

# GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

## Project Eligibility Assessment (PEA)

---

*SP Energy Networks Priority Services Register  
Carbon Monoxide Awareness Pilot*

---

*Dan Edwards* – [Dan.Edwards@sgn.co.uk](mailto:Dan.Edwards@sgn.co.uk)

29/03/22

**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:	
<b>VCMA Eligibility Criteria</b>	<b>Criteria Satisfied (Yes/No)</b>
<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</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>Yes</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**

<b>Information Required</b>	<b>Description</b>										
<b>Project Title</b>	SP Energy Networks Priority Services Register Carbon Monoxide Awareness Pilot										
<b>Funding GDN(s)</b>	SGN, Cadent, and Wales & West Utilities										
<b>Role of GDN(s) *For Collaborative VCMA Projects only</b>	SGN – Project lead Cadent / WWU – Project participants										
<b>Date of PEA Submission</b>	31/03/22										
<b>VCMA Project Contact Name, email and Number</b>	Dan Edwards – Social Impact Programme Lead <a href="mailto:Dan.Edwards@sgn.co.uk">Dan.Edwards@sgn.co.uk</a>										
<b>Total Cost (£k)</b>	£2,685 (exc. VAT) <table border="1" data-bbox="427 792 820 1003"> <thead> <tr> <th></th> <th>Cost per GDN</th> </tr> </thead> <tbody> <tr> <td>Cadent</td> <td>£895</td> </tr> <tr> <td>SGN</td> <td>£895</td> </tr> <tr> <td>WWU</td> <td>£895</td> </tr> <tr> <td></td> <td>£2,685</td> </tr> </tbody> </table>		Cost per GDN	Cadent	£895	SGN	£895	WWU	£895		£2,685
	Cost per GDN										
Cadent	£895										
SGN	£895										
WWU	£895										
	£2,685										
<b>Total VCMA Funding Required (£k)</b>	£2,685 (exc. VAT) <table border="1" data-bbox="427 1039 820 1249"> <thead> <tr> <th></th> <th>Cost per GDN</th> </tr> </thead> <tbody> <tr> <td>Cadent</td> <td>£895</td> </tr> <tr> <td>SGN</td> <td>£895</td> </tr> <tr> <td>WWU</td> <td>£895</td> </tr> <tr> <td></td> <td>£2,685</td> </tr> </tbody> </table>		Cost per GDN	Cadent	£895	SGN	£895	WWU	£895		£2,685
	Cost per GDN										
Cadent	£895										
SGN	£895										
WWU	£895										
	£2,685										
<b>Problem(s)</b>	<p>Carbon Monoxide (CO) can pose a serious threat to human health and even fatality, with around 40 deaths caused by CO poisoning each year in the UK and 4,000 people treated in hospital as a result of CO poisoning. Many people in the UK who use carbon fuelled appliances are not aware of the dangers of CO and do not have a working audible CO alarm. 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. Lack of awareness about the dangers of and ways in which to prevent harm from CO are a major contributing factor to why we're still seeing CO related deaths and harm in a time when safety devices such as CO alarms are cheaper and more accessible than ever.</p> <p>[1] Older people, pregnant women, young children, and anyone with an existing respiratory condition, all of whom qualify to be registered on the Priority Services Register (PSR), have been found to be particularly vulnerable to CO poisoning, often spending more time at home and with a need to stay warm, resulting in them using the heating more regularly, and or</p> <p>[1] Cited on Safelincs blog (2020) <a href="#">Carbon monoxide poisoning: who is most at risk?</a></p>										
<b>Scope and Objectives</b>	This partnership with SP Energy Networks (SPEN) is co-funded by the three UK Gas Distribution Networks that operate within the SP Energy Networks area, being Cadent Gas, SGN and Wales & West Utilities (WWU).										

