



Part 3 submission:

Consumer vulnerability outcomes

Ofgem Stakeholder Engagement
& Consumer Vulnerability Incentive

2015/16

VULNERABLE CUSTOMERS

Did you know?

Last year we proactively contacted 125,000 vulnerable customers during power cuts
We contacted 300,000 customers to update their records and give advice



Tackling fuel poverty

Last year we helped 5,000 fuel poor customers to save £750,000 a year



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This is Western Power Distribution's **Part Three submission** to Ofgem's Stakeholder Engagement & Consumer Vulnerability (SECV) Incentive for the regulatory year 2015/16.

Western Power Distribution (WPD) is the Distribution Network Operator (DNO) responsible for delivering electricity to 7.8 million customers across the East and West Midlands, South West England and South Wales.

Ofgem's SECV Incentive is an annual scheme, which encourages network companies to engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focussed, socially responsible and sustainable energy service. WPD's submission to this incentive is divided into three parts:

- Part 1: WPD's Stakeholder Engagement & Consumer Vulnerability strategy and key evidence (Demonstrating that we meet Ofgem's minimum requirements).
- Part 2: Key outcomes resulting from WPD's stakeholder engagement activities.
- Part 3: Key outcomes resulting from WPD's consumer vulnerability activities.

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1. INTRODUCTION

Welcome

We provide an essential service - keeping the lights on for 7.8 million customers. The impact of our actions is significant – particularly for customers in potentially vulnerable situations. We are not the cause of many of these situations, but we are often uniquely placed to do something about them. That's why we are now taking steps to address fuel poverty and the factors that sit behind it, including low incomes and poor energy efficiency; whilst at the same time tackling traditional network topics such as customer resilience to power cuts.

Our approach

We have worked with a wide range of relevant stakeholders via expert panels, bespoke workshops and research surveys to define WPD's role to tackle consumer vulnerability, build our strategy and identify our annual priorities. Engagement is not something WPD do simply in the run-up to a Business Plan submission. It is embedded in our culture and I expect all of my managers to be involved. I make it a priority that Distribution Managers responsible for WPD's local network facilitate all our core stakeholder workshops. In 2016 this involved sessions specifically on 'affordability' and our steps to address fuel poverty.

A platform for success

In the last two years our consumer vulnerability programme has been critically evaluated against external accreditations including the Customer Service Excellence Standard and British Standard Institute's vulnerability standard. In this time we have made significant progress.

We have:

- Improved our understanding of 'vulnerability' and better defined WPD's role in tackling the issues affecting our customers.
- Developed a robust and comprehensive strategy.
- Implemented new initiatives to address fuel poverty and improve customer resilience and data quality.

Leading by example

I review our consumer vulnerability strategy every year. I then monitor performance against the clear objectives, timescales and budgets, via monthly reports. I met with 40 MPs and key stakeholders at WPD's first ever parliamentary reception, on the topic of supporting vulnerable customers, which led to a 138% increase in direct sign-ups to WPD's Priority Service Register (PSR). I also personally lead every Customer Panel meeting. In 2015 panel members helped us to update and expand our consumer vulnerability policy.

Specifically introducing our Part 3 submission

WPD's consumer programme has developed rapidly in recent years. Our focus in 2015/16 has been to begin to transition successful pilot schemes into established processes; whilst continuing to develop new innovative approaches. We are fulfilling Ofgem's Consumer Vulnerability Strategy and its influence can be seen throughout our submission. This includes our steps to use innovative solutions to identify PSR customers, register temporary vulnerabilities, and work with partners to share data and gain informed customer consent.

This submission's structure purposefully does not directly mirror Ofgem's strategy; nor the assessment criteria set out for this incentive. Instead it outlines our programme, which we have constructed alongside our stakeholders. It highlights the priorities they have set for WPD in 2015/16 to further embed our programme. They are:

- ▶ **Expand our core services relating to the PSR.**
- ▶ **Expand and embed successful fuel poverty schemes towards 'business-as-usual'.**
- ▶ **Build 'PSR' referral networks – where partners gain informed consent to register customers.**
- ▶ **Embed WPD's vulnerability approach with front-line staff.**

We explain our determination to deliver these priorities and, most importantly, the positive outputs this has led to.

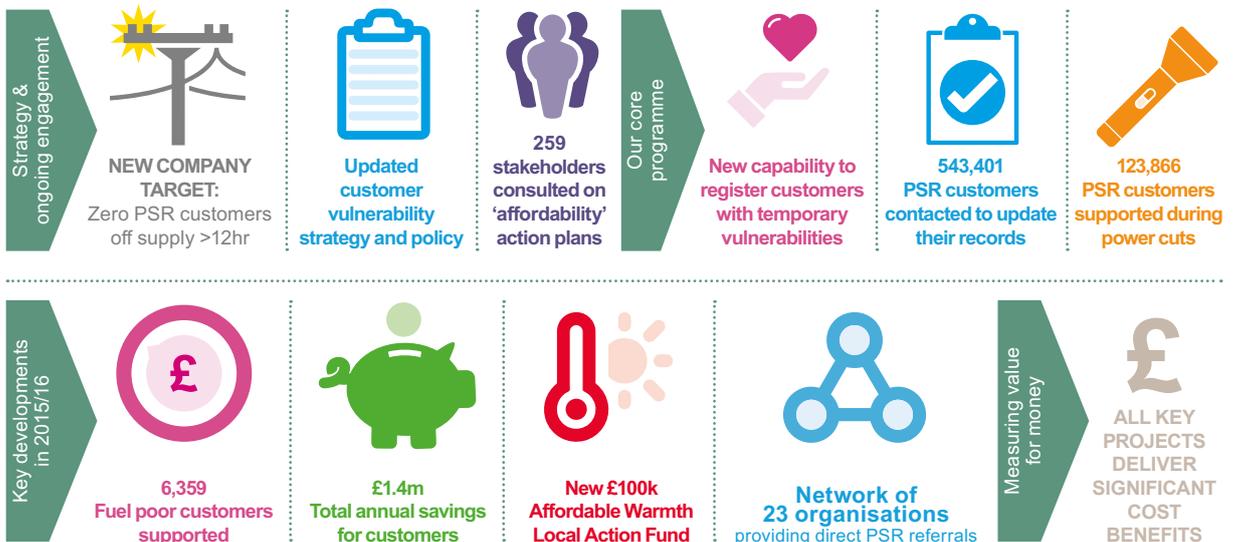


Robert Symons, WPD Chief Executive



Key outputs in this submission

★ = Flagship or stand-out initiative



2. STRATEGY & ONGOING ENGAGEMENT

Key outputs this has led to:



New company target:
zero PSR customers
off supply >12hrs



Updated consumer vulnerability strategy & policy



259
Stakeholders consulted on 'affordability' action plans

What is the Priority Service Register (PSR)?

A free, confidential register of customers who require priority assistance, for reasons including age, disability, medical dependencies on electricity, communication needs or temporary vulnerabilities. It enables us to offer targeted services such as proactive contact and welfare support during power cuts, bespoke notification ahead of planned work and password schemes. **WPD's PSR currently contains 1.3m customers.**

2.1 Our strategy

WPD's long-standing approach to consumer vulnerability has focussed on the ability of customers to cope during a power cut. In recent years we have concentrated on developing a deeper understanding of vulnerability through comprehensive engagement with stakeholders. In 2013 we redefined our approach and developed a stand-alone consumer vulnerability strategy.

Our stakeholders are clear that the Priority Service Register (PSR) must remain our primary objective, but we must recognise the broad and multi-dimensional nature of vulnerability. Our strategy has four key objectives to achieve this. It is designed to enable WPD to address social obligations in relation to a broader group of customers, who are vulnerable for reasons ranging from 'permanent and transient vulnerabilities to a power cut' to 'energy affordability' to 'fuel poverty'. Partnerships are crucial to our success. We work with others to identify vulnerable customers, examine the range of social issues facing customers and co-deliver projects.

In summary, WPD is committed to identifying key social issues we may not directly cause, but are uniquely placed to address.

The strategy is reviewed annually by WPD's CEO, including an action plan with outputs, delivery dates, costs and sign-off of the resources required. As a result, WPD's programme has significantly expanded in the last two years and we commenced delivery ahead of RIIO-ED1 with a £1m spend funded by WPD's owners.

Our programme has robust project management. WPD's Stakeholder Engagement Manager co-ordinates all activities and performance is monitored via detailed management reports sent to the CEO, Directors and senior managers. As part of this, external partners are required to provide monthly project reports so we can review delivery, trends and quickly address any issues.



Developing our approach initially

While the first three objectives in our strategy are built on our long standing approach to vulnerability, the fourth – fuel poverty – is a new area for WPD. We have therefore worked with stakeholders, including bespoke consumer vulnerability workshops, to develop our understanding of what 'addressing fuel poverty' means for WPD and other energy networks, as well as learning from a number of successful pilot initiatives. Reflecting our growing understanding, we therefore developed a more detailed approach.



Developing our approach in 2015/16

Our consumer vulnerability strategy and annual action plan also undergoes external evaluation each year to ensure it is effective and robust, as detailed on page 3. This challenges us to seek continual improvement and helps us to identify areas to prioritise. For 2015/16 this gave us four areas for specific strategic focus. This submission is therefore structured around these objectives:

- 1 Expand our core programme**
 - Improve the data held on the PSR and range of welfare support offered to customers.
- 2 Expand successful fuel poverty schemes towards 'business-as-usual'**
 - Ensure projects include referrals for existing PSR customers, as well as new affordable warmth services to target customers not already known to WPD.
 - Include targets for initiatives as well as outcomes.
- 3 Build PSR referral networks**
 - Engage relevant front-line agencies working with people eligible for the PSR and develop processes to gain informed consent for direct registrations.
 - Consider how to share PSR data to identify vulnerable customers of relevance to other agencies.
- 4 Embed WPD's approach with front-line staff**
 - Roll-out training to field staff to widen the organisation's understanding of vulnerability and our support services.

2.2 Ongoing engagement

From its conception, stakeholders helped to build our consumer vulnerability strategy and our 17 associated Business Plan (BP) commitments.



As our programme expands, it is vital that we engage regularly with stakeholders to help us to make improvements and deliver the most effective outputs for customers. We do this via a range of mechanisms including:

Customer Panel – to consult on our strategy

Established in 2008, WPD's Customer Panel has 30 permanent members who meet quarterly, with every session led by our CEO. They help to shape our plans for the future and review our performance. We held workshops focussed on the strategic priorities of 'vulnerability' and 'affordability' in 2015/16, and we host an in-depth surgery session on 'social obligations' at every meeting.

Membership evolves to reflect our customers' priorities. Interests represented range from health and fuel poverty, to resilience, to government policy. Members include an NHS Trust, Warm Wales, the National Energy Foundation, British Red Cross, Citizens Advice, Energy Saving Trust, parish councillors, a gas distribution network (National Grid) and a supplier (British Gas).



WPD Customer Panel member from Energy Saving Trust

20 OUTPUTS For example:

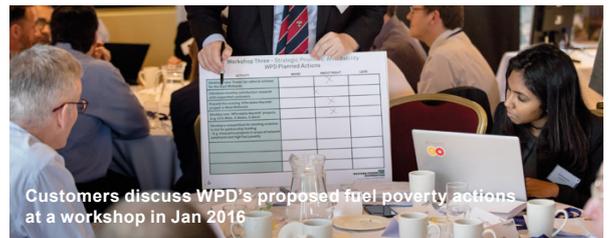
- ✓ Updated WPD's Consumer Vulnerability strategy.
- ✓ Introduced a new company-wide target for zero PSR customers to be off supply >12 hours in normal weather.
- ✓ Defined six key interventions every WPD fuel poverty scheme must deliver – adding 'health & wellbeing' as a new category.
- ✓ Introduced monthly satisfaction research for referrals.

Stakeholder workshops – to consult on our action plan

We have run annual workshops with stakeholders for the last 8 years. When first developing our Business Plan, stakeholder interest in fuel poverty was limited, with greater focus on network performance. We therefore ran specialist vulnerability events with targeted groups to initially develop our strategy. By 2016, we have been on a significant journey with stakeholders to define WPD's role in addressing consumer vulnerability, to the extent that these issues are now recognised by all, as key strategic priorities.

As our programme develops and our strategy changes to reflect our learnings, ongoing consultation has been invaluable. In 2015 workshops with 232 stakeholders included a session on 'vulnerability' and in 2016 we engaged 259 stakeholders with a session on 'affordability'. In both rounds – 12 events in total – we also hosted specific surgery sessions to review and shape our action plans in detail and to set targets for our performance that we can be measured against. This has led to significant refinements to our approach, and ensures the actions we take are well-justified.

