

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

Project Eligibility Assessment (PEA)

Healthy Homes Healthy People expansion for Wales

Warm Wales

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*Updated version
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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.

Information required for the registration of VCMA projects

Information required	Description
Project title	Health Homes Healthy People (HHHP) – expansion in Wales
Funding GDN(s)	Wales & West Utilities
New/ Updated PEA	Updated
VCMA Project contact name, email and number	Nigel Winnan 07971 449704 Nigel.Winnan@wwutilities.co.uk
Total Cost (£)	<p>£3,554,000 (£1,254,000 spent and forecasted from April 2021 – June 2025) (£2,300,000 (from January 2024 – March 2026))</p> <p>Updated March 2025 Total costs: £3,615,057</p> <p>£1,300,782 from April 2021- June 2025 £2,314,275 from January 2024-March 2026</p> <p>*Increased due to inflation in staff costs</p>
Total VCMA funding required (£)	<p>£3,554,000 (£1,254,000 spent and forecasted from April 2021 – June 2025) (£2,300,000 (from January 2024 – March 2026))</p> <p>Updated March 2025 Total costs: £3,615,057</p> <p>£1,300,782 from April 2021- June 2025 £2,314,275 from January 2024-March 2026</p> <p>*Increased due to inflation in staff costs</p>
Problem(s)	<p>Following changes to Ofgem’s energy price cap in April 2022, the Welsh Government remodelled their published fuel poverty statistics and estimated that:</p> <ul style="list-style-type: none"> • up to 45% (614,000) of households could be in fuel poverty. • up to 8% (115,000) of households could be in severe fuel poverty. • up to 15% (201,000) of households could be at risk of falling into fuel poverty. <p>The average fuel poverty gap is stated by NEA to be £300 but will vary between £160 and £480 dependent on the energy efficiency of the</p>

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	<p>property with rural properties off the gas network experiencing a gap greater than £1,000.</p> <p>Where people try to tackle their own fuel poverty by rationing energy for heating and hot water, this results in cold and damp homes. That in turn can lead to health conditions such as chest complaints; mould can lead to asthma and a lack of hot water to skin conditions. General wellbeing and social confidence can also be impacted.</p> <p>Fuel poverty is caused by a combination of three key factors:</p> <ul style="list-style-type: none"> • Household income • Price of energy • Energy efficiency of the home <p>This project looks to help homes to tackle those issues.</p>
<p>Scope and Objectives</p>	<p>Warm Wales will reinforce their Healthy Homes Healthy People (HHHP) project, funded by Wales & West Utilities (WWU).</p> <p>Background</p> <p>Following a tender event split across four geographical areas, WWU awarded a total of £300k per year for the first two years of RIIO GD2 to Warm Wales covering Wales and the southwest of England. Upon further review and following the success of delivery within the first year of the project we agreed to extend the project for a further 2 years, providing an additional £300k per year to support vulnerable households in fuel poverty. Outcomes have seen 1,200 very vulnerable homes per year get in depth support from Warm Wales and their partners.</p> <p>The delivery of the current HHHP programme across south west England will continue in its current form as per the Agreement, until 30th June 2025.</p> <p>New funding</p> <p>With the additional funding Warm Wales will continue with this support but in addition will introduce awareness raising and social prescribing to improve individuals' knowledge and instigate household behaviour changes</p>

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	<p>related to health and well-being issues. Additionally, we will expand our community engagement delivery to provide support by attending local events, drop-in sessions and larger events such as community or fun days arranged by local authorities or housing providers. The extended project will also deliver awareness sessions to frontline staff and the wider community to support locally identified energy champions. With the project team supporting large caseloads, there is reduced capacity to engage with communities and identify those in need. By utilising an engagement team within the community, we will increase visibility and accessibility of our services whilst building relationships with new and existing organisations. Warm Wales will also introduce their HHP Hub to aid faster and easier referral pathways, customers journeys, data collection and reporting.</p> <p>As the VCMA is funded by gas consumers, the scheme will be focused around gas grid areas, but we will not refuse to help homes that are not currently connected to the gas grid that lie within these areas.</p> <p>Referral Pathway/ Customer Journey</p> <ul style="list-style-type: none">- Step 1: Referral for support via online form or telephone. (Made by self, health professional, housing, Environmental Health, Social Worker, support worker or at community event etc.)- Step 2: Initial contact is made to identify the support required and if any urgent needs, such as food, gas and electric top up, oil, LPG or solid fuel- Step 3: Baseline data is collected - personal wellbeing awareness, attendance to GP- Step 4: Referral is then allocated to community worker to put an action plan together, having a what matters conversation and looking at interventions such as energy advice, support, education, behaviour change- Step 5: Any follow up calls, visits to be carried out by the community worker, this could happen several times.
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	<ul style="list-style-type: none"> - Step 6: Case notes kept updated with Interventions, outcomes, improvement, financial savings etc. - Step 7: Once support has been completed, reassess wellbeing, awareness and GP surgery appointments along with feedback being gathered. <p>Homes will be helped to:</p> <ul style="list-style-type: none"> • Increase income through unclaimed benefits • Existing utility debt (gas, electric and water) will be tackled through assisting negotiations with the supplier and customer • Help the home to switch tariffs, access water company social tariffs, and claim payments including the Warm Homes Discount • Improve energy efficiency through behaviour changes and accessing funding for household measures (not funded by WWU) including ECO, NEST, Local Authority schemes and charitable funds. • Households may qualify for the FPNES funding if a gas connection is the best option. • Partners will also look to raise awareness of the priority services Register and refer homes to suppliers and other utilities. • Partners will raise awareness of carbon monoxide and have access to an allocation of alarms for the most at-risk homes <p>HHHP will directly and indirectly support 44,000 households. Households will be directly engaged via home visits, over the phone and in community venues along with the delivery of energy awareness sessions. We will indirectly support communities via social media, leafleting community locations and from the awareness sessions the projects reach, and exposure will impact much further.</p> <p>Direct support</p>
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	<ul style="list-style-type: none"> • Support 15,000 vulnerable households. • Provide awareness sessions to 9,000 individuals either in person, virtually or via e learning. <p>Indirect support</p> <p>Through increased exposure our reach will benefit a further 20,000 households.</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 interventions, empowering each householder to use energy safely, efficiently, and affordably.</p> <p>All GDNs have committed to spending VCMA money within four strategic pillars:</p> <ul style="list-style-type: none"> • Fuel Poverty & Energy Affordability • Services Beyond The Meter • Supporting Priority Customer Groups • Carbon Monoxide Awareness <p>This project falls within the fuel poverty & energy efficiency pillar.</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>Our continued engagement with stakeholders such as the NEA, Citizens Advice, and charities supported by fuel poverty statistics shows due to high inflation and record energy prices that fuel poverty is impacted more homes than ever. People who were struggling are now not using the heating or limiting use to unhealthy levels and appliances are not being serviced leading to future safety risks. The crisis has meant people who have never been in trouble</p>

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	<p>now find themselves needing help but not knowing where to turn for advice.</p> <p>We have tested support for projects under the VCMA which target fuel poverty through our CEG, Citizens panels, VCMA showcase events and Regional Workshops with overwhelming support to continue and do even more.</p> <p>Given the scale of the project, we have also consulted with Ben saltmarsh of NEA Cymru to check the project does not conflict with the Welsh Government NEST scheme and its successor which is due to be tendered in 2024. Ben fully supported the scale and ambition of this project and given the need in Wales did not see any conflict. NEST funding for energy efficiency measures will be accessed where eligibility is met with Warm Wales supporting the customer through the application and delivery.</p>
<p>Outcomes, associated actions, and success criteria</p>	<p>Funding Pre-2024</p> <p>The final three months of the Healthy Homes healthy people project from 1st April to the 30th June 2021 have been coded to the VCMA at a cost of £54k.</p> <p>WWU originally funded the project at a further cost of £300k per annum for an initial period of two years from July 2021. Following the success of this project to date, this has now been extended for a further 2 years (July 2023 – June 2025) with an additional £600k funding (£300k per annum)</p> <p>As a result of this funding HHP has supported 3,445 households today (updated Nov 2023) resulting in financial gains for these customers of over £1.8m.</p> <p>Funding Post-2023</p> <p>From January 2024 WWU will provide an additional £2.3m to Warm Wales, covering the remaining 27-months of the GD2 period. The additional funding provided to Warm Wales to expand and reinforce their HHP project will allow for the additional direct and indirect beneficiaries to be reached, and additional services to be provided, as outlined in the Scope & Objectives above.</p>

