

Vulnerability & Carbon Monoxide Allowance (VCMA)

CO Awareness week 2021

*Suzanne Callington
October 2021*



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	CO awareness week 2021
Funding GDN(s)	Cadent
Role of GDN(s) *For Collaborative VCMA Projects only	N/A
Date of PEA Submission	October 2021
VCMA Project Contact Name, email and Number	Suzanne Callington Suzanne.callington@cadentgas.com
Total Cost (£k)	£28,546.65
Total VCMA Funding Required (£k)	£28,546.65
Problem(s)	<p>Carbon Monoxide (CO) remains a prevalent risk to households in 2021. Approximately 2,000 people across England are hospitalised due to suspected CO poisoning each year, with a further 40 deaths reported. It is however also widely reported that these numbers are low due to under reporting of CO.</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 and Cadent recognise the importance of educating people on the risk of exposure, symptoms of CO poisoning and signs of CO exposure around the home.</p> <p>The Covid-19 pandemic has also created a lot of financial hardship for many families across the country. Financial difficulties due to the pandemic 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 and the impacts of Covid-19 on customers financial position shows that Cadent need to continue to raise the awareness of CO across our footprint.</p>
Scope and Objectives	<p>The overall scope of the project is to deliver CO awareness messaging via radio adverts and social media during CO awareness week (22nd – 28th November 2021).</p> <p>Cadent's main objectives will be to educate customers living in our own networks on signs, symptoms, dangers and preventative measures of CO. This will be achieved through the use of partnership work with advertising agencies, allowing Cadent access to their expertise on effectively engaging customers on an important safety message.</p>

	<p>The campaign will target all four of Cadent's networks, with messaging on radio covering areas that have been identified through our hotspot 2020/2021 data on reported CO jobs. The hotspot report details the number of CO jobs that Cadent have been called out to in each area.</p> <p>DAX is a digital audio platform with 17 million monthly listeners, spending on average 2 hours per day listening. DAX serves adverts across a range of music streaming platforms including all Global radio brands (e.g. Capital, Heart, Classic FM), and podcast and streaming sites such as AudioBoom, Deezer and Soundcloud. As more and more people are streaming music, DAX offers the opportunity to reach audiences as they listen via mobile, desktop, tablet and smart speaker.</p> <p>Beyond achieving the forecasted total reach of 1.2 million customer impressions (the number of times the advert is heard), the campaign, through education, also aims to increase ownership of CO alarms across our networks. This may in turn lead to an increase in the number of reports of suspected CO calls to the gas emergency service, as instances of CO are more likely to be correctly identified and reported with an increased knowledge.</p>
<p>Why the Project is Being Funded Through the VCMA</p>	<p>We believe that this project meets all the necessary VCMA project eligibility criteria as evidenced below. As such, Cadent considers this project to be an 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; <p>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.</p> 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> 3. Have defined outcomes and the associated actions to achieve these; <p>More evidence will be detailed in the relevant section below, but we have outlined clear project outcomes, actions and success criteria.</p> 4. Go beyond activities that are funded through other price control mechanisms or required through other licence obligations; <p>We believe that the engaging 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;</p> <p>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, 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>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 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. 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 on the dangers of CO and how customers can keep them and their families safe. In particular, 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>Radio Activities <u>Project Outcomes</u> Cadent has partnered with S3 advertising to develop a 30 second audio advert and to use their expertise to help us target the customers we aim to reach. The radio adverts aim to deliver the following outcomes:</p>

	<ul style="list-style-type: none"> • 30 second audio advert broadcasted to reach around 90,000 individual customer at least once. • Deliver around 1.2 million customer impressions (number of times the advert is heard). <p>These are across our areas where we know there are more reports of CO by our customers.</p> <p><u>Delivery</u> The CO radio advert will be on air across multiple stations for a one week period and aims to reach around 90,000 individual customers at least once.</p> <p>Social media adverts <u>Project Delivery</u></p> <ul style="list-style-type: none"> • Cadent will create adverts to be displayed on social media during the same one week timescale that the radio advert is played. This activity will be created and managed by Cadent and will cover the signs, symptoms and dangers of carbon monoxide and advice on preventative measures. <p><u>Project Outcomes</u></p> <ul style="list-style-type: none"> • The expected total reach of social media activity is around 30,000 individual customers. • The expected number of social media customer impressions is 40,000 (the number of times the ad is seen). <p>EXPECTED TOTAL CAMPAIGN REACH: 120,000 customers</p>
<p>Project Partners and Third Parties Involved</p>	<p>Cadent will be working with expert project partners including:</p> <ul style="list-style-type: none"> • S3 Advertising
<p>Potential for New Learning</p>	<p>Cadent believes that the number of listens and views/clicks 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, whilst this project still utilises these platforms, Cadent will trial the use of partner-promoted channels such as DAX radio to understand the increases in customer reach versus the additional investment required.</p> <p>This new found 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> The project will run November 22nd – 28th 2021. Based on the forecasts provided by Cadent's partners and from previously delivered internal projects, we estimate that c.120,000 customers will be reached through the entirety of this project.</p> <p>The project will utilise £28,546.65 of Cadent's company specific VCMA funding and will operate across Cadent's four gas distribution networks.</p> <p><u>SROI Calculations</u> Cadent estimates that 120,000 customers will be reached with safety messaging on carbon monoxide during CO awareness week 2021.</p> <p>Cadent has factored in an assumption that 15% of the customers reached through the project will retain and use the information received. (SIA partners completed a study for Cadent on static billboard info retention rates for Cadent RIIO 2 business plan submission. They calculated this at 24% retention rate). For purposes of calculating SROI in this project eligibility document, Cadent have reduced this to a 15% retention rate.</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 and heard 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 CO awareness week project, we have calculated our SROI benefit using only a 15% retention rate, which calculates at £39,274.80 as gross benefit value.</p> <table border="1" data-bbox="507 1240 1442 1473"> <tr> <td>Project cost:</td> <td>£28,546.65</td> </tr> <tr> <td></td> <td>15% retention rate</td> </tr> <tr> <td>Year 1 gross benefit value</td> <td>£39,274.80</td> </tr> <tr> <td>Year 5 gross benefit value</td> <td>£196,373.99</td> </tr> <tr> <td>1 year SROI (minus project cost)</td> <td>£10,728.15</td> </tr> <tr> <td>5 year SROI</td> <td>£167,827.35</td> </tr> </table>	Project cost:	£28,546.65		15% retention rate	Year 1 gross benefit value	£39,274.80	Year 5 gross benefit value	£196,373.99	1 year SROI (minus project cost)	£10,728.15	5 year SROI	£167,827.35
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<p>VCMA Project Start and End Date</p>	<p>November 22nd – November 28th 2021</p>												
<p>Geographical Area</p>	<p>All Cadent networks</p>												
<p>Remaining Amount in the Allowance at Time of Registration</p>	<p>N/A at this time.</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: Sustainability & Social Purpose Team PEA Peer Review	
Date Immediate Team Peer Review Completed: 4 th March 2022	Review Completed By: Hayley Tranter
Stage 2: Sustainability & Social Purpose Team Management Review	
Date Management Review Completed: 7 th March 2022	Review Completed By: Philip Burrows Head of Customer Vulnerability Delivery
Step 3: Director of Sustainability & Social Purpose Strategy Sign-Off: Mark Belmega	
Director of Sustainability & Social Purpose Strategy Sign-Off Date: 17 March 2022	
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 22	

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