

# Outputs and actions following engagement

# 2

**Ofgem** Stakeholder Engagement Incentive Scheme

2014/15

Submission part two

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# Introduction

## Stakeholder Engagement Incentive 2014/15

Stakeholder engagement underpins everything we do at WPD. We have a simple approach: engagement leads to action. Our decisions start and finish with stakeholders – we first understand their priorities and consult them on our improvement plans, and then they work with us to deliver changes and review our performance.

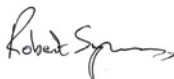
To ensure our approach remains effective we regularly review who our stakeholders are. When we identify emerging groups we respond quickly and tailor our engagement methods to suit. We never stand still and continually look to innovate and improve. I personally review our engagement strategy – including budget, resources and planned outcomes – every year.

Engagement is embedded in our business. I lead every Customer Panel and Connections Steering Group meeting. I also expect every WPD workshop to be facilitated by my Distribution Managers, who are responsible for delivering the changes we make as a result of stakeholder feedback. Listening to our stakeholders, in 2014/15 we have focussed on three key areas:

- ▶ Early delivery of our Business Plan commitments;
- ▶ Identifying WPD's long-term strategic priorities to address future challenges facing networks;
- ▶ Expanding our social obligations programme (including an additional £1m spend, funded by our owners).

One of our biggest successes has been WPD's 'Power Up' fuel poverty referral schemes (pg 7). While external assessments have confirmed they deliver exceptional support to customers, most crucially, they define the role DNOs have in tackling this emerging issue.

The remainder of our submission details the measurable outcomes stakeholder engagement has led to.



Robert Symons  
Chief Executive



## Key Outputs – 2014/15

WPD's engagement has led directly to over **159** measurable outputs, listed on page 4 of our Part One submission. A few significant examples include:

**7.8 million**

CUSTOMERS RECEIVED A FRIDGE MAGNET PROMOTING WPD'S NEW POWER CUT NUMBER

DOMESTIC/BUSINESS CUSTOMERS

**84,000**

MOBILE PHONE RECORDS ADDED

**54%**

CUSTOMER AWARENESS (FROM 32% IN 2013)

**1,574,144**  
PROACTIVE TEXTS DURING POWER CUTS

**6,610** WEB CHATS HANDLED IN 5 MONTHS SINCE LAUNCH

CONNECTIONS

**2,000**

ENGAGED CONNECTED STAKEHOLDERS  
66 IMPROVEMENT ACTIONS

VULNERABLE/FUEL POVERTY CUSTOMERS



**113,767**  
PSR CUSTOMERS PROACTIVELY CONTACTED TO UPDATE RECORDS

EDUCATION/FUTURE CUSTOMERS



**50,000**  
CHILDREN EDUCATED AT  
**258** EVENTS

INNOVATION

**147 smart**

CONNECTIONS OFFERS IN 6 MONTHS SINCE BECAME BUSINESS AS USUAL

**2,160**  
FUEL POOR CUSTOMERS



BSI VULNERABILITY STANDARD RETAINED

**SAVED  
£262k**



## Our strategy

**Stakeholders said at our workshops and Customer Panel: “No Business Plan will ever be 100% correct in 8 years time.”** Now that WPD’s Plan is agreed, stakeholders want WPD to maintain the relationships we have built and continue to engage regularly with them, but to shift the focus to monitoring WPD’s delivery and performance.

WPD has a comprehensive engagement strategy, as outlined on page 2 of our Part One submission. It has been in place since 2007 and is updated and reviewed by our Chief Executive annually. It is externally assessed as part of annual Customer Service Excellence Standard and British Standards for Inclusive Services audits. **In short, our strategy is to be fully inclusive, tailored (using the methods best suited to the knowledge and interest of stakeholders) and always leading to measurable actions and outputs.**

Since 2010 we have worked with stakeholders to build and refine our Business Plan. Over 4,500 had their say, the vast majority via face-to-face engagement, which enables a fuller debate and exploration of the issues. Listening to their feedback, WPD will not reduce engagement, but will continue to build on these relationships now the Business Plan is agreed.

In doing so, it is crucial that WPD’s engagement never becomes a series of talking shops, and stakeholders are always given the opportunity to influence change. Given that our investment and many deliverables up to 2023 are now agreed, this year we updated our strategy to ensure that our engagement continues to lead to action.

Our focus will be two-fold

During the development of our Business Plan we engaged on:				2014 – 2019, we will engage on:	
Jan 2010 – Dec 2011	Jan 2012 – Aug 2012	Sep 2012 – Jul 2013	Aug 2013 – Feb 2014		
<b>Preliminary engagement</b>  Identifying priorities for service improvement	<b>Willingness to pay</b>  Identifying specific improvement levels and voting on options	<b>Business Plan development</b>  Consultation and refinement of draft outputs	<b>Business Plan outcomes</b>  Confirmed outputs and timetable for delivery reviewed	<b>1</b>  Delivery of our plans and identifying further improvements to our services	<b>2</b>  Key, long-term priorities that may change the way we operate in the future

## Our approach

We have implemented this two-pronged methodology this year. This has led to agreement on the way we will report our Business Plan delivery performance each year, the identification of a number of service improvements we have since implemented and an agreed list of long-term priorities that stakeholders would like us to address.

