

# Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)  
*Theft of Gas Public Awareness Campaign*

Lois Laver  
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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:	
VCMA Eligibility Criteria	Criteria Satisfied (Yes/No)
<b>a)</b> Have a positive, or forecasted positive Social Return on Investment (SROI), including for the gas consumers funding the VCMA project;	<b>Yes</b>
<b>b)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li><b>ii.</b> Provide awareness on the dangers of CO, or</li> <li><b>iii.</b> Reduce the risk of harm caused by CO;</li> </ul>	<b>Yes (point i)</b>
<b>c)</b> Have defined outcomes and the associated actions to achieve these;	<b>Yes</b>
<b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and	<b>Yes</b>
<b>e)</b> Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.	<b>Yes</b>
<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:	
<b>a)</b> 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;	<b>N/A</b>
<b>b)</b> The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and;	<b>N/A</b>
<b>c)</b> 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.	<b>N/A</b>
<b>Section 3 - Eligibility criteria for collaborative VCMA projects</b>  In order to qualify as a collaborative VCMA project, a project must:	
<b>a)</b> Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria;	<b>N/A</b>
<b>b)</b> Have the potential to benefit consumers on the participating networks; and	<b>Yes</b>
<b>c)</b> Involve two, or more, gas distribution companies.	<b>Yes</b>

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

Information Required	Description
<b>Project Title</b>	Theft of Gas Public Awareness Campaign
<b>Funding GDN(s)</b>	Cadent Gas Ltd
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	The specific role(s) of GDN(s) participating in a collaborative VCMA Project
<b>Date of PEA Submission</b>	4 <sup>th</sup> October 2024
<b>VCMA Project Contact Name, email and Number</b>	David Garner <a href="mailto:david.garner@cadentgas.com">david.garner@cadentgas.com</a> 07827283611
<b>Total Cost (£k)</b>	£200,000
<b>Total VCMA Funding Required (£k)</b>	£200,000
<b>Problem(s)</b>	<p>Between the 17th May and 5th July 2022, there were four gas related explosions within the footprint of Cadent's network. These are listed below:</p> <ol style="list-style-type: none"> <li>1. Skelmersdale (North West),</li> <li>2. Birmingham – Handsworth (West Midlands),</li> <li>3. Birmingham – Kingstanding (West Midlands), and</li> <li>4. Bedford (East of England)</li> </ol> <p>These explosions have sadly resulted in two fatalities and a number of injuries. Following investigations, all of the above incidents were confirmed as non-network related with two of the explosions being as a consequence of illegal activity.</p> <p>Both the number and frequency of these incidents is unusual, in particular as their occurrence coincides with the summer period (which typically results in lower incident rates). It is noted that these incidents overlap with a period of economic uncertainty and challenge with inflation at c.9% (CPI) and energy prices at an all-time high. The energy price cap as set by Ofgem during the period above was £1,971, an increase of £693 compared with the previous energy price cap.</p> <p>Whilst energy prices have receded during 2023, the economic position faced by people, in particular those in vulnerable position, has remained challenging with inflation still stubbornly high, and interest rates that have steadily increased through the year as the Bank of England looks to address inflation.</p> <p>Against this backdrop, it is estimated by Stay Energy Safe (a campaign brand by Retail Energy Code Company) that energy theft has increased by over 400% since 2017, leading to heightened risks of unsafe situations associated with the gas meter and downstream appliances. This is predicted to keep rising too.</p> <p>Some other statistics to support the case:</p> <ul style="list-style-type: none"> <li>• Stay Energy Safe and Crimestoppers reported a 61% increase in reports from Dec 21 – Feb 22 Vs Dec 22 – Feb 23, with over 1,000 reports a month received over the winter months.</li> </ul>

