

Consumer vulnerability - achieving positive outcomes

OFGEM STAKEHOLDER ENGAGEMENT & CONSUMER VULNERABILITY INCENTIVE
TRIAL ASSESSMENT 2015

1st October 2014 - 30th September 2015

**WESTERN POWER
DISTRIBUTION**

Serving the Midlands, South West and Wales

Contents

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

Ofgem's incentive scheme to assess the quality of stakeholder engagement undertaken by DNOs has expanded from 2015/16. The new Stakeholder Engagement and Consumer Vulnerability Incentive will include a specific evaluation of DNOs actions to address consumer vulnerability. Ahead of its formal implementation, and submissions from DNOs in mid-2016, Ofgem are trialling the new assessment process for consumer vulnerability.

The following submission is part of this trial. It provides evidence of how WPD is addressing consumer vulnerability and the positive outcomes being achieved for customers. It covers the 12 month period, 1st October 2014 - 30th September 2015 and is structured as follows:

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Our core strategy

WPD's approach to consumer vulnerability has historically focused on 'vulnerability to a power cut'. Building on this foundation, we are seeking to continually innovate and improve. We will do so by first developing a deeper understanding of vulnerability, and then taking effective actions that achieve long-term benefits for our customers.

Following extensive stakeholder engagement, in 2013 we redefined our approach and developed a consumer vulnerability strategy. We now 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'. WPD is committed to using our position as a regionally-based DNO to identify key social issues we may not directly cause, but are uniquely placed to address.

At the same time, our stakeholders were clear that the Priority Service Register (PSR) must remain the cornerstone of our consumer vulnerability programme. The expanded range of services we now provide, in recognition of the broad and multi-dimensional nature of vulnerability, must retain clear links to our primary objective to support customers for whom a power cut is particularly difficult or distressing.

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. This helps us to overcome areas where we lack the core expertise or where customers have low awareness levels of WPD. Alongside brand new schemes, developing links to existing services can sometimes be the most efficient way of achieving positive outcomes for customers.

Our strategy in brief

WPD Priority Service Register (PSR)

- Relevant and up-to-date eligibility criteria
- A clear range of services offered
- Variety of methods used to identify eligible customers and promote the PSR

This core focus on PSR drives the remainder of our strategy, which has four objectives:

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

Partnership working

Developments to our approach in 2014/15

We continue to regularly engage with stakeholders. While the first three objectives in our strategy are built on our longstanding approach to vulnerability, the fourth - fuel poverty - is a new area for WPD. Over the last 12 months we have therefore worked with stakeholders to define what 'addressing fuel poverty' means for WPD and other energy networks. At the same time we have learnt from the success of a number of pilot initiatives in 2013/14. Reflecting our growing understanding of this area we have therefore developed a more detailed approach.

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** & existing fuel poverty schemes
- Target projects to areas with the **highest rates of fuel poverty**
- **Tackle the root-causes** of fuel poverty
- **Ensure end-to-end ownership** and defined outcomes for referrals
- Pilot projects before upscaling to **business as usual**

Senior management commitment

Having a clear consumer vulnerability strategy has enabled us to better define WPD's role and the objectives we are seeking to achieve. As a result, in 2014/15 we significantly expanded our programme - including an **additional £1m spend** funded by WPD's owners.

Annual strategy review Our strategy is updated annually and reviewed by WPD's CEO and Directors. This includes approving an action plan containing outputs, owners, delivery dates and costs, and signing off the resources to deliver this.

Robust project management The programme is managed by WPD's Stakeholder Engagement (SE) Manager, who co-ordinates all activities and reports performance monthly to the CEO and WPD's owners, PPL, to ensure it is in-line with projections.

Detailed management reporting All external partners provide monthly project reports so WPD's SE Manager can review delivery, trends and address any issues through close project management. Performance information is included in a KPI report sent to the CEO, Directors and senior managers.

To ensure our strategy is effective and robust it undergoes an external review each year. In 2015 as part of our accreditation to the Customer Service Excellence Standard, WPD achieved 'Compliance Plus' for our social obligations strategy. The British Standards Institute concluded during their audit of WPD's compliance with their Inclusivity Standard:



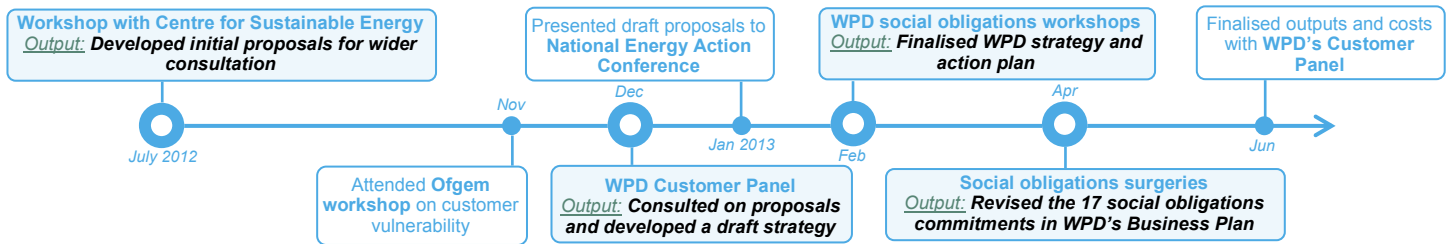
This is a forward-looking organisation which is constantly striving to improve the consumer experience through regular consultation with stakeholders and responding quickly to any opportunity.



Building our programme with stakeholders

How our strategy and programme was initially developed

From the outset, stakeholders helped to build our consumer vulnerability strategy and the 17 'social obligations' commitments in WPD's Business Plan.



Ongoing consultation with stakeholders

Due to the influence of our Customer Panel, we voluntarily commenced delivery of our Business Plan commitments 18 months early. Now our programme is up and running, to ensure we continue to adapt and improve, especially as projects are embedded as business as usual, we consult with stakeholders regularly. For example:

Customer Panel - Quarterly

Established in 2008, WPD's Customer Panel is a group of 33 permanent members who shape our plans for the future and review our performance. **WPD's CEO attends every session and 'social obligations' is a permanent topic at every meeting.**

Membership evolves to reflect our customers' priorities. Interests 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 and Energy Saving Trust.

Recent output: Led us to expand WPD's dedicated PSR data cleanse team



Stakeholder workshops - Annually

In 2015 we hosted 6 events, with a broad range of 232 stakeholders, including vulnerable customers and representatives, voluntary agencies, domestic local authorities, parish councils, DNOs and suppliers. The workshops aimed to:

- Identify WPD's long-term strategic priorities - including 'Vulnerability' and 'Affordability' - and identify actions we can take today (see right)
- Seek specific feedback on WPD's social obligations programme and timescales/priorities to deliver key actions.

Recent output: Led us to expand WPD's fuel poverty referral schemes (2 new projects)

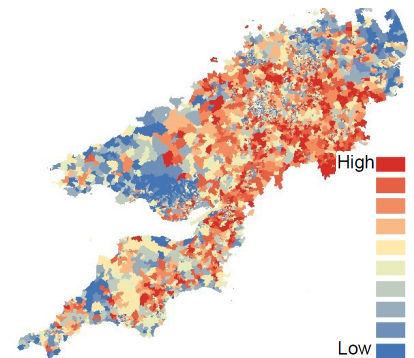


Actions	Votes
Network solutions to fuel poverty	174
Practical support to improve vulnerable customer resilience	128
Fuel poverty referral schemes	127
Improve data on the PSR	119
Establish an 'affordable warm' innovation scheme	76
Establish a "hardship" fund	16

Recognising the importance of data

Quality data is critical to the implementation of our consumer vulnerability strategy. Page 5 details the steps we are taking to acquire and maintain accurate data on individual customers. But at a strategic level, data is a vital tool to inform the various projects outlined in this submission - ensuring they address several different aspects of vulnerability and consider any geographic variances.

Working with the Centre for Sustainable Energy (CSE) we have developed detailed social indicator maps that identify areas with the highest concentrations of vulnerable people, using multiple definitions. The 'Who's On Our Wires?' project combined network data with government statistics, to identify customers potentially eligible for the PSR (shown right) and separately, those to target for affordable warmth programmes aimed at alleviating fuel poverty (e.g. ECO Affordable Warmth). We now use this data to identify the target areas for outreach projects, such as those shown on pages 6 and 7.



Effectiveness measured by outputs

Our key driver is to ensure our social obligations programme leads to measurable, positive results. In 2014/15 it led to:

The remainder of this submission details these key achievements, how they have been shaped by stakeholder feedback, and demonstrates how each project links to our four-pronged strategy. **Therefore the submission structure follows the feedback (in stakeholders' order of priority) that our initiatives were developed to address:**

Stakeholders said...

Customer Panel	1. Improve the data held on the PSR and expand the dedicated PSR Contact Centre team.	Pg 5
Workshops	2. Ensure projects cover all WPD regions and deliver a range of solutions to the causes of fuel poverty.	Pg 6
Independent audit and workshops	3. Build a database of regional agencies who can assist customers	Pg 7
Surgeries and surveys	4. Contact vulnerable customers (prioritising the medically dependent) within three hours of a power cut	Pg 8
Workshops	5. Use trusted channels to target hard-to-reach customers, and gain informed consent to directly join the PSR	Pg 8

16
substantial outputs

Stakeholders said...



Workshops	Develop an understanding of the wide range of issues impacting the vulnerability of customers (in addition to power cut resilience)
Ofgem	Undergo independent evaluation to review our understanding of vulnerability, ensure services are effective and identify improvements

We did...



British Standard for Inclusive Service Provision (BS 18477)

WPD's objective... To gain a comprehensive understanding of vulnerability and the role for DNOs in tackling these social issues, and test the effectiveness of our actions so far.

In 2014 WPD was the first company in the UK to be externally assessed by the British Standards Institute (BSI) against their vulnerable customer standard. In 2015 we achieved full compliance for a second consecutive year.

BS 18477 recognises the complex nature and multi-faceted aspects of vulnerability. It specifically describes vulnerability not just in terms of consumer groups – e.g. the elderly, the deaf, disabled people – but also in terms of risk factors and social issues that might cause vulnerability, such as illness, the loss of a job, or a recent bereavement.

