

# Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)  
Blackpool Coastal Housing - Warm and Healthy Homes Caseworker

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December 2021



## 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

### **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
<b>Project Title</b>	Blackpool Coastal Housing - Warm and Healthy Homes Caseworker
<b>Funding GDN(s)</b>	Cadent - North West Network
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Not applicable - company-specific project
<b>Date of PEA Submission</b>	December 2021
<b>VCMA Project Contact Name, email and Number</b>	Name: Edward Allard Email: Edward.allard@cadentgas.com Number: 07773 627163
<b>Total Cost (£k)</b>	£31,814.00
<b>Total VCMA Funding Required (£k)</b>	£31,814.00
<b>Problem(s)</b>	<p><u>We use a variety of data sources to help us to pinpoint areas where there are larger numbers of households living in fuel poverty. This enables us to maximise the impact of our interventions.</u></p> <p><u>Fuel poverty in Blackpool and surrounding areas</u></p> <p>Households living in Blackpool and areas of the wider Lancashire region experience levels of fuel poverty higher than the national average.</p> <p>Recent Lancashire County Council <sup>1</sup>statistics report that 16.3% of Blackpool households live in fuel poverty, versus a national average of 13.4% of across England.</p> <p>14.2% (92,810 homes) of Lancashire households are currently living in fuel poverty. The Lancashire area includes the towns of Pendle (17.3%), Burnley (16.4%) and Blackburn &amp; Darwen (16.4%), all of</p>

<sup>1</sup> <https://www.lancashire.gov.uk/lancashire-insight/deprivation/fuel-poverty/>

which experience levels of fuel poverty above the national average.

2019/2020 County Council statistics also show the Blackpool unitary authority area as the third highest in the wider Lancashire-14 area in terms of the number of recipients of Winter Fuel Payments (27,570).

### Fuel poverty and the impact on life expectancy in Blackpool

Households living in fuel poverty can experience many detrimental physical and mental health conditions. <sup>2</sup>Respiratory tract infections, <sup>3</sup>viruses and stress can all be exacerbated by living in a cold, damp home.

At the most severe end of the scale, the impact of living in a cold home can cause premature death. There are more deaths across England and Wales reported in Winter than in Summer. <sup>4</sup>2017/2018 statistics reported that 16,890 excess winter deaths in the UK were attributed to cold housing conditions.

Increased levels of fuel poverty may be a factor behind lower average life expectancies in Blackpool versus the wider North West and England.

<sup>5</sup>2018-202 birth statistics from the Joint Strategic Needs Assessment reported that Blackpool males have an average life expectancy of 74.1 years versus 77.9 (wider North West) and 79.4 (rest of England). Statistics for females were equally as worrying, with Blackpool women having an average expectancy of 79 years. North West females have an average life expectancy of 81.7 years, whilst females from wider England have 83.1 years.

### The treatment of mental health conditions in Blackpool

A recent Public Health England report illustrated that the prevalence of depression, both identified by GPs and self-reported within the GP patient survey, is significantly higher in Blackpool than the England average.

<sup>2</sup> [https://fingertips.phe.org.uk/documents/Fuel\\_poverty\\_health\\_inequalities.pdf](https://fingertips.phe.org.uk/documents/Fuel_poverty_health_inequalities.pdf) (2014)

<sup>3</sup> <https://www.cse.org.uk/downloads/reports-and-publications/fuel-poverty/fuel-poverty-ill-health.pdf>

<sup>4</sup> <https://www.e3g.org/news/media-room/17000-people-in-the-uk-died-last-winter-due-to-cold-housing>

<sup>5</sup> <https://www.blackpooljsna.org.uk/Blackpool-Profile/Life-Expectancy.aspx>

	<p>The <sup>6</sup>2018/2019 statistics reported that rates of depression diagnosed by Blackpool GPs is the highest in England with 18.5% of patients being diagnosed with the condition. The national average for England is 11.6%.</p> <p>Additionally, Blackpool GP practitioners have some of the highest rates of antidepressant prescribing in the country.</p>
<p><b>Scope and Objectives</b></p>	<p><u>Project scope</u></p> <p>Cadent will invest £31,814 of its company specific VCMA fund in partnership with Blackpool Coastal Housing (BCH).</p> <p>BCH is a separate organisation from the council and is tasked with managing a stock of 5000 houses in the Blackpool area. BCH are also responsible for supporting tenants with issues such as health and wellbeing, fuel poverty and home safety.</p> <p>Cadent's VCMA funding will be used by BCH to employ a community case worker on an initial 12-month contract. The case worker will be responsible for supporting BCH clients and wider members of the local community with a variety of services including:</p> <ol style="list-style-type: none"> <li>1. Affordable Warmth Support (energy efficiency advice, financial support/budgeting, understanding, and managing fuel bills and tariffs/switching);</li> <li>2. Supporting clients to access industry funding;</li> <li>3. Accessing the Warm Homes Discount;</li> <li>4. Registration to the Priority Services Register;</li> <li>5. Broader health and wellbeing services.</li> </ol> <p>The project aims to provide households living in fuel poverty with essential services, all of which are designed to help them stay safe and warm at home. In addition to the tackling of the issues outlined in the "Problem(s)" section of this document, we believe the launching of this VCMA project to be very timely due to the pending increase in energy price cap and recent rises in the cost of living.</p> <p><u>Project Objectives</u></p>