### Stakeholder Workshops

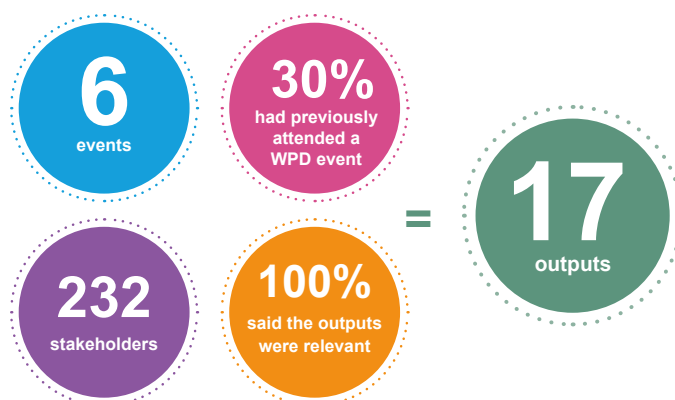
In locations ranging from Plymouth to Birmingham, we engaged a broad cross-section of stakeholders including small businesses, parish councillors, connections providers, DNOs, Councils, Local Enterprise Partnerships and other utilities. The workshops had four key objectives, to:

- **Identify how WPD should report our performance** against our Business Plan commitments, and the impact of expenditure on customer bills.
- **Identify strategic priorities that will impact WPD long-term** and rank their importance.
- **Identify actions WPD can take to address these priorities.**
- **Seek feedback on WPD’s connections work plan, social obligations programme, network losses strategy and environmental reporting.**

To ensure feedback is received first hand, all roundtable discussions were facilitated by WPD local managers. This aligns with our strategy to embed engagement in the way we operate and make decisions.

Stakeholders voted for their preferred options via electronic key pads and a series of collaborative “manage your own work programme” exercises where each attendee was given three votes on 7 – 8 possible actions.

Stakeholders tell us they return to our events because they know we listen to, and act on, their feedback.



▲ 57 people in attendance at WPD’s stakeholder engagement workshop in Birmingham, January 2015

# Strategy & Core Engagement

## Customer Panel

The first of its kind in the industry when established in 2008, WPD's Customer Panel has evolved to ensure it continues to drive our agenda and influence change.

- ▶ It is set apart by the wide range of representatives, who's long-term membership enables debate and influence on a wide range of in-depth issues.
- ▶ Membership continues to grow to reflect our customers' priorities. In 2014 we welcomed 13 new members, with interests ranging from community energy, to health and fuel poverty, to government policy. They include an NHS trust, Warm Wales, the National Energy Foundation, Forestry Commission, and Welsh Government.
- ▶ Acting on our updated strategy, at every meeting our CEO leads a focus on one long-term priority, followed by surgery sessions to develop action plans and deliver specific improvements.



## Stakeholders said...

WPD's long-term strategic priorities should be:

Category	Importance
Keeping the lights on	9.00/10
Smart networks	8.08
Workforce renewal, skills and training	7.02
Government legislation/policy	6.86
Affordability and vulnerability	6.82
Customer information and data	6.54
Customer awareness	5.34
<b>Output</b> Environment and sustainability	New addition

- ▶ 'Keeping the lights on' must include plans to address reduced network capacity and to make it easier for community energy schemes to connect.
- ▶ 'Affordability' and 'Vulnerability' should be considered as separate strategic priorities.
- ▶ 'Vulnerability' should consider small/medium businesses.
- ▶ Updating vulnerable customer records is highly valued.
- ▶ WPD's vulnerable customer policy should enable temporarily vulnerable customers to register on the PSR.
- ▶ Schools education, social media and direct mailings are the most effective ways to increase customer awareness.

## We did... ✓

Our core engagement activities have led to **39 outputs** that will benefit customers. Some significant examples include:

- Outputs:** ✓ Agreed annual, multi-layered Business Plan reporting – a short summary will cover all six output areas, with more detailed reports (separate per category) available online.
- ✓ Committed to publicise to all 7.8m customers a traffic-light summary table and a high-level annual bill impact.
  - ✓ Expanded our customer connection workshops to include community energy scheme representatives.
  - ✓ Extended the availability of network mapping, asset and constraint data online.
  - ✓ Hosted two workshops specifically for small businesses on vulnerability leading to five actions.
  - ✓ Increased our PSR data cleansing team by 15 and implemented a new PSR policy, leading to 250,000 extra outbound calls a year.
  - ✓ Introduced new processes to register temporarily vulnerable customers.
  - ✓ Introduced webchat, Facebook and a smartphone app.
  - ✓ Expanded our education schemes to include broader information about WPD, our emergency number and vulnerable customers, reaching 50,000 children in 2014/15.
  - ✓ Redesigned our annual customer newsletter, increasing awareness of WPD to 54% (from 32% in 2013).

## Long term

Some of these issues are so long-term they require us to just keep a "watching brief", but for many it is possible today to better understand the issues and WPD's role in addressing them. As you will see overleaf, we have already made a start.

Starting in 2015, working with other energy and water companies, regulators, consumer advocates and investors, we are participating in a three year project to identify the important long-term public interest issues for utilities and agree practical steps for our sector to better serve the public interest.

# Long-term Priorities

The role of DNOs is changing, meaning our relationships with customers are too. Smart networks will bring new interactions, whilst local network upgrades and greater public interest in energy will increase our visibility.

This year WPD has focussed on how engagement can help to address future issues impacting networks. By first identifying the priorities, we can

engage more strategically, involving a wide range of stakeholders such as politicians, local communities, distributed generation (DG), community energy (CE), businesses and future customers. Many priorities depend on long-term external factors, but WPD can start by opening the dialogue with stakeholders to gain a fuller understanding of the challenges and to build enduring relationships.

## 'Keeping the lights on' and 'Smart Networks'

**Stakeholders said at workshops:** 'Keeping the lights on' is the overwhelming top priority, but how it is done will change due to national supply/demand challenges, reduced network capacity and demand side response. WPD must start addressing these impacts today, including explaining how smart technologies can improve services for customers and drive different relationships.



## Addressing network capacity restrictions

### Challenging Engagement

A recent event for 46 developers, saw us explain how the South West network is at full capacity (due to high numbers of DG connecting) and temporarily closed to new, large-scale generation until a new line is installed (a National Grid upgrade to accommodate a new reactor at Hinckley Point).

Rather than avoid difficult issues, we engaged proactively to explain the impact (long lead-times and high reinforcement costs) and our efforts to minimise this. We also presented and hosted a Q&A with 150 people at the Renewable Energy Marketplace conference and briefed Ofgem and DECC on the issues.

- Outputs:** ✓ Developed 'smart' connections offers (see below) to maximise the connecting generation.
- ✓ Working with National Grid to manage interface issues between transmission and distribution.
- ✓ Introduced new rules to release unused capacity.

“ It's very welcome that WPD are not afraid to put their heads above the parapet to talk about these difficult issues. – DG developer ”

## Distributed Generation (DG) and Community Energy (CE)

We have engaged 2,000 connections stakeholders via WPD's Connections Customer Steering Group (CCSG), conferences, forums, surgeries, surveys and workshops. Our inclusive approach has tailored engagement for developers and competitive providers (established stakeholders), community energy schemes (emerging/hard to reach), the DG community (challenging engagement) and potential connectees (future stakeholders).

- ▶ DG – Hosted a workshop attended by 57 representatives from a range of sectors including utilities, Independent Connection Providers (ICP), developers, technology companies, and universities. The sessions, facilitated by WPD operational staff, led to 22 suggested initiatives.
- ▶ CE – Hosted five events and added representatives to our CCSG. We engaged a specialist partner, Regen SW, to co-deliver sessions attended by 100 stakeholders, covering 58 community energy groups, the Welsh Assembly Government and DECC.

**Our extensive engagement led to 66 actions in 2014/15**, covering procedures (e.g. one-day contact standard for new enquiries), policies (e.g. improved land rights process) and early delivery of business plan outputs. All actions are voluntary, apply to all market segments and are ahead of any RIIO-ED1 commitments. E.g:



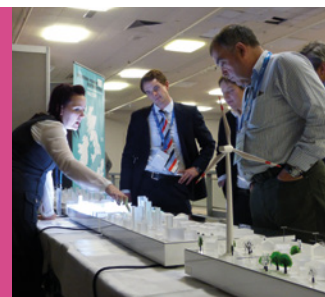
66  
outputs

- Outputs:** ✓ Developed a new community energy guide, mailed to 330 registered groups and published online.
- ✓ Hosted quarterly customer surgeries to discuss the process and customer requirements.
- ✓ Launched a Capacity Register to identify where to connect.
- ✓ Facilitated consortium arrangements for cost sharing.

## Smart connections offers

**Outputs:** ✓ Some connections can require expensive reinforcement work in areas where the network is full. Listening to stakeholders we have become the first DNO to offer 'smart' connections offers as standard for every scheme with high costs or long time-scales. This allows us to temporarily curtail capacity when the network is under

pressure, using a range of techniques including 'timed', based on predictable patterns, through to smart network technologies, allowing the management of capacity in real time. In the first six months, we have issued 147 smart offers.



WPD staff explaining the types of smart offer to major energy users at a conference in 2014



# Long-term Priorities

## Government Legislation and Policy

**Stakeholders said at workshops:** WPD should take a more active role to influence policy and start building relationships to make this happen.



### “Your constituents, our customers” – Local contact with every MP

We wrote to every MP, MEP and several prospective parliamentary candidates in our region to invite them to meet WPD's Distribution Manager for their area. This enables us to engage with them on topics of local interest, as well as national topics, such as investment ahead of need, to ensure continued network capacity.

**Outputs:** ✓ We invited 250 MPs to visit WPD, sending a bespoke leaflet for each constituency, giving an overview of WPD, our Business Plan and their local investment schemes.

✓ This led to further engagement, e.g. WPD's West Midlands Network Manager met with Sir Tony Baldry, MP for North Oxfordshire, to discuss network security and network investment to prepare for future load growth.

**Future:** We will contact all MPs again following the general election and host an engagement event at the House of Commons.

### Political engagement about managing future electricity demands

After WPD completed Europe's largest electricity network monitoring initiative, we engaged with the Welsh Assembly to share the findings and discuss the impact on future UK networks. We also directly engaged 18 Westminster MP's, on the wider topic of low carbon networks.

**Outputs:** ✓ Data from the project enabled WPD to create 10 templates for managing networks in a variety of environments. We engaged politicians and DNOs about how the findings can help to identify where low carbon generation is best connected, to save money and disruption.

✓ We explored the potential impacts of the findings on government policy, including potential changes to national voltage limits to defer network reinforcement. E.g: We have altered our design assumptions to reflect that solar panels normally generate onto the network at 80% of their rating.

“ I congratulate WPD on this innovative work and look forward to working closely with them as we develop a vibrant low carbon economy for Wales. – Welsh Minister for Natural Resources ”



## Customer Information and Data

**Stakeholders said at our Connections Panel:** “Access to network capacity and asset data is vital to assess connection opportunities.” **At workshops:** “Quality information is vital to improve response times to customers and to target new services.”



### Availability of network information

**Outputs:** ✓ New online data portal to provide asset information for customers undertaking planning and design work, within minutes. It enables users to select WPD asset data for the geographic areas and voltages they need, in a graphic format of their choice (e.g. Google Earth, GIS or CAD). We handle over 60,000 enquiries a month and stakeholders tell us the quicker access is a huge improvement.

