

# Vulnerability & Carbon Monoxide Allowance (VCMA)

## Project Eligibility Assessment (PEA) Harpurhey Neighbourhood Project

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Lead  
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## 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>
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"> <li>i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li>ii. Provide awareness on the dangers of CO, or</li> <li>iii. Reduce the risk of harm caused by CO;</li> </ul>	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
<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:	
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
<b>Section 3 - Eligibility criteria for collaborative VCMA projects</b>	
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
<b>Project Title</b>	Harpurhey Neighbourhood Project Centre for Warmth
<b>Funding GDN(s)</b>	Cadent company specific project
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Not applicable
<b>Date of PEA Submission</b>	March 2023
<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 - £96,000.00 Slow Cookers – 100 = 75 large £27.84= £2,088.00 and 25 small x£15.55 = £388.75 Total = £2,476.75  Total = £98,476.75
<b>Total VCMA Funding Required (£k)</b>	Total = £98,476.75
<b>Problem(s)</b>	<p>Harpurhey Neighbourhood Project is a voluntary organisation which supports community activity in Harpurhey. We do this by encouraging, supporting grass roots community groups and by managing the Neighbourhood Centre - providing a venue for a variety of activities and a base for a number of local groups. We also work to attract resources and funding into the area.</p> <p>The Manchester district of Harpurhey has a population of 19,872 and has been named as the most deprived neighbourhood in England in a government study. It gets the unwanted tag in a report for the Office of the Deputy Prime Minister. Researchers at Oxford University analysed the quality of life in 32,482 neighbourhoods in England. 19 Feb 2007</p> <p>1) When the research was conducted 55% of residents were in poor health, a third did not own their own home and crime was rife. These and a range of other factors means that it clocks up an index of multiple deprivation score of 85.69, a point higher than anywhere else in the country. The unemployment rate is 8.4 per cent and 60 per cent of Harpurhey adults do not own a car.</p> <p>Other issues on the estates are drug dealing, drug addiction, 'cuckooing' and gangs.</p> <p><b>Fuel poverty</b></p>

<sup>1</sup> [www.theguardian.com/society/2004/may/18/socialexclusion](http://www.theguardian.com/society/2004/may/18/socialexclusion)

2) Research shows that 15% of homes in Greater Manchester are living in fuel poverty and over 200,00 people are earning less than the 'Real Living Wage' of £9.90 per hour. Some boroughs are seeing child poverty above 30% while nearly one in ten households are struggling with food insecurity forcing them to use food banks.

Fuel poverty is experienced by households which are unable to maintain an adequately heated home at prices that they can afford. There is compelling evidence that the drivers of fuel poverty (low income, poor energy efficiency and energy prices) are strongly linked to living at low temperatures (Wilkinson et al 2001). Data from the Department of Energy and Climate Change (DECC) shows that, in 2011, there were 2.39million households living in fuel poverty, representing 11% of all households in England. There are regional variations across the country, with the Midlands and parts of the North of England experiencing levels higher than the national average. The links between fuel poverty and poor health outcomes are well documented. Illnesses exacerbated by living in a cold home put additional pressures on health services.

### **Unemployment/low wages**

3) The rate of unemployment in Harpurhey is 8.4%. Harpurhey has the highest number of residents economically inactive because they are classed as long-term sick or disabled<sup>3</sup>.

4) Harpurhey has 300 unemployed youths aged 16-24 and the highest number of long-term unemployed who have not worked since 2009.

Unemployment causes stress, which ultimately has long-term physiological health effects and can have negative consequences for people's mental health, including depression, anxiety and lower self-esteem. 16 Apr 2021

### **Risk of exposure to Carbon Monoxide**

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 as a result of carbon monoxide and 200 people are left hospitalised

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.

### **Energy Efficiency advice**

<sup>2</sup> [democracy.manchester.gov.uk/documents/s1696/Appendix%201%20-%20Support%20at%20home%20Update%20on%20equipment%20adaptations%20and%20reablement%20services.pdf](https://democracy.manchester.gov.uk/documents/s1696/Appendix%201%20-%20Support%20at%20home%20Update%20on%20equipment%20adaptations%20and%20reablement%20services.pdf)

<sup>3</sup> [www.google.com/search?q=harpurhey+unemployment+reasons&aq=ed&oeq=69i57.9995j0j1&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=harpurhey+unemployment+reasons&aq=ed&oeq=69i57.9995j0j1&sourceid=chrome&ie=UTF-8)

<sup>4</sup> <https://www.manchester.gov.uk › downloads>

	<p>Due to the cost-of-living crisis and the removal of the energy price cap more and more families are trying to find ways of lowering their energy bills.</p> <p>This project will advise customers on energy saving tips on how to lower their consumption of energy by making small changes that add up. It will educate them on cooking more efficiently with a slow cooker and will also give them advice on how to stay warm and safe in their homes.</p> <p>Families will be provided with general education around energy efficiency and energy saving habits – being energy aware – embedding positive behaviours into the family routine (switching off lights, appliances when not used). This would also incorporate a broader awareness of the impact of energy consumption on the environment.</p>
<p><b>Scope and Objectives</b></p>	<p>Cadent will establish a Centre for Warmth, providing Harpurhey Neighbourhood project with £96,000 of VCMA funding to enable the delivery of a 2 year project.</p> <p>This funding will be used to deliver the following :</p> <ul style="list-style-type: none"> <li>• Residents will receive advice on income maximisation and help with benefits.</li> <li>• Centre attendees will receive advice on energy efficiency.</li> <li>• The centre will deliver advice on CO awareness.</li> <li>• Local vulnerable people will receive a free CO alarm.</li> <li>• Advice will be given on the PSR.</li> <li>• People will be assisted to register onto the PSR.</li> <li>• Slow cooker sessions will be hosted to educate families on a more efficient way of cooking and given a free slow cooker.</li> <li>• The sessions will alleviate loneliness and isolation by offering groups/activities.</li> </ul> <p>The project aims to reach approximately 400 families across a 2 year period. This will be divided as follows:</p> <ul style="list-style-type: none"> <li>• 400 people will receive advice on benefits /income maximisation.</li> <li>• 400 people will receive advice on energy efficiency.</li> <li>• 400 people will receive advice on Carbon monoxide awareness.</li> <li>• 200 people will receive a free CO alarm.</li> <li>• 400 people will be given advice on the PSR.</li> <li>• 200 people will be assisted to sign up to the PSR.</li> <li>• 100 people will be educated on how to use a slow cooker to help lower energy usage.</li> <li>• 400 people will alleviate loneliness and isolation by attending sessions and groups.</li> </ul>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p><b>Cadent believe that this project meets all the required VCMA eligibility criteria.</b></p> <p><b>A. The project is forecasted to have a positive SROI. Please see the relevant section for more information.</b></p>

	<p><b>We believe this project has the deliverables necessary to create a positive social return on investment - see the below section for more details.</b></p> <p><b>B. The project will either:</b></p> <ul style="list-style-type: none"> <li><b>i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</b></li> <li><b>ii. Provide awareness on the dangers of CO, or</b></li> <li><b>iii. Reduce the risk of harm caused by CO</b></li> </ul> <p><b>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.</b></p> <p><b>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.</b></p> <p><b>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.</b></p> <p><b>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</b></p>
<p><b>Evidence of Stakeholder/Customer Support</b></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 RII0-2 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</p>



	<p>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 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><b>Information Required</b></p>	<p><b>Description</b></p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p><b>Project Outcomes</b></p> <p>The VCMA project will be delivered in partnership with Harpurhey Neighbourhood Project and aims to support approximately 400 people with home energy, income, and CO advice over 2 years.</p> <p>The Centre for Warmth Project aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> <li>• Provide advice to customers on numerous topics including benefit entitlement checks, energy advice and income maximisation.</li> <li>• Provide customers with advice on CO and offer free alarms to vulnerable customers.</li> <li>• Provide slow cooking classes to local families to promote the potential affordability, efficiency, and health benefits.</li> <li>• Provide families with awareness and a means of registering to the priority services register.</li> </ul> <p><b>Associated Actions</b></p> <p>Cadent's funding will be used to employ a part time community advisor. The advisor will have the skills to provide services regarding benefit checks and income maximisation , debt and housing issues.</p> <p>Cadent will also provide funding for a centre manager who will give advice on energy efficiency and co advice.</p>

