

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Collaborative GDN Winter & Summer Awareness Campaigns

Raising awareness of CO, the national gas emergency number and the PSR

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Updated

Shelley Snow

December 2024

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

<p>Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement)</p> <p>In order to qualify as a VCMA project, a project must:</p>	
VCMA Eligibility Criteria	Criteria Satisfied (Yes/No)
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"> i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or ii. Provide awareness on the dangers of CO, or iii. Reduce the risk of harm caused by CO; 	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
<p>Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair and replacement projects</p> <p>In order to qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, repair or replacement must meet the following criteria:</p>	
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
<p>Section 3 - Eligibility criteria for collaborative VCMA projects</p> <p>In order to qualify as a collaborative VCMA project, a project must:</p>	
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	Yes
c) Involve two, or more, gas distribution companies.	Yes

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

Information Required	Description																								
Project Title	Collaborative GDN Winter and Summer Awareness Campaigns																								
Funding GDN(s)	<p>Cadent 49.8060% £498,060.00 NGN 11.5565% £ 115,565.00 SGN 27.0711% £ 270,711.00 WWU 11.5664% £ 115,664.00 Total 100% £1,000,000</p> <p>Updated December 2024 Updated to include social and management costs, as previously agreed following a year of costs.</p> <table border="1"> <thead> <tr> <th></th> <th>Original Costs</th> <th>Social Spend & Management Fee</th> <th>Updated Project Costs</th> </tr> </thead> <tbody> <tr> <td>Cadent</td> <td>£498,060.00</td> <td>£139,061.38</td> <td>£637,121.38</td> </tr> <tr> <td>NGN</td> <td>£115,565.00</td> <td>£70,000.00</td> <td>£185,565.00</td> </tr> <tr> <td>SGN</td> <td>£270,711.00</td> <td>£67,702.04</td> <td>£338,413.04</td> </tr> <tr> <td>WWU</td> <td>£115,664.00</td> <td>£46,407.17</td> <td>£162,071.17</td> </tr> <tr> <td></td> <td></td> <td>Total Project Cost</td> <td>£1,323,170.59</td> </tr> </tbody> </table>		Original Costs	Social Spend & Management Fee	Updated Project Costs	Cadent	£498,060.00	£139,061.38	£637,121.38	NGN	£115,565.00	£70,000.00	£185,565.00	SGN	£270,711.00	£67,702.04	£338,413.04	WWU	£115,664.00	£46,407.17	£162,071.17			Total Project Cost	£1,323,170.59
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Role of GDN(s) *For Collaborative VCMA Projects only	Following the success of previous collaborative carbon monoxide (CO) and PSR campaigns. The GDNs held a formal competitive procurement tender to search the market for a supplier to deliver an annual summer and winter campaign for the remainder of the GD2 period. The GDNs will work with Eleven Miles (marketing agency) to develop a holistic marketing programme to raise awareness of the PSR, CO poisoning/CO safety and use of the national gas emergency number for suspecting CO, through a range of different media channels.																								
Date of PEA Submission	1 st June 2023 Updated December 2024																								
VCMA Project Contact Name, email and Number	Name: Phil Burrows Title: Head of Customer Vulnerability Social Programme Delivery Email: Phil.m.burrows@cadentgas.com Number: 07773 545451																								
Total Cost (£k)	£1,000,000 Updated December 2024 £1,323,170.59																								
Total VCMA Funding Required (£k)	£1,000,000 Updated December 2024 £1,323,170.59																								
Problem(s)	<p>The colder months of winter represent added risk and challenge for many customers living in vulnerable situations. An increase in the demand for energy not only increases the cost of energy bills, but also increases the risk of issues with household gas supplies and appliances thus increasing the risk of incidents relating to CO poisoning. The current costs of living perhaps presents an even greater challenge with the added financial burden placed on many families as a result of the rising prices across many commodities.</p> <p>By 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. However, it is estimated that c.6m customers, who could be registered, are not.</p>																								