The standard sets out the requirements for organisations to effectively identify and respond to consumer vulnerability in these terms. Assessed via a two day external audit, there are **36 elements** that set out best practice in relation to:

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



Staff from WPD's new PSR team after the successful BSI audit

Aspects reviewed during the audit included WPD's: Contact Centre activities, consumer vulnerability strategy and action plan, Customer Panel and stakeholder workshop outcomes, annual vulnerable customer research, customer-facing leaflets and monthly KPI reporting to the WPD Board.

Outputs it led to

We achieved full compliance with all 36 assessed elements. This has improved our understanding of vulnerability and our flexibility to adapt to differences in vulnerability, and ensured new projects effectively address customer needs. In 2015 it led to:

- ✓ **Standardised training quality checks** at our Contact Centres.
- ✓ **Extended 'BrowseAloud' to every WPD web page**, to provide better access to information for blind and partially sighted customers. It's had 2,372 hits since it was introduced in 2014.
- ✓ **58 Contact Centre staff empathy trained by a learning disability theatre company called 'Hijinx' and Age UK**, to better understand vulnerable customer needs.

The verdict

BSI's 2015 case study report highlights the long-term, embedded nature of WPD's initiatives. It states:

"Working in partnership with BSI, WPD has successfully demonstrated its continuing commitment to understanding and meeting the needs of vulnerable consumers for a second year. The challenge for any organisation in realising the benefits when implementing a new initiative lies in ensuring the sustainability of the initiative and embedding the gathered knowledge and practices into normal day-to-day practices."

WPD have been pioneers in developing practices and processes to support vulnerable consumers. It has been a pleasure for BSI to

work with WPD over a two year period and witness their headway and progress. The key to success is the embedding of the practices in to the everyday behaviours of the organisation's people and we've seen WPD do this remarkably well. Ownership for identifying and addressing needs is being taken at all levels.

In addition WPD has been keen to share its experiences with other similar organisations, enabling the benefits of their work to be felt by consumers beyond their reach."

Sharing best practice with the wider industry

✓ To help others implement the standard, we hosted an event attended by every DNO, GDN and transmission company. We arranged a presentation from BSI, before WPD shared the:

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



Stakeholders have been clear - WPD's primary focus must always be to address consumer vulnerability during a power cut. Our PSR contains 1.17m records and purposefully focuses only on factors that impact a customer's resilience to power cuts. This then underpins our wider consumer vulnerability strategy. The steps we are taking to identify eligible customers and maintain accurate data, are central to our efforts to address a broader range of social issues and offer services beyond our regulatory requirements, such as addressing fuel poverty (see page 6).

Categorising vulnerable customers

WPD broadly considers a customer to be 'vulnerable' if they have:

- **A medical dependency on electricity** – e.g. kidney dialysis
- **Specific communication needs** – e.g. blind, partially sighted or deaf
- **Wider vulnerabilities** – e.g. age, disability, critical equipment (e.g. stair lift)
- **A temporary/transient vulnerability**

To ensure data is consistent, all Suppliers and Distribution Network Operators (DNO) use a list of 21 standard vulnerability categories.

Publicising the PSR

WPD take various steps to promote the PSR to eligible customers. E.g:

'Power For Life': WPD's annual newsletter to all 7.8m customers promotes the PSR and how to register and in 2015 included information on transient vulnerability.

Free-post form – WPD offer a leaflet with a tear-away registration form, distributed via various community events and outreach partners.

Customer contact during power cuts: We handle over 1 million calls a year and staff are trained to identify vulnerability by spotting risk factors.

Website and Social Media: Campaigns, particularly in poor weather.

Informed consent via partner agencies - WPD work with a range of organisations (e.g. British Red Cross, Age Cymru/UK, Citizens Advice and Energy Saving Trust) to promote the PSR via relevant front-line services. Where possible, we ask partners to gain informed consent to directly sign-up customers, recognising that 'sign-posted' customers do not always follow through on the advice given.

✓ In the last 12 months, we've added **163,180 customers** to our PSR

Services offered

Business as usual (non-power cuts)

- **New customers written to with resilience advice.**
- **Dedicated PSR telephone number:** To enable customers to get straight through to a WPD call handler during a power cut.
- **Password security scheme:** In case we need to visit the customer.
- **Information in a range of accessible formats:** E.g: Text Relay, Minicom, text SMS, Braille, Large print and audio formats.
- **Contact every two years to update their details (see page 5)**
- **Wider energy and fuel poverty advice services (see page 6)**
- **Crisis packs:** Available directly from WPD or via a range of resilience partners, such as the British Red Cross.

Planned power cuts

- **Phone call to known PSR customers affected:** to discuss their needs.
- **Written notification:** Inviting vulnerable customers to call us. We then:
 - Offer a site visit to discuss the power cut and their requirements.
 - Consider providing a generator if the customer cannot cope.

Example initiatives in 2015:

Registering transient vulnerabilities

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

Next steps: We are leading an industry change to introduce a "temporary" category for all dataflows between DNOs and Suppliers.

Common PSR codes for the industry

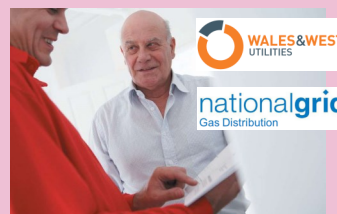
WPD are working with DNOs, Suppliers, Ofgem, charities and consumer bodies, to agree a new, common set of PSR needs codes. WPD is playing a key role, having written and submitted an industry change proposal to implement the new codes from June 2016. It will also make two-way data-flows automatic so DNOs can send data to, as well as receive it from, Suppliers.