To ensure our engagement has legitimacy, we adopt a cyclical approach where proposed actions are referred back to our Customer Panel for expert consideration before we publish. In 2016 this led to the rejection of one potential action – direct WPD outreach via food banks to support domestic customers to lower their energy usage. Ongoing engagement stated that this oversteps our responsibility as a DNO, while food banks warned the effectiveness may be limited. As a compromise, we have instead asked our existing fuel poverty partnerships to include food banks as part of their engagement methods with hard-to-reach customers.



Customers discuss WPD's proposed fuel poverty actions at a workshop in Jan 2016

26 OUTPUTS For example:

- ✓ Develop a new 'Power Up' fuel poverty referral scheme in the East Midlands (see pg 6).
- ✓ Expand existing outreach project in West Midlands and develop three new 'Affordable Warmth' projects in East Midlands, South Wales and South West (see pg 7).
- ✓ Develop partnerships with Gas Distributors e.g. data share off-gas grid customers.
- ✓ Refresh our social indicator mapping (to identify fuel poverty hotspots) every two years.
- ✓ Continue our £50k annual 'Community Chest' fund to support community energy efficiency measures.

Accreditation assessments – to review the effectiveness

To ensure our strategy is appropriate and robust it undergoes external review each year. In 2016 the Customer Service Excellence Standard rated WPD 'Compliance Plus' for our consumer vulnerability strategy; and following audit against their vulnerability standard, the British Standards Institute concluded:

"Social obligations are embedded in WPD's business... Improvement is built on a solid foundation of good practice with a constant review cycle in place driving both organic and innovative improvements."

For the last three years we have also commissioned the Centre for Sustainable Energy (CfSE) to undertake an independent audit of our programme, using the 'balanced scorecard' they developed with

bsi. ...making excellence a habit.™

WPD to assess whether we are addressing relevant social issues in a strategically coherent way. This has since formed the basis of the consumer vulnerability assessment criteria adopted by Ofgem.

Far from a rubber stamping exercise, these evaluations help us to identify important improvements to ensure our programme is as effective as it can be. For instance, CfSE challenged us to introduce targets for key projects before delivery commences, to enable us to better evaluate whether the outputs achieved are effective.

3. OUR CORE PROGRAMME

Key outputs this has led to:



New capability to register customers with temporary vulnerabilities



543,401 PSR customers contacted to update their records



123,866 PSR customers supported during power cuts

“WPD have pushed their PSR work into a different league as a result of their data cleanse efforts, new referral networks, new target to have no vulnerable customer without power for 12 hours and their efforts to arm field staff with tools to help and register vulnerable customers.”
CSE Standard assessor, 2016

3.1 Improve our understanding of vulnerability

Stakeholders said (*Independent audit and Ofgem*): WPD must recognise that vulnerability can be complex, multidimensional and transitory. We should identify the ‘situations’ that can leave people more likely than a typical consumer, to suffer detriment.

Objective of our engagement: Work with expert stakeholders to shift WPD’s understanding from the vulnerability of individuals per se, to a more wide-ranging programme to identify consumers in a vulnerable situations. Use data to target projects to most effectively support customers.

We did: British Standard for Inclusive Service Provision
Ofgem have encouraged energy networks to use BS18477 as an important benchmarking tool when delivering our programmes in-line with their new Consumer Vulnerability Strategy. WPD became the first company in the UK to be assessed by BSI as fully compliant with the standard, demonstrating our ongoing commitment to understanding and meeting the needs of vulnerable consumers. In 2016 we maintained this for a third consecutive year.

The standard contains 36 elements, designed to recognise the broad and complex nature of vulnerability. WPD undergo a two day external audit every year to critically evaluate whether our services effectively address consumer vulnerability in these terms, including:

- Evidence that WPD’s Executive and senior management demonstrate clear commitment, ownership and oversight.
- New and amended policies and processes have been implemented to help employees to identify situations when consumers might be vulnerable.
- Front-line staff have been trained and are empowered to act.
- New flexible services have been developed for customers.



In 2015/16, as a direct result of BS18477, we have:

Outputs:

- ★ **Introduced the capability for customers with transient vulnerabilities to join the PSR temporarily for 6, 12 or 18 months.** We have implemented new processes and amended our systems to allow registrations for reasons such as new-born children, post hospital recovery or recent bereavement.
- ✓ **468 temporary registrations in the first three months.**
- ✓ **To improve our understanding of factors impacting customers living in fuel poverty and potential solutions, we conducted a ‘Horizon scan’ to identify 177 community outreach projects** run by charities and local authorities across our regions, analysing the support provided and opportunities for WPD to broaden our services in this area (see pg 7).

“BSI’s most recent review of WPD has seen not only the embedding of practices surrounding the identification of the needs of vulnerable consumers, but also improvements being made, based on consumer, internal and BSI feedback. Practices are being progressively rolled out across WPD.”
BSI assessor, 2016

3.2 Improve the accuracy of data held on the PSR

Stakeholders said (*workshops*): Addressing a broader definition of vulnerability and offering a range of appropriate services, relies on accurate customer records and regular contact initiated by WPD.

Objective of our engagement: Contact c.400,000 customers a year, update a minimum of 40% records and give resilience advice.

We did: Dedicated PSR data cleanse team
Historic data collection including industry dataflows with partial details, has resulted in some poor quality or out-of-date information. In 2014 we became the first DNO to establish a dedicated team to proactively call PSR customers to update their details. In 2016, we now have 25 call handlers via two separate teams.

Stakeholders tell us that ensuring accurate customer records should be our number one priority in relation to consumer vulnerability, as it is essential for us to help improve customers’ self-resilience to mitigate the risk of vulnerable situations arising in the first place. If they do, it also enables us to provide targeted information and welfare support during power cuts and to offer relevant additional services such as fuel poverty advice.



In 2015/16 we have made a number of improvements, acting on feedback from our stakeholders at our annual workshops and quarterly Customer Panel surgery sessions. For example:

- 🗣️ **You said:** Calls should be prioritised to those registered for electrical medical dependencies, critical equipment and physical impairments. The industry threshold of “over 60 years old” feels low.
- ✓ **We changed our policy to update records by letter** (rather than call) for customers registered solely as 60+.

