

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)
*Hinckley & Bosworth Borough Council -
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;	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	Hinckley & Bosworth Borough Council - Centres for Warmth
Funding GDN(s)	Cadent company specific project
New / Updated (indicate as appropriate)	New
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable
Date of PEA Submission	December 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: £228,446.07 Large slow cookers costs: 110 x £27.84 = £3,062.40 Project management costs: £9,260.34
Total VCMA Funding Required (£k)	£240,768.81
Problem(s)	<p>In Hinckley and Bosworth, 8% of the population was income-deprived in 2019. Of the 316 local authorities in England, Hinckley and Bosworth is ranked 228th most income-deprived.¹</p> <p>Many of the residents within the borough of Hinckley and Bosworth are struggling with rising living costs. Fuel, food, and energy bills have risen and we know many are struggling to make ends meet. Hinckley & Bosworth Borough Council understands it is important that people know what support is available and they are supported to maximise their income. In response to this, the council has created a Welfare Support Team to help those who are struggling financially with their key bills, such as: rent, council tax, energy, water and food. The service prioritises those people who have no one else to help and who are the most vulnerable. This support team has not been widely advertised due to struggling with high demand. It is proposed that with Cadent's funding, the Council could look at an expansion of this scheme in priority areas working from the proposed Centres for Warmth and doing outreach work in the communities that need support the most, such as those with higher deprivation and those that are geographically isolated.</p>
Scope and Objectives	<p><u>Project scope</u> Cadent will invest £240,768.81 of VCMA funding to deliver a two-year project in partnership with Hinckley & Bosworth Borough Council.</p> <p>The 2023-2025 agreement will replicate other Centre For Warmth models, whereby specialist advisors are employed using VCMA funding. The centres</p>

¹ [Exploring local income deprivation \(ons.gov.uk\)](https://ons.gov.uk)

will provide essential information and support on carbon monoxide (CO) safety, energy efficiency advice and the priority services register (PSR).

The council would like to expand their Welfare Support Team and Community Kitchen to be able to offer three new areas in the borough, which will give residents regular access to cooking sessions aimed at cooking meals on a budget and using as little energy as possible. This is also a way that residents can maximise their budgets and have access to healthy meals.

- Four community houses, in Earl Shilton, Barwell, Wykin and Burbage will become 'Centres for Warmth'. They will offer CO awareness, PSR awareness, deliver cooking on a budget sessions and offer welfare support services for individuals who are struggling with the current cost of living.
- Two Welfare Support Officers that will work directly with residents who are struggling to afford core bills (such as food, energy, rent, other household bills) to maximise their income. Some examples of what this would include are benefits advice, access to grants and other schemes such as council tax support and Household Support Fund. These officers will work from the Centres for Warmth and in an outreach capacity across the borough as needed. The posts will link in with core partners across the borough such as food banks, Citizen's Advice, community pantries, work link, Leicestershire County Council, the voluntary sector and the Rural Community Council. These posts will be managed by the Communities Manager who manages the current welfare support scheme in order that there is appropriate training, support and case supervision. The posts will have excellent links with other schemes such as warm spaces, mobile community hubs run by the RCC, Community Pantries delivered by Feed The Hungry (Cadent funded) and the work being delivered by the RCC with the mobile connect bus (Cadent funded) in order to enhance the service we offer as partners and avoid duplication. The objective would be to help at least 480 residents, who are most in need, to maximise their income and therefore be able to afford core bills such as food, energy, rent and other household bills.
- One part-time post (15 hours per week) to support the expansion of the Community Kitchens to three new areas of the borough and to aid delivery of slow cooker cooking sessions to current community kitchens, current community house groups and the three new community kitchens. The three new community kitchens will run fortnightly and will not only give these communities access to cooking sessions but will also as we know from previous evaluation of our current kitchens, be key in reducing isolation and improving mental health. This post will report directly to the Community House Manager. The aim is to make cooking sessions available to more people across the borough and to teach people how they can cook with low energy options such as slow cooking.

Project Objectives:

CO and PSR awareness will be raised with individuals attending the Centres for Warmth, via the community kitchens, at events attended by community house staff, with residents accessing the community house trips (many of whom are elderly) and via the welfare support officers.

