

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

Project Eligibility Assessment (PEA)

Cost of Living Emergency Charitable Response

Mind

Rachele Verdini

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July 2024

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	Cost of Living Emergency Response
Funding GDN(s)	Wales & West Utilities
New/ Updates PEA	New
VCMA Project contact name, email and number	Rachele Verdini Rachele.verdini@wwutilities.co.uk 07811 795210
Total VCMA funding required (£k)	£492,543
Problem(s)	<p>Financial wellbeing and mental health are inextricably linked, and both have suffered because of multiple crises in recent years. The Money and Mental Health Policy Institute, highlights that:</p> <ul style="list-style-type: none"> - People with mental health problems are eight times more likely to say they have had suicidal thoughts or feelings within the last 16 months due to rising costs than people without mental health problems. - People who experienced long term mental health problems were 9.3 times more likely to report finding it difficult to manage financially compared with those who had never experienced a mental health problem. - When an individual struggles with long-term financial difficulties, they are 5.5 times more likely to experience a mental health problem, compared to those who did not report any financial difficulties. <p>The cost-of-living crisis is not over, particularly for people living in poverty or those with mental health problems. Mind has seen that 33% of people receiving Universal Credit have reported deepening depression during the crisis.</p> <p>Mind works across England and Wales but also engage throughout a network of local Mind organisations focussing on the specific needs of local communities across both nations.</p> <p>Wales</p>

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	<p>According to research from YouGov, Wales has seen the most damaging impact on people's mental health across the UK because of the cost-of-living crisis. Research in 2023 revealed that 61% of adults in Wales said that their current financial situation was damaging their mental health, which was a dramatic increase from the 35% in 2023.</p> <p>A significant gap in mental health support was highlighted while having conversations with Warm Wales. Trained mental health support is missing now for people across both Wales and the Southwest of England, in response to the crisis people are now experiencing with fuel poverty. Through the federated network of expert local Mind organisations, this gap will be addressed in local communities, to ensure those struggling with fuel poverty are able to receive support with associated issue of their mental health.</p> <p>The South West</p> <p>For the South West, research has highlighted that there are higher rates of poor mental health outcomes with hospitalisation for self-harm and suicide rates being significantly higher than the national average. Rurality across the South West causes barriers to accessing support, which are exacerbated by poverty and other exclusion factors, which leave people struggling with their mental health more at risk. We know that the impact of the cost-of-living crisis will only have worsened this impact, and that the link between poverty and mental health presents an enormous level of need specifically in the South West.</p> <p>Looking towards the future</p> <p>Energy bills rose again at the start of 2024 and remain 60% above 2021 levels. As a result, a dramatic rise in after-housing costs means that a predicted 12 million, or 18% of the UK's population, will be living in absolute poverty by 2024/25. Living in non-decent, cold or overcrowded housing are further key drivers of increased stress and a reduction in a sense of empowerment and control over one's life, and in turn of depression and anxiety.</p>
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	<p>Overall increasing financial pressures are the number one cause affecting mental health and contributing to feels of anxiety during the winter.</p>
<p>Scope and Objectives</p>	<p>Running since October 2022, Mind’s Cost of Living Emergency Response is designed to provide immediate, flexible, and essential support to people across England and Wales, to ensure they have access to help during the biggest cost of living crisis this country has seen in a generation.</p> <p>The programme will operate through a local Mind grant fund, designed to provide funding to 24 local Mind organisations across Wales and the South West, so that they can better support their service users and communities during the cost-of-living crisis. Funds will be used in a flexible way by local Mind organisations to support those individuals who need it most, through a range of different activities and services. This includes, but is not limited to, activities such as:</p> <ul style="list-style-type: none"> • Services delivered through the ‘warm banks’ • Distributing hardship grants to service users • Providing services that involve financial or welfare support, energy efficiency advice, and other relevant information • Sharing Carbon Monoxide and Priority Service Register awareness • Mental Health training services • Signposting for food programmes • The provision of therapy and crisis services. <p>Referral routes depend upon the local context, and may include GPs, local NHS services, councils, foodbanks, Citizen’s Advice Bureaus, schools, community centres, faith centres and other local services which the local Mind organisations work with. Local Mind organisations often form formal, as well as informal partnerships with other local agencies. Most local Mind organisations are members of local society networks, and within these networks referrals often work two ways, with local branches also making referrals to partner organisations within their communities.</p>

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	<p>Local Mind organisations also work proactively to identify referrals for particular services. For example, the Wellbeing Advisers service, which aims to support young people who are struggling with their mental health to find the right support for them in their local community, worked extensively with schools, to identify young people who could benefit from this support.</p> <p>Grants of between £15,000 - £25,000 will be awarded from national Mind, with the aim of supporting as many local branches as possible. Mind have collaborated with local Mind organisations in Wales and the South West of England, to assess the levels of interest and appropriate delivery programmes.</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>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 and three.</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</p>