✓ This change ensures companies are addressing common factors causing vulnerability in relation to energy, working to the same definitions, and offering consistent services across the industry.

Gas networks (GDN) - informed consent trials

We have joined forces with National Grid Gas (NGG) and Wales and West Utilities (WWU), who share our geographic foot-print, to trial promoting the PSR and sharing data direct with WPD.

Initially in Cardiff and Gloucester, their engineers gained consent from eligible customers during field works, trialling methods including free-post leaflets, an Ipad app, website form and weekly dashshares.



347
registered
in 4 month
trial

WPD then wrote to every customer with advice and a direct dial number to use during power cuts.

Next steps: Expand the scheme across our entire shared regions.

Unplanned power cuts

- **Proactive contact with all medically dependent customers within three hours:** of an unplanned power cut (between 9am-8pm)
- **Proactive contact with all known PSR customers:** during prolonged outages and major incidents (e.g. severe weather)
- **British Red Cross (BRC) emergency response service:** Provision of warm meals, drinks, crisis packs, and general welfare checks.
- **Caterers in severe weather:** Arrangements with the NCASS (Nationwide Caterers Association) to call on caterers 24/7 to provide hot food and drinks in prolonged power cuts.
- **Generators:** where possible, to restore power within 12 hours.
- **Support to oxygen concentrator patients:** Arrangements in place with Oxygen providers to deliver specialised advice and support.
- **Notification of vulnerable customers to Category 1 responders:** during emergencies and severe weather, to enable co-ordinated assistance from relevant services.



Strategy in action - Key initiatives

Our strategy in action



Improving the accuracy of data on the PSR

Leading to



Addressing fuel poverty

Stakeholders said...



Customer Panel	1. Improve the data held on the PSR and expand the dedicated PSR Contact Centre team.
Workshops	2. Ensure projects cover all WPD regions and deliver a range of solutions to the causes of fuel poverty.

We did...



1. Dedicated team updating the Priority Service Register (PSR)

WPD's objective... Expand from an initial trial towards an ultimate goal of 500,000 contacts a year, update at least 40% of records, and achieve satisfaction at least in line with overall WPD customer satisfaction (c.8.75/10)

Accurate details about vulnerable customers enable us to provide proactive information and targeted support during power cuts. We currently have over one million customers registered on the PSR, with some poor information quality due to historic data collection. As a result, we have devised a data improvement strategy and taken significant steps to put this into action.

In 2013 we established a dedicated team to proactively contact PSR customers. There are four core objectives, to:

- Update the customer's record
- Remind them about WPD and how to contact us in
- Offer resilience advice
- Offer to refer them for practical fuel poverty support

The process was designed with the help of our Customer Panel and has no scripts or time quotas. We attempt to make contact by telephone on three separate occasions before an easy-read letter and freepost form is sent.

In 2014, ongoing review with stakeholders led us to introduce supplementary data cleansing via routine daily calls to PSR customers during power cuts. And in 2015, following positive stakeholder feedback at our workshops, we significantly increased the number of call handlers, all of whom have received specialist empathy skills training.

The quality, rather than quantity, of calls is vital. We carry out annual, independent satisfaction research to measure the effectiveness of our engagement and identify improvements. The findings show that customers highly value the service:

Jan 2014 - September 2015:

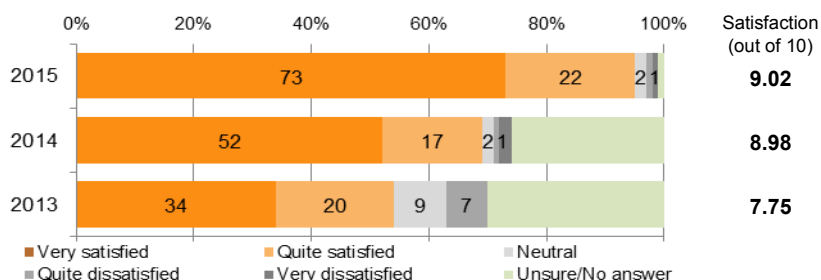
25 CALL HANDLERS
(Increased from 10)

464k CUSTOMERS CONTACTED

52% OF CONTACTED RECORDS UPDATED

In detail:

- ✓ **320,027 PSR customer contacted** by project team (of 25)
- ✓ **143,801 additional records updated** via customer contact during power cuts
- ✓ **69,898 customers had incorrect contact details** to begin with
- ✓ **207,426 letters and freepost response forms sent**, 20.4% response rate



The benefits of improved data for customers

Operationally:

Significantly improving the data we hold about customers has enabled us, in the 12 months (Oct 2014-Sept 2015) to:

- ✓ **Make 125,908 proactive phone calls** to vulnerable customers during power cuts
- ✓ **Provide targeted welfare support to 226 PSR customers** via British Red Cross.

