

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Centre For Warmth - St Hilda's East Community Centre

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February 2023



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 - St Hilda's East Community Centre
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	February 2023
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)	Centre costs: £75,000.00 Project manager costs: £3,349.44 Slow cooker costs – 80 large and 20 small 80 x £27.84 = £2,227.20 20 x £15.55 = £311.00 Total = £2,538.20
Total VCMA Funding Required (£k)	£80,887.64
Problem(s)	<p>Tower Hamlets, East London is a borough located in Cadent's North London Network. The borough is the 50th most deprived authority in England and over half of the borough is within the 30% most deprived parts of England (IMD/ONS, 2019). The borough also has one of the highest proportions of people living in poverty.</p> <p>Areas with higher levels of deprivation face an increased risk of being impacted by fuel poverty, income deprivation, and exposure to the dangers of carbon monoxide (CO) poisoning.</p> <p><u>Fuel Poverty</u></p> <p>Tower Hamlets has a higher proportion of households that are fuel-poor compared to England's average. 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>¹ONS (2021) data indicates that deprived areas have a higher percentage of people in income deprivation.</p> <p>In Tower Hamlets, 19.2% of the population is income deprived. Out of 316 local authorities in England, Tower Hamlets is ranked 22nd most income deprived. More specifically, the borough is in the top 20 local authority districts based on the proportion of children and older people in income deprivation - 26.6% and 43.3% respectively.</p> <p>Furthermore, unemployment rates in Tower Hamlets are higher than the average for both London and England. The borough is also affected by In Work poverty, meaning that much of the working population in Tower Hamlets are struggling to meet the cost of living.</p> <p><u>Problems residents in Tower Hamlets are facing.</u></p> <p>²Housing and poverty are inextricably linked. The cost of housing drives poverty, and poor housing affects people's life chances. 53% of Tower Hamlets children live in poverty and 11.2% of the borough's residents are in fuel poverty.</p> <p>³The population stands at around 280,000 people, attracting residents from all over the UK and wider international communities. The Tower Hamlets population is mobile, relatively young and is expected to increase by around 20% over the next six years.</p> <p><u>Poor Health</u></p> <p>Due to the high percentage of people living in multiple deprivation in Tower Hamlets many people suffer from poor health. Some of the key issues include diabetes, mental health issues, behavioural risk factors (smoking and diet) and multiple deprivation (income, poverty, employment). Evidence has also found that there is a direct connection between living in cold, damp, poorly heated homes and bad health.</p> <p><u>Risk of exposure to carbon monoxide and levels of deprivation</u></p> <p>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</p> <p>Issues such as fuel poverty and high household debt can influence a customer's risk of exposure to the dangers of carbon monoxide. An 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</p>
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¹<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddebtingreatbritain/april2016tomarch2018>

²www.google.com/search?q=problem+people+living+in+tower+hamlets+face&oq=problem+people+living+in+tower+hamlets+face&aqs=edge..69i57.9600j0j1&sourceid=chrome&ie=UTF-8

³ www.towerhamletstogether.com/the-challenge

	<p>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>Cadent will invest £80,887.64 of the VCMA funding to deliver a one-year project with St Hilda's East Community Centre. The one-year 2022-2023 agreement replicates the previous project model in other Centres for Warmth, whereby specialist benefits advisors are employed using the VCMA.</p> <p>Alongside specialist benefits advice, the centre will also offer essential information on carbon monoxide safety and the priority services register.</p> <p>The Advice worker role will help to expand the community advice service St Hilda's already have. They will provide advice in a 1:1 setting on a wide range of services including benefits checks, energy advice and poverty.</p> <p>They will host sessions on CO awareness and the PSR. The centre will also host slow cooking sessions to help educate people on energy efficient cooking as well as budgeting.</p> <p>The project aims to reach approximately 720 customers over the course of the initial one-year project. The total reach will be divided as below:</p> <ul style="list-style-type: none"> • 170 households will receive income maximisation advice on a range of topics including benefit checks, budgeting money etc. • 170 households will receive energy efficiency advice including, setting heating hot water controls, turning appliances off standby etc. • 720 will engage with others to tackle isolation. • 720 people will receive advice on the PSR and will aim to sign up 100 to the register. • 100 households will receive slow cooking advice and learn how to cook on a budget. • 500 will engage in CO sessions to improve CO awareness. <p><u>Project Objectives</u></p> <p>Cadent will measure the success of the Centre for Warmth – St Hilda's East Community Centre against the achievement of the following objectives:</p> <ul style="list-style-type: none"> • To deliver income maximisation/home energy efficiency advice to approximately 170 households per • To deliver Carbon monoxide safety advice to approximately 500 people. • Provide advice regarding the PSR to 720 people • To support 100 people to sign onto the PSR register. • To alleviate loneliness and isolation for 720 people. • To educate people on how to cook with a slow cooker on a budget.

<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> <ul style="list-style-type: none"> a. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project: <ul style="list-style-type: none"> 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: <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; <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Cadent and St Hilda's Community centre 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, <ul style="list-style-type: none"> This method of delivering support to customers in vulnerable situations falls outside of Cadent's BAU activities and other licence conditions. e. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding, <ul style="list-style-type: none"> This project will be solely delivered through Cadent's VCMA funding.
<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>When we asked our stakeholders if they agreed with how we allocate VCMA funding 61% supported how Cadent did this. 81% of customers and 78% of stakeholders support or somewhat support Cadent funding Warm Hubs and Centres for Warmth.</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>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 a number of 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 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 St Hilda's East 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 St Hilda's East 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.

	<p><u>Associated Actions</u></p> <p>The St Hilda’s East Community Centre 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. The 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 being assisted to register to 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. <p><u>Success Criteria</u></p> <p>The success of the project will be measured against meeting the below criteria:</p> <ul style="list-style-type: none"> • The project will reach 720 customers across the course of the year. • 170 households will receive specialist advice on identifying and accessing previously unclaimed benefits. • 170 households will receive help and support on energy efficiency • 500 individuals will receive an awareness conversation on the dangers of CO. • 720 households will improve their awareness of the PSR. Approximately 100 eligible households will also be supported to register. • 100 people will learn how to cook a healthy meal on a budget using a slow cooker.
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will work in partnership with St Hilda’s East Community Centre to deliver the project.</p>
<p>Potential for New Learning</p>	<p>When the Centre for Warmth project began the financial climate was very different and funding readily available from many sources.</p> <p>With the onset of Covid, war in Ukraine and the cost-of-living crisis all factoring into increased demand for services, Community centres have become a lifeline for people living in surrounding communities.</p> <p>The centres are being asked to help with many different aspects such as benefit entitlement, housing problems and debt to name but a few.</p>

	<p>We have realised that by partnering with these centres, Cadent are in a better position to reach many more vulnerable customers than we would alone. The reason for this is because the people who work in the centres are trusted by the community.</p> <p>We will continue to listen and learn from their findings to support our customers.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent will invest £80,887.64 in partnership with St Hilda's East Community Centre over 1 years.</p> <p>This VCMA project will be delivered across a one-year partnership with St. Hilda's East Community Centre. The project will support approximately 720 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 = £80,887.64</p> <p><u>SROI Calculations</u></p> <ul style="list-style-type: none"> • 170 people supported with benefits and debt advice: £291,908.70 • 170 people supported with energy efficiency advice: £62,520.90 • 500 people advised on CO: £4,363.87 • 100 PSR sign-ups: £14,389.00 • 720 tackle social isolation: £49,680.00 (for 1x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support) • 100 people will receive a slow cooker and will be advised on how to cook a healthy meal on a budget: £23,642.00 <p><i>Total reach of around 720 across the duration of the project.</i></p> <p>5-year gross present value= £446,504.47 1-year gross present value= £89,300.894</p> <p>5-year Social Return on Investment = £365,616.83 1-year Social Return on Investment = £73,123.366</p> <p><u>Supporting households to maximise their income</u></p> <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.</p> <p>SIA Partners calculated an average 5-year gross present value of supporting households to maximise their income of £1,717.11.</p>

An average of 720 clients will receive this service over the course of the project, equating to a total 5-year gross present value of £291,908.70

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.

⁴BBC report found that 46% of England's urban population are aged 65 or over.

⁵One-fourth of the population aged 65 years and older reported feelings of loneliness.

⁶Social 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. This research concluded that older people who feel lonely are at greater risk of developing conditions such as dementia and depression.

⁴ <https://www.bbc.co.uk/news/uk-43316697>

⁵ <https://www.cdc.gov/aging/publications/features/lonely-older-adults.html#:~:text=Older%20adults%20are%20at%20increased,the%20amount%20of%20social%20contact.>

⁶ <https://link.springer.com/content/pdf/10.1007/s00127-019-01733-7.pdf>

	<p>⁷The 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 720 customers. 46% of which will be aged 65 and over.</p> <p>⁸Campaign 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.</p> <p>Social Psychiatry and Psychiatric Epidemiology research suggest a potential saving of £600 for each older customer supported that was previously experiencing feelings of loneliness.</p> <p>The Centre for Warmth project will run for 1 years, equating to a saving of £600 per customer.</p> <p>This equates to an overall benefit for 1x 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. 720 people using centre 2. 46% of the population are over 65 = 331.2 people 3. 25% of 828 people are lonely with health conditions = 82.8 people <p>207 people x £600 = £49,680.00</p>
VCMA Project Start and End Date	Start Date: 1st October 2022 End Date: 30 th September 2023
Geographical Area	The project will be delivered in Cadent's North London network. Supporting the communities located in North London.
Remaining Amount in the Allowance at Time of Registration	Remaining funding left in the Licensee's/ Licensees' funding pot.

⁷ <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>

⁸ <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: 16/02/23	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 16/02/23	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: 23/03/2023	
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: March 23	
Date that Notification Email Sent to Ofgem: March 23	