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	<p>The following outcomes and impact will have been, and continue to be achieved by this project.</p> <p>Outcomes</p> <p>Residents will have a better understanding of their energy bills and how to switch tariff.</p> <p>Resident’s incomes will be maximised through tariff switching, fuel debt support and advice, benefits checks, debt advice and the installation of energy efficiency measures.</p> <p>Residents will be able to heat their home more affordably.</p> <p>Residents will be more aware of the dangers of carbon monoxide.</p> <p>Residents will be added to PSR where applicable.</p> <p>Residents gas appliances will be safe to use.</p> <p>Residents will be more aware of techniques that can employed to keep their homes warm and reduce their bills.</p> <p>Residents will be more capable of dealing with energy and water costs.</p> <p>Residents feel more empowered and able to deal with day-to-day issues.</p> <p>Residents will be supported to address health and wellbeing issues through accessing local provision at groups, activities and services.</p> <p>Referral partners/ those who are first point of contact within the community will understand how and when to make a referral to Warm Wales.</p> <p>The HHP Hub will result in more referrals being received and vulnerable residents supported.</p> <p>Impact</p> <p>Residents are healthier.</p> <p>Residents are more likely to be able to afford to heat their home.</p> <p>Residents are less likely to be in poverty due to the cost of running their home (affordable warmth and energy advice, money/income max, basic needs, home safety)</p> <p>Residents’ wellbeing is improved (70% increase in personal wellbeing (happiness, life satisfaction and worthwhile to date)</p> <p>Residents’ anxiety levels are reduced (70% decrease in anxiety levels to date)</p> <p>A reduction in GP’s appointment numbers due to impact of cold damp homes.</p>
Project Partners and third parties involved	Principal partner: Warm Wales

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	<p>Warm Wales will work with a network of other companies to take in referrals for this scheme and to utilise local resources where home visits are required.</p>
Potential for new learning	<p>The project will provide solid information on the measures which help homes.</p> <p>Follow up calls and surveys will help to validate that expected savings has been recognised and if that customer now has confidence to manage their energy in the future or if they are likely to need further support.</p> <p>There will also be a learning curve for WWU on how our staff and engineers promote the scheme and get trust, enabling customers to feel confident in allowing a referral to Warm Wales.</p>
Scale of VCMA Project and SROI calculations, including NPV	<p>WWU initially used an SROI model developed and used for the HHP to forecast the direct financial benefits for the home and for society. The model showed that project had a net benefit of over £10 for every £1 invested.</p> <p>Following the first 13 months of delivery, we have used the actual data provided by the HHP project and can demonstrate a £10.35 benefit per £1 spent for this period.</p> <p>With the increased funding and output we forecast that this project will provide the following social return:</p> <p>Total gross present value: £25,461,455 Net Present Value: £24,235,077 Social Return on Investment: £19.76</p>
VCMA Project start and end date	<p>This new phase of the Healthy Homes Healthy People project will commence in January with recruitment and training moving towards full delivery from March 2024 until the end of RII0 GD2 in March 2026.</p>
Geographical area	<p>The project will cover the whole Wales.</p> <p>The existing HHP delivery will continue in the southwest supported by CSE in Cornwall and NEA elsewhere</p>
Internal governance and project management evidence	<p>This project was identified through a procurement event testing the market for the best projects and a programme that provides geographical and demographic coverage.</p>

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	<p>Projects were assessed by our internal Customer and Communities steering group and discussed with our CEG.</p> <p>Projects were formally signed off as investment papers by our Executive team with a contract award paper from the Procurement team.</p> <p>This project will have a monthly meeting to assess progress in mobilisation and delivery with a more formal quarterly meeting involving the responsible senior manager from WWU. Meetings with Care & Repair Cymru will also be held every quarter to ensure the two main fuel poverty projects in Wales are working together sharing information and skills to support customers.</p> <p>Data and outcomes from the project will be summarised and reported quarterly to the WWU Business Delivery performance Committee for review and challenge and will be formally reported to Ofgem and stakeholder through the annual VCMA report, showcase event and RRP which are all subject to the Data Accuracy Governance process (DAG).</p>
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