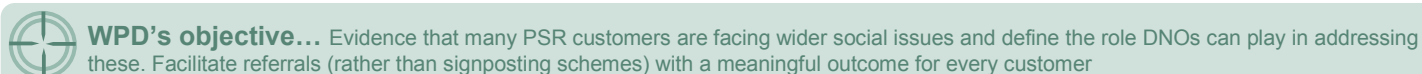
An enduring approach to safeguard the quality of data over time:

We have made system changes to flag customers for re-contact every 2 years, which will be a continuous process, including newly added customers.

Inform our strategy for fuel poverty and area-wide affordable warmth solutions

Quality data, including gaining informed customer consent for onward referrals, has enabled us to target specific partner organisations to offer value-adding services that tackle wider social issues impacting consumer vulnerability in our regions. For example:

2. '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 there is a correlation for some customers. We have therefore developed an innovative partnership to provide support to PSR customers on low incomes or struggling to afford their energy. Linking our projects, we started our PSR data cleanse in areas identified as fuel poor hotspots.

Every cleanse call 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. The pilot scheme delivered:

694
FUEL POOR REFERRALS

£33k
TOTAL ANNUAL SAVINGS

3 new
SCHEMES BASED
ON THIS PILOT

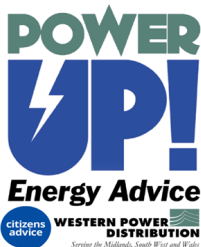
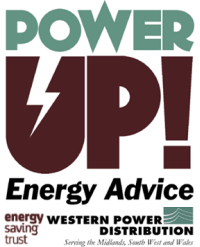
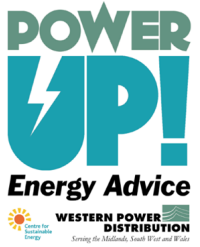


2.1 Replicating our fuel poverty referral model

Strategically, our pilot scheme aimed to develop a scalable model for all regions. Having done so, **we have subsequently created three 'Power Up' fuel poverty referral schemes** – working with Citizens Advice, Energy Saving Trust (EST) and the Centre for Sustainable Energy (CSE).

The schemes are delivering excellent benefits for customers and every referral achieves a recorded, measurable outcome.

In the first 9 months we have delivered: **3,997** FUEL POOR REFERRALS; **£575k** TOTAL ANNUAL SAVINGS.

		
746 referrals	1,580 referrals	1,671 referrals
57% had an in-depth assessment (27% re: tariffs; 15% re: income maximisation)	90% had an in-depth assessment (49% re: behaviour change; 19% re: income maximisation)	56% had an in-depth assessment (35% re: tariffs; 23% re: energy efficiency)
37% had a measurable financial benefit	88% had a measurable financial benefit	33% had a measurable financial benefit
Saving £158k a year	Saving £286k a year	Saving £131k a year
Av. referral cost = £115 Av. referral saving = £211	Av. referral cost = £56 Av. referral saving = £181	Av. referral cost = £45 Av. referral saving = £78

Example case studies:

<p>£2,768 saved a year</p> <p>Elderly customer living with disabled partner. Difficulty coping with energy bills. Recently switched to a cheaper tariff but still paying £155 per month.</p> <p>CAB benefit check found they qualified for 'Carers Addition' Pension Credit and Council Tax Rebate. Client helped to make successful applications.</p>	<p>£431 saved a year</p> <p>Home visit. Client's Disability Living Allowance had recently ended. They were not aware of their eligibility for Warm Home Discount. EST also did a tariff comparison on their behalf to aid them to switch and advised of energy saving benefits through turning appliances off standby, and energy saving bulbs.</p>	<p>£2,758 per year saved</p> <p>Client recently had a serious back operation which restricts their mobility. CSE assisted successful Attendance Allowance application.</p> <p>A tariff comparison check also showed a potential saving on their energy bills of £80 per year.</p>
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Strategy in action - Key initiatives

Our strategy in action



Addressing fuel poverty

Leading
to



Improving our understanding of
vulnerability

Stakeholders said...



Independent audit and workshops

3. Build a database of regional agencies who can assist customers

We did...



3. A new partnership strategy (to deliver a wider range of solutions)

WPD's objective... Define outcomes for successful projects. Ensure projects have the expertise to deliver the range of support required to address the various social issues facing customers. In doing so, develop a sustainable operating model for projects.

Since our pilot, feedback from stakeholders led us to make three key refinements before rolling out our three new schemes. Every future project must:

1. Deliver five key interventions

The solutions delivered by CAB were initially weighted towards benefit checks and tariff switches. We have since worked with a range of experts, including consulting a Carbon Action Network, to define the wider range of solutions to fuel poverty WPD can facilitate. We now ensure every project is capable of delivering action on:

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. Operate cost effectively

Projects are fully funded by WPD. Annual referral targets are in place to ensure a cost per referral of less than £120, against which WPD can demonstrate the cost benefit of the outputs achieved.

3. Follow the same "hub" delivery model

Delivering solutions that address the many factors impacting vulnerability requires a wide network of agencies covering different expertise. Support must be 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.

We are working with lead organisations with different expertise (e.g. CAB – affordability; EST – energy efficiency) to test the impact on outputs.

