



# An effective engagement strategy

# 1

**Ofgem** Stakeholder Engagement Incentive Scheme

2014/15

Submission part one

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## Stakeholder Engagement Incentive 2014/15

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

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

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

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

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

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

Robert Symons  
Chief Executive



## Submission structure

### Part One:

Evidence that WPD has an effective engagement strategy, it leads to positive outcomes and feedback informs our decisions. We have robust processes to keep stakeholders informed, detailed action plans to ensure continual improvement, and our approach has been externally assessed.

#### WPD's stakeholder engagement strategy

- ▶ Our core strategy
- ▶ Updates in 2014/15

#### Outcomes from engagement

- ▶ Key outcomes split by all WPD's major stakeholder segments

#### Independent evaluation & accreditations

- ▶ Customer Service Excellence Standard
- ▶ BS18477 – British Standard for Inclusive Service Provision
- ▶ Trial assessment against Ofgem social obligations scorecard

#### Measuring the impact of engagement

- ▶ Survey results and other feedback to measure the effectiveness of WPD's engagement

#### Evidence of WPD's culture

- ▶ Senior management involvement
- ▶ Internal mechanisms to monitor and report performance

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### Part Two:

Details of the outcomes WPD's engagement has led to. This includes how they fit within our strategy, how we measure the benefits for customers, and the innovative approaches that demonstrate best practice within the industry.

#### Strategy and core engagement

- ▶ Stakeholder workshops
- ▶ Customer Panel

#### Long-term priorities

- ▶ Actions we have taken to address these

#### Vulnerability and affordability

- ▶ Our strategy
- ▶ Key projects and achievements
- ▶ Innovative approach to addressing fuel poverty

#### Collaboration

- ▶ How we have shared, adopted and co-delivered best practice with others in the industry

#### Value for money

- ▶ Cost benefit analysis of WPD's major initiatives

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# Stakeholder Engagement Strategy

## Our core strategy

WPD's comprehensive stakeholder engagement strategy has been in place since 2007. It is updated annually and reviewed by our Chief Executive and Directors. This includes approving an action plan with owners, costs and planned outcomes. Progress against this plan is then monitored via monthly director reports.

To ensure this strategy is effective and robust it undergoes comprehensive external review each year. In 2015:

The Customer Service Excellence Standard awarded WPD 'compliance plus' for stakeholder and customer engagement.

The British Standards Institute concluded:

“ 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. ”

### Make all feedback available

- Full transparency – publish all findings reports, along with a WPD response outlining actions we will take as a result

### Identify stakeholders

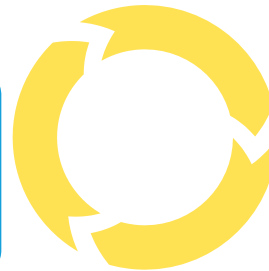
- Spot emerging stakeholders
- Annually update a database of c.5,000 contacts, segmented by interest area

### Understand their needs

- Identify the range of interest areas, from investment priorities to connections to social obligations to the environment

### Use feedback to improve service

- Short-term: policies, procedures and projects
- Long-term: shape our priorities and business plans



### Always engage with a purpose

- Avoid talking shops by defining clear objectives before we engage

### Listen, act and measure the benefits

- Publish and consult on proposed actions following engagement
- Annually review our programme to ensure it delivers positive outcomes

### Range of methods to inform and engage

- Use a variety of mechanisms e.g. expert panels, workshops, research, social media etc
- Tailor to best suit the audience

## Our Approach

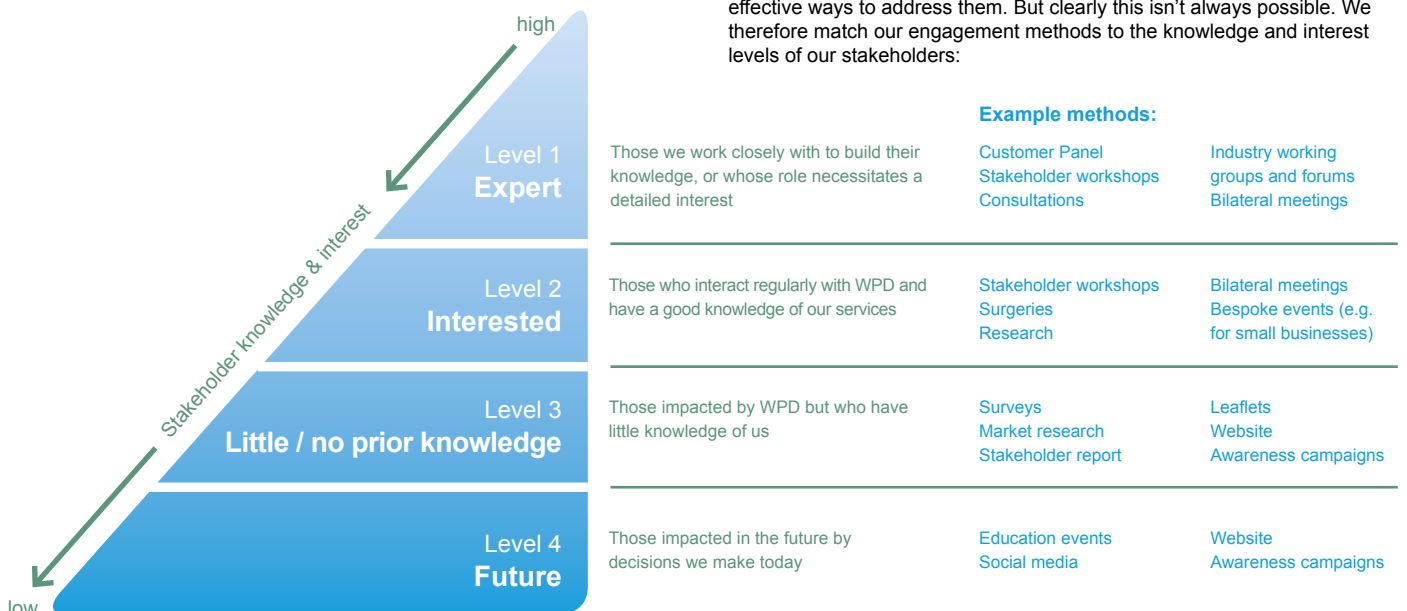
In short, our strategy is underpinned by a commitment to be:

- **Inclusive** (of all stakeholders)
- **Tailored** (using methods to best suit each group)
- **Focussed on action** (engagement leading to measurable outputs)

**Engagement is part everyone's job at WPD** – from our CEO chairing our Customer Panels, to local Network Planners hosting Connections Surgeries. Our programme is centrally coordinated, but locally delivered. In practice, this means that WPD's engagement is both 'expert-led' (every workshop is facilitated by staff directly responsible for the areas being discussed) and 'deliverer-led' (sessions also facilitated by Distribution Managers responsible for delivering the changes taken as a result of feedback).

**We use a range of appropriate engagement methods** – it is important we engage with all stakeholders. To do so we must recognise that stakeholders have different willingness and availability to engage with WPD. To ensure inclusivity, we work hard to ensure our programme has sufficient breadth to allow stakeholders at all levels to influence our plans and be kept informed of our performance.

**WPD place significant focus on face-to-face wherever possible** – this enables detailed exploration of the issues, and collaboration when identifying effective ways to address them. But clearly this isn't always possible. We therefore match our engagement methods to the knowledge and interest levels of our stakeholders:



## Updates to this in 2014/15

In 2014 WPD's Business Plan for RIIO-ED1 (2015-2023) was agreed and 'fast tracked' by Ofgem. Included within this decision they stated:

“ Ofgem would particularly like to highlight... the breadth and depth of WPD's (stakeholder engagement) approach that built on their longstanding framework for engagement. ”

Given that our investment and many deliverables up to 2023 are now agreed, there was danger that our engagement could become solely focussed on specific short-term deliverables and stakeholders could no longer influence our big strategic decisions.

It is crucial that WPD's engagement never becomes a series of talking shops, and stakeholders are always given the opportunity to influence change. We therefore updated our strategy to ensure that engagement continues to lead to action. Our ongoing focus will be two-fold:

### 2014-2019, we will engage on:

Delivery of our plans and identifying further improvements to services

Key, long-term priorities that may change the way we operate in the future

This immediately influenced the focus of WPD's annual stakeholder engagement workshops, where we asked stakeholders to identify:

- ▶ How WPD should report our Business Plan delivery performance
- ▶ Long-term strategic priorities that will impact DNOs in the future

Stakeholders identified eight long term issues for WPD:

- ▶ Keeping the lights on
- ▶ Smart networks
- ▶ Workforce renewal, skills & training
- ▶ Government legislation & policy
- ▶ Vulnerability & affordability
- ▶ Customer information & data
- ▶ Customer awareness
- ▶ Environment & sustainability

Over the next four years, each of WPD's annual workshops will focus on two of these eight long-term priorities, in order to gain a fuller understanding of the issues, review how WPD have started to address these and to inform our plans for the future.

## Engagement with a greater diversity of stakeholders

Whilst our Business Plan may be agreed until 2023, the issues facing stakeholders continue to evolve. This means that we are engaging with new stakeholders (e.g. the emergence of fuel poverty, distributed generation and community energy in recent years), or with existing stakeholders in a different or more detailed way (e.g. engagement with small businesses on the topic of resilience and vulnerability caused by our operations).

In 2015, following a review of our stakeholder mapping, we have engaged a number of stakeholders in new ways. These included:

- ✔ Federation for Small Businesses
- ✔ Local Authorities and regional fuel poverty schemes
- ✔ Local Enterprise Partnerships
- ✔ Community Energy Schemes
- ✔ Chambers of Commerce
- ✔ Suppliers
- ✔ MPs



▲ Small businesses workshop – see pg 8 of Part Two



▲ Community Energy Schemes workshop – see pg 4 of Part Two



▲ Presentation to Carbon Action Network (local authorities group) – see pg 8 of Part Two

## More clearly defined approach to fuel poverty engagement

In 2013/14 we created a new social obligations strategy. We have since worked with stakeholders to define in greater detail what 'addressing fuel poverty' means for WPD and other energy networks.

Our new approach is to engage relevant stakeholders in order to:

Develop, and participate in, referral networks to provide fuel poverty services for vulnerable households. Therefore we must:

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

This strategy was put into action in 2014/15 and as detailed in our Part Two submission (pg 6-8), has led to several key projects and positive outcomes.

# Key outcomes

159

Our overriding principle is that stakeholder engagement leads to action. In 2014/15 meaningful engagement has led to 159 substantial results.

All stakeholders are important, so we carry out an annual re-segmentation exercise to identify new sub-groups of the stakeholders (e.g. Community Energy groups, within the 'Distributed Generation' segment). While our Part Two submission outlines in greater detail some of our flagship initiatives, below is a summary of the key outcomes we have achieved in 2014/15 for all stakeholder segments:

