

Wales & West Utilities Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Winter Warm Support

Supporting Vulnerable People in Warm Spaces

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UPDATED: March 2025

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Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)

In order to qualify as a VCMA Project, a project must:

- a) have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project;
- b) either:
 - i. provide support to consumers in Vulnerable Situations and relate to energy safeguarding, or
 - ii. provide awareness of the dangers of CO, or
 - iii. reduce the risk of harm caused by CO;
- c) have defined outcomes and the associated actions to achieve these;
- d) go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and
- e) not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.¹

Eligibility criteria for company specific essential gas appliance servicing, repair, and replacement

In order to qualify as a VCMA Project, unsafe pipework and essential gas appliance² servicing, repair or replacement must meet the following criteria:

- a) a GDN has to isolate and condemn unsafe pipework or an an essential gas appliance following a supply interruption or as part of its emergency service role;
- b) the household cannot afford to service, repair or replace unsafe pipework or the essential gas appliance; and
- c) sufficient funding is not available from other sources (including national, devolved or local government funding) to fund the unsafe pipework or the essential gas appliance servicing, repair or replacement.

¹ If part, but not full, funding is available through an external funding source for an eligible project, VCMA funding can be used for the remaining amount.

² Essential gas appliances are gas fuelled heating systems (including gas boilers and gas fires), and gas cookers.

Criteria

Information required for the registration of VCMA projects

Information required	Description								
Project title	Winter Warm Support – Supporting Vulnerable People in Warm Spaces								
Funding GDN(s)	Wales & West Utilities								
New/ Updated PEA	Updated March 2025								
VCMA Project contact name, email and number	Sophie Stone- Sophie.Stone@wwutilities.co.uk 07977 804612								
Total Cost (£)	105,755 <u>Updated March 2025:</u> £393,861.67 <table border="1" data-bbox="810 752 1385 902"> <tr> <td>Winter 2022- 2023</td> <td>£105,755</td> </tr> <tr> <td>Winter 2023- 2024</td> <td>£89,901.75</td> </tr> <tr> <td>Winter 2024- 2025</td> <td>£98,174.92</td> </tr> <tr> <td>Winter 2025-2026*</td> <td>£100,000</td> </tr> </table> *2025-2026 costs are forecast	Winter 2022- 2023	£105,755	Winter 2023- 2024	£89,901.75	Winter 2024- 2025	£98,174.92	Winter 2025-2026*	£100,000
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Total VCMA funding required (£)	£105,755 <u>Updated March 2025:</u> £393,861.67								
Problem(s)	<p>With the cost-of-living crisis and rising energy bills disproportionately affecting the most vulnerable in society, we have seen local authorities, community centres, foodbanks etc. adapting their services and opening hours to make warm spaces available for longer. Whilst the increased level of support offers an immediate relief from the severe drops in temperature and cold homes, the service is not a long-term solution. Customers who would otherwise be more comfortable in their own homes, need practical support to tackle the systemic issues like fuel poverty, access to benefits, and support to maximise their income.</p>								
Scope and Objectives	<p>Those living in cold homes need practical advice and support to access unclaimed benefits, and to maximise their income. Organisations offering this support are opening their spaces for longer, offering a warm, comfortable space for people to use during the coldest periods of year. However, accessing support measures can often take weeks and in some cases months, leaving people in hardship to return to cold homes.</p>								

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	<p>Wales & West Utilities responds to more than 80,000 gas emergencies annually, and when a household’s gas supply must be isolated, Winter Warm Packs are offered to our customers.</p> <p>Warm Packs consist of small measures such as thermal blankets, gloves, socks, a hat, thermos, hot water bottle, hand warmers, and a thermometer. Our packs will also include information promoting the Priority Service Register (PSR), Carbon Monoxide (CO) awareness, and useful tips to use energy more efficiently.</p> <p>An initial 5,000 Warm Packs were ordered and distributed out to various hubs across our network and were provided to customers to ensure a smoother transition between leaving a warm space and potentially returning to a cold home. They will be able to use these small measurers to keep warm and comfortable in their own homes, bridging the gap between accessing support measures and receiving financial outputs.</p> <p>Following extremely positive feedback from both the organisations we supported and the customers that received the warm packs, WWU has committed to providing this support until the end of GD2. Packs will be ordered each Autumn, ready for the Winter, based on demand from our partner organisations. Total cost of project includes purchase of warm packs from supplier, as well as associated delivery costs which are subject to change and budget will be updated annually to reflect this.</p>
<p>Why the Project is being funded through the VCMA, and how this aligns to GDN’s VCMA Strategy</p>	<p>Wales & West Utilities does not own or bill customers for their gas consumption, however, through stakeholder engagement, we recognise our role in making sure gas is used safely, and efficiently. This project goes above and beyond our core responsibilities as a Gas Distribution Network, and is eligible under the VCMA funding criteria as it will provide energy efficiency advice and CO safety advice/interventions, empowering each householder to use energy safely, efficiently, and affordably.</p>

