

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *Maldon and District Community Voluntary Service*

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November 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 - Extension Maldon and District Community Voluntary Service.
Funding GDN(s)	Cadent specific
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent company-specific project
Date of PEA Submission	November 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 Phone: 07773 545451
Total Cost (£k)	Project costs: £61,924.00 Project management 4% cost: £2,476.96
Total VCMA Funding Required (£k)	£64,400.96
Problem(s)	<p><u>Background</u> Maldon is in Essex and has a population of 66,200. It has an ageing population which puts an increased demand on services.</p> <p><u>Fuel poverty</u> Fuel poverty is a form of hardship where residents are unable to afford the cost of fuel to adequately heat their homes.</p> <p>The impacts of living in a cold home and rationing food to afford heating can have a detrimental impact on the health of residents living in these forms of hardship. Households living in fuel poverty can experience many detrimental physical and mental health conditions. ²Respiratory tract infections, ³viruses, and stress can all be exacerbated by living in a cold, damp home.</p> <p>The NEA reports that 4,245 households in Maldon are in fuel poverty.¹</p> <p>This project will assist people in Maldon who are experiencing fuel poverty and offer energy efficiency and income advice.</p>

¹ Maldon - National Energy Action (NEA)

<p>Scope and Objectives</p>	<p><u>Project Scope</u> Cadent will supply Maldon CVS with £61,924.00 of VCMA funding to deliver a 2-year project.</p> <p>This funding will be used to deliver the following:</p> <ul style="list-style-type: none"> • Individuals will receive advice on income maximisation and help with benefits. • Individuals will receive advice on energy efficiency. • They will deliver advice on CO awareness. • Vulnerable people will receive a free CO alarm. • Individuals will be given advice on the PSR. • Individuals will be assisted to register for the PSR. <p>This project aims to reach approximately 1,040 people over a 2-year period. This will be divided as follows:</p> <ul style="list-style-type: none"> • 240 people will receive advice on benefits /income maximisation. • 240 people will receive advice on energy efficiency. • 240 people will receive advice on Carbon monoxide awareness. • 240 people will be given advice on the PSR. • 80 people will be assisted to sign up to the PSR. <p>1040 people will alleviate loneliness and isolation by attending sessions and groups.</p>
<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 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.</p> <p>This project will be delivered solely through Cadent's VCMA funding.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent conducted extensive stakeholder and customer engagement to obtain feedback on its RIIO-GD2 business plans and subsequent Vulnerability and Carbon Monoxide Allowance (VCMA) delivery.</p> <p>Firstly, we conducted "Energy Diaries", a piece of research aimed at gauging the customer's attitudes towards the rises in energy prices, as well as the support offered by organisations such as Cadent. The Energy Diaries demonstrated 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.</p> <p>The Centre for Warmth – Maldon CVS partnership recognises this feedback by offering vulnerable households essential support with income maximisation and energy efficiency services.</p> <p>Secondly, we regularly seek to obtain the feedback of stakeholders such as Citizens Advice and National Energy Action (NEA) to understand the needs of customers in vulnerable situations. These regular conversations allow Cadent to gain feedback on the initiatives we are or should be supporting, and also ensure that the projects are in the best interests of our customers. Stakeholders have provided consistent feedback on the need for energy networks to focus their funding on supporting households most impacted by the cost-of-living crisis.</p> <p>This project takes this feedback into account by creating a partnership with a trusted local charity, positioned in an area with levels of deprivation and fuel poverty significantly higher than the national average.</p> <p>Finally, Cadent asked customers for their views on which of the below statements best described their health and financial situation compared to 2021:</p> <ul style="list-style-type: none"> • My current household's health or financial situation is worse off compared to 2021. • My current household's health or financial situation is the same compared to 2021. • My current household's health or financial situation is better off compared to 2021.

	<p>60% of participants responded that their households' health or financial situation was worse off this year compared to 2021 levels.</p> <p>This project aims to support households most impacted by a downturn in their financial health through offering services such as income maximisation and benefit entitlement checks.</p>
<p>Information Required</p>	<p>Description</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p><u>Project Outcomes</u> The VCMA project will be delivered in partnership with Maldon CVS and aims to support approximately 1,040 people with home energy advice, income maximisation advice, and CO safety advice over the duration of the 2-year project extension.</p> <p>The Centre for Warmth Project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Provide people with advice on income maximisation and benefit entitlement. • Provide people with advice on energy efficiency. • Provide people with advice on Carbon Monoxide safety. • Provide people with advice on the PSR. • Help people alleviate loneliness and isolation by providing a safe place for them to meet and interact. <p><u>Associated Actions</u> Maldon CVS will implement the following associated actions to deliver the project's outcomes:</p> <ul style="list-style-type: none"> • Staff will receive training on energy efficiency to increase individual awareness of how to manage energy use more efficiently in the home. • Staff will all receive training on the PSR and will help eligible households through the registration process. • Staff will receive training on CO awareness and general gas safety awareness. • Cadent will provide the centre with CO alarms to distribute to the most at-risk households. • The centre delivers sessions that will bring people together which will tackle loneliness and social isolation. <p><u>Success criteria</u> The success of the project will be measured by meeting the below criteria:</p> <ul style="list-style-type: none"> • Reach 1,040 individuals over the course of the initial 2-year project. • 240 individuals will receive help and support on energy efficiency. • 240 individuals will receive an awareness conversation on the dangers of CO and general gas safety. Individuals will report an increased awareness of the dangers of carbon monoxide and an increased feeling of safety at home.

	<ul style="list-style-type: none"> • 240 individuals will improve their awareness of the PSR. 80 eligible households will register themselves onto the PSR. Individuals will report reduced levels of anxiety in fearing a utility outage through being assisted to register to the Priority Services Register (PSR). • The centre will help alleviate loneliness and isolation. 																					
Project Partners and Third Parties Involved	Cadent and Maldon and District Community for Voluntary Services.																					
Potential for New Learning	<p>Since the project began in April 2021 Cadent has realised that every area/town seems to be suffering with the same problems. Fuel poverty, unemployment, low wages, and the cost-of-living crisis.</p> <p>Alongside these, each area is also dealing with specific issues such as domestic violence and high incidences of self-harm in children. These are dealt with by these centres as there are no alternative services available.</p> <p>Cadent has brought the centres together on a forum for them to share ideas, best practices, and resources.</p> <p>This forum has helped to forge links with the centres across Cadent's four networks, that were not previously there, and this acts as a support network.</p> <p>This takes place online every six months and is proving beneficial to all the centres involved.</p>																					
Scale of VCMA Project and SROI Calculations	<p><u>The scale of VCMA Project:</u></p> <p>The project will support 1,040 individuals with a range of services across Cadent's four gas distribution networks.</p> <p>Total Investment =£64,400.96</p> <p><u>SROI calculations:</u></p> <table border="1" data-bbox="600 1509 1362 1778"> <thead> <tr> <th>Initiative</th> <th>Quantity of Customers Support</th> <th>Total SROI for 5 years</th> </tr> </thead> <tbody> <tr> <td>Income Maximisation Services</td> <td>240</td> <td>£412,106.40</td> </tr> <tr> <td>Efficient Use of Appliances & Behaviours</td> <td>240</td> <td>£88,264.80</td> </tr> <tr> <td>Priority Services Register</td> <td>80</td> <td>£11,511.20</td> </tr> <tr> <td>CO Education</td> <td>240</td> <td>£2,095.20</td> </tr> <tr> <td>Lonliness and Isolation</td> <td>120.00</td> <td>£144,000.00</td> </tr> <tr> <td>Totals</td> <td></td> <td>£657,977.60</td> </tr> </tbody> </table>	Initiative	Quantity of Customers Support	Total SROI for 5 years	Income Maximisation Services	240	£412,106.40	Efficient Use of Appliances & Behaviours	240	£88,264.80	Priority Services Register	80	£11,511.20	CO Education	240	£2,095.20	Lonliness and Isolation	120.00	£144,000.00	Totals		£657,977.60
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Total Investment (5 year):	£64,400.96
Investment 1 year costs:	£32,200.48
SROI Calculations:	
5 year Gross:	£657,977.60
1 year Gross	£174,795.52
5 year Net:	£593,576.64
1 year Net:	£142,595.04

Ratio: £1:9

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 Partners 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 several 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 off work due to injury caused by CO.
- A reduction in ambulance callouts linked to CO;

They 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.

They 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.

BBC 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.

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.

46% of which will be aged 65 and over.

⁴Campaign 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.

This equates to an overall benefit of £55,200 for 2x year only as the risk of experiencing loneliness and isolation can increase again after the project stops delivering support.

1. 1040 people using centre.
2. 46% of the population are over 65 = 478.4 people
3. 25% of 478.4 people are lonely with health conditions = 119.6 people

119.6 people x £1200 (£600 per annum) = £143,520

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://campaigntoendloneliness.org/guidance/wp-content/uploads/2015/06/StatisticsGFLA.pdf>

VCMA Project Start and End Date	Start date: 1 st April 2023 End Date: 31 st March 2025
Geographical Area	East Anglia
Remaining Amount in the Allowance at Time of Registration	Remaining funding left in the Licensee's/ Licensees' funding pot.

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 Turnbull
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 09/11/2023	Review Completed By: Phil Burrows
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 15/03/2024	
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 2024	
Date that Notification Email Sent to Ofgem: March 2024	