The tool allows customers to build layers of data from various sources when undertaking evaluation studies. E.g:

**Small-scale:** Deciding where to dig – e.g. Local authorities, other utilities, Independent Connections Providers.

**Area-wide:** Deciding where to connect – e.g. Developers.

**Large-scale:** Overlaying WPD's entire network onto their systems to aid future investment planning – e.g. Large generators.

### Improved customer information enables proactive communication

**Outputs:** ✓ New process added 84,000 extra mobile phone records in 2014/15.

✓ We proactively contacted 306,000 customers during power cuts.

✓ We sent 1.5 million text messages with proactive power cut updates in 2014/15 - a 131% increase from 2013/14.

✓ We introduced a live webchat feature, handling 6,610 chats in the first 5 months, in an average response time of 45 seconds and 95% satisfaction.

✓ We created a 24/7 Social Media team who handled 35,000 tweets in 2014/15, with 92% satisfaction.

## Customer Awareness

**Stakeholders said via workshops & surveys:** “Knowing about WPD and how to get in contact is vital so customers can access services easily (particularly during emergencies). Changing relationships in the future require trust, which first needs a basic awareness of WPD.”



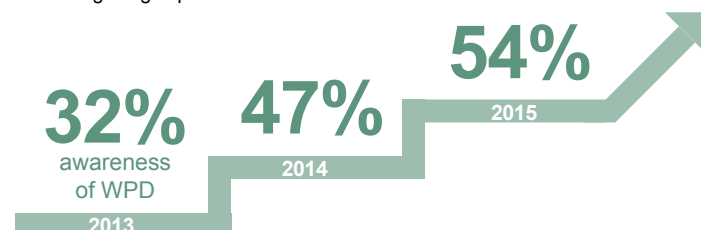
In March 2015 we launched our customer awareness campaign 'Power for Life', for the sixth consecutive year.

**Outputs:** ✓ We wrote to all 7.8 million customers with an information newsletter, which this year was given a much narrower focus on power cuts and vulnerable customers, following feedback from our Customer Panel. The campaign featured advertising on the major TV channels. Following feedback from stakeholders, this year we replaced newspaper advertising with greater promotion via social media.

✓ Following the 2013/14 storms review, WPD introduced a single emergency number for all our regions. In November, we ran a major engagement campaign and acting on a direct suggestion from stakeholders, sent every WPD customer a glow-in-the-dark fridge magnet.



We measure the value of our actions, to inform whether to change our approach. We always conduct pre and post campaign research with 1,000 people across 20 locations. Our initiatives are having a big impact:



# Vulnerability & Affordability

## Our strategy and approach

Acting on stakeholder feedback we will treat 'Vulnerability' and 'Affordability' as separate priorities, with vulnerability to power cuts and the accuracy of our Priority Service Register (PSR) data given greatest importance. However, stakeholders acknowledged that the way we address these priorities under the heading 'social obligations' will sometimes be linked. Joining up several of our projects ensures we support our hardest-to-reach customers in the most efficient, effective and innovative ways. As such, we have a four-pronged strategy:



Improve our understanding of vulnerability

Improve the accuracy of the data held on the Priority Service Register (PSR)

Improve the services for vulnerable customers in relation to power cuts

Address fuel poverty by helping customers to access support

Over the last 3 years stakeholders have helped us to better define WPD's role in addressing fuel poverty. Whilst we are not the cause, they tell us we are uniquely placed to contribute to the solution, but must not duplicate existing services.

WPD will develop, and participate in, referral networks to provide fuel poverty services for vulnerable households.

We now have a clear approach:

- ▶ Identify **expert partners** and existing fuel poverty schemes and services.
- ▶ Target projects to areas with the **highest rates of fuel poverty**.
- ▶ Tackle the **root-causes** of fuel poverty.
- ▶ Ensure **end-to-end ownership** for referrals (with defined outcomes).
- ▶ Pilot projects before upscaling to **business as usual**.

## Stakeholders said...

Ofgem	1. Undergo independent evaluation of our services to ensure they are effective and to identify improvement areas.
Research and surveys	2. Raise awareness via joint awareness campaigns, including public health links.
Customer panel	3. Improve the data held on the PSR and expand the dedicated PSR Contact Centre team.
Workshops	4. Ensure projects cover all WPD regions and deliver a range of solutions to the causes of fuel poverty (no hardship funds).
	5. Use trusted channels to target hard-to-reach customers and gain informed consent to join the PSR on WPD's behalf.
BSI assessment	6. Enable customers to temporarily join the PSR and recognise the vulnerability of small businesses.
Research and surveys	7. Build a database of regional agencies who can assist customers – 72% say this is a high priority.

## We did...

### 1. British Standards Institute (BSI) – BS18477: Standard for Inclusive Services

We were the first company in the UK to be externally assessed by the BSI against their vulnerable customer standard for the second consecutive year. It sets out best practice in relation to:

- ▶ Policies and processes
- ▶ Provision of information
- ▶ Flexibility of services
- ▶ Staff training

We achieved full compliance with all 36 assessed elements. The impact of this is an inclusive, efficient service for all customers.

It has improved our understanding of vulnerability and ensured our new projects are effectively addressing customer needs. It has led to:

**Outputs:**  Standardised training quality checks at our Contact Centres.

- ✔ 58 Contact Centre staff empathy trained by a learning disability theatre company called 'Hijinx', as well as Age UK, to better understand vulnerable customer needs.
- ✔ Extended 'BrowseAloud' to every WPD web page, including new translation and simplification features.

