

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Bangor Street Community Centre - Centre for Warmth

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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;	Not Applicable
b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	Not Applicable
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.	Not Applicable

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;	Not Applicable
b) Have the potential to benefit consumers on the participating networks; and	Not Applicable
c) Involve two, or more, gas distribution companies.	Not Applicable

**Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA)
Governance Document - Project Registration Table 2**

Information Required	Description
Project Title	Centre for Warmth - Bangor Street Community Centre
Funding GDN(s)	Cadent specific project
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent specific project
Date of PEA Submission	December 2022
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: £139,400.00 Slow cookers: £4,953.50 (200 Slow cookers 150x large £27.84/ 50x small £15.55)
Total VCMA Funding Required (£k)	Total investment: £144,353.50
Problem(s)	<p><u>Fuel Poverty:</u></p> <p>Residents in Blackburn are experiencing fuel poverty, unemployment, barriers to education, health inequalities, abuse, mental health, deprivation, and gender inequality. Residents are faced with higher levels of crime, and behavioural and psychological difficulties.</p> <p><u>Problems families are facing in Blackburn:</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 energy costs. • Low-income families do not have access to energy saving services and products or they may not be aware of any. • Families need advice relating to legal, environmental, and social rulings that may impact them. • Those with special needs and mental health concerns need support. <p>¹Data from Loughborough University shows Blackburn has a child poverty rate of 45 percent, this is the worst rate for a parliamentary district in Lancashire. The rate of child poverty in Blackburn with Darwen as a borough is 37.6 percent, the third worst rate in the North West, showing more than one in three children in the district live in poverty. With spiralling inflation, sky-high household energy prices, petrol costs soaring and the cost of everyday items and food continuing to rise - all set against stagnant wages - families are finding it harder and harder to make ends meet and seeing their</p>

¹ [Nearly half of Blackburn children living in poverty | Lancashire Telegraph](#)

money not stretch as far. The borough has had the worst child poverty rate in the county for the last three years.

²Stats from End Child Poverty show that before the pandemic 30% of children were living in poverty, that's 500,000 higher than five years ago.

In Blackburn alone, 45% of kids (that's over 12 thousand) currently live in poverty. It's a similar figure in places like Preston (38%) and Blackpool (35%), while the rest of Lancashire is around the same sort of figures as the national average.

Experts fear the coronavirus pandemic and other factors have made the situation much worse:

- Energy bills are rising at record levels
- The end of the Universal Credit uplift sees families £20 a week worse off
- Job uncertainty caused by the Coronavirus pandemic and Brexit
- Rising inflation pushing prices up

Loneliness and Social Isolation:

³"In the Blackburn with Darwen Joint Health and Wellbeing Strategy 2012-2015 it is noted that there is a significant section of the local population that is socially isolated, and therefore at risk of loneliness"

There is a clear link between loneliness and poor mental and physical health, with lonely and socially isolated adults being more likely to be admitted to residential care and individuals who are socially isolated being between two and five times more likely than those who have strong social ties, to die prematurely"

Tackling loneliness and isolation in older people is inexpensive but results in substantial gains including fewer GP visits, less use of medication, fewer falls, and reduced risk factors for long-term care.

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

² [45% of children in Blackburn living in poverty in the run-up to Christmas | News - Rock FM \(planetradio.co.uk\)](#)

³ [Loneliness and Isolation in Blackburn with Darwen](#)

	<p>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>Debt</u></p> <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><u>Project Scope</u></p> <p>Cadent will invest £144,353.50 of the VCMA to deliver a two- year project with Bangor Street Community Centre.</p> <p>The two-year 2022-2024 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 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><u>4x Community Engagement officer Roles</u></p> <ul style="list-style-type: none"> • Reach out to residents across local wards and across the borough. Visit homes to share energy-saving advice and book gas checks, distribute slow cookers and seat covers. • Visit homes and groups to create awareness of Carbon Monoxide safety. • Link up with community groups and charities who already have grassroots links with specific vulnerable communities and families they access. • Collect feedback from households and people who are to benefit from the projects. <p><u>2x Community Engagement Lead Officer roles</u></p> <ul style="list-style-type: none"> • Advise residents and visitors to the centre on housing, citizenship, debt, energy saving, recycling and benefits. • Liaise and link up community engagement officers and community groups and charities to deliver sessions. • Host sessions to create awareness of Carbon Monoxide safety.

	<ul style="list-style-type: none"> Collect feedback from households and people who are to benefit from the projects <p><u>Weekly Warm Night events</u></p> <p>The centre will offer a safe warm place for families struggling with fuel and food costs and supply a nutritious, healthy, warm meal for all who attend. The centre will ensure that whilst people are there the staff will interact and make them aware of other services on offer and provides advice on CO awareness, PSR, energy efficiency, and Income maximisation. The centre will have a diverse and inclusive space where people feel part of the community. These weekly sessions will tackle loneliness and isolation. Build strong relationships with the community and help them address any issues.</p> <p>The project aims to reach approximately 6,192 households/customers over the course of the initial 2-year project.</p> <p>This total reach will be divided between:</p> <ul style="list-style-type: none"> 1,920 households per centre receiving income maximisation advice. 6,192 households per centre receiving energy efficiency advice. 6,192 households per centre will engage with others to tackle social isolation and loneliness. 6,192 PSR conversations and 1,000 sign ups. Provide 500 CO alarms. <p><u>Project Objectives</u></p> <p>Cadent will measure the success of the Centre For Warmth - Bangor Street Community Centre against the achievement of the following objectives:</p> <ul style="list-style-type: none"> To deliver income maximisation advice to 1,920 households. To deliver energy efficiency advice to 6,192 households. To deliver Carbon monoxide safety advice to 6,192 To provide 500 alarms per annum to households that do not have one Raise awareness on the PSR to 6,192 households To support 1,000 people to sign onto the PSR register 6,192 households will be reached tackling loneliness and isolation 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>

	<ul style="list-style-type: none"> 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>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> <ul style="list-style-type: none"> c. Have defined outcomes and the associated actions to achieve these: <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> <ul style="list-style-type: none"> d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and, <p>This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.</p> <ul style="list-style-type: none"> e. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding, <p>This project will be solely delivered through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent's independent customer engagement group report for its RIIO-GD2 business plans contains feedback on a variety of proposals, including Cadent's ambitions for tackling fuel poverty.</p> <p>The report supported Cadent's holistic approach to tackling fuel poverty, whereby a household is supported with a combination of services/advice.</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>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 our RIIO-2 plan, with a heightened requirement to support people with the cost-of-living crisis – hence this.</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</p>

	<p>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>Stakeholder feedback – Working with various Stakeholders we can understand the needs of customers living in vulnerable situations across our networks. Regular conversations and check ins with organisations such as Citizens Advice, National Energy Action and Groundwork. These regular check ins allow us to gain feedback on the projects we are or should be supporting and ensuring that the projects are in the best interests of our customers. The guidance we are being given is consistently around supporting customers living in fuel poverty and especially in light of the current energy crisis.</p> <p>Stakeholder feedback – We have sent out questionnaires to organisations we deal with and some that have an interest in the customers we are looking to support, and we have received overwhelming support and confirmation that the projects we are supporting are appropriate and are helping those most at risk.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The partnership with Bangor Street 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> <p>The Bangor Street Community Centre - 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 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.
- Customers will have reduced stress levels due to knowing they can go to a warm space and receive a nutritious, healthy warm meal.
- Awareness of the PSR

Associated Actions

The Bangor Street 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 a utility outage through being encouraged to register on 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.
- Cadent's funding will enable the centre to buy all the ingredients to make a healthy, nutritious hot meal using the slow cookers that Cadent's we have already provided through the Centres for Warmth project.
- Cadent's funding enabling the centres to open for longer hours through the winter will tackle loneliness and social isolation.

Success Criteria

The success of the project will be measured against meeting the below criteria:

- The project will reach 6,192 households across the course of the 2 years.
- 1,920 households will receive specialist advice on identifying and accessing previously unclaimed benefits.
- 6,192 households will receive help and support on energy efficiency
- 6,192 households will receive an awareness conversation on the dangers of CO. 500 of the most at-risk households will also receive a CO alarm.

	<ul style="list-style-type: none"> • 6,192 households will improve their awareness of the PSR. 1,000 eligible households will also be supported to register. • 1,200 will receive a hot nutritious warm meal and receive general gas safety advice, CO, PSR and income maximisation advice.
Project Partners and Third Parties Involved	<p>Cadent will work in partnership with Bangor Street Community Centre to deliver the project.</p>
Potential for New Learning	<p>The national landscape is quite different at the time of project registration, versus the start of RIIO-GD2. There have been significant rises in the cost of living and fuel in 2022, and it is important that Cadent's support through the VCMA meets these changes. This Centre for Warmth agreement will offer Cadent insight on the new challenges faced by communities in 2022. This new learning will be circulated across Cadent's entire VCMA programme beyond just Centre for Warmth.</p>
Scale of VCMA Project and SROI Calculations	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £144,353.50 in partnership with Bangor Street Community Centre over 2 years.</p> <p>This VCMA project will be delivered across a two-year partnership with Bangor Street Community Centre. The project will support approximately 6,192 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 = £144,353.50</p> <p><u>SROI Calculations</u></p> <ul style="list-style-type: none"> • 1,920 people supported with benefits and debt advice: £3,296,851.20 • 6,192 people supported with energy efficiency advice: £2,277,231.84 • 6,192 people advised on CO: £54,042.12 • 1000 PSR sign-ups: £143,890.00 • 6,192 tackle social isolation: £854,496.00 (for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support) <p>Total reach of around 6,192 across the duration of the project.</p> <p>5-year gross present value= £6,626,511.16 1-year gross present value= £1,581,651.03</p> <p>5-year Social Return on Investment = £6,482,157.66 1-year Social Return on Investment = £1,296,431.53</p> <p><u>Supporting households to maximise their income</u></p>

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.

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;

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.

Supporting households to register to the Priority Services Register

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.

SIA Partners evaluated an average 5-year gross present value of £143.89 for a single PSR registration.

The Cost of Loneliness

The Centre For Warmth project will reach customers living in urban areas of Cadent's network.

^[1]BBC report found that 46% of England's urban population are aged 65 or over.

^[2]One-fourth of the population aged 65 years and older reported feelings of loneliness.

^[3]Social 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

^[1] <https://www.bbc.co.uk/news/uk-43316697>

^[2] <https://www.cdc.gov/aging/publications/features/lonely-older-adults.html#:~:text=Older%20adults%20are%20at%20increased,the%20amount%20of%20social%20contact.>

^[3] <https://link.springer.com/content/pdf/10.1007/s00127-019-01733-7.pdf>

	<p>are at greater risk of developing conditions such as dementia and depression.</p> <p>^[4]The 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> <p>The centres For Warmth project aims to reach 6,192 urban customers. 46% of which will be aged 65 and over. This equates to 2,848.32 customers.</p> <p>^[5]Campaign to end loneliness reported that over 700,000 people aged 65 and over are experiencing feelings of loneliness. 46% of this age group living in urban areas this equates to 322,000 people.</p> <p>Social Psychiatry and Psychiatric Epidemiology research suggests 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 £431,250 for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support.</p> <p>6,192 people using centre 46% of the population are over 65 = 2,848.32 people 25% of 2,848.32 people are lonely with health conditions = 712.08 people 712.08 people x £1200 (£600 per annum) = £854,496.00</p>
<p>VCMA Project Start and End Date</p>	<p>Start date: January 2023 End date: January 2025</p>
<p>Geographical Area</p>	<p>The project will be delivered in Cadent's North West network.</p>
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>Remaining funding left in the Licensee's/ Licensees' funding pot.</p>

^[4] <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>

^[5] <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: 07/02/23	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 20/12/22	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:	
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: February 2023	
Date that Notification Email Sent to Ofgem: February 2023	