🗣️ **You said:** We must increase the number of customers contacted from 300,000 (achieved in 2014) towards the ultimate goal of contact with PSR customers once every two years. The high letter response rate could enable less initial call attempts.

- ✔️ We trained 20 additional Contact Centre staff to support the central cleanse teams during quieter times.
- ✔️ We have reduced the call attempts from three to two separate days and time windows before a letter is sent.
- ✔️ We introduced a new policy to update customer records as part of the proactive calls process to customers during power cuts.

🗣️ **You said:** Fewer deaf customers now use specialist text phones. Also, deaf customers contacted by WPD may not immediately understand the benefit of being on the PSR compared to customers physically disadvantaged by no power.

- ✔️ We introduced a new text messaging number for deaf and hard of hearing customers to enable two-way conversations to register power cuts and seek updates. We would always have

written to these customers when updating their details, but we now added a bespoke leaflet and wallet card, promoting the text message number. We wrote specifically to this group of customers to explain the benefits of the PSR to them.

Outputs:

- ★✔️ **543,401 total PSR customers contacted in 2015/16** (419,535 via WPD's data cleanse teams; 123,866 via PSR calls during power cuts).
- ✔️ **58% records updated overall (42% phone; 17% letter).**
- ✔️ **9/10 customer satisfaction** – in 2016 WPD introduced monthly third party research with PSR customers to identify further improvements.
- ✔️ **98,000 deaf customers written to**, including details about WPD's new text message service. 25% response rate (significantly higher than our normal letters).

3.3 Improve services for vulnerable customers in power cuts

Stakeholders said (workshops): It is crucial to provide resilience advice and easy access to updates during power cuts.

Objective of our engagement: Address the situations that render customers vulnerable in the first place by developing initiatives to improve self-resilience ahead of potential incidents. Increase proactive contact with customers during faults.

We did: New resilience support services

Up-to-date records enable us to offer standard support services to a greater number of vulnerable customers, including a password protection scheme, a dedicated PSR contact number, crisis packs and bespoke notifications ahead of any planned interruptions. In addition, in 2015/16 stakeholders helped us to deliver a range of new services 'over and above' these. For example:

- ★✔️ **We have introduced a new company target for zero PSR customers to be off supply over 12 hours** and purchased 30 new generators to help deliver this, at a cost of £644k.
- ✔️ **We launched a new text message service for deaf customers** to report power cuts and receive updates. We wrote to 98,000 customers to promote the service, with 25% responding to update their PSR records.
- ✔️ **Stakeholders challenged us to broaden our traditional focus on domestic vulnerability, to include Small and Medium Enterprises (SMEs)**, many of whom require emergency planning support. In 2016, we worked with resilience specialist Continuity West, to develop an electricity checklist and 12-page advice booklet for SMEs. This was distributed via a new partnership with Somerset Chamber of Commerce, as a pilot before we roll-out the initiative across our regions.
- ✔️ **We signed formal agreements with 7 Local Resilience Forums to securely share data about known vulnerable customers** with Category 1 responders to help co-ordinate assistance. We also developed new vulnerable customer impact reports ahead of forecast severe weather, to identify those at risk as a result of potential substation flooding.
- ✔️ **WPD's new smartphone power cut checker app now includes a feature to save multiple postcodes** to check for updates simultaneously, so carers and family can check on vulnerable loved ones. It also includes a feature to join the PSR, which can be used by WPD's partner agencies to gain informed consent to sign-up customers directly.
- ✔️ **We have formed a number of new partnerships to deliver resilience support to customers to try to avoid the risk of vulnerability during a power cut**, and to directly sign up customers to the PSR, (see page 8). One example, is working with South Wales Fire & Rescue Service to advise 25,000 customers a year via home fire safety checks.
- ✔️ **We've developed a new agreement with the Nationwide Caterers Association to call on hot food and drinks 24/7** for communities impacted by prolonged power cuts, adding to our long-standing arrangements with British Red Cross.



Outputs:

- ✔️ **59 customers off >12 hours in normal weather**, an 88% reduction since 2013 (six PSR customers impacted in 2015/16).
- ✔️ **5,500 SMEs helped to develop electricity emergency resilience plans.**
- ✔️ **754 downloads of WPD's Power Cut Checker app in the first month.**
- ✔️ **New process to offer home fire safety check referrals** following our PSR data cleanse calls in South Wales.

★ **Proactive, tailored contact to vulnerable customers**
The number one benefit to improved customer data is that it is enabling a dramatic step-change in our customer service during power cuts. We now provide more proactive updates than ever before, calling as soon as we know there is a problem on the network, without the customer going to the effort of contacting us.

- ✔️ **To fulfil a commitment to contact PSR customers within three hours of a power cut**, we have invested significantly to proactively call **all** customers – with first prioritisation given to the PSR. We ring when power is affected, if the restoration time changes and when supplies are restored. We check they are OK and offer additional support based on their specific needs.
- ✔️ **We have developed a bespoke system to send proactive text message** updates for customers affected by a power cut on the high voltage network. We have shared our work with the fire service and other DNOs and Gas Distribution Networks (GDNs) via numerous best practice visits.

Outputs:

- ✔️ **364,590 proactive calls to all customers** (19% increase).
- ✔️ **123,866 proactive calls to PSR customers** (8% increase).
- ✔️ **705,687 proactive text messages.**
- ✔️ **Increase in power cut customer satisfaction to 8.96/10** (from 8.84).

Fantastic customer care from @wpduk follow up call informing of the fault and why it had occurred.

WPD customer, March 2016

4. KEY DEVELOPMENTS IN 2015/16

Key outputs this has led to:



6,359
Fuel poor
customers supported



£1.4m
Total annual savings
for customers



New £100k
Affordable Warmth
Local Action Fund



**Network of
23 organisations**
providing direct PSR referrals

*“WPD’s
‘Power Up’
hubs are proving to
successfully drive the
fuel poverty initiatives.
Case studies show the
effectiveness of this
referral approach.”*

BSI assessor,
2016

4.1 Expand successful fuel poverty schemes towards ‘business-as-usual’

We have set about delivering this objective by first defining a consistent strategy for all our partnerships. **We will:**

Deliver two clear referral approaches

Stakeholders are clear that whilst ‘vulnerability’ and ‘affordability’ are separate issues there is sometimes a correlation. Given that we do not cause fuel poverty, stakeholders only support our efforts to tackle it, if we retain links to power cut resilience. We have therefore defined two enduring approaches based on our successful pilots:

1. **Approach 1 – WPD referring to partners:** Every WPD PSR cleanse call ends with the offer of fuel poverty support. WPD will set up new schemes with expert partners to deliver this support.
2. **Partners referring to WPD:** Targeting customers not already known to WPD, we will fund existing area-based fuel poverty programmes to work collectively to identify and support hard-to-reach customers and refer any eligible for the PSR to WPD.