	<p>This pilot project aims to raise CO awareness and reduce CO harm for vulnerable households registered on SPEN’s PSR who live in areas of high risk in each of the three GDN areas, namely, Central and Southern Scotland for SGN, Merseyside for Cadent, and North Wales, and North Shropshire for WWU. The partnership will:</p> <ul style="list-style-type: none"> <li>• Increase CO awareness and reduce CO harm for vulnerable households supported through the provision of dedicated one to one CO awareness telephone discussions.</li> <li>• Ensure vulnerable households supported who do not already have a working CO alarm, or who may need additional alarms due to the number of carbon-fuelled appliances in their property receive a free CO alarm to reduce and mitigate the risk of CO harm for them and their household.</li> <li>• Ensure vulnerable households supported receive GDN specific CO and gas safety advice leaflets as a resource to refer to for additional information.</li> <li>• Measure CO awareness levels of customers supported to track increase in awareness and identify any best practice or improvement measures required.</li> </ul> <p>We will review the success of this pilot project with a view to developing future larger scale projects supporting more customers across wider areas.</p>
<p><b>Why the Project is Being Funded Through the VCMA</b></p>	<p>This pilot project operates within three of the four GDN footprints and has been co-designed with SPEN to provide CO awareness and reduce CO harm for our customers. It qualifies under the VCMA funding criteria as it will provide CO safety advice/interventions.</p> <p>Eligibility Criteria</p> <ul style="list-style-type: none"> <li>a) We have forecast that this project will have a positive net SROI for customers.</li> <li>b) This project will provide support to consumers in vulnerable situations and relate to providing awareness of the dangers of CO and a CO alarm that will reduce the risk of harm caused by CO</li> <li>c) We have defined outcomes for this project and the associated actions to achieve these as detailed below;</li> <li>d) This project and its outcomes go beyond activities that are funded through other price control mechanisms or required through licence obligations; and</li> <li>e) Is not being delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.</li> </ul>
<p><b>Evidence of Stakeholder/Customer Support</b></p>	<p><b>SGN Customer Engagement Group and Vulnerable Steering Group Engagement</b></p> <p>During the shaping of the SGN business plan we committed to, over the 5-year price control, to support over 250,000 vulnerable customers to use gas safely, affordably and efficiently. To ensure that we adapt to market conditions we continue to engage our SGN Vulnerable Steering Group, they help us shape our vulnerability and CO strategies and our priorities for GD2 based on current need. Our expert stakeholders representing a range of vulnerable customer segments guided us to work with existing organisations that already support those in crisis and where we are able to broaden the reach or increase the capacity of those established charities that support people most in need. It is with guidance and support from our dedicated Vulnerable Steering Group that SGN prioritise support for those most likely to need help from their utility company due to low incomes, in extreme financial vulnerability and fuel crisis.</p> <p><b>GDN CO Collaboration Group</b></p> <p>When discussing this as a potential collaborative VCMA project with the members of the GDN CO Collaboration Group, strategic stakeholders including all four GDNs, Gas</p>

