

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

Project Eligibility Assessment (PEA)

Gas Appliance Referral scheme

Nigel Winnan – Customer and Social Obligation Strategy Manager

07971 449704

Nigel.Winnan@wwutilities.co.uk

August 2021

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	Gas Appliance Referral scheme
Funding GDN(s)	Wales & West Utilities
Date of PEA submission	12/10/2021
VCMA Project contact name, email, and number	Nigel Winnan 07971 449704 Nigel.Winnan@wwutilities.co.uk
Total cost (£k)	£266k over two years
Total VCMA funding required (£k)	Partnership admin fee per annum for two years from July 2021 Allocation for two years to fund Gas Safe Engineer visits and fund shortfalls in external funding for repairs and replacement appliances
Problem(s)	<p>As a Gas Distribution Network (GDN) our Licence obligations only extend to making internal pipework and appliances safe in the event of a gas escape or carbon monoxide alarm.</p> <p>When we undertake planned work at a customers home, we will test the internal pipework and appliances but if a leak is found or an appliance wont relight then we pass this back to the customer to resolve as the fault is on their equipment.</p> <p>We may provide alternative heating and cooking facilities but these are an interim solution only.</p> <p>Where a customer is a tenant of a social landlord or a responsible private landlord, the landlord is likely to act quickly to resolve the issue for their tenant.</p> <p>Private homeowners will contact a gas safe Engineer or their service contract provider to resolve the issue.</p> <p>However, this does leave a number of customers who are on low incomes or vulnerable meaning they struggle to grasp what they need to do. Absent landlord may also leave people unsure where to turn. This means homes may find themselves off gas for some time meaning the house becomes cold, they have no access to hot water, or reduced ability</p>

Criteria

	<p>to cook hot meals. This in turn can lead to health and wellbeing issues.</p>
<p>Scope and Objectives</p>	<p>This project seeks to address the problem and provide additional support to low income and vulnerable households to quickly get a GSR to their home to investigate the problem, undertake a repair where possible to get the appliance back up and running, or to identify where a replacement is required.</p> <p>As per the VCMA guidance, we will only be referring customers into this scheme where we identify the issue in their homes through our emergency or planned work.</p> <p>We ran a tender split across 4 geographical areas of our network which attracted five final responses. We have appointed Warm Wales as a our primary partner and they will be working with National Energy Action (NEA) to provide support to customers on these project.</p> <p>This project provides support to customers to get the problem resolved. Funding will only be provided to low-income households (less than £30k combined household income) and Wales & west Utilities will only fund what cannot be funded through other scheme such as ECO or NEST in Wales.</p> <p>Homes that do not meet the income threshold will be provided with advice a support to resolve the issue.</p> <p>Based upon previous experience and similar schemes run by other GDNs, we expect to support up to 200 homes per annum.</p>
<p>Why the Project is being funded through the VCMA</p>	<p>WWU are funded in base allowances for providing the gas emergency service but only to carry out basic checks in the household and to make either the whole internal installation safe or to isolate an appliance.</p> <p>The project will also take advantage of funding from energy supplier schemes, Welsh Government and other local authority funds to pay for measures with WWU funding the administration and topping up shortfalls in funding.</p>

Criteria

<p>Evidence of stakeholder/customer support</p>	<p>During our business plan stakeholder engagement, customer organisations asked us to do more to tackle fuel poverty, but also to go further than our licence obligations to avoid people being disconnected and left in cold homes.</p> <p>We also see in our customer satisfaction surveys and complaints that customers want us to do more to support them in getting their gas back on, even if the problem lies after the emergency control valve.</p> <p>In discussions with Ofgem, we have agreed that the boundary between GDN and suppliers should be observed in terms of funding. This scheme therefore treads a balance between those obligations.</p>
<p>Outcomes, associated actions, and success criteria</p>	<p>It is anticipated that the scheme will help up to 200 homes per annum get back onto gas following a safety related disconnection as quickly as possible, and a minimum cost to low income households.</p> <p>The high-level process is as follows:</p> <ul style="list-style-type: none"> • WWU isolate appliance for safety • WWU engineer make a referral by phone or email to the NEA • The NEA contact the customer to give assurance and arrange a Gas safe Engineer (GSR) visit with one day • The GSR will investigate and make repairs where possible to get the home back on gas • Where the GSR cannot repair or the repair is only temporary, NEA will refer to Warm Wales who will seek funding for a replacement of the appliance • WWU provide a pot of money which can be drawn down for GSR repairs and replacement • As third party funding is received, the pot is replenished <p>This project will operate alongside the fuel poverty and energy efficiency project also being run by Warm Wales (See sperate VCMA PEA) so customer helped with an appliance referral can also benefit from a range of other support if they require help and advice.</p>

Criteria

	<p>WWU will develop a SROI model for this scheme which ensure benefits across multiple interventions are only counted once. Measurable benefit to the customer include:</p> <p>Financially better off due to funding of works Replacement appliance may lead to lower bills Reduced risk of ill health due to a cold home or lack of hot water / food</p> <p>Warm Wales will validate that their intervention has led to real benefits to the customer through follow up calls and surveys.</p> <p>Warm Wales will also collate case studies to bring to life the high-level statistics around the project. Case studies give the opportunity to really understand the change made to people's circumstances.</p> <p>Warm Wales will be providing monthly data on the project to WWU with a formal project meeting taking place on a quarterly basis, allowing the projects to be modified as required to maximise impact.</p> <p>The projects will be reviewed quarterly by the WWU Social Obligations Steering group and the WWU CEG kept informed about outputs and outcomes.</p>
Project Partners and third parties involved	<p>Principal partner: Warm Wales Support partner: National Energy Action (NEA)</p>
Potential for new learning	<p>The project will provide solid information on the measures which help homes and the demographics of the homes needing support.</p> <p>Follow up calls and surveys will help to validate the scheme is providing the right support in a timely manner.</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 / NEA</p>
Scale of VCMA Project and SROI calculations	<p>Initial 2-year project Forecast of 200 homes per annum</p>

Criteria

	<p>Option to extend the contract for a further three years by yearly increments.</p> <p>The same model as used for the Energy efficiency and Fuel Poor advice can be applied to this project as customers helped will also receive financial and energy efficiency advice.</p> <p>That model shows a net return of £10 for every £1 spent by WWU. We will update the model for this project on a quarterly basis as we get data back from Warm Wales and NEA.</p>
VCMA Project start and end date	<p>Project start date: 01/07/2021</p> <p>Project end date: 30/06/2023</p> <p>Option to extend yearly for up to three additional years.</p>
Geographical area	<p>The project will cover the whole of the WWU as network area, across Wales and the southwest of England.</p>

WWU sign off

Nigel Winnan	Customer and Social Obligations Strategy Manager	13 th October 2021
David Robinson	Director of Business Services	13 th October 2021

Uploaded to Ofgem portal:

Uploaded to WWU website: