

# Vulnerability & Carbon Monoxide Allowance (VCMA)

## Project Eligibility Assessment (PEA)

*Blackpool Coastal Housing - Warm and Healthy Homes Caseworker 12-month Extension*

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*Ed Allard (Updated by Gurvinder Dosanjh)*  
*Social Programmes Manager*  
December 2022  
Updated January 2024



## 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>N/A</b>
<b>b)</b> The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	<b>N/A</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>N/A</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>N/A</b>
<b>B.</b> Have the potential to benefit consumers on the participating networks; and	<b>N/A</b>
<b>C.</b> Involve two, or more, gas distribution companies.	<b>N/A</b>

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

Information Required	Description
Project Title	Blackpool Coastal Housing - Warm and Healthy Homes Caseworker 12-month Extension
Funding GDN(s)	Cadent – North-West Network
New / Updated (indicate as appropriate)	<b>Updated January 2024 – granted a further 12-month extension, expiring 31 November 2024.</b>
Role of GDN(s) *For Collaborative VCMA Projects only	Not applicable - Cadent company-specific project
Date of PEA Submission	March 2023 <b>Updated January 2024</b>
VCMA Project Contact Name, email and Number	Contact Name: Phil Burrows Role: Head of Customer Vulnerability & Social Programme Delivery Email: phil.m.burrows@Cadentgas.com Number: 07773 545451
Total Cost (£k)	<u>Original costs</u> £34,730.00  <b>Updated January 2024</b> Partner delivery costs: £71,697* Project management costs: £2,867.88*  *Increased by £36,976 for the 12-month extension. *Increased by £2,867.88 for project management costs.  <b>Total Cost: £74,564.88</b>
Total VCMA Funding Required (£k)	£34,730 (original) <b>£74,564.88 (Updated January 2024)</b>
Problem(s)	<p>This project aims to deliver support to customers in vulnerable situations through the channel of an advice caseworker employed by Blackpool Coastal Housing (BCH). BCH are responsible for managing local authority social housing stock, as well as offering wider support to disadvantaged households across Blackpool.</p> <p><u>Fuel Poverty in Blackpool</u></p> <p>Blackpool is located on Cadent's North-West network and is home to thousands of households living in fuel poverty. The government's 2022 fuel poverty statistics report that 14.6% of all households situated in the North-West network are living in fuel poverty; this compares to a national average of 13.4%<sup>1</sup>.</p> <p>Additionally, North-West fuel poor households experience an average annual fuel cost (2022) of £1,649 and an average fuel poverty gap of £442 - the amount of additional funding the household requires to no longer be classed as fuel poor.</p>

<sup>1</sup> <https://www.gov.uk/government/statistics/fuel-poverty-supplementary-tables-2023-2022-data>

	<p>The Blackpool Coastal Housing - Warm and Healthy Homes Caseworker 12-month Extension project aims to support households living in fuel poverty through the offering of in-depth advice and referrals on a wide range of subjects including:</p> <ul style="list-style-type: none"> <li>• Affordable warmth advice;</li> <li>• Access to the Warm Homes Discount;</li> <li>• Understanding and managing energy bills;</li> <li>• Energy efficiency advice;</li> <li>• Income maximisation and energy debt management;</li> <li>• Tackling condensation, damp and mould;</li> </ul> <p><u>Deprivation in Blackpool</u></p> <p>Blackpool continues to report above average index of multiple deprivation levels when compared other regions of Cadent's network.</p> <p>For example, the 2022 Blackpool Joint Strategic Needs assessment reports Blackpool as the most deprived of 317 local authority areas in England (2019 index)<sup>2</sup>.</p> <p>Additionally, and based on the same report, 39 of 94 Blackpool local authority super output areas (LSOAs) are in the top 10% of most deprived in the country. Deprivation can have a negative impact on a community's level of income, health, and barriers to housing.</p> <p>The Blackpool Coastal Housing - Warm and Healthy Homes Caseworker 12-month Extension project aims to support households living in deprived communities by:</p> <ul style="list-style-type: none"> <li>• Delivering income maximisation and advice on managing debt, supporting customers to increase their household income and improving their prospects;</li> <li>• Issuing energy efficiency advice, helping customers to understand how to heat their home to healthier temperatures and avoid cold related illness;</li> <li>• Supporting customers with a referral service to wider sources of help such as adult learning, mental health services, and NHS prescribers.</li> </ul> <p>Overall, the project will deliver support to communities disproportionately affected by fuel poverty and hardship, providing advice and signposting to services that will improve household income, provide affordable warmth, and improve wellbeing.</p>
<p><b>Scope and Objectives</b></p>	<p><u>Project Scope</u></p> <p>The Blackpool Coastal Housing - Warm and Healthy Homes Caseworker 12-month Extension project focusses on the recruitment by BCH of a caseworker. The caseworker will deliver advice to households identified through BCH's wider activities (e.g. work on behalf of the local authority) and referral partners (e.g. local charities and food banks).</p>

