

RIO-3 Draft Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors

Care & Repair Cymru

Care & Repair are Wales' older people's housing champions, working to improve homes to change lives. We help our clients to live independently in warm, safe, accessible homes by delivering housing adaptations and home improvements. We offer a holistic casework service including a whole house assessment taken from a national framework, including a falls risk assessment, welfare benefits check and home safety information and advice. In 2024-25 we delivered the following:

- 64,669 services delivered to help older people helped to stay independent at home.
- 24,933 Rapid Response Adaptations to prevent accidents at home.
- Completed 65,557 jobs in the home to a value of £21.9 million.
- Helped clients claim £12.5 million in unclaimed benefits.

GDQ11. Do you agree with our proposed design of the VCMA UIOLI mechanism?

Care & Repair Cymru work to support older households to stay safe, warm and independent in their home, by addressing the health and wellbeing implications caused by poor housing. As part of this work, our local Care & Repair agencies deliver Older Not Colder, a project funded by Wales & West Utilities via their Vulnerability and Carbon Monoxide Allowance (VCMA) which helps keep homes warm and energy bills down. Our specialised Home Energy Officers provide free home assessments, income maximisation support to reduce instances of fuel poverty, advice to improve home energy efficiency and help to access support schemes for home improvements. As beneficiaries and service deliverers of the VCMA scheme across the whole of Wales, we will take this opportunity to comment on GDQ11, relating to high quality service from regulated firms.

Proposed level of VCMA funding

Overall, we are pleased to see Ofgem's recognition of the importance of VCMA funded projects and the support they provide to vulnerable customers in fuel poverty. We agree with Ofgem's proposed decision to increase VCMA to £165 million, as opposed to the initial figure of £75 million proposed in the Sector Specific Methodology Document (SSMD). Care & Repair Cymru welcomes Ofgem's acknowledgement of stakeholder feedback, which cautioned against the reduction of funding originally proposed in the SSMD and is pleased to see that this has been

acted upon. We reiterate that levels of fuel poverty, particularly within vulnerable demographics, are still far higher than they were before the energy crisis in autumn 2021. Recent Welsh Government statistics show that as of October 2024, over a quarter of Welsh Households were living in fuel poverty¹ and average annual energy bills sit at £1,800 which is unaffordable for many households we support. This is clear evidence that now is not the time to reduce support for fuel poverty and energy efficiency to vulnerable households. With the price cap predicted to increase further to around £1,820 a year by the end of September 2026², it is clear there will be an ongoing need for continued support for vulnerable households well into the next few years.

Proposed allocation of VCMA funding

The Draft Determination document states that VCMA funding ‘...will be allocated based on the number of customers served by each network. In implementing this, we acknowledge that some GDNs will receive marginally more than they proposed in their business plans, while others will receive marginally less’. Whilst in principle this can be seen as a logical decision, Care & Repair Cymru believes this approach has its flaws. For Wales and the southwest of England, there is a significant amount of rurality and isolation of properties on the gas network which may result in additional costs not borne by other GDNs, for example those in London, where the area is much smaller and the population is much more dense. Whilst there may be fewer customers serviced by Wales & West Utilities, the size of the areas they are required to service may result in additional costs either to customers or to the GDN themselves. Overall in Wales, relative income levels, and levels of poor health and deprivation are also higher than many other parts of the UK. Therefore, we recommend that funding allocations should acknowledge these discrepancies.

Additionally, Wales has the fastest growing ageing population of anywhere in the UK, meaning that a greater number of people will fall into the VCMA support categories per capita. There must be a level of funding made available to support these increases – by 2031, at the end of GD3, the percentage of people that will be at state pension age is predicted to be 21.9%³ of the total population in Wales. With this in mind, funding allocations must take into consideration not just the population makeup in 2026, but the projected population in 2031 as well.

¹ Welsh Government (2025) *Fuel Poverty Estimates for Wales*. Available at: <https://www.gov.wales/fuel-poverty-modelled-estimates-wales-headline-results-october-2024-html>

² Money Saving Expert, *How will energy prices change?* Available at: [How will energy prices change?](#)

³ Office for National Statistics (2025) *Local authority ageing statistics, population projections for older people: time-series*. Available at: <https://www.ons.gov.uk/filter-outputs/0e59822a-0992-4481-9e84-c67c67141c65>

VCMA governance

Care & Repair Cymru welcomes Ofgem's proposal to promote '*greater transparency and accountability*' and its commitment to '*encourage increased stakeholder input*' in regard to the governance of the VCMA. Organisations such as ourselves are delivering VCMA-funded projects through frontline services, including high numbers of home visits, three-way calls with energy suppliers and working with local support organisations. This means that we have first-hand expertise about the types of vulnerabilities faced by GDN customers, and detailed operational knowledge of the most impactful and effective approaches to addressing consumer vulnerability and CO safety. As a key stakeholder within the VCMA framework, we welcome the opportunity to engage further with Ofgem on our learnings and best practice for delivering frontline services that make a difference to vulnerable communities.

Our final point on governance is a very important one. While it is obviously crucial that Ofgem's governance document is clear and strong, the timing of its issue to support the tender process for GD3 is also critical to third sector organisations such as Care & Repair (and we imagine to many other organisations delivering VCMA across the UK). We have delivered Older Not Colder for nearly 18 months, with just 6 months or so remaining. The set up of processes, paperwork, recruitment, training and induction of staff across Wales, database set up and reporting, and project inception were all time consuming (but necessary in terms of successful project delivery). We have now reached a point where performance and service delivery are increasing towards its optimal point. It is crucial that the tender timeline for GD3 (which we understand includes the issue of the governance document by Ofgem) takes account of the risk of losing trained and motivated staff on projects like ours (and across the UK), due to not having clarity about their posts from April 2026 and therefore being forced to seek employment elsewhere. In the third sector, this is a constant challenge and struggle, and ideally, we need to give clarity and reassurance to staff at least 3 months before the end of March 2026, so this must be completed at the latest by the end of December 2025.

BAU activities

Overall, Care & Repair Cymru welcomes Ofgem's proposal in the Draft Determination to allow GDNs to move particular areas of vulnerability and carbon monoxide safety work into business-as-usual funding. We believe this approach will foster good practice within the GDN approach to consumer vulnerability as a whole; allowing certain activities that support vulnerable consumers and CO safety to become 'business as usual' will embed this work and strengthen GDN commitments to supporting vulnerable consumers. Additionally, this approach will allow VCMA funding to solely focus on projects that support the most vulnerable consumers in fuel poverty and adapt to challenges that are more complex to navigate. Within this however, we firmly believe that there should be flexibility whereby VCMA projects such as our Older Not Colder

service, whilst already in the homes and providing support to our clients, can include BAU activities incidental to the primary focus of tackling fuel poverty, such as providing CO advice, alarms and PSR signups. This would make sense and be an efficient use of resources.

Whilst we do agree with the statement in paragraph 3.118 in GD annex, Care & Repair argues for additional flexibility within UIOLI. For projects, there are often changes and alterations to projects that require funding to be carried over for future work or moved within the original budget set. We would like to see additional flexibility with the funding included in future iterations, including GD3. This will allow projects to best utilise their funding for their client base and respond to changing environments, policy landscapes and crises. Supplementarily, there must be trust between Ofgem and GDNs on the allocation of BAU funding. Determining which activities fall under BAU and which fall under VCMA should be at the agreement of the GDN and the stakeholder, to make best use of strong relationships and resource.

GDQ12. Do you agree with our proposed design of the Customer Satisfaction ODI-F?

Care & Repair Cymru believes that the removal of the DLCA will result in fewer customers being able to join the gas networks. This is due to the often-costly joining fee (often upwards of £1,000⁴). The DLCA was well-utilised by a number of Care & Repair clients in Wales for many years, particularly those that live rurally or are in more isolated communities. For this to be removed and require our clients to self-fund a gas connection is challenging, as this is often a cost that they are able to pay, so instead remain using more costly heating methods, such as LPG or oil.

Paragraph 3.155 of the Draft Determination states that GDNs have done their own research to quantify the impact of removing the DLCA, citing their own evidence. Whilst it is clear that Ofgem have refuted this evidence, they have also not provided their own rationale or evidence within the draft determination for its removal. We therefore urge Ofgem to publish within the Final Determination their own reasons to remove the DLCA. We argue that for Ofgem to refuse the evidence provided by the GDNs, it is necessary for Ofgem to provide supporting evidence in which to base their decisions.

WWUQ3. Do you agree with our assessment results for WWU against Stage C of the BPI?

In our response to questions WWUQ1-WWUQ3, Care & Repair Cymru will be focusing on the outcome: high-quality of service from regulated firms in regard to the assessment of Wales & West Utilities BPI. This means we will comment on sections 3.21-3.23 in the WWU Annex.

