

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Centre For Warmth - Bonny Downs
Community Association

Edward Allard - Social Programmes Manager
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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 - Bonny Downs Community Association
Funding GDN(s)	Cadent - North London Network
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - company specific project
Date of PEA Submission	September 2022
VCMA Project Contact Name, email and Number	Name: Phil Burrows - Head of Customer Vulnerability Social Programmes Delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451
Total Cost (£k)	Partner Costs: £52,972.10 Project management costs £3,349.44 Slow cookers: 80 large slow cookers = 80 x £27.84= £2,227.20 20 Small slow cookers = 20 x £15.55 = £311.00 Total slow cookers = £2,538.20
Total VCMA Funding Required (£k)	Total cost = £58,859.74
Problem(s)	<p>Newham, East London is a borough located in Cadent's North London Network. The borough is within the 10 percent most deprived authorities in England and has ¹4 LSOAs in the top 10% most deprived areas nationally. Areas with high levels of deprivation are typically affected by fuel poverty, income deprivation and are at a higher risk of carbon monoxide (CO) poisoning.</p> <p><u>Fuel Poverty</u></p> <p>Statistics suggest that households living in areas of high deprivation are at higher risk of experiencing fuel poverty - particularly as home energy efficiency, the cost of energy bills, and household income all contribute towards fuel poverty.</p> <p>Deprived areas are typically affected by relatively high unemployment rates and low income. Evidence shows that there is a trend in fuel poverty: the lower your income the more likely you are to be at risk of fuel poverty. Additionally, fuel poor homes often have low energy efficiency ratings resulting in higher-than-average energy bills.</p> <p><u>Income and Unemployment</u></p> <p>ONS (2019) data indicates that deprived areas have a higher percentage of people in income deprivation. In Newham,</p>

¹ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

	<p>16.9% of the population is income -deprived and 38 out of 164 neighbourhoods in Newham were among the most deprived. Newham also remains 3rd in income deprivation affecting older people.</p> <p>Newham has one of the highest rates of homelessness in the country; approximately 1 in 25 people in Newham are homeless.</p> <p><u>Carbon Monoxide Risk and Deprivation</u></p> <p>In the UK, approximately ²30.3 people die from accidental carbon monoxide poisoning every year , with over ³4,000 hospital visits estimated to be related to carbon monoxide.</p> <p>⁴NEA (2017) research indicates that the factors which expose households to the risk of fuel poverty such as low income, poor quality housing and poor health impact heating and service behaviour and result in an increased risk of carbon monoxide poisoning.</p> <p>Regardless of key messaging and recommendations, many low-income households are unable to afford CO Alarms and regular gas appliance safety checks.</p>
<p>Scope and Objectives</p>	<p><u>Project Scope</u></p> <p>Cadent will provide Bonny Downs Community Association (BDCA) with £58,310.30 of VCMA funding to enable the delivery of an initial 12 month Centre for Warmth project.</p> <p>The funding will be used by the centre to provide a range of services to local residents living in vulnerable situations.</p> <p>These services include:</p> <ul style="list-style-type: none"> • The employment of six part time staff who will support residents by facilitating and issuing a range of advice including home energy efficiency, money/ debt management, benefit entitlement checks, priority services register, gas safety and housing; • The issuing of 100 slow cookers to enable clients to cook affordable, efficient and healthy meals; • The issuing of 200 carbon monoxide alarms to enable vulnerable households to stay safe against the dangers of carbon monoxide; • The delivery of 4 interfaith events across the project period. These events will tackle loneliness and isolation, as well as offering a mechanism for customers to access essential support and advice; <p>The project aims to reach 2786 people over an initial 12 month project. The reach will be divided between:</p>

² <http://www.co-gassafety.co.uk/wp-content/uploads/2019/01/Statistics-sheet-presspack-Jan-2019-18.01.19.pdf>

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/260211/Carbon_Monoxide_Letter_2013_FinalforPub.pdf

⁴ <https://www.nea.org.uk/publications/understanding-carbon-monoxide-rise-in-households-vulnerable-to-fuel-poverty/>

	<ul style="list-style-type: none"> • 117 households will receive energy saving/priority services register/carbon monoxide awareness advice; • 600 customers will attend the 4 interfaith events; • 936 customers attending Family Hub service for a range of essential advice and support; • 1133 customers receiving wider support, services and advice. This includes immigration/maternity, debt advice, housing, food pantry advice, and benefits money management. <p><u>Project Objectives</u></p> <p>The Centre for Warmth - Bonny Downs Community Association (BDCA) project has a number of objectives that success will be measured against:</p> <ul style="list-style-type: none"> • To support local clients of BDCA and surrounding households within the project area at risk of and/or living in fuel poverty, in isolation, and at risk of dangerous exposure to carbon monoxide; • To deliver energy saving/priority services register/carbon monoxide awareness advice to approximately 117 customers; • To deliver 4 interfaith events - reaching approximately 600 customers. The events will tackle loneliness and isolation and promote the services and support provided by BDCA. These services include energy efficiency, gas safety, money management and the priority services register; • To issue 100 slow cookers and 200 CO alarms to customers in vulnerable situations. this will enable clients to stay safe at home and cook affordable, energy efficient and healthy meals;
<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 advice, carbon monoxide awareness, and tackling loneliness/isolation.</p> <p>b. Either:</p> <p>i. Provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or, ii. Provide awareness of the dangers of CO, or, 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 partner will help households to 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 Bonny Downs Community Association 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>The Bonny Downs Community Association - Centre for Warmth project aims to offer customers in vulnerable situations support, particularly those impacted by the cost of living crisis.</p> <p>Cadent and Britain Thinks conducted research on customer's attitudes towards energy in 2022. The research focussed on measuring customer's attitudes towards energy and understanding any shifts in perception since the development of Cadent's RIIO-GD2 business plans.</p> <p>The research evidenced that customers are making changes to household spend and energy. For example, the Cadent study found similarities with the ONS February 2022 survey where 79% of customers said that their cost of living had increased due to price rises in energy and food.</p> <p>Additionally, the same survey found that 26% of customers had needed to use their savings to pay for household essentials such as energy and food.</p> <p>This VCMA project is aimed at helping Newham households who are finding the need to eat into savings or reduce energy and food consumption as a result of the cost of living crisis. The project will offer essential support through helping households to maximise their income and use their energy more efficiently.</p> <p>Cadent also conducted customer and stakeholder feedback on its 2021-2022 VCMA delivery. Cadent asked participants for feedback on its 4 key VCMA project areas: Identifying customers' needs and joining up support services, Tackling affordability and fuel poverty, Protecting our customers from the dangers of CO, and Going beyond to never leave a customer vulnerable without gas.</p> <p>81% of customers and 78% of stakeholders supported Cadent continuing its funding of community-based projects such as</p>

	<p>Centres For Warmth and Warm Hubs. For instance, one customer participant (aged >70) commented:</p> <p>"Some interaction is vital for people on their own - giving them a safe and warm place to meet up is vital for many people's mental health"</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes</u></p> <p>This VCMA project will be delivered in partnership with Bonny Downs Community Association (BDCA). The project's aim is to support 2786 local residents with fuel poverty linked, safety and loneliness issues within an initial 12-month project period.</p> <p>The project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Customers will receive support and advice on a range of topics including home energy efficiency, money/ debt management, benefit entitlement and checks, priority services register, gas safety and housing; • Residents living in/at risk of living in fuel poverty will be issued with CO alarms and slow cookers. This will allow them to stay safe against the dangers of CO and create healthy, affordable and energy efficient meals; • Lonely and isolated residents will have support and an awareness of the outlined services offered by BDCA. <p><u>Associated Actions</u></p> <ul style="list-style-type: none"> • Cadent will provide BDCA with £58,310.30 of VCMA funding, training and materials to enable the delivery of the project's objectives; • BDCA will employ 6 part time staff who will support residents by facilitating and issuing a range of advice including home energy efficiency, money/ debt management, benefit entitlement and checks, priority services register, gas safety and housing; • BDCA will issue 100 slow cookers to enable clients to cook affordable, efficient and healthy meals; • BDCA will issue 200 carbon monoxide alarms to enable clients to stay safe against the dangers of carbon monoxide; • BDCA will coordinate and deliver 4 interfaith events across the project period . These events will tackle loneliness and isolation, as well as offering a mechanism for customers to access essential support and advice; <p><u>Success Criteria</u></p> <p>The success of the project will be measured by evaluating achievement of the following objectives/outcomes;</p> <ol style="list-style-type: none"> 1. The project will reach approximately 2786 customers across the course of the initial 12 months; 2. 117 households will receive energy saving/priority services register/carbon monoxide awareness advice; 3. Approximately 600 customers will attend the 4 interfaith events;

	<ol style="list-style-type: none"> 4. 936 customers attending Family Hub service for a range of essential advice and support; 5. 1133 customers receiving wider support, services and advice -this includes immigration/maternity, debt advice, housing, food pantry advice, and benefits money management; 6. 100 customers will receive slow cooking advice and a free slow cooker to help with eating on a budget and lowering energy consumption. 7. Cadent and BDCA will also review the qualitative outcomes and indicators of the project to determine the project's success. These include: <ul style="list-style-type: none"> • Customers will feel less lonely and isolated through being able to access local community-based activities that are focussed on togetherness/social interaction; • Customers will report reduced stress and anxiety levels through feeling in better control of their finances, housing, and energy efficiency; • Customers will report improved levels of safety through having an improved understanding on the signs, symptoms, and dangers of carbon monoxide; • Customers will feel in more control of their home's energy usage through an improved awareness on energy efficiency techniques, including slow cooking.
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will work in partnership with Bonny Downs Community Association to deliver the VCMA project.</p>
<p>Potential for New Learning</p>	<p>The Bonny Downs Community Association - Centre for Warmth project will offer potential learning which Cadent can adopt for other VCMA-funded projects. The project will also provide specific insights into how fuel poverty and CO impacts London-based households.</p> <p>Many of Cadent's VCMA projects are located in urban areas. However, less Centres for Warmth projects are located in highly ethnically diverse areas. Newham is the 2nd most diverse borough in London. This project will provide learning about the best methods, communication channels and services to engage vulnerable customers located in ethnically diverse urban communities.</p> <p>Furthermore, BDCA has a particular project/session which supports low income families. The demographic of attendees are young, immigrant mothers who experience particular challenges such as maternity debt and acculturation- all which contribute to their vulnerability. There are gaps in current research and projects linked to young immigrant mothers, CO safety and fuel poverty. This element of the project will provide learning about the best methods and services to engage young vulnerable immigrant mothers in urban communities.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Project Scale</u></p> <p>The Bonny Downs Community Association - Centre for Warmth project will be delivered across an initial 12-month duration and is forecasted to reach a total of 2786 individuals.</p>

The project will use the Cadet Centre for Warmth model and will provide local households with support on home energy efficiency, carbon monoxide safety, income maximisation, and awareness on the Priority Services Register (PSR).

SROI Calculations

Investment = £58,859.74

- 5-year Social Return on Investment = £274,478.47
- 1-year Social Return on Investment = £41,522.89
- 5-year Gross Present Value = £313,338.21
- 1-year Gross Present Value = £49,294.84

Supporting customers to maximise their household 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.

The project aims to deliver advice on income maximisation to approximately 78 individuals across the 12-months of the project.

Each of the clients will receive £1,717.11 in social value, equating to a total 5-year gross present value of £133,934.58.

Supporting customers to improve their energy efficiency

As part of Cadent's work to evaluate the average 5-year gross present value of a number of VCMA-funded activities, SIA Partners were commissioned to measure the social value of energy efficiency advice.

SIA Partners evaluated the gross present value of 15 energy advice topics including efficient use of appliances and behaviours, heating and hot water controls, and tackling condensation and dampness. The BDCA team will issue advice on the above topics, with each service yielding the below average 5-year gross present value:

- Efficient use of appliances and behaviours = £367.77;
- Heating and hot water controls = £332.33;
- Tackling condensation and dampness = 183.82;

We have forecasted that each customer will receive support with at least one of the energy advice topics. The average 5-year gross present value across the three topics is £246.50.

Approximately 117 customers will receive advice on home energy efficiency across the 12-month duration of the project, equating to a total 5-year gross present value of £28,840.50.

	<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.</p> <p>SIA Partners 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>Approximately 117 customers will be eligible and supported to register to the PSR, equating to a total 5-year gross present value of £16,835.13.</p> <p><u>Reducing loneliness and isolation</u></p> <p>As well as supporting customers with energy and financial hardship related services, the project will also help clients suffering from loneliness and isolation.</p> <p>The project has a total forecasted reach of 2,786 customers, with all of these individuals visiting the centre and utilising its wider services.</p> <p>A Campaign to End Loneliness 2022 ⁵report stated that Londoners are more likely than others in the UK to be affected by severe forms of loneliness.</p> <p>The report stated that 8% of Londoners experience severe loneliness, translating to 222.88 people on this project.</p> <p>The June 2020 loneliness ⁶analysis for the Department for Digital, Culture, Media & Sport found that individual affected by loneliness most of the time required £6,000 in additional healthcare costs over 10 years, averaging £600 per year.</p> <p>The project's social interaction and community based activities will directly tackle loneliness, creating a social value of £133,728 over the 12-month duration of the project.</p>
<p>VCMA Project Start and End Date</p>	<p>Project Start Date:08/09/2022 Project End Date: 07/09/2023</p>
<p>Geographical Area</p>	<p>The project will be delivered to customers living in the Newham borough of London in Cadent's North London Network.</p>
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>TBC upon receiving Director of Sustainability and Social Purpose sign-off.</p>

⁵ <https://www.campaigntoendloneliness.org/wp-content/uploads/Reconceptualising-Loneliness-Final-for-Pub-29Mar22.pdf>

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/963077/Loneliness_monetisation_report_V2.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: 09/01/23	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 10/10/22	Review Completed By: Phil Burrows
Step 3: Director of Sustainability and Social Purpose Sign-Off: Mark Belmaga	
Director of Customer Strategy Sign-Off Date: 23/03/23	
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: January 2023	
Date that Notification Email Sent to Ofgem: January 2023	