<sup>2</sup> <https://www.blackpooljsna.org.uk/People-and-Places/Wider-determinants-of-health/Deprivation.aspx>

	<p>The caseworker will deliver support across a 12-month project and will provide advice on the following subjects based on customers' needs:</p> <ul style="list-style-type: none"> <li>• Affordable warmth advice;</li> <li>• Access to the Warm Homes Discount;</li> <li>• Winter Fuel Payments registration;</li> <li>• Understanding and managing fuel bills;</li> <li>• Energy efficiency advice;</li> <li>• Financial support including budgeting;</li> <li>• Managing fuel debt advice;</li> <li>• Dealing with damp, condensation, mould;</li> <li>• SMART meters advice;</li> <li>• Support to access green measures;</li> </ul> <p>Additionally, the caseworker will ensure a holistic approach through making wider referrals to agencies such as Blackpool Fire and Rescue, NHS, Citizens Advice, and Cosy Homes Lancashire.</p> <p><u>Project Objectives</u></p> <p>Overall, the project aims to support approximately 350 households across its 12-month duration, of which circa 250 households will register to the Priority Services Register (PSR) and 67 households will access the Warm Homes Discount.</p> <p>As well as meeting the above forecasts for number of customers supported, the project also aims to achieve the following objectives:</p> <ul style="list-style-type: none"> <li>• Households supported through the caseworker service report improved wellbeing, greater control of their finances, and increased levels of comfort through living in a warmer home.</li> <li>• The project aims to continue the strong levels of social return on investment witnessed in the 2021-2022 pilot. Cadent invested £34,730.00 in the original partnership with BCH in 2021-2022, with the partnership generating a 5-year SROI in excess of £540,000.00.</li> </ul> <p><b>Updated January 2024</b></p> <p>Building on the success of the previous project, the extension will support an additional 350 households, of which 100 households will register to the PSR and 67 households will access the Warm Homes Discount.</p> <p>For the avoidance of doubt, the two-year project will support 700 households, of which 350 will register to the PSR and 134 will access the Warm Homes Discount.</p>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>We believe that this project meets all of the necessary company-specific VCMA criteria - see below:</p> <p><b>A. The project is forecasted to have a positive SROI.</b></p> <p><i>Due to our understanding on social value and experience from last year's pilot, we believe this project has the</i></p>

