

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)  
*Making Every Conversation Count*

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## 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) Have a positive, or forecasted positive Social Return on Investment (SROI), including for the gas consumers funding the VCMA project;	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 these;	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, repair and replacement projects</b>	
In order to qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, 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;	N/A
b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	N/A
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 servicing, repair or replacement.	N/A
<b>Section 3 - Eligibility criteria for collaborative VCMA projects</b>	
In order to qualify as a collaborative VCMA project, a project must:	
a) Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria;	N/A
b) Have the potential to benefit consumers on the participating networks; and	N/A
c) Involve two, or more, gas distribution companies.	N/A

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

<b>Information Required</b>	<b>Description</b>
<b>Project Title</b>	Making Every Conversation Count
<b>Funding GDN(s)</b>	Cadent – Specific project
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	Not applicable
<b>Date of PEA Submission</b>	July 2023
<b>VCMA Project Contact Name, email and Number</b>	Name: Phil Burrows Position: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Phone: 07773545451
<b>Total Cost (£k)</b>	Campaign costs: £349,000.00 Project management costs: £13,960.00
<b>Total VCMA Funding Required (£k)</b>	£362,960.00
<b>Problem(s)</b>	<p><u>Fuel Poverty</u></p> <p><sup>1</sup>National Energy Action estimates that 6.6 million UK households are currently living in fuel poverty, and unable to afford to heat their homes to the temperature needed to keep warm and healthy. In October 2021, we estimated there were 4.5 million UK households in fuel poverty.</p> <p><sup>2</sup>The UK has some of the least efficient homes in Europe. The poorest households continue to be trapped in the worst conditions and continue to be exposed to higher energy costs and the terrible consequences of cold, mould and dampness are damaging their health and well-being daily. Despite legal requirements to ensure all fuel-poor homes are brought up to a reasonable standard of energy efficiency in England by the end of this decade, based on current levels of ‘progress’, we are over a century away. Even the less ambitious sub-target to 2025 will currently be missed by over two decades.’</p> <p>National Energy Action states that over 1.5 million low-income households who live in the least efficient, most expensive to heat homes, are feeling the worst impacts of the energy crisis. They would need to pay around £4,000 to £5,000 per year just to stay warm. The charity says that the current situation will continue to get worse later this year without more help from the UK Government.</p> <p>‘For fuel-poor households, in the least efficient, most expensive to heat homes, there are many who aren’t receiving any cost-of-living support and their situation is very bleak, especially as we approach autumn and this winter. Without as much support this year from the UK Government to heat their homes, we know too many will rack up unmanageable</p>

<sup>1</sup> [National Energy Action \(NEA\) - the UK's leading fuel poverty charity](#)

<sup>2</sup> [Committee on Fuel Poverty's annual report - National Energy Action's response - National Energy Action \(NEA\)](#)

	<p>debts or try and survive in unheated homes causing ill health, misery and avoidable death.’</p> <p><sup>3</sup>Chief Executive of National Energy Action (NEA), Adam Scorer, says: “Millions of vulnerable people miss out on cost-of-living payments as they aren’t on the right benefits or no benefits at all. These people need additional help but are being left to manage bills that are still on average over £1,000 per year more expensive compared to the start of the crisis.</p>
<p><b>Scope and Objectives</b></p>	<p><u>Project Scope</u></p> <p>The ‘Making Every Conversation Count’ campaign continuation will be delivered in partnership with Brandwalk, focusing on small behavioural changes to engage the public in a conversation on saving money and reducing energy usage. The campaign will use simple and impactful messaging such as practical money-saving tips with illustrations, breaking down the stigma of seeking help and letting people know they do not need to suffer alone and that there is help available. It is critical that the messaging is simple, visual and attention-grabbing.</p> <p>This campaign will focus on four particular audiences through specific channels:</p> <ul style="list-style-type: none"> <li>• Younger people - TikTok, videos and Apps</li> <li>• Minority groups – Facebook groups, Apps and videos, basic leaflets with QR codes</li> <li>• Families – Online forums on Facebook &amp; Nextdoor</li> <li>• School newsletters and local family magazines</li> <li>• Older adults (50+) – Local papers, TV, radio and basic leaflets</li> </ul> <p>The estimated reach of the campaign is a total unique reach of 19,325,000. The project will run through the winter months when people will be at home using more energy to heat their homes and cook winter warming meals.</p> <p>The campaign is designed to deliver over a number of stages with the overall campaign message of ‘A Little Energy Can Save a Lot’:</p> <ul style="list-style-type: none"> <li>- Carbon Monoxide/PSR focus (Sept/Oct)</li> <li>- Carbon Monoxide/PSR focus (Oct/Nov)</li> <li>- Energy Efficiency focus (Nov-Jan)</li> </ul> <p>The campaign will use a variety of channels to reach the public such as:</p> <ul style="list-style-type: none"> <li>• Asset pack (social media, videos and website)</li> <li>• Regional media campaign</li> <li>• Advertorials</li> <li>• Door drop leaflets</li> <li>• Internal communications</li> <li>• Radio &amp; Dax</li> <li>• Digital tool kits for the Centre for Warmth to use.</li> </ul> <p><u>Project Objectives</u></p> <p>The project has several objectives, the achievement of which will determine the success of the programme:</p>

<sup>3</sup> UK Government energy support ends for over 20 million households tomorrow – leaving 6.6 million in fuel poverty - National Energy Action (NEA)

	<ol style="list-style-type: none"> <li>1. Engagement through multiple channels to 19 million people living in the UK.</li> <li>2. Using a multichannel marketing-based approach to showcase how to save money on energy bills.</li> <li>3. Promotion of energy efficiency to support households to use their household energy more effectively.</li> <li>4. Signpost to people on how to register for the PSR.</li> <li>5. Educate individuals on carbon monoxide and its signs and symptoms.</li> </ol> <p>As well as having the overall objective of educating customers, the project also aims to produce a positive social return on investment (SROI).</p>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>We believe that this campaign meets all the necessary VCMA project eligibility criteria as evidenced below. As such, Cadent considers this project to be a very effective spend of its regulatory allowances.</p> <ol 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; <p>We have forecasted a positive social return on investment for this project based on the below rationale:</p> <ul style="list-style-type: none"> <li>• The deliverables necessary to create a positive social return on investment - see the below section for more details.</li> </ul> </li> <li>b. Either: <ol style="list-style-type: none"> <li>i. Provide support to customers 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> </ol> <ul style="list-style-type: none"> <li>• This project meets all three criteria on this point, as customers will receive support with energy/financial advice and carbon monoxide safety.</li> </ul> </li> <li>c. Have defined outcomes and the associated actions to achieve these; <ul style="list-style-type: none"> <li>• This project has clearly defined actions and associated outcomes, the meeting of which will quantify success. Further information on the project's outcomes and associated actions can be found in the relevant section below.</li> </ul> </li> <li>d. Go beyond activities that are funded through other price control mechanisms or required through other licence obligations; <ul style="list-style-type: none"> <li>• This project innovatively delivers support to customers in a method that goes beyond other price control activities and licence obligations.</li> </ul> </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; <ul style="list-style-type: none"> <li>• This project is delivered solely with VCMA funding and a clear structure will be in place to ensure that all aspects of the project are allocated against the VCMA funding.</li> </ul> </li> </ol>

**Evidence of Stakeholder/Customer Support**

Cadent's Energy Diaries series of customer research consistently heard from customers that they remain concerned about the cost of living, feel disengaged with the news / their energy company, and would welcome a suite of clear and simple advice to support them in becoming more energy efficient and saving money.

In addition to this, Cadent received stakeholder feedback on the importance of a cohesive approach to supporting customers and making every contact count. Cadent has acknowledged this stakeholder feedback and that was why we specifically chose these methods of communication because of the high customer reach the important messaging will be received by.