Segments	Engagement method	Cost	Action/Output as a result of engagement	Benefit
Domestic, Business, Utilities/Industry, Parish Councils	Media	£1.85m	1. <b>Customer awareness campaign</b> – Newsletter and fridge magnet sent to 7.8m customers	Awareness of WPD increased to 54% from 47% (2014)
	Workshops	£145k	2-18. <b>Stakeholder workshops</b> – 6 events, 235 stakeholders attended – 17 actions identified and published	<b>Example actions:</b> – Agreed future Business Plan performance reporting – Identified long-term strategic priorities for WPD
	Audit	£2k	19. <b>Customer Service Excellence Standard Reaccreditation</b>	Improved customer service & engagement – 8 elements improved to 'Compliance Plus' in 2015
	Promotion	£20k	20. <b>130,500 Power Cut Advice leaflets distributed</b>	Improved emergency resilience. Freepost registration form for PSR
	Customer panel	£127k	21. <b>Improved customer data, enabling expansion of processes to provide proactive contact during power cuts</b>	1,574,144 proactive text messages sent 305,512 proactive telephone calls (115,259 to vulnerable customers)
	Workshops	£73k	22. <b>24/7 Twitter service introduced</b> – 35,000 tweets in 2014/15	92% satisfaction, 4min 44sec average response time, 8,000 followers
	Research		23. <b>Live webchat launched</b> – 6,610 chats in first 5 months	95% satisfaction. Giving more choice for how to access information
	Workshops	–	24. <b>Facebook launched</b> , 500 followers in first month	Giving more choice for how to access information
	Audit/accreditation	£4k	25. <b>Successful 'Storm Simulator' – social media stress testing exercise</b>	180 tweets in 2.5hrs – Knowing social media will stand up in storms
	Customer contact	–	26-47. <b>Quarterly Customer Panel meetings</b> – 22 actions identified and published	13 new members (33 total) in 2015 to ensure wide representation <b>Example actions:</b> Developed new planned outage letters
	Customer contact	£10k	48. <b>New interactive Stakeholder Report published</b>	Transparent reporting of our performance to customers
	Customer Panel	–	49. <b>New system to contact large customers after a power cut</b>	Improved relationships and managing expectation for businesses. E.g. 29 Sainsburys stores contacted in 2014/15
	Customer contact	–	50. <b>New 'Who's my supplier?' web app</b> – 49,297 customers helped	Quicker access to information via self-service option
	Workshops	–	51. <b>Email alerts following website content changes</b> – 146 customers registered	Connections information changes/updates promptly shared
	Workshops	£16k	52-56. <b>Small Businesses workshops</b> – 38 participants – 5 actions identified and published	<b>Example actions:</b> – Electricity emergency resilience check-list for businesses – Connections information via trusted industry bodies
Vulnerable / Hard to Reach / Fuel Poverty / PSR	Customer Panel	£546k	57. <b>PSR data cleanse team expanded to 25 Call Handlers</b> – contacted 113,767 in 2014	First DNO to start work on cleansing PSR On track to contact 363,000 in 2015. 60% records updated
	Workshops	£56k	58. <b>Pilot 'Power Up' fuel poverty scheme</b> – 694 referrals	£33k saved by those supported. Long-term solutions to fuel poverty
	Workshops	£273k	59. <b>3 new, expanded 'Power Up' schemes</b> – 1,206 referrals in 3 months	£229k saved by those supported. On track for £916k saved in 2015
	Partnership	£47k	60. <b>Affordable Warmth outreach project, West Mids</b> – 558 referrals	£101k saved – targeting hard-to-reach customers not on WPD's PSR
	Survey	£9k	61. <b>268 vulnerable customers surveyed</b>	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	62. <b>Co-developed leaflet with Northern Powergrid</b> 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	63. <b>PSR poster sent to 2,570 GP surgeries</b>	PSR promotion via trusted channels. 3,000 leaflets sent in follow-up
	Partnership	£25k	64. <b>British Red Cross supported 252 customers</b>	Welfare support during power cuts
	Audit/accreditation	£4k	65. <b>BSI vulnerability standard (BS18477)</b> – full compliance achieved	Ensuring all services are accessible to customers
	Audit/accreditation	£4k	66. <b>Hijinx Theatre Group training for 58 contact centre staff</b>	Innovative empathy training. Tailored service for PSR customers
	Partnership	–	67. <b>BSI Standard best practice meeting</b> held for wider industry	Every DNO, GDN and Transmission company supported to implement the standard
	Bilateral mtg	–	68. <b>Attended 12 industry vulnerable customer working groups</b>	Collaboration to progress common codes, data sharing and best practice projects
	Bilateral mtg	–	69. <b>PSR data-share trial with Wales &amp; West Utilities &amp; National Grid</b>	Vulnerable GDN customers referred to WPD's PSR
	Audit/accreditation	–	70. <b>System changes to register temporarily vulnerable customers</b>	Targeted support for customers vulnerable only for a short time
	Research	–	71. <b>Improved 'Browse Aloud' and translated webpages</b> – 1,844 hits	Better access to information for blind and foreign language customers
Best practice	£12k	72. <b>Expert review of PSR</b> (Leicester University Professor) for industry (DNO, GDN & supplier)	6 recommendations for wider industry to benefit all UK customers	

# Key outcomes

Segments	Engagement method	Cost	Action/Output as a result of engagement	Benefit
Demand connections, Distributed Generation (DG), Major Energy Users	Connections Panel	£76k	<b>73 –138. Hosted 3 Customer Steering Group meetings</b> – 2 DG workshops and 5 Community Energy events – 66 actions identified and published	<b>Example actions:</b> – New community energy guide published – 'Smart' connections offers now business as usual (147 offers to date, releasing 212MW in network capacity)
	Surgeries	£10k	<b>139. Attended five Renewable Energy Exchange events</b> – 150 stakeholders	Expert-led sessions help inform those interested in investing in low carbon technologies.
	Surgeries	£10k	<b>140. Connections surgeries across WPD's depots</b> – 120 stakeholders, and expanded to include Independent Connections Providers	New leaflet to go with every offer providing guidance on land rights and consents.
	Workshops	£2k	<b>141. 33 stakeholders consulted on WPD's new losses strategy</b>	
	Workshops	–	<b>142. Disseminated findings from Low Carbon Hub project to 60 stakeholders,</b> including an overview of the practical application of 'smart' connection offers	
	Connections Panel	–	<b>143. Improved online connections applications</b> – 2,907 applications	Giving customers more choice for how to deal with WPD. Smooth, fast application process for customers.
	Connections Panel	–	<b>144. Regular data updates published for WPD's online capacity maps</b>	46,141 hits – an 89% increase from 2013/14
Emergency response, Network security, Local Resilience Forums (LRFs)	Best practice	£48k	<b>145. New agreement with Nationwide Caterers Association</b>	Enables us to provide warm meals 24/7 for customers during storms and prolonged outages
	Customer Panel	£15k	<b>146. Crisis packs updated</b> to include a foil blanket. 1,000 distributed to help vulnerable customers during power cuts via partner agencies <b>Trial underway to distribute via WPD field staff</b>	
	Bilateral meetings	–	<b>147. New agreement to share vulnerable customer data between Category 1 and 2 responders during emergencies</b>	Improved emergency response preparedness and processes in place – WPD chair the Midlands Category 2 Responders Forum and participate in 180 meetings with LRFs per year
	Partnership	–	<b>148. 42% reduction in metal theft</b> due to close working relationship with senior police officers and partner agencies	
Regulatory Bodies, Government, Local Authorities	Ofgem Panel	£8.5k	<b>149. 250 MPs contacted inviting them to meet their local Distribution Manager</b> via a bespoke newsletter for their constituency	Follow-up contact with MPs to discuss future issues and policies
	Best practice	–	<b>150. 241,934 enquiries on 34,212 streetworks</b> on www.roadworks.org	Self-service option for customers to access information
	Bilateral meetings	–	<b>151. Better coordination of street-works and minimised customer disruption</b> following over 200 meetings with highways agencies and local authorities	
	Best practice	–	<b>152. Multiple actions following industry review of 2013/14 storm response,</b> e.g new single WPD emergency number	
Education, Future customers, Community Bodies	Promotion	£290k	<b>153. 50,000 children educated</b> about electrical safety extended topics (e.g. power cut resilience and vulnerable customers) – 258 safety/educational events – 2,000 school kits distributed	
	Promotion		<b>154. 11,391 hits and classroom resources downloaded</b> from WPD's www.PowerDiscoveryZone.co.uk	
	Community outreach		<b>155. 292 charitable and non-charitable organisations helped</b> – e.g. 59 Community Chest grant awards made (£50k) for energy efficiency measures like loft insulation and low energy lighting	Saving 63.07 tonnes/year carbon dioxide and saving energy for fuel poor customers, charities, schools and not-for-profit organisations.
	Community outreach		<b>156. Over 7,000 trees and shrubs planted</b> as part of our partnership with The Conservation Volunteers and Silvanus Trust.	Environmental/educational hands-on experience for 4000 school children
Innovation, Low Carbon, Environment	Workshops		<b>157. Learnings disseminated to 1,200 stakeholders</b> from WPD's various Low Carbon Networks projects	Shared information and feedback on innovation projects to aid others in the industry
	Bilateral meetings		<b>158. Eight events to consult with Areas of Outstanding Natural Beauty</b> and National Parks about undergrounding overhead lines	Smoother delivery of 22 schemes undergrounding 36 km of lines
Staff	Survey		<b>159. 2,500 employees participated in a staff survey</b>	93% know how their role contributes to WPD's performance 97% say they take personal responsibility to resolve issues.
<b>TOTAL</b>		<b>£3.7m</b>		

## Customer Service Excellence (CSE) Standard



WPD's stakeholder engagement programme and strategy undergoes a stringent external assessment every year.

The CSE standard reviews WPD's engagement strategy, delivery, timeliness, provision of information and staff commitment. It is a crucial part of our approach – informing our annual strategy review and helping to identify improvements. Whilst we have held the standard for many years, it continues to have huge value in driving our performance standards higher. As detailed below, the assessor concluded WPD have made big strides forward again in 2014/15.

We have reviewed other accreditation methods including The Institute of Customer Service and AA1000 Stakeholder Standard, but found that the scope of the CSE standard continues to offer excellent breadth and scrutiny, including benchmarking to related industries. It focuses heavily on the quality and range of WPD's engagement methods, including how we develop customer insight, understand users' experiences, robustly capture feedback and measure satisfaction.



### The verdict

An external auditor conducts a two day audit every year. There are 57 elements, with one third assessed annually. There are four potential outcomes ranging from 'non-compliance' to 'compliance plus' which is the highest level possible and indicates best practice across multiple sectors.

In 2014/15 we achieved eight new 'compliance plus' grades, which means WPD now hold the highest levels of achievement in over half of the standard:

	Previous	2015	Difference	New total
Compliance Plus	2	10	↑8	29 (out of 57)
Compliance	17	9		28 (out of 57)
Partial	0	0		0
Non-compliance	0	0		0

The 2014/15 audit concluded:

“ WPD is continuing to perform strongly and again leads the field in timeliness and quality of customer service.

*The consequences of the severe weather conditions experienced during the winter of 2013/14 were well-handled, and the experience gained has been used to revise operational procedures for any future occurrences.*

*Other issues noted this year include the introduction of a single contact telephone number publicised by the distribution of 7.8 million fridge magnets, the development of a social obligations programme, a significant increase in distributed generation and the successful introduction of 24 hour twitter, webchat and facebook access channels.* ”

### Details of the assessment



**5**  
categories

**57**  
elements

**150+**  
evidences reviewed

**Results**

Customer Insight (process & quality of engagement)	Culture of Organisation (senior management buy-in)	Information and Access (activities & senior decision making)	Delivery (likely outcomes for customers)	Quality of Service (cost effectiveness)
1.2.1 Strategy for engaging customers using a range of methods suited to their needs.	2.1.1 Corporate commitment to put the customer at the heart of service delivery & leaders actively support this.	3.4.1 Arrangements with partners to supply co-ordinated services, which have demonstrable benefits for customers.	4.2.2 We deliver the service we promised and outcomes are positive for the majority of our customers.	4.2.2 Performance in relation to timeliness and quality of service compares well with similar organisations.
<i>E.g. Stakeholder Engagement Strategy</i>	<i>E.g. CEO Annual Staff Roadshows</i>	<i>E.g. 'Power Up' fuel poverty partnerships</i>	<i>E.g. Customer surveys &amp; results</i>	<i>E.g. Ofgem Broad Measure of Customer Satisfaction</i>
<b>COMPLIANCE PLUS</b> “WPD demonstrate a clear and in-depth understanding of customers. More detailed customer segmentation has been used to refine the spectrum of stakeholders invited to customer workshops.”	<b>COMPLIANCE PLUS</b> “There continues to be clear leadership at all levels and appropriate policies and procedures are in place to support staff in delivering consistently high levels of performance.”	<b>COMPLIANCE PLUS</b> “The recent expansion of the vulnerable customer survey is helping to capture reliable information on individual needs and potential needs for referral to partners for further assistance with fuel poverty.”	<b>COMPLIANCE PLUS</b> “Services are delivered to a very high standard, with successful outcomes for the vast majority of customers.”	<b>COMPLIANCE PLUS</b> “There are clear standards for delivering customer service with emphasis on timeliness and quality of service and WPD's position as the leading industry performer in this area has been maintained.”



## British Standard for Inclusive Service Provision (BS18477)

As the first company in the UK to be assessed by the British Standards Institute (BSI) against BS18477 in 2014, we have again been assessed as fully compliant in 2015.

The standard recognises the broad and complex nature of vulnerability. It reviews how well companies are addressing this, from having responsible business practices, to ensuring staff are trained to identify vulnerability, to communicating information in accessible formats. The standard is recommended for energy networks, as BSI explain:

“ *Consumer vulnerability in the energy market needs to be identified and approached with sensitivity and tact. Ofgem is committed to encouraging more energy companies to use BS18477 as a benchmark.* ”

There are 36 elements reviewed via a two day external audit, grouped under the following headings:

- ▶ Board, CEO, senior management commitment
- ▶ Contact methods
- ▶ Provision of information
- ▶ Policies, processes & procedures
- ▶ Flexible services
- ▶ Staff training

### The verdict

**BSI's 2015 case study report highlights the long-term, embedded nature of WPD's initiatives as a key factor in our success. 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.** BSI's most recent review of WPD has seen not only the embedding of the practices surrounding the identification of the needs of vulnerable consumers, but also improvements being made, based upon consumer, internal and BSI feedback. In addition the practices are being progressively rolled out across WPD in a structured way.

BS18477 provides requirements for identifying and responding to consumer vulnerability. Good use of the standard depends upon the top management of the organisation showing clear ownership for the initiatives, helping employees to identify where and when consumers might be vulnerable or where they may be entering into vulnerable situations.

Mike Bailey, Director for Professional Services at BSI states:

“ *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 the headway and progress they are making.* ”

*The key to success is the embedding of the practices in to the everyday behaviours of the organisation's people and we have seen WPD do this remarkably well. BSI has seen WPD staff members at all levels of the organisation, proactively identifying potentially vulnerable consumers and acting upon their needs. WPD is achieving this through embracing the guiding principles of the Consumer Vulnerability Standard, BS18477.*

*Ownership for identifying and addressing needs is being taken at all levels across WPD. In addition WPD has been keen to share its experiences with other similar organisations, enabling the benefits of their work and initiatives to be felt by consumers beyond their reach.* ”

## Trial assessment against Ofgem's new scorecard



We commissioned the Centre for Sustainable Energy (CfSE) to undertake an independent audit of WPD's social obligations programme. It used a 'Balanced Scorecard' which CfSE developed with WPD as a framework to assess the extent to which a DNO is addressing relevant social issues in a strategically coherent way. Ofgem have since indicated this scorecard will form the basis of the assessment of the expanded Stakeholder Engagement & Customer Vulnerability Incentive, from 2015/16.

### The verdict

Aspect of performance	Assessment
Strategic understanding & commitment	Good with features of Excellent
Use of data & customer insight	Good with features of Excellent
Priority Service Register	Excellent
Affordable warmth initiatives	Good with features of Fair
Referral networks & services for vulnerable households	Fair with features of Good
Integration of social role into customer-facing services	Good with features of Excellent

A number of opportunities for improvement were identified. E.g:

- ▶ Develop an evaluation framework for pilot fuel poverty initiatives, to measure success and value for money.
- ▶ Establish a better understanding of the range of existing services and agencies available, including capabilities to work in partnership with WPD.

This directly influenced our 2014/15 programme and the significant expansion of fuel poverty referral projects detailed on pages 6-8 of our Part Two submission.

**Future:** ✓ We will undergo a further voluntary assessment in 2015/16 to monitor the impact of our expanded fuel poverty programme and to identify further improvements.

# Measuring the impact

While we engage with a wide range and number of stakeholders, the quality of this engagement is paramount. Monitoring the actions taken as a result of engagement helps to ensure engagement is always done for a purpose and leads to successful outcomes. But WPD go further and monitor the effectiveness of our actions by measuring results and seeking feedback directly from customers.

We work with third party agencies to conduct impartial research to monitor the impact of WPD's activities. We aim to provide the best engagement possible, where stakeholders are motivated to engage with us repeatedly over time. Objectivity is crucial to highlight projects that require improvement or a complete change of approach, as well as successes that should be continued and expanded. Examples of the results received and analysis undertaken for some of our activities found in our Part Two submission, are shown below:

E.g.



## Overall customer satisfaction



Our most important stakeholders are the 7.8 million customers (domestic and businesses) who rely on us every day. The purpose of all engagement is to improve the service we provide to them.

In the last two years, engagement with WPD's Customer Panel for example, has led to the adoption of a 12 hour restoration standard for power cuts (ahead of the rest of the industry) and voluntarily doubling guaranteed standards failure payments. More recently, increases in the number of mobile phone records we hold has enabled us to provide more proactive information. All of this has significantly improved performance.

In addition, the introduction of new communication channels such as Twitter, Facebook and webchat, along with improvements to existing channels such as the expansion of text messaging during power cuts (see pg 5 of Part Two) has helped to improve the quality of information provided to customers and how easily it is accessed.

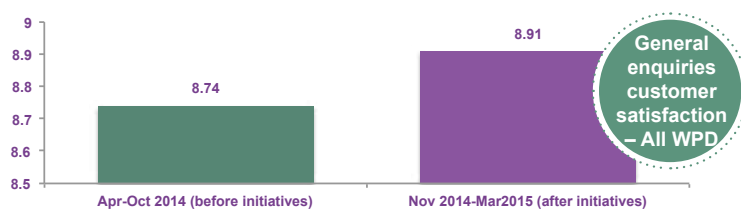
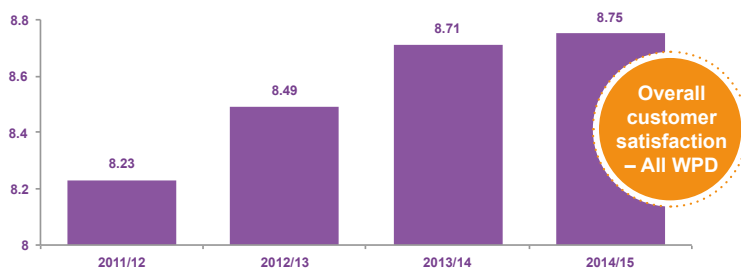
In 2014/15, 27,000 WPD customers were surveyed by an independent research company as part of Ofgem's Broad Measure of Customer Satisfaction, following power cuts, connections and general enquiries. **WPD were rated number one in the industry in 2014/15.**

Moreover, increased satisfaction year-on-year shows our engagement programme continues to drive improvements for all customers.

As well as monitoring overall satisfaction, we use the results to reveal specific areas to improve. We then consult stakeholders to identify appropriate actions and then track the impact of these when implemented. For example, in 2014/15 a dip in general enquiries satisfaction, led us to introduce:

- ✓ A one day customer contact standard
- ✓ Briefings to all 6,500 WPD staff
- ✓ New 'work completed follow-up checks' with the customer

Customer satisfaction improved as a result:



## Specific customer research

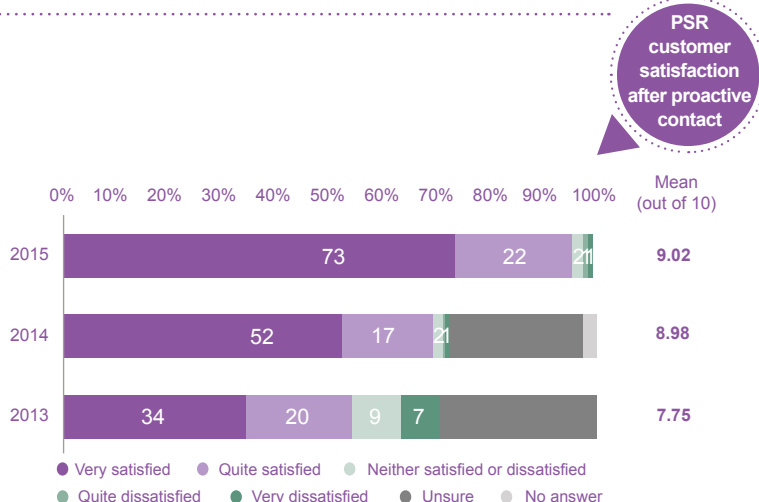
Where we have introduced new processes following stakeholder engagement, that benefit specific groups rather than all customers, we conduct bespoke research to measure the benefits. For example:

### Dedicated team updating the Priority Service Register – Part Two, pg 7

WPD's team proactively contact customers to update their details and to give power cut resilience advice.

Since the team's introduction in 2013, and significant expansion in 2014/15, we have continued to work with stakeholders to review performance and make improvements.

We then commissioned annual research, most recently with 286 contacted customers. The findings show that proactive PSR calls have a significant positive impact on satisfaction with WPD and customers highly value the service.



# Measuring the impact

## 'Power Up' referral schemes to tackle fuel poverty – Part Two, pg 6-8

Following engagement with wider stakeholders and several expert organisations, 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 reporting from project partners reveals the schemes are having a very positive impact, we commissioned follow-up surveys with the customers themselves.

The key findings revealed:

- ▶ **8.81 out of 10 overall satisfaction with all the Power Up schemes**
  - ▶ 88% said the referral could not have been improved
- ▶ **64% were contacted within 1 week or less after WPD made the 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 by over £100

## ▶ 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'

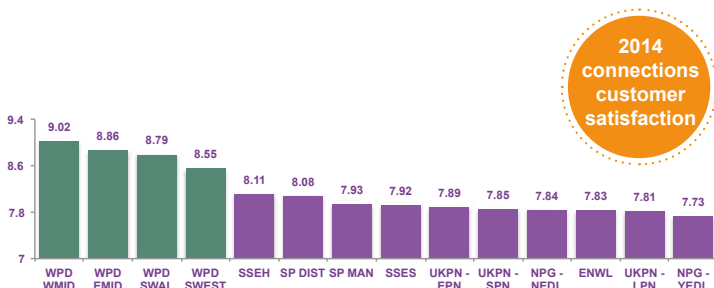
(note: some receive multiple types of support)

## Distributed Generation (DG) customers – Part Two, pg 4

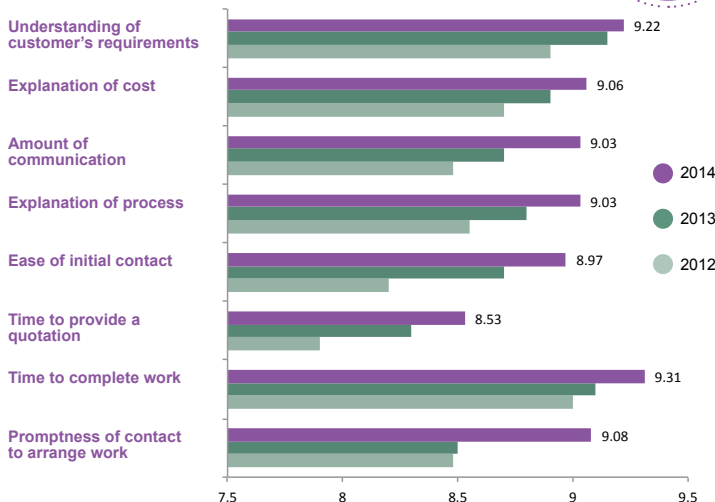
Since the emergence of DG as a key stakeholder issue and area for DNOs to improve, we have carried out annual research with 400 DG customers.

In such a developing area, where we have already taken a large number of actions, it is vital that we measure the impact and inform our next steps. In 2014/15 alone, engagement led us to identify 66 improvement actions for all connections, with regular progress reports published for stakeholders.

Our latest survey results reveal that while there is still room for improvement, our actions to date have had a significant impact. Customer satisfaction with our service is improving year-on-year and in every aspect of service.



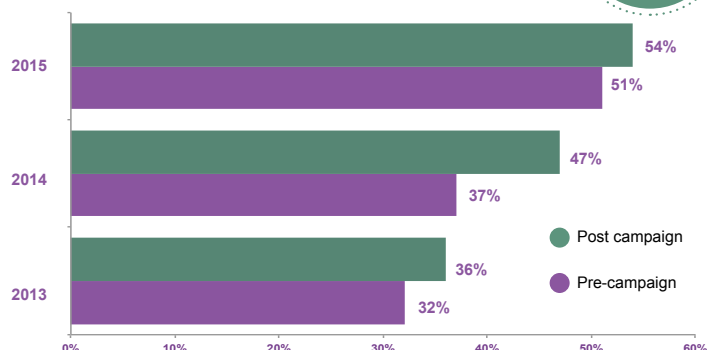
**WPD DG connections satisfaction**



## Customer awareness campaign – Part Two, pg 5

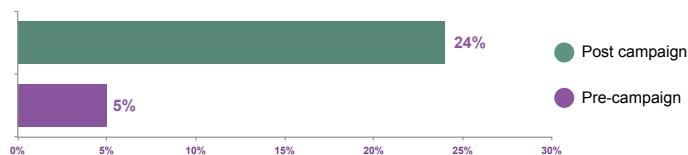
Our efforts to increase customer awareness of WPD involves a significant financial investment every year (c£1.85m in 2014/15, including mailing a fridge magnet to 7.8m customers promoting the new single emergency number). It is therefore vital that we monitor the impact. We conduct pre and post research for every campaign with 1,000 people across 20 different locations. As a result of our actions, awareness has increased year-on-year.

**Overall awareness of WPD**



As well as confirming there is value in the continuation of our annual campaign, we use research to monitor the impact of the changes we have made following stakeholder feedback.

Ahead of our 2015 campaign, our Customer Panel led us to give the customer newsletter a clearer focus on power cuts and emergency resilience. As a result, the number of customers associating WPD specifically with power cut repairs increased significantly:



Stakeholder engagement is embedded in WPD's business culture. There is significant senior management buy-in and direct involvement in our major engagement activities. This includes our Chief Executive leading by example. We also have a range of mechanisms to monitor the impact and report the outcomes of engagement internally within WPD.



## Chief Executive involvement

WPD's Chief Executive, Robert Symons, leads every WPD Customer Panel meeting, Connections Customer Steering Group and the annual Distributed Generation Forum.

Acknowledging staff as key stakeholders, who are responsible for implementing our customer-focused culture, Robert also carries out annual roadshow presentations to all 6,500 employees. This involves over 50 sessions, designed to see relatively small groups in order to generate feedback and allow staff to discuss WPD's performance and future focus.

In 2015 he again stressed the importance of remaining open and transparent as a business and working hard to understand and meet stakeholder expectations.

As part of our customer Service Excellence (CSE) Standard and BSI Inclusive Services Standard, auditors have met with Robert and WPD Directors to understand this commitment to stakeholder engagement, as well as attending a Customer Panel session and a staff presentation.

## Senior Management involvement

Key to our 'centrally co-ordinated, locally delivered' approach to stakeholder engagement, is the considerable involvement of Distribution Managers (DM) from across WPD. Demonstrating that engagement is part of everyone's role, 24 DMs facilitated roundtable discussions at our workshops in 2015. Stakeholders tell us they find it really valuable to have access to the staff responsible for the network in their area, while at the same time it enables our managers to hear directly from stakeholders and better understand the actions we will deliver as a result of feedback.

Building on this strong involvement, our recent initiatives to engage MPs about policy and future issues, have been led by our DMs. Our four Network Services Managers (East Midlands, West Midlands, South Wales and South West) wrote to every MP in our region to invite them to meet with their local DM. Every letter included a bespoke leaflet for each constituency giving the direct contact details for each DM and examples of major local investment schemes that are benefiting customers. A number of subsequent meetings have taken place with MPs, all led by WPD's DMs.

“ *The meeting was really useful. I don't think people understand how important electricity distribution is for our region and I was especially concerned to learn about problems with transmission infrastructure in the future. It's good to have a good relationship with WPD.* ”

Feedback following a meeting with Steve Cross, WPD Distribution Manager for Plymouth



## Mechanisms to monitor and report outcomes

### Annual strategy review

WPD's stakeholder engagement and social obligations strategies are reviewed annually by WPD's CEO and Directors. This includes signing off a detailed action plan, containing outputs, business owners, delivery dates and costs, as well as the approval for the resources to deliver this.

### Robust project management

WPD's engagement programme is project managed by a Stakeholder Engagement (SE) Manager, who co-ordinates all activities and reports performance monthly to the CEO and WPD's owners, PPL. At the 2014 strategic review, the expansion of our social obligations programme was approved, including an additional £1m spend funded by WPD's owners. This is aligned to a robust action plan, with clear outcomes and costs. Monthly reports monitor that delivery is in line with projections.

### Monthly management reporting

We maintain a monthly log of all stakeholder engagement activities undertaken across the business, along with a record of the outcomes achieved. Performance information is included within a monthly management council report that is sent to the CEO, Directors, senior managers and WPD's owners. To ensure our internal mechanisms are robust, our CEO provides a quarterly summary to our external Customer Panel. We also publish an annual Stakeholder Report and report performance at our stakeholder workshops, so that the many who return each year can hear our progress.

### Detailed project reporting

All external partners provide monthly project reports so WPD's SE Manager can review delivery and trends. This enables us to quickly identify and address any issues through close project management. A monthly summary is provided to WPD's Regulation Manager who reports direct to WPD's CEO. Once a year, we supplement this reporting by conducting targeted market research with customers to ensure the reported outcomes and benefits are accurate.

## External assessment of our culture

### CSE Standard audit report 2015:

“ *There continues to be clear leadership at all levels and appropriate policies and procedures are in place to support staff in delivering consistently high levels of performance.* ”

*The priorities of WPD can be seen in the emphasis given to customer focus in the 'First Time Every Time' and 'Target 60' policies. The Annual Staff Roadshows attended by the Chief Executive encourage everyone to be involved with this customer-focused culture. All staff met during the visit felt valued for their inputs and took pride in being part of an organisation with such a good reputation for customer service.* ”

### BSI Standard audit report 2015:

“ *The senior management demonstrated a high level of commitment to a consumer focused approach in all aspects of the operation.* ”

*A culture of ownership and continual improvement is promoted at all levels of the organisation, which was consistently demonstrated throughout the audit.*

*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.* ”



## Stakeholder Engagement Distribution Network Operators Working Group

### Introduction

Following feedback received from the Electricity Stakeholder Engagement Incentive Scheme panel in summer 2013, all six Distribution Network Operators (DNOs) across Great Britain agreed to work together to share and advance best practice stakeholder engagement activities and established a Stakeholder Engagement DNO Working Group.

The Stakeholder Engagement DNO Working Group comprises of Electricity North West, Northern Power Grid, SP Energy Networks, Scottish and Southern Energy Power Distribution, UK Power Networks and Western Power Distribution.

This appendix provides a summary of our agreed Terms of Reference for this group, an outline of the topics and meeting outcomes from the seven meetings held to date and our agreed action plan going forward for next year.

### Terms of Reference

The terms of reference of the group include:

- Best Practice sharing on all areas of stakeholder engagement with a specific focus on areas covered by the Ofgem Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive.
- Identifying joint initiatives that can be adopted by all DNOs
- Acting on feedback from the incentive scheme

### Summary of meeting topics & outcomes

Topic	Date
Inaugural meeting / set up	Nov 13
Severe weather	Jan 14
PSR	Mar 14
Low Carbon	June 14
Social obligations	Sept 14
Connections	Dec 14
Education	Mar 15

The group met on an informal basis during 2014 with each DNO being responsible for one of six key topics. For 2015 we have established ourselves as an Electricity Networks Association (ENA) working group. This has the benefits of bringing the activities of the group within the networks trade association and establishing links with other relevant ENA groups including;

- Customer and Social Issues Working Group
- Customer Safeguarding Working Group
- Gas Fuel poverty Group
- Gas Carbon Monoxide Group
- Gas Customer Best Practice Group
- Gas stakeholder group and associated sub-group (collaborative DRS group)
- Public Affairs Committee
- E3C Communications Task Group

Working with other ENA groups will allow the stakeholder group to feed ideas for joint initiatives into an established ENA working group with the relevant expertise.

## Key outcomes from meetings

### **Sharing information with the group and others**

1. Agreement to collaborate on shared stakeholder lists and issues including proactive engagement.
2. This is currently happening between two DNOs in border areas sharing information on joint phonebook entries helping customers contact the right network operator.
3. Increased engagement with GDNs on stakeholder issues.
4. Discussions on above topic areas and initiatives on what worked well and challenges in relation to fuel poverty initiatives, low carbon and power saver projects, communication with hard to reach customers, education programmes, connections and community energy.

### **Learning from others**

5. The British Red Cross were invited to discuss common contract arrangements to review consistency and efficiency in welfare provision during outages.
6. BSI, Centre for Sustainable Energy and a DNO presented on BS 18477 on Inclusive Service Provision – Requirements for identifying and responding to consumer vulnerability.
7. A GDN presented to the group on joint stakeholder engagement working between GDNs.

### **Best Practice documents produced**

8. A joint severe weather best practice document and a joint PSR best practice document were produced.

### **Priority Services Register**

9. Analysis of PSR vulnerability categories, data flow from suppliers and working with the Information Commissioner, local authorities and health organisations on sharing data outside of incidents. These issues were presented to the Consumer Safeguarding Working Group who established a sub group on data to address some of this work.

### **Improving Communications**

10. Agreement to fund national joint PSR website to aid registrations.

### **Review of Social Obligations Strategy**

11. Agreement to focus strategies in three areas; continued improvement to the service provided to vulnerable customers, maintain community engagement and work proactively with third parties to address the issue of fuel poverty.

### **Fuel Poverty**

12. Agreement to share information to utilise existing referral networks for customers that are identified as fuel poor.

## Action Plan 2015/16

The group will continue to take it in turns to chair the meeting during 2015 with meetings scheduled bi-monthly. Rather than focus on individual topics DNOs have prepared a work plan which focuses on delivering joint initiatives and outputs across key areas.

The main areas of focus for 2015/16 are:

### **SECV submission**

- Share submissions, outcomes and learnings from the 2014/15 stakeholder incentive.
- Identify initiatives that can be implemented jointly/rolled out across DNOs
- Implement feedback from the panel that applies to all DNOs e.g. cost benefit analysis
- Trial run of the social obligations assessment with Ofgem

### **Focus Area One:** PSR customers including

- Establishing a common set of industry special needs codes
- Establish a common "PSR" brand and develop app/website to sign up customers UK-wide
- Establishing mechanisms for data sharing via informed consent

### **Focus Area Two:** Connections specifically Community Energy including

- Producing an ENA Community Energy Guide
- Sharing best practice community energy strategies and communication

### **Focus Area Three:** Social Obligations (fuel poverty) including

- Sharing information on referral mechanisms and partners
- Identifying areas of joint working with gas e.g. off-gas grid customers

