

# GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

## Project Eligibility Assessment (PEA)

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### *Severn Wye Energy Agency Ltd. – Reach out – Energy Support*

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*March 2024*

## 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) <ul style="list-style-type: none"> <li>i. Have a positive, or forecasted positive Social Return on Investment (SROI), calculated in accordance with a model which the GDNs have developed and submitted to Ofgem including for the gas consumers funding the VCMA Project, and</li> <li>ii. have a positive, or a forecasted positive Net Present Value (NPV);</li> </ul>	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 the requirements in paragraph b;	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</b>	
To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:	
a) <ul style="list-style-type: none"> <li>i. GDN has had to isolate and condemn an essential gas appliance following a supply interruption or as part of its emergency service role; or</li> <li>ii. a GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in the owner-occupied home of a customer in a Vulnerable Situation where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes; or</li> <li>iii. a GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant's responsibility to maintain the essential gas appliance, where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes; and</li> </ul>	Yes
b) the household cannot afford to service the essential gas appliance, as assessed against the affordability criteria in the Energy Company Obligation (ECO4) Guidance: Delivery document; and	Yes
c) sufficient funding is not available from other sources (including a social or private landlord and national, devolved, or local government funding) to fund the essential gas appliance servicing.	Yes
<b>Section 3 - Eligibility criteria for company specific essential gas appliance repair and replacement</b>	

To qualify as a VCMA Project, unsafe pipework and essential gas appliance 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; and	<b>N/A</b>
b) the household cannot afford to repair or replace unsafe pipework or the essential gas appliance, as assessed against the affordability criteria in the Energy Company Obligation (ECO4) Guidance: Delivery document; and	<b>N/A</b>
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 repair or replacement.	<b>N/A</b>
<b>Section 4 - Eligibility criteria for collaborative VCMA projects</b>	
In order to qualify as a collaborative VCMA project, a project must:	
a) Meet the company specific project eligibility criteria set out in sections 1-3 above; and	<b>N/A</b>
b) Have the potential to benefit consumers on the participating networks; and	<b>Yes</b>
c) Involve two, or more, gas distribution companies.	<b>Yes</b>

**Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - Project Registration Table 2**

Information Required	Description						
<b>Project Title</b>	Reach Out – Energy Support						
<b>Funding GDN(s)</b>	Wales & West Utilities (WWU) and Cadent						
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Lead GDN - WWU						
<b>Date of PEA Submission</b>	June 2024						
<b>VCMA Project Contact Name, email and Number</b>	Rachele Verdini <a href="mailto:Rachele.verdini@wwutilities.co.uk">Rachele.verdini@wwutilities.co.uk</a> 07811 795210						
<b>Total Cost (£k)</b>	£1,400,000						
<b>Total VCMA Funding Required (£k)</b>	<table border="1"> <tbody> <tr> <td>Wales and West Utilities</td> <td>£1,108,000</td> </tr> <tr> <td>Cadent</td> <td>£292,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>£1,400,000</b></td> </tr> </tbody> </table>	Wales and West Utilities	£1,108,000	Cadent	£292,000	<b>Total</b>	<b>£1,400,000</b>
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<b>Total</b>	<b>£1,400,000</b>						
<b>Problem(s)</b>	<p>This project has been designed to reach those 'slipping through the net' of conventional support. According to fuel poverty statistics, ethnic minority households are 50% more likely to be in fuel poverty than white households. The pandemic highlighted the problem of fuel poverty, including issues around the inaccessibility of some services and increased use of foodbanks. For front-line staff and volunteers in the third and public sectors, it is often impossible to help people with fuel poverty/energy issues, either because of the complexity of the energy issues and sector, or a lack of time/staff.</p> <p>This project will work with and in local communities to support the most vulnerable households and support them through the energy crisis, to reduce the risks and impact of fuel poverty and improve their quality of life and wellbeing. There are several pockets of communities that have additional barriers when it comes to engaging with the energy system and are especially vulnerable to fuel poverty.</p>						
<b>Scope and Objectives</b>	<p>Severn Wye Energy will work with existing and new partners, to identify at risk communities and groups who will most benefit from support through this project across Gloucestershire, South Gloucestershire, Powys, and Herefordshire. In particular, this project will focus on working with:</p> <ul style="list-style-type: none"> <li>• Refugees and asylum seekers</li> <li>• Rural communities</li> <li>• Houseboat communities</li> <li>• Gypsy, Roma and Traveller communities</li> </ul> <p>At risk households and individuals will be able to be referred to this project through trusted community partners, where they will be provided with immediate advice on no/low-cost interventions, support with managing fuel debt, income maximisation, training and advice on possible behaviour changes around energy use and efficiency and signposting and help with applying for other funding that they may be eligible</p>						

for. Severn Wye Energy will engage with these communities in their own spaces, tailoring support to their needs, with a focus on the following:

**Language**

- In Powys, Welsh speaking advocates will be available for over-the-phone advice, home visits, events, and drop-in sessions.
- Materials will be printed in multiple languages allowing engagement with a diverse range of communities and households.
- Interpretation will be utilised where necessary to empower individuals through home visits, advice sessions and events.

**Location**

- Our advocates will work with existing community organisations to engage with groups in the venues and at times they are familiar with
- We will remove barriers wherever possible, providing spaces and sessions where individuals can bring children (negating the need for childcare), and offering refreshments if appropriate.
- We will ensure events and drop-in sessions are accessible to these communities, considering physical access requirements, as well as ability to reach on public transport.

The following activities will be implemented across these groups:

**Refugees and Asylum Seekers**

- Drop-in sessions at community centres, food pantries and other community hubs in collaboration with Gloucestershire Action for Refugees and Asylum Seekers, Taj Mahal Community Hub/Warm Space, the Ukrainian Resettlement Program and Citizens Advice amongst others
- Distribution of information through leaflets in multiple languages at community centres
- Classroom sessions at known establishments that refugees and asylum seekers attend to explain how the energy system in this country works, plus the basic of how to start an account, read a meter, understand a smart meter.
- Home visits, with an interpreter if needed. Member of staff to be bilingual.
- Support (including where translator required) to engage with Wales and West Utilities and Cadent for further gas network support (e.g. getting on grid, moving meters)
- Support to engage with energy providers (e.g. to change tariffs, set up payments, explore debt write-offs)
- Signposting to further funding schemes available and support to make applications.

**Rural Communities**

- Community centre drop-in sessions in collaboration with Talk Community Hubs, Citizens Advice, Foodbanks, Age UK and Macmillan amongst others
- Advisory sessions at libraries
- Identification of at-risk households through new and existing partners

	<ul style="list-style-type: none"> <li>• Home visits</li> <li>• Offer of onward support through referral partner organisations for other needs</li> <li>• Support to engage with Wales and West Utilities and Cadent for further gas network support (e.g. getting on grid, moving meters)</li> <li>• Support to engage with energy providers (e.g. to change tariffs, set up payments, explore debt write-offs)</li> <li>• Signposting to further funding schemes available and support to make applications.</li> </ul> <p><b>Houseboat Communities</b></p> <ul style="list-style-type: none"> <li>• Marketing of advice and support available through appropriate channels i.e. boating community websites/newsletters/apps/community hubs</li> <li>• Drop-in sessions in venues at accessible and convenient locations i.e. canal cafes</li> <li>• Home visits</li> <li>• Offer of onward support through referral partner organisations for other needs</li> <li>• Support to engage with Wales and West Utilities and Cadent for further gas network support (e.g. getting on grid, moving meters)</li> <li>• Signposting to further funding schemes available and support to make applications.</li> </ul> <p><b>Gypsy, Roma and Traveller Communities</b></p> <ul style="list-style-type: none"> <li>• Marketing of advice and support available through appropriate channels i.e. partnership working with established support engaged with this community, traveller community websites/newsletters/apps/community hubs</li> <li>• Drop-in sessions in venues at accessible and convenient locations to this community</li> <li>• Offer of onward support through referral partner organisations for other needs</li> <li>• Support to engage with Wales and West Utilities and Cadent for further gas network support (e.g. getting on grid, moving meters)</li> <li>• Signposting to further funding schemes available and support to make applications.</li> </ul>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>This project operates across the network boundaries of Wales &amp; West Utilities and Cadent, and aligns to our collective GDN strategic ambition to support vulnerable customers most in need.</p> <p>It will help raise awareness of the PSR, encourage consumers to sign up and promote access to the free support services and benefits for each energy company in the event of a gas outage or electricity outage for example via collaborative working.</p>

	<p>As a group of GDNs, we do not own, maintain, or operate our own PSR. We do, however recognise the importance of the PSR and its benefits to those who would be eligible to register and have therefore put in place processes and systems to capture this information and share them with the registered gas and electricity suppliers, DNO's and water companies. This ensures customers in vulnerable situations and those who are most in need receive the necessary support.</p> <p>Our license and base allowances do not cover the promotion of the PSR, so in order for us to go above and beyond our business-as-usual activities and provide this additional support, the project will be funded through the VCMA.</p> <p>The project will work collaboratively with expert agencies to maximise positive impacts and deliver defined outcomes for vulnerable individuals.</p> <p>In order to qualify as a VCMA Project, a project must:</p> <ul style="list-style-type: none"> <li>a) have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA project</li> <li>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;</li> <li>c) have defined outcomes and the associated actions to achieve these;</li> <li>d) go above and beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and</li> <li>e) not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved, or local funding</li> </ul> <p>This project is being funded through VCMA as per the above guidelines.</p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p><b>WWU Stakeholder Evidence:</b></p> <p>Through our business planning for RIIO GD2, priority customer 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 amongst ethnic minority groups and those who are most in need.</p> <p>Through engagement with our Citizens Panel, customers demonstrated a comprehensive understanding of vulnerability, with a strong emphasis on the mentally or physically disabled and the elderly as their primary concern. The panel were in agreement that projects should continue to be delivered through partnership organisations who are experts in delivering support services, such as Severn Wye Energy.</p> <p>Further stakeholder feedback emerged from the NEA Cymru Conference sponsored by WWU and highlighted the need for different engagement approaches that can reach at risk groups that continue to be excluded from the available support systems. Some of these groups were evidenced as Gypsy, Roma and Traveller Communities, Refugees and Asylum Seekers, and individuals struggling with mental health.</p> <p><b>Cadent Stakeholder Evidence:</b></p> <p>With regards to the customer/stakeholder engagement conducted by Cadent, an insights project was undertaken in May 2023 to support the future delivery of VCMA projects. The project was undertaken by experts from Savanta and consisted of stakeholder and customer interviews, as well as a national omnibus survey. The</p>