	<p>Harpurhey will also deliver sessions on CO safety, energy efficiency and the PSR.</p> <p>Harpurhey will deliver slow cooking classes which promote affordable, healthy, and efficient cooking. Slow cookers will then be provided free of charge to those who attended the classes.</p> <p><b>Success criteria</b></p> <p>The success of the project will be evaluated against the meeting of the project's objectives. These objectives include:</p> <ol style="list-style-type: none"> <li>1. The project will reach approximately 400 customers across the course of the 2year contract.</li> <li>2. 400 customers will receive in-depth 1-2-1 advice on income maximisation advice.</li> <li>3. 3400 customers will receive energy efficiency advice.</li> <li>4. 100 residents will receive support with learning how to use slow cookers as an affordable, efficient, and healthy means of cooking.</li> <li>5 400 customers will receive advice on CO</li> <li>6. 200 customers will receive a free CO alarm.</li> <li>7. 200 Customers will receive support to sign up to the PSR.</li> <li>8. 400 customers will receive advice on the PSR.</li> </ol> <p>As well as aiming to reach a target number of customers, Cadent and Harpurhey Neighbourhood Project will review the qualitative benefits/indicators of the project as part of the final evaluation. Meeting of the below indicators will help Cadent determine the success of the project:</p>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>Cadent and Harpurhey Neighbourhood project</p>
<p><b>Potential for New Learning</b></p>	<p>Since the project began in April 2021 Cadent have come to realise that every area/town seem 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. Cadent have brought the centres together on a forum for them to share ideas, best practice and resources.</p> <p>This takes place online every six months and is proving beneficial to all the centres involved.</p>
<p><b>Scale of VCMA Project and SROI Calculations</b></p>	<p>The Harpurhey Neighbourhood Project Centre For Warmth will deliver support for an 2 year duration. The project will focus on the provision of advice to approximately 400 customers.</p> <p>This total reach will be divided between:</p> <ul style="list-style-type: none"> <li>• 400 customers receiving income maximisation advice= £686,844.00</li> </ul>



- 400 customers receiving Energy efficiency advice= £147,108.00.

- 200 customers signing up to the PSR = £28,778.00
- 400 customers alleviating the effects of isolation and loneliness = £55,200

Total reach of around 400 across the duration of the project.

### **5-year SROI calculations:**

5-year gross present value= £930,930.00

5-year Social Return on Investment = £832,453.25

(minus investment Centre costs: £96,000.00

Slow cooker costs: £2476.75)

### **1-year SROI calculations:**

1-year gross present value= £186,186.00

1-year Social Return on Investment = £166,490.65

(minus investment Centre costs: £96,000.00

Slow cooker costs: £2476.75)

### **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 1,800 clients will receive this service over the course of the project, equating to a total 5-year gross present value of £3,090,798,00

### **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.

### Distributing carbon monoxide alarms to the most at risk households

Approximately 200 of the most at risk households will receive a free CO alarm over the course of the two year project.

SIA Partners calculated the average 5-year gross present value of issuing a CO alarm to be £14.

### 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.

<sup>5</sup>BBC report found that 46% of England's urban population are aged 65 or over.

<sup>6</sup>One-fourth of the population aged 65 years and older reported feelings of loneliness.

<sup>7</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.

<sup>5</sup> <https://www.bbc.co.uk/news/uk-43316697>

<sup>6</sup> <https://www.cdc.gov/aging/publications/features/lonely-older-adults.html#:~:text=Older%20adults%20are%20at%20increased,the%20amount%20of%20social%20contact.>

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

	<p><sup>8</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 400 customers. 46% of which will be aged 65 and over.</p> <p><sup>9</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 lives in urban areas which equates to 322,000 people.</p> <p>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.</p> <p>The Centre for Warmth project will run for 2 years, equating to a saving of £1,200 per customer.</p> <p>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.</p> <ol style="list-style-type: none"> <li>1. 400 people using centre</li> <li>2. 46% of the population are over 65 = 184 people</li> <li>3. 25% of 184 people are lonely with health conditions = 46 people</li> </ol> <p>46 people X £1200 (£600 per annum) = £55,200</p>
<p><b>VCMA Project Start and End Date</b></p>	<p>Start date: 1<sup>st</sup> March 2023 End date: 28<sup>th</sup> Feb 2025</p>
<p><b>Geographical Area</b></p>	<p>The project will be delivered in Cadent's North-West Network.</p>
<p><b>Remaining Amount in the Allowance at Time of Registration</b></p>	<p>TBC at the time of Director sign off.</p>

<sup>8</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>9</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: 16/03/23	Review Completed By: Gemma Norton
Stage 2: Sustainability and Social Purpose team Management Review	
Date Management Review Completed: 16/03/23	Review Completed By: Phil Burrows
Step 3: Director of Sustainability and Social Purpose team Sign-Off: March Belmega	
Director of Sustainability and Social Purpose team Sign-Off Date: 16/03/23	
Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem ( <a href="mailto:vcma@ofgem.gov.uk">vcma@ofgem.gov.uk</a> )	
Date that PEA Document Uploaded to the Website: March 23	
Date that Notification Email Sent to Ofgem: March 23	