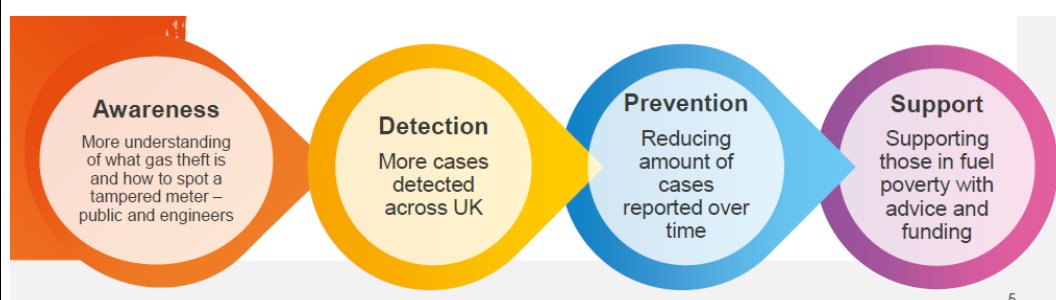
## Scope and Objectives

- Between January and November 2023, 10,694 cases were recorded. Industry estimates place the real figure at closer to 200,000 cases.
- A study by Direct Line Group published in June 2023 found 43% of electricians and gas engineers have been asked by customers to tamper with their meters.
- Retail Energy Code Company estimated energy theft costs consumers up to £1.4bn every year and adds around £50 per year to every paying customer's bills.

The development and initial rollout of a public awareness campaign on the safety risks associated with the Theft of Gas. The campaign will be memorable and hard hitting to achieve the desired impact and response.

Our key objectives are:

- Raise awareness of the dangers of gas theft
- Reduce meter tampering and deter people from committing the crime.
- Encourage people to anonymously report gas theft if they suspect it.
- Help via signposting to fuel poverty support and advice services.



The message will encourage vigilance and reporting, focussed on meter tampering, to act as awareness and a future deterrent. We will work with Becky Holland and Partners (BH&P), who manage the Stay Energy Safe campaigns on behalf of Retail Energy Code Company and Crimestoppers, to develop a campaign based on their energy theft insights and experience.

To ensure investment in this campaign is maximised it is proposed that a campaign is developed and targeted in the Cadent network area to include:

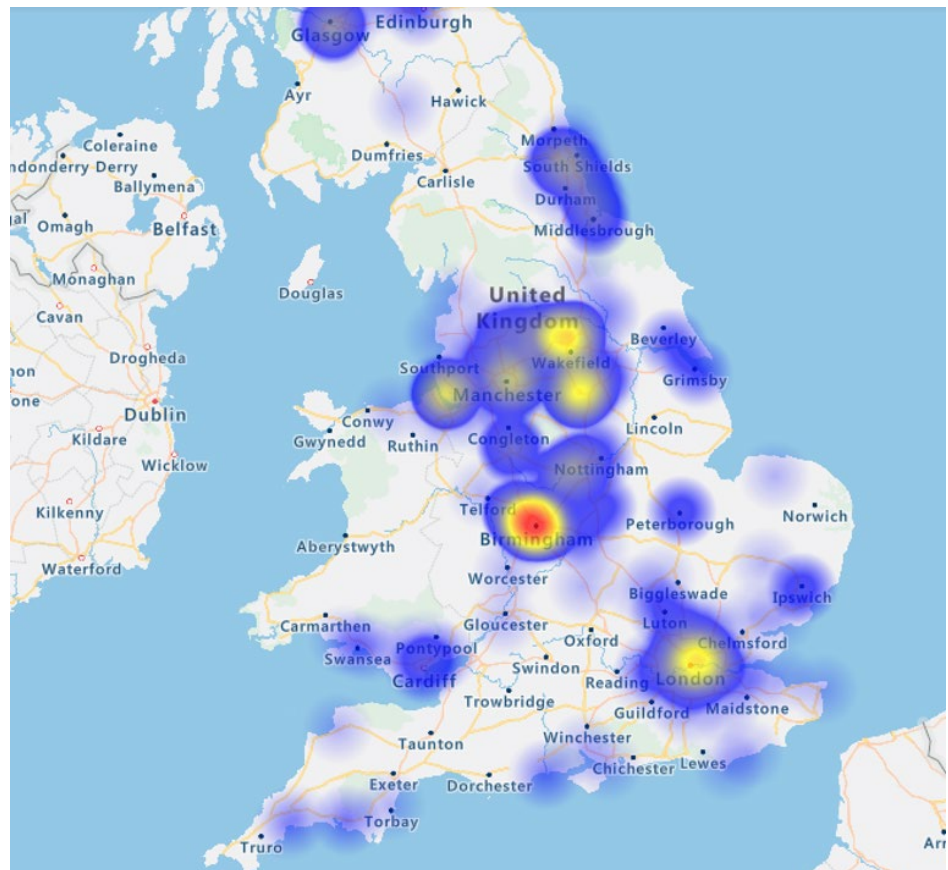
1. Production of a video (TV standard)
2. Radio advertising
3. Online advertising campaign
4. News and media release

