

Vulnerability & Carbon Monoxide Allowance (VCMA)

Customer Safeguarding Services Booklet

Suzanne Callington
September 2021



Gas Network Vulnerability & Carbon
Monoxide Allowance (VCMA)
Governance Document - Project
Eligibility Criteria



Section 1 - Eligibility criteria for company specific projects (excluding boiler repair & replacement)	
In order to qualify as a VCMA project, a project must:	
VCMA Eligibility Criteria	Criteria Satisfied (Yes/No)
a) Have a positive Social Return on Investment (SROI), including the potential to have a Net Benefit to the customers on the funding GDN's network(s);	Yes
b) Either: <ul style="list-style-type: none"> i. Provide a direct Net Benefit to consumers in vulnerable situations, or ii. Provide awareness on the dangers of CO, or iii. Reduce the risk of health issues caused by CO; 	Yes
c) Have defined outputs and deliverables;	Yes
d) Have defined outcomes, where considered appropriate by the GDN;	Yes
e) Relate to energy, or CO safety;	Yes
f) Go beyond activities that are funded through another price control mechanism or required through licence obligations; and	Yes
g) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	Yes
Section 2 - Eligibility criteria for company specific boiler repair and replacement projects	
Condemned boiler repairs or replacements are eligible as VCMA projects where:	
a) A GDN has to isolate and condemn an unsafe boiler following a supply interruption or as part of its emergency service role;	NA
b) The household cannot afford to repair or replace the boiler, and;	NA
c) Sufficient funding is not available from other sources (including national, devolved or local government funding) to fund the boiler repair or replacement.	NA
Section 3 - Eligibility criteria for collaborative VCMA projects	
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;	NA
b) Have the potential to have a direct Net Benefit to customers on the participating networks; and	NA
c) Involve two, or more, gas distribution companies.	NA

Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document

Information Required	Description
Project Title	Customer Safeguarding Services Booklet
Funding GDN(s)	Cadent
Role of GDN(s) *For Collaborative VCMA Projects only	NA
Date of PEA Submission	October 2021
VCMA Project Contact Name, email and Number	Suzanne Callington suzanne.callington@cadentgas.com
Total Cost (£k)	£48,247.47
Total VCMA Funding Required (£k)	£48,247.47
Problem(s)	<p>It is estimated that c.6m customers, who could be registered on the PSR are not, and that less than 50% of homes have a carbon monoxide alarm installed.</p> <p>It is therefore crucial that we can effectively engage customers to ensure that key gas safety, carbon monoxide and PSR messaging reaches the customers that stand to benefit from it the most.</p> <p>Cadent recognises the importance of raising customers awareness on topics such as:</p> <ul style="list-style-type: none"> • Registering on the PSR, organisations such as GDNs are able to identify the reasons behind customers' vulnerabilities and take additional actions in order to support them when delivering key services. • The dangers and risks of carbon monoxide and the importance of installing a carbon monoxide alarm and ensuring appliances are serviced on an annual basis. • Making customers aware on the individual services Cadent offer to help protect them and keep them safe and warm in their homes. <p>Whilst we have a website where customers can access this information, we must consider that not all customers know who Cadent are and so are unlikely to even visit our website, and also not all Customers will have access to the internet. By posting an information booklet through their letter box via the Royal Mail, the information is being delivered directly into the homes of customers.</p> <p>Employees within Cadent have also provided us with feedback that they require a form of consistent communication they can hand out to Customers at local events in the community.</p>

	<p>In order to ensure that our messaging of services remains consistent and at the forefront of peoples minds, a booklet to hand out to customers within the community has been created. This can be distributed by mail shots to areas that need our services the most, or handed out at events..</p> <p>Raising awareness of Cadent's customer vulnerability services and carbon monoxide awareness will ensure that:</p> <ul style="list-style-type: none"> • Customers clearly understand our safeguarding services. • Through understanding our services, customers can gain access to the different services available that can help keep them safe, warm and independent in their home.
<p>Scope and Objectives</p>	<p>Scope: To create a booklet to deliver to customers, providing information on the services which Cadent offers to customers living in vulnerable situations. The booklet will also provide relevant contact details to get in touch if they wish to access any of the services.</p> <p>The booklet will also be used with our many partners we have across the Cadent networks as part of the centres for warmth project and similar.</p> <p>Customers stand to benefit from this project through:</p> <p>Raising their awareness on the risks of CO and the importance of getting appliances serviced annually. Understanding what services are available to them including (but not exhaustive) the PSR and energy saving tips and advice to help keep them safe, warm and independent in their homes.</p> <p>Objectives: To provide clear information to customers to raise awareness on CO awareness and the vulnerability services Cadent offer.</p> <p>To encourage customers to apply or sign up for the services which they may be eligible for.</p> <p>The booklet will be updated once per year to ensure that any additional services identified throughout the year will be included as and when they go live.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that the Customer Booklet meets all of 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> <p>Cadent has identified this project as suitable for VCMA funding because:</p> <ul style="list-style-type: none"> • The project focuses on raising awareness and promoting the delivery of vulnerability and CO safety services. • The project provides support to customers in vulnerable situations through services designed to help keep consumers safe and warm in their homes. • The project goes beyond activities funded through other price control mechanisms. <p>1. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project;</p>

	<p>Learning from previous projects and evaluations conducted by Sia Partners inform us that raising awareness and educating customers on the dangers of CO can provide positive social return.</p> <p>We believe this project has the deliverables necessary to generate a positive SROI. More information on the project's SROI can be found in the relevant section below.</p> <p>2. Either:</p> <ul style="list-style-type: none"> • Provide a direct Net Benefit to consumers in vulnerable situations, or • Provide awareness on the dangers of CO, or; • Reduce the risk of harm caused by CO. <p>The project will both provide awareness on the dangers of CO and reduce the risk of harm caused by CO.</p> <p>Risk of harm caused by CO will be reduced through the issuing of information on the signs and symptoms, as well as preventative measures.</p> <p>3. Have defined outcomes and the associated actions to achieve these;</p> <p>More evidence will be detailed in the relevant section below, but we have outlined clear project outcomes, actions and success criteria.</p> <p>4. Go beyond activities that are funded through other price control mechanisms or required through other licence obligations;</p> <p>We believe that the communication methods utilised through this project demonstrate that this campaign goes outside of BAU activities funded through other price control mechanisms.</p> <p>5. Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding;</p> <p>This project will be 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.</p>
<p>Evidence of Stakeholder/Customer Support</p>	<p>Cadent conducted extensive stakeholder and customer feedback to shape its strategy for investment of VCMA funding, particularly for projects centred around CO.</p> <p>Stakeholders from Katie Haines Memorial Trust, Groundwork, Citizens Advice, BEIS and NEA reported that general public awareness on carbon monoxide was high, and that a general understanding on the dangers of CO exists.</p> <p>Research from Energy UK's 'CO Be Alarmed!' campaign reveals that over 17 million people in Britain are at risk from CO poisoning as they do not have a CO alarm in their home – despite nine in ten (94%) saying they are aware of the risk. Although this survey suggests awareness of CO is high, the evidence from our surveys on the ground during RIIO-1 suggests that knowledge is low. Cadent CO survey data from</p>

	<p>5010 respondents rated their knowledge as 5.07/10 on average before Cadent's visit.</p> <p>This survey data supports a need for Cadent to tackle this gap in knowledge for some customers.</p> <p>Cadent conducted a series of engagement activities in order to gather feedback on our RIIO-2 proposals, including carbon monoxide.</p> <p>Participants at our deliberative workshops, focus groups, and domestic surveys were consistently supportive of us raising awareness of CO and providing CO alarms to customers, particularly those in vulnerable situations. Participants in our focus groups were concerned that customer awareness of the full dangers of CO is low.</p> <p>Participants across all these events highlighted that the safety of employees and the public is their highest or joint-highest priority.</p> <p>Cadent also received feedback on the importance of a cohesive approach to supporting customers and making every contact count.</p> <p>Cadent has acknowledged this feedback and we have specifically chosen these methods of communication because of the high customer reach the important messaging will be received by.</p>
<p>Outcomes, Associated Actions and Success Criteria</p>	<p>The project centres around Cadent increasing awareness of the dangers of CO and how customers can keep safe. Customers will be educated on:</p> <ul style="list-style-type: none"> • The signs, symptoms, and dangers of carbon monoxide, • Advice on preventative measures. <p>The Customer Booklet will be broken down into a series of separate sections, providing information on CO awareness and other safeguarding services which Cadent offer to help protect customers living in vulnerable situations, to help keep them safe and warm in their homes.</p> <p><u>Project Outcomes</u></p> <p>Cadent has partnered with a design agency to create an information booklet.</p> <p>The project will deliver the following outcomes:</p> <ul style="list-style-type: none"> • Creation of a booklet including CO safety and all the services Cadent offer to customers living in vulnerable situations. • Delivered through doors to customers living in the highest areas of deprivation and fuel poverty within Cadent's networks and where we have had the highest rates of CO call outs by our emergency engineers • Delivered to 344,000 customer homes via Royal Mail . • Handed to customers at events within the community. Expected number of customers engaged at these events over the 5 year RIIO period is 23,000. <p><u>Delivery</u></p> <p>We expect the booklet will reach around 367,000 number of customers</p>

<p>Project Partners and Third Parties Involved</p>	<p>Cadent will be working with expert project partners including:</p> <ul style="list-style-type: none"> • The Surgery Design Agency • Royal Mail • Latchams <p>These partners are non-financially contributing partners but partners we will use commercially for their expertise.</p>
<p>Potential for New Learning</p>	<p>Cadent believes that this project offers several opportunities for new learning.</p> <p>Firstly, Cadent will be able to gain a better idea on the impact the customer booklet has by monitoring the number of PSR registrations received.</p> <p>By providing the booklet to customers at events, we can engage in conversation with the customers to find out more about our customers and ways in which we can support them. We can also understand how useful customers feel a booklet like the one produced for the project are.</p>
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Project Scale</u></p> <p>The project will deliver 344,000 customer booklets during the month of November 2021. Based on data which Cadent hold identifying the areas within Cadent's network where we have the highest rates of customer vulnerability and deprivation.</p> <p>The project will utilise £48,247.47 of Cadent's company specific VCMA funding and will operate across Cadent's four gas distribution networks.</p> <p><u>SROI Calculations</u></p> <p>This customer booklet will be delivered to 344,000 households and Cadent estimates that 825,600 people (based on average of 2.4 people per household) will be reached and educated with safety messaging on carbon monoxide and awareness on the services Cadent offer customers living in vulnerable situations.</p> <p>Royal Mail market research found that across all industries, 67% of people have been prompted to buy or act after receiving a door drop¹.</p> <p>If the message is relevant and strikes a chord, it's likely to be kept in the home long after it drops on the doormat – the average being 38 days, with 23% of all mail shared around the household².</p> <p><i>Sources</i></p> <p>¹ Royal Mail MarketReach, Illuminas 2014</p> <p>² Royal Mail MarketReach, The Private Life of Mail, 2015</p> <p>For purposes of this SROI calculation, Cadent has factored in a conservative assumption that 10% of the customers reached through the project will retain and use the information received.</p> <p><u>Social Return from a Reduction in A&E Visits Linked to CO</u></p> <ul style="list-style-type: none"> • Cadent estimates that 344,000 customers will be reached with safety messaging on carbon monoxide through the booklet. • The average household in the UK contains 2.4 people, giving a total project reach of 825,600.

- Statistics report that there are 4,000 A&E visits per year attributable to CO in England.
- The population of England is reported as 55,619,430, with the A&E visits linked to CO representing 0.00719% of the population.
- However, a retention rate of 10% must be applied, meaning that 0.00072% of the customers engaged through the project may avoid A&E visits linked to CO
- 0.00072% of 825,600 customers equates to 29.69 avoided A&E visits across the five years of RIIO-GD2.
- An A&E visit costs the NHS £134 on average, giving a total 5-year saving of £3,978.12.

Social Return from a Reduction in Long Term Hospital Visits Linked to CO

- Cadent estimates that 344,000 customers will be reached with safety messaging on carbon monoxide via the booklet.
- The average household in the UK contains 2.4 people, giving a total project reach of 825,600.
- Statistics report that there are 200 long-term hospital visits each year attributable to CO in England and Wales.
- The population of England and Wales is reported as 58,744,595, with long-term hospital visits linked to CO representing 0.00034% of the population.
- However, a retention rate of 10% must be applied, meaning that 0.00003% of the customers engaged through the project may avoid long-term hospital visits linked to CO.
- 0.00003% of 825,600 customers equates to 0.14 avoided long-term visits across the five years of RIIO-GD2.
- A long-term hospital visit costs the NHS £3,026 on average, giving a total 5 year saving of £425.28.

Social Return from a Reduction in Injuries Caused by CO that lead to Time of Work

- Cadent estimates that 344,000 customers will be reached with safety messaging on carbon monoxide.
- The average household in the UK contains 2.4 people, giving a total project reach of 825,600.
- Statistics report that there are 200 long-term hospital visits each year attributable to CO in England and Wales.
- The population of England and Wales is reported as 58,744,595, with long-term hospital visits linked to CO representing 0.00034% of the population. Customers admitted to hospital long-term are likely to take time off work as a result of their injury.

- However, a retention rate of 10% must be applied, meaning that 0.000034% of the customers engaged through the project may avoid long-term hospital visits linked to CO.
- 0.000034% of 825,600 customers equates to 0.14 customers avoiding time off work and long-term visits across the five years of RIIO-GD2.
- The cost of time off work as a result of an injury costs £233.76 per occurrence. This gives a total 5 year saving of £32.85.

Social Return from a Reduction in Deaths Linked to CO

- Cadent estimates that 344,000 customers will be reached with safety messaging on carbon monoxide through the Summer campaign.
- The average household in the UK contains 2.4 people, giving a total project reach of 825,600.
- Statistics report that there are 30.3 deaths per year in the UK linked to CO.
- The population of the UK is 66,040,200, with deaths attributable to CO representing 0.0000459% of the population.
- However, a retention rate of 10% must be applied, meaning that 0.000046% of the customers engaged by the project may avoid deaths linked to CO.
- 0.000046% of 825,600 customers equates to 0.19 customers avoiding a fatality linked to CO across the 5-year period of RIIO-GD2.
- The value of preventing a death to UK PLC is £1,897,129. This gives a total five-year value of £359,311.

Social return from PSR registrations:

If 10% of 344,000 customers take action and register on the PSR as a result of receiving a customer booklet, this means that approx. 34,000 additional PSR registrations would be made over the 4 year RIIO period. With an associated SROI value of £143.89 per registration, totalling £4,892,260 over remaining 4 year RIIO period.

Total project CO and PSR SROI calculations:

The cost of the project is £48,247.47

Working on a conservative assumption that 10% people that receive a booklet take action, the 1 year SROI is **£1,249,051.40**

Project cost:	£48,247.47
Year 1 gross benefit value	£1,297,298.87
Year 4 gross benefit value	£5,189,195.48
1 year SROI (minus project cost)	£1,249,051.40
4 year SROI	£5,140,948.01

VCMA Project Start and End Date

August 2021 – November 2026

Geographical Area	Cadent networks
Remaining Amount in the Allowance at Time of Registration	



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: Customer Strategy Team PEA Peer Review	
Date Immediate Team Peer Review Completed: 2 nd Feb 2022	Review Completed By: Hayley Tranter – Customer Safeguarding Specialist
Stage 2: Customer Strategy Team Management Review	
Date Management Review Completed: 27 th Jan 2022	Review Completed By: Phil Burrows - Head of Customer Vulnerability Social Programme Delivery
Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability & Social Purpose Sign-Off Date: 3 rd Feb 22	
Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)	
Date that PEA Document Uploaded to the Website: Feb 22	
Date that Notification Email Sent to Ofgem: Feb 22	