



Part Three Submission:

Consumer vulnerability outcomes

Ofgem Stakeholder Engagement &
Consumer Vulnerability Incentive 2016/17

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This document is Western Power Distribution's **Part Three submission** to Ofgem's Stakeholder Engagement & Consumer Vulnerability (SECV) Incentive for the regulatory year 2016/17.

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

Ofgem's SECV Incentive is an annual scheme that encourages network companies to engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service. WPD's submission to this incentive is divided into three parts:

Part 1: WPD's stakeholder engagement & consumer vulnerability strategies and key evidence (demonstrating that we meet Ofgem's minimum requirements).

Part 2: Key outcomes resulting from WPD's stakeholder engagement activities.

Part 3: Key outcomes resulting from WPD's consumer vulnerability activities.

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Welcome

WPD has a social obligation to all of its 7.8m customers to keep the lights on, and especially to those who may be vulnerable. We play an essential role in supporting these customers during power cuts, as well as tackling wider issues like fuel poverty and cold homes through our extensive network of partner agencies.

We are committed to tackling not just those issues that we are directly responsible for, but also those that we are uniquely placed to address. The National Audit Office's report on 'Vulnerable customers in regulated industries' summarises the issue of an increasing number of vulnerable customers (as our population ages), with 1.6m sometimes self-disconnecting to avoid energy costs. WPD has a critical role to play, and we are upping our game year-on-year to address this challenge.

Leading by example

I attend every WPD Customer Panel and have personally presented our consumer vulnerability strategy and action plan to seek views, priorities and improvements. In 2016, I participated in the first ever joint-utilities fuel poverty conference in South Wales, alongside the Chief Executive Officers of Welsh Water and Wales and West Utilities. I hosted WPD's second annual parliamentary reception, seeking support from MPs to promote our Priority Service Register (PSR), which led to a 27% increase in sign-ups. I also met the BSI Assessor as part of our audit against the British Standard for Inclusive Service Provision. I maintain full oversight of WPD's vulnerability programme by annually

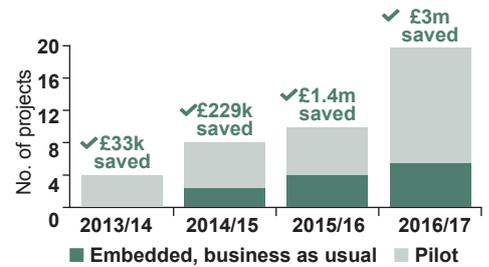
reviewing our strategy and action plans, ensuring we have appropriate resources to deliver clear outcomes for customers.

Stakeholders tell me that actions speak louder than words. They are frustrated by vague principles and lack of clear commitment from some companies, and tell me that action is required now. WPD has 17 social obligations commitments and deliverables within its Business Plan, all of which we are achieving. At the same time, we continue to innovate and develop our understanding to ensure that we are supporting vulnerable customers effectively.

Focussed on outcomes

Our only measure of success must be the outcomes we deliver. WPD has the most extensive and accurate Priority Service Register (PSR) in our industry. **In the last two years we have contacted 1.4 million PSR customers to update their details** and to offer resilience support, at a time when our register has grown by 30%. We now have 34 WPD referral networks in place to identify hard-to-reach customers, while every PSR customer is offered a referral to one of WPD's fuel poverty schemes. In the last

year we have supported 11,776 customers to save over £3 million.



Our focus is long term, avoiding one-off, showy projects that do not lead us to do anything differently in the long-run. We are embedding consumer vulnerability in all of our services, and ensuring it is recognised as part of everyone's role at WPD.

Robert Symons, WPD Chief Executive

Specifically introducing our Part Three submission



Simon Pett
Network Services Manager - East Midlands

I have nine Distribution Managers who are responsible for every aspect of the network in their area, including maintenance, power cut restoration and new connections.

At WPD it is everyone's responsibility to deliver exceptional customer service, particularly for vulnerable customers. My team and I attend WPD's annual workshops to hear from our stakeholders first hand, including views on how we can best tackle consumer

vulnerability and fuel poverty.

A key focus of our consumer vulnerability programme in 2016/17, and therefore this Part Three submission, has been to expand successful pilot schemes and embed vulnerability in the wider business.

The East Midlands was the first to trial a field staff vulnerability training programme that has since been rolled out to all 4,700 operational staff (page 7). We have introduced new PSR mapping tool to help staff to prioritise those in greatest need during emergencies and when planning outages (page 7). Our focus on vulnerability is leading to a number of

business-led improvements too. A major gas outage in 2017 (page 8) saw my teams collaborate with National Grid Gas Distribution (NGGD) to identify PSR customers. We have since rolled out a new facility so every Operational Manager can now run 'potential PSR impact reports'.

This submission is structured around WPD's four strategic objectives for consumer vulnerability. It outlines how this programme is becoming embedded and crucially, the positive outcomes it has achieved.

Key outputs we've delivered:

| | | | | | |
|---|--|--|--|---|--|
| <p>691,499 PSR CUSTOMERS proactively contacted to update their details</p> | <p>HIGHEST EVER PSR SATISFACTION OF 9.13/10</p> | <p>11,766 fuel poor customers supported</p> | <p>£3m annual savings for customers</p> | <p>4,700 field staff training in vulnerability</p> | <p>£90k fuel poverty innovation fund created</p> <p>SAVING CUSTOMERS £581k</p> |
|---|--|--|--|---|--|

An embedded vulnerability strategy

WHAT IS THE PRIORITY SERVICE REGISTER (PSR)?

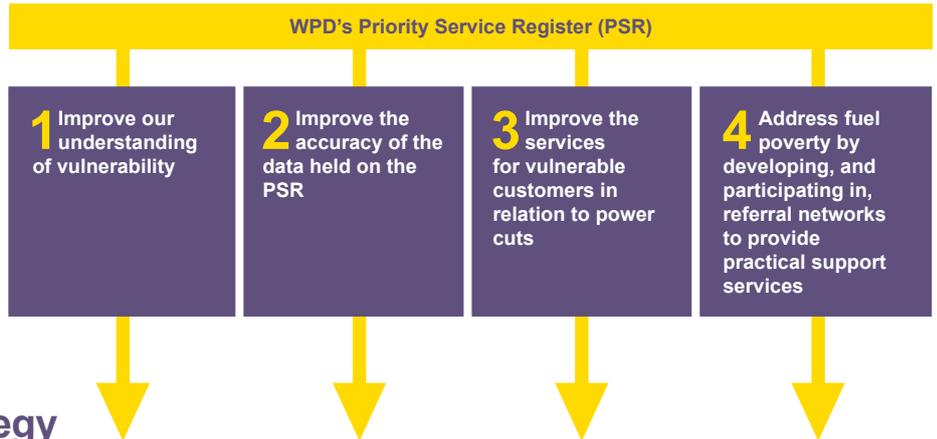
A free, confidential register of customers who require priority assistance, for reasons including age, disability, medical dependencies on electricity, communication needs or temporary vulnerabilities. It enables us to offer targeted services such as proactive contact and welfare support during power cuts, bespoke notification ahead of planned work and password schemes.

WPD's PSR currently contains 1.4m customers.

Our core social obligations strategy

Stakeholders are clear that WPD's primary focus must always be on the Priority Service Register (PSR) and supporting our most vulnerable customers during power cuts. In recent years, our traditional remit has broadened as our understanding of the multi-dimensional nature of vulnerability has developed. Stakeholders support this, but insist we retain links to our core responsibilities as a network operator. For example, WPD now offers extensive support schemes for fuel poor customers. We do so recognising the impact these factors also have on their ability to cope during a power cut and that we are uniquely placed to support them to become more resilient.

WPD's consumer vulnerability strategy has been in place since 2013 and has four key pillars. It is externally assessed annually (see page 4), and has been judged to be highly effective and built for the long-term. It is therefore enduring and consistent, which enables us to deliver more long-term and ambitious projects. The biggest measure of success is that it leads to positive, measurable outcomes that stakeholders value. Outputs including meeting our commitment to proactively contact all 1.4 million PSR customers once every two years at the same time as increasing the number registered by 30%, achieving the highest customer satisfaction in the UK and delivering annual savings of £3m for fuel poor customers, demonstrate this.



New Our delivery strategy

While our primary objectives are unchanged, our strategy for how best to deliver them continues to evolve with the help of our stakeholders. WPD's CEO reviews this strategy annually, along with an action plan containing timescales, outcomes, costs and owners. WPD's annual consumer vulnerability budget increased to £2.2m in 2016/17 as a result. WPD's Stakeholder and Social Obligations Manager coordinates delivery of all projects, and provides detailed, robust monthly performance for WPD's CEO and Directors.

Partnerships are vital to delivering effective solutions for vulnerable consumers. Learning from the various initiatives we have delivered in the last three years, in 2016/17 we formalised our delivery strategy. This submission is structured around WPD's four strategic pillars, and our delivery against the objectives we have agreed with stakeholders to achieve them.

| | | | |
|--|---|---|--|
| <p>Partnerships Work with local delivery experts. Collaborate with wider industry to ensure consistency</p> | <p>Partnerships Increase sign-ups with WPD directly, to ensure accurate, complete records at point of entry. Build effective processes with suppliers, gas and water utilities</p> | <p>Partnerships Deliver a range of appropriate welfare support services</p> | <p>Partnerships Identify existing outreach schemes, and target areas with highest rates of fuel poverty</p> |
| <p>Relevant accreditation schemes & external assessments</p> | <p>Regular, proactive contact with WPD's PSR customers</p> | <p>Bespoke communication ahead of planned power cuts, and proactive contact during emergencies</p> | <p>Tackle the root causes of fuel poverty</p> |
| <p>Expert external training for WPD front-line staff</p> | <p>Extensive referral networks to target hard-to-reach customers not known to WPD</p> | <p>Embed our approach with all staff including operational field staff to ensure consistency</p> | <p>Ensure end-to-end ownership for every referral</p> |
| | | | <p>Pilot projects initially & rapidly up-scale successes to business-as-usual</p> |

New A customer-perspective approach

For the last three years 2014-2016 our approach has been from a process perspective, establishing key, new projects and procedures to address priority areas identified by stakeholders. To embed these activities in our systems and the way we manage customer interactions as standard, we now view our programme from our customers' perspective.



2014-2016

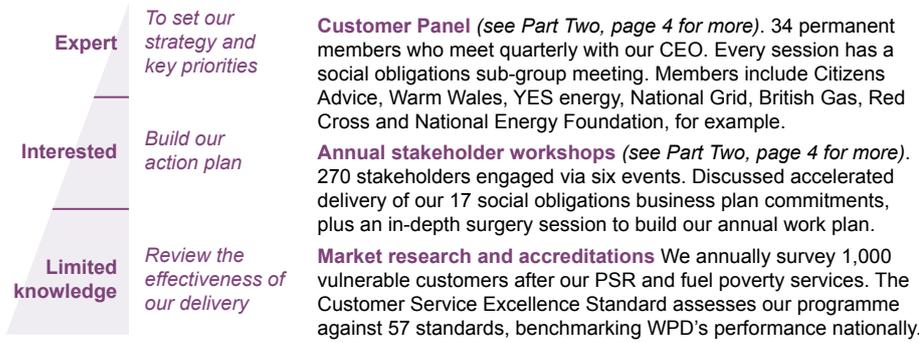
- Develop PSR data cleanse processes and embed them in day-to-day operations.
- Define our approach to fuel poverty.
- Expand successful pilot fuel poverty schemes towards 'business-as-usual'.
- Build PSR referral networks, engaging front-line agencies to identify and directly sign-up hard-to-reach vulnerable customers.

2016/17

- **Vulnerable customers known to WPD**
 - Maintain effective and regular contact with customers to offer advice, support and check the accuracy of our data.
 - Ensure a range of holistic support services are in place to provide tailored support during power cuts and in relation to fuel poverty.
 - Embed our programme with all WPD frontline staff to ensure consistency at every customer touch-point.
- **Vulnerable customers not known to WPD**
 - Extensive schemes in place to identify hard-to-reach customers, including new innovative approaches.
 - Explore the benefits of closer co-ordination with the health sector.
- **Measure the value to customers of the outcomes we deliver**



Key to delivering value for money is to first build a programme that reflects stakeholders' priorities, addresses their concerns and delivers service levels they value. Last year we engaged 8,300 stakeholders at over 35 events on our approach to consumer vulnerability. As per our overall engagement strategy (see Part One, page 2) we tailor our approach to suit stakeholders' knowledge and interest levels, and ensure they influence every stage of our programme:



37 OUTPUTS



For example:

- Review of the PSR Policy and creation of a new policy to remove 352,046 out-of-date records (where we have had no successful contact in three years), significantly improving overall data accuracy of PSR.
- Social obligations strategy review and creation of £90k Innovation Fund.
- Expanded and renewed four Affordable Warmth fuel poverty outreach schemes.
- Trialled a new funding approach for PSR referral partners (focusing on charities) to monitor the impact on PSR sign-ups versus existing non-paid-for partnerships.
- Fuel poverty outreach pilot scheme with National Grid Gas, to specifically target support to off-gas grid customers.

