Ofgem Stakeholder Engagement Incentive Submission – 2019/20
Supplementary Questions - Wales & West Utilities

Ofgem Panel SQs

1.Please explain how stakeholder engagement influences your business planning and major decisions. Please also explain what types of input stakeholders have in this process and how you decide between competing opinions.

2. Page 3 of your Part 2 submission notes 20 actions you have determined and are taking as a result of the customer vulnerability research. Please explain the significance of these and the outcomes that have been achieved.

3.The COVID-19 pandemic has changed both the ways of working and how stakeholder engagement is conducted. Please provide responses to the following:

How have stakeholders helped you put in place new ways of working for the COVID-19 pandemic?

What new methods of stakeholder engagement have you found useful and why?

What learnings from the pandemic are enabling you to deliver more for customers and stakeholders?

4. Many companies are using technologies such as Artificial Intelligence to improve stakeholder engagement.

Please explain what steps have been taken to use technologies such as Artificial Intelligence, Big Data and others to improve stakeholder engagement, deliver benefits to stakeholders and improve services to vulnerable customers.

What data sets have you made available to other stakeholders?

What help, if any, are you giving these stakeholders with using the data?

Question 1 - Stakeholder engagement is embedded and relationships with key stakeholders held within business teams, **engagement feedback is considered at many levels, influencing our decisions and plan**. Our Chief Executive led Business Operating Committee (BOC) reviews <u>investment plans referencing stakeholder feedback to make major decisions</u>. A 2019 BOC paper on changes to our pipe replacement delivery plan and associated spend evidenced customer appetite to accelerate work, to ensure safety and promote sustainability. Contrary customer insight from complaints and community engagement highlighted the disruption caused and asked us to minimise this, while putting safety first. Asset Management considered the conflicting views alongside HSE expert opinion, and labour availability, which underpinned the decision made.

♦ There's growing support for sustainability - from educated customer focus groups, 1,000 quantitative research study responses, our Critical Friends Panel (CFP), and local, national and international climate emergency declarations and commitments for net zero. We <u>reshaped our strategic business ambition</u> (mission statement) and supporting priorities to recognise and address this with input from our CFP and CEG. This fits with our commitment to be <u>net zero ready by 2035</u>, also heavily influenced by our stakeholders.

♦ <u>Emerging important issues</u> are equally considered; our approach to <u>Multi Occupancy Buildings'</u> management was heavily influenced by HSE engagement and Fire & Rescue workshops. Local and Highways Authorities told us we should carry out future planned works with the least disruption to businesses and commuters, and customers want more flexibility in paid-for connections. This <u>drove a full review of our working arrangements, in 2020</u>, reshaping the way we employ and deploy colleagues to deliver work when customers need it. We are the <u>founders of the Strategic Infrastructure Steering Group Pilot Project</u> to link planning for major infrastructure in Cardiff, with utilities, transport, local authorities, telecoms and other members. We've built a data-sharing platform and shared our data, with the first member data from WPD to be added in coming weeks.

♦ <u>Understanding conflicting views</u> is of particular importance to us and we also seek to <u>understand the views of the seldom heard</u> and those who may not typically be engaged in complex subjects, e.g. customers in finance-related topics. We use <u>triangulation for qualitative engagement</u> to understand where evidence converges, considering if it is contributory, methodologically sound, rigorously gathered and credibly interpreted to check its quality. We employ optioneering: measuring direct and indirect benefits, regional and political differences, benchmarking against good practice to deliver value for money outcomes. By way of example CO related activities are reviewed against triangulated feedback, especially as the role of GDNs in this aspect of service always attracts conflicting views – being deemed the most important priority for regional stakeholders and 'outside of scope' for academic stakeholders. This is important to maximise customer and societal benefit for our investments and future plans.

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Question 2 – Our **Customer Vulnerability research resulted in 20 actions**, of these 15 are developed or have action plans; 5 are on hold due to Covid19 restrictions or are long term projects. Some of the actions will involve customer co-design. We expect that all actions will achieve significant improvements in vulnerability support services but believe the following actions and outcomes to be the most significant, to date.

♦ Outcome: <u>Improved customer awareness of how to avoid scams</u>. We've developed scam awareness training using Trading Standards materials for Customer Support Officers and Site Surveyors. Feedback on this will be used to refine training for all colleagues. We have gained better understanding of the impact of <u>delivering layered communications at multiple community touchpoints reinforcing authenticity</u>, supported by a targeted social media campaign on staying safe from scams/bogus callers to protect customers – particularly for emotionally vulnerable people, by reaching their support network.

♦ Outcome: <u>Improved customer service for vulnerable customers</u>. We've lead the GDNs and gas suppliers project with Xoserve due to go live at the end of July which will revolutionise customer communications for emergency and planned works.

♦ <u>Improved awareness of PSR benefits</u>. We've used customer and carer feedback, as well as learning from recruitment campaigns to develop targeted social media campaigns to extend our reach to the carers, families and friends of potential beneficiaries of the PSR. Our <u>sign-ups have increased by over 7,000</u> in the year.

♦ Outcome: <u>Improved communications with specific vulnerable groups</u>. The RNIB supported our development of a larger-sized 'calling card' after we learnt that lamination destroys braille content. We are engaging with the National Autistic Society to review replacement work customer information, so we can <u>co-design the best content and channels for people with autism</u>. We are creating <u>reminder stickers</u> about our works for customers with memory problems with advice from the Alzheimer's Society and feedback gained from attendance at Dementia Cafés. We have already developed and launched new company-wide <u>emotional intelligence training</u> to give colleagues the confidence to better communicate with and support those with mental health vulnerabilities.

♦ Outcome: <u>Customers better able to understand alternate appliance running costs when without gas</u>. We're developing <u>simple customer information about costs</u> of the alternative heating and cooking equipment we provide, as our research has shown that the most vulnerable customers sometimes avoid use due to concern of additional energy costs being incurred. This will be co-designed with customers in virtual focus groups.

♦ Outcome: <u>Improved access to hot water and services</u>. We've engaged with Welsh Water who've advised on the best methods for mass hot water provision and consideration of hotel/leisure centre use when gas is unavailable due to an incident.

♦ In development: <u>Engagement with private care providers</u> so they can support their clients and be informed of traffic restrictions that will affect their own travel.

Question 3 - We prioritised **engagement with stakeholders to inform our plans and ways of working** for the safe and ongoing remobilisation of activities and needed to **use new methods to engage.** We considered the McKinsey Customer Experience Insight guidance, focusing on two aspects, 'care and connection' and 'meeting customers where they are', to influence our messaging, online presence and engagement methods.

♦ We participated in a UK Ipsos Mori omnibus survey with 2,199 respondents to gauge the changing public mood, needs and preferences because of Covid-19. Results showed 68% overall and 65% of those shielding would be comfortable with an engineer entering their home to complete our work, with the appropriate measures.

♦ To shape our remobilisation plans further we then undertook some bespoke engagement with 100 vulnerable customers via Mindset – using a film to outline our work and safety precautions including PPE, then use questions to test understanding and assess levels of acceptability of work being undertaken in their homes. In-depth interviews followed to provide qualitative information. These two activities really informed the reshape of our customer communications on planned and emergency work, as well as our 're-induction training' for colleagues, built with TU and Safety reps.

♦ Internally, TUs and colleagues supported substantial change in our communications channels, using film and online live Q&A/feedback forums with Directors. 86% of colleague survey respondents highly rated how they were supported during lockdown. Ways of working during the pandemic have heavily influenced our approach to training delivery for 20/21 and GD2 with plans to transform over 50% to virtual/online learning.

♦ Consistency across GDNs was important and online best practice forums were set up with senior HSE, Operations and HR colleagues ensuring learning was shared. Weekly engagement with BEIS and HSE allowed for concerns and issues to be raised – with particular progress made on testing for essential workers. Weekly virtual forums with CBI Cymru also created valuable sharing with businesses outside our sector.

♦ As well as direct engagement with customers, moving online has been a focus for us. Our first joint webinar with WPD to disseminate joint project results led to far greater participation than expected while reducing costs of hosting and travel. We took ongoing engagement with educated customer panels online covering financing and bills, and replacement work, and worked hard to make materials more visual and bite-sized.

♦ Learnings from the pandemic has been valuable. Being agile in our response has been a strength, seeking involvement and making quick decisions to meet community needs. We engaged quickly with LRFs who said volunteers were needed but in reality, this was not taken up. Our partners Care & Repair reported that financial support had emerged as a real priority, so we brought forward the launch of our GD2 community fund. The applications have given us 'on the ground' insight into changing needs of our most vulnerable customers, the scale of fuel/food poverty and how we can provide support.

Question 4 - We use Big Data, share it and provide user support in our Pathfinder/ Pathfinder Plus models, such as heat demand to street level, power generation and storage, vehicle data and average customer bills, to assess the viability of whole system decarbonisation approaches. We make the data available and provide an open-access licence to use the model with in-built guidance tools; a follow-up project - 'Tools of Engagement' will help Local Authorities and other parties to use the model themselves. We populate the model with data generally not accessible by small, community organisations wishing to understand the cost, reliability and decarbonisation implications of their own power generation options - we've done this for Zero West in Bristol, also providing them with significant one to one partner support to use the model. We believe Pathfinder is the only model not restricted or made available on a commercial basis.

♦ AI is used and data shared in our hybrid heating demonstrator project, FREEDOM, in its 'smart controls'. The project results, shared widely, showed expensive, deep intervention and disruption in homes can be avoided. The data has been shared with academia e.g. Exeter University and commercial bodies such as Kensa. It has created world-wide interest and we continue to disseminate project findings widely – increasingly using webinars. Our work with the Welsh Government has resulted in them working with BEIS to include hybrid heating in heat decarbonisation policy directives.

♦ We use Big Data and share it to effectively target fuel poverty alleviation. We used Big Data, intelligent algorithms and data visualisation to identify households in our network eligible for free gas connections. We then provided calculations to show the best energy technology option. Data was shared with Severn Wye Energy. We're considering scaling up options to replicate this methodology in our GIS system to bring in national datasets such as housing condition, health, income etc, with gas meter and pipe information to provide spatial analysis tools to use in-house. Data extracts may then be provided to third parties or we would use our system to present opportunities to stakeholders. This is part of our Digitisation Strategy and data and its uses will evolve over time.

♦ AI to support vulnerability is being used in our new CRM system, rolling out this year. We are integrating the PSR database into our mobile app to help our engineers easily identify vulnerable customers, and it's also included in the large-scale interruption system to prioritise keeping vulnerable customers safe and back on gas.

♦ We use AI in customer facing chatbots, and have collated customer feedback on their use. Based on results, we are currently exploring a role in the connections and complaints processes where we see real value in the self-learning capabilities of chatbots in helping us understand needs and improve our customer's experience.

♦ We shared our asset data and supported the development of the innovative climate change flood mapping tool, in association with Landmark and Ambiental Risk Analytics, to support utility investment plans.