

# Vulnerability & Carbon Monoxide Allowance (VCMA)

## Project Eligibility Assessment (PEA) *"The Hyde Community Hub"*

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*Kerry Doyle Student Customer Safeguarding support  
December 2022*



## Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

<b>Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)</b>	
In order to qualify as a VCMA project, a project must:	
<b>VCMA Eligibility Criteria</b>	<b>Criteria Satisfied (Yes/No)</b>
<b>a)</b> Have a positive, or forecasted positive Social Return on Investment (SROI), including for the gas consumers funding the VCMA project;	<b>Yes</b>
<b>b)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li><b>ii.</b> Provide awareness on the dangers of CO, or</li> <li><b>iii.</b> Reduce the risk of harm caused by CO;</li> </ul>	<b>Yes</b>
<b>c)</b> Have defined outcomes and the associated actions to achieve these;	<b>Yes</b>
<b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and	<b>Yes</b>
<b>e)</b> Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	<b>Yes</b>
<b>Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair and replacement projects</b>	
In order to qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, repair or replacement must meet the following criteria:	
<b>a)</b> 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;	<b>Not Applicable</b>
<b>b)</b> The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	<b>Not Applicable</b>
<b>c)</b> 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.	<b>Not Applicable</b>
<b>Section 3 - Eligibility criteria for collaborative VCMA projects</b>	
In order to qualify as a collaborative VCMA project, a project must:	
<b>a)</b> Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria;	<b>Not Applicable</b>
<b>b)</b> Have the potential to benefit consumers on the participating networks; and	<b>Not Applicable</b>
<b>c)</b> Involve two, or more, gas distribution companies.	<b>Not Applicable</b>

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

Information Required	Description
<b>Project Title</b>	'The Hyde Community Hub' Centre For Warmth
<b>Funding GDN(s)</b>	Cadent
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Not applicable – Cadent company – Specific project
<b>Date of PEA Submission</b>	December 2022
<b>VCMA Project Contact Name, email and Number</b>	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451
<b>Total Cost (£k)</b>	Centre costs: £110,000.00 Slow cooker costs: £7,674.00 (60x small £15.55 and 100x large slow cookers £27.84) Overall VCMA: £117,674.00
<b>Total VCMA Funding Required (£k)</b>	£117,674.00 GBP
<b>Problem(s)</b>	<p>Hyde is an area located on Cadent's North West network and has high levels of deprivation. Hyde is one of the highest deprived areas across Cadent's network. High levels of deprivation are often linked to much wider issues such as fuel poverty, fuel debt, increase carbon monoxide risk and financial adversity.</p> <p><u>Fuel Poverty</u>  <sup>1</sup> Approximately 14% of households in Tameside are in fuel poverty and 15% are struggling with food insecurity. More residents are exposed to fuel poverty due to the cost of living and fuel crisis. People living in fuel poverty are more likely to be unemployed and on lower household income. Consequently, reducing the quality of life as house owners are having to turn their heating down or completely off. Increasing, moisture and damp within the house. Resulting, in increased health conditions such as respiratory issues and heart problems, putting strain on front-line services.</p> <p><u>Fuel Debt</u>  Those facing fuel debts are more likely to be living in low-income household. Due to the cost of living and fuel prices rising to a high, many households are finding themselves in unmanageable debt forcing them into a position to choose between heating their home or having a hot meal. Living in cold damp conditions can result in an increase of conditions such as respiratory problems, heart failure and diabetes. <sup>2</sup>As, low income-households have staple diets that are high in salts, sugars, and fats, putting strain on front-line services.</p> <p>Considering, alcohol, drug abuse, low income, and mental health, the likelihood of people being in debt is huge. Seeking advice on</p>

<sup>1</sup> 43% of children in Tameside's most deprived area living in poverty - Quest Media Network - Tameside Radio, Tameside Reporter, Oldham Reporter, Glossop Chronicle

<sup>2</sup> Harrington , J. et al. (2020) Food poverty and dietary quality: is there a relationship?, BMJ Journals . BMJ Journals . Available at: [https://jech.bmj.com/content/63/Suppl\\_2/16](https://jech.bmj.com/content/63/Suppl_2/16) (Accessed: October 31, 2022).

	<p>debt is daunting for some people as they believe there is a stigma to seeking debt advice or they do not know how to access help.</p> <p><u>Unemployment</u> Majority of Tameside's population is unemployed or on a low household income. Low academic achievements and low skills for the workplace result in low employability opportunities. <sup>3</sup>4,500 people are unemployed in Tameside and 52.2% have no qualifications, resulting in low inadequate household income.<sup>4</sup>Those who are born into a household with unemployed parents, are more likely to achieve low academic achievements. Young people living in poverty face inequalities in education as they are disadvantaged in accessing support and facilities.</p> <p><u>Social Isolation</u> Social Isolation can lead to conditions such as depression, anxiety, and mental health conditions. Residents of Tameside face social isolation due to language and cultural barriers. This can make it difficult for those facing fuel poverty to seek help, as they feel isolated and an outsider to the community, they are living in. <sup>5</sup>Language barriers hinder people's ability to seek help as, many fear being misunderstood. This puts strain on front-line services as they turn to the council for advice on how to claim benefits they are entitled to.</p> <p><u>CO Education</u> <sup>6</sup>Every year around 40 people die of carbon monoxide poisoning. An additional 4,000 people attend accident and emergency each year as a result of carbon monoxide poisoning. 2,000 people are left hospitalised.</p> <p>High fuel poverty and household debt can have significant impact on a customer's risk of exposure to the dangers of carbon monoxide. As there is a lack of awareness and understanding of CO safety. Those in low-income households do not have sufficient income to have their gas appliances serviced regularly. Putting their lives at risk as they are oblivious to any faults with gas appliances and unaware of the serious harm CO can cause.</p>
<p><b>Scope and Objectives</b></p>	<p><u>Project scope</u> Cadent will provide Hyde community Hub located in Hyde, Tameside with £117,674.00 VCMA funding to deliver a two-year project.</p> <p>The two-year 2022-2024 agreement replicates other Centre For Warmth, whereby specialist advisors are employed using the VCMA funding.</p>

<sup>3</sup> Nomis - Official Census and Labour Market Statistics (nomisweb.co.uk)

<sup>4</sup> Statistics , N. (2016) How do childhood circumstances affect your chances of poverty as an adult?, Office for national statistics . Office for national statistics . Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/educationandchildcare/articles/howdochildhoodcircumstancesaffectyourchancesofpovertyasanadult/2016-05-16> (Accessed: October 31, 2022).

<sup>5</sup> S.N. Ramlan, S.N. *et al.* (2018) *The impact of language barrier and communication style in organizational culture on expatriate's working perform*, *Growing Science*. ManagemScience Letters. Available at:

[http://www.m.growingscience.com/msl/Vol8/msl\\_2018\\_38.pdf](http://www.m.growingscience.com/msl/Vol8/msl_2018_38.pdf) (Accessed: October 27, 2022).

<sup>6</sup> Carbon monoxide poisoning sends 4,000 people to A&E each year (2011) GOV.UK. GOV.UK. Available at:

Economy of Peterborough (2020) Varbes. Available at: Cambridgeshire & Peterborough Local Economic Recovery Strategy (LERS) (2021) Document.ashx. Document.ashx. Available at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Document.ashx?czJKcaeAi5tUFL1DTL2UE4zNRBcoShgo=g2Si9k%2BGVsFTmIGIgybfbFdUlmJGMTJfAayH8RgRq9U%2F9exz1Mymow%3D%3D&rUzwRPF%2BZ3zd4E7lkn8Lyw%3D%3D=pwRE6AGJFLDNih225F5QMaQWCtPHwdhUfCZ%2FLUQzgA2uL5jNRG4jdQ%3D%3D&mCTIbCubSffXsDGW9lXnlg%3D%3D=hFflUdN3100%3D&kCx1AnS9%2FpWZQ40DXFvdEw%3D%3D=hFflUdN3100%3D&uJovDxwdjMPoYv%2BAJvYtyA%3D%3D=ctNJFf55vVA%3D&FgPIIEJYlotS%2BYGoBi5oIA%3D%3D=NHdURQburHA%3D&d9Qjj0ag1Pd993jsyOJqFvmyB7X0CSQK=ctNJFf55vVA%3D&WGewmoAfeNR9xqBux0r1Q8Za60lavYmz=ctNJFf55vVA%3D&WGewmoAfeNQ16B2MHuCPMRKZMwaG1PaO=ctNJFf55vVA%3D> (Accessed: October 27, 2022).

(Accessed: October 27, 2022). (Accessed: October 31, 2022).

	<p>In addition, the centre will also provide essential information on energy efficiency and carbon monoxide safety. Offering income maximisation advice and registering appropriate clients onto the priority services register. Likewise, providing a blend café' where families can come together in a warm safe space and learn how to cook healthy meals.</p> <p>The project will be to fund two full time positions, an Information, Advice and Guidance Service (Customer Service Advisor) and a community hub (Centre manager).</p> <p><u>Project Objectives</u> The objectives below are what Cadent will use to measure the success of the Centre For warmth:</p> <ul style="list-style-type: none"> <li>• Support around 16,000 clients over the two-year period through this project.</li> <li>• The centre will deliver Carbon Monoxide advice to around 4000 clients that come into the centre.</li> <li>• The centre will reach around 4000 people on energy efficiency over the 2-year project.</li> <li>• The centre will reach around 4000 clients with income maximisation advice and advocacy.</li> <li>• The centre will reach 4,000 raising awareness of the PSR and eligible households registering with the support of centre staff.</li> </ul>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>Cadent believes this project meets all the Vulnerability and Carbon Monoxide Allowance eligibility criteria:</p> <p>a) Social return on Investment (SROI) is forecasted to be positive. We believe that this project has the deliverables to create positive SROI including for the gas consumers funding the VCMA project:</p> <p>The project delivers a positive forecasted return on investment based on achieving the target for registrations to the PSR and carbon monoxide education.</p> <p>b) The project will either:</p> <ol style="list-style-type: none"> <li>i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li>ii. Provide awareness of the dangers of CO, or</li> <li>iii. Reduce the risk of harm caused by CO</li> </ol> <p>The project needs to meet all three elements of the criteria. Offering support to customers living in vulnerable situations through energy efficiency advice, carbon monoxide education and PSR conversations.</p> <p>c) Project has defined outcomes and associated actions to achieve these:</p> <p>The projects' defined outcomes have been agreed upon by Cadent and Hyde Community Hub following the service agreement. Further information can be found in the appropriate section below.</p>

	<p>d) The project goes beyond the activities funded through the price control mechanisms or required license obligations.</p> <p>This method of delivering support to customers living in vulnerable situations falls outside the scope of Cadent's BAU activities. This project utilises partnerships with community stakeholders to reach communities with Cadent messaging to benefit those customers who are difficult to reach.</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>Delivered solely through Cadent's VCMA funding.</p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>'The Hyde Community Hub' Centre for Warmth aims to offer those living in vulnerable situations support. Especially BAME communities, older people and those who live alone.</p> <p>This project aims to help wider communities who have language and cultural barriers. Especially those from BAME communities and people with disabilities. Also, providing support for children who are from low-income families to access educational facilities/support. Enhancing quality of life and employability.</p> <p><u>Hyde Community Hub's main strands of focus:</u></p> <ol style="list-style-type: none"> <li>1. To provide excellent community advice which will enhance and contribute to the quality of life of residents living in Hyde, Tameside.</li> <li>2. The Centre for Warmth partnership with Hyde Community Hub will allow Cadent to support fuel poor households in a holistic approach. Clients will receive a combination of services such as energy advice debt management and benefit entitlement checks. All of which are designed to help residents better manage their energy and increase their household income.</li> <li>3. To provide a service to ensure income maximisation through debt and money management, benefit entitlement checks and employability skills.</li> </ol> <p><u>Aims and Objectives</u></p> <p>Tackling fuel poverty, social isolation and promoting awareness of carbon monoxide, recognising these as important issues in communities.</p> <p>Promotion of social inclusion within the community working closely to those who face exclusion and building more relationships with local people. Helping address fuel debt, fuel efficiency and hardship issues. Developing members of that community with the skills to assist, integration/involvement in society, reducing isolation and improving quality of life. Spreading awareness of available services and benefits clients are eligible for.</p> <p>Provision of advice, information, and support to members of the community. By engaging with service providers and multi agencies to help adapt services and activities to benefit the needs of the community.</p>