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	<p>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 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 Independent Stakeholder Group, Citizens panels, VCMA showcase events and Regional Workshops with overwhelming support to continue and do even more.</p>
<p>Outcomes, associated actions, and success criteria</p>	<p>From Mind’s experience managing local Mind grant funds, and through previously piloting and testing this programme, it is estimated that this project could directly reach around 4,000 vulnerable individuals.</p> <p>Services offered by local Mind organisations can vary significantly depending on what best supports the local community they are working within. For example, some local branches will offer in person therapeutic or counselling support, where others trying to reach more isolated or rural communities may offer such services online.</p> <p>Below is a breakdown of the forecasted reach figures for each of the services that local Mind organisations will be delivering.</p> <ul style="list-style-type: none"> • 3200 individuals reached with CO and PSR awareness • 2000 individuals reached with income maximisation and debt management advice • 580 individuals reached with counselling or peer support services • 300 individuals reached through warm banks • 200 individuals reached with energy efficiency advice • 200 individuals reached with welfare benefits and financial advice.

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	<ul style="list-style-type: none"> • 150 individuals reached with hardship grants. • 150 individuals reached with mental health training <p>National Mind will ensure that this project has in place an efficient process to distribute funds to local Mind organisations, ensuring appropriate quality assurance and delivery of outcomes, against the agreed key criteria. Through this process it will be ensured that local branches are best placed to provide mental health support for vulnerable people struggling with poverty. This assessment process for local Mind organisations will also have lived experience involvement, ensuring that the experiences of people living in poverty has an important role in the services that are funded.</p> <p>As part of Mind’s Monitoring and Evaluation process for local Mind grant funds, they use Flexi-Grant, a CRM system for managing grant giving. Through this system, Mind would be able to track all grants awarded to local Mind organisations through any VCMA funding, thereby being able to report back to Wales and West Utilities solely on the impact of the funding awarded. While maintaining a level of flexibility and support tailored to each local Mind, National Mind maintains a thorough monitoring and evaluation approach that records KPIs including ‘beneficiary reach’.</p>
<p>Project Partners and third parties involved</p>	<p>This project will be delivered in partnership with Wales & West Utilities and Mind.</p> <p>Mind will work through its federated structure to partner with local Mind organisations to deliver this programme. The Mind Federation is comprised of national Mind, and the network of around 100 local Mind organisations, who are fundamental to everything that Mind does at a national level. Local Mind branches deliver mental health services across England and Wales to anyone who needs support from mental health services. Each local Mind is its own unique organisation, independent of national Mind. They understand the needs of their community and as such can tailor their services to match.</p>

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	<p>Mind will target this funding to the South West of England and Wales, working with the 24 local Minds based in those areas.</p>
Potential for new learning	<p>This project will help us fully understand the impact of the cost-of-living crisis on those struggling with their mental health, and what specific support is useful to them now and in the future. With the localised support provided by the local Mind organisations, we will be able to explore the differences in the mental health challenges and needs across different areas in Wales and the South West, which can help us steer to our wider customer service.</p>
Scale of VCMA Project and SROI calculations, including NPV	<p>We have taken the forecasted numbers expected by Mind for the two-year delivery period and calculated the following SROI over the duration of the project:</p> <p>Total Gross Present Value = £553,607.88 Net Present Value = £66,874.86 Positive SROI per £1 spent = £0.14</p> <p>Note: this was calculated as part of the trialling for the most recent GDN-shared SROI model and rulebook, which generates much lower SROI NPVs than previous models.</p>
VCMA Project start and end date	<p>This project will begin September 2024 and last until March 2026.</p>
Geographical area	<p>This project will be delivered across Wales and the South West of England, working with local Minds whom apply to Mind's Cost of Living Emergency Response programme.</p> <p>Mind's network of local Mind organisations operates across the following communities and locations in the South West of England: Bath Mind, Swindon and Gloucestershire Mind, Bristol Mind, Devon Mind, Mind in Somerset, Wiltshire Mind, Dorset Mind and Cornwall Mind.</p> <p>In Wales there are local branches operating in the following areas: Brecon Mind, Caerphilly Mind, Cardiff Mind, Conwy Mind, Cwm Taf Morgannwg Mind, Llanelli Mind, Mid & North</p>

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	Powys Mind, Mind Aberystwyth, Mind in the Vale of Glamorgan, Neath Port Talbot Mind, Newport Mind, North East Wales Mind, Pembrokeshire and Carmarthen Mind, Swansea Mind, Vale of Clwyd Mind and Mind Ystradgynlais.
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WWU sign off

Nigel Winnan	Customer & Social Strategy Manager	Date 18 th September 2024	Signature <i>Nigel Winnan</i>
David Robinson	Director of Business Services	Date 18 th September 2024	Signature <i>DR</i>