	<p>customer surveys found that tackling affordability and fuel poverty was top of mind. Every customer engaged as part of the project reported affordability as a concern, with many pointing to the mental and physical health impacts that they had directly experienced as a result of the cost of living/fuel crisis.</p> <p>This partnership with Severn Wye Energy will provide support to customers concerned and impacted by affordability and fuel poverty, through various services including offering tailored advice and access to hardship funding.</p>																																																																	
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p>Over 15,225 interactions will take place for the project to reach approximately 4,600 vulnerable households. Advocacy clients will require up to 5 interactions with the advocates to be fully empowered through this process and this will support them in taking control of their energy and improve their quality of life.</p> <p>The forecasted interactions with households can be broken down as below:</p> <table border="1" data-bbox="427 723 1390 1738"> <thead> <tr> <th></th> <th colspan="2">WWU</th> <th>Cadent</th> <th>Total</th> </tr> <tr> <th></th> <th>Gloucestershire and South Glos</th> <th>Powys</th> <th>Herefordshire</th> <th></th> </tr> </thead> <tbody> <tr> <td>Events and Drop-in Sessions</td> <td>1000</td> <td>1080</td> <td>620</td> <td>2700</td> </tr> <tr> <td>Classroom Sessions</td> <td>180</td> <td>180</td> <td>120</td> <td>480</td> </tr> <tr> <td>Home Visits</td> <td>500</td> <td>650</td> <td>300</td> <td>1450</td> </tr> <tr> <td>Distribution of information through leaflets</td> <td>1770</td> <td>1890</td> <td>1110</td> <td>4770</td> </tr> <tr> <td>Signed on to PSR by advocate</td> <td>425</td> <td>553</td> <td>255</td> <td>1233</td> </tr> <tr> <td>Support to engage with gas networks and energy providers</td> <td>400</td> <td>520</td> <td>240</td> <td>1160</td> </tr> <tr> <td>Signposting to further funding schemes</td> <td>75</td> <td>98</td> <td>45</td> <td>218</td> </tr> <tr> <td>Offer of onward support through referral partner organisations for other needs</td> <td>200</td> <td>260</td> <td>120</td> <td>580</td> </tr> <tr> <td>Follow up advice/advocacy discussions</td> <td>750</td> <td>975</td> <td>450</td> <td>2175</td> </tr> <tr> <td>Marketing of advice and support available through appropriate channels</td> <td>300</td> <td>104</td> <td>55</td> <td>459</td> </tr> <tr> <td><b>Total</b></td> <td><b>5600</b></td> <td><b>6309</b></td> <td><b>3315</b></td> <td><b>15225</b></td> </tr> </tbody> </table> <p>Severn Wye Energy will also work with frontline community organisations, already established in these communities, providing training and advice to 150 frontline workers, 50 in each of the three areas covered, supporting them in recognising the signs of fuel poverty to help their clients, and signpost and refer these vulnerable individuals/households to the right onward support.</p> <p>The Community Advocates will engage with vulnerable individuals in a number of ways. They will have a physical presence at community centres, food pantries, the council offices, and libraries and community hubs, running regular drop-in sessions, joint events with key partners and more in-depth information sessions. Advocates</p>		WWU		Cadent	Total		Gloucestershire and South Glos	Powys	Herefordshire		Events and Drop-in Sessions	1000	1080	620	2700	Classroom Sessions	180	180	120	480	Home Visits	500	650	300	1450	Distribution of information through leaflets	1770	1890	1110	4770	Signed on to PSR by advocate	425	553	255	1233	Support to engage with gas networks and energy providers	400	520	240	1160	Signposting to further funding schemes	75	98	45	218	Offer of onward support through referral partner organisations for other needs	200	260	120	580	Follow up advice/advocacy discussions	750	975	450	2175	Marketing of advice and support available through appropriate channels	300	104	55	459	<b>Total</b>	<b>5600</b>	<b>6309</b>	<b>3315</b>	<b>15225</b>
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	will be hired local to the areas they will work in, allowing them to feel embedded within the communities they will be supporting.
<b>Project Partners and Third Parties Involved</b>	This project will involve collaboration with numerous frontline community organisations, including: GARAS (Gloucestershire Action for Refugees and Asylum Seekers), Taj Mahal Community Hub/Warm Space, Greener Abergavenny, Dementia Matters Powys, Brecon Volunteer Bureau, Ukranian Resettlement Program, PAVO (Powys Association of Voluntary Organisations), Citizens Advice, Foodbanks, Age UK and Macmillan.
<b>Potential for New Learning</b>	This project has the potential to provide insight into the levels of support required by communities that have additional barriers and difficulties when engaging with the energy system, which makes them especially vulnerable to fuel poverty. We may also be able to understand the quality of the service provided by organisations such as Severn Wye Energy, and what skills and techniques can be adapted and applied to business-as-usual activities at Wales & West Utilities. In addition to this, we can also look to engage further with the target groups of this project, to understand how our general work impacts their livelihoods.
<b>Scale of VCMA Project and SROI Calculations</b>	We have taken the forecasted numbers expected by Severn Wye Energy for the two-year delivery period and calculated the following SROI over the duration of the project:  Total Gross Present Value = £18,478,570.20 Net Present Value = £17,095,084.42 SROI per £1 spent = £12.36
<b>VCMA Project Start and End Date</b>	This project will begin in April 2024 and last until March 2026.
<b>Geographical Area</b>	Gloucestershire, South Gloucestershire, Powys and Herefordshire.
<b>Internal governance and project management evidence</b>	This project was identified through a procurement event testing the market for the best projects and a programme that provides geographical and demographic coverage.  Projects were assessed by our internal Customer and Communities steering group and discussed with our CEG.  Projects were formally signed off as investment papers by our Executive team with a contract award paper from the Procurement team.  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.  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).

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

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>Stage 1: GDN Collaboration Group PEA Review                  Date completed:                  Review completed by:                  Job title:</p>			
GDN:	Name(s):		
Cadent			
WWU	Sophie Shorney		
<p>Stage 2: GD2CVG Panel Review                  Date review completed:                  Review completed by:                  Job title:</p>			
GDN:	Name(s)		
Cadent	Phil Burrows		
WWU	Nigel Winnan		
<p>Step 3: Participating GDN individual signatory sign-off</p>			
GDN	Name(s)	Signature(s)	Date
Cadent:	Phil Burrows	<i>Philip Burrows</i>	08/05/2024
WWU:	Nigel Winnan	<i>Nigel Winnan</i>	30/5/2024
<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: 31/05/2024</p>			
<p>Date that Notification Email Sent to Ofgem:</p>			