Ensure all projects provide 6 key fuel poverty interventions

We have worked extensively with stakeholders to define WPD’s role in tackling fuel poverty. They tell us projects must deliver a holistic service and not be weighted to one area (e.g. tariff switching advice) but leave customers unsupported in others

(e.g. energy efficiency). To ensure comprehensive support, we have therefore defined interventions that every WPD project must be capable of delivering:

1. **Income maximisation** e.g. debt management
2. **Energy tariffs** e.g. switching
3. **Energy efficiency measures** e.g. home insulation schemes
4. **Heating solutions** e.g. boiler replacement schemes
5. **Behavioural changes** e.g. effectively using your heating system
6. **New Health & wellbeing** e.g. mobility aids, fire safety checks, etc.

WPD will appoint one lead agency

To deliver this full range of capabilities, all projects will involve multiple partners with complementary expertise, and be capable of delivering support to customers over the phone and face-to-face. At the same time it is vital customers do not face multiple hand-offs. We therefore work with one lead “hub” agency (responsible for supporting the customer end-to-end and reporting on outcomes), who then manage a small network of partners.

Approach 1 – referrals from WPD:

‘Power Up’ fuel poverty schemes

★ Developing a sustainable approach

We have targeted our PSR data cleanse to the areas worst affected by fuel poverty, using hotspot data developed in partnership with the Centre for Sustainable Energy. We then established a ‘Power Up’ scheme in the accompanying area to offer support to customers who indicate to us that they are struggling – ranging from comments about energy debts to living in a cold home.

Evolving from a single pilot scheme in 2014, in the last 12 months we have demonstrated the scalability of this model by delivering three schemes – working with Citizens Advice (CA), Energy Saving Trust (EST) and Centre for Sustainable Energy (CfSE). Each manages a network of local partners to provide comprehensive support and fill any knowledge gaps in their own service provision. For instance, EST’s expertise is weighted towards energy efficiency measures, so they have established agreements with additional agencies including Care & Repair, Fire Service, Talking Money, Health Through Warmth and various Local Authority schemes.

Following feedback from stakeholders to strengthen the robustness of the outputs delivered, we have:

- Set a target of between 750 – 1,000 referrals per scheme (<10% ‘drop out’ rate).
- Funded projects to ensure the average cost per referral is lower than the average savings achieved by customers.
- Defined an outcome as a minimum of the customer receiving fuel poverty advice in one or more of the 6 intervention areas.
- Defined an in-depth assessment as when a customer provides details about their specific circumstances, enabling advice to be tailored and where action is likely to be taken as a result.



Face-to-face support via WPD’s Power Up referral scheme with Citizens Advice

Performance is reviewed monthly, including tracking the outcome for every referral. Quantitative savings are recorded only when the outcome is confirmed (e.g. following a tariff switch or benefit entitlement changes), alongside qualitative outcomes (e.g. free stairlift installations or subsidised connections to the gas network).

Replicating the model – a new 4th scheme

For these schemes to be embedding as business as usual, we must have coverage across our four licence regions. Stakeholders at our recent workshops strongly endorsed this expansion, with 52% rating a new scheme in the East Midlands as an immediate priority.

Evidencing the replicability of the ‘Power Up’ model, within one month, in February 2016 we set-up a new scheme with Citizens Advice with referrals commencing in Nottingham immediately.

Crucial steps to embed schemes as business as usual

Best practice events to drive consistency

We hosted two workshops for all lead partners. As a result we have:

- ✓ Improved the consistency of support and outcomes provided.
- ✓ Reduced the number of customer 'drop-outs' by identifying a best practice process for customer contact, including advice packs sent to the customer to coincide with initial contact.
- ✓ Added 'health and wellbeing' as a new support category and ensured all schemes involve partners with expertise to deliver this.
- ✓ Forecast WPD's PSR data cleanse regions for the next 12 months to aid project planning.

Introduced monthly customer satisfaction surveys

Historically we have conducted annual research for completed projects, to demonstrate if they were worthwhile. To add more value as a performance management tool, with surveys occurring closer to when the services were provided, we have now introduced monthly satisfaction surveys with 30 customers from each Power Up scheme, to identify immediate improvements.

The surveys test if the predicted outputs have been achieved, from the customer's perspective, one month after the referral closed. It also captures additional benefits such as improved wellbeing as a result of customers affording to more frequently heat their homes.

| Outputs: | | | |
|---|---|--|---|
| | | | |
| Targets: 750+ referrals per scheme. Maximum referral cost £120. Minimum cost benefit of £20 more saved by customer than referral cost | | | |
| 144 referrals in 2 months* | 1,866 referrals | 1,900 referrals | 1,287 referrals |
| Saving £127k a year | Saving £322k a year | Saving £81k a year | Saving £428k a year |
| 8.71/10 customer satisfaction | 9.10/10 customer satisfaction | 8.78/10 customer satisfaction | 8.71/10 customer satisfaction |
| Average referral cost = £104 Average referral saving = £141 | Average referral cost = £37 Average referral saving = £173 | Average referral cost = £40 Average referral saving = £43 | Average referral cost = £93 Average referral saving = £333 |

***New!**
Launched Feb 2016
On track for
900
referrals in
12 months

Approach 2 – hard-to-reach customer referrals back to WPD:

'Affordable Warmth' collaborative outreach schemes

How we've expanded the project

A key aspect of Ofgem's vulnerable customer strategy is for DNOs to use innovative approaches to identify hard-to-reach customers. We've tested the viability of delivering fuel poverty support via a consortium of existing schemes already working in deprived areas, with customers often unknown to WPD.

In the West Midlands we brought together Warm Zones (project leader), Beat the Cold and Marches Energy Agency. An initial six month pilot supported 665 customers and delivered £127k total annual savings (£191 per customer, versus an average referral cost of £75). A key and surprising outcome was that 75% were also eligible for WPD's PSR.

In 2015/16 we renewed and expanded the scheme. This included:

- Expanding to support 1,000 customers and broaden partner capabilities to deliver the six types of intervention specified.
- Introducing new process for partners to gain informed consent to sign up eligible customers to WPD's PSR directly, to avoid drop-out from customers that often do not feel empowered to act on advice to register, without support.



A Warm Zones advisor supporting a customer via WPD's Affordable Warmth scheme

| 2015 Pilot | 2016 expanded scheme |
|--|---|
| <ul style="list-style-type: none"> ✓ 665 customers supported ✓ £127k total savings ✓ 500 added to the PSR | <p>After just 3 months:</p> <ul style="list-style-type: none"> ✓ 497 customers supported ✓ £314k total savings ✓ 176 added to the PSR |

Horizon scan

80% of stakeholders supported replicating this scheme in WPD's three other licence areas. To aid this, we commissioned an innovative 'horizon scan' of the fuel poverty landscape in our region. It found 177 existing services run by local authorities and charities, and surveyed 85 to understand their service provision. The aim was:

- To identify partners for new 'Affordable Warmth' schemes in Wales, South West and East Midlands that will launch in 2016.
- To identify local partners that can participate in WPD's existing Power Up schemes and provide new types of support.

WPD 'Affordable Warmth Local Action Fund'

It is not practicable to work with every scheme identified. To help WPD tackle fuel poverty in new innovative ways, we have created a £100k support fund for schemes to bid for funding. There are two tiers (5k and £15k). We are working with CfSE to devise an assessment model, with awards based on the robustness of the intended outputs, and the inclusion of new initiatives to support customers in relation to the PSR and power cut resilience.

| Outputs: |
|--|
| <ul style="list-style-type: none"> ✓ Three new Affordable Warmth schemes set to launch in 2016 with Nottingham Energy Partnership, Severn Wye Energy Agency and Community Housing Cymru. ✓ £100k fund set to launch – minimum 6 schemes supported. |

4.2 Build Priority Service Register referral networks

“WPD is constantly striving to improve the consumer experience through partnerships with an expanding network of stakeholders.”

BSI assessor,
2016

Most customers join the PSR via their supplier – around 90% in 2015. We are working hard to increase direct registrations with WPD, by building relevant referral networks. This ensures the data is accurate and complete and the benefits have been explained to customers. We continue to engage with suppliers to improve data-sharing; but when we contact many customers who in-directly joined WPD's PSR, the majority were not aware their data had been shared and the benefits had not been explained.

★Partners to gain informed consent

The number of customers joining the PSR direct with WPD has increased year-on-year since 2011. We have formed effective partnerships to sign-post customers to the PSR using leaflets, posters and letters, distributed via GP's surgeries, Citizens Advice Bureaux, community events and outreach services via the likes of British Red Cross and Age UK. But stakeholders tell us that customers do not always follow through on the advice given.

In 2014 WPD commissioned Leicester University to carry out a best practice review of the PSR services of one DNO (WPD), gas network (WWU) and supplier (British Gas). The findings aligned with this feedback; that we could use partnerships to more robustly identify customers eligible for the PSR. Moreover, our cost benefit analysis undertaken ahead of our 2015/16 consumer vulnerability programme, revealed that the number of customer leaflets distributed compared to direct registrations as a result, was low.

A new approach for 2015/16

Our ultimate goal is that everyone who is eligible for the PSR is registered. To improve the ratio of advice resulting in registrations, we have devised a new strategic approach – to engage a network of front-line agencies working with vulnerable people, to enlist their help to gain informed consent from customers to directly sign them up to WPD's PSR. To execute the strategy we have:

1. Improved our understanding of the advice services available in our regions via a 'horizon scan' exercise.
2. Used this to develop relationships with front-line agencies, by articulating the benefits of PSR registration from the perspective of the agencies' own goals rather than the benefits to WPD.
3. Put in place formal agreements and processes for partners to directly sign-up customers.

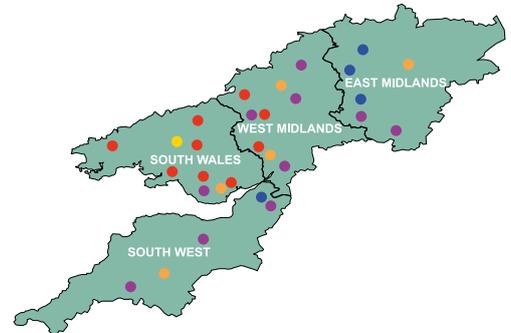
Agencies use a range of methods to sign-up customers including WPD's new smartphone/tablet application, mobile-friendly web-forms or via secure weekly file transfers.

Next steps

While we have made significant progress, we are aware that there remains more to do. For instance, engaging stakeholders working in the health sector, such as GPs and hospital discharge managers, has proved challenging. This will be a key focus area for our programme in 2016/17. Our efforts over the last 12 months have given us a solid foundation to build on, having identified a replicable model that is delivering positive outputs for customers.

Outputs:

- ✓ We now have agreements in place (or about to go live) with 23 separate organisations in 29 locations;



Local Authority

Bristol City Council, Leicestershire County Council, Nottingham City Homes, Papworth Trust

Energy networks

National Grid Gas Distribution, Wales & West Utilities

Energy advice/consumer body

National Energy Foundation, Coventry Citizens Advice, Severn Wye Energy Agency, Warm Zones, Marches Energy Agency, Beat The Cold, Wiser£money, Centre for Sustainable Energy, Plymouth Energy Community, Energy Saving Trust

Vulnerable customer agency

Care & Repair, British Red Cross, Action on Hearing Loss, 50plus Forum, Age Cymru, Wales Council for Blind

Fire and Rescue

South Wales Fire & Rescue Service

- ✓ Around 32,000 customers joined our PSR direct in 2015/16
- ✓ We have since made system changes to record the number of registrations per partner agency, which went live in January 2016. To date this reveals that partnerships listed above have resulted in 1,742 customers registered.

Registrations via Gas Networks

In 2015 we formed new partnerships with National Grid Gas Distribution (NGGD) and Wales & West Utilities (WWU), who share our geographic foot-print. We trialled a process where they gain informed consent from eligible vulnerable customers to directly add them to WPD's PSR during gas field works.

Initially a three month pilot in Cardiff, Torquay and Gloucester, gas engineers trialled various methods to collect data. We have since refined our approach – focusing on direct mobile website sign-ups after learning that leaflet conversion rates were very low, for example. From 1st April 2016 the agreement with WWU was rolled out as business as usual across our entire shared regions.

Once customers are registered, we write to them with resilience advice and a direct dial number to use during power cuts.

Outputs:

- ✓ 613 PSR customers registered to date.
- ✓ On track for 7,000 a year due to our expanded agreements.
- ✓ WPD are working with WWU and NGGD to consider joint PSR and affordable warmth schemes with local authorities and charities in our respective regions. In February 2016, WPD and WWU hosted a joint consumer vulnerability workshop at the National Energy Action Cymru conference.



Home fire safety checks

Engagement with the Welsh Assembly Government, about emergency resilience, led us to form a new partnership with the South Wales Fire & Rescue Service (SWFRS) to identify and sign-up eligible PSR customers, share data and align our services. For the SWFRS this has the benefit of promoting in-home safety during power cuts, including distributing WPD's crisis packs containing torches, to lower the fire risk of customers using candles.

Outputs:

- ✓ SWFRS will gain informed consent to add customers to the PSR via their 25,000 annual home fire safety checks a year.
- ✓ WPD now refer PSR customers identified via our data cleansing activity to SWFRS for home fire safety checks.
- ✓ We are sharing aggregated data to pinpoint vulnerability 'hotspots' to pinpoint communities for joint resilience outreach.

4.3 Embed WPD's vulnerability approach with front-line staff

"WPD's training of field staff shows commitment to continual improvement by increasing the reach of their approach to identify and support vulnerable customers."
BSI assessor, 2016

To fulfil this objective it is essential that everyone at WPD has a clear and consistent understanding of the range of services we offer for vulnerable customers. Our efforts for the first six months of 2015/16 therefore focussed on re-writing our consumer vulnerability policy, with the help of stakeholders. In the last six months we have then begun training our front-line staff and implementing new processes to enable them to put this policy into action.

Updated WPD Consumer Vulnerability Policy

In recent years there has been a significant expansion in our understanding of vulnerability and the range of services we offer to support customers in vulnerable situations. As a result, we updated and extended our consumer vulnerability policy in 2015, with the support of our Customer Panel. It clearly sets out our:

- **Actions to publicise the PSR and identify eligible customers.**
- **Services offered – Business as usual**, (e.g. dedicated contact number, password scheme, fuel poverty referral processes etc).
- **Services offered – Planned power cuts**, (e.g. bespoke phone call to all known PSR customers to discuss their needs etc).
- **Services offered – Unplanned power cuts**, (e.g. proactive contact, welfare support, providing generators etc).

Crucially our policy aligns with Ofgem's Vulnerable Customer Strategy. WPD are now delivering the actions recommended for DNOs within Ofgem's PSR review final proposals. This includes:

- Identifying appropriate customers for PSR services.
- Widening eligibility criteria to add families with children under the age of 5, as well as registering transient vulnerabilities.
- Recording relevant data about customers, with informed consent to share with other utilities in a two way process.

- Taking a number of innovative steps to raise awareness of services and increase take-up and consumer trust.

We are now making system changes to more robustly record customers who have given explicit informed consent to share their details with other agencies (e.g. to provide support in emergencies). We also continue to work with others to make improvements. For example, we have produced a draft DNO standard Privacy Impact Assessment to help move other companies forward with respect to the industry proposal to introduce automatic two-way data flows and standard needs codes (to replace the existing manual process).

Outputs:

- ✓ **New PSR policy implemented and externally assessed to ensure it is fit for purpose:**
"Staff interviewed consistently demonstrated an innate understanding of the requirements of the policy and the needs of vulnerable customers." BSI assessor, 2016

Field staff training launched

WPD's customer service ethos is to take personal ownership to get things right "first time, every time". We know from the many letters of thanks we receive across the company that our field staff regularly come into contact with vulnerable people and go out of their way to help and "do the right thing". External assessments of WPD highlight that we deliver continual improvement by allowing staff some freedom to take customer-centred initiative. WPD's successful retention of the BSI Standard and PSR training for Contact Centre staff was a significant step towards integrating an understanding of vulnerability across the organisation.

- ✓ **Over the last 12 months we've built on this, by starting to roll-out face-to-face training for WPD's 4,700 field staff.**

After an initial pilot in the East Midlands, we will extend this to all WPD field staff in 2016. The three objectives of the training are to arm staff with the knowledge and tools to know:

- **What the PSR is and how to register a customer.**
- **The various types of welfare support we can offer (e.g. via the British Red Cross), and how to activate it.**
- **How to arrange for a Crisis Pack to be sent to a customer.**

It is crucial that we keep things simple. Our staff fulfil a vital role restoring customer supplies, in all conditions, and we must never risk compromising safety or speed of response. We have therefore:

- ✓ **Set up simple processes for staff to activate support for vulnerable customers identified on site, via a single call.**
- ✓ **Issued field staff with a laminate card reminder.**



Vulnerable customers

Identifying vulnerability
Is the customer more likely than others to struggle during a power cut? For example:

- **A medical dependency on electricity** – e.g. kidney dialysis, oxygen concentrators etc.
- **Specific communication needs** – e.g. blind, partially sighted or deaf customers
- **Wider vulnerabilities in a power cut** – e.g. due to age, disability, sickness or critical electrical equipment (i.e. stair lift)
- **A temporary vulnerability** – e.g. newborn baby at the household, or someone recently discharged from hospital

Other things to consider

- Is the outage likely to last more than 3 hours?
- Are there vulnerable customers affected?
- Are the conditions (e.g. time of day, temperature etc) likely to affect the ability of a vulnerable customer to cope with a power cut?

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What to do

Call 01332 827602 to:

- Add a customer to the Priority Service Register (PSR)**
The PSR is free and confidential. We can register anyone who might find a power cut difficult. It allows us to offer proactive information and advice during power cuts so that the customer doesn't have to contact us.
- Request welfare support from the British Red Cross**
We have agreements with the British Red Cross and Nationwide Callers Association to provide warm meals and drinks during prolonged power cuts. They can also check on the welfare of customers and keep them informed on WPD's behalf.

Call your standby manager to:

- Send a Crisis Pack to a customer**
We can send free packs containing handy items to help vulnerable customers to cope and stay warm during power cuts. Items include: a torch, flask, hand warmer, hat, gloves, socks, foil blanket and leaflet.

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Further embedding the Policy

We have also engaged senior managers across WPD about our new Consumer Vulnerability Policy. As a result, in 2015/16 we have:

- ★ ✓ **Introduced a new company-wide target for zero PSR customers to be off supply >12 hours.**
– We have made changes to our escalation process for outages involving PSR customers, brought forward our trigger points to dispatch generators, and added 30 new generators to our fleet.
- ✓ **Implemented key capabilities for our Helicopter Unit to support vulnerable customers in remote access areas during snow or flooding.**
– This includes delivering provisions to off-supply customers,

evacuating customers and delivering high volume pumps and generators. In December 2015 we put this into action to support Electricity North West during the Cumbrian floods.

- ✓ **Introduced a new process to identify potential PSR customers and gain informed consent to register them in-person, via home visits to resolve customer claims.**
– Loss Adjustors visit the homes of approximately 250 WPD customers each year to determine any loss customers may have experienced due to a power cut and are ideally placed to identify customers who might be eligible for the PSR. We have provided training to all staff involved and will monitor the outputs via monthly reports including the number of customers added to the PSR and number of WPD crisis packs distributed.

5. MEASURING VALUE FOR MONEY

Joint research to determine the value of qualitative outputs

Many of the actions we take as a result of stakeholder feedback are qualitative. Where there is an immediate financial benefit, a cost benefit analysis is relatively straightforward – for example, for our Citizens Advice fuel poverty scheme we ensure the cost per referral is under £120, in the knowledge that the savings are likely to significantly exceed this amount (£333 per customers). Where the outcomes are narrative however (e.g. an increase in customers better prepared for a power cut), whilst the recorded outcomes are robust it can be difficult to demonstrate if the expenditure to achieve them was justified.

What we did

In 2015, we joined forces with National Grid Gas Distribution, who are tackling the same challenge, to commission joint “willingness to pay” research. The objective was to:

- Establish customer priorities between a range of service improvements WPD and NGGD can influence.
- Identify notional monetary values customers place on these levels of improvement.

We are not actually asking customers to pay more, the figures show what they would be hypothetically willing to pay extra per year to see the proposed improvements achieved. This then enables us to judge whether the cost of the actions to deliver improvements, can be achieved for less than the values customers place on them. We explained our current performance and various possible improvement levels (e.g. from 5%-20%), for various industry-wide topics, examples of which are in the table on the right.

How we did it

The research used a stated preference methodology, conducted by market research experts ‘Accent’ with a robust number of 500 domestic and business customers. The main results were obtained from a number of choice experiments, where different improvement levels in different service areas were combined into “packages” to understand how customers trade off different improvements and to obtain robust estimates of customer’s willingness to pay for these. In summary, the results that link to the actions we take to address consumer vulnerability were:

| Category | Preferred improvement level (for WPD only) | Value to customers per annum |
|-----------------------|--|------------------------------|
| Customer satisfaction | 5% improvement to 9.2/10 overall | 95p |
| Vulnerable customers | 75,000 supported in emergencies | £3.30 |
| Fuel poverty | 12,500 customers supported | 55p |
| Emergency resilience | Emergency response partnerships in place in 20% of communities | £1.75 |

For context the actual cost of the total 112 outputs WPD achieved in 2015/16 (see Part 1, page 6-7) is £3.7m - this is an average of 47p per customer.

Evidencing the cost benefit of key actions

The flagship initiatives outlined in our Part Two and Part Three submissions have made a very positive difference for stakeholders. We have reinvested the financial rewards achieved in the 2014/15 stakeholder reward scheme and more, to deliver significant benefits to customers. The table below summarises the value of some of these key actions:

| Category | Example actions as a result of engagement | Total cost | | Value to customers research to inform expenditure levels | Outcomes/benefits | | Total value | Cost benefit |
|--------------------------------------|---|------------|---------------------|--|--|--|------------------------|--------------------------|
| | | | | | Customer satisfaction | Service impact | | |
| Vulnerable customers (to power cuts) | Established PSR referral partnerships with 23 organisations: gaining informed consent to directly sign-up PSR customers | - | - | £3.30 per WPD customer | Customers directly registered in-person, without effort on their part. With the benefits explained clearly and resilience advice given | ✓ £22k Cost saved from leaflet and freepost sign-up forms not required | £3.34 per WPD customer | ✓ £3.28 per WPD customer |
| | Initiatives with gas networks to add customers to PSR via field works | - | - | | 317,532 records updated and customers received bespoke advice from WPD | ✓ £127k Cost to purchase that data, and without any contact with customer to check their circumstances or give tailored resilience advice | | |
| | Expanded PSR cleanse team & changed process to increase number of records updated | £364k | £489k | | 9.04/10 satisfaction after PRS cleanse call | ✓ £35k Cost to cleanse that data (40,000 records) in-house | | |
| | Purchased 40,000 ‘deceased’ records to aid PSR data cleanse | £16k | or | | Contribution to improved satisfaction with power cut service (Ofgem Broad Measure). As a result of increased proactive contact during power cuts (1/3 calls were to PSR customers) | Identify improvements to processes e.g. allowing reduction in call attempts before letter is sent | | |
| | Introduced monthly vulnerable customer satisfaction surveys | £18k | 6p per WPD customer | | | Improved data enabled 123,866 proactive calls to PSR customers during power cuts to provide updates & offer welfare support | | |
| | Renewed welfare support agreements with British Red Cross | £25k | | | | 138% increase in direct sign-ups to the PSR | | |
| | Parliamentary reception on ‘cutting the risk to vulnerable customers’ | £9k | | | | | | |
| | New text message service for deaf customers launched - wrote directly to 98,000 customers | £57k | | | | Easier communication for deaf customers via 2-way text message conversations | | |
| Fuel poverty | Renewed WPD’s three ‘Power Up’ fuel poverty referral schemes | £265k | £372k | 55p per WPD customer | 5,053 customers supported | ✓ £831k Total annual savings for customers | 71p per WPD customer | ✓ 66p per WPD customer |
| | Created a new fourth ‘Power Up’ fuel poverty referral scheme (East Midlands) | £47k | or | | 144 customers supported (on track for 900 a year) | ✓ £127k Total annual savings for customers | | |
| | Expanded WPD’s Affordable Warmth’ fuel poverty outreach scheme in West Midlands | £60k | 5p per WPD customer | | 497 customers supported (on track for 950 a year) | ✓ £319k Total annual savings for customers | | |