“WPD have been pioneers in developing practices and processes to support vulnerable consumers... In addition WPD has been keen to share its experiences with other similar organisations, thus enabling the benefits of their work and initiatives to be felt by consumers beyond their reach.” – BSI Director for Professional Services


### 2. Promoting the PSR

Collaborating with Northern Powergrid and Action on Hearing Loss (members of our Customer Panel) we co-developed a freepost joining leaflet for deaf and hard of hearing customers, promoting the PSR and giving bespoke power cut advice:

**Outputs:**  4,000 leaflets were distributed to deaf associations in our regions.



Timed to coincide with winter flu-jab clinics, we wrote to all 2,500 GP's surgeries in our region.

**Outputs:**  We sent them a PSR poster promoting how and why to join the PSR, and following the many responses, we provided 3,000 registration leaflets.





# Vulnerability & Affordability

## 3. Dedicated team updating the PSR

Accurate details about vulnerable customers enables us to provide proactive information and targeted support during power cuts.

In 2014 we established a dedicated team to proactively contact customers on the PSR to update their details. The process was designed with the help of our Customer Panel and involves no scripts or time quotas. The Panel subsequently influenced us to introduce supplementary data cleansing via routine daily calls to PSR customers during power cuts.

Following positive stakeholder feedback at our workshops, in **2015 we significantly increased the number of call handlers**, all of whom have received specialist empathy skills training. The quality rather than quantity of the calls is vital. We conducted independent satisfaction research to measure the effectiveness of our engagement, with average satisfaction of 9 out of 10.

**25**  
CALL HANDLERS  
(INCREASE FROM 10)

**475k**  
CUSTOMERS  
CONTACTED IN  
2 YEARS (2013 – 2015)

**60%**  
OF CONTACTED  
RECORDS UPDATED



## 4. 'Power Up' scheme develops a sustainable approach to fighting fuel poverty

Whilst vulnerability to a power cut and fuel poverty are separate issues, we find that for some customers there is a correlation. So we have developed an innovative partnership to provide support to PSR customers with low incomes or struggling to afford their energy.

Linking our projects, we chose to start our PSR data cleanse in areas identified as fuel poverty hotspots. Every data cleanse call then ends with the offer of a referral to an expert partner for support including:

- ▶ Managing fuel debt
- ▶ Reducing fuel bills
- ▶ Saving energy
- ▶ Finding the best energy tariff

Partnering with Coventry Citizens Advice Bureau (CAB), we established a pilot scheme called 'Power Up' in Coventry and Leicestershire, to prove the concept, measure the benefits and better understand what role WPD can play in tackling issues relating to fuel poverty. Not every referral results in in-depth support – some prefer general advice about energy efficiency. But for others, a case-worker carries out a detailed assessment, leading to positive outcomes ranging from saving hundreds of pounds by switching tariffs, to securing grants for connections to the gas network, to free stairlift installations.

Crucially we record an outcome for every customer. In 2014:

**694**  
FUEL POOR  
REFERRALS

**100%**  
ACHIEVED A  
RECORD OUTCOME

**£33k**  
TOTAL ANNUAL  
SAVINGS

**3 new**  
SCHEMES BASED  
ON THIS PILOT



## 5. Replicating our fuel poverty referral model

Strategically, our pilot scheme was intended to develop a scalable model for all regions. **We have subsequently created three 'Power Up' fuel poverty referral schemes** – working with Citizens Advice, Energy Savings Trust (EST) and the Centre for Sustainable Energy (CSE) – which are delivering excellent benefits for customers.

**Again, what is absolutely critical is that every referral achieves a recorded, measurable outcome.**

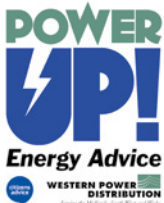

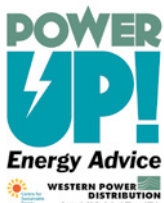
In the first 3 months of 2015 we have:

In 2015 we are on track to deliver:

**4,824** FUEL POOR REFERRALS

**100%** ACHIEVING AN OUTCOME

**£916k** TOTAL ANNUAL SAVINGS

 <b>Midlands: Birmingham</b>	 <b>South Wales: Cardiff</b>	 <b>South West: Bristol</b>
<b>533 referrals</b>	<b>665 referrals</b>	<b>268 referrals</b>
<b>66% had an in-depth assessment</b> (30% re: tariffs; 23% re: income maximisation)	<b>57% had an in-depth assessment</b> (47% re: behaviour change; 17% re: tariffs)	<b>66% had an in-depth assessment</b> (35% re: tariffs; 26% re: energy efficiency)
<b>43% had a measurable financial benefit</b>	<b>78% had a measurable financial benefit</b>	<b>37% had a measurable financial benefit</b>
<b>Saving £57k a year</b>	<b>Saving £119k a year</b>	<b>Saving £53k a year</b>
Av. referral cost = <b>£83</b> Av. referral saving = <b>£209</b>	Av. referral cost = <b>£44</b> Av. referral saving = <b>£179</b>	Av. referral cost = <b>£60</b> Av. referral saving = <b>£199</b>

# Vulnerability & Affordability

## 5. Replicating our fuel poverty referral model – continued

Since our first pilot, feedback from project partners and via social obligations surgeries led us to make three key refinements before rolling out the schemes outlined above. Every future project must:

### 1. Deliver five key interventions

Given the natural expertise of CAB, the pilot provided solutions based on benefit checks and energy tariffs. We have since worked with a range of experts, including consultation at a Carbon Action Network forum, to define all the key solutions to fuel poverty WPD can facilitate to ensure future projects deliver this holistic support.

We now ensure every project is capable of delivering five interventions:

1. **Income maximisation** e.g. *debt management*
2. **Energy tariffs** e.g. *switching*
3. **Energy efficiency measures** e.g. *home insulation schemes/funding*
4. **Heating solutions** e.g. *boiler replacement schemes*
5. **Behavioural changes** e.g. *effectively using your heating system*

### 2. Follow the same “hub” delivery model

To deliver these solutions effectively we must change from a single partner arrangement to working with a consortium of agencies with the relevant expertise. Support must also be available by telephone or face-to-face, to suit the customer.

To ensure ownership for every referral, we will follow a “hub” model, with a lead partner responsible for:

- ▶ Receiving the referral from WPD
- ▶ Contacting the customer to assess their needs
- ▶ Deliver solutions and refer on to a sub-partner if necessary
- ▶ Reporting an outcome for every customer.

For each project we are working with lead organisations with different expertise (e.g. CAB – affordability; EST – energy efficiency) to test the impact on the outputs achieved and to inform the efficiency of future projects.

### 3. Operate cost effectively

Projects are fully funded by WPD. Annual referral targets are in place to ensure a cost per referral of less than £90, against which WPD can analyse the cost benefit of the outputs achieved.

## 6. Informed PSR consent via trusted partners

In 2014 we expanded our partnership with the British Red Cross (BRC) to proactively distribute WPD crisis packs and promote the PSR via their outreach services. While this resulted in an increase in customer resilience, we found the rate of customers joining WPD's PSR to be low.

To ensure maximum value for money, we have since trialled a new approach to target hard-to-reach customers more effectively. In an innovative step, we are utilising the opportunity for trusted partners to gain informed consent from customers to directly add them to the PSR.

**Outputs:** ✓ We purchased a British Red Cross ‘medical equipment loan service’ vehicle for South Wales. As part of their services they will gain informed consent to sign-up over 2,250 customers to WPD's PSR in the next three years. If this proves successful, we will provide three further vehicles in the Midlands and South West.



## 7. A broader definition of ‘vulnerability’

We now enable customers with temporary vulnerabilities to join our PSR, for reasons such as new-born children or being recently discharged from hospital. We have made system changes and trained staff to allow temporary 6 – 18 month registrations.

To better understand and address the vulnerability of small and medium enterprises (SMEs), we hosted workshops and a series of telephone interviews with 38 SMEs and representatives including the Federation of Small Businesses (FSB), Local Enterprise Partnerships and Chambers of Commerce (CC). As a result we will:

- ▶ **Raise awareness of WPD** – by better targeting our annual awareness campaign via organisations such as CC and FSB.

- ▶ **Improve resilience** – by developing an electricity resilience checklist to incorporate into wider business continuity planning, and a smartphone app feature to let customers register for power cut updates at multiple sites.
- ▶ **Address issues with street works and connections** – by reviewing our street works policy to improve local liaison. We will also raise awareness of the connections process, possibly via local council planning packs.



## Long-term

### ‘Horizon Scan’ to identify and support existing schemes

As well as creating new projects to handle referrals from WPD, there are also opportunities to team up with existing fuel poverty schemes working in hard-to-reach communities, with customers not necessarily on WPD's PSR. In 2014 we therefore commissioned an innovative ‘horizon scan’ of every scheme in our region, to:

- ▶ Understand their service provision;
- ▶ Explore their impact and resourcing;
- ▶ Identify opportunities for WPD to support these services.

**Outputs:** ✓ Working with Centre for Sustainable Energy, we identified 177 existing services and conducted 85 surveys with a range of local authorities, public sector and charity organisations.

✓ At the same time, we have tested a new operating model, bringing together three existing schemes in the West Midlands – Warm Zones, Marches Energy Agency and Beat the Cold – to work as an ‘affordable warmth collaboration’. The project achieved:

- ▶ 558 referrals ▶ Saving a total of £101k (£181 per customer)

Our next steps are to use the results of the research to fund and form partnerships with existing schemes, using this pilot model.


## Stakeholders said...

Ofgem stakeholder panel	1. Lead greater collaboration between DNOs, as many initiatives could be rolled out nationally.
DNO bilateral meetings	2. Share best practice with wider industry to improve services ranging from resilience to connections.
Customer surgeries	3. Work with other utilities to collectively improve the quality of the initial source data on the PSR.

## We did...

### 1. WPD best practice event attended by every UK network company

In addition to becoming the first UK network company to adopt the BSI standard, we also voluntarily commissioned an external assessment, by the Centre for Sustainable Energy, against Ofgem's draft criteria for the new Stakeholder and Vulnerable Customer (SECV) Incentive from 2015/16.

**Outputs:**  In October 2014 we hosted an event to share the learnings from these processes, which was attended by every DNO, GDN and transmission company. To aid others with their own implementation, we arranged presentations from BSI and CSE, before WPD shared the:




- ▶ Detailed assessment criteria and agreed exclusions
- ▶ Costs and resources to deliver
- ▶ Timetable and process
- ▶ List of evidence we submitted against the criteria
- ▶ Results and subsequent changes we've implemented

Company		Session 1: BSI standard	Session 2: Ofgem scorecard
Electricity North West	DNO	✓	✓
National Grid	TX	✓	✓
National Grid	GDN	✓	✓
Northern Gas Networks	GDN	✓	✓
Northern Powergrid	DNO	✓	✓
Scotia Gas	GDN	✓	✓
Scottish Power	DNO	✓	✓
Scottish Power	TX	✓	✓
SSE	DNO	✓	✓
SSE Hydro Electric	TX	✓	✓
UK Power Networks	DNO	✓	✓
Wales & West Utilities	GDN	✓	✓

### 2. DNO stakeholder best practice group

In the first six meetings each DNO has led on a different area of shared interest including resilience, connections, low carbon innovation, PSR, fuel poverty and community education. At WPD's 'resilience' session, we reviewed our respective engagement during the severe storms of 2013/14 to identify a best practice approach. This led to 28 recommendations covering event preparation, actions during the event and specific support for vulnerable customers.