Partners currently involved in WPD's 'Power Up' projects include:

Warm Zones, Age UK, Shelter, Fire Service,	Care & Repair, Charitable Trusts, Talking Money, Money Advice Service,	Health Through Warmth, Local Authorities (Social services, energy efficiency schemes, Disabled Facilities Grants)
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3.1 'Horizon Scan' to identify and support existing schemes

As well as creating new projects to handle referrals from WPD, there are opportunities to team up with existing fuel poverty schemes working with hard-to-reach customers, not known to WPD's PSR. We therefore commissioned an innovative 'horizon scan' of the fuel poverty landscape in our region.

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

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

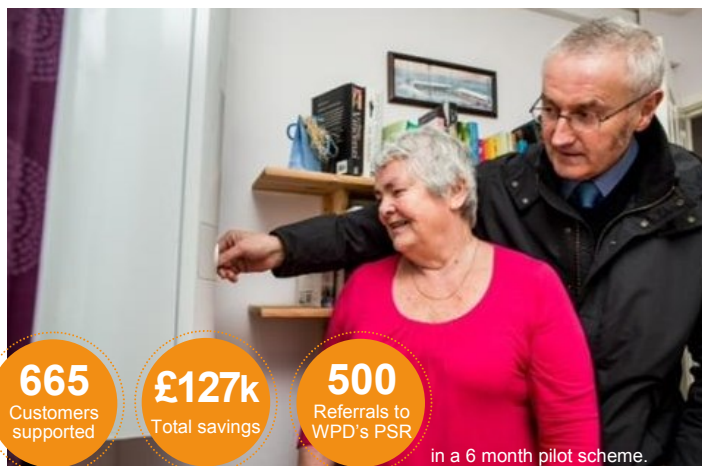
As a next step, we will use the data in two ways. To:

1) Expand the scope of WPD's Power Up schemes:

So they involve a wider group of sub-partners who can provide a greater range of fuel poverty solutions to customers referred by WPD, as well as refer hard-to-reach customers to WPD for inclusion on the PSR.

2) Develop 'affordable warmth' partnerships with existing schemes

In 2014/15 we tested the viability of delivering services via a consortium of schemes already working in fuel poor hotspot areas. In the West Midlands, we brought together Warm Zones, Beat the Cold and Marches Energy Agency, as an 'Affordable Warmth Collaboration' ►



665

Customers
supported

£127k

Total savings

500

Referrals to
WPD's PSR

in a 6 month pilot scheme.

Strategy in action - Key initiatives

Our strategy in action



Improving our understanding of vulnerability



Improving services for vulnerable customers in power cuts

Stakeholders said...



Surgeries and surveys	4. Contact vulnerable customers (prioritising the medically dependent) within three hours of a power cut
Workshops	5. Use trusted channels to target hard-to-reach customers, and gain informed consent to directly join the PSR

We did...



4. Proactive, tailored contact to vulnerable customers

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 number for every new PSR record. This is vital to enable WPD to proactively contact customers and provide tailored support during a power cut based on their specific, up-to-date needs. In addition, we continuously improve and maintain the quality of our data, promote new additions to the PSR and have agreed common industry vulnerability definitions.

Ahead of incidents: We provide PSR customers with a dedicated telephone number to enable them to get straight through to a specially trained call handler during a power cut (by-passing any queues at busy times).

During incidents: To fulfil our commitment to contact vulnerable customers within 3 hours of a power cut, we have invested significantly to proactively contact all customers - with first prioritisation given to those on the PSR. This makes life easier by taking the effort away from customers. We ring when power is affected, if the restoration time changes and when supplies are restored. **We phone every affected PSR customer to check they are ok and offer additional support based on their specific needs.**

We have also developed a bespoke system that sends a text message to customers affected by a power cut on the high voltage network. We have shared our work with industry stakeholders, the fire service and hosted best practice visits from other DNOs.

In the last 12 months we provided:

337,641 PROACTIVE CALLS

125,908 CALLS TO PSR CUSTOMERS

1.3m PROACTIVE TEXT MESSAGES



I received an apology and restoration time for via a text message. Power was restored before the initial estimation and a further text message sent too. If only other utilities could offer this excellent service.
WPD customer

5. Welfare support agreements

We have a number of agreements in place to address the specific needs of customers requiring face-to-face support during an incident. Working with the British Red Cross (BRC), RVS, oxygen providers, and Nationwide Caterers Association, for example, the range of services available include:

Providing replacement oxygen concentrators, warm drinks and meals, practical and emotional support, information updates on WPD's behalf (e.g. via door-knocking), distributing crisis packs and establishing community focal points for concerns/information.

☑ In the last 12 months the British Red Cross supported 226 WPD customers during outages

5.1 PSR consent via trusted partners

In 2014 we expanded our agreement with BRC to sign-post the PSR via their outreach services. Whilst this increased customer resilience, PSR sign-ups were low. We have since trialled a new approach to target the hard-to-reach more effectively, utilising the opportunity for trusted partners to gain informed consent from customers to directly add them to the PSR.

☑ We purchased a BRC 'medical equipment loan service' vehicle for South Wales. Via their services they will gain informed consent to sign-up 2,250 customers to WPD's PSR in the next three years. We are now working with BRC to expand this to other areas.



A snapshot of additional initiatives

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

☑ 4,000 leaflets were distributed to deaf associations in our regions.

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

☑ We sent a PSR promotion poster, and after the many responses, 3,000 registration leaflets.

