

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

Project Eligibility Assessment (PEA)

Shelter Cymru Preventing Homelessness

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Updated March 2025

Updated March 2026

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.

Information required for the registration of VCMA projects

Information required	Description
Project title	Shelter Cymru Preventing Homelessness
Funding GDN(s)	Wales & West Utilities
New/ Updated PEA	Updated PEA March 2025 Updated March 2026
Date of PEA submission	27/07/2023
VCMA Project contact name, email and number	Sophie Stone Sophie.Stone@wwutilities.co.uk 07977804612
Total Cost (£)	£100,000 Updated March 2026 Extension – Additional £46,000 Total VCMA funding - £146,000
Total VCMA funding required (£)	£100,000 Updated March 2026 Extension – Additional £46,000 Total VCMA funding - £146,000
Problem(s)	<p>Shelter Cymru supports vulnerable people across Wales through advice and practical support. The groups worst affected by the cost-of-living crisis include those who may:</p> <ul style="list-style-type: none"> • Have mental health problems • Have physical health problems • Be on a low income/benefits (ranging from single parents with young children to pensioners) <p>These groups are the most vulnerable to any small increases in living costs pushing them into a downward cycle of poverty. Mental and physical challenges mean they are typically less able to cope with domestic disruptions – such as interruptions to fuel and they are less equipped to source the best fuel rates or manage mounting fuel debt – resulting a fuel premium and further debt.</p> <p>In the last twelve months Shelter Cymru has helped a record number of people – 1 in every 142 households in Wales went to them for help. In the last year Wales has seen the</p>

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	<p>highest rent rises in the UK outside London, while housing benefits have remained static. The cost of renting privately has skyrocketed, and 6 out of 10 people fear they will be unable to pay their energy bills and will have to cut back on grocery essentials. Many are already relying on food banks. Around 4 million households are likely to face higher mortgage payments in 2023, with the average monthly mortgage payment rising from £750 to £1,000, equivalent to 17% of pre-tax income. More than 8,500 people are living in temporary accommodation in Wales, including over 2,500 children. As more people are living hand to mouth and are faced with the real prospect of losing their home this year, the pressures on housing services across Wales will be immense.</p> <p>More and more renters are losing their homes. Whilst housing benefit is meant to provide a safety net, it has been frozen by the UK Government since March 2020. In the meantime, rents have spiralled out of control – on average, people have to make up a shortfall of £151 a month. Private renters who fall short of their rent have little to cut back on and face terrible choices. For a family to avoid falling into arrears, they have to use money from their limited income meant for feeding their children and keeping the lights on, just to keep a roof over their heads. Budgets are being squeezed beyond breaking point and the severe shortage of social rented homes means that, if private rents are unaffordable to homeless households, people are likely to end up in expensive and unregulated temporary accommodation. Welfare reforms over the past decade have left almost 120,000 UK households with impossible choices between paying the rent or buying food. The household benefit cap disproportionately affects single parent families, including women fleeing domestic abuse and people who have formerly slept on the streets, leaving some of the most vulnerable citizens at the sharpest end of the cost-of-living crisis.</p> <p>Shelter Cymru provides free, independent advice and support to individuals and families who are either living in poor housing or are facing homelessness. Their frontline support</p>
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	<p>services deliver housing, debt, benefits and legal advice to enable people to keep a safe and warm home.</p>
<p>Scope and Objectives</p>	<p>Shelter Cymru will extend their frontline service and triage teams to meet the unprecedented levels of people seeking help. They will expand their expert inhouse debt and benefits advice from 4 of the 22 authorities in Wales to cover all of Wales. This advice will help people to maximise their income, build financial resilience and stay in a safe home. In addition to increasing the capacity of the team, a new Welfare Benefits Adviser role will be created to keep colleagues updated on available benefits, ensuring we are giving relevant advice to those in housing need. This national service will integrate energy saving advice, give support on home insulation and heating, make sure people can access unclaimed benefits, and provide the best energy tariffs and fuel debt assistance – supporting some of the most vulnerable people across Wales. Support staff will receive specialist training and resources, alongside carbon monoxide safety information to proactively include this in interactions.</p> <p>Shelter Cymru will develop specialist pages and resources for their website which reinforce carbon monoxide and priority service register messaging. This messaging will also be included in Shelter Cymru’s training for delegates from a wide range of housing associated companies, as well as the advice surgeries Shelter Cymru provide throughout Wales.</p> <p>Wales & West Utilities will sponsor Shelter Cymru’s People and Homes Conference. VCMA messages will be spread throughout the conference.</p> <p>Updated March 2026 Extension From 1st September 2025 – 31st March 2026.</p> <p>Shelter Cymru will support an additional 500 individuals with their extended Arian service.</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</p>

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	<p>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>
<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>We have undertaken 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>Outcomes, associated actions, and success criteria</p>	<p>Wales & West Utilities will fund this project at a cost of £100,000 for a 2-year period. We anticipate at least 10,000 individuals will be helped with general debt and energy efficiency advice, as well as becoming more aware of the Priority Service Register and the dangers of Carbon Monoxide (CO). At least 265 individuals per annum will be referred on for in-depth debt advice and support services which include but are not limited to:</p> <ul style="list-style-type: none"> • Unclaimed welfare benefit entitlement and subsequently assist the household/ individual with the application and form filling process. • Appropriate utility company social tariffs and schemes and help with the application process. • Support to access relevant charitable organisations that can help reduce utility and general debt. <p>Shelter Cymru will provide follow on services to include registration to the Priority Services Register (PSR), Carbon Monoxide (CO) safety advice and access to free CO alarms.</p> <p>Shelter Cymru will utilise their network of support organisations to deliver ongoing support. This may include the development of</p>

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	<p>promotional content and materials, and the translation of those content and materials.</p> <p>To monitor the success of the project, regular reporting sessions will take place between Shelter Cymru and Wales & West Utilities. Wales & West Utilities will provide training to Shelter Cymru staff to ensure they are comfortable providing the key messaging (CO Awareness, priority service register) agreed.</p> <p>Updated March 2026 Extension from 1st September to 31st March.</p> <p>Shelter Cymru will reach an additional 500 individuals through their extended Arian service. The service will provide in-dept support which includes but is not limited to:</p> <ul style="list-style-type: none"> • Unclaimed welfare benefit entitlement and subsequently assist the household/ individual with the application and form filling process • Appropriate utility company social tariffs and schemes and help with the application process • Support to access relevant charitable organisations that can help reduce utility and general debt
Project Partners and third parties involved	This project will be delivered through a partnership of Wales & West Utilities and Shelter Cymru.
Potential for new learning	This project will provide insight into the groups that are most at risk of fuel poverty within Wales and how they are being adversely affected by the cost-of-living crisis. We will be able to see how using a network of partnerships can impact an individual and provide a more holistic aid to them.
Scale of VCMA Project and SROI calculations, including NPV	Using our Social Value model, in line with our VCMA activities, and developed by third-party experts to forecast a positive SROI of £43.60 per £1 spent.
VCMA Project start and end date	<p>Project Start: 01/07/23. Project End: 30/06/25</p> <p><u>Updated March 2025</u></p>

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	<p>Due to an extended mobilisation period, project delivery was delayed until 01/09/2023 and therefore the project will now end 31/08/2025, to allow for a full 24-month delivery.</p> <p>Updated March 2026 Extension of Arian service – 1st September to 31st March 2026</p>
Geographical area	This project will take place across Wales.
Internal governance and project management evidence	<p><u>Updated March 2025- New section</u> Shelter Cymru’s project proposal has been reviewed through various industry working groups including:</p> <ul style="list-style-type: none"> - GDN Vulnerability Working Group (monthly) - VCMA Steering Group <p>This project is also supported by stakeholders (as outlined above).</p> <p>The project will be managed and led by WWU and will consist of:</p> <ul style="list-style-type: none"> - Monthly project review meetings - Quarterly stakeholder review meetings - Stage gate review after 1 year of delivery - Ongoing reviews throughout the duration of the project regarding delivery of outcomes - this will feed into lessons learnt and shared best practice to ensure the project is successful in delivering value for money and maximising outcomes for customers and communities.

WWU sign off

Name	Role	Signature	Date
Nigel Winan	Customer & Social Obligations Manager		
David Robinson	Business Services Director		