The previous campaign reached a total of 95,197,012 impacts and a total unique reach of 17,984,855 through multimedia channels.

We had wins, challenges, and learnings from the previous campaign.

Wins:

**Highly targeted campaign** targeting areas of high deprivation. reaching large amounts of people living in vulnerable situations through multiple channels.

**Outdoor advertising**

We had broad mix of assets and channels such as washrooms, buses and London underground that reached 3.8 mil people.

**Leaflet drop**

Using social mapping data, we reached 800,000 people. We have also decided to increase the numbers for the next campaign as it is a cheaper way of targeting people that need support the most.

**Webpage**

We have created a webpage on our website dedicated to the energy saving hacks which are promoted through "a little energy can save a lot".

[Energy efficiency | Cadent \(cadentgas.com\)](#)

**Video**

We created a short video that promoted all the energy saving hacks we were promoting. This video has been utilised for training partners that are working on project being funded through the VCMA.

[Energy saving tips for your home - YouTube](#)

**Social Media**

Social media reached many of our vulnerable customer through different channels:

- Instagram 1800 reach
- Facebook 16767 reach
- Twitter 4511 reach
- LinkedIn 2178 reach

**New relationships that helped us reach 9,250 customers.**

The campaign developed content for Cadent's partners to share on their owned and social media channels.

Interest secured with Energy Saving Trust, Groundwork, Citizens Advice Manchester, Your Local Pantry and Tower Housewares.

	<p>Citizens Advice Manchester shared posts on Facebook (2k followers) and Twitter (4.7k followers) channels.</p> <p><u>Challenges:</u></p> <ul style="list-style-type: none"> <li>• Incident in December (PR/social media/Partner activity)</li> <li>• Regional PR campaign</li> <li>• Brand and political sensitivity watered down some of the high-profile activity (celeb voice)</li> <li>• Cookery statistics – impact on relevant partnerships</li> <li>• Social media</li> </ul> <p><u>Learnings:</u></p> <p>From the previous campaign, we have learnt that we need to plan a longer lead time for PR activity within Cadent and we may need resources for internal team support.</p> <p>We also, other forms of outdoor advertising (digital) could work well for this project and reach a large audience.</p> <p>We are aware that the cost-of-living crisis is not going away, and everyone is being affected by rising energy bills. People in the targeted audience groups who may not have been in crisis before may find themselves not knowing where to seek advice and help.</p> <p>This campaign will encourage people to seek further support and educate people on how to save money on their bills which will alleviate stress and anxiety.</p> <p>This campaign will be continuous from the previous campaign, but we use our learnings from the previous campaign. We will target minority groups with the correct and relevant media channels that will reach them.</p>
<b>Information Required</b>	<b>Description</b>
<b>Outcomes, Associated Actions and Success Criteria</b>	<p>The project centres around Cadent increasing and continuing to raise awareness of energy efficiency and how customers can save money on their energy bills by making simple behaviour changes.</p> <p>'Making Every Conversation Count' campaign will be broken down into a series of separate activities.</p> <p><u>Project Outcomes and Delivery:</u></p> <p><b>Radio &amp; DAX</b>  Project delivery:  A 30 second off- peak advert, a mixture of stations and DAX over 2 weeks to reach people on their way home from work.  Project outcome:  Estimated reach 3,924,000</p> <p><b>Door drop leaflets</b>  Project delivery:  Every Cadent customer on our network will receive a leaflet.  Project outcome:  Estimated reach 3,400,000</p>

