Making a Difference
Part Three: Our consumer vulnerability story

Ofgem Electricity Distribution Stakeholder
Engagement and Consumer Vulnerability
Incentive Scheme 2019/20

SP ENERGY NETWORKS

bsi
Customer
Service
KITEMARK™

This is Part Three of our submission to Ofgem's Stakeholder Engagement Incentive for regulatory year 2019/2020.

Ofgem's annual Stakeholder and Consumer Vulnerability Incentive (SECV Incentive) encourages Distribution Network Operators (DNOs) to: 'engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service.'

Contents

Our submission is in three parts:

Part One
– Our strategy
Introduces our Stakeholder Engagement and Consumer Vulnerability Strategy, with evidence that we meet Ofgem's minimum requirements.

Part Two
– Stakeholder engagement outcomes and impacts
Details key outcomes we delivered through stakeholder engagement during this regulatory year and the impacts for our customers and stakeholders.
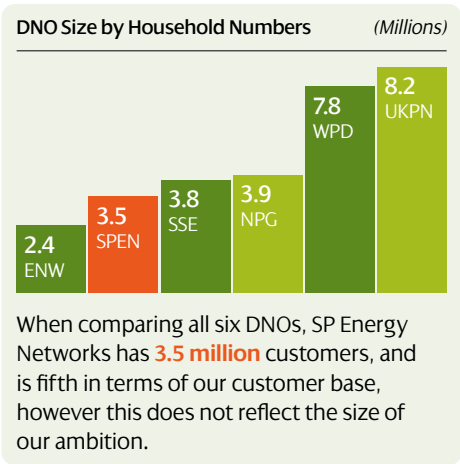
Part Three
– Supporting vulnerable customers
Details key activities we delivered to address consumer vulnerability issues and the outcomes achieved during this regulatory year.

About us

SP Energy Networks is the Distribution Network Operator that delivers electricity to homes and businesses in Central and Southern Scotland, Merseyside, Cheshire, North Wales and North Shropshire. We are the only network operator to work across three countries – Scotland, England, and Wales.

DNO Size by Household Numbers   *(Millions)*

When comparing all six DNOs, SP Energy Networks has **3.5 million** customers, and is fifth in terms of our customer base, however this does not reflect the size of our ambition.

Covid-19

The content of this document details our activities, which took place prior to the Coronavirus outbreak. Future commitments relating to project dates and timelines were correct at the time of writing. Any change to these will be made with direct involvement with our stakeholders based on the assumption dates may change to later in the year/early 2021.

In these unprecedented times and the challenges we are all facing with COVID-19, we are committed to our planned programme of engagement with all our stakeholders, adopting new and innovative solutions ensuring we continue to deliver benefits and value as stakeholder engagement remains central to everything we do.

Introduction from our CEO, Frank Mitchell

Serving our customers is why we exist. This simple but powerful statement has driven our transformation from an engineering business to one that puts the needs of our customers and stakeholders at its heart.

While we have been on this journey for many years, 2019 was a particularly important one for us. We became the best performing electricity network company in terms of customer service. In 2018/19 SPEN were the first company globally to be awarded the BSI Customer Service Kitemark and Vulnerability standard, and in 2019/20 have achieved re-accreditation of this.

We take great pride in these achievements yet remain fully committed to enhancing the way in which we tackle the needs of our vulnerable customers. In line with our ethos, we work relentlessly to maximise the value and impact we deliver society through each facet of our role – from customer service to engineering, our focus on vulnerability and societal issues is a whole business effort.

Years of experience and extensive engagement with our expert stakeholders have taught us that we play an important role in the lives of many of those who may find themselves in a situation of vulnerability. Over and above the impact of a power cut, there are countless external factors and personal circumstances that make 'vulnerability' a multi-dimensional issue and any two situations different.

The here and now provides a fitting illustration of the challenges that our vulnerable customers face. Against the backdrop of a fast-evolving energy landscape that reshapes the way our customer base experiences and interacts with their energy, a global pandemic has far-reaching social, economic and health implications that exacerbate circumstances of those who find themselves in a situation of vulnerability.

Our social role as an energy network company and the maturity of our business-wide approach to consumer vulnerability are now being tested to their limits. I am proud of the efforts we have made to enhance the value delivered to vulnerable customers, share our innovations with the wider industry, look further in the future to ensure that no customer gets left behind in the transition to Net Zero and to respond quickly to the daunting challenges faced by Covid-19. All this, while ensuring we deliver the most value for the most efficient costs to our customer base.

Our culture, strategy and embedded supporting processes mean we deliver exceptional value to our vulnerable customers and society at large. Informed by extensive data and tailored stakeholder engagement, we deliver services, directly or through our extensive partnerships, that make a lasting impact on those who need them the most, anywhere across our network. We will continue to build on our achievements and ensure our vulnerable customers benefit from support that is second to none in the UK and across the world.

Frank Mitchell
*Chief Executive Officer,
SP Energy Networks*

What we are most proud of 2019/20

Number **1 DNO** *for Customer Satisfaction*

Benchmarked 1st *against all UK service sectors in the ICS UK Customer Service Index*

A total economic value of over **£24 million** *to customers*

Delivered **£5.78** *value to customers for every* **£1 spent**

94.9% *average PSR satisfaction across all services*

Identified obstacles to customers accessing **Low Carbon technology**

99.9% *PSR customers experienced zero supply interruptions or were restored in 6 hours*

Over **1m** *households now on the PSR (31% of customer base)* – **over 150k added this year**

Utility Week Customer Care Award – **Winner**

"SPEN is currently the first and only utilities organisation globally to have achieved certification to both the BSI Customer Service Kitemark™ and the Inclusive Service Verification scheme.

By achieving these certifications through BSI's assessment programme, SPEN has demonstrated that the organisation provides customers with a service experience that consistently meets their expectations, that is fair and flexible, which can be used by all consumers equally, regardless of their health, age or personal circumstances.

Specifically, SPEN has proven that it commits to the principles of the Customer Service Kitemark and the Inclusive Service Verification scheme by demonstrating its strong culture, excellent knowledge from SPEN staff, as well as a commitment to continual improvement."

Natasha Bambridge, *BSI Programme Director*

Our focus over the past year

As the Director of Customer Service, I am accountable to our board and stakeholders for the delivery of our consumer vulnerability strategy. Over 2019/2020, we have continued on a growth journey started a number of years ago and enhanced every aspect of our delivery, from the identification of those in vulnerable situations to the services we delivered for them. In 2019/20 we have focused on three key areas:

1 **Delivering industry-leading value**
Last year, we pioneered the use of Social Return on Investment (SROI) to ensure that the services through which we address customer needs add the most value while minimising costs for our customer base. We have expanded this approach and are currently leading the industry in the development of an industry-wide approach to measuring social value.

2 **Ensuring no customer is left behind in the transition to Net Zero**
The transition towards a decentralised and decarbonised energy network has the potential to penalise many of those who are in situations of vulnerability. We have engaged extensively with expert stakeholders to identify blockers to the adoption of low-carbon technologies, and to co-develop remedies that will ensure no-one is left behind in the transition to Net Zero.

3 **Developing our Nexus of Partners strategy**
Our partners play a pivotal role in supporting our customers with bespoke support across our communities and beyond. The multidimensional needs of those in situations of vulnerability are ever-changing; this trend is only amplified by our role in the transition to a decarbonised and decentralised network. We strongly believe that our ability to deliver tailored support to customers wherever they are depends on a close knit network of tested partnerships which rely on our (and each others') data and resources.