	<p>Provide Carbon Monoxide safety advice and awareness, fuel poverty/debt and energy efficiency advice through the community hub.</p>
<p><b>Information Required</b></p>	<p><b>Description</b></p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p>The VCMA project forms part of Cadent's wider Centres for Warmth network. The Centre for Warmth project model ensures resources, materials and VCMA funding are allocated to a community centre located in an area of high deprivation. Enabling the community centre to enhance and expand existing support for customers living in vulnerable situations.</p> <p>This project will be delivered in partnership with Hyde Community Hub and aims to support around 16,000 clients with energy/safety/health/ loneliness issues over a 2-year period.</p> <p><u>Project Outcomes</u>          'The Hyde Community Hub' Centre for Warmth project aims to achieve the outcomes listed below:</p> <ul style="list-style-type: none"> <li>• Provide local residents with energy efficiency advice, carbon monoxide and general gas safety and registration onto the PSR.</li> <li>• Provide advice and advocacy on subjects such as maximising income, debt/money management, benefits, education, employment, and health.</li> <li>• Provide slow cooking classes to promote efficiency, affordability, and health benefits.</li> <li>• Providing support and advice to anyone deemed vulnerable; BAME communities, elderly residents, residents with a disability and isolated people.</li> </ul> <p><u>Associated Actions</u>          To deliver the project outcomes the following actions will be implemented:</p> <ul style="list-style-type: none"> <li>• The project will tackle loneliness and social isolation</li> <li>• An increased awareness of carbon monoxide safety and the dangers of the poisonous gas. There will be reduced risk of harm to Carbon Monoxide and a decrease in hospital admissions. This will be accomplished by centre staff having conversations on Carbon Monoxide with residents and distributing audible Carbon Monoxide alarms to the households at greatest risk.</li> <li>• Increased levels of awareness in specific topic areas and an increase in household income. Cadent will fund one full-time advisor to support clients on benefit entitlement checks, debt, social welfare, Carbon Monoxide safety and energy efficiency. Households will be on maximum income as entitled benefits will be identified and claimed with specialist support.</li> </ul> <p><u>Success criteria</u></p>

	<p>The project's success will be assessed against the Projects objectives:</p> <ul style="list-style-type: none"> <li>• Approximately 16,000 clients will be reached through the project across the initial 2-year period.</li> <li>• Around 4000 clients will receive specialist advice on identifying and accessing previously unclaimed benefits.</li> <li>• Around 4000 clients will receive awareness on Carbon Monoxide dangers and how to keep safe.</li> <li>• Around 4000 clients having an awareness of the PSR and eligible households registering with the support of centre staff.</li> <li>• Around 4000 clients will receive energy efficiency advice.</li> </ul>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>Cadent will work in partnership with Hyde Community Hub to deliver the project.</p>
<p><b>Potential for New Learning</b></p>	<p>The 'Hyde community hub' Centre For Warmth project offers several areas of potential learning that Cadent can adopt for other VCMA funded projects in RIIO-GD2.</p> <p>One of the main rationales behind funding the project is the number of residents living in deprived and vulnerable situations. In 2022, there have been significant rises in fuel and cost of living. Through the VCMA funding, Cadent can support these challenges faced by communities in 2022, with findings shared across Cadent's VCMA programme.</p>
<p><b>Scale of VCMA Project and SROI Calculations</b></p>	<p><u>The scale of the VCMA project</u>            Cadent will invest £117,674.00 in partnership with Hyde Community Hub for the project "Hyde Community Hub Centre For Warmth. Delivering support and a range of services to 16,000 clients over a two-year period.</p> <p>Total investment £117,674.00 GBP</p> <p>SROI Calculations:</p> <p>Investment: £117,674.00</p> <ul style="list-style-type: none"> <li>• 2000 clients supported with benefits and debt advice: £3,434,220.00</li> <li>• 2000 client's energy efficiency advice: £735,540.00</li> <li>• 2000 clients advised on CO: £17,455.47</li> <li>• 2000 PSR sign-ups: £287,780.00</li> <li>• Social isolation and loneliness: £2,208,000.00</li> <li>• Total reach of around 4,000 per year</li> </ul> <p>*Per annum</p> <p>5-year gross present value= £6,682,995.47            5-year Social Return on Investment = £6,565,321.47</p> <p>1- year Gross Present Value=£1,336,599.09</p>



	<p>1-year Social Return on Investment =£1,313,064.29</p> <p>(minus investment Centre costs: £110,000)</p> <p>Slow cooker costs: £7,674.00 (60x small £15.55 and 100x large slow cookers £27.84)</p> <p><u>Supporting households to maximise their income</u>          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 £171.11 per household and £3,434,220.00 across the average 4000 clients over the 5 years.</p> <p><u>Educating customers on the dangers of carbon monoxide</u>          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.</p> <p>SIA Partners pointed to a number of factors that influenced the social value generated by educating customers on the dangers of carbon monoxide:</p> <ul style="list-style-type: none"> <li>• A reduction in A&amp;E visits linked to CO;</li> <li>• A reduction in long-term hospitalisations linked to CO;</li> <li>• A reduction in deaths caused by CO;</li> <li>• A reduction in time off work due to injury caused by CO;</li> <li>• A reduction in ambulance call-outs linked to CO;</li> </ul> <p>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.</p> <p><u>Supporting households to register to the Priority Services Register</u>          Cadent worked with SIA Partners to evaluate the average 5-year gross present value of supporting households to register to the PSR. SIA Partner based their analysis on the DNO proxy bank value for an avoided stress management course.</p> <p>SIA Partners evaluated an average 5-year gross present value of £143.89 for a single PSR registration and an average of 5 - year gross present value of 2000 PSR sign-ups £287,780.00</p> <p><u>The Cost of loneliness</u></p>
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	<p>The Centre for Warmth project will reach customers living in urban areas of Cadent's network.</p> <p><sup>7</sup>BBC report found that 46% of England's urban population are aged 65 or over.</p> <p><sup>8</sup>One-fourth of the population aged 65 years and older reported feelings of loneliness.</p> <p><sup>9</sup>Social Psychiatry and Psychiatric Epidemiology reported a net present value of £6,000 for people who reported being lonely most of the time. This figure was across a 10-year period and equates to £600 per annum. This research concluded that older people who feel lonely are at greater risk of developing conditions such as dementia and depression.</p> <p><sup>10</sup>The health foundation reported that 21% of older people who live alone, or face feelings of loneliness visit their GP at least once a month. This places pressure on front-line services since many people who experience loneliness think of their GP as someone they can relate to and who will listen to them, engaging in an open, friendly dialogue.</p> <p>The centres For Warmth project aims to reach 16,000 urban customers. 46% of which will be aged 65 and over. This equates to 7,360 customers.</p> <p><sup>11</sup>Campaign to end loneliness reported that over 700,000 people aged 65 and over are experiencing feelings of loneliness. 46% of this age group living in urban areas this equates to 322,000 people.</p> <p>Social Psychiatry and Psychiatric Epidemiology research suggests a potential saving of £600 per annum for each older customer supported that was previously experiencing feelings of loneliness.</p> <p>The Centre for Warmth project will run for 2 years, equating to a saving of £1,200 per customer.</p> <p>1,840 customers report being lonely most of the time: (£600 x 2) x 1,840</p> <p>This equates to an overall benefit of £2,208,000.00 across the entire customer group supported through the project.</p>
<p><b>VCMA Project Start and End Date</b></p>	<p>Start Date: December 2022 End Date: December 2024</p>
<p><b>Geographical Area</b></p>	<p>The project will be delivered in Cadent's North West network. Supporting communities and benefitting customers located in Hyde, Tameside.</p>
<p><b>Remaining Amount in the Allowance at Time of Registration</b></p>	<p>To be confirmed upon receipt of Director of Sustainability and Social Purpose sign-off.</p>

<sup>7</sup> <https://www.bbc.co.uk/news/uk-43316697>

<sup>8</sup> <https://www.cdc.gov/aging/publications/features/lonely-older-adults.html#:~:text=Older%20adults%20are%20at%20increased,the%20amount%20of%20social%20contact.>

<sup>9</sup> <https://link.springer.com/content/pdf/10.1007/s00127-019-01733-7.pdf>

<sup>10</sup> <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>

<sup>11</sup> <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: 09/03/2023	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 09/03/2023	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: 10/03/23	
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	