

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

Project Eligibility Assessment (PEA)

*Reducing fuel poverty and maximising household income
for people with cancer and their carers across south
Wales, north Wales, and Cheltenham*

Maggie's Cancer Trust

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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	Reducing fuel poverty and maximising household income for people with cancer and their carers across south Wales, north Wales, and Cheltenham
Funding GDN(s)	Wales & West Utilities
New/ Updated PEA	Updated PEA
VCMA Project contact name, email and number	Sophie Stone Sophie.stone@wwutilities.co.uk 07977804612
Total Cost (£)	Original project- £75,000 Additional funding- £217,875
Total VCMA funding required (£)	£292,874.00
Problem(s)	<p>A cancer diagnosis can have a devastating impact financially as well as emotionally. For many families, income is already stretched. Research by Macmillan Cancer Support indicates that 83% of people experience financial hardship as a direct result of their cancer through a loss of income and/or increased costs. The report found that on average, people are £570 a month worse off because of their illness. People with cancer were especially vulnerable to fuel poverty as income often falls at a time when they are facing increased costs, particularly utility bills. The latest research also conducted by Macmillan showed:</p> <ul style="list-style-type: none"> - 1 in 5 people with cancer turned their heating off in winter even though they needed it on. 91% of these said it was because of money worries. - 73% of people undergoing active treatment had used more fuel since their diagnosis. - 75% of those who spent more on fuel attributed this increase to feeling the cold more since diagnosis. - 92% of social care professionals believed there is a link between feeling cold and mental wellbeing. - 85% of social care professionals believed that feeling cold can strongly affect a cancer patient's recovery.

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	<p>These financial consequences are amplified when spouses or partners reduce hours to take on caring responsibilities. Unfortunately, the coronavirus health crisis has had a significant impact on the finances of people affected by cancer. Countless people have lost their jobs or experienced a reduction in wages and are struggling to cope at a time when fuel bills are rising.</p> <p>This project looks to provide meaningful support for people with a cancer diagnosis, when dealing with fuel poverty.</p> <p>Maggie’s has been a constant throughout the pandemic when little or no other support has been available locally. Benefits advice has always been a vital element of our programme and the pandemic has only amplified its significance. This element of our programme is of particular importance at our two Welsh Maggie’s centres that cover the whole of south Wales, which contains many areas of severe deprivation and fuel poverty.</p>
<p>Scope and Objectives</p>	<p>Maggie’s is an independent charity that delivers emotional, practical, and social support from its centres based in the grounds of major NHS cancer hospitals. Their programme is delivered free of charge to anyone, with any type of cancer, at any stage in the journey for as long as they need it, and they also support family and friends.</p> <p>In each of the four centres this project will provide funding to, there will be a benefits advisor that will provide direct, holistic support to people living with a cancer diagnosis that visit their centres. The support will range from benefit checks to ensure income maximisation, form filling for grant applications and bill reductions, energy efficiency advice, Priority Service Register referrals, and awareness around the dangers of Carbon Monoxide. In addition to this they will have free CO alarms to provide to those who need them.</p> <p>All these services are provided at Maggie’s purpose built, unique centres in Cardiff, Swansea, and Cheltenham, which are award winning for their architecture which are calm, friendly, and welcoming places, full of light and</p>

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	<p>warmth; have a kitchen table at their heart, offer glimpses and views of the nature that surrounds them, and provide thoughtful spaces to find privacy as well as places to come together as a group. However, given the pandemic, Maggie’s has developed their support to be provided virtually for those who feel more comfortable with this approach.</p> <p>Updated November 2024: In addition, a fourth centre will be built in north Wales which will be ready to open and provide services late 2024/early 2025.</p> <p>Over the intended delivery period of this project, we expect to see 5,000 interactions providing advice and support and between £4,500,000 - £5,000,000 of savings evidenced.</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> <p>Updated November 2024: 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 strategic pillar one, three and four.</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>In our business plan we laid out a proposed spend for the first year of RIIO GD2 of £200k towards tackling fuel poverty, out of an assumed pot of £750k. In the final</p>

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	<p>determinations, the VCMA allowance for WWU was doubled to £1.4m with 75% to be spent on projects within the WWU area.</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>We therefore increased our proposed WWU spend on projects to tackle fuel poverty and energy efficiency to £500k, of which £50,000 will be spent on this project.</p> <p>We have tested this with our Customer Engagement Group (CEG) who were very supportive of this project with one of the group having had direct experience of support from Maggie’s in the recent past.</p>
<p>Outcomes, associated actions, and success criteria</p>	<p>Wales & West Utilities will fund this project at a cost of £50,000 for an initial one-year period. We expect there to be around 3,300 direct beneficiaries plus their direct family members and anticipate total savings of up to £2m over the term of the agreement.</p> <p>The expected outcome for each customer who receives support from Maggie’s are more financial, practical, and emotional support, increased awareness of benefits available and how they can be accessed, reduced stress, and improved wellbeing, in addition to more support with their diagnosis.</p> <p>Through additional support measures like the PSR and partnerships already cultivated by Maggie’s this project will also see longevity past the project period, in terms of support for customers.</p> <p>WWU originally funded the project at £50k until April 2023. Following its initial success, the project was extended for a further 6 months (April 2023 – September 2023) with an additional £25k funding.</p>

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	<p>In the first nine months of delivery, the programme helped around 1,527 individuals save £1,547,074 – an average saving of £1,623 per household.</p> <p>Updated November 2024:</p> <p>Due to the success of the original project, Wales & West have provided an additional £217,874 of funding to Maggie’s, extending the project until March 2026.</p> <p>We expect there to be around 5000 interactions and evidence of £4,500,000-£5,000,000 of savings over the extended period of delivery.</p> <p>This project is a continuation of the work carried out between March 2022 to September 2023.</p>
Project Partners and third parties involved	Project will be undertaken in partnership with Wales & West Utilities and Maggie’s Cancer Trust centres in Cardiff, Swansea, Cheltenham and north Wales.
Potential for new learning	This project will help us to understand the specific challenges facing people with cancer, who need to be in warm dry house but face increased costs and reduced income. It also provides an opportunity for us to engage with people across our network to understand how they are impacted by our street works and mains replacement and if we can provide any additional services or adaptations to our normal service going forward.
Scale of VCMA Project and SROI calculations, including NPV	<p>We have taken the forecast projects of support from Maggie’s as inputs into our SROI model. This project shows a net benefit of £22 for each £1 invested.</p> <p>Updated November 2024:</p> <p>We have taken the forecast number expected by Maggie’s throughout the extended delivery period and calculated the following SROI over the duration of the project</p> <p>Total Gross Present Value = £1,131,182.64 Net Present Value = £868,224.20 Positive SROI per £1 spent = £3.30</p> <p>Please note that the updated SROI calculation was completed using the GDN-shared SROI</p>

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	<p>rulebook published May 2024, which produces stricter and more accurate results compared to previous models.</p>
VCMA Project start and end date	<p>This project originally began on 1 April 2022 and ended on 31st March 2023. The project was then extended for an extra 6 months, concluding in September 2023.</p> <p>Updated November 2024: The project has now been extended further for the remainder of GD2 from October 2023 until March 2026.</p>
Geographical area	<p>The project will look to support customers living with a cancer diagnosis in south Wales, north Wales, and Cheltenham.</p>
Internal governance and project management evidence	<p>This project was proposed by Maggie's when the vulnerability and carbon monoxide allowance was established. An initial 13-month project was agreed until April 2023 with an agreement to review the possibility of extension at that point. A six-month extension was granted until September 2023, following the success of the initial project. The project was presented to the other GDNs at Vulnerability steering group. All GDNs agreed for us to continue with the project individually until the end of GD2.</p> <p>Updated November 2024:</p> <p>Following the successful outcomes of the project since March 2022, a further extension has been granted until March 2026. This is a continuation of the work carried out between March 2022 and September 2023.</p> <p>This project will have a quarterly meeting to assess delivery involving the responsible senior manager. 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>