

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *Centre for Warmth - Southall Community Alliance*

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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 – Southall Community Alliance
Funding GDN(s)	Cadent company specific project
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable
Date of PEA Submission	February 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: £88,407.00 Project management:£3,349.44 Slow Cookers: 100 x £27.84 = £2,784.00
Total VCMA Funding Required (£k)	Total £94,540.44
Problem(s)	<p>Ealing, West London is a borough located in Cadent's North London Network. The borough's level of deprivation is higher than London's average ¹. The area is affected by deprivation inequality and in particular, Southall has consistently been and is one of Ealing's most deprived towns. Up to approximately 40% of households in Southall are classed as deprived ¹.</p> <p>Areas affected by deprivation are typically also affected by fuel poverty and are at a higher risk of carbon monoxide (CO) poisoning.</p> <p>Fuel Poverty</p> <p>Research suggests that living in deprivation increases the risk of experiencing fuel poverty. Fuel poverty is typically defined by home energy efficiency, the cost of energy bills and household income. 16% of households in Ealing, Southall live in fuel poverty ². The value is higher than average, both nationally and in London ³.</p> <p>Deprived households are often unable to afford to adequately heat or cool their homes. This can result in unsafe energy rationing, leading to cold and damp living conditions⁴. Public Health England (PHE) reports that such living conditions can increase the risk of or worsen existing health conditions such as cardiovascular and respiratory issues and depression/anxiety.</p> <p>Income and Unemployment</p> <p>ONS (2021) data indicates that deprived areas have a higher percentage of people in income deprivation ⁵. In Ealing, the unemployment rate and the proportion of borough residents'</p>

jobs that are low paid are above London and England's average⁶. 35 neighbourhoods in Ealing are among the 20% most income deprived in England - this includes Southall¹.

Furthermore, Southall has a population of approximately 70,000 residents of whom 80% are from BAME migrant communities. According to the Department for Works and Pensions (2022) Black and Minority Ethnic communities are more likely to live in low-income households. In 2020, Pakistani and Bangladeshi households were consistently the most likely out of all ethnic groups to live in low- income households, before and after housing costs⁷.

Debt

Low-income households are more likely to be in net debt, particularly problem debt. The total debt value can be 3 times larger than total wealth. Research suggests that Ealing has a high proportion of individuals in arrears with essential bills. High levels of domestic gas and energy consumption are also likely to mean residents will be affected by rising wholesale energy prices which increased in October 2022. Prolonged periods of households being unable to afford their bills can result in increased and unsustainable levels of household debt⁸.

Problem debt is not only a financial issue, but there are also wider affects. For example, the struggles of debt stigma, service access, and physical and mental ill health (including sleep problems, anxiety, and depression)

Risk of exposure to carbon monoxide and Deprivation

Approximately 40 people die from accidental carbon monoxide poisoning every year, with over 4,000 hospital visits estimated to be related to carbon monoxide⁹. Regardless of key messaging and recommendations in Southall, English is a second language for many people in particular older generations. The challenge around language barriers often contributes to knowledge gaps around carbon monoxide. Also, many low-income households are unable to afford electric CO Alarms and regular gas appliance safety checks.

The factors which expose households to the risk of fuel poverty such as low income, accessibility and poor health, impact heating and service behaviour and result in an increased risk of carbon monoxide poisoning¹⁰.

Loneliness and Isolation

Social isolation and loneliness commonly affect individuals and households who are also at risk of fuel poverty and carbon monoxide poisoning. This is because the associative factors of loneliness are similar to the latter. For example, being acutely poor and feeling different. Fuel poverty can also lead to loneliness and isolation. For instance, a lack of hot water means individuals may avoid personal care leading to social isolation.

Based on Southall's population profile, residents of Southall have a higher risk of experiencing social isolation and loneliness. Research suggests that individuals from the most deprived areas are more likely to feel a higher degree of loneliness compared to those living in the least deprived areas¹¹.