In addition to the three areas above, which continue to build on our long-standing efforts in addressing vulnerability, our response to the Covid-19 outbreak has fast become a key area of focus. This pandemic endangers the lives and welfare of all customers but especially those in situations of vulnerability. We have responded quickly and decisively to support our customers through tailored services and have collaborated with other organisations and local governments to share both our data and our extensive vulnerability mapping tool, available to all partners. Our partnership working and front line role in the fight against Covid-19 is allowing us to support many organisations who are making a life saving difference to our customers. In this document we present the outcomes of our efforts to deliver the support that vulnerable customers require as well as the strategy, tools, processes and initiatives that allowed us to achieve them.

Guy Jefferson
Director of Customer Service

Vulnerability Strategy

Our vulnerability strategy provides a blueprint that guides our every effort in supporting anyone that finds themselves in a situation of vulnerability, today and in the future.

This strategy has been in place from 2015, has been independently reviewed, updated last year and built on this year and has evolved to reflect the challenges we faced and the lessons we learned. Critically, the existing strategy is the result of an extensive process of stakeholder engagement with vulnerable customers (and those who represent them), stakeholders, vulnerability experts, and our own staff, from the boardroom to the front line.

Our strategy consists of two elements:

A mission statement which provides our overarching objective in supporting our vulnerable customers; and

A set of action statements that describe the levers through which we will achieve our overarching mission statement.

This structure allows us to remain focused on our ultimate goal while retaining the flexibility required to meet the changing needs of our customers and responding to external challenges. This year, our strategy focused on delivering three high-level outcomes:

1. Delivering industry-leading value

2. Ensuring no customer is left behind in the transition to Net Zero

3. Building on our existing partnerships and developing our nexus of partner's strategy.

Mission Statement

↑ ↑ ↑ ↑ ↑

Action Statements

| Engage with vulnerable customers | Develop services | Establish partnerships | Gather, maintain and use data | Train staff |

Our mission statement

"SP Energy Networks aims to be a service leader in the UK. We will strive to minimise the impact we have on our communities and provide bespoke support to our customers in vulnerable situations. We will do so by offering the appropriate support to those who need it the most, while providing industry-leading value."

Our mission statement lays out our ultimate ambition. Everything we do in the sphere of consumer vulnerability and beyond is aimed at making this statement a reality. Over the past year we have become the leading network company for customer service and when we measure satisfaction across all of our vulnerable services our customers rate us 94.9% for satisfaction. This demonstrates everyone in SPEN is facing in the same direction to achieve our mission.

Our strategy is continually evolving

Our vulnerability strategy isn't set in stone; on the contrary, it evolves continually to shape our response to the challenges our customers face.

Our focus on ensuring that no customer is left behind in the transition to Net Zero has seen us study future vulnerability trends and engage with expert stakeholders to identify blockers to the adoption of low carbon technologies. These efforts, among others, have highlighted that the transition to a decarbonised and decentralised energy system will significantly increase the variety of customer needs we'll need to satisfy.

Our experience tells us we are not always best placed to deliver on the multi-dimensional needs of those in vulnerable situations, be it permanent or temporary. In preparation for these arising vulnerability trends, we have this year enhanced our approach to partnerships. The 'Nexus of Partnerships' strategy is presented in

In addition we have commissioned an independent piece of work to look at how customers household bills will be impacted by the transition to a low carbon future and the electrification of heat and transport. Also reviewing the current definitions of fuel poverty and how they may be impacted. These are two of the many ways in which our vulnerability strategy continues to evolve.

Our action statements

1. Engagement
We will engage customers in vulnerable situations directly and through our partners to identify the support that these customers want and need. We will embed tools and processes to ensure that all aspects of our strategy and approach are shaped by those we support.

2. Services
We will develop a portfolio of free services that effectively address the needs of customers affected by our work and alleviate the situations of vulnerability that stem from wider social issues. We will strive to ensure that services represent value for money and that all customers are aware and informed of the support available to them.
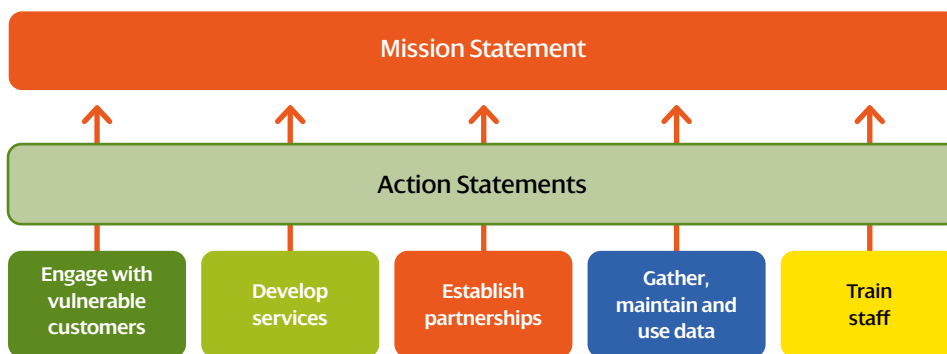
3. Partnerships
We will develop a network of partnerships to reach and deliver support to vulnerable customers in ways that maximise our impact, consistently across our networks. We will review our partnerships to ensure that they reflect the dynamics of the communities we serve and that they can support whenever we are not best placed to take action.

4. Data
We will strive to gather and maintain up to date and reliable data on our customers through a wide range of appropriate methods. Data will be a key asset in informing and constantly improving our strategy and practical approach to dealing with situations of vulnerability appropriately across our networks.

5. Training
We will provide training and support to our staff, contractors and service partners to ensure that they are well placed to identify situations of vulnerability and to apply the embedded tools and processes we have developed to support our customers. We will also understand the challenges faced by our staff and contractors and put processes in place to support these.

We deliver industry – leading value

Over the past year we have focused on providing our vulnerable customers industry-leading value. At SPEN we consider our social role as twofold.

On one hand, we have to identify those in situations of vulnerability, clearly understand their needs and deliver support that makes a lasting difference. On the other hand, we have to keep costs low for our customer base and our vulnerable customers in particular. In recognition of our role, we see industry-leading value as the best services for the least impact on our customer's pockets – it's our responsibility to make the most of what customers pay.

Last year we were the first energy network in the UK to develop a social value measurement methodology and consistently apply it to our portfolio of vulnerability initiatives. This allowed us to ensure that the benefit we delivered through each service offered greatly outweighed the costs. Not only did we apply this assessment retrospectively but through our vulnerability service strategy (implemented last year) we now also ensure we pick the services that deliver the greatest value per pound spent from the options available. This consistent approach to social value measurement allows us to ensure our customers are getting industry-leading value.
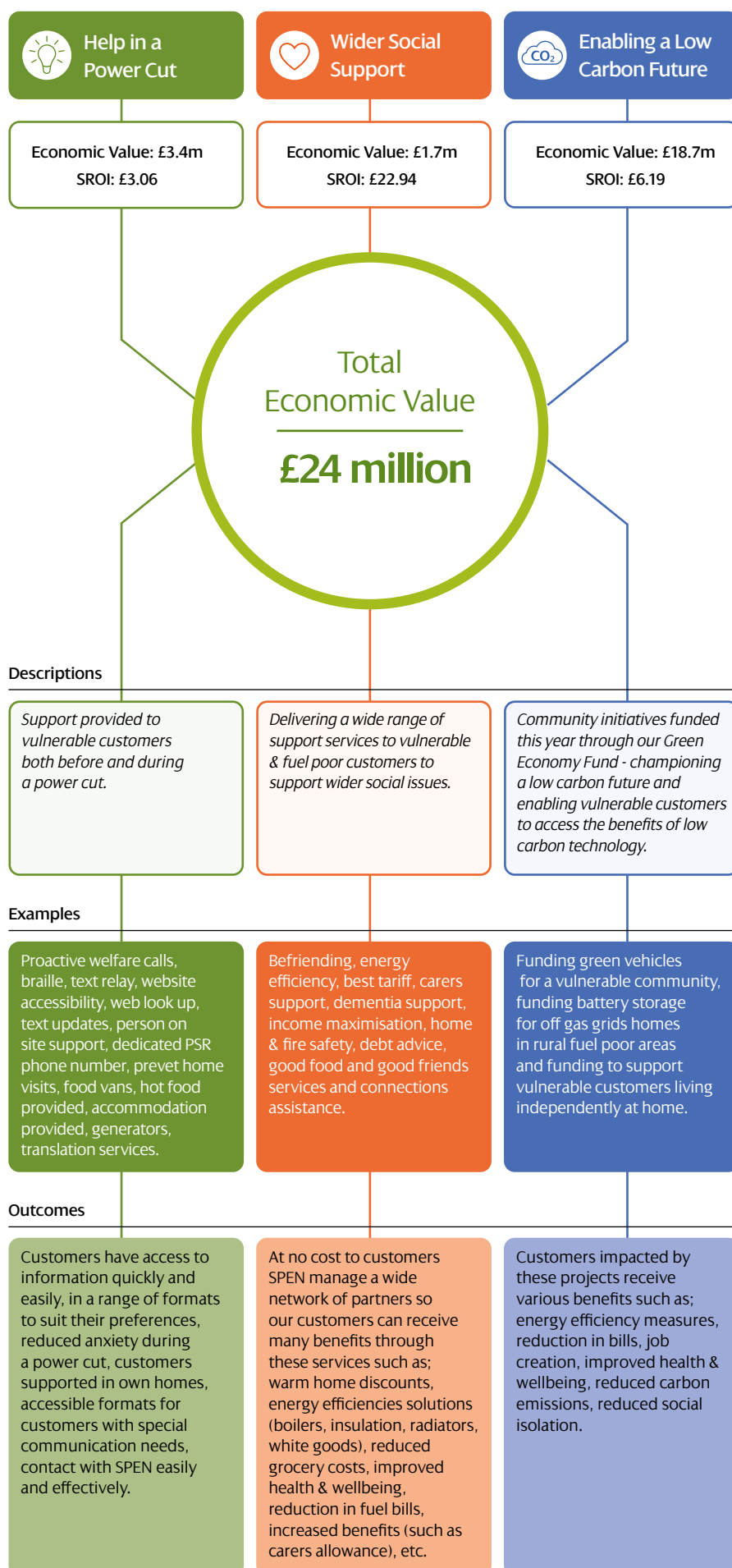
Our social contract

The diagram opposite visualises the value we deliver to our customers through everything we do as a DNO.

We generate value in four ways;

Helping customers during a power cut	
Delivering wider social support	
Supporting customers towards a low carbon future	
Our emergency response to Covid-19 *(this is laid out separately on page 9)*	

At SPEN we regard these four categories of value as the 'social contract' with our customers. This unwritten contract defines our role as an organisation delivering a vital service to society. From keeping the lights on safely and reliably to delivering tailored services that meet the specific needs of those in vulnerable situations, we understand, appreciate and strive to maximise the value we deliver society.

Diagram

Help in a Power Cut	Wider Social Support	Enabling a Low Carbon Future
Economic Value: £3.4m SROI: £3.06	Economic Value: £1.7m SROI: £22.94	Economic Value: £18.7m SROI: £6.19

Total Economic Value
£24 million

Descriptions

Support provided to vulnerable customers both before and during a power cut.	Delivering a wide range of support services to vulnerable & fuel poor customers to support wider social issues.	Community initiatives funded this year through our Green Economy Fund - championing a low carbon future and enabling vulnerable customers to access the benefits of low carbon technology.

Examples

Proactive welfare calls, braille, text relay, website accessibility, web look up, text updates, person on site support, dedicated PSR phone number, prevet home visits, food vans, hot food provided, accommodation provided, generators, translation services.	Befriending, energy efficiency, best tariff, carers support, dementia support, income maximisation, home & fire safety, debt advice, good food and good friends services and connections assistance.	Funding green vehicles for a vulnerable community, funding battery storage for off gas grids homes in rural fuel poor areas and funding to support vulnerable customers living independently at home.

Outcomes

Customers have access to information quickly and easily, in a range of formats to suit their preferences, reduced anxiety during a power cut, customers supported in own homes, accessible formats for customers with special communication needs, contact with SPEN easily and effectively.	At no cost to customers SPEN manage a wide network of partners so our customers can receive many benefits through these services such as; warm home discounts, energy efficiencies solutions (boilers, insulation, radiators, white goods), reduced grocery costs, improved health & wellbeing, reduction in fuel bills, increased benefits (such as carers allowance), etc.	Customers impacted by these projects receive various benefits such as; energy efficiency measures, reduction in bills, job creation, improved health & wellbeing, reduced carbon emissions, reduced social isolation.

Economic Value = the sum of all benefits minus the sum of all costs.
Social Return on Investment (SROI) = the value to customers for every £1 spent

Click **here** *to view a summary of our SROI calculations.*

How we measure value

Last year we were the first network company to introduce a hybrid social value measurement approach.

We use two different methods to forecast and assess the value we deliver:

SROI – Social Return on Investment based on the HM Green Book guidelines

WTP – Willingness to Pay, stated preference research.

We pick different methods depending on the nature of the benefit we measure:

Social Return on Investment
We employ the SROI whenever:

An initiative saves or generates money for customers

When our actions result in an avoided cost to society.

Our calculations are based on financial proxies that put a monetary value on the benefits experienced by customers or society and on assumptions (e.g. the probability that a customer takes an action that will benefit her/him after receiving advice). Transparency is the key tenet of our approach, all of the financial proxies and assumptions we use come from reputable sources – like the NHS, national and local governments or international organisations – and are recorded and reported.

Willingness to Pay
We employ Willingness to Pay stated preference research for all initiatives that benefit customers directly but in non-material and non-measurable ways. We perform our own research because we believe that the values we gather should reflect the views of our customers on the specific initiatives we deliver (or propose to deliver).

How we decide which method to use

Who is the direct beneficiary of this output → *Society* → **Societal Benefits (SROI)**

↓

Individual customer

↓

Is the customer saving or gaining the money as a *direct* result of this output (Saving money e.g reduction in energy bills) — No → **Stated Preference Research (WTP)**

↓ Yes

Does this output also have benefits to wider society (Benefits to wider sociaty e.g emission reduction) — No → **Financial Benefits (SROI)**

— Yes → **Social + Financial Benefits (SROI)**

This decision tree guides our decision on which method we should use to measure the value of any given initiative, both prior to a new service and after delivery (here referred to as an 'output').

ECONOMIC VALUE TOOL
User Guide

How we continue to lead the industry in social value measurement

In line with our strategic focus on delivering industry leading value to our customers, we have continued to refine and invest in our social value methodology.

Over the past year, we have taken two key actions to continue leading the industry in this space:

Checking with experts
We are the first network to engage customers and expert stakeholders to validate the assumptions that underpin SROI calculations. Our experience tells us of the limitations that come with social value measurement. In line with the HM Green Book guidance, we must make realistic assumptions in calculating the social return of our initiatives. While we rely on proxies and figures from reputable sources to gather these assumptions, this is not always possible. Last year, we used our best judgement to gauge some of these figures but this year, refining our approach, we have engaged 181 expert stakeholders to test the assumptions we made last year on the proxies where no value was publicly available.

Championing an industry wide approach
We have co-developed a proposed industry-wide approach to social value measurement with WPD and Sia Partners and presented it to all DNOs. We will continue to work across the DNOs to try to gain agreement for an industry wide consistent approach to measuring social value.

SPEN is the first DNO to introduce a combined approach to social value measurement – we have used this approach for two years. Our experience tells us that social values reported in different ways by different networks will vary depending on a vast range of factors, from the methodology used to the assumptions taken. We believe that a unique approach based on a shared methodology, pre-determined values for proxies and assumptions (vital to SROI measurements) and strict guidelines for any stated preference research will maximise outcomes for UK customers. A single approach will give Ofgem and our stakeholders the ability to benchmark networks' performance in measuring social value and encourage those that go above and beyond to deliver the desirable outcomes.

We look forward to championing a widely applicable approach to social value that will drive outcomes for all customers across the UK today and in the future.
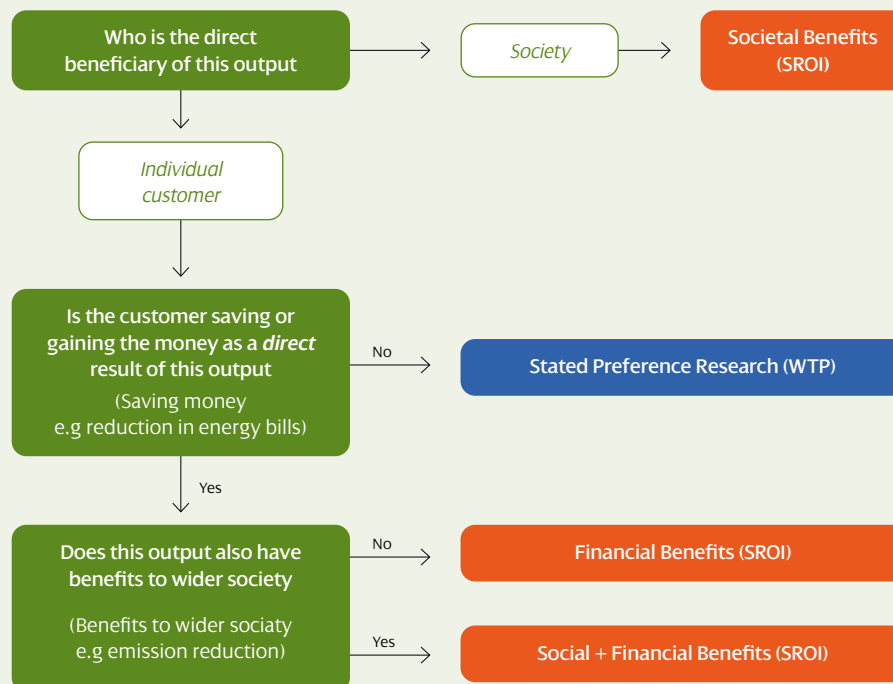
Understanding the situations that affect our customers and how best to support them

Those who find themselves in situations of vulnerability, be it temporary or permanent, experience a wide range of difficulties. These vary depending on the unique personal circumstances of each customer that add up to make each situation different from all others.

Our mission statement lays out our drive to provide bespoke support to those in vulnerable situations but in the face of these challenges we cannot do this alone. To ensure that we deliver the right form of support, to the right individuals, when they need it most we rely on a sophisticated use of data and the valuable direction that our expert stakeholders give us.

While up-to-date PSR data, embedded in our information systems and visualised through bespoke tools, tells us who needs our help, engagement with vulnerable customers and their representatives tells us what form of support will best support our customers.

The power of data

Data is central to everything we do to support our vulnerable customers. Over the years we have embedded up-to-date data on our vulnerable customers, above and beyond the PSR register, in our information systems and visualised it through bespoke tools.

In reflection of our social contract, embedded data empowers each function within SPEN to understand, consider and address the needs of those in vulnerable situations with every action we take as an organisation. From planning network investment and grid maintenance to informing our PSR recruitment programme, good data plays a central role.

While the use of this is what makes a difference to our customers, it is only the tip of the iceberg. Our vulnerability strategy relies on a wide range of tools and processes to add those in vulnerable situations to our PSR register while ensuring that the over one million records we hold are up-to-date.

How our data is informed

- Gap against National Data
- New PSR records
- Customers Needs
- Promotion of the PSR
- Trend Analysis

Data

Tools & Processes for gathering PSR Data

- **Industry Data Flows**
- **Checks on all inbound / outbound calls**
- **Planned Outage PreVet Checks**
- **2 Year Data Checks**
- **Data sharing with Utilities**
- **Signs ups via Social Partnerships**
- **Awareness Campaigns**
- **Social Engagement / Community Groups**
- **Regional Events**
- **Front Line Staff sign ups**

Acquiring data

Our approach to PSR data acquisition is mature. Over the years we have tested different methods and have identified the best channels through which to gather new signups.

Last year we entered into a new phase of data acquisition: our primary focus is on ensuring that our PSR contains all those who should be on it. Specifically, we have identified and quantified PSR gaps for each group down to LSOA (Lower Super Output Area). To close the gaps identified as effectively as possible, we have visualised these gaps in our Vulnerability Mapping tool and made it available to all our partners.

We continue to make great strides forward in terms of PSR recruitment: over the past year our database has grown by 16% having added 150,323 households to reach the total of 1,070,710 (or 31% of our households). Specifically, our data acquisition strategy focused on closing gaps in specific PSR categories has proven successful. Over the past year our focus has been on the top 3 PSR categories with the largest gaps – Dementia, Disabled and Families with children under 5. We have outperformed our stretching targets as a result of our engagement and awareness approaches by using different strategies for different groups outlined in the following pages.

From the work carried out this year to forecast the changing trends in vulnerability (laid out in page 10) we knew there would be a growth in customers suffering mental health. With focus on this area we have increased our registrations by 51% – as a result we have adapted our training programme to prioritise support and guidance to front line staff in order that they can best support customers' needs.

Overall, we are well on our way to achieve the stretching target we have set to reach and register 80% of all eligible customers across each PSR category by 2023 (based on independently verified datasets we purchased from dedicated providers).

Interesting Facts

SPEN's 'vulnerability dataset' is not restricted to the data we hold on Priority Service Register customers. While the PSR is the cornerstone of our dataset, we use other forms of data to inform a wide range of initiatives. For example, we use Experian's mosaic data to enrich our understanding of the personal circumstances that affect customers across our communities, we also hold data on homes affected by fuel poverty. Joining these external datasets to our up-to-date PSR data empowers our teams to deliver bespoke support that addresses the multidimensional needs of a customers' situation.

We have added Covid-19 to our temporary vulnerability categories for those customers who have received a shielding letter from the government.

57k new medically dependent customers have been added to our PSR this year.

Household debt as a percentage of income is forecast to continue to grow. We are commissioning a paper on household income and fuel poverty to understand the impact.

Maintaining data

Data on our vulnerable customers informs the action of many different teams, some of these actions are taken during emergencies, such as where proactive support is required during a storm. For us to properly support vulnerable customers, it is critical that our data is accurate and up-to-date, especially during emergencies.

Our policy is to verify every PSR record every two-years. We have a solid approach to data maintenance that relies on a vast range of contact channels (this year we have used calls, emails, texts, letters and face-to-face visits) tailored to suit the specific needs of different communities. This multi-channel approach has proven valuable again – at the time of writing 34% of our PSR records are less than two-years old and 15% are less than one-year old.

We know that some customers may find themselves temporarily in situations of vulnerability. Our systems allow for 'timed' PSR signups based on the expected duration of a customer's current circumstances. Once the period is over, we get in touch by all means necessary to enquire whether they would like to extend the duration of their signup.

100% of PSR portfolio has been validated in the past 2 years ✓

148,896 households out-of-date records removed (of which **4,372** at the end of the temporary vulnerability period) ✓

214,352 PSR customers proactively contacted (105% rise from last year) ✓

Using our data

Our up-to-date, extensive vulnerability dataset plays a pivotal role in achieving our ambition of delivering the bespoke support that our customers need the most. Highlights include:

Vulnerability Mapping Tool
Our mapping tool allows us to be laser-focused in closing PSR gaps across the communities we serve. We run an initiative called 'Network Natters' where our staff engage face to face with community groups to raise awareness of the PSR, but also of all the additional support we offer. Our focus with Network Natters for this year has been registering people affected by Dementia and Disabilities as we recognised we get the best results through engaging with them directly. We focused on Liverpool, Fife, Cheshire and Edinburgh, the areas in which we had the largest PSR gaps. To reach these customers, we worked with local community groups and attended Dementia Cafes, Carers Support groups, Church groups and other clubs.

Proactive engagement in planned work
We continue to enhance our processes and procedures with the vulnerability data we have available to us. One such process which has evolved over the last 2 years is when we proactively make a difference during investment and maintenance works. Here our teams visit customers 6 weeks ahead of planned works to explain face to face what is happening and why. Our data allows us to ensure we have contacted 100% of vulnerable customers during this time and that all plans are in place to support each based on their needs during a planned outage. This year our early warning indicator report has been fully embedded which has improved our visibility of performance against key deliverables, such as 100% contact and quality checks on site. As a result our customer satisfaction for planned interruptions has increased to 9.2 for both license areas.

Chatter Tool

This year we have invested in an innovative engagement method, the Chatter Tool, also presented on **Page 3 of our Part One submission.** This tool, a first of its kind in the UK, allows us to identify wants and needs of our customers and communities across millions of datapoints by applying language detection algorithms to a vast array of feedback across customers, stakeholders, news articles, politicians and social media.

Our Chatter Tool has been developed to help us understand feedback and priorities at a local level to enable more targeted engagement. The tool is starting to benefit our approach to vulnerability as we are able to assess the perception of customers and stakeholders around key topics such as fuel poverty, social isolation and mental health across the communities we serve.

Data sharing that makes a difference

We have made great strides forward in building a powerful vulnerability dataset. In reflection of our social contract, we constantly look for opportunities to share our dataset to support the work of our partners, such as local councils, utilities and emergency services. Empowering our partners is another important avenue to generate value for our customers and communities. Over the last year, three examples stand out:

Sharing data with Scottish Gas Network (SGN)
During the past winter, our customers in Falkirk were affected by an interruption in gas supplies delivered by SGN, a close partner that delivers gas to many of our customers in Scotland. 8,000 homes, among which were many vulnerable customers, were left cold in the middle of the winter. We reacted promptly and shared 6,500 vulnerability records for the areas impacted. The PSR data we shared empowered SGN to deliver emergency support to those in situations of vulnerability. SPEN control room closely monitored demand to manage the spike in electricity resulting from the electric heaters distributed by SGN and we ensured resilience of customers electricity supply throughout this event.

Sharing data with the Water Industry
In preparation for the wider Water Industry data sharing project due to be delivered this year, SPEN has been collaborating closely with Severn Trent Water to manually share PSR records. Vulnerable customers can now benefit from extra support in case of an interruption to their water supply. Additionally we have shared with Severn Trent Water over 12,000 PSR records to support our vulnerable customers in response to the Covid-19 pandemic.

Utilities and the NHS working together in Scotland
SP Energy Networks, SSEN and Scottish Water have partnered together to help stakeholders and other partner organisations across Scotland refer people to the PSR. This partnership includes a new website redirecting customers to their relevant network for further support as well as PSR promotion to those receiving electrically powered medical equipment – one of the groups most at risk.

Over the coming year, these results will shape all actions to address vulnerability, from the services we deliver to the partnerships we build. The Chatter Tool empowers us to deliver regionally tailored responses to social issues and situations of vulnerability.

Number of Feedback per Need and Want

Our guiding light: stakeholder engagement

Inclusive, tailored and purpose-driven stakeholder engagement lies at the very core of our consumer vulnerability strategy. Our stakeholders share their expert knowledge of the circumstances that affect our customers and play a critical role in shaping our strategy, priorities and our response on the front line – thanks to our stakeholders we know we offer the best possible support to those in situations of vulnerability.

Impact on strategy and priorities
We have co-developed our updated consumer vulnerability strategy with a panel of expert stakeholders last year. Throughout our continued engagement with them we have shaped and validated our three strategic priorities.

1 Delivering industry-leading value

2 Ensuring no customer is left behind in the transition to Net Zero

3 Developing our nexus of partner's strategy.

Impact on service delivery
The data we hold and share allows us and our partners to know which customers need support and when they need it the most. Our objective, however, is to deliver bespoke support tailored to address a customers' circumstances in effective and lasting ways. As an energy distribution network, we are not always best placed to understand what support our customers want and need. To bridge this gap, we engage with expert stakeholders ranging from organisations representing specific hard-to-reach groups to vulnerable customers themselves when appropriate.

All the engagement we conduct on issues that affect our vulnerable customers is consistent with the embedded stakeholder engagement strategy introduced on **Page 3 of our Part One submission.** Our engagement and vulnerability strategies work together to guarantee we deliver the best possible response to our customers' multidimensional and ever-changing needs.

Stakeholder Engagement on situations of vulnerability

Over the past year, we have engaged stakeholders to shape our strategic focus and the delivery of support aimed at our customers in situations of vulnerability. Engagement on topics such as Low Carbon Barriers; Social Values; Expanding our partnerships and shaping vulnerability training to name a few. Here's one example of our impactful engagement:

Shaping our Mental Health training module
Reacting to the fastest growing PSR category and feedback from front line staff.

Engagement with organisations such as MIND, SAMH and Social Services to equip staff with skills to support customers.

Training focuses on listening to customers and providing information which is not overwhelming.

Escalated support available from Social Services.

Customers who may have otherwise gone undetected will now be better supported.
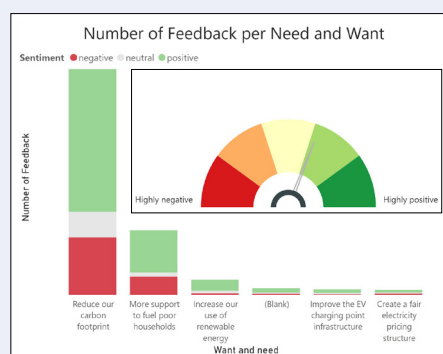
Delivering bespoke and tailored support that meets the unique needs of each customer

Over the years we have developed a broad portfolio of services, refined them to meet the diverse needs of our vulnerable customers and continue to trial, develop and embed new initiatives. These services and initiatives are the way in which we make a meaningful impact on our customers' wellbeing and as such are a critical part of our approach to consumer vulnerability.

Continued engagement with expert stakeholders, as explained above, gives us the confidence that we have developed a complete portfolio of responses to our customers' recurring needs. At the same time, our stakeholders tell us that no situation of vulnerability can fit into a box and that personal circumstances will make every situation unique. In line with our mission statement to deliver bespoke support, we always strive to deliver a tailored response to our customers' needs regardless of whether what they require is included in our existing portfolio of services.

Our embedded service strategy, introduced last year, translates our ambition and experience in supporting customers into a set of actionable steps, supported by tailored tools and processes embedded across the business. This strategy ultimately ensures that at the core of every service there is a clearly defined customer need and that the response we have chosen to address it delivers the highest possible benefit for a reasonable cost.

How we decide which services meet the needs of our customers
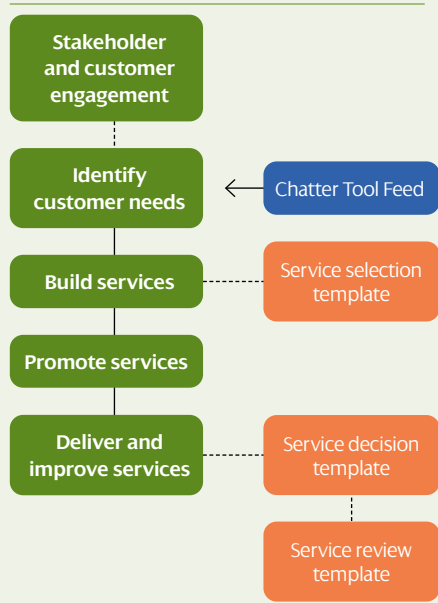
"We carry our quarterly reviews with our service partners to continuously assess their performance, any new opportunities and any new services available to our customers against our service review framework."

Jennifer Davies, *Social Obligations and Customer Experience Manager, SPEN*

The services we offer

The full list of services we offer to those in vulnerable situations and to anyone who may be in need of them is shown below:

Power cut support

We must get the basics right. Our stakeholders have provided clear feedback that our primary role is to ensure that vulnerable customers are looked after during power cuts. We offer a wide range of information and bespoke services to alleviate the negative impact of power cuts that consider a customer's individual circumstances.

PSR Sign-ups	Person on site for support
Help in power cut advice	Personal support for vulnerable customers
Hot food provision	Food vans
Generator provision	Hotels during extended events
Pre-check – password security	
Face to face visits for planned works	

Communication services

Communicating effectively with those in vulnerable circumstances is a first crucial obstacle in supporting them. We have built a toolkit of communication channels as well as our ability to produce content in a range of formats, adapted to those affected by different situations of vulnerability.

Braille, large print and easy read	Interpreter line & translation services
Website accessibility standard	Inbound fault enquiry – web lookup function
Text relay service	Dedicated PSR phone number
SMS updates during faults	One to one telephone updates during and after faults
Inbound fault enquiry – IVR messaging	
Voice to landline update during faults	Video Communication Tool

Tailored services

These services address the needs of our customers and are offered to tackle a wide range of social, health and financial issues that affect many of our vulnerable customers. Our network of partners are critical in the delivery of these tools.

Best tariff	Fire safety
Carers support	Good food & friends
Dementia support	Befriending
Debt advice	Energy advice
Benefit check	Connection assistance

Going above and beyond

During a no supply incident impacting one customer our engineer quickly identified signs of vulnerability which included a key safe and a front door mobility ramp. Once inside the home they noticed medical equipment and upon talking to the customer were aware that the customer had a carer working in their home. On investigation into the fault the engineer identified the need for another member of staff to assist, therefore called to request attendance. While waiting our engineer offered his help to the carer and assisted them with making the bed. He also signed the customer up to the PSR and provided information on other services that our customer would benefit from.

During storm conditions, one of our engineers visited an elderly lady who was off supply in a remote rural area. This lady had limited movement and poor eyesight and relied on her computer to communicate with her family and carers. As a result of the storm and lightning strikes the lady's modem had been damaged which meant she has lost her means of communicating. Our engineer took action and drove to the nearest electrical hardware store and bought the lady a new modem. He returned and fitted the modem and the very grateful lady was able to make contact with friends and family again.

Industry-leading value in our services

Last year, we introduced an enhanced service strategy. Our aim was to establish a set process for reviewing the effectiveness of existing projects and rolling-out new ones that were supported by clear decision-making tools *(as shown on the diagram).*

When our contact teams or field staff identify a new customer need, we develop and weigh different ways in which we could address it. All the options that would meaningfully address the customers' need are assessed through the same criteria. The critical criteria is the forecasted Social Return on Investment of each option – we forecast this through the hybrid social value measurement approach presented on .

This approach ensures that we continue to deliver industry-leading value while effectively resolving the needs of those in vulnerable situations. Here's one example of where we deliver value:

Directly increasing income

We recognised that one of our highest value services is income maximisation. Our partners tell us that most customers assume that they have little entitlement to benefits, however non means-tested benefits exist, which can in turn trigger other allowances and rebates. We have therefore focused on both promoting this service and strengthening our partnerships to ensure our customers receive the best advice and support with the application process to determine which allowances they would qualify for. Allowances such as attendance allowance; pension credit and personal independence payments. This service is not just about maximising income, but also aims to decrease outgoings to. As a result of this service we delivered:

£467,364 value

£410 for every £1 spent

Promoting our services and the PSR

Our customers in vulnerable situations can fully reap the benefits of the support we offer if they are aware of our services and the wider benefits of being on the Priority Service Register. We know that some customers may not be aware of what we do or the services we offer – it's important for us to promote these.

Our embedded approach to promotion, introduced in 2018, aims to deliver targeted messages that are tailored to specific groups and situations of vulnerability across our communities. Our PSR data, along with our wider vulnerability datasets also including granular information of households in fuel poverty allows us to understand regional dynamics and to prioritise our efforts on the communities most in need.

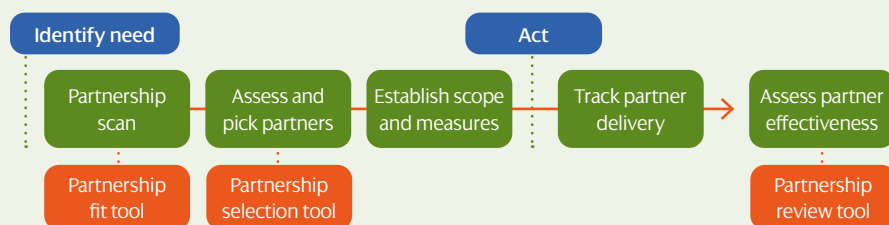| Examples of our vast range of promotional initiatives					
Promotional Channels	**Community Initiatives**	**Tailored Services**	**Data Sharing Partners**	**Training Partners**	**Other Events**
High street poster & postcard hand-outs	Network Natters x 106	GPs & community health care centre packs	SGN	Institute of customer service	Local authorities winter preparedness sessions x42
Rail & Bus Station Route advertising	Carers Associations x 40	Scottish Fire & Rescue Service	British Red Cross	British lung foundation	Anglesey agricultural show
Phone kiosks advertising	SGN community event	Chester Fire & Rescue	Home Energy Scotland	MIND	Borders union show
Organic social media posts	Local solutions Liverpool	Dementia Showcase for carers	Energy Projects Plus	Mental health foundation	Royal Cheshire show
Digital display advertising	Age UK Wirral	Dementia support event	NEST	The macularsociety	Energy Action Scotland conference
Council website advertising	Forth Valley sensory centre	Alzheimer Scotland conference	Wales & West Utilities	RNIB	Royal highland show
Shopping centre roadshows	Glasgow Golden Generation	North Wales fire & rescue	Severn Trent	Disability Wales	EPP – sustainable seacombe
STV & ITV online advertising campaign	The food train network	Glasgow Health & Social Care Partnership	Hafren Dyfrdwy water	Age UK	
Press releases – pre–storm safety advice	Wirral foodbank	Independent age	NHS	Home start	
Staff promotion	Volunteer centres x 13	Age UK	Carers Trust		

Partners – vital allies in supporting our customers

Our 66 partners play a vital role in our efforts to address the needs of those in vulnerable situations. As an organisation delivering a vital service to 3.5m households across England, Wales and Scotland, we are uniquely placed to identify the circumstances that affect our customers.

However, in some cases, we are not best placed to address these issues or reach customers in their homes. Our research into how the situations of vulnerability faced by our customers will evolve in a decarbonised and decentralised future finds that the complexity and variety of these needs will only increase in time.

Our partners enable us to fill this gap effectively – they are trusted local organisations with face-to-face relationships with many of those in need of extra support and possess the in-depth knowledge to best address their needs.

The importance of partners calls for a strategy that ensures we pick the best possible organisations that will make a meaningful and lasting impact to our customers' lives across each community in our network. Our strategy (pictured below), refreshed last year, puts a clear customer need at its heart and provides a set of tools and processes that guide us from the identification of possible partners to a regular review of our partnerships' performance.

Nexus of Partnerships: a future-proof strategy

Vulnerability is a complex and multidimensional social issue. While energy networks have an important role to play as providers of a vital service to UK consumers, vulnerability, in its broadest sense, can only be solved through a coordinated approach by a multitude of stakeholders.

In reflection of our ambition and our social contract with all customers, we have pioneered the Nexus of Partnerships model, which builds on our existing partnership strategy and further develops it this year. This concept recognises the variety of our customers' needs and acknowledges the great efforts that many private and public organisations are making to resolve or alleviate the situations of vulnerability that affect them. At the same time, the Nexus of Partnerships model is born to address a lack of coordination between the efforts of all existing stakeholders.

We will establish, refine and develop a tightly knit group of organisations that will share resources, data and capabilities to usher in a new era of social value delivered to those in vulnerable circumstances.

This innovative model breaks down organisational silos to:

1. Identify all of those who require extra help by casting a wide net across thousands of touchpoints daily – this will greatly improve identification of vulnerable customers.

2. Cross-refer customers in situations of vulnerability, pool resources and capabilities across partners to deliver a full suite of support that will comprehensively address or alleviate the root-causes of vulnerability.

Each partner plays a well-defined role

All of our partners play a well-defined role – while some of them focus on delivering customers extra support, others play an important role in our data acquisition and promotion efforts by providing PSR referrals. The wide range of our customer needs requires us to deal with a broad range of organisations ranging from Emergency Services to Local Authorities and Charities.

Over the past year our focus has been on deepening our relationships with existing partners, in the build up to our new Nexus of Partnerships strategy.

How some of our partners have evolved this year:

- **Citrus Energy** – expanded their best tariff services into our England & Wales area.

- **Home Energy Scotland** – expanded their advice into income maximisation

- **British Red Cross** – further expanded the area they provide support

Attached here is a link to our full strategy which will be delivered in 2020.

Addressing vulnerability is a company-wide effort

The work we do every day to address the situations of vulnerability that affect our customers are not led by a specific team, rather it's part of our culture and DNA as an organisation.

From our board to our front-line staff and our contractors, we all play a role in tackling vulnerability and take great pride to serve and support the communities in which we and our families live.

Expanding our focus away from the core set of vulnerability services we offer, we chose to highlight some of the initiatives delivered by our company and through external partners that benefit our customers in vulnerable situations.

Empowering our whole workforce to make a difference

While going the extra mile for our customers, especially those in situations of vulnerability is part of our culture, there is a continuous need to evolve our training and develop new skills.

We maximise the value delivered to our customers by training all colleagues, from field staff to our senior management team in:

Identifying signs that may indicate a customer is in a vulnerable situation

Picking the right action that will meaningfully help a customer in need

The range of services we or our partners can deliver

How best to approach a discussion with a customer on sensitive topics.

Over the years we have ensured that 100% of our customer facing staff have received vulnerability training. This year we have made structural changes to our team to ensure that vulnerability training continues to evolve along with our customers' needs. We have employed a dedicated Customer and Vulnerability Trainer who engages with experts to ensure the quality of our training and have also designed bespoke training on specific situations of vulnerability that our front line staff tell us they face.

Training that leaves an impact

Our approach resulted in:

1,932 hours of training delivered

9.1 out of 10 for employee satisfaction

Some of the different types of training delivered:

This year we rolled out a new training module on Mental Health, our fasted growing PSR category. As a result we delivered a new escalation process into social services.

We have designed and implemented a new **'Customer Needs Tracker'** to allow us to track end to end the individual customers needs through to delivery. It also allows us to identify the range of diverse needs and ensure our services fully support these. This year we have trained staff on their roles and responsibilities around this tracker.

We delivered a training programme aimed at project managers this year to ensure they build vulnerability into their planning processes ahead of their programmes of work.

Partners who helped us design our vulnerability training programme:

Institute for Customer Service	British Lung Foundation
MIND	The Macular Society
RNIB	Disability Wales
Age UK	Home Start
	Mental Health Foundation

"This vulnerability training was excellent and I would highly recommend it as I got a lot out of the session. I feel confident I have the toolkit to support our vulnerable customers and that we can make a real difference with all the services we have to offer."

Technical Craftsperson, *North Wales District*

Supporting Local Ambition

SP Energy Networks has a role to play in supporting local ambition on the journey to Net Zero. An example of how our efforts have supported some of our most vulnerable communities can be seen through some of the initiatives delivered as part of our Green Economy Fund (a £20m fund set up by SPEN to support the Scottish and UK Governments Energy Ambitions to a low carbon economy).

Community Transport Glasgow
The organisation operates 135,000 not-for-profit passenger journeys particularly aimed at vulnerable communities such as the elderly, disabled and socially deprived. **We awarded £900,000** for CTG to replace its ageing fleet of diesel vehicles. This funding enables the organisation to continue to provide this critical service to so many of our vulnerable customers while significantly reducing the carbon footprint of their operations.

SROI = £19 for every £1 spent*

Warmworks
We awarded £1.25m to install battery storage technology in around 150 off-gas grid homes in the Stewartry area of Dumfries and Galloway. The target properties are electrically heated and have been specifically identified as they are in or at risk of fuel poverty. The project will aim to have a significant impact on residents' quality of life by seeking to make energy bills more affordable.

SROI = £1 for every £1 spent*
Whilst the SROI on this project is low it increases from year 2. It targets customers with no real alternatives and the project will be used to share learnings.

Food Train
Food Train supports older people to remain living independently at home for as long as they wish and are able, by providing a range of volunteer-delivered low-level practical support services, including grocery shopping, household support, befriending, library book delivery and meal sharing. **We awarded £452,413** to support the organisation in converting their fleet to electric vehicles and extend their services to an additional 500 elderly households every year.

SROI = £5.46 for every £1 spent*

*Values are for year 1, benefits increase in the long term

Our response to COVID-19

The solidity of our consumer vulnerability strategy as well as our company-wide commitment to help vulnerable customers with meaningful support is being tested by the Covid-19 pandemic. We have responded decisively with no hesitation across a range of areas. Here are **some of the ways we have supported our communities** and the value we have delivered so far. Our support will continue and so will the value we deliver for the duration of this global emergency.

£601,260 value delivered so far

£12 for every £1 spent

Financial support	Stocking food banks, shopping and prescription deliveries.	Wellbeing calls and helpline for families with autistic children.	Technology for family education & medication reminders.
	Essential supplies to support carers.	Fuel Top ups for those self isolating.	Co-ordination of community volunteering.
Wider support	Protection of critical sites such as hospitals, care homes and food supply operations.	Talking to the NHS to stay ahead of their needs for increased capacity and urgent connections.	Vulnerability mapping tool shared and PSR data offered to all local authorities & emergency services, 49,000 records requested & shared.
	Additional PSR category added for customers with governments shielding letter.	Powerwise education pack for children at home.	
	Adapted our procedures when access to customers' properties is needed.	Outbound calling PSR customers most at risk	Signed up to the C-19 pledge making a commitment to be a force for good.
		Staff volunteers supporting our partners.	

Forward looking approach to vulnerability

The energy industry is going through profound change that will see its organisations shift their focus to a decentralised and decarbonised landscape. This transition will see SP Energy Networks gradually move to a Distribution System Operator (DSO) model. As the role we play evolves, the nature of our interaction with customers will evolve and the ways in which we impact our customers' lives will deepen.

The road to Net Zero will have significant impacts on our vulnerable customers, firstly in their interaction with us, but more importantly, in the way they will (or won't) interact with the industry as a whole. These changes are closer than most of our customers may think but we have already committed to ensuring that no customer is left behind in this transition.

Over the past year, we have taken several steps to assess the likely impact of the Net Zero transition on our customers in vulnerable situations. Our objective is to develop a set of coordinated responses that will allow those affected by a vast range of vulnerabilities to interact with the future energy industry and benefit from this transition. On this page we describe two key initiatives.

Ensuring all customers can access low-carbon technologies 1

A detailed understanding of our customers' needs during the transition to Net Zero must lead to decisive action that addresses and alleviates the circumstances that may put them at a disadvantage. Our research into future trends of vulnerability highlighted that several groups of customers may be prevented from the adoption of low carbon technologies and the benefits that these bring.

It is critical that all customers, regardless of the situations that impact them, have equal access to the future network they are contributing to developing.

In line with the social role we have committed to:

• **Identifying the practical blockers that may prevent our vulnerable customers from adopting low carbon technologies**

• **Developing tailored responses to remove the blockers identified.**

Members of our senior management team engaged 18 expert stakeholders representing charities and organisations that specialise in supporting many of our customers in situations ranging from hearing loss, to disability and social inclusion. We asked stakeholders to provide their expert views on blockers to access these 'groups' of technologies:

Vulnerability Groups *(includes all 30 PSR categories)*
Medically dependent equipment; Saftey; Poor Mobility; Age related; Communications; Health & Temporary

Low Carbon Technologies
Domestic generation; Battery Storage; Heat Pumps; Time of Use Tariffs; Domestics Demand Side Response; District Heating; Aggregators; Smart Appliances; Smart Meters; Smart Hubs & Electric Vehicles

As a result the key barriers identified were:

Knowledge; Financial; Technical capability; Opportunity & Willingness to take risks

Our findings include:

That the ability to understand the use, role and impact of most low carbon technologies will be a blocker.

When considering different groups of technologies, we see different blockers emerging, for instance, electric vehicles will present a major financial blocker to most customers while the risk appetite of customers is likely to stop them from adopting smart technology.

Overall, our expert stakeholders do not expect customers impacted by different situations of vulnerability to experience very different obstacles to access these technologies.

Those affected by health conditions and others medically dependent on equipment are likely to experience the widest range and intensity of blockers across the technologies considered.

Following this event, we have co-developed tailored responses to address the obstacles faced by our vulnerable customers.

The actions we will take:

We will provide information on key technologies (with a focus on financial benefits) that is clear, written in laymen's terms. This will be made available in multiple formats tailored to each vulnerability group.

We will strive to hold face-to-face events with communities (e.g. attending local community groups) to introduce these technologies and provide customers with a chance to ask questions.

Through our nexus of partners we will identify grants or loans available for customers in vulnerable situations to access low carbon technologies.

We will continue to work with expert stakeholders to identify obstacles faced by our customers and co-develop responses that remove these on our journey to ensure that no one is left behind in our transition to Net Zero.

Study on future vulnerability trends 2

Ensuring that no customer is left behind in the transition to Net Zero is a key priority for us. To inform our future actions we commissioned a study on the future vulnerability trends again this year and their impact on our approach to vulnerability.

This study identified three industry trends and six socio-economic trends that will impact SPEN's approach to consumer vulnerability during the next regulatory period, RIIO-ED2, and beyond:

Industry trends
The trends identified, especially those implied by the transition to a Distribution System Operator (DSO), will result in profound changes to how vulnerable customers interact with the energy industry. Most stakeholders agree that steps will be required to ensure that those in vulnerable situations benefit from a decentralised energy system. We will need to identify tailored responses to address these trends.

The three industry trends are:

Adopting new technologies and behaviours

Increased complexity of information

Digitalisation of communication

Socio economic trends
The trends identified will impact our approach on many levels and will range from an increase in fuel poor households to the growth of several codes including 'pensionable age'. Our existing strategy is fit for purpose in addressing these trends.

The six socio-economic trends are:

Ageing population

Inability to engage with energy market

More disabled young people

More homes, smaller households, dispersed families

Financial uncertainty and poverty

More private renters

The key outcome of this study was an engagement plan aimed at identifying the blockers that may prevent vulnerable customers from enjoying the benefits of a decentralised and decarbonised network.

*Attached **here** is our Study on Consumer Vulnerability Trends.*

Challenging targets for next year

For the coming year we have set ourselves challenging targets. These targets reflect our twofold ambition to deliver value in innovative ways and to always ensure we are maximising the positive impact to customers.

1. *Deliver the Nexus of Partnerships approach*

2. *Continue to close PSR gaps (achieve 80% by 2023)*

3. *Lead development of industry-wide social valuation measurement*

4. *Deliver our plan to address the low carbon blockers we have identified this year*

5. *Continue to perform social value measurement of all company initiatives aimed at consumer vulnerability across the board*

6. *Address the outputs of the work undertaken on understanding household income and impacts on the definition of fuel poverty*