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	<p>All GDNs have committed to spending VCMA money within four strategic pillars:</p> <ol style="list-style-type: none"> 1. Fuel Poverty & Energy Affordability 2. Services Beyond The Meter 3. Supporting Priority Customer Groups 4. Carbon Monoxide Awareness <p>This project aligns to all pillars.</p>
<p>Evidence of Stakeholder/ Customer support</p>	<p>Through our business planning for RIIO GD2, priority customers research and stakeholders told us that tackling fuel poverty was a priority for WWU alongside raising awareness of the PSR and the dangers of CO.</p> <p>Further stakeholder engagement in late 2020 and early 2021 to understand the impact of COVID-19 and to confirm our assumptions on the split of the VCMA fund. The majority of stakeholders flagged fuel poverty as a bigger issue than ever due to COVID-19 and its impact on people’s income, health, and upward cost of gas and electricity.</p> <p>At the National Energy Action Energy Crisis conference, which took place in Birmingham in January 2023, industry experts including those from the third sector, utilities, and government, engaged with our joint Gas Distribution Network stall to let us know that providing access to small energy efficiency measures is a priority for them to tackle fuel poverty.</p> <p><u>Updated March 2025</u></p> <p>Throughout the planning phase for our RIIO-GD3 business plan we consulted our Independent Stakeholder Group (ISG) on our support measures including keep warm packs; The ISG provided strong support for this initiative along with other small measures that can support keeping consumers safe and warm in the short-term. This is further backed up by our extensive engagement with consumers and VCMA partners who provided similar feedback. Many of the organisations who have received Warm Packs from us to date hold these small, short-term measures in high regard as they provide essential support to customers returning home from a warm space. These packs help individuals maintain warmth, even if</p>

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	<p>they are unable to afford adequate heating for their homes.</p> <p>There is a strong call for WWU to collaborate with local charities and community organisations to enhance outreach and support for vulnerable customers. Stakeholders suggested that these organisations are trusted within their communities and can effectively deliver support packages, including small measures such as warm packs.</p> <p>Stakeholders also advocated for a holistic approach that integrates various support services, including education and advice for vulnerable customers. This could involve proactive outreach to prevent crisis before they occur.</p>
<p>Outcomes, associated actions, and success criteria</p>	<p>Originally, through the relationships developed by various community-based organisations, we provided 5,000 Winter Warm Packs to customers within our network.</p> <p>The expected outcomes from this project were:</p> <p>Households will realise financial benefits – WWU have forecasted 32.82% who receive information on the PSR and sign up will be eligible for the Warm Home Discount Scheme, with 20% eligible for water social tariffs. In addition, the inhabitants of these households will realise health benefits associated with being warmer and more comfortable through the small energy efficiency measures we provide.</p> <p>Given the overwhelming support for this project to be extended, both from customers and our partners, WWU has committed to deliver this initiative every winter until March 2026. Packs will be ordered based on demand from partners, and within forecast budget.</p>
<p>Project Partners and third parties involved</p>	<p>This project will be delivered in partnership with WWU stakeholders ranging from local councils, charities and other third-sector organisations.</p>
<p>Potential for new learning</p>	<p>This project allows WWU to engage with customers accessing support at Warm Banks and understand any benefits and challenges they realise. In addition, we will be able to assess the impact that providing small</p>

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	measures can have on improving our customers circumstances.
Scale of VCMA Project and SROI calculations, including NPV	<p>We have taken the forecast support measures from Warm Banks and used as the input to our SROI model. The output shows a £3.35 net benefit per £1 invested.</p> <p><u>SROI Updated March 2025:</u></p> <p>We have taken the forecasted numbers, based on year one delivery, and expected throughout the whole delivery period and calculated the following SROI over the duration of the project:</p> <p>Total Gross Present Value = £ 1,212,000.01 Net Present Value = £854,813.20 Positive SROI per £1 spent = £2.39</p> <p>Please note that the updated SROI calculation was completed using the GDN-shared SROI rulebook released in September 2024, which produces stricter and more accurate results compared to previous models.</p>
VCMA Project start and end date	This Project originally began 01/01/2023 and will run until the end of GD2 (March 2026).
Geographical area	Winter Warm Packs will be distributed to various community-based support organisations across Wales & West Utilities network.
Internal governance and project management evidence	<p>The demand for the Winter Warm Packs will be reviewed and updated annually.</p> <p>All winter warm packs are purchased in line with our procurement policies and procedures and aligned against the VCMA budget spend.</p>