	<p><b>Asset Pack (social media, video, website)</b>  Project delivery:  Produce a digital toolkit for our centres for warmth and to continue using the assets that we created from the first campaign but expand on them. Update and promote the webpage that was created for the previous campaign.  Project outcome: £10,000*</p> <p><b>Internal Communications</b>  Project delivery:  Leaflet distribution &amp; comms promoted via internal communications channels, targeting our employees and their families.  Project outcome:  Estimated reach 1,000</p> <p><b>Regional Media Campaign</b>  Project delivery:  Reaching regional media outlets existing and new audiences.  Project outcome:  Estimated reach 5,000,000*</p> <p><b>Advertorials</b>  Project delivery:  Travel space ads (undergrounds, buses, services, washrooms etc).  Project outcome:  Estimated reach 7,000,000</p> <p>*Up-weighted social media and PR activity</p> <p><u>Success Criteria</u></p> <p>EXPECTED TOTAL CAMPAIGN UNIQUE REACH: 19,325,000</p> <p>Expected engagement 3% rate: 579,750  Average saving per household: £367.77 over 5 years  Action saving: £213,214,658 over 5 years</p> <p>This figure is based purely on energy-saving advice and does not account for those we aim to educate on the PSR register or prevent from harm through improved CO awareness and action.</p>
<p><b>Project Partners and Third Parties Involved</b></p>	<p>Cadent is working in partnership with Brandwalk LTD.</p> <p>As part of the project Brandwalk Ltd will be encouraged to utilise their network of existing partners to offer additional service.</p>
<p><b>Potential for New Learning</b></p>	<p>During the Autumn and Winter months in 2022, Cadent undertook a series of coordinated communication activities to promote key messages on energy efficiency and how customers can keep safe and warm.</p> <p>The energy efficiency campaign achieved its objectives, reaching over 18 million people and generating actionable savings of over £21 million. Despite this, there is still a huge, if not growing, need amongst the most vulnerable people in society for help and support.</p> <p>The work we have done so far has had a hugely positive impact, but there is an opportunity to extend our campaign to deliver even more targeted &amp; personalised engagement with customers who will most benefit from getting access to the support they need.</p>



We had many learnings from the last campaign such as, which is the most effective channel of engagement to our customers. We now have a better understanding of how to shape this campaign to make it even more impactful and successful. We will continue to take new learnings from this campaign continuation to help shape future project aimed at engaging customers on VCMA related messaging.

**Scale of VCMA Project and SROI Calculations**

Project Scale

The project will start its planning process in July and run through the winter months until January 2024. Based on the forecast provided by Brandwalk, we estimate that 19,325,000 customers will be reached through the entire of campaign.

The project will utilise £362,960.00 of Cadent's company-specific VCMA funding and will operate across Cadent's five gas distribution networks.

Investment Calculations:

<b>Total Investment (5 year):</b>	£362,960.00
<b>Investment 1 year costs:</b>	£362,960.00

SROI Calculations:

<b>5 year Gross:</b>	£213,214,657.50
<b>1 year Gross</b>	£42,767,131.50
<b>5 year Net:</b>	£212,851,697.50
<b>1 year Net:</b>	£42,404,171.50

Initiative	Overall Gross Present Value	Quantity of Customers Supported	Total SROI for 5 years
Efficient Use of Appliances & Behaviours	£367.77	579,750	£213,214,657.50
<b>Totals</b>			<b>£213,214,657.50</b>

Please note the 3% retention rate has been agreed by all GDNS across the projects.

Ratio £1:555

Forecasted 5-year gross present value to be created by the issuing of home energy and income advice total based on 3% retention rate.

Reach 19,325,000 x 3% retention rate x savings £367.77 (5-year value)

**VCMA Project Start and End Date** July 2023 – Jan 2024

**Geographical Area** All five Cadent's networks

## 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.	
Stage 1: Sustainability and Social Purpose Team PEA Peer Review	
Date Immediate Team Peer Review Completed: Emma Stead	Review Completed By:01/08/2023
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 19/12/23	Review Completed By: Phil Burrows
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 29/12/23023	
Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem ( <a href="mailto:vcma@ofgem.gov.uk">vcma@ofgem.gov.uk</a> )	
Date that PEA Document Uploaded to the Website: February 2024	
Date that Notification Email Sent to Ofgem: February 2024	