<sup>6</sup> <https://www.blackpooljsna.org.uk/Living-and-Working-Well/Health-Conditions/Mental-Health.aspx#:~:text=In%20the%202020%20GP%20Survey,the%20national%20average%20of%2011.6%25.>

	<p>The project has several objectives. Cadent will evaluate the success of the project against the achievement of these objectives.</p> <ol style="list-style-type: none"> <li>1. The community case worker will assist approximately 350 households across the initial 12-month duration of the project with Affordable Warmth support;</li> <li>2. The community case worker will help project clients realise approximately £17,500 in charitable grants and/or industry funding;</li> <li>3. The community case worker will assist approximately 350 project clients with wider wellbeing and health support including employability, mental health, adult learning, and volunteering across the initial 12-month duration of the project</li> <li>4. The community case worker will assist approximately 67 households claim the Warm Homes Discount across the initial 12-month duration of the project;</li> <li>5. The community case worker will assist approximately 250 households register to the Priority Services Register across the initial 12-month duration of the project;</li> <li>6. The project will offer Cadent new learning as detailed in the relevant section below;</li> <li>7. The project will generate a positive social return on investment as detailed in the relevant section below;</li> </ol>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>We believe that this project meets the required company specific VCMA project eligibility criteria.</p> <ol style="list-style-type: none"> <li>a. <b>Has a positive, or forecasted positive SROI, including for the gas consumers funding the VCMA project:</b>  Yes – see section below</li> <li>b. <b>Either:</b> <ol style="list-style-type: none"> <li>i. <b>Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</b></li> <li>ii. <b>Provide awareness on the dangers of CO<sub>2</sub> or</b></li> <li>iii. <b>Reduce the risk of harm caused by CO<sub>2</sub></b></li> </ol> </li> </ol>

	<p>This project will provide support to consumers in vulnerable situations and relate to energy safeguarding. Project clients will be identified through BCH's housing stock and wider referral partners. BCH specialise in providing affordable housing and support to low-income households. The project centres on the employment of a community caseworker that will provide energy-related assistance to project clients.</p> <p><b>c. Have defined outcomes and the associated actions to achieve these:</b></p> <p>This project has clearly defined actions 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><b>d. Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations;</b></p> <p>The method for delivering the support to project clients and the nature of the assistance offered through the programme are both innovative; going beyond activities funded through other price control mechanisms.</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.</b></p> <p>This project will be solely delivered through Cadent's VCMA funding and will not utilise any external local government funding.</p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>Cadent's <sup>7</sup>independent customer engagement group report for its RIIO-GD2 business plans contains feedback on a variety of proposals, including Cadent's ambitions for tackling fuel poverty.</p> <p>The report supported Cadent's holistic approach to tackling fuel poverty, whereby a household is supported with a combination of services/advice.</p> <p>The CEG recognised the need for a holistic approach that supports a household with its fuel</p>

<sup>7</sup> <https://cadentgas.com/nggdwsdev/media/Downloads/business-plan/Cadent-CEG-report-with-appendices.pdf>

	<p>prices (FPNES), energy efficiency (advice) and household income (income maximisation and access to industry/charity grants).</p> <p>The partnership with BCH will provide their fuel poor clients with a holistic package of support including energy advice, debt management, access to industry grants, mental health/wellbeing services and PSR registration.</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>The project aims to provide customers with a wide range of energy/safety/wellbeing advice through the method of employing a local community case worker. The project will achieve the following outcomes:</p> <ul style="list-style-type: none"> <li>• The project's services will result in customers feeling safer, more financially secure, and more in control of their energy usage.</li> <li>• The project's wellbeing services will result in customers feeling less stressed and anxious about energy debt.</li> <li>• The project will yield Cadent an opportunity for new learning - please see the relevant section below.</li> <li>• The project will create a positive social return on investment, demonstrating effective spend of the VCMA.</li> </ul> <p><u>Associated Actions</u></p> <ul style="list-style-type: none"> <li>• Cadent will provide funding, training, and resources to BCH, enabling them to employ a community case worker on an initial 12-month project.</li> <li>• BCH will utilise its existing resources to reach fuel poor households that are in need of the project's services. BCH will also utilise its relationships with local stakeholders to support "external" fuel poor customers living in the Blackpool area.</li> <li>• The project will reach households living in all property tenures and will support a range of demographics in Blackpool communities (e.g. age groups, ethnicities, disabilities etc.).</li> </ul> <p><u>Success criteria</u></p>