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

Service(s)	Summary of Service(s)	Expected Number of Customers Reached
Income maximisation Advice	One to one support for individual to maximise their income	480
Co awareness	Raise awareness of dangers of CO, encourage use of CO alarms and give out CO alarms as appropriate	500 +
PSR Awareness	Raise awareness of PSR, eligibility and encourage sign up of those eligible	500 +
Cooking on a budget cookery session	Sessions on slow cooker cooking	110 +
Expansion of Community Kitchen scheme	3 new community kitchens which will run fortnightly,	Reach of at least 30 individuals on a regular basis
Centres for Warmth	Centres for warmth at current community houses in Burbage, Earl Shilton, Barwell and Wykin	4

Why the Project is Being Funded Through the VCMA

We believe that the project meets all of the Vulnerability and Carbon Monoxide Allowance eligibility criteria:

- a. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project:**

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.

- b. Either:**
- 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;**

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.

- c. Have defined outcomes and the associated actions to achieve these:**

Cadent and Hinckley & Bosworth Council have entered into a service agreement that will contain the project objective and actions. Further detail can also be found below.

- d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations, and,**

This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions.

	<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>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent conducted extensive stakeholder and customer research in May 2022 following the completion of RIIO-GD2 year one and again after year two.</p> <p>The aim of the research was to assess customer/stakeholder opinion on Cadent's allocation of VCMA spend and gain insight on where we should direct VCMA funding in the future. The results of our research studies, including our Energy Diaries thought leadership programme are available to view on the Cadent website. However, we've captured some of the key evidence below.</p> <ul style="list-style-type: none"> • 61% of stakeholders (the highest proportion by individual category) supported Cadent increasing its VCMA allocation on projects aimed at tackling fuel poverty. • Over 70% of customers are concerned about the level of their energy costs • Very few customers understand their energy bill • Less than 20% of customers feel as though they understand the range of support opportunities that they may be entitled to • There is very low trust associated with energy companies <p>This project focusses on tackling fuel poverty by offering energy/income advice to at risk households.</p> <p>Cadent work with over 40 strategic partners to continually feed into our strategic thinking and project prioritisation (in support of customers in vulnerable situations). The Centres for Warmth initiative has proven a huge success and receives excellent feedback from charities such as National Energy Action and Age UK. We use the ongoing engagement with these key partners to inform our decision making, as we have with this project.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The partnership with Hinckley & Bosworth Borough Council community centres 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> The Hinckley & Bosworth Borough Council - 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 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.

	<ul style="list-style-type: none"> • 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> The Hinckley & Bosworth Borough Council 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 households 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. • Clients 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 from 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 as a result of attending the centres. <p><u>Success Criteria</u> The success of the project will be measured against meeting the below criteria:</p> <ul style="list-style-type: none"> • 480 households will receive specialist advice on identifying and accessing previously unclaimed benefits. • 480 households will receive help and support on energy efficiency. • 500 households will receive an awareness conversation on the dangers of CO. 400 of the most at-risk households will also receive a CO alarm. • 500 households will improve their awareness of the PSR. We predict that 10% of the households reached will also be supported to register. • 110 households will improve their knowledge of using a slow cooker to help lower their energy consumption. • 360 households will attend the community kitchen where they will receive support and advice on all services available to them. • Have four established Centre for Warmths across the borough.
Project Partners and Third Parties Involved	Cadent will work in partnership with Hinckley & Bosworth Borough Council.
Potential for New Learning	<p>Every area within Cadent's network sees households suffering the same issues, fuel poverty and low-income. Cadent have learned 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 various 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</p>	<p><u>Scale of VCMA Project</u> Cadent will invest £240,768.81 in partnership with Hinckley & Bosworth Borough Council Community Houses/Centres over two-years.</p> <p>The project will support households with a range of services. The project will benefit households in close proximity to 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"> • 480 receiving in-depth on-to-one advice on income maximisation, benefits = £824,212.80 • 480 will receive advice on energy efficiency = £176,529.60 • 500 will receive awareness advice on CO = £4,365 • 50 will register to the PSR = £7,194.50 • 110 will receive advice on slow cooking and a free slow cooker = £26,006.20 • 279 will attend group sessions to help alleviate isolation and loneliness = £334,800 <p>Total Investment = £240,769.81</p> <p>Five-year gross present value = £1,373,108.10 One-year gross present value = £375,061.62</p> <p>Five-year net value = £1,132,338.29 One-year net value = £254,677.21</p> <p>SROI = £1:5</p>
<p>VCMA Project Start and End Date</p>	<p>Start date: 01 December 2023 End date: 01 January 2025</p>
<p>Geographical Area</p>	<p>The project will be delivered in Cadent's East Midlands Network. Supporting the communities across the Borough of Hinckley & Bosworth Borough.</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: 31/10/2023	Review Completed By: Emma Stead
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 19/12/2023	Review Completed By: Gurvinder Dosanjh
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 20/12/2023	
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: December 2023	
Date that Notification Email Sent to Ofgem: December 2023	