We will share the toolkit of campaign assets with the other Gas Distribution Networks and industry partners, including Gas Safe Register and Crimestoppers, to share in their networks to create a national campaign. The GDNs will be encouraged to replicate our targeted advertising online and on radio in their area.

In the Cadent area we will focus on hotspot areas in our targeting of the radio advertising, as below.

UK Supplier Gas Theft Heat map – Source Retail Energy Code 2023





**Why the Project is Being Funded Through the VCMA**

The growing issue is driven partly by the rise in financial vulnerability.

Across the industry we are seeing a large spike in theft of gas reporting due to the cost-of-living crisis. There has been a rise in online information making false claims and selling products to facilitate energy theft, encouraging those who are struggling to pay for their energy bills to be tempted to seek alternative ways to maintain their energy supply.

**Evidence of Stakeholder/ Customer Support**

The project has been reviewed and endorsed by Cadent's Executive Committee, led by Dave Garner, Director of Health & Safety at Cadent, who commented:

"It is very important that people understand that tampering with a gas meter and stealing gas is dangerous. A danger that can impact not only the person tampering with a gas meter but their family, neighbours and community.

"Our concern at the moment with the cost-of-living crisis still impacting people, is that more vulnerable people will be tempted to reduce their energy costs by tampering with their gas meter or being tempted by rogue workmen offering work 'on the cheap', to help save money.

"The campaign with Stay Energy Safe, is about raising awareness of the dangers of tampering with a gas meter and targeting relevant personas so that our more vulnerable customers are aware and are not tempted to do this themselves and importantly know who to report such activities to anonymously.

"The Executive team at Cadent and I, are fully supportive of this campaign and view this as a key component in helping vulnerable customers an important aspect of the campaign, is the highlight of services that are available through the GDNs to help them."

The project will be undertaken in partnership with Retail Energy Code Company (RECCO), presented by RECCO's 'Stay Energy Safe' campaign banner in

	<p>partnership with Crimestoppers. All parties are fully agreeable and supportive of the campaign.</p> <p>The campaign will be developed in conjunction with the Cadent led Theft of Gas industry group, including SGN, Wales and West Utilities, Northern Gas Networks, British Gas, Gas Safe Register, RECCO, and Crimestoppers.</p> <p>The above Theft of Gas Industry group have agreed to share the campaign in their own networks, through their own channels and in advertising and local PR.</p>
<b>Information Required</b>	Description
<b>Outcomes, Associated Actions and Success Criteria</b>	<p>The campaign is estimated to reach 3.5 million people, providing clear education to reduce the risk of individuals 'tampering' with their meter supply point in an attempt to avoid paying for their gas usage. It will also create a referral action whereby those suspecting tampering know how to report it to keep their loved ones and their community safe.</p> <p>Expected outcomes and success are:</p> <ul style="list-style-type: none"> <li>• Stay Energy Safe reported cases/ uplift on advertising dates.</li> <li>• Campaign reach and impressions via advertising, social channels and other media coverage.</li> <li>• Engagement with online advert, i.e. clicks, comments, shares.</li> <li>• News coverage including national media and TV.</li> <li>• Reduced gas incidents associated with gas theft, over time.</li> </ul> <p>BH&amp;P will monitor performance and feedback a monthly dashboard on campaign performance which will include report data from Crimestoppers.</p>
<b>Project Partners and Third Parties Involved</b>	<p>The project will be delivered in partnership with RECCO, Crimestoppers and the Theft of Gas industry group, as outlined in the Evidence of Stakeholder/ Customer Support section.</p> <p>The agency BH&amp;P will manage and support the technical delivery of the campaign. They have a wealth of experience and research, based on their development of targeted energy theft safety campaigns for the Stay Energy Safe website and brand campaigns, on behalf of RECCO.</p> <p>Cadent and other GDNs will signpost from the campaign to the Stay Energy Safe website where fuel poverty support will be made available from VCMA project partners. This will offer help to those who steal gas out of need, so they can access energy efficiency advice and any funding available.</p>
<b>Potential for New Learning</b>	<p>The GDNs will develop deeper understanding of the drivers and causes of gas theft, whilst testing strategies to engage with those vulnerable sectors of the community who are impacted by the cost-of-living crisis and high energy costs.</p> <p>We will also gain a better understanding of the target personas from the BH&amp;P research and campaign testing to enable us to direct and support messages at key groups.</p>
<b>Scale of VCMA Project and SROI Calculations</b>	<p>The total project cost is £200,000.</p> <p>The campaign is important to creating awareness of meter tampering and to changing social views of gas theft.</p> <p>The key driver of the campaign is to create awareness and knowledge that safeguards life but also encourages immediate action to report or deter future gas theft. Significantly there is an objective to help those in need by signposting from</p>

the campaign landing pages to fuel poverty support and advice from VCMA partner projects.

We anticipate the awareness of energy theft will increase from 7-8% up to around 10% in the UK during the time of launch with, naturally, any ongoing comms helping to increase that further over time.

There is also a requirement in our message to change social views of meter tampering as a crime, to make it wholly socially unacceptable, regardless of circumstances. Our message and content will help to drive this message with the target audience.

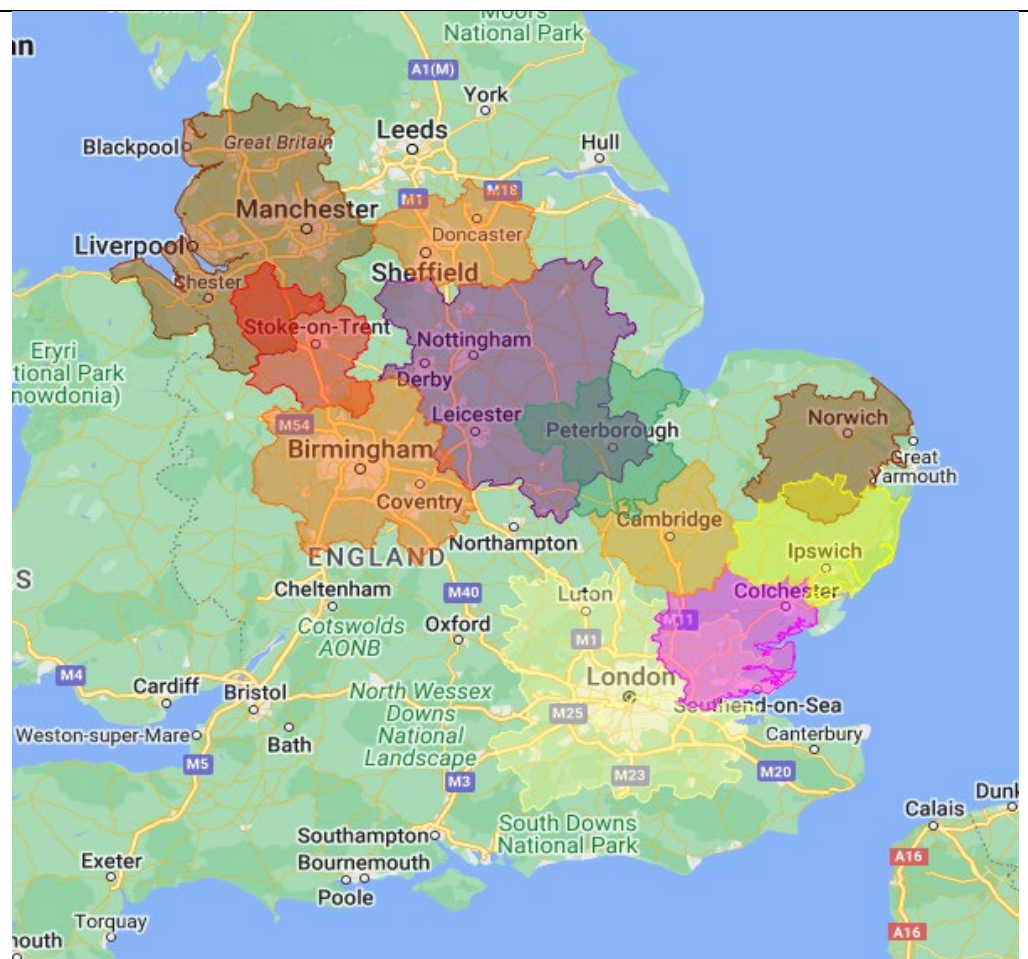
Whilst the campaign has a 4-12 week launch period, we will promote the campaign across our respective gas distribution network communication channels over a 24-month period, so the message is shared through two winter seasons and has an ongoing effect. Note the actor license means the video can be used for 2 years.

In the launch period, it is estimated the campaign will achieve 29 million impressions through our advertising and media channels.

Note this is in Cadent territory only – by sharing the campaign assets with the working group we will reach much further across the UK, and the aim is to develop a campaign with national coverage.

We will target the following locations in the Cadent network, including, but not limited to:

- 1) North West
- 2) East Midlands
- 3) Suffolk
- 4) Essex
- 5) West Midlands
- 6) Peterborough, Stamford and Rutland
- 7) Cambridgeshire
- 8) South Yorkshire
- 9) Norwich
- 10) Staffordshire and Cheshire
- 11) Fulham, Slough, Islington, Wembley, Hemel Hempstead, Woodford



BH&P will target specifically six key personas they have profiled, based on those people most likely to report energy theft in their research and testing. The target personas are:

1. Non reporters that you could persuade.
2. First-hand experience of energy theft
3. Aware of Stay Energy Safe
4. Consider altering meter to reduce bills – low level crime.
5. Would definitely report energy theft.
6. Would do nothing (in scenarios) but could be persuaded.

#### The return on investment

The main objective of this activity is awareness across the Cadent network area, with reach and reports being a key measure of our impact.

In our launch and campaign activity, we anticipate an estimated 105 new energy theft reports during the time of campaign, of which 91 will be legitimate reports. If successfully prosecuted, this would amount to a report value of £182,000. \*

Following the campaign the awareness and knowledge will drive a further 100 energy theft reports over time; hence, the return value will improve as knowledge becomes action.

\*These figures are based on reach to report conversion metrics used by BH&P with Stay Energy Safe from their own campaign performance measurement, with an estimated 30 reports for every 1m people reached. ROI figures are based on 87% of online form submissions being 'legitimate reports' and a figure of £2,000 recouped per prosecution.