In a £110k investment, we sent a community resilience plan and demonstration emergency pack to 2,235 Parish Councils containing useful items households should have in case of a power cut.

☑ We've formed agreements with Local Resilience Forums to share PSR data during emergencies.



Value for money

It is vital that the resources we invest to deliver our consumer vulnerability programme are appropriate and achieve 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. We then continue to monitor this once projects are underway.

We aim for every project to demonstrate six key factors:

1. Long-term customer benefit	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 uniquely placed 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 check that our actions are cost beneficial.
6. Are transparent	We publish everything and all our projects are externally audited/accredited every year.

In the last 12 months, our stakeholder engagement in relation to consumer vulnerability has resulted in **16 outputs**, which have led to multiple positive benefits for customers. For a full list of these outputs see Appendix 1. For the purposes of a cost benefit analysis, listed below are all of those outputs that incurred a defined cost (over and above staff time) to deliver:

Key outcomes/activities as a result of engagement	Investment	Outcomes achieved / benefits to customers			Total saved	Cost benefit
		Cust. satisfaction	Service impact	Qualitative benefit		
● Expanded PSR data cleanse team to improve customer data (enabling significant increases in proactive calls to customers)	£334k (4.5p per customer)	463,828 contacted since project began (324,440 in last 12 months) Average satisfaction of 9.02/10.	52% records updated Leading to targeted fuel poverty support	More proactive information and targeted welfare support during emergencies	£853k	+£142k
● Specialist empathy training from innovative Hijinx theatre company	£4k	✓ £118k Due to increase in customer satisfaction with interruptions service (Ofgem Broad Measure)	✓ see 'Power Up' project savings below			
● Vulnerable customer survey to identify improvements to the project	£9k					
● 'Power Up' fuel poverty pilot scheme 2014 (Citizens Advice Bureau)	£56k (0.5p per customer)	694 referrals handled	✓ £33k Total savings for customers	Lifting customers out of fuel poverty		
● 3 new, expanded 'Power Up' schemes 2015 (Citizens Advice Bureau, Energy Saving Trust, Centre)	£249k (3p per customer)	3,997 referrals. Average satisfaction of 8.81/10.	✓ £575k Total savings for customers			
● Affordable Warmth fuel poverty outreach project in West Midlands	£47k (0.5p per customer)	558 referrals handled	✓ £127k Total savings for customers			
● Leicester University Professor PSR review for industry (DNO, GDN & supplier)	£12k (0.5p per customer)		6 recommendations for the wider industry	Improved and more consistent service for all vulnerable customers in UK		

Measuring the impact of initiatives

Where we have introduced new processes, we conduct bespoke research to measure the benefits. For example:

E.g. 'Power Up' referral schemes to tackle fuel poverty

As detailed on page 6, we have created partnerships to take referrals from WPD and provide practical support to customers in fuel poverty. Every referral leads to an outcome. While the project reports reveal the schemes are having a very positive impact, we commissioned follow-up surveys with customers themselves. The key findings revealed:

- ✓ **8.81 out of 10 overall satisfaction with the Power Up schemes**
 - 88% said the referral could not have been improved
- ✓ **64% were contacted in 1 week or less after WPD's referral**
- ✓ **One third took direct action following the advice received**

- ✓ **Actions have led to significant savings – lifting people out of fuel poverty**
 - 64% say they are financially better off, the majority >£100 a year
- ✓ **The five interventions (types of support) WPD have ensured every project must deliver, are working:**
 - 34% said the advice received was in relation to 'energy efficiency measures' and/or 'heating solutions'
 - 32% 'behavioural changes'
 - 30% 'energy tariffs'
 - 16% 'income maximisation'

(note: some customers receive multiple types of support)

A platform of success

In the last two years we have made significant progress in delivering our consumer vulnerability programme. 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 that has been externally assessed and endorsed.
- ✓ Implemented a range of new initiatives and partnerships to improve customer resilience, the quality of our data and to address fuel poverty.
- ✓ Developed methods to measure success and value for money to demonstrate all projects achieve measurable benefits.

Clear strategic objectives for 2016

To ensure we continue to build on this and improve, in September 2015 WPD's Chief Executive and Directors approved our latest consumer vulnerability strategy for 2016. It contained **36 actions** (with owners, costs and targets for success), grouped under the following strategic objectives:

1. **Expand and scale-up successful pilot fuel poverty schemes towards 'business as usual'.** With particular attention to:
 - ⇒ *Improve reporting and the consistency of services provided, by including targets for initiatives as well as outcomes.*
 - ⇒ *Reflect on how external factors may be limiting what WPD can achieve through its own actions.*
2. **Consider how to use and share PSR data to identify vulnerable customers of relevance to other agencies.**
3. **Establish area-wide affordable warmth services,** to include customers not already known to WPD (identified by partners and referred to the PSR).
4. **Liase with the wider industry to improve PSR processes (e.g. data sharing) and to collaborate on shared regulatory requirements** to tackle affordable warmth issues (including off-gas households).
5. **Develop initiatives to engage relevant front-line agencies working with vulnerable people eligible for the PSR,** and develop processes for them to get informed consent to directly sign up customers.
6. **Roll-out training for front-line WPD staff to widen the organisation's understanding of vulnerability** and the support WPD can provide.

A few examples

OBJECTIVE 1: Embed fuel poverty schemes as business as usual

Before renewing our existing 'Power Up' fuel poverty schemes for 2016, we recently hosted a best practice workshops for all partners, to discuss:

- **More consistency** in the types of support provided and outcomes reported
- **Best practice processes** for customer contact
- **Opportunities to expand the scope of projects** to incorporate more existing community-based schemes (revealed by WPD's 'horizon scan' research). This will widen the range of services available and target hard-to-reach customers identified by partners, who are not already known to WPD.

These are vital steps before we agree business-as-usual partnerships. In 2016 we will also:

- **Introduce monthly satisfaction surveys** to aid quality monitoring and review outcomes from the customer's perspective
- **Create a 4th scheme,** for East Midlands (ensuring coverage in all WPD regions).

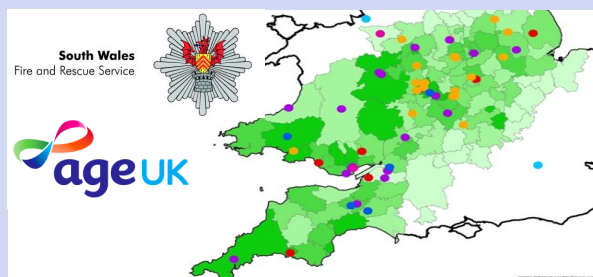


OBJECTIVE 5: Develop PSR referral networks

Building on our current partnerships to promote the PSR, we have held preliminary discussions with partners who have coverage across our regions, including the Fire Service, Age UK and British Red Cross. **We are identifying relevant and trusted front-line services that can be used to identify eligible PSR customers,** such as home fire safety checks, befriending schemes and hospital discharge services.

By articulating the shared benefits for both parties, we will form agreements where partners gain informed consent to directly sign-up customers to WPD's PSR.

We are now working to map the range of relevant services across our regions.



OBJECTIVE 6: Embed consumer vulnerability in our wider business culture

In 2016 we will further **train WPD's field staff to recognise customers in vulnerable circumstances** and give them the tools to add customers to the PSR, or refer them into WPD's fuel poverty schemes.

We have already had some success in embedding existing pilots in the wider business. WPD's PSR data cleanse project has grown from a ring-fenced team of 10 to being fully integrated throughout all calls to vulnerable customers during power cuts.

We will now focus on giving our operational engineering staff the skills and tools to utilise the opportunities brought about by their daily interactions with the general public. A trial is already underway in our Birmingham depot to use field staff to distribute WPD's crisis packs to vulnerable customers during power cuts.



Appendix 1

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In the last 12 months stakeholder engagement led to **16** substantial outputs in relation to consumer vulnerability.

Our main submission outlines in greater detail some of flagship initiatives, but below is a summary of all the key outcomes we have achieved:

Engagement method	Cost	Action/Output as a result of engagement	Benefit
Customer Panel	£334k	1. PSR data cleanse team expanded to 25 Call Handlers - contacted 324,440 in last 12 motnhs	First DNO to start work on cleansing PSR 52.4% records updated
Workshops	£56k	2. Pilot 'Power Up' fuel poverty scheme - 694 referrals	£33k saved by those supported. Long-term solutions to fuel poverty
Workshops	£273k	3. 3 new, expanded 'Power Up' schemes - 3,997 referrals	£575k saved by those supported
Partnership	£47k	4. Affordable Warmth project, West Mids - 665 referrals	£127k saved. 500 hard-to-reach customers added to PSR
Survey	£9k	5. 268 vulnerable customers surveyed	9.02/10 satisfaction with WPD's data cleanse call 8.81/10 satisfaction with fuel poverty referral 64% said advice would save them money
Bilateral mtg	£2.5k	6. Co-developed leaflet with Northern Powergrid for deaf customers - 4,000 leaflets sent	Advice and freepost joining leaflet targeted to customers via a trusted partner (Action on Hearing Loss)
Workshops	£3.6k	7. PSR poster sent to 2,570 GP surgeries	PSR promotion via trusted channels. 3,000 leaflets sent
Partnership	£25k	8. British Red Cross supported 226 customers	Welfare support during power cuts
Audit / accreditation	£4k	9. BSI vulnerability standard (BS18477) - full compliance	Ensuring all services are accessible to customers
Audit / accreditation	£5k	10. Hijinx Theatre Group training for 58 contact centre staff	Innovative empathy training. Tailored service for PSR customers
Partnership	-	11. BSI Standard best practice meeting held for wider industry	Every DNO, GDN and Transmission company supported to implement the standard
Bilateral mtg	-	12. Attended 12 industry vulnerability working groups	Collaboration to progress common codes, data sharing and best practice projects
Bilateral mtg	-	13. PSR data-share trial with Wales & West Utilities and National Grid	Vulnerable GDN customers referred to WPD's PSR
Audit / accreditation	-	14. System changes to register transient vulnerabilities	Targeted support for customers temporarily vulnerable
Research	-	15. Improved 'Browse Aloud' and translated webpages	2,372 hits. Better access to information for the Blind
Best practice	£12k	16. Expert review of PSR (Leicester University Professor) for industry (DNO, GDN & supplier)	6 recommendations for wider industry to benefit all UK customers

