

# Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

*CO School Education Version 3*

*Updated March 2023*

*Updated February 2024*

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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 (excluding boiler repair &amp; 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 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"> <li>i. Provide a direct Net Benefit to consumers in vulnerable situations, or</li> <li>ii. Provide awareness on the dangers of CO, or</li> <li>iii. Reduce the risk of health issues caused by CO;</li> </ul>	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.	No
<b>Section 2 - Eligibility criteria for company specific boiler repair and replacement projects</b>	
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;	N/A
b) The household cannot afford to repair or replace the boiler, and;	N/A
c) Sufficient funding is not available from other sources (including national, devolved or local government funding) to fund the boiler repair or replacement.	N/A

### **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;	N/A
b) Have the potential to have a direct Net Benefit to customers 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

Information Required	Description
<b>Project Title</b>	Carbon Monoxide (CO) School Education (updated)
<b>Funding GDN(s)</b>	Cadent
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	NA
<b>Date of PEA Submission</b>	15 <sup>th</sup> March 2023 (Replacing previous version published in year 1)  <b>Updated February 2024</b> (Replacing previous version published in year 2)
<b>VCMA Project Contact Name, email and Number</b>	Suzanne Callington 07866 849 082 Suzanne.callington@cadentgas.com
<b>Total Cost (£k)</b>	£1,871,382  <i>This has been an increase of around £300k on the initial costing (see original PEA). This is due to various factors including increase in delivery costs including delivery staff costs as well as material costs and resource costs. We have also made the decision due to the cost-of-living crisis and increased risk of appliances not being serviced to increase delivery of school assemblies as well as additional classes to reach more pupils and families. Despite the increase in costs the SROI still remains positive (see SROI section further down).</i>  <b>Updated February 2024</b> £3,797,117.28  <i>This has been an increase of £1,925,795.28 (see version 2 PEA). This is due to the increase of reach of children from 200,000 to 400,000 and the addition of the Crucial Crews programme reaching a further 20,000 children. Despite the increase in costs the SROI still remains positive (see SROI section further down).</i>
<b>Total VCMA Funding Required (£k)</b>	£ 1,871,382 (Version 2 PEA amount)  <b>Updated February 2024</b> Project Costs: £3,797,117.28 Project Management Costs: £151,884.691 Total: £3,949,002.00

<p><b>Problem(s)</b></p>	<p>Every year its estimated that there are 60 deaths caused by carbon monoxide in England and Wales. This means that in any given year, c.30 Cadent customers may die through an incident related to CO.</p> <p>CO alarm ownership across our networks is between 60% and 70%.</p> <p>There is relatively low awareness of the causes and consequences of CO poisoning and this is in part demonstrated by the proportion of homes that still do not have a CO alarm installed or have their gas appliances serviced on a regular basis.</p> <p>Children are at much greater risk of being affected sooner by CO poisoning because they breathe faster than adults and therefore show the signs of CO much quicker.</p> <p>Over the last 5 years we have provided educational awareness classes to primary school children through two separate initiatives:</p> <ul style="list-style-type: none"> <li>• Safety Seymour (ages 6-7yrs)</li> <li>• The CO Crew (ages 9-11yrs)</li> </ul> <p>Both programmes continue to be incredibly successful. We have reached over 30,000 children in the last 5 years and these numbers are growing each month. Cadent remain committed to growing these programmes over the next 5 years.</p>
<p><b>Scope and Objectives</b></p>	<p>This project will extend our existing initiatives, as well as introduce an education programme for children at secondary school and for young adults leaving home for the first time to attend university or college.</p> <p>We will reach around 200,000 school children, students and young adults over the five-year price control (RIIO2).</p> <p>We will continue to form partnerships with organisations who specialise in developing learning material and delivering classroom-based lessons. We pair this with our own expertise of gas and CO safety to develop innovative learning experiences for students of different ages which are tailored to their needs.</p> <p>We will extend our framework of partners to support our ambitions which will also include a competitive tender exercise to identify and appoint our future partners.</p> <p><b>Updated February 2024</b> This project will continue our existing initiatives educating primary school children as well as introducing working in partnership with the Crucial Crews charity and Scout and Guide groups to educate a further 20,000 school children.</p> <p>We will now reach around 420,000 school children during the five-year price control period.</p>

<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>The CO school education programs directly reduce the likelihood of customers becoming ill or dying from CO related incidents.</p> <p>We have demonstrated the value delivered through educational programmes in RIIO-1 and this project will ensure we reach even more of our customers in RIIO-2.</p>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p>There was overwhelming support from our customer and stakeholder communities to continue to work to keep our customers and the general public safe from the dangers of CO. Details of this engagement can be found within our RIIO-2 business plan.</p> <p>Cadent conducted extensive stakeholder and customer feedback in order to shape the strategy for investment of VCMA funding, particularly for projects centred around CO.</p> <p>Stakeholders from Katie Haines Memorial Trust, Ground Work, 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>However, many stakeholders reported that a knowledge gap existed in customer's understanding on the preventative measures a household can take to reduce the risk of harm caused by CO.</p> <p>Due to this feedback, Cadent has worked with Bonanza Creative to modify materials to create awareness for school pupils of a primary school age.</p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p>The education programme will reach and educate up to 200,000 pupils and students directly over the 5 years of GD2. We expect that they will also reach a minimum of an additional 480,000 people indirectly through passing the messages to family and friends following the education session. This is based on the average UK household size of 2.4 people, but we expect 'word of mouth' to travel beyond, into wider families, friends and neighbourhoods.</p> <p>There has been extensive research conducted which demonstrates that adults are more likely to take positive action (or change) when their child (or grandchild) asks them to (rather than other adults, even those seen as experts in their field). Therefore, we are continuing to provide education to schools and universities. Surveys and interviews held with schools post our education programmes suggests that somewhere between 60-80% of households take some form of positive action to reduce the harm of CO.</p> <p>Every Safety Seymour child receives a 10-year life CO alarm. The SROI calculation for the CO alarms is captured in the CO alarm PEA.</p> <p>The social return on investment has been calculated based on the reduction of A&amp;E visits, hospital stays, deaths, ambulance visits and time lost from not being able to work. The detailed calculation will be provided upon request and will be reassessed at the end of the project.</p>

	<p>Based upon 200,000 students being educated, we have calculated the net SROI benefit to be £1,619,711.12 over 10 years (total gross benefit of £3,491,093.12 minus total cost of £1,871,382).</p> <p><b>Updated February 2024</b> The education programme will now reach and educate up to 420,000 children. directly over the 5 years of RII02. We expect that they will also reach an additional 588,000 people indirectly through passing the messages to family and friends following the education session. This is based on the average UK household size of 2.4 people, but we expect 'word of mouth' to travel beyond, into wider families, friends and neighbourhoods. This gives a total reach of 1,008, 000.</p>
<b>Project Partners and Third Parties Involved</b>	<p>Bonanza Creative</p> <p><b>Updated February 2024</b> Bonanza Creative Crucial Crews Charity Scouts and Guide Groups</p>
<b>Potential for New Learning</b>	<p>We aim to be able to learn attitudes and a greater understanding of CO in secondary school children and young adults in universities.</p>
<b>Scale of VCMA Project and SROI Calculations</b>	<p>Based upon 200,000 students being educated, we have calculated the net SROI benefit to be £1,619,711.12 over 10 years (total gross benefit of £3,491,093.12 minus total cost of £1,871,382).</p> <p><b>Updated February 2024</b></p> <p>The reach will be divided as per below:</p> <ul style="list-style-type: none"> <li>420,000 individuals will receive advice/training on CO = £7,333,200.00 (over 10 years)</li> </ul> <p>Investment cost = £3,949,002,00</p> <p>10-year gross present value = £7,333,200.00 1-year gross present value = £733,320.00</p> <p>10-year net present value = £3,384,198.00 1-year net present value = £348,014.00</p> <p><b>SROI Ratio: £1:15</b></p>
<b>VCMA Project Start and End Date</b>	<p>Start date: 1<sup>st</sup> September 2021 End date: 30<sup>th</sup> March 2026</p>
<b>Geographical Area</b>	<p>The project will see delivery of the education across all 4 of our Networks across primary, secondary and university students.</p> <p>Approximate delivery each year is estimated as follows:</p> <p>Eastern - 10,000</p>

	<p>North West - 10,000          North London - 8,000          West Midlands - 12,000</p> <p><b>Updated February 2024</b>          In addition to the estimated figures in version 2 of the PEA we have roughly doubled our delivery in each area and using CO hotspot incident data and geographical vulnerability data to target schools in these areas.</p>
<b>Remaining Amount in the Allowance at Time of Registration</b>	N/A

## Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - PEA Control Table

<p>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.</p>	
<p>Stage 1: Sustainability and Social Purpose PEA Peer Review</p>	
<p>Date Immediate Team Peer Review Completed: 16/03/2023</p>	<p>Review Completed By: Gemma Norton</p>
<p>Stage 2: Sustainability and Social purpose Management Review</p>	
<p>Date Management Review Completed: 17/03/2021</p>	<p>Review Completed By: Philip Burrows</p>
<p>Step 3: Director of Sustainability and Social purpose Sign-Off: Mark Belmega</p>	
<p>Director of Sustainability and Social Purpose Sign-Off Date: 17/03/2023</p>	
<p>Step 4: Upload PEA Document to the Website &amp; Notification Email Sent to Ofgem (<a href="mailto:vcma@ofgem.gov.uk">vcma@ofgem.gov.uk</a>)</p>	
<p>Date that PEA Document Uploaded to the Website: March 2023</p>	
<p>Date that Notification Email Sent to Ofgem: March 2023</p>	