⁴ Wales & West Utilities, *Connect to the Gas Network*. Available at: [Connect | Wales & West Utilities](#)

Scale and reach of WWU VCMA funded projects

Whilst Care & Repair Cymru cannot comment on the detail of WWUs' Business Plan, we would like to pick up on a detail raised in the WWU Draft Determination document which states *'However, other non-CO commitments are more difficult to assess effectively as there is no RIIO-GD2 comparison available in terms of reach or scale, and there are few detailed examples of the types of work being delivered.'* As the delivery organisation for Older Not Colder, a VCMA funded project from WWU, we believe we are in an appropriate position to provide Ofgem with some detailed examples of the type of vulnerability work being delivered on behalf of WWU.

We also take this opportunity to provide *'greater detail and clarity to justify'* why, relative to its customer base, WWU requested the highest VCMA funding of any GDN. Please find below three case studies from different areas of Wales which demonstrate the scale and reach of WWU VCMA funded project, Older Not Colder:

Gwent:

A client was referred to Older Not Colder (ONC) who has a degenerative eye disorder that has left him almost completely blind as well as other health conditions.

The client came to us having not had a working boiler for some months meaning he had no access to hot water or heating. This left him unable to shower, and heating his home came in form of small electric heater fans dotted around the house. These were all floor heaters which posed a significant health risk from trips and falls.

Intervention:

Working alongside a colleague, ONC managed to adapt the clients' home to make it more suitable for him in terms of extra lighting, grab rails and decluttering some rooms to make access easier.

He was referred to NEST using the crisis scheme for which the client was eligible under both the health conditions and financial routes. The client was visited by an assessor who condemned the boiler and also found that the client's property was suitable for PV panels on the roof.

Outcome:

Our client now has a fully working, and safe, combi boiler and was able to have his first full hot shower in quite some time. He also has PV panels on the roof and, following the removal of a bees nest in his attic, these have been connected up and the client will now have lower energy

bills as a result through the energy generated. The client no longer need the electric fan heaters to warm his home in the cooler months.

Pembrokeshire:

This case study focuses on supporting a 67-year-old gentleman undergoing palliative care for terminal leukaemia. He has been given an estimated six months to live and was living without any heating or hot water.

The client had purchased a new gas boiler and a few radiators from a local plumber, using almost all of his savings. Unfortunately, the new boiler was not compatible with the existing pipework and radiators in his home. A second plumber later informed him that the current pipework was unsafe and could not be connected to the new boiler and radiators. This left the client without heating throughout the winter.

Due to his leukaemia, the client is immunosuppressed and therefore highly vulnerable to infections. The lack of heating significantly increased the risk to his health, as even catching a cold could have had serious consequences. He was eventually hospitalised over the winter, a situation that could have been avoided had he had safe, adequate heating at home.

Intervention:

Through four different funding streams, the Home Energy Officer raised the funds to complete the work. Overall, the work cost £3,735 which was a significant amount of funding needing to be raised with numerous streams.

Outcome:

The ONC Team applied and got the work completed in a month and a half. He had new radiators and pipework installed in his home, and now has heating. The client had told me this was life changing for them, and the client will be able to spend his last few months comfortable at home, rather than in a ward/ hospice.

Swansea

A client referred to ONC was relying on an outdated and inefficient boiler, lived off a fixed pension and had multiple health conditions. The client was unable to afford repairs or maintain a comfortably heated home.

Intervention:

The Home Energy Officer in the ONC team secured funding install a modern A-rated combi boiler. The intervention included:

- Removal of the old boiler.
- Installation of an energy-efficient combi boiler.
- A simple digital thermostat to help manage temperatures.

Outcome

The impact was immediate and meaningful; Home temperatures stabilized, comfort was improved and respiratory issues were reduced. Energy bills also decreased, giving the client more financial breathing room each month. They had peace of mind — no more breakdowns, cold nights, or anxiety about heating costs. After the service our client commented *“This new boiler has changed everything. I don’t have to sit in a cold room wrapped in a blanket anymore. I feel safer and healthier.”*

These are just three examples from many hundreds of cases where we provided support, and overall, without the support from WWU and the VCMA, the work we have done throughout Wales in our Older Not Colder project would not be achievable. We hope that we have provided the necessary clarity and context that illustrates the impact that WWU is having on vulnerable consumers through its partnerships with organisations such as ourselves.