Measuring the value to customers

Some of WPD's consumer vulnerability outcomes deliver a clear financial benefit – eg. £834k investment in WPD's fuel poverty outreach programme saved customers £3m. But for many projects, whilst undoubtedly beneficial to customers, the outcomes are qualitative – eg. proactively contacting 1.4 million PSR customers to help improve their resilience to emergencies. It can therefore be difficult to judge if customers sufficiently value the outcome to justify the cost of delivery.

Our approach to measuring value for money (explained in Part Two, page 3) has developed from carrying out retrospective assessments for a handful of flagship projects to judge that they were worthwhile, to now conducting extensive research ahead of all key projects to ensure the we deliver maximum benefits to customers. This is vital in relation to consumer vulnerability, where we invest over £2.2m a year.

Our approach

This is a challenge for all energy networks. We therefore invited UK Power Networks and National Grid Gas Distribution to join us to undertake an in-depth willingness to pay exercise and develop a methodology that can be rolled-out industry-wide.



Through a number of 'choice experiments' 1,200 customers, from a range of demographics, were asked to make trade-offs to reveal the value to them of a range of actions and expenditure options we could deliver to achieve service improvements. We are not actually asking customers to pay more – the figures show the intrinsic value to them of the improvements offered and what they would hypothetically be willing to pay to achieve them. For example, 2016 research showed that in the area of 'fuel poverty', customers most valued:

Doubling the number of fuel poor customers supported (up to 12,500)

In 2017, we tested the value to customers of various possible actions to achieve this. Eg:

Data analysis to reveal fuel poor hotspot areas to better target schemes

More referral schemes to help existing PSR customers, who are also fuel poor

New outreach schemes to identify fuel poor customers not already known to WPD

Next steps

To further refine our approach to measuring societal benefit we are now considering approaches in other areas such as Big Society Capital (social investment bank), Social Enterprise UK (industry body) and UK Social Audit Network.

Delivering this value - how it has shaped our programme

We use this approach to develop a programme that not only delivers service improvements, but returns maximum value to customers. The network portion of bills is agreed and won't change, but it helps us to prioritise actions, resources and expenditure.

| Improvement level & key action(s) valued by customers | | Value to customers | Outcomes/benefits delivered (incl. any additional quantitative savings) | Cost to deliver | Cost benefit |
|---|---|--------------------------------|--|---------------------------------------|-------------------------------|
| Vulnerability | 75,000 supported in emergencies | £3.80-2.90 per customer | 115,747 supported in emergencies | 11p per customer (£862k total) | £2.79 per WPD customer |
| | Identify new vulnerable customers not already known to networks Increase proactive contact to vulnerable customers during emergencies to offer support | | 15+ outcomes in total. Eg: • 4,700 staff trained on vulnerability, leading to an increase in British Red Cross welfare support call outs (23). • 34 PSR referral networks established, operating in 44 locations (11 new agencies in 2016/17) to identify hard-to-reach customers not already known to WPD. Contributed to 18,646 direct sign-ups. • Proactively contacted 691,499 PSR customers - 575,752 via WPD's proactive data cleanse team to update their records, and 115,747 to offer information and support during power cuts. 9.13/10 satisfaction. | | |
| Fuel poverty | 12,500 customers supported | £6-£4.20 per customer | 11,768 customers supported to save £3m annually | 11p per customer (£834k total) | £4.09 per WPD customer |
| | Improve targeting of outreach schemes by carrying out data analysis to identify areas with high numbers of potentially fuel poor customers Develop referral schemes with expert partners to support customers affected by fuel poverty, identified via WPD's day-to-day operations | | 10+ outcomes in total. Eg: • 'Whose on the wires' social indicator mapping conducted to identify vulnerable customer hotspots to better target WPD's PSR and fuel poverty schemes to highest deprivation areas. • Four 'Power Up' referral schemes to support fuel poor customers identified during WPD's PSR data cleanse. 7,205 customers saved £1.4m a year . • Four 'Affordable Warmth' outreach schemes to identify and support fuel poor customers not known to WPD. 3,528 customers saved £1m a year . • Five innovative pilot schemes funded via WPD's £90k fuel poverty local action fund. 1,043 customers saved £581k . | | |

Understanding vulnerability

The key outputs this has led to

| | | | |
|---|---|---|---|
| <p>BSI standard held for</p> <p>4th</p> <p>consecutive year</p> | <p>Specialist training increased number of PSR records updated at first call to</p> <p>56%</p> | <p>Most extensive vulnerable data mapping yet</p> <p>41</p> <p>data sources used</p> | <p></p> <p>Data privacy plan created for industry to enable new PSR sharing arrangements</p> |
|---|---|---|---|

AT A GLANCE

- Stage:** Expanded
- Cost:** £35k (1p per customer)
- Value:** £2.90* per customer

Improved British Standards Institute: Inclusive Service Provision (BS18477)

Following a rigorous BSI annual assessment, WPD achieved full compliance with BS18477 for the fourth consecutive year – the longest of any UK company.

It is the key mechanism we use to objectively test that our consumer vulnerability programme is:

- Tackling the right priorities.
- Helping to deepen our understanding of the complex and multi-faceted nature of vulnerability.
- Recognising and addressing the risk factors that cause vulnerable situations; not just registering customers with permanent conditions.

A two day audit assessed WPD against 36 elements. As well as reviewing 42 evidence items, including strategies, processes and customer literature, the assessor interviewed WPD's CEO and senior staff, and visited our Contact Centre to see live processes in action. He attended a WPD stakeholder event held to consult on our 2017 work plan and to identify new PSR referral partners.

The assessment is not a rubber stamping exercise.

It is an essential part of our feedback loop that drives changes and improvements in our processes. We put forward all key, new projects developed in the last 12 months, for the BSI to objectively scrutinise their effectiveness and inclusivity, and identify opportunities to maximise the positive outcomes and improve delivery. In 2016, BSI reviewed our:

- New vulnerable customer data mapping.
- Promotion of the new national 105 power cut number to vulnerable customers.
- Roll-out of vulnerability training to all 4,700 field staff, including processes to register new PSR customers.
- New dementia awareness training.
- New smartphone app with easier PSR registration for referral partners, and feature for carers to register for power cut updates at multiple properties.
- New data sharing arrangements with water companies, building towards a "one-stop-shop" registration service for utilities.

Outputs:

- Introduced new specialist empathy training via Dementia UK and MIND to improve engagement at first point of contact and identify warning signs of vulnerability.
- 56% of PSR records now updated at the first call attempt.
- Introduced formal training plans in our Contact Centres that are refreshed annually, enabling better best practice sharing across WPD's two centres.
- PSR customer satisfaction increased to 9.13/10.
- Expanded our social media promotion and channels, including now offering live webchat on every page of our website and extending the service to 24/7.
- 24,537 webchats (an increase on 2015/16) – average satisfaction of 95%.



“New training initiatives continue to be introduced to broaden the understanding and definition of a vulnerable customer, both internally through the on-going programme to train field staff to identify vulnerable customers and also externally to bring fresh insight to the topic via organisations specialising in disability and dementia. There is a continued focus on maintaining partnerships with a wide variety of agencies, with WPD's Stronger Together conference used to promote this and attempt to identify new potential partners. BSI assessor, 2017”

Expanded Social indicator mapping of vulnerability

Listening to stakeholders, we now update our mapping every two years. The analysis informs a better understanding of the nature, scale and distribution of vulnerability across WPD's network. In 2017 we took account of changes to definitions of vulnerability (Ofgem) and fuel poverty (Government), and utilised the availability of new, richer and more up-to-date datasets. We now combine WPD network and PSR data with 41 sources, such as government statistics on benefit claims and long-term disability, now with more granular health data and a more extensive range of socio-demographic datasets.

Outputs:

- Enables us to target our projects to areas of greatest need, ensure we address the most prevalent issues and work with the most appropriate agencies. We use the data in four key ways:

For example, this led us to target:

- Our new off-gas fuel poverty collaboration with National Grid Gas to an area of rural Derbyshire.
- Our new smart meter vulnerability trial (see page 8) in a high power cut, high deprivation area in urban Walsall.

| | |
|---|--|
| Identify gaps in PSR coverage | Inform choice of new partners for PSR. |
| Fuel poor households | Target delivery of affordable warmth services. |
| Substation vulnerability score - new | Aid network investment decision-making. |
| Community resilience - new | Target WPD's new resilience guides to most vulnerable communities. |

Collaboration

WPD has been instrumental in the work undertaken by the Safeguarding Customer Working Group (SCWG), a cross-energy industry group attended by suppliers, DNOs, Ofgem and consumer bodies such as Citizen's Advice. We have agreed 27 new 'common needs codes', to be used by all parties nationally to identify and register customers, replacing categorisations that are over 15 years old. They consider the

multi-dimensional nature of vulnerability, including situations and risk factors that cause issues.

- ☑ WPD drafted the data sharing privacy impact assessments that will be used by all companies.
- ☑ WPD also wrote and negotiated the formal change requests required to amend industry dataflows.

The SCWG met with 39 vulnerability charities

and expert organisations to gain technical advice about phrasing and test each code's suitability. In June 2017:

- ☑ New codes will come into effect for all DNOs, gas networks and suppliers.
- ☑ Two-way, automated data flows between suppliers and DNOs (of new and updated PSR records) will start; replacing existing manual processes.

*Based on willingness to pay research. Contribution towards total value of vulnerable customer actions - see page 3

The key outputs this has led to

691,499
PSR customers contacted in 2016/17



Highest ever PSR customer satisfaction **9.13**



34 PSR referral networks established, leading to **10,000th** online sign-up



AT A GLANCE

- Stage:** Expanded
- Reach:** 710,145 PSR customers
- Cost:** £716k (9p per customer)
- Value:** £2.90* per customer

Expanded Data cleansing hits record levels



In March 2017, WPD achieved the huge milestone of surpassing 1.4 million PSR customers proactively contacted. We are achieving our business plan commitment to contact every customer once every two years, at the same time as our PSR has grown by 64% since 2014 (when the target was first set with stakeholders).

WPD has two dedicated data cleanse teams who contact every known PSR customer to update their details, remind them how to contact WPD, offer resilience advice and where appropriate, refer them for practical fuel poverty support from one of WPD's partnership schemes (see page 8).

The issue: 1.4m customers are currently on WPD's PSR. A joint DNO exercise analysed a random sample of 8,558 PSR customer dataflows from suppliers and revealed extremely poor data quality. Records were often misallocated or with partial data (c18%) that rendered them unusable.

The solution: WPD has played a key role in drafting the improvements to industry dataflows. But in the three years it has taken to negotiate this solution, as instructed by our stakeholders, WPD has taken ownership for our own data and sought to build enduring relationships with our PSR customers so that they are more resilient to emergencies. The unique success factor of this project is the focus on direct telephone contact - with 55% successfully contacted at first attempt - with no scripts or time-quotas, just quality empathy training. For those we do not speak to, we achieve a response rate to our follow-up letter of 25-30%. Engagement with various local authorities tells us their direct outreach typically has a 2-5% success rate.

New for 2016/17

Key to embedding this project as business as usual, is to regularly share our performance with stakeholders, identify improvements and refine our processes. An example learning point has been that fewer customers opt to be removed than anticipated (eg. several calls find the expected PSR customer is no longer there, but similar demographics living in some areas mean that many records are amended to new individuals, not deleted.) At the same time, while

WPD's contact success rate is very high, our conservative "just in case" policy of keeping non-respondents on the PSR, could hamper our efforts to provide support to those most in need during major incidents. In June 2016, as we approached the end of our first biennial cycle of contact with PSR customers, we initiated a wider project review with our Customer Panel vulnerability sub-group. As a result, we:

Outputs:

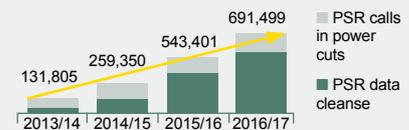
- Introduced a new data removal policy for records we have had no contact with for three years (including missing our cleanse calls).
- Adopted a process recommended by the Panel – to write to every customer, seeking a response within 28 days before their removal, but detailing clearly how to re-register at a future date. This process is now underway and will reach 325,046 customers.
- Expanded our teams to include more staff than ever before from WPD's wider Contact Centres during quieter times of lower in-bound calls.
- Shared the project with every DNO and GDN to explain the benefits and encourage replication UK-wide.

Enduring and expanding projects deliver unrivalled outcomes

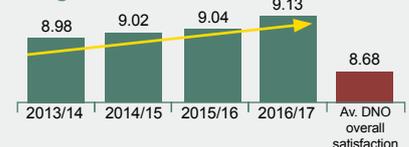
Stakeholders tell us that innovation is not just new, one-off projects every year. Delivering sustainable change and year-on-year expansion is innovation itself. This is valued highest by stakeholders. Through significant effort, investment and ongoing engagement the outcomes from WPD's data cleansing are unparalleled in the industry. Our outcomes have grown for the 3rd consecutive year.

Outputs:

- 691,499 PSR customers contacted in 2016/17 - highest ever (575,752 via WPD's data cleanse teams, 115,747 via PSR calls during power cuts).
- 50.3% records updated.



- 9.13/10 PSR customer satisfaction - highest ever.



- Whilst enabling WPD to provide more proactive reassurance and support during power cuts, this in turn leads to:
 - Fewer incorrect contacts to other agencies including suppliers, emergency services and local authorities during emergencies.
 - Sharing of records with Local Resilience Forums during major emergencies to enable coordinated assistance.

New PSR promotion



A key way to improve PSR data accuracy is to facilitate direct sign-ups so we can collect complete data at point of entry (see page 6). But to aid this process, customers first need to be aware of the PSR and its benefits. Industry collaboration has focused on the need for common branding under the 'PSR' name as a key enabler to eventually offering a one-stop-shop sign-up facility for all parties. To aid this we have:

- ✔ Distributed 250,000 pharmacy bags promoting the PSR and new national '105' power cut line across our region.
- ✔ Only 3% of pharmacists were aware of '105' before the campaign. 97% stated they would now recommend the PSR.
- ✔ Launched new community engagement in shopping centres. Timed to follow-up WPD's newsletter sent to all 7.8m customers, the events gave customers the opportunity to join the PSR and attracted more than 6,000 customers.

*Based on willingness to pay research. Contribution towards total value of vulnerable customer actions - see page 3

Improving PSR data quality

Expanded PSR referral networks help to achieve 10,000th online sign-up

A key way to improve the accuracy of the PSR, in addition to cleansing existing records, is to ensure quality data when customers first register. Feedback at our Customer Panel and annual workshops was that a key objective of our vulnerability strategy should be to significantly increase the number of direct PSR registrations with WPD rather than via the supplier. This way we can ensure we gather complete and accurate data at point of entry, and then share this with suppliers and other utilities – moving us towards a one-stop-shop service.

In 2015/16 we devised a new innovative approach. We engaged a network of trusted front-line agencies (eg. local authorities, energy advice/consumer bodies, vulnerable customer charities, etc.) to identify hard-to reach customers and gain their informed consent to directly sign up to WPD's PSR.

This replaced previous sign-posting that often did not lead to action. For example, in 2013/14 WPD distributed 10,000 PSR advice leaflets, resulting in very few direct sign-ups. By contrast, in February 2017 the 10,000th customer joined our PSR using our online form.

New for 2016/17

We have created 11 new referral networks, taking our total to 34. Working with our Customer Panel sub-group we have:

i. Standardised partnerships

We have formalised the "offering" we approach agencies with. This helps to engage them by clearly articulating the benefits of direct, consented PSR registration and explaining how this complements their own goals and obligations. For example, power cut resilience advice and free WPD crisis packs including torches, fits with the Fire Service's recommendations to not use candles during power cuts.

ii. Simplified the sign-up process

After piloting a range of techniques, the most effective sign-up method was via WPD's online form. This also enables us to mandate that all essential data is included. In 2017 we added to this with a new smartphone/tablet app which enables easy PSR registration. This also allows us to track the sign-ups from each agency so we can measure the impact.

iii. Engaged 'First Contact' schemes

We have taken the innovative step to integrate

PSR information into First Contact Schemes. These are local authority-led networks of local partners who provide holistic support to improve health, independent living, energy efficiency and management of debts/benefits. WPD partner with schemes in Leicestershire, Derbyshire and Gloucestershire, typically working with:

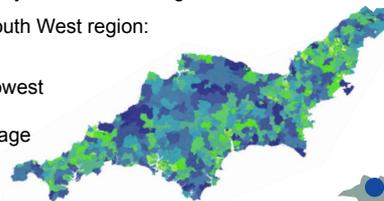
| | |
|----------------------------|-------------------|
| Fire & Rescue services | Citizens Advice |
| Consumer Council for Water | Talking Money |
| Community transport | Library services |
| Housing associations | British Red Cross |
| Action for Blind People | Carers groups |

iv. Identified partners via detailed needs analysis

Stakeholders told us our programme must become more strategic and targeted, with the location and types of partners based on a detailed needs analysis. In 2016/17, we have utilised WPD's social indicator mapping (detailed on page 4) to identify areas with high PSR eligibility but low levels registered.

Eg South West region:

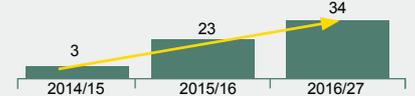
■ = lowest PSR coverage



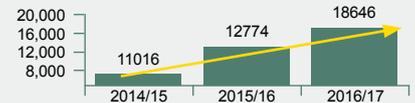
We then ensure that the location of our PSR referral networks mirrors this. We also use data to select partners with expertise best suited to target the demographics we are looking to engage. For example, mapping of high fuel poverty deprivation areas, led us to identify energy advice charities to engage in those areas.

Outputs

- Formal processes in place with 34 organisations, in 44 locations.



- 46% increase in customers joining our register direct.



- New guidance booklet produced to promote the service & aid consistent processes & reporting for new partners.
- Nine new partners approached jointly with National Grid Gas.

Collaboration

Working with water utilities

WPD has engaged with Ofgem and the UK Regulator's Network to establish processes to enable WPD to share customer data with water companies. This will advance us towards an eventual 'one-stop-shop' for the PSR covering DNOs, gas, water and suppliers. As a forerunner to this, in 2016/17 we engaged every water company in WPD's region. As a result we have:

- Introduced links online to allow customers who join WPD's PSR to then go directly to their water company's page to join their register. This is in place with Bristol Water, South West Water, Wessex Water and Welsh Water, with reciprocal links back to WPD. It will save time and improve the customer journey for customers wishing to join energy and water company PSRs.

- To aid long-term collaboration and shared learning between the energy and water sectors, Severn Trent Water have been joined at WPD's Customer Panel by South West Water and Affinity Water. WPD have joined Bristol Water's Panel.

Working with gas distribution networks

In 2015/16 we initiated a trial with National Grid Gas Distribution (NGGD) and Wales & West Utilities in three locations, to obtain informed consent from eligible PSR customers during gas field works. WPD then write to customers to explain our role and give advice and a direct dial number to use in emergencies.

- This has now been expanded to business-as-usual across all regions. We have also established arrangements with Southern

Gas Networks who also have a small number of customers in WPD's area.

- In 2016/17 we received 2,126 PSR referrals from GDNs.
- WPD and NGG jointly engaged Derby First Contact to promote the PSR and referrals process to 2,000 social workers.



The key outputs this has led to

4,700

field staff training in vulnerability

115,747

proactive calls to PSR customers during emergencies



Red cross support extended to independent network operators



DNO to introduce next generation text app for deaf customers

AT A GLANCE

Stage: Expanded

Reach: 115,747 PSR customers

Cost: £194k (3p per customer)

Value: £2.90* per customer

Expanded 4,700 field staff trained in vulnerability

WPD staff follow our customer service commitment to get things right “first time, every time” and take personal responsibility to “do the right thing” for customers. It is vital that staff are empowered with the appropriate knowledge, skills and tools to do this, particularly for vulnerable customers.

When WPD’s consumer vulnerability strategy was formalised in 2013, our initial focus was to ensure Contact Centre staff, who have primary contact with customers in power cuts (handling 2.1m contacts a year), have the skills to deal empathetically with customers, identify warning signs of vulnerability and offer bespoke support tailored to their needs.

As we embed our programme, feedback at our stakeholder vulnerability surgeries has been clear that training and responsibility for vulnerability must extend to all front-line staff.

✓ In the last 12 months we have trained all 4,700 WPD field staff to:

- Identify customers in potentially vulnerable situations.
- Add customers to the PSR.
- Arrange Red Cross welfare support.
- Distribute WPD crisis packs.



“The culture has been further embedded as business as usual across the organisation with the topic of vulnerable customers occurring naturally during the interviews on this assessment. It is now more formally considered and reported, driving further improvement. New training initiatives continue to be introduced to broaden the understanding and definition of a vulnerable customer, eg. internally through the on-going programme to train field staff to identify vulnerable customers. Staff have a number to call to add customers to the PSR or to request welfare support. It is apparent that field staff are empowered to identify customers in need of support and demonstrates commitment from senior management to provide training to optimise the opportunities presented during normal operational activities.”
BSI Assessor, 2017

Outputs:

- Trained all 4,700 WPD field staff leading to:
 - 3 Red cross call outs (increased from 7 in 2015/16) following field staff training.
 - 9.61/10 customer satisfaction with WPD field staff during power cuts - highest in industry.
 - Customer Service Excellence Standard:



For:

- Developing & delivering customer-focused services through staff training & development
- Staff understanding of customer needs

Expanded New PSR mapping tool aids support during outages

Over 1m customers have joined WPD’s PSR since 2011. Whilst this is great news, stakeholders told us, at our workshops, that this data must be easy to use to help improve services for customers. Our processes must therefore evolve to match this growth and to enable staff to quickly and effectively prioritise those in greatest need during incidents.

Previously, PSR records would be displayed on the mapping systems used by our operational staff when planning and responding to incidents as a standard symbol, regardless of the vulnerability reason. This was suitable when only 1 in 11 customers were registered. After the rapid expansion over the last six years, the ratio is now 1 in 6, meaning the mapping can become very cluttered, impacting our engineers’ ability to prioritise and respond quickly.

✓ In response to feedback from field staff at our PSR training, in January 2017 we launched a new system for mapping PSR customers. This helps staff to use their handheld devices on site to apply filters on our PSR to identify customers in need and better target our services. This may include providing bespoke communication and advice, as well as offers of practical support.



Colour symbols indicate the criticality of need:

RED: Critical response

Eg. Electrically dependent (outage could be life threatening).

AMBER: Medium term response

Eg. Mental health or disability (outage could cause discomfort, distress and inconvenience).

GREEN: Long term response/information only

Eg. Elderly and special communication needs, but no immediate dependency.



Outputs:

Makes information available on site, so that:

- When planning a routine outage, Technicians can apply filters to establish suitable customer communication (eg. whether to notify by letter, bespoke phone call, or personal visit to discuss their needs) and consider the impact of different timings and durations of outages.
- During emergencies, this prioritisation complements the training outlined above, by enabling staff to tailor and target our support – for example identifying the most critical customers who may need a generator or those who may benefit from welfare support from the Red Cross.

*Based on willingness to pay research. Contribution towards total value of vulnerable customer actions - see page 3

Support during power cuts

Expanded

Quality PSR data enables proactive support when it counts

The steps we take to ensure our PSR records are accurate are vital to stakeholders because they enable proactive, timely and bespoke contact during emergencies. Customers value this extremely highly (eg. it was the joint-highest priority identified in our 2017 willingness to pay research), especially in the light of increasing number of severe storms in recent years.

The number of customers we proactively contact is increasing significantly year-on-year. Our four-fold process was designed with our Customer Panel and is reviewed and refined annually via external assessments:

- Once an incident is confirmed we call PSR customers immediately with a further call back after three hours.
- If the customer is the first caller, we call them back if it becomes an area-wide fault to update them and offer support.
- If the estimated restoration time changes we call immediately.
- Once restored, we call to check they are ok, explain what happened and discuss their support needs for the future.

In 2016/17 we have worked with stakeholders to further improve this. We have:

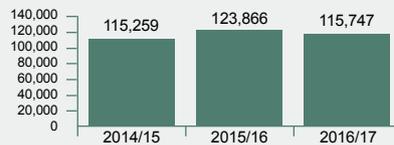
- Introduced a new policy to open our eight ramp-up call centres for longer in storms (resourced by non-operational staff), to enable our main Contact

Centres to solely provide outbound updates.

- Introduced a new two-way text message (SMS) system.
- Improved our Power Cut Reporter App so customers can register for updates if power is affected to vulnerable loved ones.
- As part of the Next Generation Text (NGT) Service we introduced the NGT Lite App - a first in our industry. It allows deaf/hard of hearing customers to communicate directly with WPD via smartphone, tablet or computer. Details about this and two-way texting is being sent to all our deaf/hard of hearing customers.

Outputs:

- 115,747 proactive calls to PSR customers in power cuts.



- 9.13 overall PSR customer satisfaction.
- Top rated DNO for power cut satisfaction (8.91/10), including every month of a named MET office storm in 2016 and 2017.

In practice: Storm Doris 23rd Feb 2017

- Most incidents ever recorded in a day in the West Midlands.
- 347,475 customers affected - 186,243 off supply, 161,232 short interruptions.
- All restored within Ofgem standard of 48 hours with 98% restored within 12 hours.
- 37,447 inbound calls.
- 5,747 proactive calls made
 - 1,788 to PSR customers, plus 36,518 proactive text messages.
- Red Cross support to 20 customers.
- Generators widely used to provide temporary restoration to PSR customers.



Expanded

Utilising smart meters to support PSR customers

During consultation on WPD's strategy to use smart meter data, a key stakeholder concern was to ensure that vulnerable customers will benefit and not get "left behind". WPD has since designed an innovative plug-in device to notify us in real-time when vulnerable customers go off-supply - replicating the "last gasp" feature of smart meters.

- ✓ **Partnering with a local social housing group, 250 devices have been installed, for 12 months, in an area with no mains gas and above average power cut rates.**

We combined WPD's new social indicator mapping with power cut frequency rates and off-gas grid data, to target the trial in a deprived

area of Walsall. It will therefore benefit customers who are potentially more vulnerable to a power cut than average, as they depend on electricity for power and heating. The devices trigger an immediate call from WPD to check that they are ok, despatch an engineer and offer support. At the same time, customers will also receive advice and support to help tackle fuel poverty.

The project will ensure we have robust procedures in place to deal with smart meter data and help to build processes for how best to interact with customers once alerted (eg. what should a DNO do if notified of an outage at 2am?). Surveys at the start and end of the project will identify improvements, measure customer



satisfaction and the impact of the fuel poverty support delivered. Outcomes will be shared with the industry to help benefit all DNOs ahead of the smart meter roll-out.

Collaboration

Independent Network Operators (IDNOs)

WPD has a longstanding relationship with the British Red Cross (BRC), who provide welfare support to our PSR customers during power cuts, such as warm meals and drinks. In 2017 our engagement with GTC, the UK's largest IDNO, led us to agree a new collaboration to extend BRC support to GTC's customers. This demonstrates our commitment to work with partners, including direct competitors, to deliver benefits for customers in general even when we may not cause the problem impacting them.

- ✓ **24hr service launched in January 2017. If GTC identify a vulnerable customer affected by either an electricity or gas outage on their networks, WPD arranges**

for BRC support on GTC's behalf, using our well-established call-out arrangements.

Major gas fault leads to new process

On January 19th 2017 a major incident cut off gas supplies to 2,700 properties in the town of Oundle in Northamptonshire. National Grid Gas Distribution (NGGD) contacted WPD for support to remotely switch the network to reduce load levels, as the widespread plug-in of electric heaters risked overloading the network and cause power cuts in addition to the gas outage. At the same time, as NGGD do not have a PSR, WPD supported them to identify vulnerable customers to prioritise for first response, welfare support and the provision of hotplates to enable them have a warm meal.

The method for WPD's local teams to identify PSR customers is swift, but relies on a power cut incident created in our systems. In this case a power cut had not occurred, so a bespoke report was run by our Control Room to assist NGGD.

- ✓ **Rolled out so that every local network manager, can now run 'potential PSR impact reports' for any network area.**

Smarter Metering @Smarterm3te... 22 Jan
Great partnership watched with @wpduk and @nationalgriduk regarding the gas outage in #PE8 things people don't think about... these did 🙌👍

The key outputs this has led to

11,776



fuel poor customers supported

£3m

annual savings for customers



£90k

fuel poverty innovation fund created

SAVING CUSTOMERS

£581K



First ever joint utilities fuel poor conference with water and gas

AT A GLANCE

- Stage:** New/Improved
- Reach:** 11,776 fuel poor customers
- Cost:** £802k (10p per customer)
- Value:** £4.20* per customer

Improved Embedding our “Power Up” schemes

WPD operates the largest DNO fuel poverty referral network in the UK. Expansions in 2016 mean that for the first time every PSR customer we contact is now offered the opportunity for fuel poverty support. As our network of partners grows and we make improvements to the processes followed and reporting delivered, crucially the positive outcomes achieved for customers have reached their highest levels yet.

Our model

Demonstrating an embedded and joined up approach to tackling consumer vulnerability, every WPD PSR cleanse ends with the offer of a referral to a specially developed ‘Power Up’ support scheme in the customer’s area. Staff have received specialist empathy training to identify triggers and warning signs of customers potentially struggling to afford their energy and heat their homes. Crucially this is not a sign-posting service, as we find that very few customers follow through on advice to call the numbers given. Instead we arrange the most convenient time for our partners to contact the customer.

We now have four embedded schemes, capable of supporting our 1.4m PSR customers. We operate a “hub” model, working with a lead agency who are responsible for contacting the customer, assessing their needs and delivering support. Each lead agency then manages a network of local agencies to provide support in areas not covered by their own service provision, but at all times avoiding hand-offs and ensuring ownership for the customer through to full completion of the referral.

Comprehensive support offered

Stakeholders are clear that we should move away from simply giving advice, as it is unclear if this leads to action. WPD’s ‘Power Up’ schemes are therefore designed to deliver practical measures to tackle the root causes of fuel poverty and lead to enduring benefits for those supported. Each scheme’s partner network must have the capacity and expertise to deliver six key interventions:

- i. Income maximisation
- ii. Tariff advice
- iii. Energy efficiency measures
- iv. Boiler replacements and heating technologies
- v. Behavioural changes
- vi. Health & wellbeing measures



*Based on willingness to pay research for fuel poverty actions - see page 3

Outputs:

- 7,205 customers supported to save £1.4 million a year.



“The scale of WPD’s schemes is extremely impressive. They produce significant and quantifiable benefits for vulnerable customers; unrivalled in their industry. The extent to which WPD works with and contributes to the wider community is exceptional. Customer Service Excellence Assessor 2017”

| | Hub lead: | Sub-partners | Referrals | Annual Savings | Satisfaction |
|---------------|--------------------------------------|--|-----------|----------------|--------------|
| East Midlands | Coventry Citizens Advice Northampton | Eg: Age UK/Cymru, Warm Zones, Severn Wye Energy Agency, British Gas Energy Trust, Fire & Rescue Services, Energy Saving Advice Centre, Care & Repair, NEST, Homemaker Southwest, Talking Money | 1,202 | £497k | 8.89/10 |
| West Midlands | Coventry Citizens Advice Coventry | | 721 | £302k | 8.89/10 |
| South Wales | energy saving trust | | 1,904 | £226k | 9.07/10 |
| South West | Centre for Sustainable Energy | | 3,378 | £392k | 8.99/10 |

Improved in 2016/17

In 2014 our focus was on piloting this model and in 2015 on expanding and replicating it. In 2016 we’ve worked extensively with stakeholders via our Customer Panel, workshops and vulnerability surgeries to make improvements to now embed these schemes into our business as usual.

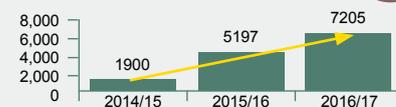
- We hosted best practice events with all partners to share learnings, tackle common challenges and align our processes to ensure consistency.
- We set common targets for referral volumes and minimising unsuccessful contact rates.
- We rolled out a consistent contact process across all partners, including three contact attempts on separate days and time windows, and every customer sent an information pack as standard.
- We rolled out Energy Saving Trust research to all schemes, to help quantify, in a consistent way, the impact of behaviour change actions such as bleeding radiators and changing thermostat and washing machine temperatures.
- We ensured all schemes offer support with Winter Fuel Payment applications.



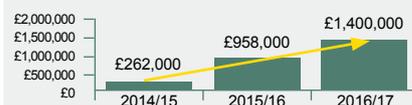
Enduring projects deliver unrivalled outcomes:

Outputs:

- Most customers ever supported.



- Highest savings ever delivered.



Strategic objective 4/4: Addressing fuel poverty

New “Affordable Warmth” schemes extended to all regions

WPD has launched three brand new partnership schemes, ensuring coverage for all WPD’s 7.8m customers across our region.

Our fuel poverty trials up to 2016 and ongoing engagement with stakeholders has revealed a considerable correlation between power cut vulnerability and energy affordability. While WPD’s ‘Power Up’ schemes provide support for customers already on the PSR, feedback has been that we must develop innovative approaches to identify hard-to-reach customers. In 2015 we used the findings of our ‘horizon scan’ project, which revealed 177 existing community-based schemes that could work with WPD, and trialled a new approach to form consortiums of trusted partners already working in deprived areas with customers that would otherwise be unlikely to identify themselves to WPD.

Learning from the success of ‘Power Up’, we use a ‘hub’ model working with one lead agency who then co-ordinate a number of smaller agencies. We target areas where our social indicator mapping indicates the need is greatest and where WPD’s existing PSR coverage appears low. WPD funds

holistic fuel poverty support, including delivering practical measures covering the six interventions outlined on page 9, to customers identified by the agencies’ existing front-line services.

| | |
|------------------------|---|
| NEW East Mids | Lead: Nottingham Energy Partnership <i>With: Papworth Trust Lincolnshire Energy Community</i> |
| NEW South Wales | Lead: Severn Wye Energy Agency <i>With: Care and Repair Neath Port Talbot Homes</i> |
| NEW South West | Lead: Plymouth Energy Community <i>With: Tamar Energy Community Community Energy Plus</i> |
| West Mids | Lead: Warm Zones <i>With: Beat the Cold Marches Energy Agency</i> |

Outputs:

- 3,528 customers supported to save £1m a year (an increase of 216%).
- 1,863 added to the PSR (up 393%).



Each scheme supports 1,000 customers over the winter period. Where they identify customers that would be vulnerable in a power cut they help to sign them up to the PSR directly.

New Developing new innovations & links to health services

At the same time as expanding and embedding our existing flagship fuel poverty projects, stakeholders challenged us to continue to innovate and seek new approaches to engage fuel poor and PSR customers – focusing especially on developing links to health services.

WPD launched a £90k “Local Action Fund” to find new, innovative ways for not-for-profit organisations to support vulnerable and fuel poor customers.

Working with expert partner Centre For Sustainable Energy, we set detailed scoring criteria, ensuring successful schemes must as a minimum:

- Help customers to lower & manage bills.
- Deliver energy efficiency improvements.
- Tackle links between cold, damp homes and poor physical and mental health.
- Identify new PSR customers.

We delivered five pilot schemes as a result:

Outputs:

- 1,043 customers supported to save £580k a year.

| Organisations | Funding | Outcomes | | |
|---|-------------|-----------|----------|-------------------|
| | | Supported | Savings | Benefits per head |
| Northampton Citizens Advice | £25k | 219 | £400,311 | +£1,714 |
| <i>Work with Macmillan Cancer and Anglian Water to identify customers with ill health and in fuel poverty.</i> | | | | |
| Cornwall Rural Community | £25k | 81 | £45,823 | +£257 |
| <i>Work with carers to support rurally isolated elderly people on the Isles of Scilly where 20.4% are fuel poor. Deliver benefit health checks, fuel debt reduction and energy efficiency measures.</i> | | | | |
| Derbyshire Council Healthy Homes | £15k | 140 | £47,430 | +£232 |
| <i>Target very low income residents in private housing, suffering from long term illnesses worsened by the cold. Work closely with GP practices and housing and social care services.</i> | | | | |
| Birmingham Disability Resource Centre | £15k | 508 | £74,930 | +£118 |
| <i>Support disabled people and those with long-term illnesses via workshops to reduce bills, improve energy efficiency, register on the PSR, undertake health and wellbeing activities and receive employment and finance advice.</i> | | | | |
| Wellington Homes | £10k | 95 | £13,023 | +£32 |

Create a model for GP practices to provide preventative healthcare support for patients suffering from the health impacts of cold homes via local cross-sector partnership working (WPD, Centre for Sustainable Energy, Wessex Water and Taunton Borough Council). Use combined data analysis: eg. energy property ratings, WPD’s PSR and GP health referrals to proactively contact patients and deliver home visits via Health Outreach Worker.



Collaboration

‘Stronger Together’: Joint utilities event

In a first of its kind conference, bringing together the major utility providers in South Wales, WPD joined forces with Welsh Water (WW) and Wales and West Utilities (WWU), along with Ofgem and Citizens Advice, to discuss how communities, public and private sector organisations can work together to support vulnerable customers. WPD’s CEO attended a session to take questions from the 150 delegates representing the third sector and local authorities, to discuss new joined up approaches to address fuel poverty. WPD is now working with WW and WWU on a number of collaborative actions to:

- Share PSR data.
- Share best practice on vulnerable customer support services.
- Coordinate efforts to identify vulnerable customers and support them during major emergencies such as flooding events.
- Opportunities to collaborate with local health and social services.

“This conference hit the nail on the head. The people we need to help are not just a list of categories, they are a broad spectrum. Working together is pivotal.” Cardiff Council

Support for off-gas grid customers

We’ve listened to the feedback received



and applied it to our own services. We’ve established a pilot scheme to notify the local gas distributor (GDN) when we identify customers off the gas grid via WPD’s PSR cleanse call and offer of a fuel poverty referral. The customer will then be contacted by the GDN to discuss heating alternatives and eligibility for the gas extension scheme.

- 33 referrals in the first 3 months.

