistance available to support energy costs.
- Educating individuals on the PSR and support with registering.

In addition, the community hubs will provide hot drinks and refreshments, alongside CO and energy efficiency awareness sessions. Slow cooker cooking lessons will also be delivered, teaching how to make a healthy, affordable meal at home.

They will have a project coordinator to develop an understanding on the existing network of community hubs, enabling them to support with raising the profile of the project and coordinate the distribution of slow cookers and fuel vouchers. They will support partnerships and in particular work with Lincoln City Council to develop future areas of support and ensure we are meeting people most in need.

Project Objectives

The objectives of the project can be seen in the table below.

To generate a positive social return on investment - see the below relevant section for more details.

Service(s)	Expected Number of Individuals Reached
Energy efficiency advice	1,200
Educate individuals on carbon monoxide	1,200
Provide carbon monoxide alarms	Minimum of 25%
Educate individuals on slow cookers use (16sessions x 8 people)	256
Provide slow cookers	256
Raise awareness on the PSR	600
Sign families onto the PSR	Minimum of 50%

	Offer income maximisation advice such as supporting with applying for benefits	600
Why the Project is Being Funded Through the VCMA	<p>We believe that the project meets all 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,</p> <p>ii. Provide awareness of the dangers of CO, or,</p> <p>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 Citizens Advice Lincoln and Lindsay have entered into a grant 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>	
Evidence of Stakeholder/Customer Support	<p>Temperature Checks – 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</p>	

	<p>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 several 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 The City of Lincoln Council and Lincoln and Lindsay Citizens Advice centre for warmth project 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 individuals in vulnerable situations.</p> <p><u>Project Outcomes</u></p> <p>The City of Lincoln Council working in partnership with Lincoln and Lindsay Citizens Advice - 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 CO and have a reduced risk of harm caused by CO. • Provide support to lonely residents, ensuring that they can access the community centre and the services it offers. • Provide individuals with energy efficiency advice and CO awareness. • Individuals will report reduced levels of anxiety in fearing a utility outage. • Individuals will report an increased knowledge of cooking on a budget, healthy cooking, and use of a slow cooker to save on energy. • Tackle loneliness and isolation. <p><u>Associated Actions</u></p>

	<p>The City of Lincoln Council and Lincoln and Lindsay Citizens Advice will implement the following associated actions to deliver the project's outcomes:</p> <ul style="list-style-type: none"> • Individuals will report increased levels of household income through working with the centre's specialist benefits advisors. • Specialist benefits advisors will support individuals to identify and access previously unclaimed benefits. • Individuals will report reduced levels of anxiety in fearing a utility outage through be assisted to register to the PSR. Centre staff will all receive an awareness on the PSR and will help eligible households through the registration process. • Individuals will report an increased awareness on the dangers of 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. • Individuals will report an increased knowledge of reducing their energy usage by using a slow cooker because of attending a slow cooking course at a centre. • Individuals will report a better awareness of energy efficiency measures. • Individuals will report an improvement in their mental health because of attending the centres. <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"> • 600 Individual's will receive specialist advice on identifying and accessing previously unclaimed benefits. • 1,200 individuals will receive help and support on energy efficiency. • 1,200 individuals will receive an awareness conversation on the dangers of CO. 300 of the most at-risk households will also receive a CO alarm. • 1,200 individuals will improve their awareness of the PSR. 600 of the individuals reached will also be supported to register. • 256 individuals will improve their knowledge of using a slow cooker to help lower their energy consumption. • Have 10 established Centres for Warmth. • Footfall of 2,400 over the duration of the project, which will tackle loneliness and isolation.
<p>Project Partners and Third Parties Involved</p>	<p>Citizens Advice Lincoln and Lindsay City of Lincoln Council</p>
<p>Potential for New Learning</p>	<p>Every area within Cadent's network sees households suffering the same issues, fuel poverty and low-income. Cadent have learnt that each area also has issues specific to them and these are dealt with differently. To help increase cross network understanding Cadent have set up a forum for the Centres for Warmth.</p> <p>Every quarter we will meet and discuss assorted topics, share stories, tips, and best practice, but most importantly resources such as food.</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 £306,661.72 in partnership with Lincoln and Lindsay Citizens Advice and The City of Lincoln Council to establish and manage 10 Cadent Centres for Warmth.</p> <p>The project will support households with a range of services. The project will benefit households near the community centres, and those in the wider area through the specialist benefits advisors and community outreach workers.</p> <p><u>SROI Calculations</u></p> <p>The reach will be divided as below:</p> <ul style="list-style-type: none"> • 600 receiving in-depth on-to-one advice on income maximisation, benefits = £1,030,266.00 • 1,200 will receive advice on energy efficiency = £441,324.00 • 1,200 will receive awareness advice on CO = £10,476.00 • 600 will register to the PSR = £86,334.00 • 256 will receive advice on slow cooking and a free slow cooker = £60,523.52 • 276 will attend group sessions to help alleviate isolation and loneliness = £303,600.00 <p>Total Investment = £ 306,661.72</p> <p>Five-year gross present value = £1,932,523.52 One-year gross present value = £491,384.70</p> <p>Five-year net value = £1,625,861.80 One-year net value = £338,053.84</p> <p>SROI Ratio = £1:4</p>
<p>VCMA Project Start and End Date</p>	<p>Start Date June 2024 End Date March 2026</p>
<p>Geographical Area</p>	<p>The project will be delivered in Cadent's East Midlands network. Supporting the communities located in the city of Lincoln</p>

**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: 07/05/2024	Review Completed By: Emma Turnbull
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 28/05/2024	Review Completed By: Gurvinder 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	