	<p>Safe Register and Project Shout supported this partnership and the progression of this project.</p> <p><b>WWU customer and stakeholder insight</b></p> <p>During extensive GD2 business planning customer and stakeholder engagement in 2018 and 2019, there was overwhelming support for increased investment to support people in vulnerable situations, including raising awareness of the risks of CO for at-risk groups. This was further evident in a stakeholder prioritisation and value for money workshop, which ranked investment in CO awareness raising, alongside other vulnerability support as the top priority. Stakeholders engaged included regional representative groups, energy industry experts and regional local community representatives.</p> <p>Further customer research carried out in 2020/21 to trend customers' prioritisation of GD2 delivery commitments and attitudinal profiling, showed that supporting investment in consumer vulnerability including raising awareness of CO risks, remained a highly-ranked customer priority – fourth in a ranking of 25 customer priorities.</p> <p>At regional community representative stakeholder workshops in 2021 and 2022, there was continued support for our individual and collaborative GDN strategic focus on specific target groups for raising awareness of CO risks.</p> <p><b>SPEN Stakeholder feedback</b></p> <p>SPEN received statements from their partner in Merseyside, Energy Projects Plus, that this project will reduce risk to the most vulnerable, with some areas of the Wirral in the top 10% for areas of Multiple Deprivation.</p> <p>National Energy Action have also provided evidence from their Empowered by Energy scheme that although their participants are living in rented accommodation, they only have one CO alarm but require multiple due to the number and location of carbon-fuelled appliances.</p>
<p><b>Outcomes, Associated Actions and Success Criteria</b></p>	<p>This collaborative pilot project with SPEN will work to directly support at least 300 vulnerable households to provide practical advice on the dangers of CO and how to mitigate these, as well as providing a CO alarm where required.</p> <p>This partnership will provide the following outcomes:</p> <ul style="list-style-type: none"> <li>• All customers supported will have a greater understanding of the importance of gas safety and the dangers associated with CO, with their CO awareness measured via the CO awareness survey</li> <li>• Customers supported that do not have a working audible CO alarm, or with insufficient alarms based on the number of carbon-fuelled appliances in their property will be offered a CO alarm and instructions on how to install and use it</li> <li>• All customers supported will be offered smart bulbs that stay on for a couple of hours during a power cut to provide a source of light</li> </ul> <p><b>Associated Actions – SGN</b></p> <ul style="list-style-type: none"> <li>• Monitoring and sharing of monthly reporting with Cadent and WWU</li> <li>• Monthly meetings with SPEN to review reporting and outcomes</li> <li>• Capture and share lessons learnt throughout the project</li> <li>• Manage collaborative social media, content, timeline etc.</li> <li>• Arrange delivery of all CO alarms for pilot project to SPEN</li> <li>• Supply SGN specific CO and gas safety leaflets</li> </ul> <p><b>Associated Actions – Cadent and WWU</b></p>

	<ul style="list-style-type: none"> <li>• Support with collaborative social media, assisting with content and posting/sharing in line with agreed timeline.</li> <li>• Supply respective GDN specific CO and gas safety leaflets</li> </ul> <p><b>Associated Actions – for SPEN</b></p> <ul style="list-style-type: none"> <li>• Arrange delivery of CO alarm, CO and gas safety leaflet and smart bulb for customers supported as required</li> <li>• Collate and provide monthly reporting on outcome delivery</li> <li>• Work with SGN on collaborative social media, content, timeline etc.</li> <li>• Provide an evaluation of the success of the pilot. Through review of reporting and survey responses/feedback from those supported</li> </ul> <p><b>Success Criteria</b></p> <ul style="list-style-type: none"> <li>• At least 300 customers will be more aware of the risks of CO and how to mitigate these following one-to-one CO awareness discussions – Minimum 100 in each participating GDN footprint</li> <li>• 300 CO alarms provided to customers in need (following a one-to-one CO safety discussion) – 100 in each participating GDN footprint</li> <li>• Achieve an average post discussion CO awareness score of at least 8 out of 10 as measured via the CO awareness survey</li> </ul>																
<p><b>Project Partners and Third Parties Involved</b></p>	<ul style="list-style-type: none"> <li>• SP Energy Networks (SPEN) – Lead delivery partner.</li> <li>• SGN – Lead gas network.</li> <li>• Cadent / Wales &amp; West Utilities – Partner gas networks.</li> <li>• Fireblitz Extinguishers Ltd – Supplier of the CO alarms being provided for the customers.</li> </ul>																
<p><b>Potential for New Learning</b></p>	<p>From this pilot project we are looking to understand;</p> <ul style="list-style-type: none"> <li>• How effective this method of one-to-one telephone-based CO awareness discussions are for vulnerable households registered on the PSR.</li> <li>• Whether providing a CO alarm and CO safety advice leaflet by post is a suitable means of provision for vulnerable households.</li> </ul>																
<p><b>Scale of VCMA Project and SROI Calculations</b></p>	<p>This is a small pilot project with SPEN working in the Cadent, SGN and WWU footprints to provide CO awareness and CO alarms to 300 PSR customers.</p> <p>SGN worked with leading social impact research consultancy SIA Partners to expand the proxy bank of the DNO SROI assessment tool to incorporate outcomes aligned to GDN projects and partnerships. We have used this updated tool to carry out an assessment of the financial and wellbeing outcomes associated with this project and we forecast a positive net SROI of £13.18</p> <table border="1" data-bbox="424 1659 1015 1825"> <tr> <td><b>Total cost</b></td> <td>£2,685</td> </tr> <tr> <td><b>Total gross present value</b></td> <td>£38,085</td> </tr> <tr> <td><b>NPV</b></td> <td>£35,400</td> </tr> <tr> <td><b>SROI</b></td> <td><b>£13.18</b></td> </tr> </table> <table border="1" data-bbox="424 1865 1015 2031"> <tr> <td><b>PV of customer financial benefits</b></td> <td>£1,974</td> </tr> <tr> <td><b>PV of societal benefits</b></td> <td>£36,111</td> </tr> <tr> <td><b>% Customer financial benefits</b></td> <td>5%</td> </tr> <tr> <td><b>% Societal benefits</b></td> <td>95%</td> </tr> </table>	<b>Total cost</b>	£2,685	<b>Total gross present value</b>	£38,085	<b>NPV</b>	£35,400	<b>SROI</b>	<b>£13.18</b>	<b>PV of customer financial benefits</b>	£1,974	<b>PV of societal benefits</b>	£36,111	<b>% Customer financial benefits</b>	5%	<b>% Societal benefits</b>	95%
<b>Total cost</b>	£2,685																
<b>Total gross present value</b>	£38,085																
<b>NPV</b>	£35,400																
<b>SROI</b>	<b>£13.18</b>																
<b>PV of customer financial benefits</b>	£1,974																
<b>PV of societal benefits</b>	£36,111																
<b>% Customer financial benefits</b>	5%																
<b>% Societal benefits</b>	95%																