	<p><i>deliverables necessary to create a positive social return on investment - see the below section for more details.</i></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><i>The project will provide support to consumers in vulnerable situations and relate to energy safeguarding through the targeting of the most in need households with the categories of advice offered by the caseworker.</i></p> <p><b>C. The project has defined outcomes and the associated actions to achieve them.</b></p> <p><i>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.</i></p> <p><b>D. The project goes beyond the activities funded through other price control mechanisms or required by licence obligations.</b></p> <p><i>We believe that this project goes outside of activities funded through other price control mechanisms due to:</i></p> <ul style="list-style-type: none"> <li><i>a) the types of support being delivered, and</i></li> <li><i>b) the method in which households are engaged (e.g. not through Cadent's BAU activities etc.)</i></li> </ul> <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.</b></p> <p><i>This project will be delivered solely through Cadent's VCMA funding.</i></p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>Cadent has sought the views of a wide range of stakeholders to support its strategy for shaping VCMA projects. For example, Cadent conducted extensive stakeholder engagement to gather the views of organisations on its year one VCMA delivery.</p> <p>Firstly, 61% of stakeholders supported the approach of Cadent increasing its level of investment in programmes that tackle affordability and fuel poverty, when compared to 2021-2022 levels. As well as its wider VCMA delivery, Cadent made the decision to renew its partnership with BCH based on factors like this feedback. The Blackpool Coastal Housing - Warm and Healthy Homes Caseworker 12-month Extension project aims to tackle affordability and fuel poverty through offering households advice on income maximisation, energy efficiency, and debt management.</p> <p>Additionally, when looking specifically at stakeholder feedback relating to the 2021/22 BCH partnership, 74% of stakeholder either supported, or somewhat supported Cadent investing further VCMA funding in the partnership.</p>

	<p>Overall, Cadent has received strong stakeholder support and justification for extending its partnership with BCH to deliver a further 12-months of critical support to an in-need community.</p>
<p><b>Information Required</b></p>	<p><b>Description</b></p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p><u>Project Outcomes</u></p> <p>Utilising Cadent's VCMA funding, BCH aim to deliver the following outcomes:</p> <ul style="list-style-type: none"> <li>• 350 households will be supported with tailored casework advice on a range of subjects including energy efficiency advice, income maximisation, and help to manage debt;</li> <li>• 250 households will be supported to register to the Priority Services Register (PSR)</li> <li>• 67 households will receive help to access the Warm Homes Discount.</li> <li>• All households we engage with will receive PSR awareness and general gas safety advice</li> </ul> <p>As well as achieving the above quantitative outcomes, the project also aims to deliver the following qualitative outcomes:</p> <ul style="list-style-type: none"> <li>• Households supported through the project will report increased levels of comfort due to being able to afford and have the knowledge to heat their home to a healthy temperature.</li> <li>• Households supported through the project will report improved levels of wellbeing and reductions in stress through feeling in better control of their finances.</li> </ul> <p><u>Associated Actions</u></p> <p>Cadent and BCH will perform the following associated actions in order to achieve the project outcomes and success criteria:</p> <ul style="list-style-type: none"> <li>• Cadent will provide BCH with the required levels of funding, as well as referral partners to ensure that a holistic service is offered to households reached through the project.</li> <li>• BCH will ensure that the caseworker has the necessary skills, experience, and training to deliver accurate and reliable advice to the target customer group.</li> <li>• BCH will ensure that they have a network of referral partners in place across Blackpool (e.g. local NHS, Citizens Advice, Cosy Homes Lancashire) in order to deliver a holistic service to households reached through the project.</li> </ul> <p><u>Success Criteria</u></p> <p>The project's success will be measured through a variety of metrics including:</p> <ul style="list-style-type: none"> <li>• Evaluating the number of households supported against the forecast(s) referenced in the Scope and Objectives section of this document.</li> <li>• Measuring customers' attitudes towards the positive indicators listed in the Project Outcomes section of this</li> </ul>

	<p>document (e.g. households will report increased levels of comfort due to being able to afford and have the knowledge to heat their home to a healthy temperature etc.)</p> <ul style="list-style-type: none"> <li>Evaluating a positive social return on investment on the £34,730.00 invested in this partnership - see below section for the project's SROI forecast.</li> </ul> <p><b>Updated January 2024</b></p> <p>For the extended period, starting December 2023, BCH aim to deliver and additional:</p> <ul style="list-style-type: none"> <li>350 households will be supported with tailored casework advice on a range of subjects including energy efficiency advice, income maximisation, and help to manage debt.</li> <li>100 households will be supported to register to the PSR.</li> <li>67 households will receive help to access the Warm Homes Discount.</li> <li>All households we engage with will receive PSR awareness and general gas safety advice.</li> </ul> <p>For the avoidance of doubt, the total deliverables for the two-year project are:</p> <ul style="list-style-type: none"> <li>700 households will be supported with tailored casework advice on a range of subjects including energy efficiency advice, income maximisation, and help to manage debt.</li> <li>350 households will be supported to register to the PSR.</li> <li>134 households will receive help to access the Warm Homes Discount.</li> <li>All households we engage with will receive PSR awareness and general gas safety advice.</li> </ul>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>The project will be principally delivered in partnership with Blackpool Coastal Housing.</p> <p>Blackpool Coastal Housing will utilise a network of referral partners to ensure that a holistic service is offered to households reached through the project. Examples of referral partners include:</p> <ul style="list-style-type: none"> <li>Local NHS practitioners;</li> <li>Citizens Advice;</li> <li>Befriending services;</li> <li>Cosy Homes Lancashire</li> </ul>
<p><b>Potential for New Learning</b></p>	<p>We believe that this project offers Cadent the opportunity for new learning in various areas.</p> <p>For example, the 2023/24 partnership with BCH is a renewal of a pilot that was delivered in year one of RIIO-GD2. The landscape of Cadent's North West network was very different in 2021/22 due to factors such as recent rises in energy prices and the cost of living crisis. Customers may now be facing different challenges (such as a lack of tariff switching) and more severe hardship (e.g. rises in inflation and energy price caps), and it is important that Cadent's approach to funding partnerships reflects this change. The renewal of a 2021/22 partnership will offer Cadent the chance to learn and compare customer needs a single geographic area pre and post the cost-of-living crisis.</p>



	<p>Additionally, the renewal of the project with BCH will also offer Cadent learning regarding the ongoing targeting of customers in a small geographic area.</p> <p>Cadent supported several hundreds of fuel poor households in the 2021/22 pilot project with BCH. The project was very successful and Cadent has made the decision to renew the partnership. The project will offer Cadent learning on whether there is the ability to reach new customers not previously engaged, or whether the community becomes saturated with support after 12-months.</p> <p><b>Updated January 2024</b></p> <p>The 2022/23 project highlighted that there are still many individuals struggling with the cost-of-living crisis, forming the basis for the extension.</p>
<p><b>Scale of VCMA Project and SROI Calculations</b></p>	<p><u>Scale of VCMA Project</u></p> <p>Cadent and BCH will deliver the project over a 12-month period between December 2022 and November 2023. The projects aims to support 350 fuel poor households across Blackpool with a variety of energy and income advice. As well as directly delivering advice, the caseworker will refer clients to a network of partners to ensure a holistic service.</p> <p><u>SROI Calculations</u></p> <ul style="list-style-type: none"> <li>• Investment = £34,730.00</li> <li>• 5-year social return on investment = £295,811.00</li> <li>• 1-year social return on investment = £31,378.20</li> <li>• 5-year gross present value = £330,541.00</li> <li>• 1-year gross present value = £66,108.20</li> </ul> <p><u>SROI Summary</u></p> <p>Cadent has worked with energy and utilities consultants at SIA Partners to evaluate the social value generated by activities typically funded through the VCMA. This work has produced a proxy bank of average 5-year gross present values that incorporate the financial, environment, and societal benefits of VCMA activities.</p> <p><u>5-year gross present value to be realised by offering energy advice</u></p> <p>When calculating social value, Cadent and SIA Partners evaluated a range of 14 different energy advice topics. Based on the BCH pilot, Cadent believes that customers will receive an average of two energy advice topics per intervention from the below offerings:</p> <ul style="list-style-type: none"> <li>• The efficient use of appliances and behaviours (£367.77)</li> <li>• The use of heating and hot water controls (£332.33);</li> <li>• The tackling of condensation and damp (£183.82);</li> <li>• Management of fuel debt - payment plan (£156.55);</li> </ul>

The average gross present value of an energy advice topic is £260.12, with each customer receiving support across two topics on average - £520.24.

The project aims to offer energy advice to 350 households across the 12-months of the project, equating to a total 5-year gross present value of £182,084.00

#### 5-year gross present value of helping customers to register to the PSR

Cadent's work with SIA Partners evaluated that registration to the PSR generates a 5-year gross present value of £143.89.

Cadent and BCH forecast that 250 households will be supported to register to the PSR across the 12-month duration of the project, equating to a total 5-year gross present value of £35,972.50.

#### 5-year gross present value of supporting customers to access the Warm Homes Discount

The Warm Homes Discount currently provides eligible households with a monetary benefit of £150.00. Cadent and BCH forecast that 67 households will be supported to claim the Warm Homes Discount across the 12-month duration of the project, equating to a total a 5-year gross present value of £10,050.00

#### 5-year gross present value of supporting customers to access industry funding

Cadent and BCH previously delivered a caseworker advice service in 2021/22. One key feature of the support offered by the caseworker was helping households to access previously unclaimed industry funding. 2021/22 clients accessed an average of £292.67 per household in financial benefit. Based on this average, 2023/24 customers stand to receive a total of £102,434.50 in financial benefit through industry funding.

#### **Updated January 2024**

#### **SROI Calculations**

- Investment = £74,564.88
  - Five-year gross present value = £639,498.50
  - One-year gross present value = £127,899.70
  
  - Five-year social return on investment = £564,933.62
  - One-year social return on investment = £75,704.28
- £1:£7.50

#### **SROI Summary**

The average gross present value of an energy advice topic is £260.12, with each customer receiving support across two topics on average - £520.24. The project aims to offer energy advice to 700 households across the project, equating to a total five-year gross present value of £364,168.

	<p>Cadent's work with SIA Partners evaluated that registration to the PSR generates a five-year gross present value of £143.89. Cadent and BCH forecast that 350 households will be supported to register to the PSR across the duration of the project, equating to a total five-year gross present value of £35,972.50.</p> <p>Cadent and BCH forecast that 134 households will be supported to claim the Warm Homes Discount with a monetary benefit of £150.00, equating to a total five-year gross present value of £20,100.00.</p> <p>With regards to the caseworker advice service, a key feature of the support offered is helping households to access previously unclaimed industry funding. Clients in 2021/22 accessed an average of £292.67 per household in financial benefit. Based on this average, customers stand to receive a total of £204,869 in financial benefit through industry funding.</p>
<b>VCMA Project Start and End Date</b>	<p>Project start date: 01/12/2022 Project end date: 30/11/2023</p> <p><b>Updated January 2024</b></p> <p>Project start date: 01/12/2022 Project end date: 30/11/2024</p>
<b>Geographical Area</b>	<p>The project will be delivered across the Blackpool local authority area in Cadent's North-West network.</p>

## Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - PEA Control Table

### December 2022 (Original)

<p>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.</p>	
<p>Stage 1: Sustainability and Social Purpose Team PEA Peer Review</p>	
<p>Date Immediate Team Peer Review Completed: 08/03/2023</p>	<p>Review Completed By: Gemma Norton</p>
<p>Stage 2: Sustainability and Social Purpose Team Management Review</p>	
<p>Date Management Review Completed: 08/03/2023</p>	<p>Review Completed By: Phill Burrows</p>
<p>Step 3: Director of Sustainability and Social Purpose Strategy Sign-Off: Mark Belmega</p>	
<p>Director of Sustainability and Social Purpose Sign-Off Date: 10/03/2023</p>	
<p>Step 4: Upload PEA Document to the Website &amp; Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)</p>	
<p>Date that PEA Document Uploaded to the Website: March 2023</p>	

Date that Notification Email Sent to Ofgem: March 2023

## January 2024 (Updated)

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:  
07/02/24

Review Completed By: Gemma Norton

Stage 2: Sustainability and Social Purpose Team Management Review

Date Management Review Completed: 07/02/24

Review Completed By: Phill Burrows

Step 3: Director of Sustainability and Social Purpose Strategy Sign-Off: Mark Belmega

Director of Sustainability and Social Purpose Sign-Off Date: 07/02/24

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: February 24

Date that Notification Email Sent to Ofgem: February 24