	<p>Social isolation and loneliness can greatly increase the risk of physical and mental conditions.</p>
<p>Scope and Objectives</p>	<p>Cadent will provide Southall Community Alliance (SCA) with £91,191 of VCMA funding, to enable the delivery of an initial 2-year period Centre for Warmth project.</p> <p>The funding will be used by the centre to provide a range of services for local residents living in vulnerable situations.</p> <p>The services include:</p> <ul style="list-style-type: none"> ● The employment of a part-time Community Engagement Officer to support residents and community organisations by facilitating, promoting, and issuing a range of advice including home energy efficiency and gas safety, and raise awareness of the priority services register. ● The delivery of activities focused on the key messaging of slow cooking and the potential affordability, health, and efficiency benefits. ● The issuing of carbon monoxide alarms and education on the signs, symptoms, and dangers to enable clients to stay safe against carbon monoxide poisoning. ● The delivery of 8 x Energy Zones at large faith events across the agreement period. These zones will be a point for customers to access essential support and advice. ● Creating and hosting a web portal to enable access to energy efficiency and gas safety advice ● The delivery of community activities across the agreement period. These events will tackle loneliness and isolation, as well as offer a mechanism for customers to access essential support and advice. ● Hosting networking meetings with 20+ local voluntary sector groups to equip them with the ability to promote energy efficiency to their local service users. <p>The project aims to reach over 4000 beneficiaries over an initial 2-year project. Every 12 months the total reach will be divided between:</p> <ul style="list-style-type: none"> ● 100-150 residents receiving home energy advice. ● Over 75 families receiving one-to-one carbon monoxide awareness education and CO alarms.

	<ul style="list-style-type: none"> • More than 30 community organizations receiving awareness education about the signs, symptoms, and dangers of CO to then educate service users. • 1000+ residents will engage with the web portal to access information about energy efficiency and gas safety. • 100+ residents benefitting from community activities that tackle loneliness and isolation, as well as offer a mechanism for customers to access essential support and advice. • 75 - 100 residents attending slow cooker classes and receiving advice on slow cooking, its affordability and health benefits. • 400+ residents at faith events, receiving energy efficiency information, leaflets and sign posting. • 20 + voluntary groups and 200 + users receiving information about energy efficiency. <p>Project Objectives</p> <p>The Southall Community Alliance project has a number of objectives that will be measured against:</p> <ul style="list-style-type: none"> • To support 4,000 Southall residents and those in nearby surrounding areas at risk of and/or living in fuel poverty, in isolation and at risk of dangerous exposure to carbon monoxide and increase awareness of the PSR. <ul style="list-style-type: none"> ○ Work with digitally excluded, isolated elderly non-English speaking residents, to keep them warm over winter and access cost of living advice that could increase their safety and income ○ Help economically disadvantaged residents from migrant communities to remain safe and healthy. • To increase awareness of home energy efficiency measures, carbon monoxide safety and other relevant areas linked to fuel poverty. • To empower local community groups to help their users facing energy issues.
<p>Why the Project is Being Funded Through the VCMA</p>	<p>Cadent believe that this project meets all the required VCMA eligibility criteria.</p> <p>A. The project is forecasted to have a positive SROI. Please see the relevant section for more information. We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</p> <p>B. The project will either:</p> <ol 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 <p>The project will provide support to customers living in vulnerable situations through energy efficiency</p>

	<p>advice/income maximisation. The project will also offer customers education on the dangers of CO and issue audible alarms to particularly at-risk households. Finally, the project will reduce the risk of harm caused by CO through offering free safety checks on unsafe appliances that have not been historically serviced by a gas safe registered engineer.</p> <p>C. The project has defined outcomes and the associated actions to achieve them. This project has clearly defined outcomes and associated outcomes, the meeting of which will quantify success. Further information on the project's outcomes and associated actions can be found in the relevant section below.</p> <p>D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations. The method in which energy efficiency, gas safety and income maximisation advice is issued to families on this project is innovative and goes beyond BAU. Additionally, the offer of a free gas appliance safety check conducted by an upskilled Cadent engineer is a first for the VCMA and business as a whole.</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. This project will be delivered solely through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</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 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</p>

	<p>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>Project Outcomes</p> <p>This VCMA project will be delivered in partnership with Southall Community Alliance (SCA). The project's aim is to support over 4,000 local residents with fuel poverty linked, safety and loneliness issues within an initial 2-year period.</p> <p>The SCA project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> ● Customers will be provided with advice on home energy efficiency, the priority services register, gas safety and other relevant areas. ● Vulnerable residents will have CO alarms and slow cookers in their households - and be implementing the supporting advice. ● Lonely and isolated residents will have support and an awareness of the outlined services and support offered by SCA. ● The 20+ voluntary groups that SCA supports will have the ability to promote energy efficiency to their service users. <p>Associated Actions</p> <p>Cadent's funding will be used by Southall Community Alliance (SCA) to:</p> <ul style="list-style-type: none"> ● Employ a part-time Community Engagement Officer who will support residents by facilitating and issuing advice about home energy efficiency, the priority services register, gas safety and other related issues. ● Create and host a web portal with energy efficiency and gas safety advice, accessible to residents. ● Host and deliver activities that will tackle loneliness and isolation and enable residents to access advice. ● Host and deliver 6+ networking meetings about energy efficiency, with 20+ voluntary sector groups. ● Provide training on usage of slow cookers as an affordable, efficient and healthy means of cooking.

- Issue carbon monoxide alarms to enable clients to stay safe against carbon monoxide poisoning.

Success Criteria

The success of the project will be judged by evaluating the project outcomes against the objectives. These objectives include:

1. The project will reach over 4,000 vulnerable customers across the course of the initial 24 months.
2. Local residents in Southall and surrounding areas within the project area who are at risk of and/or living in fuel poverty, in isolation and at risk of dangerous exposure to carbon monoxide will be supported
3. Between the 2 year period:
 - a. More than 30 community organizations will receive awareness education about the signs, symptoms, and dangers of CO to then educate service users
 - b. 20 + voluntary groups and 200 + users will receive information about energy efficiency
4. 1000+ residents will have access to a web portal to learn about energy efficiency and gas safety
5. 4000 residents will receive advice on the PSR and registering on to it.
6. Over 75 families will gain 1-2-1 carbon monoxide awareness education and CO alarms
7. A positive social return on investment will be generated - see relevant section for data

Cadent and SCA will also review the qualitative outcomes and indicators of the project to determine the project's success. These include:

- Customers' household incomes will increase as they are living more energy efficiently and shifting their behaviours/ practices.
- Customers will report a decrease in stress and anxiety due to receiving support and advice in areas relevant to their situation.
- Customers will be able to utilise slow cookers to cook affordable, energy efficient and healthy meals.
- They will also report an improvement in their wellbeing post service delivery.

	<ul style="list-style-type: none"> • Customers will report an increased awareness of the dangers of CO and an increased feeling of safety at home. • Lonely and isolated members of the community will feel less lonely and isolated.
Project Partners and Third Parties Involved	Southall Community Alliance
Potential for New Learning	<p>The Southall Community Alliance Centre (SCA) for Warmth project will offer learning which Cadent can adopt for other VCMA-funded projects and also provide insights into areas where there are local gaps in fuel poverty and CO research.</p> <p>Currently, a majority of Centre for Warmth Partners have a traditional service delivery approach. However, Southall Community Alliance is an umbrella network with 75+ organizational members. The charity helps between 15-20 small groups annually with their capacity building and also provide a range of resident services. This alternative approach will provide insights into the different approaches that can be applied to reach and serve vulnerable customers and also help to provide an understanding about the benefits and drawbacks of the two approaches. Then, this can help to improve and provide alternative methods of delivering services.</p> <p>Also, a majority of the VCMA Centres for Warmth projects are located in low ethnically diverse areas. Southall is one of the most multicultural areas in Britain, often known as Little India. This project will provide learning about the best methods, communication channels and services to engage vulnerable BAME customers located in ethnically diverse urban communities. This includes considering specific factors such as digital exclusion, language diversity and cultural behaviours and practices.</p> <p>Lastly, there is limited research about the vulnerability of Ealing residents to carbon monoxide risks. This is an important local gap and can help to shape local approaches and assist in developing existing carbon monoxide policies, training and resources that is inclusive.</p>
Scale of VCMA Project and SROI Calculations	<p>The Southall Community Alliance will deliver support for a 2-year period and will focus on advice for approximately 4,000 people.</p> <p>The total reach will be divided as below:</p> <p>300 Customers receiving income maximisation advice = £515,133.00</p> <p>300 Customers receiving energy efficiency advice = £110,331.00</p> <p>100 customers will receive support to sign up to the PSR = £14,389.00</p> <p>4,000 customers will receive advice regarding the PSR = £575,560.00</p>

2,000 customers will receive energy efficiency & gas safety advice through an online portal= £735,540.00

4,000 customers will alleviate loneliness and isolation through attending sessions = £552,000.00

200 families will receive advice on slow cooking = £41,774.00

Total reach of 4,000 customers across 2 years.

5-year SROI calculations:

5-year gross present value= £ 2,544,727.00

5-year Social Return on Investment = £2,450,186.50

(minus investment Centre costs: £88,407.00

Project management :£3,349.44

Slow cooker costs: £2,784.00)

1-year SROI calculations:

1-year gross present value= £426,145.40

1-year Social Return on Investment = £331,604.96

(minus investment Centre costs: £88,407.00

Project management costs: £3,349.44

Slow cooker costs: £2,784.00)

Supporting households to maximise their 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.

An average of 300 clients will receive this service over the course of the project, equating to a total 5-year gross present value of £515,133.00

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.

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

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

³Social 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 are at greater risk of developing conditions such as dementia and depression.

⁴The 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.

The centres For Warmth project aims to reach 4,000 customers. 46% of which will be aged 65 and over.

⁵Campaign to end loneliness reported that over 700,000 people aged 65 and over are experiencing feelings of loneliness. 46% of this age group lives in urban areas which equates to 322,000 people.

Social Psychiatry and Psychiatric Epidemiology research suggest a potential saving of £600 per annum for each older customer supported that was previously experiencing feelings of loneliness.

The Centre for Warmth project will run for 2 years, equating to a saving of £1,200 per customer.

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>

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>

	<p>This equates to an overall benefit of £ 552,000.00 for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support.</p> <ol style="list-style-type: none"> 1. 4,000 using centre 2. 46% of the population are over 65 = 1840 people 3. 25% of 1840 people are lonely with health conditions = 460 people <p>460 people X £1200 (£600 per annum) = £ 552,000.00</p>
VCMA Project Start and End Date	<p>Start date: December 2022 End date: November 2024</p>
Geographical Area	<p>The project will be delivered in Cadent's North London Network. Supporting the communities in Southall.</p>
Remaining Amount in the Allowance at Time of Registration	<p>Remaining funding left in the Licensee's/ Licensees' funding pot to be confirm at sign off.</p>

1. <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>
2. <https://www.nea.org.uk/constituencies/ealing-southall/>
3. https://lginform.local.gov.uk/reports/lgastandard?mod-metric=2131&mod-area=E09000009&mod-group=AllBoroughInRegion_London&mod-type=namedComparisonGroup
4. <https://www.nea.org.uk/articles/what-is-fuel-poverty/>
5. <https://www.ons.gov.uk/visualisations/dvc1371/#/E09000025>
6. <https://www.trustforlondon.org.uk/data/boroughs/ealing-poverty-and-inequality-indicators/?indicator=work-2&comparator=england>
7. <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/pay-and-income/people-in-low-income-households/latest#data-sources>
8. <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddebtingreatbritain/april2016tomarch2018>
9. <https://www.gov.uk/government/consultations/domestic-smoke-and-carbon-monoxide-alarms/domestic-smoke-and-carbon-monoxide-alarms-proposals-to-extend-regulations>
10. <https://www.nea.org.uk/publications/understanding-carbon-monoxide-rise-in-households-vulnerable-to-fuel-poverty/>
11. <https://www.gov.uk/government/statistics/community-life-survey-202021-wellbeing-and-loneliness/wellbeing-and-loneliness-community-life-survey-202021>

**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: 6 March 2023	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 20/03/23	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: 21/03/23	
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: March 2023	
Date that Notification Email Sent to Ofgem: March 2023	