	<p>The success of the project will be evaluated against the meeting of the project's objectives. These objectives include:</p> <ul style="list-style-type: none"> <li>• The community case worker will assist approximately 350 households across the initial 12-month duration of the project with Affordable Warmth support;</li> <li>• The community case worker will help project clients realise approximately £17,500 in charitable grants and/or industry funding;</li> <li>• The community case worker will assist approximately 350 project clients with wider wellbeing and health support including employability, mental health, adult learning, and volunteering across the initial 12-month duration of the project;</li> <li>• The community case worker will assist approximately 67 households claim the Warm Homes Discount across the initial 12-month duration of the project;</li> <li>• The community case worker will assist approximately 250 households register to the Priority Services Register across the initial 12-month duration of the project;</li> <li>• The project will offer Cadent the new learning detailed in the relevant section below;</li> <li>• The project will generate a positive social return on investment as detailed in the relevant section below;</li> </ul>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>The project will principally be delivered in partnership with Blackpool Coastal Housing.</p>
<p><b>Potential for New Learning</b></p>	<p>Areas of Blackpool and the Lancashire-14 wider area have historically scored highly in terms of fuel poverty, index of multiple deprivation and unemployment on Cadent's social mapping data.</p> <p>However, Cadent's past projects (outside of the FPNES) have not always focussed specifically on this area of the North West network. This may have been for a variety of reasons, including difficulties in locating and engaging households most in need of support.</p> <p>The Blackpool Coastal Housing - Warm and Healthy Homes Caseworker project will offer Cadent an opportunity to explore a new method of reaching</p>

	<p>customers - through a partnership with a property management/household support organisation.</p> <p>This project offers clients a holistic package of services including both energy and wider wellbeing support. Cadent has a good understanding on the benefits (both to the customer and societal) of energy/gas safety services. The community case worker project will offer Cadent new learning on the exact benefits of supporting customers with wider wellbeing.</p>
<p><b>Scale of VCMA Project and SROI Calculations</b></p>	<p><u>Scale of VCMA project</u></p> <p>The project will be delivered over an initial 12-months, with the success reviewed at the end of this period. A decision on the implementation of a 12-month extension will then be made between the parties.</p> <p>We forecast that the below number of customers will be supported with the project's services:</p> <ul style="list-style-type: none"> <li>• 350 households assisted with affordable warmth support;</li> <li>• £17,500 in charitable grants/industry funding realised for households supported through the project;</li> <li>• 350 households supported with wider wellbeing and health services;</li> <li>• 67 households supported with claiming the Warm Homes Discount;</li> <li>• 250 households supported with registering to the Priority Services Register;</li> </ul> <p><u>Social return on investment calculations</u></p> <ul style="list-style-type: none"> <li>• Forecasted 5-year social return on investment = £455,827.25</li> <li>• Forecasted 1-year social return on investment = £65,714.25</li> <li>• Investment = £31,814</li> <li>• Forecasted 5-year gross present value = £487,641.25</li> <li>• Forecasted gross present value from issuing customers with affordable warmth energy advice = £182,082.25</li> </ul>

- Forecasted gross present value from helping customers with wellbeing and mental health support = £242,706.50
- Forecasted gross present value from helping customers to access charitable grants/industry funding = £17,500
- Forecasted gross present value from supporting customers to claim the Warm Homes Discount = £9,380
- Forecasted gross present value from registering customers to the Priority Services Register = £35,972.50

### The gross present value created by the issuing of affordable warmth energy advice

Cadent employed social value consultants SIA Partners to conduct analysis on the gross present value(s) of issuing customers with in-person advice on a variety of topics including:

- The efficient use of appliances and behaviours (£367.77)
- The use of heating and hot water controls (£332.33);
- The tackling of condensation and damp (£183.82);
- Management of fuel debt - payment plan (£156.55);

Cadent believes that it is unrealistic to expect all customers to receive advice on 3-4 topics, as support will be issued in line with the customer's needs.

As such, we have conservatively forecasted that each customer will receive advice on 2 topics (BCH's client base live in areas of high fuel poverty and deprivation, meaning they are more likely to require in-depth support).

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 will deliver affordable warmth energy advice to 350 households across the course of the initial 12-month project.

350 households receiving an average benefit of £520.24 equates to a total value of £182,082.25

The gross present value created by helping customers with wellbeing and mental health support

The project aims to offer wellbeing and mental health support to 350 project clients across the initial 12-month project period.

Statista <sup>8</sup>figures on the frequency of GP visits by UK residents suggest that 65% of people visit their GP at least once per year (14% never visit and 21% less often).

65% of the 350 customers supported through this aspect of the project equates to a conservative estimate of 227.5 people that visit their GP at least once per year.

<sup>9</sup>Statistics from the 2018/2019 Blackpool Joint Strategic Needs Assessment reported that 18.5% of all Blackpool GP patients were diagnosed with depression.

18.5% of 227.5 customers equates to a group of 42.1 customers that could be diagnosed with depression.

The DNO proxy bank repository of <sup>10</sup>social values report the annual cost of service provisions for adults suffering from depression and/or anxiety disorders as £5,765 per customer.

The provision of wellbeing and mental health support to the project's customers could achieve a saving of £242,706.50 (42.1 customers with a cost of £5,765 per customer).

The gross present value of helping customers to access industry funding

We forecast that the project will support customers to access £17,500 in industry funding over the initial 12-months of the project.

Although other customer benefits such as reductions in stress and the ability to heat their home to an adequate temperature can be

<sup>8</sup> <https://www.statista.com/statistics/888323/frequency-of-primary-care-visits-in-great-britain/>

<sup>9</sup> <https://www.blackpooljsna.org.uk/Living-and-Working-Well/Health-Conditions/Mental-Health.aspx#:~:text=In%20the%202020%20GP%20Survey,the%20national%20average%20of%2011.6%25.>

<sup>10</sup> [https://www.kingsfund.org.uk/sites/default/files/Paying-the-Price-the-cost-of-mental-health-care-England-2026-McCrone-Dhanasiri-Patel-Knapp-Lawton-Smith-Kings-Fund-May-2008\\_0.pdf](https://www.kingsfund.org.uk/sites/default/files/Paying-the-Price-the-cost-of-mental-health-care-England-2026-McCrone-Dhanasiri-Patel-Knapp-Lawton-Smith-Kings-Fund-May-2008_0.pdf)

	<p>associated with accessing industry funding, Cadent has conservatively estimated the gross present value of this services as £17,500.</p> <p>This is due to the fact that the levels of stress and number of homes are difficult to accurately measure when the project objective relates to £'s rather than the no. customers.</p> <p><u>The gross present value of supporting customers to access the Warm Homes Discount</u></p> <p>Cadent employed social value consultants SIA Partners to conduct analysis on the gross present value(s) of supporting customers to access the Warm Homes Discount.</p> <p>SIA Partners evaluated the gross present value of obtaining the Warm Homes Discount as £140.</p> <p>The project aims to support 67 households to obtain the Warm Homes Discount.</p> <p>This equates to a total gross present value of £9,380 (67 customers each receiving a benefit of £140 each).</p> <p><u>The gross present value of supporting customers to register to the Priority Services Register</u></p> <p>Cadent employed social value consultants SIA Partners to conduct analysis on the gross present value(s) of supporting customers to register for the Priority Services Register.</p> <p>SIA Partners evaluated the 5-year gross present value of registering to the Priority Services Register as £143.89 per customer. This value was based on the benefit of a reduction of stress during an outage.</p> <p>The project aims to support 250 households to register to the Priority Services Register.</p> <p>This equates to a total gross present value of £35,972.50 (250 customers each receiving a benefit of £143.89).</p>
<b>VCMA Project Start and End Date</b>	Project start date: 01/12/2021 Project completion date: 31/11/2022
<b>Geographical Area</b>	The project will take place in Cadent's North West network, specifically focussing on Blackpool and surrounding communities.
<b>Remaining Amount in the Allowance at Time of Registration</b>	N/A

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

<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: Customer Strategy Team PEA Peer Review</p>	
<p>Date Immediate Team Peer Review Completed: 06/03/22</p>	<p>Review Completed By: Gemma Norton</p>
<p>Stage 2: Customer Strategy Team Management Review</p>	
<p>Date Management Review Completed: 07/03/2022</p>	<p>Review Completed By: Philip Burrows Head of Customer Vulnerability Delivery</p>
<p>Step 3: Director of Sustainability and Social Purpose Sign-Off: Mark Belmega</p>	
<p>Director of Sustainability and Social Purpose Sign-Off Date: 11/03/2022</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 2022</p>	
<p>Date that Notification Email Sent to Ofgem: March 2022</p>	