	<p>Another known issue is that whilst carbon monoxide alarms are widely available, less than 50% of homes have one installed – these alarms can genuinely save lives. During summer months, whilst the use of central heating within the home may decrease, the likelihood of customers staying away from home for holidays and the use of BBQs increases, there is a need to educate customers about these risks and how to keep them safe.</p> <p>The awareness campaigns will focus on both these issues, increasing customer knowledge of how to register for the PSR, recognising the symptoms of CO poisoning and the steps and actions they can take to protect themselves from the potential harm of CO.</p> <p>Additionally, we will use the awareness campaign to raise awareness of the national gas emergency helpline so that customers are aware of what number to call if they suspect CO.</p>
<p>Scope and Objectives</p>	<p>The scope extends to CO awareness, the national gas emergency helpline and the priority services register.</p> <p>The project has three main objectives:</p> <ol style="list-style-type: none"> 1. Raise Awareness - Use mass reaching channels to launch with a memorable device; priming audiences to look out for Carbon Monoxide concerns and awareness of the PSR. 2. Education and Consideration - Use of contextually relevant dwell channels and useful content to be consistently present and engaging once people are aware of Carbon Monoxide and the PSR, building trust and consideration. 3. Take action - Use targeted, contextual, agile channels and messages to offer an immediate solution to their concern. <p>Channels will be decided on each time we plan a campaign, but could consist of examples such as; Door drops, TV, radio, Spotify audio and display, Google display, Facebook and Instagram remarketing, Google and Microsoft search, print and online press, Out of Home OOH, billboards, London Underground stations, bus streetliners, and phone kiosks etc.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>The project qualifies under the VCMA funding criteria as it will raise awareness of CO safety including what to do if CO is suspected; thus reducing risk of CO harm, and inform people about the PSR, encouraging those who are eligible to register.</p> <p>This project has a forecast positive SROI and builds off the success of previous collaborative and individual GDN campaigns.</p>
<p>Evidence of Stakeholder/ Customer Support</p>	<p>Throughout the RIIO-2 business planning process each GDN engaged extensively with customers and expert stakeholders to inform their customer vulnerability strategies. Common themes amongst all findings relate to high levels of customer support for GDNs utilising a wide range of techniques to raise awareness of CO, the PSR and other aspects of gas safety, including the national helpline.</p> <p>All GDNs have customer challenge forums in place which have supported customer vulnerability strategies and advocated increased awareness being facilitated of the matters included in this scope.</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 so far during RIIO-2 suggests that knowledge is low. Of 8,000 people surveyed in 2020 45% didn't know that CO doesn't have a smell, and only 42% had a working audible CO alarm.</p> <p>Cadent conducted a series of engagement activities in order to gather stakeholder feedback on our RIIO-2 proposals, including carbon monoxide.</p> <p>Participants at our deliberative workshops, focus groups, and our domestic survey 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>NGN commissioned research around CO in January 2021.</p> <p>Some, if not all of the top actions from research commissioned by NGN around CO safety, will be addressed by supporting this project:</p>

	<ul style="list-style-type: none"> • Target increasing awareness of the dangers of CO • Increase understanding of what CO actually is • Encourage people to get a CO alarm • Encourage people to test their alarms
Outcomes, Associated Actions and Success Criteria	<p>As a result of this project over the next six campaigns (three summer and three winter) we anticipate reaching around 56m customers across the UK.</p> <p>As a result of the mass awareness campaign, overall levels of CO, PSR and national helpline awareness will increase.</p> <p>Whilst it will be difficult to directly correlate this into the number of CO alarms bought, currently installed, PSR conversations initiated, PSR registrations made or the impact for customers knowing who to call in the event of them smelling gas, Sia Partners (who we have worked with to support our SROI calculations) estimate up to a 24% rate of action as a result of reading material on a billboard.</p> <p>The partnership with Eleven Miles expects to achieve the following project outcomes. To promote and educate on the below key areas:</p> <ul style="list-style-type: none"> - Dangers, signs and symptoms of CO exposure and how to stay safe - National gas emergency number for suspecting CO - Packing a CO alarm when staying away from home - CO awareness with the use of BBQs and never to bring them inside an enclosed space - Promoting the Priority services Register <p><u>Associated Actions</u></p> <p>The partnership with Eleven Miles will achieve the desired project outcomes:</p> <ul style="list-style-type: none"> - Reach 56 million customers across the UK throughout the project period via multiple media channels and methods • Eleven Miles working with the GDNs will design and create the material used to promote the campaign • All commercial parties will support and share the campaign which will increase the reach <p><u>Success criteria:</u></p> <ul style="list-style-type: none"> • Educate people on how to protect themselves and their households from CO • Create a positive impact on the health and wellbeing of people • Providing customers information on registering on the PSR • Reaching the expected number of individuals
Project Partners and Third Parties Involved	<p>All GDNs will work in partnership with creative agency Eleven Miles who will utilise their extensive experience in creating and delivering campaigns to develop all aspects of our marketing material and arrange the logistics to implement them.</p>
Potential for New Learning	<p>All projects offer unique learning experiences. Campaign performance analysis during and after each individual summer/winter campaign will help us to understand which channels result in the highest levels of additional interest being generated, and ultimately action taken, allowing us to use this insight to inform the strategy for future campaigns throughout this project.</p>
Scale of VCMA Project and SROI Calculations	<p>Based on the experience and calculations of our partner, we anticipate around 56m customers will experience at least one impression by seeing or hearing our campaign messages.</p> <p>Cadent have developed a comprehensive SROI calculation tool in conjunction with Sia Partners. Whilst it measures a wide variety of societal benefits from projects that have been initiated, for this project we have simply focussed on the societal benefits of raising awareness of the PSR and of the potential dangers of CO.</p> <p>Detailed calculations can be made available on request, but all data used is based on government Green Book sources and all assumptions made have been documented. The benefits calculated for the project are all based on improved societal health based on customers taking some form of action to minimise the risks of harm from natural gas or CO. The calculations consider how, for example, the installation of a CO alarm could reduce the likelihood of illness, death and the costs associated with responding to and treating someone who has been poisoned by CO.</p>

Whilst Sia have previously calculated that there is a 24% action rate based on individuals reading billboard information, this is based on a variety of different billboard advertising campaigns and the stat is difficult to categorically prove.

We have therefore used a much more conservative estimate based on 3% of those who see / hear our messages taking some form of positive action – either in relation to the PSR or CO awareness. For the purposes of the calculation, we have assumed that 50% (28,000,000) of the actions result in the avoidance of a CO related incident due to a household alarm activating or from awareness of signs and symptoms of CO poisoning, and 50% (28,000,000) in PSR awareness and customer registration.

Using the 3% positive action explained above this means that 840,000 customers will be made aware of the potential harm of CO and take action to reduce the likelihood of it in their home. With a 5-year SROI social value of £274,923.58

This also means that 840,000 people will become aware of the PSR and will be more encouraged to register as a result of the campaign. With a 5-year SROI social value of £120,867,600.

The total SROI social value associated with this project over 5 years is £121,417,447.16

Project cost:	£1,000,000
5 year forecast gross social value	£121,417,447.16
5 year forecast social net present value (minus project cost)	£120,417,447.16
5-year net SROI figure per £1 spent	£120.42
Please note that the above figure is based upon the 3% engagement rate discount that has been agreed and is consistent with the other campaigns that have been run. This number has been passed through the Cadent SROI calculator however once the new collaborative calculator (designed by SIRIO) has been completed the numbers will be re-run and amended in the PEA accordingly.	

Updated November 2024

The SROI has been calculated by splitting the total reach of 56million per platform and applying the applicable retention rate as per the GDN rulebook.

Calculations

- 2,150,400 individuals will receive CO and PSR messaging via the door drop. This has been calculated as 15% of the overall reach, with a retention rate of 25.6%.
- 3,584,000 individuals will be targeted via radio ads. This has been calculated as 20% of overall reach, with a retention rate of 32%.
- 11,340,000 individuals will be educated via social media. This has been calculated as 45% of the overall reach, with a retention rate of 32%.
- 716,800 will be educated via out of home messaging. This has been calculated as 20% of overall reach with a retention rate of 6.4%.
- 215,040 individuals will sign up to the PSR. This has been based on the assumption that 10% of those who receive PSR messaging via the door drop will sign up = £30,942,105.60

In total

- 17,791,200 individuals will be reached with CO awareness =£155,317,176.00
- 215,040 individuals will sign up to the PSR = £30,942,105.60

Total Investment = £1,323,170.59

Five-year gross present value = £186,259,281.60




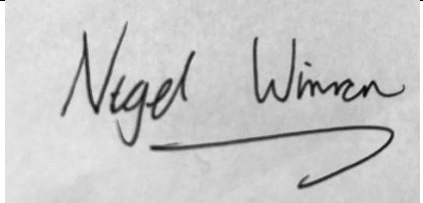
One-year gross present value = £37,251,856.32

Five-year net value = £184,936,111.01

	One-year net value = £37,091,306.82 SROI Ratio = £1:140
VCMA Project Start and End Date	The project will run from April 2023 – March 2026
Geographical Area	National, across all GDN footprints
Internal Governance and Project management Evidence	<p>This project has been developed to cover a UK wide footprint in collaboration with all gas networks.</p> <p>This project proposal has been reviewed through various industry working groups including, the GDN CO Collaboration Group (monthly).</p> <p>In addition to the above, each GDN has their own internal governance structure which involves reviewing project proposals and budget costs with various teams and management levels throughout their organisation including senior managers and at an executive level.</p> <p>This project is also supported by stakeholders (as outlined above).</p> <p>The project will be managed and led by Cadent and will consist of:</p> <ul style="list-style-type: none"> - Weekly meetings during initial planning stages, reduced to bi-weekly and monthly meetings thereafter - Monthly collaborative review meetings - Ongoing reviews throughout the duration of the project regarding delivery of outcomes - this will feed into lessons learnt and shared best practice to ensure the project is successful in delivering value for money and maximising outcomes for customers and communities

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: GDN Collaboration Group PEA Review Meeting date review completed: Review completed by:		
GDN:	Name:	Job Title:
Cadent	Suzanne Callington	Safeguarding Specialist
NGN	Steve Dacre	Vulnerability Innovations Lead
SGN	Dan Edwards	Social Impact Programme Lead
WWU	Sophie Stone	Vulnerability and Carbon Monoxide Project Coordinator
Stage 2: GD2CVG Panel Review Date sign off agreed: Review completed by:		
GDN:	Name:	Job Title:
Cadent	Phil Burrows	Head of customer vulnerability social programme delivery
NGN	Eileen Brown	Customer Experience Director
SGN	Kerry Potter	Group Social Impact and Vulnerability Manager

WWU	Nigel Winnan	Customer and Social Obligations Strategy Manager		
Stage 3: Participating GDN individual signatory sign-off				
GDN	Name:	Job Title:	Signature:	Date:
Cadent:	Phil Burrows	Head of customer vulnerability social programme delivery		22.01.2025
NGN:	Eileen Brown	Customer Experience Director		23.01.2025
SGN:	Maureen McIntosh	Director of Customer Service		23.01.2025
WWU:	Nigel Winnan	Customer and Social Obligations Strategy Manager		24.01.2025
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: February 2025				
Date that Notification Email Sent to Ofgem: February 2025				