**Outputs:**  Learning from SSEPD's arrangements with festival caterers to provide warm meals during prolonged outages, WPD have replicated this for our regions, agreeing a £40k annual arrangement with the Nationwide Caterers Association.

- ✓ SPEN's 'PSR' session led a review of poor quality dataflows from suppliers, which has informed our efforts at an industry level (below). It also revealed the value of direct sign-ups with DNOs. **Following a WPD proposal, we are now co-developing an online application, branded Energy Networks Association (ENA), to enable customers (and partners on their behalf) to sign-up to the PSR.**
- ✓ An overview of SSE's community energy (CE) coaching, influenced WPD's approach to engagement with this audience. We since held five bespoke events in collaboration with the trade body Regen SW and shared WPD's new CE guide which is now being considered as a single ENA guide for all electricity networks.

### 3. WPD/British Gas/Wales & West Utilities review of PSR best practice

Instigated by WPD, a crucial change to industry dataflows took effect in November 2014. The mandatory information provided by suppliers now includes a name and telephone contact number for every PSR record. This will significantly improve the ability for DNO's to proactively contact customers and provide tailored support.

Building on this, WPD are members of the 'Customer Safeguarding Working Group' (CSWG) alongside Ofgem, networks and suppliers. In the light of Ofgem's goal to achieve a single PSR for all companies – with initial focus on two way data sharing with suppliers, a register for GDNs and a set of common codes – WPD have:

**Outputs:**  With one gas company (WWU) and one supplier (British Gas) commissioned an industry expert from Leicester University to conduct a review of the PSR, management of data and all associated services, in order to identify best practice across the energy sector. Example recommendations include:

- ▶ Processes to "clean" data from suppliers for new records.
- ▶ Pro-active calls by all companies to update existing records.
- ▶ Discussions with the Welsh Assembly and UK Government about jointly promoting the PSR.

We will now review these with the wider industry at the CSWG.

**Future:** We are also working with two GDNs – NGG and WWU – to trial a process where they gather data and consent from eligible customers during field works and share this with DNOs who will then contact and add them to the PSR. This will increase the number of relevant customers registered, take a step towards Ofgem's aim for GDNs to hold a PSR and explore how we can share data effectively.



# Value for Money

It is vital that the resources we invest to deliver stakeholder engagement are appropriate and the actions and outcomes it leads to deliver value for money.

We analyse the potential cost benefit before any major new initiative. For example, when expanding our 'Power Up' fuel poverty schemes, we set targets for the total numbers of referrals, calculated a maximum cost per referral and weighed this against the likely savings achievable per customer based on an earlier pilot project. Once projects are underway, we carry out further analysis so we can be confident in the legitimacy of our actions, ensuring they are enduring and of long-term benefit. As the example below shows, we aim for every project to demonstrate six key factors:

1. Benefit customers in the long-term	E.g. Our 'Power Up' projects: tackle the root causes of fuel poverty, rather than delivering temporary fixes.
2. Benefit customers, not WPD	They achieve considerable financial savings for the customers supported.
3. Go over and above	They change our typical view of vulnerability. Whilst we do not cause fuel poverty, we are acting on an opportunity to help.
4. Drive our business as usual	Successful pilots are being rolled out across WPD.
5. Are measurable	Every referral achieves a measurable outcome against which we can monitor that our actions are cost beneficial.
6. Are transparent	We publish everything and all our projects are externally audited/accredited every year.

As shown below, the flagship activities outlined in this submission have made a very positive difference for stakeholders. In the 2013/14 stakeholder reward scheme, WPD's achievements led to a financial reward of £2m. We have re-invested this and more in 2014/15 and achieved excellent benefits for customers:

Stakeholders engaged	Total outcomes (see Part One pg 4 – 5)	Key outcomes/activities as a result of engagement	Investment	Outcomes achieved / benefits to customers			Total saved	Cost benefit
				Cust. satisfaction	Service impact	Qualitative benefit		
All Customers (domestic & businesses)	55	<ul style="list-style-type: none"><li>Increased number of mobile phone records</li><li>1.57m proactive text messages sent</li></ul>	£127k (1.5p per WPD customer)	✓ See satisfaction benefit below Proactive messages increased customer satisfaction from 8.82/10 (reactive) to 9.16/10 (proactive).	✓ £253k Reduced inbound calls by 10% (101,783).	Quicker access to information, taking the effort away from the customer.	£3.76m	+£1.57m
		<ul style="list-style-type: none"><li>Awareness newsletter sent to 7.8m customers</li><li>Information pack &amp; fridge magnet promoting single emergency number sent to 7.8m customers</li></ul>	£1.85m (24p per customer)	53% (4m customers) said they used the magnet and found the information useful.	Only 2% WPD customers stated they did not know who to contact in a power cut (2015 Ofgem Broad Measure).	Improved emergency resilience for customers.		
		<ul style="list-style-type: none"><li>New social media team in Contact Centre:<ul style="list-style-type: none"><li>24/7 Twitter (35,000 tweets)</li><li>New webchat (6,610 chats)</li></ul></li></ul>	£73k (1p per customer)	92% (twitter) and 95% (webchat) customer satisfaction.	Improved twitter response time by 57% to 4min 44secs. 45sec for webchat.	Improved access to information, giving customers more choice for how to communicate with us.		
		<ul style="list-style-type: none"><li>12 stakeholder workshops in two years, leading to 49 actions including:<ul style="list-style-type: none"><li>New 12hr restoration standard</li><li>Improved 1hr fault restoration</li></ul></li></ul>	£145k (2p per customer)	✓ £707k Overall customer satisfaction (Ofgem Broad Measure) with WPD's service improved to 8.75/10.	✓ £2.8m Value to customers of improved network performance – reduced average duration of power cuts by 3mins.	Stakeholders shape key strategic decisions. Business Plan performance reporting agreed with stakeholders.		
Vulnerable / Hard to reach / Fuel Poverty / PSR	16	<ul style="list-style-type: none"><li>Expanded PSR data cleanse team</li><li>Specialist empathy training from innovative Hijinx theatre company</li></ul>	£551k (7p per customer)	Over 475,000 contacted in 2 years (114k in 2014; 363k on track 2015.) Average satisfaction of 9.02/10.	56% or 266,000 records updated in 2 years.	More proactive information and targeted welfare support during emergencies.	£1.05m	+£111k
		<ul style="list-style-type: none"><li>'Power Up' fuel poverty pilot scheme 2014 (Citizens Advice Bureau)</li></ul>	£56k (1p per customer)	694 referrals handled	✓ £33k Total savings for customers.			
		<ul style="list-style-type: none"><li>3 new, expanded 'Power Up' schemes 2015 (Citizens Advice Bureau, Energy Saving Trust, Centre for Sustainable Energy)</li></ul>	£273k (3.5p per customer)	4,824 referrals in 2015 (1,206 in first 3 months). Average satisfaction of 8.81/10.	✓ £916k Total savings for customers.	Lifting customers out of fuel poverty.		
		<ul style="list-style-type: none"><li>Affordable Warmth fuel poverty outreach project in West Midlands</li></ul>	£47k (1p per customer)	558 referrals handled	✓ £101k Total savings for customers.			
		<ul style="list-style-type: none"><li>Leicester University Professor PSR review for industry (DNO, GDN &amp; supplier)</li></ul>	£12k (0.5p per customer)		6 recommendations for the wider industry.	Improved and more consistent service for all vulnerable customers in UK		
Connections /Distributed Generation / Community Energy / Major Energy Users	72	<ul style="list-style-type: none"><li>Customer Panels</li><li>Distributed Generation workshops</li><li>Community Energy events</li></ul>	£76k (1p per customer)	95% rated the event 'excellent' or 'good'. 33% said the 'guide to the connections process' was the most useful part.	66 improvement actions identified. ✓ £1.5m Total annual savings for all WPD customers of avoided network reinforcement after 147 'smart' connection offers, released 212MW of capacity.	496 customers and connections representatives better informed about the connections process.	£1.5m	+£1.4m
		<ul style="list-style-type: none"><li>Connections surgeries</li><li>Renewable Energy Exchange events</li></ul>	£10k (0.5p per customer)	Connections satisfaction (Ofgem Broad Measure) 8.63/10.	New community energy guide produced. New leaflet sent with every connections offer providing guidance on land rights and consents			
TOTAL			£3.74m	TOTAL			£6.31m	+£2.57m

# Published Further Information

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## Pages 2-3 Strategy and Core Engagement

### Stakeholder Workshops

#### Presentation materials

<http://www.westernpower.co.uk/docs/About-us/Stakeholder-information/January-2015-stakeholder-workshops-presentation.aspx>

#### Findings reports and WPD response and action plan

<http://www.westernpower.co.uk/About-us/Stakeholder-information.aspx>

### Customer Panel

#### Presentations, minutes and actions

<http://www.westernpower.co.uk/About-us/Stakeholder-information/Customer-Panel.aspx>

## Pages 4-5: Long-term Priorities

### Distributed Generation Workshops

#### Presentation materials

<http://www.westernpower.co.uk/docs/About-us/Stakeholder-information/Connection-Customer-Engagement/Distributed-Generation-Stakeholder-Workshop/DG-Stakeholder-Workshop-November-2014.aspx>

#### Findings report

<http://www.westernpower.co.uk/docs/About-us/Stakeholder-information/Connection-Customer-Engagement/Distributed-Generation-Stakeholder-Workshop/Western-Power-Distribution-Distributed-Generation.aspx>

#### WPD response and action plan

<http://www.westernpower.co.uk/docs/About-us/Stakeholder-information/Connection-Customer-Engagement/Distributed-Generation-Stakeholder-Workshop/WPD-DG-Workshop-Nov-2014-response-Final.aspx>

### Community Energy Schemes

#### New community energy guides

<http://www.westernpower.co.uk/Connections/Generation/Community-Energy-Schemes.aspx>

### Connections Customers Steering Group (CCSG)

#### Latest workshop report and actions

<http://www.westernpower.co.uk/docs/About-us/Stakeholder-information/Connection-Customer-Engagement/October-2014-Workshop-report.aspx>

#### WPD connections improvement workplan (66 actions)

<http://www.westernpower.co.uk/docs/About-us/Stakeholder-information/Connection-Customer-Engagement/CCSG-workplan-2014-FINAL-30-04-2014.aspx>

#### Network mapping online guide

<http://www.westernpower.co.uk/docs/connections/New-connections/WPD-Asset-Data.aspx>

#### Social media channels

<https://twitter.com/wpduk>

<https://www.facebook.com/WPDUK>

#### Customer Awareness Campaign

<http://www.westernpower.co.uk/About-us/Stakeholder-information/Customer-Awareness-Campaign.aspx>

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### Small Businesses Workshops

#### Presentation materials and findings reports

<http://www.westernpower.co.uk/About-us/Stakeholder-information.aspx>

## Other

#### WPD Stakeholder Report

<http://www.westernpower.co.uk/docs/About-us/Stakeholder-information/Stakeholder-reports/2014/SH-Report-1314.aspx>





# 2014/15 Engagement in pictures













