

Vulnerability & Carbon Monoxide Allowance (VCMA)

Carbon Monoxide Summer Campaign
2022 CO Safety while enjoying the outdoor this summer

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May 2022



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 Provide awareness on the dangers of CO
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 - Project Registration Table 2

Information Required	Description
Project Title	Carbon Monoxide 2022 Summer Campaign
Funding GDN(s)	Cadent
Role of GDN(s) *For Collaborative VCMA Projects only	N/A
Date of PEA Submission	July 2022
VCMA Project Contact Name, email and Number	Suzanne Callington Suzanne.callington@cadentgas.com
Total Cost (£k)	£201,116.00
Total VCMA Funding Required (£k)	£201,116.00
Problem(s)	<p>Carbon Monoxide (CO) remains a prevalent risk to households in 2022. Approximately 2,000 people across England are hospitalised due to suspected CO poisoning each year, with a further 40 deaths reported.</p> <p>The installation of an audible CO remains one of the most effective methods of mitigating the risk of CO poisoning. However, recent statistics report relatively low alarm ownership across Cadent's networks, with between 60%-70% of homes across Cadent's four networks not having an audible CO alarm installed.</p> <p>CO alarms are widely recognised as a critical in-home safety device. However, Cadent also recognises the importance of educating people on the risk of exposure to CO when outside of their homes; for example, whilst enjoying BBQs and holidays. Since the start of the Covid-19 pandemic, sources suggest that there has been a 300% increase in bookings of UK-based holidays. Therefore, it is important that people are still fully aware of the dangers whilst away from their home.</p> <p>As well as an increase in UK-based holidays, the Covid-19 pandemic and increase in energy and living costs has also created a lot of financial hardship for many families across the country. Financial difficulties can also mean that families can no longer afford to get appliances serviced and repaired. This is shown by demand for installing, servicing and repairing boilers shrinking by 34 per cent during a year of the pandemic. This, coupled with many families not having the financial means to purchase a CO alarm greatly increases the risk of exposure to the dangers of CO.</p> <p>The problem(s) of low alarm ownership, increased risk of exposure to CO whilst holidaying in the UK and the impacts of financial pressure on customers has led to Cadent completing a Summer campaign that uses innovative techniques to reach the most at-risk customers.</p>
Scope and Objectives	<p>The overall scope of the project is to design and deliver a Summer-based informative campaign, that centres on the risks posed by CO, both at home and whilst on holiday.</p> <p>In total, the expected reach of the Summer Campaign project is approximately 15,000,000 - further information on these calculations can be found in the "Outcomes, Associated Actions and Success Criteria" section of the PEA.</p>

	<p>Cadent's main objective will be to educate customers travelling and/or living on its networks on carbon monoxide (CO). The campaign will include highlighting the signs, symptoms, dangers and preventative measures. This will be achieved through the use of partnership work with advertising agencies, allowing Cadent access to their expertise on effectively engaging customers on important safety messages.</p> <p>The campaign will target all four of Cadent's networks, with concentrated messaging in popular UK holiday areas that have been identified through our 2020/2021 Hotspot data for reported CO jobs.</p> <p>As part of the campaign, we will develop and implement a detailed communication strategy that will utilise a multimedia, multimethod approach.</p> <p>The campaigns approach will include:</p> <ul style="list-style-type: none"> • Social media adverts, • Online adverts, • Advertisement posters in M6 washrooms, • London underground advertisements, • Digital advertisement screen vans and digital advertisement billboards, • Animated Sky TV adverts <p>As well as having the overall objective of educating customers, the project also aims to produce a positive social return on investment (SROI) - further detail on calculations included below.</p> <p>Beyond achieving the forecasted total reach of 15,000,000, the campaign, through education, also aims to create an increase in the ownership of CO alarms. This may in turn lead to an increase in the number of reports of suspected CO to the gas emergency service, as instances of CO are more likely to be correctly identified and reported.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that the Summer Campaign 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> <ol style="list-style-type: none"> 1. Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project; 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. 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. 2. Either: <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>Awareness will be raised through engaging customers that are both holidaying and at home with innovative communication methods including: digital billboards, motorway service station advertising and DAB radio.</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; 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; We believe that the innovative 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. 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 in order 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 5010 respondents rated their knowledge as 5.07/10 on average.</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 stakeholder feedback on our RIIO-2 proposals, including carbon monoxide.</p> <p>Participants at our deliberative workshops, focus groups, and 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. 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 stakeholder feedback on the importance of a cohesive approach to supporting customers and making every contact count.</p> <p>Cadent has acknowledged this stakeholder 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 this summer. 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 Summer Campaign will be broken down into a series of separate activities, each activity targeting a different demographic containing customers at risk of exposure to the dangers of CO. By using the following methods of media, we expect to reach around 15m customers across our networks.</p> <p><u>Out of Home media:</u> 390x Buses 10x LU 16 sheets 320x Services washroom posters 80x Digital billboards 11x Digital ad-vans</p> <p><u>Digital Audio media:</u> <u>16x Weeks on DAX digital audio</u> <u>22x Digital radio stations</u> <u>4x Digital music streaming platforms</u> <u>17 Podcast broadcasters</u></p> <p><u>TV Sky:</u> All Sky channels in multiple categories (Movies, Sports, Entertainment, Ethnic, Lifestyle) Over 25 local authority regions</p> <p><u>Digital/Social online:</u> Search and display exposure across:</p> <ul style="list-style-type: none"> • Google • Facebook • Instagram • Programmatic •
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will be working with expert project partners Jseven Media</p>
<p>Potential for New Learning</p>	<p>Cadent believes that this project offers several opportunities for new learning.</p> <p>Firstly, Cadent's historic carbon monoxide awareness projects have focussed on the signs, symptoms, causes and preventative measures for CO.</p> <p>This campaign focusses on alternate messaging on CO safety not previously considered, such as the risks posed by BBQs and CO safety whilst on holiday.</p> <p>The uptake in messaging and the number of interactions/views will help inform Cadent on whether there is a need and interest from customers.</p>

	<p>Secondly, Cadent have historically used its own website and social media to promote messaging on carbon monoxide safety, although this project still utilises these platforms, it also will trial the use of partner-promoted channels and external billboards and digital media to understand the increases in customer reach against the additional investment required.</p> <p>This newfound understanding on use of external media platforms will help shape future projects aimed at engaging customers on VCMA-related messaging.</p>								
<p>Scale of VCMA Project and SROI Calculations</p>	<p><u>Project Scale</u></p> <p>The project will run between May 2022 and September 2022. Based on the forecasts provided by Cadent's partners (and from previously delivered internal projects), we estimate that c.15,000,000 customers will be reached through the entirety of the Summer Campaign.</p> <p>The project will utilise £201,116.00 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>Cadent estimates that 15,000,000 customers will be reached with safety messaging on carbon monoxide through the summer campaign.</p> <p>Cadent has factored in an assumption that 24% of the customers reached through the project will retain and use the information received. (24% based on study SIA partners completed for Cadent on static billboard info retention rates for Cadent RIIO 2 business plan submission).</p> <p><u>Total campaign SROI calculations:</u></p> <p>It's difficult to calculate a precise social return on investment as it is based on the proportion of those who saw the key messages retaining the messages and taking appropriate action. Research from other sectors undertaken by Sia Partners estimates a 'typical' retention level to be 24% as a result of seeing a billboard advertisement. However, whilst this may be a valid benchmark for Cadent's summer campaign, we have calculated our SROI benefit using only a 1% retention rate, which calculates at £1,45,333.90 (£1,636,449.00 as gross benefit value).</p> <table border="1" data-bbox="507 1608 1402 1794"> <tr> <td>Project cost:</td> <td>£201,116.00</td> </tr> <tr> <td>Year 1 gross benefit value</td> <td>£327,289.98</td> </tr> <tr> <td>Year 5 gross benefit value</td> <td>£1,636,449.90</td> </tr> <tr> <td>5-year SROI (net) (minus project cost)</td> <td>£1,435,333.90</td> </tr> </table> <p>The above retention rate is based on a very conservative 1%. This is due to an acceptance that the more campaigns we run, the message will be diluted and will have been replicated. For completeness we have also provided below a 24% retention rate as per recommendations from SIA and other marketeers.</p> <p>5% SROI (net) based on 24% retention rate £34,448,013.96</p>	Project cost:	£201,116.00	Year 1 gross benefit value	£327,289.98	Year 5 gross benefit value	£1,636,449.90	5-year SROI (net) (minus project cost)	£1,435,333.90
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VCMA Project Start and End Date	May 2022 – September 2022
Geographical Area	All Cadent networks
Remaining Amount in the Allowance at Time of Registration	To be confirmed at the point of Director sign off.

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: 16/03/23	Review Completed By: Phil Burrows
Stage 2: Sustainability and Social Purpose Team Management Review	
Date Management Review Completed: 16/03/23	Review Completed By: Phil Burrows
Step 3: Director of Sustainability and Social Purpose Sign-Off: Mark Belmega	
Director of Sustainability and Social Purpose Sign-Off Date: 20/03/2023	
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: March 2023	
Date that Notification Email Sent to Ofgem: March 2023	