	<p><u>The impact of lives saved</u></p> <p>The ultimate goal is gas safety awareness, to deter meter tampering which reduces gas related incidents and protects life. Whilst it is impossible to accurately estimate the impact of this campaign, even one avoided gas explosion could save the lives of those in the household (average of 2.4 people).</p> <p>The green book cost of a life is £18.14m, therefore, the SROI based only on this statistic would be (2.4 x this value = 43.53m), which does not take into account additional injuries, property damages, the cost to public services and the mental health impacts of those impacted by such a tragedy.</p> <p><u>The impact on wellbeing</u></p> <p>The campaign aims to reach 3.5 million over the two years, providing clear education to reduce the risk of individuals ‘tampering’ with their meter supply point to avoid paying for their gas usage. This in return gives people the wellbeing benefit of feeling safe, as it highlights the risks associated with ‘tampering’. Based on the information provided in the ‘Scale of VCMA Project and SROI Calculations’ section it is anticipated that awareness will increase by around 3% as a direct result of this campaign.</p> <p>Using the new GDN Rulebook Calculator we would expect to see an SROI of £1:1,385.62</p> <div><table><tr><th colspan="2">Project information:</th></tr><tr><td>i</td><td>Name: Theft of Gas</td></tr><tr><td>i</td><td>WACC: 4.97%</td></tr><tr><td>i</td><td>Year of assessment: 2025</td></tr><tr><td>i</td><td>Start year of benefits: 2025</td></tr><tr><td>i</td><td>End year of benefits: 2026</td></tr><tr><td>i</td><td>Attribution: 0.00%</td></tr></table><table><tr><th colspan="2">Non-standardised activity inputs:</th></tr><tr><td>i</td><td>Cost (discounted): £190,060.00</td></tr><tr><td>i</td><td>GPV: £263,541,226.00</td></tr></table><table><tr><th colspan="2">Results:</th></tr><tr><td>i</td><td>Cost (discounted): £190,060.00</td></tr><tr><td>i</td><td>Customer volume: 0</td></tr><tr><td>i</td><td>GPV: £263,541,226.00</td></tr><tr><td>i</td><td>NPV: £263,351,166.00</td></tr><tr><td>i</td><td>SROI: £1,385.62</td></tr></table><table><tr><td>Calculate</td></tr><tr><td>Save</td></tr><tr><td>Clear</td></tr></table></div>	Project information:		i	Name: Theft of Gas	i	WACC: 4.97%	i	Year of assessment: 2025	i	Start year of benefits: 2025	i	End year of benefits: 2026	i	Attribution: 0.00%	Non-standardised activity inputs:		i	Cost (discounted): £190,060.00	i	GPV: £263,541,226.00	Results:		i	Cost (discounted): £190,060.00	i	Customer volume: 0	i	GPV: £263,541,226.00	i	NPV: £263,351,166.00	i	SROI: £1,385.62	Calculate	Save	Clear
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VCMA Project Start and End Date	<p>The VCMA project as scoped in this proposal is scheduled to run from September 2024 to December 2024.</p> <p>We will however continue a drumbeat comms through winter, until March 2025 and repeat the campaign in September 2025, giving the campaign a 2-year life.</p>																																			
Geographical Area	<p>The project will develop a national campaign across the UK.</p> <p>See the section ‘Scale of VCMA Project and SROI Calculations’ for the overview of our geographical campaign targeting.</p>																																			
Remaining Amount in the Allowance at Time of Registration	<p>Remaining funding left in the Licensee’s/ Licensees’ funding pot.</p> <p>The budget has been fully committed to the agency BH&amp;P to develop and manage the campaign as follows:</p> <ul style="list-style-type: none"><li>• Video production</li><li>• Radio production and licensing</li><li>• Digital asset creation</li></ul>																																			

	<ul style="list-style-type: none"> <li>• Radio media cost</li> <li>• Social media cost</li> <li>• Account &amp; campaign management.</li> </ul>
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## 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:26/03/25	Review Completed By: Nicola Campbell
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 27/03/2025	Review Completed By: Gemma Norton
Step 3: Head of Customer Vulnerability Social programmes Sign-Off: Phil Burrows	
Head of Customer Vulnerability Social programmes Sign-Off Date:28/03/2025	
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: March 2025	
Date that Notification Email Sent to Ofgem: March 2025	