

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
Mobile Warm Hubs Project



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 - satisfies all 3 criteria
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	Mobile Warm Hubs
Funding GDN(s)	Cadent
Role of GDN(s) *For Collaborative VCMA Projects only	Not Applicable - Company Specific Project
Date of PEA Submission	
VCMA Project Contact Name, email and Number	Name: Phil Burrows, Email: phil.m.burrows@cadentgas.com [REDACTED]
Total Cost (£k)	£62,619.12
Total VCMA Funding Required (£k)	£62,619.12
Problem(s)	<p>Social isolation & loneliness pose many mental and physical health risks to customers living in this form of vulnerability.</p> <p>Recent ONS data reports that around 33% of the population in Warwickshire live in rural or semi-rural areas.</p> <p>Customers living in rural communities have a higher risk of being socially isolated due to a number of factors:</p> <ul style="list-style-type: none"> • An increasing percentage of residents are elderly; • Facilities and transport can be limited; • There is often a lack of local employment opportunities, • Evidence suggests that broadband and technical support can be inadequate. <p>Furthermore, social isolation is often more prevalent in older demographics of the population. An ONS report from 2015 reported that the number of people within the UK population aged 65 plus living in rural areas increased 37% between 2001-2015.</p>

	<p>Fuel poverty in rural areas</p> <p>Fuel poverty presents many physical and mental health risks to customers living in this form of hardship. Customers living in fuel poverty are more likely to turn their heating down below an adequate level and are more at risk of living in a cold, damp home; this carries associated health risks including:</p> <ul style="list-style-type: none"> • Respiratory & circulatory conditions, • Cardio-vascular disease, and, • Mental health conditions <p>ONS statistics report that there were 50,100 excess winter deaths in 2017-2018 and it is estimated that 10% were directly attributed to fuel poverty.</p> <p>Many rural villages may appear affluent at face value. However, residents are not always able to access affordable sources of heat such as a gas connection and central heating, often due to their proximity to the gas network.</p> <p>Furthermore, reports suggest that many customers live in large, energy inefficient homes that often score poorly in terms of EPC rating. This coupled with the lack of local employment opportunities and insufficient affordable housing means fuel poverty can be a serious problem in rural communities.</p> <p>Customers living in fuel poverty can often be more susceptible to other forms of hardship such as food poverty. Data provided by project partner WRCC reported that in April 2020, there was a 63% increase in food parcels given out in North Warwickshire and an 87% increase in South Warwickshire compared to April 2019.</p> <p>Lack of Awareness on the Dangers of Carbon Monoxide in Rural Communities</p> <p>Many rural communities experience a lack of facilities, particularly relating to information and adequate broadband. As such, it can be challenging for organisations like GDNs to reach rural customers with key messaging on gas safety and carbon monoxide awareness.</p> <p>Furthermore, the impact of fuel poverty in rural areas means many customers can often not afford the cost of servicing their gas appliances or sweeping their chimneys.</p>
<p>Scope and Objectives</p>	<p>Project Scope</p> <p>Mobile Warm Hubs aims to target social isolation and related hardship affecting vulnerable residents living in rural and semi-rural areas of Warwickshire and Solihull. This project, aims to create closer communities by:</p> <ul style="list-style-type: none"> • Encouraging people to come together after months of isolation;

- Providing people with access to energy efficiency, carbon monoxide and home gas safety advice;
- Creating new, inclusive community activities;
- Offering people access to a broad range of available support services by experts and carefully chose partners.

Cadent aims to achieve this by working in partnership with rural communities' charity WRCC to repurpose an existing vehicle to deliver events to customers living in vulnerable situations around Warwickshire & Solihull. These events will focus on tackling the issues outlined in the "problem" section of this document through:

- Creating events that promote togetherness, volunteering and community;
- Including themes of energy-efficiency and income maximisation advice to support customer living in fuel poverty; and,
- Delivering specific events around the dangers, signs and symptoms of carbon monoxide - this messaging will be appropriate for both homes with gas appliance and with solid fuel burning appliances as is often found in these communities.

The use of a vehicle will allow Cadent to reach multiple communities across the duration of the project. For example, the project aims to visit a different rural/semi-rural community each working day of the week, ensuring a variety of locations are targeted to reach a range of demographics.

Many community venues are still adapting to the Covid-19 guidelines and navigating the road map out of lockdown. The Mobile Warm Hub vehicle allows community events to delivered safely and in-line with the current Covid-19 guidelines, whilst in-door venues still adapt to a new way of operating.

As well as working alongside existing community venues, Mobile Warm Hub can target communities with a lack of existing services and venues.

Project Objectives

The Mobile Warm Hub project contains a series of objectives that success will be defined against:

- To support customers living in vulnerable situations across Warwickshire & Solihull.
- To provide services to isolated customers living in communities that may not have the venue or facilities to be able to benefit from a static Warm Hub.
- To generate a positive social return on investment (SROI) on funding provided by Cadent through the Vulnerability & Carbon Monoxide Allowance (VCMA).
- To provide key messaging on gas safety, carbon monoxide awareness and in-home energy efficiency advice to isolated customers across Warwickshire & Solihull.

	<p>The project aims to support customers living in vulnerable situations across Warwickshire & Solihull. Knowledge by our partner and readily accessible public data on the different types and levels of customer vulnerability in an area, will be used when selecting locations for the delivery of Mobile Warm Hub sessions. This will ensure that the project is both inclusive, benefiting a wide range of customers, and that the project demonstrates key traits contained within the VCMA framework.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>Cadent is proposing to fund this project via the VCMA due to:</p> <ul style="list-style-type: none"> • The use of the Mobile Warm Hub vehicle presents an innovative way of engaging hard to reach customers who stand to benefit most from the gas safety, carbon monoxide and energy efficiency messaging. This goes beyond existing incentives funded by other price control mechanisms. • Issues with fuel poverty, poor existing facilities and inadequate internet can mean that some rural communities struggle to access information relating to energy safeguarding and awareness on the dangers of carbon monoxide. This project looks to bridge that gap by creating a platform to issue information to customers in rural communities. • Through consultation with partners at WRCC and SROI experts at SIA Partners, Cadent believes that delivering services that reduce the health risks associated with loneliness and isolation, cold related illness and the dangers of carbon monoxide will provide a positive Social Return on Investment.
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent conducted extensive stakeholder and customer engagement as part of its business plan formation.</p> <p>Cadent sought feedback from national rural charity ACRE around our proposals, particularly how we ensure that rural communities stand to receive benefit from Cadent's management of the VCMA.</p> <p>ACRE supported Cadent's strategy of using the Warm Hub concept to promote togetherness in rural communities. The charity also supported Cadent's strategy of tackling isolation, fuel poverty and promoting awareness of carbon monoxide, recognising these as important issues in rural communities.</p> <p>Project partner WRCC also engaged local stakeholder Stratford-Upon-Avon district council around any potential need for this service in their constituency. The council pointed to their recent Social Inclusion Statement 2019-2024 which shares many overlaps with the Mobile Warm Hubs project:</p> <p>The district council's social inclusion statement named the following as priority issues in the area:</p> <ul style="list-style-type: none"> • Combating social/rural isolation;

	<ul style="list-style-type: none"> • Supporting older people; • Empowering communities to help themselves; • Improving mental wellbeing; • Raising awareness of services and support e.g. energy efficiency advice, PSR sign up, CO awareness
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>Project Outcomes</p> <p>The Mobile Warm Hubs project aims to achieve the following Outcomes:</p> <ul style="list-style-type: none"> • Essential safeguarding services, as well as advice on in-home energy efficiency is delivered to isolated customers living in rural/semi-rural communities. • A positive social return on investment is achieved through offering support to customers, minimising the risks of health issues associated with isolation, cold related illness from living in fuel poverty and exposure to the dangers of carbon monoxide. • To bring sustainable activities to rural/semi-rural communities that currently have a lack of existing support for customers. <p>Project Associated Actions</p> <p>In order to achieve the project outcomes, Cadent will work with project partner WRCC to deliver the following actions:</p> <ul style="list-style-type: none"> • Work with local stakeholders such as Act on Energy and Orbit Housing to ensure links are created between local groups and Mobile Warm Hubs. This will ensure that we reach a significant number of customers that stand to benefit most from the project. • Ensure that Mobile Warm Hub venues are supported with training and resources in order to create a sustainable benefit that continues beyond the initial 12-month project. • Make innovative use of social mapping data and engagement with local stakeholders to ensure Mobile Warm Hubs targets communities that stand to benefit most from the project's messaging. <p>What will success look like?</p> <p>Mobile Warm Hubs aims to visit up to 20 communities during the initial 12-month project period. This will include a mixture of weekly and monthly visits, with the vehicle operating 5 days per week, 48 weeks per year. Based on this number of visits, we forecast to reach at least 2400 customers across the 12-month project.</p> <p>As well as aiming to reach a target number of customers, Cadent and WRCC will review the qualitative</p>

	<p>benefits/indicators of the project as part of the final evaluation.</p> <p>Meeting of the below indicators will help Cadent determine the success of the project:</p> <ul style="list-style-type: none"> • Reduce social isolation e.g.: <ul style="list-style-type: none"> • Are attendees taking part in new activities; • Do attendees report having more friends/connections as a result of the project; • Are attendees accessing new forms of community support/public services; • Uptake in energy efficiency and/or home gas safety information e.g.: <ul style="list-style-type: none"> • Are eligible attendees using carbon monoxide alarms and do they understand the signs, symptoms and dangers of CO; • Do attendees feel warmer and safer at home; • Do attendees report energy cost savings as a result of the information issued under the project;
<p>Project Partners and Third Parties Involved</p>	<p>Cadent's primary project partner will be rural communities charity Warwickshire Rural Community Council (WRCC). A member of the ACRE network, WRCC tackle disadvantage and support resilience and initiatives in rural Warwickshire communities.</p> <p>WRCC aim to bring a range of expertise and skills to the partnership:</p> <ul style="list-style-type: none"> • Experience in engaging and supporting customers that live in rural/semi-rural communities. • An established network of contacts across the project geographic area - these contacts can facilitate access to previously "closed" communities. • An organisation recognised and respected by many potential customers across the project geographic area. <p>WRCC will be working in collaboration with volunteering charity VASA to help deliver the project.</p> <p>VASA are to provide volunteers to help deliver Mobile Warm Hub events, and their team possess many skills in running similar themed events and engaging customers.</p> <p>Cadent's partnerships with WRCC and VASA will indirectly engage many other local 3rd parties able to support successful delivery of the project. For example, both WRCC and VASA hold great relationships with West Midlands based charity Act on Energy and Warwickshire CAVA, a community and voluntary action charity.</p>
<p>Potential for New Learning</p>	<p>The Mobile Warm Hubs project offers many potential areas of learning that Cadent can adopt for other VCMA-funded projects in RIIO-2.</p>

	<p>Firstly, one of the main drivers behind launching the project was its focus on supporting rural/semi-rural communities. Many of Cadent's projects naturally focus on more urban areas and we wanted to ensure that rural customers received benefit from the VCMA.</p> <p>This project will deliver learning on the best methods, communication channels and services to best engage rural customers living in vulnerable situations.</p> <p>Secondly, the project focuses on tackling loneliness and isolation, as well as other energy safeguarding issues. Many customers living in isolation (particularly those that display other vulnerabilities) may be hesitant to re-engage with their local community following the pandemic. This project will offer learning on how Cadent as a GDN can best support customers who may still have concerns around social interaction following Covid-19.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p>Mobile Warm Hubs aims to visit up to 20 communities during the initial 12-month project period. This will include a mixture of weekly and monthly visits, with the vehicle operating 5 days per week, 48 weeks per year. Based on this number of visits, we forecast to reach at least 2400 customers across the 12-month project.</p> <p>We believe that first testing the mobile concept on this scale will provide valuable learning that can be applied to wider roll out in other rural areas of Cadent's network(s).</p> <p>We also believe that the investment required to deliver the project (£69,438) * versus the forecasted number of customers receiving benefit (at least 2400) provides an effective spend of the VCMA.</p> <p>*these include the conversion and start-up costs that will not be there as we move into year 2</p> <p>The SROI of this project is: Energy Efficiency advice based on only 10% of visitors taking this service up is- Cost per conversation is £170 with a social return of £1717 240 customers cost = £40,800 with a social return of £412,320 Net benefit of £371,520 Issuing of CO alarms to all attendees – each alarm represents £10.80 net benefit of SROI. Assuming 50% of customers are issued an alarm 1200x£11.80=£14,160 net benefit Signing 20% of visitors up to the PSR as part of the Energy efficiency advice service has no cost as is covered in the conversation.Net benefit £143.89 per sign up. 480 x £143.89 = Net benefit of £69,067 Total SROI - £454,747</p> <p>These costs do not cover all the services that are offered however these will be updated as we go through the project.</p>
<p>VCMA Project Start and End Date</p>	<p>The project is due to start on 04/05/2021 and run for 12 months throughout year 1 of RIIO-GD2.</p>
<p>Geographical Area</p>	<p>The Mobile Warm Hub project will run across rural/semi-rural areas of Warwickshire & Solihull - located in Cadent's West Midlands network.</p>

	<p>Particular attention will be given to areas with:</p> <ul style="list-style-type: none"> • Higher levels of social isolation; • A higher concentration of need based on the volume of customers registered to the PSR; • Areas with a lack of existing infrastructure and facilities more suited to the Mobile Warm Hub model; • Higher levels of deprivation including fuel poverty and relative poverty;
Remaining Amount in the Allowance at Time of Registration	N/A

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

<p>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.</p>	
<p>Stage 1: Customer Strategy Team PEA Peer Review</p>	
<p>Date Immediate Team Peer Review Completed: 18/05/2021</p>	<p>Review Completed By: Edward Allard</p>
<p>Stage 2: Customer Strategy Team Management Review</p>	
<p>Date Management Review Completed: 19/05/2021</p>	<p>Review Completed By: Phil Burrows</p>
<p>Step 3: Director of Customer Strategy Sign-Off</p>	
<p>Director of Customer Strategy Sign-Off Date: Mark Belmega 23 August 2021</p>	
<p>Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)</p>	

Date that PEA Document Uploaded to the Website: August 2021

Date that Notification Email Sent to Ofgem: September 2021