<b>VCMA Project Start and End Date</b>	March 2022 – June 2022
<b>Geographical Area</b>	The project will take place within SPENs geographical footprint, which incorporates three GDN areas; Central and Southern Scotland for SGN, Merseyside for Cadent, and North Wales, and North Shropshire for WWU.
<b>Remaining Amount in the Allowance at Time of Registration</b>	<p>Remaining funding left in the Licensee's/ Licensees' funding pot.</p> <p>Amount before this project: £11,068,583.10  <i>**based on CO in Pregnancy, Scouts, CA National, Fuel Bank Foundation, CO Schools' Education, Collaborative GDN Winter Awareness Campaign, SCOPE Disability Energy Support with water advice service and MyBnk Financial inclusion ad energy safeguarding programme being the only confirmed spend at time of registration.</i></p> <p>Project costs: £2,685  Remaining following this project: £11,065,898.10</p>

**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	Customer Safeguarding Specialist
SGN	Kerry Potter	Group Social Impact and Vulnerability Manager
WWU	Elizabeth Warwick	Stakeholder Engagement Manager


**Stage 2: GD2CVG Panel Review**

**Meeting date sign off agreed:**

**Review completed by:**

GDN:	Name:	Job Title:
Cadent	Phil Burrows	Head of Customer Vulnerability Social Programmes Delivery
SGN	Maureen McIntosh	Head of Customer Experience
WWU	Nigel Winnan	Head of Customer and Social Obligations

**Step 3: Participating GDN individual signatory sign-off**

GDN	Name:	Job Title:	Signature:	Date:
Cadent:	Philip Burrows	Head of Customer Vulnerability Social Programmes Delivery		19/05/2022
SGN:	Rob Gray	Director of Stakeholder & Communications		
WWU:	Nigel Winnan	Head of Customer and Social Obligations		

**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: Dates may vary as each GDN will individually upload on their websites.

Date that Notification Email Sent to Ofgem: