Assessment of DNOs action on consumer vulnerability

A REPORT PREPARED FOR OFGEM

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Executive Summary

Ofgem expects the Distribution Network Operators (DNOs) to play a part in helping vulnerable customers. To ensure that there is sufficient motivation to do this, the RIIO-ED1 Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive incorporates an assessment of how well the DNOs address consumer vulnerability issues.

Ofgem committed to adapting the assessment process for this incentive to include a specific Consultant evaluation of DNOs' action on consumer vulnerability. The aim of this new assessment process is to provide the Expert Panel with an independent insight into DNOs' identification and understanding of effective solutions for vulnerable customers, and their ability to integrate this learning into their core business activities. Frontier Economics ("Frontier") was commissioned to undertake a trial of this new process, with expert advice provided by Gill Owen of Sustainability First. This report covers the results of this trial including the methodology we developed to carry out the review, the DNO assessments undertaken using this methodology, and our recommendations for the full assessment next year.

Methodology and results

We developed a common assessment methodology based on evaluating each DNO against the five Consumer Vulnerability Criteria (CVC) already developed by Ofgem (see **Table 1**). This relied on a balanced scorecard approach that identified a number of sub-criteria for each of the five CVC, and introduced a scoring system based on different performance levels against each of the sub-criterion. Our objective was to provide the basis for an equitable, transparent and effective assessment of each DNO against Ofgem's CVC.

In developing this methodology, we were conscious of trying to strike the right balance between providing DNOs with sufficient detail to understand how we would assess them against the criteria, while not providing them with too much detail such that it prevented them from thinking for themselves how best to demonstrate their performance.

There were two opportunities through which a DNO could provide evidence for this assessment: a 10-page written submission and a five hour site visit. Based on this evidence, we scored each DNO against each criterion in line with our methodology. **Table 1** provides a summary of the scores, with the overall score out of 10 for each DNO.

Table 1. Summary of scores

Criterion	ENWL	NPg	SSEPD	SPEN	UKPN	WPD
1. Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	6.3	8.5	7.3	7.5	8.5	8.8
2. Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	5.7	7.3	7.0	7.0	7.7	8.7
3. Approach taken to management and use of PSR and associated services	7.0	7.0	7.3	7.0	7.7	9.0
4. Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	5.0	8.0	6.3	7.3	8.0	9.0
5. Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	7.5	8.5	7.5	8.0	8.5	8.5
Total (Out of 10)	**6.3**	**7.9**	**7.1**	**7.4**	**8.1**	**8.8**

The following areas are particular strengths for all or most DNOs.

- **Determining eligibility for the Priority Services Register (PSR)** – All DNOs currently take a strategic approach to eligibility outside of the 21 core PSR groups defined by Ofgem. This approach includes work by each DNO to proactively identify vulnerable customers that fall outside of these groups, or are not registered at all.

- **Degree of embedding of the DNO's consumer vulnerability strategy in managing customer interactions** – All DNOs have trained their customer services staff in identifying and responding to consumer vulnerabilities in line with the DNO's consumer vulnerability strategy. They also offer the flexibility to this staff group to 'do the right thing' and offer the appropriate DNO service (or referral to partner services).

- **Use of data** – Most DNOs provided clear evidence of how they are using data to influence and improve the development and delivery of their services for vulnerable customers.

- **Utilisation of partnerships that have been developed with relevant organisations** – Most DNOs have leading roles in the partnerships that they have developed, with the organisations working together to identify vulnerable customers and identify solutions for these customers, beyond basic referral and signposting.

In contrast the following are particular development areas for all or most of the DNOs.

- **Acquisition of data** – The development of processes and systems for data acquisition is a particular development area for all DNOs as there are some industry wide data sharing issues at the moment that make it difficult to score highly for this sub-criterion. DNOs need to continue to push for systems that allow sharing of data with partners.

- **Management of data** – While all DNOs have some degree of a data and information management strategy in place that forms an integral part of their wider data and information strategies, only WPD's data and information updating strategies appear to currently be working well, with good progress in closing previously identified data gaps, particularly in relation to PSR data.

- **Services offered to customers on the PSR** - Only WPD currently undertakes a detailed analysis of need which demonstrates how the services it offers reflect the complex and multidimensional nature of vulnerability across all PSR customers, and how they add value to the associated group of PSR customers.

Learnings and recommendations

The purpose of this trial was to provide learnings that could be taken forward into the design of the formal assessment in 2016.

As an overall observation, we believe that the process enabled us to provide a robust assessment of the DNOs' performance against Ofgem's criteria. The ranking of DNOs provides an accurate reflection of our view of the performance of the DNOs. We also believe the absolute scores and relativities between DNOs are reasonable. However, we believe that we could have made a similar assessment with a simpler process, involving fewer sub-criteria and a simpler scoring system. If we implemented the improvements we suggest, we consider that the accuracy of these scores would further improve.

- **Simplify the sub-criteria** - While we believe that the use of the balanced scorecard approach was useful in providing a clear framework for evaluation, we felt that there was less value in defining, and then scoring, the number of sub-criteria that we had developed. It increased the complexity of the assessment and, in some cases, there was a significant overlap between the evidence required across particular sets of sub-criteria such that it resulted in unnecessary repetition. Therefore, if the approach is to be retained going forward, we would suggest that the number of sub-criteria is reduced and that scoring is only undertaken on the basis of each criteria, rather than each sub-criteria.

- **Review the targets** - Having reviewed DNOs' activities, we now believe there is a question over whether some of the targets are desirable, or indeed possible, to achieve. Following on from the overall CVC, some of the current sub-criteria requirements focus on the strategy that DNOs have in place, rather than the outcomes that result from the implementation of that strategy. While it is important to recognise the benefits of coherent and well-thought through strategies, we believe that DNOs' achievements could often be better assessed by focussing on outcomes. For other sub-criteria where the majority of DNOs are already meeting the target, there is a question whether the requirement for meeting them should be either stretched or dropped. There are also some cases where we believe the relativities between 'weak', 'fair', 'good' and 'excellent' could be improved – either in terms of allowing for a clearer distinction between categories, or to improve the consistency of how the categories are applied across criteria.

- **Review the scoring system** - While we believe that it is useful to distinguish between four basic categories of performance (weak, fair, good and excellent), we would suggest that within each of these categories, at most two marks could be given (one for lower performance and one for upper performance) to differentiate performance. This would produce a range of scores from zero to 7. We would expect that the Expert Panel scoring system would suffer from similar issues to the ones we found, and therefore that should also be updated. If this is not possible, we would still recommend updating the Consultant assessment scoring system, even if it makes it slightly more difficult for the Expert Panel to mechanistically translate the Consultants scores into its own scoring mechanism.

- **Review the purpose of the site visits** - Overall, we felt that we got value from the site visits, though the degree to which this changed our initial assessment varied by DNO. To increase the level of challenge these provide going forward, we recommend that the assessors carry out a full assessment of each DNO before the site visit, and use this to frame detailed questions,

rather than the focussing on more general topic areas. The focus of the site visit could then be on discussing these detailed questions and probing the evidence that underlies each conclusion.

- **Revisions to the timetable** – The process was undertaken during quite a compressed timeline, particularly given that the trial required the development of the methodology and also the assessment of learnings. In future, consideration should be given to providing more time between:
  - finalisation of the methodology and the date for DNO submissions;
  - providing the topic lists for the site visits and the visits themselves; and
  - the end of the site visits and the consultant's submission of the final assessment.

2 Introduction

In Ofgem's strategy decision for the new electricity price control for DNOs, RIIO-ED1, it stated that it expects DNOs to play a part in helping vulnerable customers. To ensure that there is sufficient incentive to do this, Ofgem stated that the RIIO-ED1 Stakeholder Engagement Incentive would incorporate an assessment of how well the DNOs address consumer vulnerability issues and it increased the incentive's maximum reward exposure to reflect this.

Ofgem committed to adapting the assessment process for the RIIO-ED1 Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive to include a specific Consultant evaluation of DNOs' action on consumer vulnerability in its RIIO-ED1 Strategy Decision. The aim of this new assessment process is to provide the Expert Panel with an independent insight into DNOs' identification and understanding of effective solutions for vulnerable customers, and their ability to integrate this learning into their core business activities.

Ofgem are trialling this new assessment process before it is formally implemented. This enables Ofgem to ensure that the assessment process works effectively. It also provided Stakeholders with the opportunity to input into the development of this process. Frontier Economics ("Frontier") was commissioned by Ofgem to undertake this trial, with expert advice provided by Gill Owen of Sustainability First.

The full formal DNO assessment process under the Electricity Distribution SECV Incentive will take place in 2016. In addition to summarising the individual DNO assessments undertaken as part of the trial, this report provides learnings and recommendations for the Consultant Assessment aspect of the full assessment next year. It is outside of the scope of our work to comment on how the Consultant Assessment fits into the wider Expert panel assessment.

As part of this trial, there were two main elements of the assessment process for each DNO:

- an application providing evidence to demonstrate how it meets Ofgem's Consumer Vulnerability Criteria ("submissions"); and
- a five hour visit by Frontier staff to one of the DNO's sites ("site visits").

Following our review of the submissions, we issued each DNO with a list of topic areas which we wanted to explore further at the site visits. The DNO then had one week to prepare for these visits.

This report documents this trial and is structured as follows:

- chapter 3 sets out the Common Assessment Methodology against which each DNO has been assessed;

- chapter 4 summarises the assessment of each DNO; and
- chapter 5 presents the learnings from this trial process and our recommendations for the formal assessment process next year.

3 Common Assessment Methodology

In order for an equitable, transparent and effective assessment of each DNO against Ofgem's Consumer Vulnerability Criteria, a common assessment methodology must first be developed. We focussed on two particular aspects:

- the overall methodology; and
- key areas for consideration under each Consumer Vulnerability Criterion, and the associated scoring category requirements.

This chapter deals with each of these aspects in turn and sets out the final common assessment methodology that was used to assess each DNO in this trial.

3.1 Methodology

We used a **balanced scorecard approach** for the assessment methodology. This approach has proven to be effective for evaluations across a wide variety of organisations. It therefore provides an established framework to make it easier to compare DNOs in a fair and transparent way on the basis of the agreed Consumer Vulnerability Criteria. Based on this, we looked at the **scoring** of each Consumer Vulnerability Criterion and then how they should be **weighted**.

3.1.1 Scoring of each Consumer Vulnerability Criterion

A balanced scorecard approach requires a scoring scheme to be developed. The scoring to be used as part of the Independent Panel assessment formed the basis of our thinking. This scoring system is shown in **Figure 1**.

Figure 1. Independent Panel Assessment Scoring

Score	Below 5	5	6-7	8	9-10
Description	Weak	Average	Fair	Good	Excellent

There are two main features of this scoring system that need to be considered in deciding on the scoring system for our common assessment methodology:

- the appropriate number of scoring categories; and
- how to assign scores to each category.

As shown in **Figure 1**, the Independent Panel's scoring uses 5 categories. Each DNO is scored out of 10, with the largest ranges of scores available for the 'weak' category (0-4), followed by the 'excellent' category (9-10) and 'fair' category (6-7).

Scoring design

- **Number of scoring categories** – It is important that the description of the DNO requirements is distinct for each of the scoring categories used. In practice, sufficient differentiation between more than four categories is difficult to achieve for this assessment. We therefore recommended that only four categories are used.

- **Assigning scores to each category** – Ultimately, the assessment of the DNOs against the Consumer Vulnerability Criteria will feed into the Independent Panel's Assessment. Given this link, it is important to ensure clarity and consistency in relation to scores between our assessment and the Panel's assessment. We therefore recommended that the DNOs should be scored out of 10, and that the scores assigned to each category match those in the Panel's assessment, with the scoring for Weak and Average being combined (as shown in **Figure 2** below).

Figure 2. Common Assessment Methodology Scoring

Score	5 or below	6-7	8	9-10
Description	Weak	Fair	Good	Excellent

Requirements under each scoring category

As a first step in defining what is required from the DNO under each scoring category, we separated out each of Ofgem's Consumer Vulnerability Criteria into more detailed sub-criteria to make the assessment as transparent and objective as possible.

The range of requirements across the scoring categories then needed to be determined. In order to 'future-proof' the assessment methodology, we recommended that the design of the range of requirements should be based on existing best practice, with the requirements for the 'excellent' category set as a stretch factor for the DNOs. This should be combined with a regular review of what is required from the DNOs under each category, based on best practice from previous assessments of DNOs, to see if further stretch needs to be introduced. This combined approach allows for continual development across all of the Consumer Vulnerability Criteria, and sub-criteria, so that DNOs aren't able to 'stand-still' and receive the same score as in the previous year. It also allows for a comparison across DNOs to be built into the assessment. For this initial version of the methodology, the range of requirement was based on the evidence that has been seen to date of the DNOs current practice in this area.

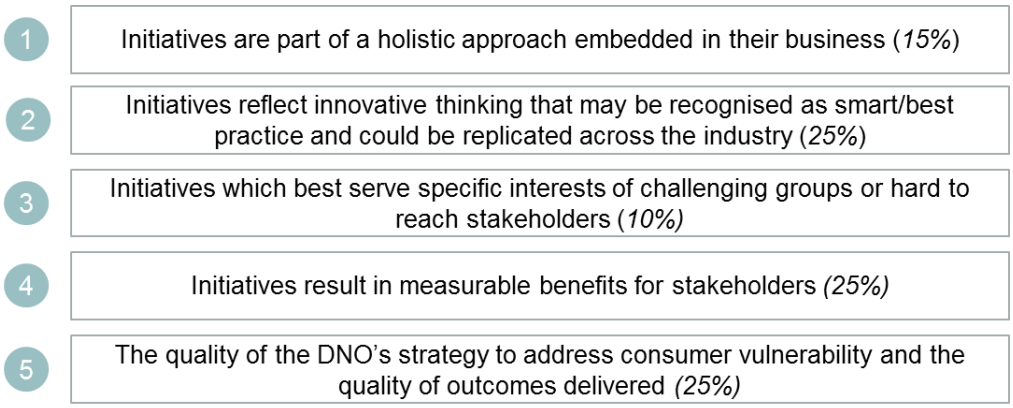
In drafting the requirements under each scoring category, we tried to keep this at a high level. The aim was to allow the DNOs enough flexibility to address each

criterion in a way that is most suitable for its vulnerable customer base and the social issues facing these customers.

3.1.2 Weighting of each Consumer Vulnerability Criterion

Finally we considered the appropriate weighting of each of the Consumer Vulnerability Criteria in the overall assessment of DNOs. In judging this, it is important to consider how the final score from this assessment will feed into the Independent Panel's assessment. The Panel uses the five criteria shown in **Figure 3** to assess each DNO.

Figure 3. Independent Panel's Assessment Criteria



The Panel's assessment of each DNO against criterion five will be based on the assessment of the DNO's actions on consumer vulnerability. In addition, this work is also likely to feed in, to a lesser extent, to the Panel's assessment of each DNO against the remaining criteria. However, it is likely that the assessment in relation to some of the Consumer Vulnerability Criteria will be more applicable to certain of the Panel's Assessment Criteria[1].

Because of these links between the Consumer Vulnerability Criteria and the Panel's Assessment Criteria, it effectively means that some of the Consumer Vulnerability Criteria may get more weighting than others in the Panel's overall assessment. However, attempting to weight some of the Consumer Vulnerability Criteria more than others to correct for this would be a complex process, particularly because of the uncertainties around the weight the Panel will place on this Consumer Vulnerability assessment in comparison to wider evidence.

So as not to add unnecessary complexities to the process, we recommend that equal weights are applied across the Consumer Vulnerability Criteria. We feel

[1] For example, there are clear links between Consumer Vulnerability Criterion five and the Panel's Assessment Criterion one, and Consumer Vulnerability Criterion two and four and the Panel's Assessment Criterion three.

that, on balance, there is nothing to suggest that an approach which weighted some of the Consumer Vulnerability Criteria higher than others would be beneficial overall.

3.2 Criteria

Ofgem developed five Consumer Vulnerability Criteria against which each DNO must be assessed as part of the Consultant Assessment of the SECV assessment:

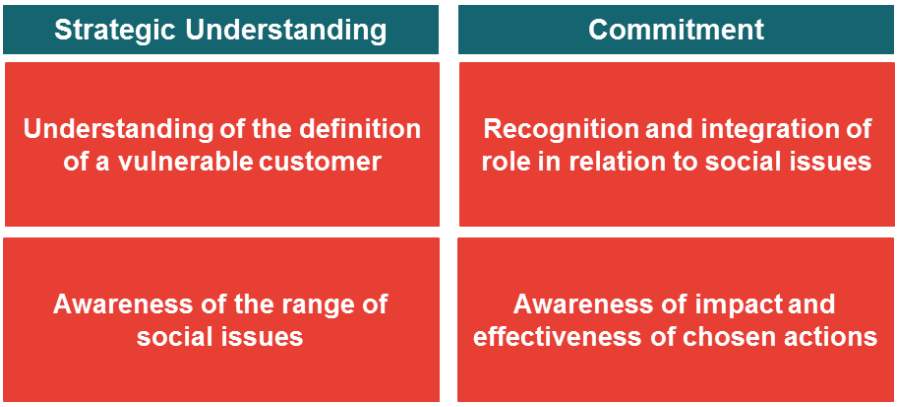
1. Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers
2. Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it
3. Approach taken to management and use of PSR and associated services
4. Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers
5. Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

In this section we take each of these criteria in turn, setting out the main areas for consideration under each, and our recommendations for scoring them.

3.2.1 Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers

Under this criterion there are two main areas for consideration, as shown in **Figure 4**. Each area can be further split into two main topics. This provides four sub-criteria against which each DNO should be assessed.

Figure 4. Main areas for consideration – *Strategic Understanding and Commitment*



- **Understanding of the definition of a vulnerable customer** – Is the DNO's overall strategy tailored to take account of the fact that vulnerability, in general, can be complex, multidimensional and transitory, and may also vary on geographical basis? Does the DNOs approach demonstrate a good understanding of what vulnerability looks like across its own customer base?

- **Awareness of the range of social issues** – Does the DNO's overall strategy reflect an awareness of the range of social issues relevant to vulnerable customers as a whole, and which of these issues is most prevalent across its customer base?

- **Recognition and integration of the DNO's role in relation to social issues** – Is the DNO able to demonstrate that it has a comprehensive understanding of its role in relation to tackling social issues relevant to vulnerable customers? Is this role fully integrated into the DNOs overall strategy and business planning?

- **Awareness of the impact and effectiveness of chosen actions** – Is the DNO able to justify why its chosen actions address social issues relevant to vulnerable customers; 'add value' for these customers; and are more effective than potential alternative actions? Does the DNO have a good understanding of areas where the company is currently falling short and could improve its performance? Is the DNO currently facing any barriers to performance improvement, and what are its plans to overcome these barriers?

Table 2. Scoring category requirements for this criterion

	Weak	Fair	Good	Excellent
Understanding of the definition of a vulnerable customer	Understanding of vulnerability restricted to a general definition of vulnerability. Little or no knowledge of what vulnerability looks like for the DNOs customer base	Basic understanding of vulnerability across its customer base. Largely focussed on the key vulnerability characteristics	DNO aware that there isn't a 'one-size fits all' approach to vulnerable customers. Good understanding of the main 'vulnerability issues' facing its customers	Enough flexibility to adapt to differences in vulnerability and changing needs of vulnerable customers
Awareness of the range of social issues	General poor awareness of the social issues that vulnerable customers face	Good awareness of the range of social issues associated with the industry relevant to vulnerable customers in general. For example, the DNOs focus is not restricted solely to 'fuel poverty', but takes other issues such as 'vulnerability to a power cut' into account	Good awareness of the social issues associated with the industry that are most prevalent across its vulnerable customer base.	As 'good' but DNOs also thinking about issues external to the industry which could also be impacting on their stakeholders
Recognition and integration of role in relation to social issues	Recognition of social role confined to generalised statements. Limited integration into overall business strategy	References to social role within strategy but tendency to treat as 'add on' aspects of business strategy and practices rather than integral aspect of service development and delivery	Fully integrated understanding of social role with clear plans for developing systems and customer facing services to reflect role with targets for improved performance and increased impact	Delivering on social role a key business driver underpinning design, planning and delivery of all services with core objective to 'make the most of what DNO does' to tackle relevant social issues
Awareness of impact and effectiveness of chosen actions	DNO able to provide little justification as to why its chosen actions address social issues relevant to vulnerable customers	DNO able to provide basic justification as to why its chosen actions address social issues relevant to vulnerable customers. Basic	As 'Fair', but clear plans to address shortcomings and/or barriers to performance improvement it is currently facing	As 'Good', plus DNO able to fully justify why its chosen actions address social issues relevant to vulnerable customers and demonstrate

	understanding of any areas where it is currently falling short and could improve its performance. Lack of clarity around plans to address shortcoming and/or barriers to performance improvement	why these 'add value' and are more effective over alternatives

3.2.2 Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it

Under this criterion there are three main areas for consideration in relation to each DNOs approach to data and information on vulnerable customers.

- **Data and information acquisition** - Is the DNOs stakeholder engagement programme fully utilised in developing the DNOs data and information acquisition strategy, particularly in relation to: how to utilise the information they collectively hold on consumers in vulnerable situations to reduce additional data collection; and, what additional data and information should be collected and who it should be collected from? Does this programme engage a broad and inclusive range of stakeholders, using a variety of appropriate mechanisms? Is the data and information acquisition carried out by the DNO done so in a timely and systematic way?

- **Data and information management** - Does the DNO have a data and information management strategy in place that safeguards the quality of the data and information collected over time? In particular, this data and information should be up-to-date and consistent across data sources. The DNO should be aware of any significant data gaps and have processes in place to address these gaps.

- **Data and information use** - Does the DNO make effective use of all the data and information collected? If not, is there a feedback loop in place to reflect the reasons for this in the acquisition and management processes? How is the data used, both internally within the organisation and more widely with other partner organisations?

Table 3. Scoring category requirements for this criterion

	Weak	Fair	Good	Excellent
Acquisition	No clear link between DNO's stakeholder engagement programme and data acquisition strategy. Latter largely based on existing PSR and associated PSR 'recruitment' systems	Clear link between Stakeholder Engagement programme and the DNO's data acquisition strategy, but the former is not fully utilised in the development of the latter	Stakeholder engagement programme is fully utilised in developing the DNOs data acquisition strategy. Broad and inclusive range of stakeholders are engaged using a variety of appropriate mechanisms. Data acquisition carried out by the DNO in a timely and systematic way.	As 'Good', plus Stakeholder Engagement programme includes challenging and hard-to-reach stakeholders, using mechanisms fully tailored to meet the needs of various stakeholder groups.
Management	Basic data and information management strategy in place, but not always implemented	Data and information management strategy and integral part of DNOs wider data and information strategies. Evidence of good progress in keeping records up-to-date. Awareness of data gaps and processes in place to address these. Some consistency between data sources still exists.	Data and information updating strategies working very well. Good progress in closing previously identified data gaps. No data source consistency issues.	
Use	*Ad hoc* use of data to enhance insight but no strategic approach to customer insight to enable targeting work to address vulnerability and support social role.	As 'Weak', plus basic systems in place to keep track of data use and some feedback to data acquisition and management strategies.	Clear evidence of how data use is influencing and improving service development and delivery. Extensive system of use checks across all data and information with evidence of a	As 'good' plus using data to assess future risk of vulnerability and shape partnerships with other relevant organisations. Clear strategy underlying the feedback loop

		feedback loop to data acquisition and management strategies	to data acquisition and management strategies

3.2.3 Approach taken to management and use of PSR and associated services[2]

Under this criterion there are two main areas for consideration, as shown in **Figure 5**. Each area can be further split into one or two main topics. This provides three sub-criteria against which each DNO should be assessed.

Figure 5. Main areas for consideration – *Management and use of the PSR*



- **Eligibility for the PSR** - Are the DNOs proactively identifying customers who could be eligible for the PSR, beyond any "core" eligible groups defined by Ofgem, and expanding their eligibility criteria to include these customers? This process should reflect the complex, multidimensional and transitory nature of vulnerability, and draw on any work carried out by the DNO in relation to what vulnerability looks like across its customer base.

- **Take up of the PSR** - Is the DNO publicising the services and associated benefits offered through the PSR? Is this advertising targeted to PSR eligible customers?

- **Services offered for customers on the PSR** - Beyond any minimum list of PSR services defined by Ofgem, does the DNO offer additional PSR services based on identified need and practicality?

[2] The draft sub-criteria and scoring category requirements for this criterion have been developed with Ofgem's current review of Priority Services Register in mind. However, we recognise that this review is ongoing and that Ofgem's final proposals aren't due to be published until after our work has been completed. We have therefore tried to build in a sufficient amount of flexibility to take account of this.

Table 4. Scoring category requirements for this criterion

	Weak	Fair	Good	Excellent
Eligibility for the PSR	Eligibility for the PSR is largely confined to the "core" eligible groups defined by Ofgem	Well-managed PSR list with some evidence of strategic approach to eligibility outside of the "core" groups	Informed by good data analysis, DNOs proactively identifying vulnerable customers outside of the "core" groups, fully reflecting fact that vulnerability can be complex and multidimensional.	As 'good' plus approach reflects fact that vulnerability may be transitory, providing options for temporary access to PSR and ensuring that those customer who are no longer eligible are taken off the PSR list
Take up of the PSR	Basic reactive PSR recruitment programme by the customer-facing services team when contact with a customer is made who displays possible vulnerable circumstances	Basic advertising of the PSR and the services offered, e.g. posters and leaflets, in key locations linked to vulnerable customers, e.g. doctors surgeries	Targeted advertising of the PSR and the services offered to vulnerable customer groups	Extensive PSR recruitment programme, drawing on data and information sources to proactively identify and contact eligible customers
Services offered to customers on the PSR	PSR services are restricted to the minimum list of services defined by Ofgem	Limited additional services offered with some links to the needs of the "core" eligible groups of customers that have been defined by Ofgem. DNO able to provide basic justification of the practicality of offering these services and how they 'add value' for these groups of customers.	A wide range of additional services offered that clearly reflect the specific needs of the "core" eligible groups of customers. Detailed analysis of need undertaken which demonstrates how these services reflect the complex and multidimensional nature of vulnerability. Some additional services also offered for PSR customers outside of these "core" eligible groups.	A full range of additional services developed according to detailed needs analysis of all PSR customers and the nature of their vulnerability. Approach also reflects the fact that vulnerability may be transitory. Full justification for how these services add value to the associated group of PSR customers.

3.2.4 Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers

Under this criterion there are three main areas for consideration, as shown in **Figure 6**. The first area is the DNO's overall partnership strategy, and then, within this, the way that the DNO develops and utilises partnerships.

Figure 6. Main areas for consideration – *Overall partnership strategy, developing and utilising partnerships*



- **Overall partnership strategy** - Does the DNO have a clear strategy towards developing partnerships with relevant organisations? And a clear strategy towards fully utilising these partnerships once they are in place? Particularly in relation to identifying vulnerable customers and customer groups in the area, and in the identification and delivery of solutions.

- **Developing partnerships** - Does the DNO currently have partnerships with a wide range of organisations? This may include, but is not necessarily restricted to: local authorities, devolved administrations, health providers, suppliers, other energy distributors (both gas and electricity), and other utility providers and community groups.

- **Utilising partnerships** - Do the partnerships that the DNOs have go beyond referral and signposting? What is the nature of data and information flows (both the predominant direction of these and frequency) between the DNO and other organisations? What is the DNOs role in the partnerships that it has developed? Are they utilising these partnerships in an effective way, without creating unnecessary work for the DNO? In particular, to identify and deliver solutions.

Table 5. Scoring category requirements for this criterion

	Weak	Fair	Good	Excellent
Overall partnership strategy	Some links with other services for vulnerable customers and partnerships to improve cross-referrals, and some participation in referral networks in area when invited. However, no clear strategy.	Clear strategy towards developing partnerships with relevant organisations, including ideas about what can be achieved from these partnerships in relation to the identification of vulnerable customers, and identification and delivery of solutions	Clear strategy towards both developing partnerships with relevant organisations and how to utilise these partnerships when they are in place. Strategy informed by evidence of benefits of existing partnerships on vulnerable customers.	As good, plus fully utilising existing partnerships with other organisations. DNO aware of the limitations of existing partnerships and the wider limitations on the DNO in relation to expanding those partnerships. Partnership strategy includes plans to overcome these limitations, where possible.
Developing partnerships	Participation in partnerships with a limited range of organisation types, largely within the utility sector	Wide range of partnerships extending beyond the utility sector	Extensive range of partnerships, with a wide variety of organisation types	
Utilising partnerships	Partnerships largely restricted to referral and signposting	Partnerships utilise data and information flows where appropriate, but these flows are largely one-sided and can be infrequent	DNO has leading role in the partnerships that it has developed, with the organisations working together to identify vulnerable customers and identify solutions	As 'good', but DNO is utilising these partnerships in an effective way to not only identify solutions, but also deliver solutions without creating unnecessary work for the DNO

3.2.5 Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

Under this criterion there are two main areas for consideration. Both are related to the DNO's embedding of their strategy for addressing consumer vulnerability.

- **Embedding strategy in managing customer interactions** - Is there a high level of integration of the DNOs role in tackling social issues, relevant to vulnerable customers, into customer-facing services and associated processes? In particular, into the training of front-line staff and allowing enough flexibility to these members of staff to 'do the right thing' for any customer if a particular need is identified.

- **Embedding strategy in general systems and processes** - Is there a high level of integration of the DNOs role in tackling social issues relevant to vulnerable customers into general systems and processes throughout the business? Is there full senior management buy-in to the DNOs strategy in this area?

  Does a feedback loop exist from the DNOs customer-facing services and associated processes into other business systems and processes?

Table 6. Scoring category requirements for this criterion

	Weak	Fair	Good	Excellent
Embedding strategy in managing customer interactions	Customer-facing services and associated processes show only a basic reflection of the DNOs social role. They do not focus on capturing information to identify vulnerabilities beyond basic PSR recruitment	Customer-facing services routinely capturing information on customer needs and vulnerabilities to support tailoring of PSR services and work with partners for further support to limited range of services delivered by others	Customer service staff trained in identifying and responding to customer vulnerabilities with a range of DNO and partner services, selected to meet wide range of customer needs and circumstances	As 'good' with social role a key aspect of customer services and front-line staff training and service design with all front-line staff trained to identify and record customer vulnerability with access to a wide range of responses developed and available to support customer. A degree of flexibility available to staff to 'do right thing' for any customer to meet evident need.
Embedding strategy general systems and processes	Basic reflection of DNOs role into general systems and processes throughout the business. Very little information therefore provided from customer facing services to other business systems and processes	Clear feedback loop, with the information captured on customer needs and vulnerabilities being reflected in DNOs stakeholder engagement strategy, work around the PSR, and its partnership strategy	As 'fair', plus services routinely monitored and evaluated to test extent to which they are meeting customer needs. Feeds into wider service design and other general systems and processes throughout the business. Full senior management buy-in to the DNOs strategy in this area.	High level of integration of the DNOs role into general systems and processes throughout the business. Very clear feedback loop between the monitoring and evaluation of services by the customer-facing teams to the overall strategy in relation to social issues relevant to vulnerable customers. Evaluation not restricted to retrospective assessment of activities or quantitative assessment of activities

4 Assessment of DNOs

This chapter summarises our assessment of each DNO, based on the common assessment methodology detailed in Chapter 3, and the resulting scores. These scores should be taken in the context of the learnings from Chapter 5, particularly with respect to our recommended changes to the sub-criterion. Our expectation is that, should these recommendations be implemented, this would lead to a change in the scores.

Following an overall summary of scores, the DNOs are covered in the following order:

- Electricity North West Limited (ENWL);
- Northern Powergrid (NPg);
- Scottish and Southern Energy Power Distribution (SSEPD);
- Scottish Power Energy Networks (SPEN);
- UK Power Networks (UKPN); and
- Western Power Distribution (WPD).

4.1 Assessment summary

Table 7 provides a summary of the scores for each criterion across DNOs, along with the overall score out of 10 for each DNO.

Table 7. Summary of scores

Criterion	ENWL	NPg	SSEPD	SPEN	UKPN	WPD
1. Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	6.3	8.5	7.3	7.5	8.5	8.8
2. Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	5.7	7.3	7.0	7.0	7.7	8.7
3. Approach taken to management and use of PSR and associated services	7.0	7.0	7.3	7.0	7.7	9.0
4. Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	5.0	8.0	6.3	7.3	8.0	9.0
5. Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	7.5	8.5	7.5	8.0	8.5	8.5
Total (Out of 10)	**6.3**	**7.9**	**7.1**	**7.4**	**8.1**	**8.8**

Below, we provide an overall summary of the sub-criteria for which all DNOs scored highly, and also common development areas across all DNOs. This is followed by summaries of the main strengths and weaknesses of each DNO in relation to the assessment criteria.

4.1.1 Common strengths and development areas

There are two main areas which are particular strengths for all DNOs.

- **Determining eligibility for the PSR** – All DNOs currently take a strategic approach to eligibility outside of the core groups defined by Ofgem,

including work to proactively identify vulnerable customers outside of these groups. They all therefore rated as at least 'good' for this sub-criterion under the current common assessment methodology. The difference between those DNOs that rated as 'good' (NPg, SSEPD, SPEN and UKPN) and those that rate as 'excellent' (ENWL and WPD), stems from whether the DNO reflects the fact that vulnerability may be transitory, and also ensuring that those customers who are no longer eligible are taken off the PSR list.

- **Degree of embedding of the DNO's consumer vulnerability strategy in managing customer interactions** – All DNOs have trained their customer services staff in identifying and responding to consumer vulnerabilities in line with the DNO's consumer vulnerability strategy. They also offer the flexibility to this staff group to 'do the right thing' and offer the appropriate DNO service (or referral to partner services). They all therefore rated as at least 'good' for this sub-criterion under the current common assessment methodology. The difference between those DNOs that rated as 'good' (SSEPD, SPEN and WPD) and those that rated as 'excellent' (ENWL, NPg and UKPN), stems from whether the consumer vulnerability strategy is also embedded within training of front line staff, and whether all front line staff are trained to identify and record consumer vulnerability.

There are two further areas which are additional strengths for most DNOs.

- **Use of data** – All DNOs, except ENWL, provided clear evidence of how they are using data to influence and improve the development and delivery of their services for vulnerable customers. The difference between those DNOs that rated 'good' (SSEPD and SPEN) and those that rated as 'excellent' (NPg, UKPN and WPD) stems from whether the DNO was able to provide clear evidence that it is also actively using data to shape partnerships with other relevant organisations.

- **Utilisation of partnerships that have been developed with relevant organisations** – All DNOs, except ENWL, have a leading role in the partnerships that they have developed, with the organisations working together to identify vulnerable customers and identify solutions for these customers, beyond basic referral and signposting. The difference between those DNOs that rated as 'good' (SSEPD and SPEN) and those that rated as 'excellent' (NPg, UKPN and WPD) stems from the fact that these DNOs were able to provide evidence that they currently utilise these partnerships in an effective way, ensuring that they are delivering solutions without creating unnecessary work for them.

There are two main areas that are currently particular development areas for all DNOs.

Assessment of DNOs

- **Acquisition of data** – The development of processes and systems for data acquisition is a particular development area for all DNOs. As explained further in Chapter 5, there are some industry wide data sharing issues at the moment that make it difficult to score highly for this sub-criterion. All DNOs are only rated at 'fair' under the current common assessment methodology. They therefore need to continue to push for systems that allow sharing of data with partners.

- **Development of partnerships –** All DNOs have built partnerships with relevant organisations within the utility sector and beyond. NPg, UKPN and WPD demonstrated a wider range of partnerships than the other DNOs. However, no DNO currently has an extensive range of partnerships with a wide variety of organisation types that would currently be required for them be able to rate good or excellent under this criterion. We recommend later in this report that the evaluation of this criterion is revisited so that it focuses on how effectively DNO's choice of partners provides coverage for their key vulnerable groups.

There are two further areas within which, all DNOs, apart from WPD, rated 'fair' under the current common assessment methodology.

- **Management of data** – All DNOs have some degree of a data and information management strategy in place that forms an integral part of their wider data and information strategies. However, only WPD's data and information updating strategies appear to currently be working well, with good progress in closing previously identified data gaps, particularly in relation to PSR data. All other DNOs therefore only rated 'fair' for this sub-criterion. They need to continue to get their data and information strategies in place and working at a level that enables them to close identified data gaps.

- **Services offered to customers on the PSR** - All DNOs offer a range of services for customers on the PSR, which link to the needs of the core eligible groups. They were also able to provide some justification as to their choice of services, largely informed by customer surveys. However, only WPD currently undertakes a detailed analysis of need which demonstrates how these services reflect the complex and multidimensional nature of vulnerability across all PSR customers, and how they add value to the associated group of PSR customers. All other DNOs therefore only rated 'fair' for this sub-criterion. Going forward, this group of DNOs should therefore work towards such a detailed analysis of need.

4.1.2 DNO specific strengths and development areas

Electricity North West Limited (ENWL)

ENWL has demonstrated that it undertakes some useful activities in relation to its vulnerable customers. However, it appears to have taken a more *ad hoc* approach to tackling customer vulnerability than some of the other DNOs, and is in an early stage of developing its strategy. In some areas, it has made a decision to devote less resource to these activities (e.g. it is not planning a data cleanse), and is therefore making slower progress.

Beyond the two common areas of strength across all DNOs, ENWL rated 'fair' or lower for all other sub-criteria. Its strongest areas within these were its:

- understanding of the definition of a vulnerable customer; and
- awareness of the range of social issues, relevant to vulnerable customers, that are associated with the industry.

However, they were still at the bottom of the range of scores across DNOs for these sub-criteria. It also rated 'weak' for four of the remaining 11 sub-criterion, and as highlighted above, there are a number of areas where it is significantly weaker than all other DNOs.

ENWL's weakest area was its overall partnership strategy as its current approach to developing partnerships is generally ad hoc and reactionary.

Northern Powergrid (NPg)

We were impressed with NPg's embedding of its overall consumer vulnerability strategy, senior commitment to this strategy and methodological approach to its development. However, in some areas, such as PSR recruitment, its strategy is still in the early stages of implementation.

NPg rated 'good' or above for 10 of the 15 sub-criteria. Beyond the common areas of strength across DNOs, NPg's strongest area was its understanding of vulnerability across its customer base, offering enough flexibility to adapt to differences in vulnerability and the changing needs of vulnerable customers. It did not rate as weak in any of the areas covered by the assessment.

Scottish and Southern Energy Power Distribution (SSEPD)

SSEPD has demonstrated that it undertakes a number of useful activities in relation to its vulnerable customers. SSEPD are particularly strong in relation to support for vulnerable customers during a storm. However, more generally, a lot of its work in relation to vulnerable customers appears to stem from its donations and community grants, as agreed with Ofgem, following its poor performance during the Christmas storms of 2013. Its submission also contained

some material relating to reducing distribution costs that we judged to be irrelevant for this assessment.

SSEPD did not rate excellent in relation to any of the sub-criteria. Beyond the common areas of strength across all DNOs, its strongest area was its understanding of vulnerability across its customer base.

SSEPD's weakest area is its overall partnership strategy. This weakness is due its current partnerships largely being restricted to those organisations it was obliged to work with following the 2013 storms. Little evidence was provided of a clear future strategy regarding partnerships with these organisations or others.

SP Energy Networks (SPEN)

Overall, we were really impressed with the thought and preparation that that gone into SPEN's consumer vulnerability strategy. It seemed to be based on sound principles, as well as creative ideas. However, it is still at the early stages of implementation, which means that the scores are yet to reflect the implementation of this work.

SPEN did not rate 'excellent' or 'weak' for any of the sub-criteria. Its strongest areas were its:

- awareness of social issues associated with the industry;
- overall partnership strategy; and
- work to embed its consumer vulnerability strategy into general systems and processes.

Where SPEN has rated 'fair', this is in common development areas across DNOs.

UK Power Networks (UKPN)

We were impressed with UKPN's embedding of its overall consumer vulnerability strategy, senior commitment to this strategy and methodological approach to its development. However, in some areas, such its monitoring and evaluation of its actions in relation to consumer vulnerability, its strategy is still in the early stages of implementation. Going forward, we would also recommend that UKPN is clearer in relation to highlighting where activities are part of existing obligations, such as compensation payments agreed with Ofgem or are projects funded through the Low Carbon Networks Fund, and where they go beyond these obligations.

UKPN was rated 'excellent' or 'good' for the majority of the assessment's sub-criteria. It also did not rate 'weak' in any areas covered by the assessment. Beyond the common areas of strength across DNOs, UKPN's strongest area was its understanding of factors that can drive vulnerability across its customer base,

while offering enough flexibility to adapt to differences in vulnerability and the changing needs of vulnerable customers.

UKPN's main development area, beyond common areas for development, is its awareness of the impact and effectiveness of outputs. UKPN did not demonstrate that it has a strategy for routine monitoring and evaluation of its actions. It was therefore difficult to assess the outputs of the activities it has in place and therefore the effectiveness of its actions.

Western Power Distribution (WPD)

WPD's performance in relation to all aspects of this assessment was impressive. It has a well thought through consumer vulnerability strategy, at an advanced stage of implementation.

It rated 'excellent' for the majority of areas, and only rated 'fair' in the common development areas for all DNOs, where external factors are largely restricting progress.

WPD's strongest areas were its:

- understanding of vulnerability across its customer base, with enough flexibility to adapt to differences in vulnerability and the changing needs to customers;
- robust process for fully justifying why its chosen actions address social issues relevant to vulnerable customers, and why these 'add value' and are more effective over alternatives;
- extensive targeted PSR recruitment programme; and
- high level of integration of the DNOs social role into general systems and process through the business.

As discussed above, WPD also rated as 'excellent' in relation to the data management and PSR services sub-criterion, where all other DNOs rated 'fair', although further work could be carried out in these to increase the score to a 10.

4.2 Electricity North West Limited (ENWL)

Overall, ENWL has scored 6.3, averaged across criteria. **Table 8** presents the scores on each criterion.

Table 8. ENWL Score Breakdown

Criterion	Overall score
Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	6.3
Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	5.7
Approach taken to management and use of PSR and associated services	7.0
Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	5.0
Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	7.5

Note: Decimal places are due to averaging of scores over sub-criteria

We provide details of the assessment against each sub-criterion and the resulting scores below.

4.2.1 Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers

Overall score on this criterion: 6.3

Assessment

Understanding of the definition of a vulnerable customer

ENWL has scored **7** (fair) for this sub-criterion.

- ENWL has shown a basic understanding of the main vulnerability issues facing its consumers. To identify vulnerable customer 'hot spots', ENWL collects and analyses the following data:
  - location of customers who are on the PSR;

- location of fuel poor customers;
- age profiles across its network area; and
- location of network issues e.g. where reaching capacity.

In selecting areas to trial initiatives, ENWL also looks at areas where there is a good demographic split. Cumbria is its current focus area due to an older population and the area being subject to more extreme weather events.

- ENWL has not rated 'good' in this sub-criterion as its approach currently focuses on a limited number of vulnerability characteristics, and it is not clear that this analysis is reviewed on a regular basis to understand the changing nature of vulnerability. Following on from a "high level [self-assessment] review" against the requirements to achieve the British Standard for inclusive service provision (BS 18477:2010), ENWL has also identified a gap in awareness throughout the organisation that additional help and support may be needed for multiple reasons, e.g. a new baby or a wedding day.

Awareness of the range of social issues

ENWL has scored a **7** (fair) for this sub-criterion.

- ENWL has demonstrated a good awareness of the range of social issues associated with the industry that are relevant to vulnerable customers. As well as focussing on vulnerability during power cuts, ENWL has widened its focus to fuel poverty and introduced projects such as its Power Saver Challenge.

- It has not been rated 'good' as it has not provided evidence to suggest that it has a good knowledge of the prevalence of these wider social issues across its customer base.

Recognition and integration of the DNO's role in relation to social issues

ENWL has scored **6** (fair) for this sub-criterion.

- Historically, ENWL's focus was on doing their best for all customers, and not necessarily adopting specific approaches for different customer groups such as vulnerable customers. ENWL stated that its communication strategies in relation to vulnerable customers, both for promoting the service and for ongoing contact, are at the heart of the ongoing process for continual development of its plans throughout RIIO-ED1 and beyond. However, this is not yet an integral aspect of its service development and delivery.

- ENWL has not been rated 'good' as it is still in the early stages of working towards achieving a fully integrated understanding of its social roles and developing clear plans for developing systems and customer facing services to reflect this role.

Awareness of the impact and effectiveness of chosen actions

ENWL has scored **5** (weak) for this sub-criterion.

- ENWL is able to explain its overall planned approach to evaluating the impact and effectiveness of chosen actions. However, to date the implementation of this has been relatively *ad hoc* and high level, with no clear organisation-wide metrics in place. This has meant that ENWL is only able to provide very limited justification as to why its chosen actions address social issues relevant to vulnerable customers. This is why it has not been rated as 'fair'.
  - ENWL explained that its typical approach to service development and delivery is to first consult and plan, and then undertake internal/external engagement, followed by monitoring of outcomes and outputs. It has previously looked at a number of different ways of monitoring and reporting. It may now have too many metrics for them to provide a useful measure of the effectiveness of services.
  - ENWL is able to reference some decisions that have already been made with reference to benefits as well as costs, e.g. prioritising network reinforcement work where there are more PSR customers, but again this is on a very *ad hoc* basis and not general practice. ENWL also tried working with the London Benchmarking Group to carry out cost-benefit assessments of other projects. However, it did not find the results of this useful.
- There is still a need for a robust reporting structure to enable it to justify its chosen actions.

4.2.2 Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it

Overall score on this criterion: 5.7

Assessment

Data and information acquisition

ENWL has scored **6** (fair) for this sub-criterion.

- ENWL has demonstrated a clear link between its stakeholder engagement programme and its data acquisition strategy. Its strategy is to work with key agencies: it envisages that enhancement of data will be best achieved by establishing a network of links with other organisations, and targeting specific areas of customer data.

- It already receives data in relation to medical dependencies, e.g. customers who have stairlifts, as there are fewer restrictions on data sharing in these areas.

- It did not rate 'good' for this criterion, as issues (common to all DNOs) around data sharing are largely preventing the data sharing strategy from being applied in practice.

Data and information management

ENWL has scored **6** (fair) for this sub-criterion.

- ENWL has demonstrated progress on data and information management. In May 2015, ENWL implemented a Customer Relationship Management (CRM) system to consolidate multiple data systems that were used previously and to make sure that vulnerable customers are not missed.

- Its view is that the recording of PSR categories by staff is generally good, but it is aware of data gaps stemming from poor quality supplier data and out of date data and has some processes in place to address these gaps. However, ENWL has made the decision not to undertake a full PSR data cleanse process despite identified data gaps. It is instead taking a more *ad hoc* approach through everyday contact with customers.

- It has not rated 'good' for this sub-criterion as it is making limited progress in closing the data gaps it has identified.

Data and information use

ENWL has scored **5** (weak) for this sub-criterion.

- ENWL currently makes some use of data to identify vulnerability hotspots, which it then targets with initiatives, e.g. PSR promotional work in Cumbria and its Power Saver Challenge project in Stockport. Beyond this, it makes limited use of data in a strategic way.

- ENWL did not rate 'fair' on this sub-criterion as it did not demonstrate basic systems in place to keep track of data use. It also did not demonstrate feedback to data acquisition and management strategies.

4.2.3 Approach taken to management and use of PSR and associated services

Overall score on this criterion: 7.0

Assessment

Eligibility for the PSR

ENWL has scored **9** (excellent) for this sub-criterion.

- Although the PSR eligibility criteria are set, ENWL applies a flexible approach and allows anyone to register for additional help who defines themselves as being vulnerable at a particular point in time, fully reflecting the fact that vulnerability can be complex and multidimensional.

- In addition, the functionality of ENWL's CRM allows people to be registered as having a temporary and transient vulnerability with specified end dates. Its approach therefore reflects the fact that vulnerability may be transitory and ensures that those customers who are no longer eligible are taken off the PSR list. However, ENWL did not provide evidence to indicate whether staff understand how to use this functionality or whether it has been utilised to improve the recording of vulnerability for this customer group.

Take up of the PSR

ENWL has scored **6** (fair) for this sub-criterion.

- ENWL undertakes limited basic advertising of the PSR and the services offered through standard communication channels and in key locations. For example, its contact centre staff and frontline staff undertake proactive recruitment. ENWL also attends shows/events, makes use of social media and advertises the PSR at the bottom of every press release. It has also developed an awareness video with the British Red Cross, which is available on You Tube and social media.

- It does not undertake more targeted advertising to particular vulnerable customer groups and therefore it has not rated 'good'.

Services offered for customers on the PSR

ENWL has scored **6** (fair) for this sub-criterion.

- ENWL offers a range of specific services for customers on the PSR, which link to the needs of the core eligible groups. These include:
  - generators available on a case-by-case basis;

- phone priority for vulnerable customers;
- call outs to check trip switches for customers;
- proactive weather warnings; and
- a standby manager available at all times.

- During power outage, ENWL uses process maps for accommodation booking and hot food provision, which help staff to undertake a high level analysis of need for these services and therefore allows them to provide basic justification.

- Decisions on which services to provide have been informed by customer survey results. However, ENWL did not provide evidence that detailed analysis of need was being undertaken to demonstrate how services reflect the complex and multidimensional nature of vulnerability. It therefore has not rated 'good' for this sub-criterion.

4.2.4 Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers

Overall score on this criterion: 5.0

Assessment

Overall partnership strategy

ENWL has scored **4** (weak) for this sub-criterion.

- ENWL's current approach to developing partnerships is generally *ad hoc* and reactionary. Its core strategy is to gain insight into the needs of vulnerable customers by consulting with key agencies and then collaborating with them to deliver appropriate services. It believes that pooling of information and expertise is key to developing a properly considered action plan.

- ENWL is currently reviewing existing partnerships to establish where it can develop these further, and to determine how best to engage and collaborate to the benefit of its vulnerable customers. It understands that there is a need to develop support partnerships based on local need. Although plans are in place to develop Working Groups with a range of other external agencies, these plans seem to still be at high level and the development strategy still appeared relatively *ad hoc*.

- ENWL has not demonstrated a clear strategy towards developing partnerships with relevant organisations. As a result, it does not rate 'fair'.

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Developing partnerships

ENWL has scored **6** (fair) for this sub-criterion.

- ENWL currently has a limited range of partnerships in place, but these do extend beyond the utility sector. It has therefore rated 'fair' for this sub-criterion.
- It explained that it currently has partnerships with South Lakeland District Council and Cumbria County Council (both in relation to resilience and PSR). It also works with Age UK, Citizens Advice Bureau, British Red Cross and National Energy Association.
- To rate 'good' or 'excellent' on this criterion, ENWL would have had to demonstrate a much wider network of partners that covers a variety of organisation types.

Utilising partnerships

ENWL has scored **5** (weak) for this sub-criterion.

- Where ENWL do have partnerships in place, it wasn't able to demonstrate that its activities within these partnerships extended further than basic referral and signposting at the moment. It therefore does not rate 'fair' on this sub-criterion.

4.2.5 Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

Overall score for this criterion: 7.5

Assessment

Embedding strategy in managing customer interactions

ENWL has scored **9** (excellent) for this sub-criterion.

- ENWL has demonstrated that the social role is a key aspect of its customer services. For example, it provides customer vulnerability training to contact centre staff, frontline staff etc. to enable them to identify and respond to customer vulnerabilities. It also stated that it gives all customer facing staff the flexibility to 'do the right thing' and provide ENWL services or referrals to partner services where a need is identified, irrespective of that need.
- Teams without direct customer contact (e.g. the Finance team) receive communications about consumer vulnerability rather than receiving explicit training. Contact centre staff are currently given refresher training during the

winter periods and all frontline staff receive Operational Standards Training to increase awareness of services they can provide to vulnerable customers and how staff can play a part. There is still a need for the concept of temporary/transient vulnerability to be brought into the training.

Embedding strategy in general systems and processes

ENWL has scored **6** (fair) for this sub-criterion.

- ENWL was able to demonstrate some evidence of a feedback loop between the information collected on customer needs and vulnerability, and ENWL's work around the PSR and wider consumer vulnerability strategy. For example, ENWL provided evidence of how a misunderstanding of a vulnerable customer's situation was used as a learning tool for frontline staff and the service that they can provide. Wider service design is also influenced by ENWL's work to identify vulnerable customer 'hot spots'. In addition, ENWL undertakes a number of customer surveys, the results of which drive some service provision

- However, a more consistent and comprehensive feedback loop is needed, complemented by routine monitoring and evaluation of services to test the extent to which they are meeting customer needs. The current lack of these aspects within ENWL's activities is why it hasn't rated 'good' for this sub-criterion.

4.3 Northern Powergrid (NPg)

Overall, NPg has scored 7.9, averaged across criteria. **Table 9** presents the scores on each criterion.

Table 9. NPg Score Breakdown

Criterion	Overall score
Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	8.5
Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	7.3
Approach taken to management and use of PSR and associated services	7.0
Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	8.0
Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	8.5

Note: Decimal places are due to averaging of scores over sub-criteria

We provide details of the assessment against each sub-criterion and the resulting scores below.

4.3.1 Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers

Overall score against this criterion: 8.5

Assessment

Understanding of the definition of a vulnerable customer

NPg has scored **10** (excellent) for this sub-criterion.

- NPg has shown that it is aware that there is not a one-size fits all approach to vulnerability. It understands that vulnerability is not limited to those on PSR. For example, it is conscious that in a power cut everyone can be vulnerable. Its thinking around vulnerability covers a wide range of triggers, such as geographical location; life changing events; safeguarding concerns; households in fuel poverty; households off the gas grid; self-neglect; socio-economic profile; significant special occasions; and the time of year.

- It has developed a good understanding of the main issues affecting its customers. Online data maps are also used to understand vulnerability across

NPg's network areas. These use a number of indicators including fuel poverty, location of PSR customers and customer minutes lost.

- Its systems and processes include flexibility to adapt to differences in vulnerability and the changing needs of vulnerable customers. This is the extra stretch required to rate 'excellent'. It regularly engages with its stakeholders to understand the changing needs of service users (including via its Social Issues Expert Group, which meets four times a year), and undertakes a twice yearly survey of its Priority Service customers. It also demonstrated that it regularly makes use of its online data maps to understand the changing needs of its vulnerable customers across its networks. It also understands that vulnerability can be transient and can change over time.

Awareness of the range of social issues

NPg has scored **8** (good) for this sub-criterion.

- NPg has demonstrated a good awareness of the range of social issues associated with the industry that are relevant to vulnerable customers. Its work with stakeholder groups and partners has allowed it to recognise those who are vulnerable through poverty, housing problems, health, disability, fragility, isolation or social circumstances.

- NPg's regular use of online data maps (described above) also helps it to understand the prevalence of social issues across its vulnerable customer base.

- It has not rated 'excellent' on this criterion as its main focus remains on issues internal to the industry, in particular fuel poverty.

Recognition and integration of the DNO's role in relation to social issues

NPg has scored **8** (good) for this sub-criterion.

- Based on the evidence that we have seen, NPg has a fully integrated understanding of its social role, with strong buy-in from executive management, other senior management, and frontline staff who sit on its board. A high level policy statement is published every three years and reviewed annually. It also has clear plans for developing systems and services to reflect its role through explicit strategy documents, such as its Community Investment Strategy.

- However, there is still more to be done in terms of changing the culture to embed consumer vulnerability. NPg has a targeted the introduction of the CRM system to aid it in doing this. There is also the need to introduce further technological changes to make it easier for staff to take account of

vulnerability in their thinking. Delivering on its social role does therefore not yet underpin the delivery of all services so NPg has not rated 'excellent' on this criterion.

Awareness of the impact and effectiveness of chosen actions

NPg has scored **8** (good) for this sub-criterion.

- NPg has a clear process for implementing and evaluating initiatives, as set out in its Community Investment Strategy.
- This process is regularly used by NPg to enable it to justify its chosen actions in relation to addressing social issues relevant to vulnerable customers. The evaluation element of this process is based on outcomes recorded by NPg and those recorded by community partners, and looks at the value to the community as well as to NPg. It understands the importance of 'measurability' and 'adaptability', and aims to ensure it can make programmes sustainable so it is not doing more harm than good.
- There is still work to be done in quantifying initiatives to help to understand their value and inform social programmes moving forward.
- Because it is not yet able to fully understand the value of its initiatives and why these are more effective over alternatives, NPg has not rated 'excellent' for this sub-criterion.

4.3.2 Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it

Overall score against this criterion: 7.3

Assessment

Data and information acquisition

NPg has scored **6** (fair) for this sub-criterion.

- It is evident that there is a clear link between NPg's Stakeholder Engagement programme and data acquisition strategy. For example, part of its data acquisition strategy is to explore the possibilities of data sharing with Local Authorities, Police, Citizens Advice and NHS Trusts in the network area, outside of a major incident. It currently provides data on medically dependent PSR customers to local authorities during a major incident. Baywater Healthcare provides NPg with regular lists of patients in its network area with new additions and removals highlighted. NPg is also starting talks with BOC and Air Liquide with the aim of receiving data on which customers have deliveries of Home Oxygen across its network area.

- It did not rate 'good' for this criterion, as issues (common to all DNOs) around data sharing are largely preventing the data sharing strategy from being applied in practice.

Data and information management

NPg has scored **7** (fair) for this sub-criterion.

- NPg has implemented a data management strategy which ensures that data and information systems relating to vulnerable customers are integral to wider data and information systems. In summer 2015, NPg went live with the first phase of its CRM data system, which aims to integrate a number of legacy data systems. There is still work to do to upgrade the asset system so it can work on linking people to MPANS/properties/premises.

- There are issues with the current PSR data that NPg holds. These particularly stem from the fact that the IT system previously automatically accepted supplier data as 'good information'. This issue has been addressed with the application of the new CRM. It has also developed a strategy for filling the gaps. It plans to undertake a PSR data cleanse, but is yet to start this.

- It has not rated 'good' for this sub-criterion. Though it has made progress in putting in place plans for a data cleanse, it has not yet implemented these.

Data and information use

NPg has scored **9** (excellent) for this sub-criterion.

- NPg demonstrated that it uses data in a variety of ways to improve service delivery and development, and to shape partnerships. NPg also use data to drive initiatives and partnerships as part of wider data mapping. For example, NPg's work with Warm Up North and Northumberland County Council around signposting relevant customers to the Central Heating Fund.

- It is also using data to assess the future risk of vulnerability. For example, it has developed online data maps to drive initiatives. These maps can also be accessed by other stakeholders.

- However, NPg should continue to look for additional opportunities for it to utilise feedback loops between data acquisition and management, and service development and delivery.

4.3.3 Approach taken to management and use of PSR and associated services

Overall assessment against this criterion: 7.0

Assessment

Eligibility for the PSR

NPg has scored **8** (good) for this sub-criterion.

- NPg works on proactively identifying vulnerable customer outside of the "core" eligible groups defined by Ofgem. It has undertaken a review of the needs codes used in the PSR to assess whether they are fit for purpose and has identified customers outside of the "core groups". Based on this review, it introduced additional needs codes based on breaking out the 'other' category, e.g. into 'household in fuel poverty' and 'child under 5 years old[3]".

- It has not rated 'excellent' for this sub-criterion because its approach doesn't currently reflect the fact that vulnerability may be transitory, as there are no explicit options for temporary access to the PSR.

Take up of the PSR

NPg has scored **6** (fair) for this sub-criterion.

- NPg is currently undertaking only limited basic advertising of the PSR (and the services offered) through leaflets, networks, event attendance and social media.

- A more active targeted PSR recruitment campaign is required, but at present NPg is prioritising resolving significant data issues. It has therefore not rated 'good' for this sub-criterion.

Services offered for customers on the PSR

NPg has scored **7** (fair) for this sub-criterion.

- NPg offers a wide range of specific PSR services, including:
  - five customer support vehicles;
  - practical 'winter warmer' packs;
  - work with home oxygen providers to ensure provision during a power outage; and

[3] It also records the year of birth of youngest child.

- six customer liaison officers across the region, who are active before and during power outages (planned and unplanned).

- NPg also encourages its staff to 'do the right thing', with some guidance provided through policies, such as NPg's alternative accommodation policy.

- NPg does provide some analysis of need. For example, its list of PSR services has been informed by, and is checked against, the views of NPg's Social Issues Expert Group. It is also informed by the results of the independently conducted PSR survey, and by NPg's online community (which customers can register to be part of). Services are also implemented following communication of shared best practice through the industry working group. However, NPg did not provide evidence of detailed analysis across the full range of services. It therefore did not rate 'good' on this sub-criterion.

4.3.4 Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers

Overall score against this criterion: 8.0

Assessment

Overall partnership strategy

NPg has scored **8** (good) for this sub-criterion.

- As part of its overall Community Investment Strategy, NPg has articulated a clear strategy for how it chooses partnerships and the benefits that partnerships can bring to NPg, and its customers, if these partnerships are fully utilised. This has resulted in partnerships with organisations from outside the utility sector, such as the Trussell Trust (who run foodbanks), that help NPg to access those who may be in fuel poverty.

- In particular, NPg explained that, in line with Cabinet Office advice, it has focussed on project partnerships first rather than strategic partnerships and it understands the importance of local referrals. However, it has also utilised partnerships with national organisations to achieve these local referrals. For example, in the case of its partnership with the Trussell Trust, given the national coverage of this organisation there is a close alignment between its bases and the fuel poverty/vulnerability profiles of places that NPg has identified as targets for initiatives.

Assessment of DNOs

- Although NPg has a clear strategy regarding the development and utilisation of partnerships, we did not see evidence to suggest that it is aware of the limitations of existing partnerships and the wider limitations on it in relation to expanding those partnerships. It therefore did not rate 'excellent' for this sub-criterion.

Developing partnerships

NPg has scored **7** (fair) for this sub-criterion.

- NPg has a wide range of partnerships extending beyond the utility sector, with a number of partnerships that are long established and trusted, e.g. with the Citizens Advice Bureau. However, there is currently a gap with regards to links with some organisation types, e.g. Safeguarding Adult Boards and Adult Care Management Teams.

- To rate 'good' or 'excellent' on this criterion, NPg would have had to demonstrate an existing network of partners that covers a wider variety of organisation types.

Utilising partnerships

NPg has scored **9** (excellent) for this sub-criterion.

- NPg is not only taking a lead role in the partnerships that it has developed, but it has also provided evidence that it has clear processes in place to utilise these partnerships in an effective way. This allows it to identify solutions, and also deliver these without creating unnecessary work for itself.

- NPg was able to demonstrate that it recognises the importance of understanding the value that its partnerships can bring, including providing essential insights and accessing hard to reach customers. It also understands how to utilise partnerships to ensure they add value, with 'a high amount of planning, flexibility, energy and commitment by all parties involved'. It is clear about the types of activities it will support, and why, under each of its five strategy pillars. For example, NPg teamed up with Northern Gas Networks to build on existing partnerships with the Trussell Trust and Bradford's Children's Society to raise awareness of the PSR and local energy affordability schemes. One of the reasons that NPg chose the Trussell Trust for this initiative is its food banks are closely aligned with the vulnerability hot spots that NPg had identified. NPg worked with the Trussell Trust to access hard to reach customers by targeting particular Trussell Trust sites, thereby using resources in the most effective way and not duplicating efforts with regards to vulnerable customers that it had access to through other schemes.

- We believe that further work could be done to fully utilise all of the partnerships that NPg have in place. In particular, assessing whether further opportunities for mutual benefit are available and reviewing whether current partnerships are set up in a way that is still fit for purpose.

4.3.5 Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

Overall score against this criterion: 8.5

Assessment

Embedding strategy in managing customer interactions

NPg has scored **9** (excellent) for this sub-criterion.

- All of NPg's customer services and frontline staff have been trained to identify and respond to customer vulnerability. Most recently, National Energy Action provided fuel poverty training at the end of 2014. However, NPg should continue to look for further training opportunities. It should also ensure that all staff training on consumer vulnerability is refreshed regularly and new customer facing staff receive this training as soon as they start.

- NPg is not prescriptive about how staff can help customers, and call centre staff are given the flexibility to 'do the right thing', deploying whatever is needed and considering a large number of factors including reliance on electricity, support available at home, and emotional wellbeing.

Embedding strategy in general systems and processes

NPg has scored **8** (good) for this sub-criterion.

- NPg is able to illustrate and evidence a clear feedback loop between stakeholder and customer views, and decision making processes in relation to service design and other strategies relevant to vulnerable customers. For example, its data acquisition strategy (and resulting services) has been informed by feedback from NPg's online customer community.

- As described in 'Awareness of impact and effectiveness of chosen options, NPg's actions in relation to customer vulnerability are routinely monitored and evaluated to test the extent to which they are meeting customer needs, the results of this process then feed into wider service design. For example, the location of its work with the Trussell Trust and Bradford's Children's Society was refined when it found that the areas it first targeted didn't get the footfall of hard to reach customers that it was hoping for.

Assessment of DNOs

- NPg also has demonstrated that it has full senior management buy-in to its customer vulnerability strategy, as described in 'Recognition and integration of the DNO's role in relation to social issues'.

- However, NPg has not demonstrated systematic, comprehensive monitoring and evaluation, and therefore hasn't rated 'excellent' for this sub-criterion.

4.4 Scottish and Southern Energy Power Distribution (SSEPD)

Overall, SSEPD scored 7.1, averaged across criteria. **Table 10** presents the scores on each criterion.

Table 10. SSEPD Score Breakdown

Criterion	Overall score
Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	7.3
Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	7.0
Approach taken to management and use of PSR and associated services	7.3
Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	6.3
Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	7.5

Note: Decimal places are due to averaging of scores over sub-criteria

We provide details of the assessment against each sub-criterion and the resulting scores below.

4.4.1 Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers

Overall score against this criterion: 7.3

Assessment

Understanding of the definition of a vulnerable customer

SSEPD has scored **8** (good) for this sub-criterion.

- SSEPD has demonstrated awareness that a one size fits all approach to vulnerability is not appropriate. It employs a wide definition of vulnerability across the organisation, and seeks to empower staff to do the right thing. It recognises that anyone can be vulnerable and therefore that contact centre and front line staff should actively seek to identify any signs of vulnerability.

- Although it has developed a good awareness of the main vulnerability issues facing its customers, its detailed research has focussed mainly on a limited number of areas. Its main source of data and understanding around vulnerability across its customer base comes from a Knowledge Transfer Partnership with Dundee University. This is a 30 month project[4] conducting qualitative ethnographic field research within five rural and urban communities across Scotland and England. Its primary focus is power outages during extreme weather events, providing an insight into vulnerability, resilience, adaptation and response. SSEPD also apply these learnings to planned power outages.

- SSEPD has shown some evidence that its systems and processes include flexibility to adapt to differences in vulnerability and the changing needs of vulnerable customers. For example, it uses an annual survey of domestic customers to identify groups of customers who self-identify as less likely to feel like they will cope, or to know who to contact, in the event of a power cut. In addition, its Expert Panel helps it identify trigger questions which can be used to identify vulnerable customers. However, as its detailed research has focussed on a limited number of areas, this reduces its flexibility to adapt to the changing needs of vulnerable customers across its customer base. It has therefore not rated 'excellent' for this sub-criterion.

Awareness of the range of social issues

SSEPD has scored **7** (fair) for this sub-criterion.

- SSEPD has demonstrated a good awareness of the social issues associated with the industry facing vulnerable customers. It is developing this understanding through its work with Dundee University (described above). This understanding covers fuel poverty and vulnerability during power cuts. For example, SSEPD have been working with communities, alongside

[4] After 18 months, the investigative stage of the project is now complete, along with four fifths of the development phase.

resilience partners, to develop community resilience plans to increase a community's ability to cope during extreme weather events. Beyond power outages, SSEPD also take part in energy education for schools.

- SSEPD has not been rated 'good' as it has not provided evidence to suggest that it has a good knowledge of the prevalence of these wider social issues across its customer base (the Dundee University work covers only five areas).

Recognition and integration of the DNO's role in relation to social issues

SSEPD has scored **6** (fair) for this sub-criterion.

- SSEPD has demonstrated that although a 'customer services and vulnerable customer' strategy is in place, there is still work to be done to bring SSEPD's social role to be an integral aspect of service development and delivery. In particular, it has identified the need for a small centralised team, with the aim of embedding and fully integrating its social role.

- This reorganisation has not yet been fully implemented. For example, at present, consumer vulnerability is only one aspect of the SSEPD team's roles within the company, and that they had other competing demands on their time.

- As its social role is not yet fully integrated, it has not been rated as 'good' for this sub-criterion.

Awareness of the impact and effectiveness of chosen actions

SSEPD has scored **8** (good) for this sub-criterion.

- SSEPD meets with key partners every quarter to get updates on initiatives. It also receives output reports from partners. As part of this process, it asks about benefits to partners and their work relating to vulnerability to assess value for money. Using the data collected through this process, it was able to provide basic justification as to why its chosen actions address social issues relevant to vulnerable customers. However, this justification is largely limited to number of customers helped, increased welfare payments and quantitative outcomes. There is still work to be done to quantify these outcomes to fully assess the social benefits of SSEPD's initiatives. SSEPD also has clear evidence that where one of its initiatives in the SHEPD area (Community Emergency Plans) is in place, little or no additional support has been required from itself or its resilience partners during power outages. However, it does not currently fully value the impact of these plans, including any cost savings.

- Although SSEPD is able to provide basic justification for its chosen actions, and has plans in place to address some shortcomings, it is not yet able to fully understand the value of its initiatives and why these are more effective over alternatives, SSEPD has therefore not rated 'excellent' for this sub-criterion.

4.4.2 Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it

Overall score against this criterion: 7.0

Assessment

Data and information acquisition

SSEPD has scored **6** (fair) for this sub-criterion.

- SSEPD has demonstrated a clear link between its stakeholder engagement programme and its data acquisition strategy. It has protocols in place for data sharing with other organisations in emergency situations. It is also in the process of developing a data sharing protocol with key stakeholders outside of these situations - Dundee City Council, Police Scotland and Scottish Fire and Rescue. [✂]

- It did not rate 'good' for this criterion, as issues (common to all DNOs) around data sharing are largely preventing the data sharing strategy from being applied in practice.

Data and information management

SSEPD has scored **7** (fair) for this sub-criterion.

- SSEPD uses a 'SIMS database' which is a central database for all the information held on the properties supplied in both network areas. Its data and information systems relating to vulnerable customers are therefore integral to its wider data and information systems.

- It also provided evidence of a good awareness of data gaps, and has some processes in place to address these:
  - SSEPD explained that the quality of its PSR data on new customers is good as customers are contacted after they register. They also have someone checking records coded as 'Other' once a week and moving these to other needs codes if appropriate.
  - A PSR data cleanse has started, with each contact centre employee having a minimum target of 50 customer records per week. Priority has

been given to PSR1's (customers with a medical dependency on electricity) with the most attached categories. Contact centre staff are also required to proactively check PSR data on customer calls during storms. However, this is only a token start. SSEPD have also improved the PSR element of the database to ensure that when a customer registers for the PSR, that they are asked whether they provide consent for their data to be shared with third parties. It also records any signposting that has been done, information on whether a customer has been pre-warned about bad weather, and tracking where a customer hears about the PSR. However, improvements need to be made to the online registration form to allow these features to be built in.

- It has not rated 'good' for this sub-criterion as only a token start has been made to address PSR data problems, it has therefore only made limited progress in closing identified gaps.

Data and information use

SSEPD has scored **8** (good) for this sub-criterion.

- SSEPD has demonstrated evidence of how data use is influencing and improving service development and delivery.
  - SSEPD uses an annual survey of domestic customers to identify groups of customers who self-identify as less likely to feel like they will cope, or to know who to contact, in the event of a power cut. This is then used to help focus resilience planning activities and meet the needs of these groups.
  - Data collected as part of the Knowledge Transfer Partnership informed SSEPD's strategy with regards to Customer and Community Advisors (CCAs). CCAs are mainly used in SSEPD's Southern network, providing reassurance and appropriate community support to customers.
- SSEPD also presented evidence that it uses PSR data to shape partnerships. For example, it selected Portsmouth for a Winter Warm Up Event given the high density of PSR customers, and high incidence of winter deaths. However, its use of data in this way largely appears to be restricted to smaller projects. It has therefore not rated 'excellent' for this sub-criterion.

4.4.3 Approach taken to management and use of PSR and associated services

Overall score against this criterion: 7.3

Assessment

Eligibility for the PSR

SSEPD has scored **8** (good) for this sub-criterion.

- SSEPD use Ofgem's set of eligibility codes, plus a code for people with children less than 12 months old, allowing it to begin proactively identifying vulnerable customers outside of the "core" groups.

- A temporary condition marker is also available, where a record is given a one year flag from the point of registration. However, SSEPD's systems don't currently include any facility to highlight and prompt user action in relation to temporary condition markers that are due to come to an end. It therefore doesn't rate 'excellent'[5].

Take up of the PSR

SSEPD has scored **7** (fair) for this sub-criterion.

- SSEPD carries out basic advertising of the PSR and the services offered through: partners, events and CCAs in local areas, phone calls with customers, at public meetings, press releases, social media and distribution of its PSR leaflet. They have also produced a TV advert to be shown in the SHEPD area.

- It also uses trusted intermediaries to target particular groups with low awareness. For example, PSR booklets are provided to partners to hand out, though SSEPD is has found it difficult to accurately track the success of this. Although this is a move towards more targeted advertising, we would not class this as a 'targeted advertising programme' as it is still at a very high level and SSEPD are not able to actively track the success of this recruitment channel in order to record learnings and drive other targeted advertising recruitment initiatives. It therefore does not rate 'good' for this sub-criterion.

Services offered for customers on the PSR

SSEPD has scored **7** (fair) for this sub-criterion.

- SSEPD provides a range of services based to meet the needs of key vulnerable groups. On the basis of past experience, it has introduced

5 We recognise that SSEPD has also asked its IT developers to set up a reporting system which sends automated reports of markers that are about to come to an end.

Community Liaison Managers to provide storm responses services. For example:

- coordinating medical support provided by partners;
- providing catering facilities or Haste catering vans (depending on the location);
- providing accommodation, through relationships with hotels; and
- responding to requests with specific requirements (e.g. fuel, batteries).

Some of these services have been developed in response to advice given during the BS 18477:2010 audit.

- SSEPD's service provision appears to largely focus on storm related PSR services. Evidence was not provided regarding detailed analysis of need to demonstrate how services reflect the complex and multidimensional nature of vulnerability. It therefore did not rate 'good' for this sub-criterion.

4.4.4 Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers

Overall score against this criterion: 6.3

Assessment

Overall partnership strategy

SSEPD has scored **5** (weak) for this sub-criterion.

- Following the Christmas storms of 2013, SSEPD was required by Ofgem to pay £2.3 million in compensation to customers. It also agreed with Ofgem to pay £1 million to recognised national charities and a further £1.3 million to set up a fund to help local communities improve their resilience to extreme weather events. SSEPD selected a number of recognised national charities to pay £1 million to. These were selected on the basis of the organisations that SSEPD relied on during those days, as well as being representative of the groups that it felt it could have served better during this time. It was agreed with these charities that the donations would be earmarked for certain initiatives.

- SSEPD's existing partnerships (with the British Red Cross, Age UK, MacMillan, and National Energy Action) are largely in place as a result of the selection of national charities for the donation agreed with Ofgem.

- We saw little evidence of a clear future strategy regarding partnerships with these organisations or others, with SSEPD explaining that they will first wait to see what the full impact of these initiatives is. It therefore did not rate 'fair' for this sub-criterion.

Developing partnerships

SSEPD has scored **6** (fair) for this sub-criterion.

- SSEPD participate in partnerships with a limited range of organisation types, though their partnership network does include some partners outside the utility sector such as Age UK and MacMillan. It has therefore rated 'fair' for this sub-criterion. In addition to the partners outlined above, it is also part of resilience teams run by Policy Scotland and Police England.

- To rate 'good' or 'excellent' on this criterion, SSEPD would have had to demonstrate a much wider network of partners that covers a variety of organisation types.

Utilising partnerships

SSEPD has scored **8** (good) for this sub-criterion.

- SSEPD are lead partners in the development of community resilience plans in the SHEPD area[6]. It therefore rated 'good' for this sub-criterion. The aim of the development of these plans is to:
  - understand how SSEPD can help and how other partners would be better placed;
  - utilise partnerships in the local area to help them do this; and
  - share the learning to help other resilience projects e.g. the British Red Cross DRIVER project.

- However, in relation to most partnerships, SSEPD's work with partners is largely restricted to signposting or sponsoring of events. It therefore does not demonstrate full utilisation of these partnerships in an effective way to identify solutions together. As a result, SSEPD has not rated 'excellent' for this sub-criterion.

6 Note: In the SEPD network area, the Emergency Planning Officers within the resilience partnership are the lead organisation. SSEPD therefore seek to influence where plans are needed.

4.4.5 Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

Overall score against this criterion: 7.5.

Assessment

Embedding strategy in managing customer interactions

SSEPD has scored **8** (good) for this sub-criterion.

- SSEPD developed vulnerability training with NEA. This has been rolled out to 90% of contact centre staff (with shift work, long term sickness and maternity leave creating the gap). SSEPD takes this seriously, providing an example of a disciplinary action as a result of a staff member not acting in line with what is required of them on vulnerability.

- SSEPD also runs awareness days for staff (with vulnerability training as the basis) with partners such as Age UK and Macmillan. These days include advice on when to signpost to these organisations.

- The PSR team receive more in depth training to allow them to assess each customer on a case-by-case basis and provide the help that is required. Contact centre staff can escalate calls to this team if they feel that there is a need.

- SSEPD has not yet rolled out vulnerability training to front line staff. It therefore hasn't rate 'excellent'.

Embedding strategy in general systems and processes

SSEPD has scored **7** (fair) for this sub-criterion.

- SSEPD provided evidence of a feedback loop in relation to the regular updating of its 'Customer Service Distribution Storm Plan' following storms. It also works with partners to help identify strengths, issues and weaknesses.

- High level monitoring and evaluation is carried out in the form of internal business metrics, requiring SSEPD to meet service standards and audits against ISO 9001 and BS 18477:2010. In addition, it also receives more detailed output updates from partners. However, it is not clear how these updates feed into wider service delivery and design. This is therefore one reason that SSEPD do not rate 'good' for this sub-criterion. In addition, more detailed monitoring and evaluation that really tests the extent to which SSEPD are meeting customer needs is not carried out routinely. This is a further reason that SSEPD do not rate 'good' for this sub-criterion.

4.5 SP Energy Networks (SPEN)

Overall, SPEN scored 7.4, averaged across criteria. **Table 11** presents the scores on each criterion.

Table 11. SPEN Score Breakdown

Criterion	Overall score
Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	7.5
Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	7.0
Approach taken to management and use of PSR and associated services	7.0
Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	7.3
Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	8.0

Note: Decimal places are due to averaging of scores over sub-criteria

We provide details of the assessment against each sub-criterion and the resulting scores below.

4.5.1 Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers

Overall score against this criterion: 7.5

Assessment

Understanding of the definition of a vulnerable customer

SPEN has scored **7** (fair) for this sub-criterion.

- SPEN has largely focussed on the key vulnerability characteristics. To identify vulnerable customer 'hot spots', SPEN collected and analysed the data on the following parameters:
  - areas with a history of multiple interruptions;

Assessment of DNOs

- PSR customers;
- fuel poor customers; and
- customer off gas grid.

SPEN took a strategic approach to the choice of parameters to focus on, drawing on discussions with SPEN's Social Working group (made up of stakeholder & SPEN senior staff). The group were clear on the importance of not trying to be everything to all people and to target initiatives around the four priority customer segments.

- While SPEN has demonstrated a clear and rational approach to prioritising vulnerable customers, it did not rate 'good' for this sub-criterion as its approach currently focuses on a limited number of vulnerability characteristics and it had only carried out this vulnerability 'hot spots' analysis once so far, rather than on a regular basis to enable it to assess the changing nature of vulnerability.

Awareness of the range of social issues

SPEN has scored **8** (good) for this sub-criterion.

- It has demonstrated a good awareness of the main social issues associated with the industry. As described above, this awareness was informed by its Social Working Group.
- It has assessed prevalence across the customer base through the data mapping exercise described above.
- SPEN understands that PSR registration is just one tool for identifying social issues. For example, the data mapping exercise described above provides evidence for this.
- It has not rated excellent on this sub-criterion as its main focus remains on issues internal to the industry, in particular fuel poverty.

Recognition and integration of the DNO's role in relation to social issues

SPEN has scored **7** (fair) for this sub-criterion.

- SPEN has changed its strategy in this area towards building a stronger local presence. This aims to allow it to really understand the communities it serves and develop solutions that can be delivered through a strong network of trusted local agencies.
- It has strong processes in place to support vulnerable customers during storms, planned and fault situations. However, in 2014/15 SPEN broadened

its role beyond that of this 'traditional DNO role', to focus on other social issues affecting its vulnerable consumers such as fuel poverty.

- SPEN demonstrated that it had invested time in developing the right objectives and has clear plans to ensure that its social role becomes an integral aspect of service development and delivery, which it has made a good start at putting in place. However, the strategy is not yet fully integrated. SPEN therefore did not rate 'good' for this sub-criterion.

Awareness of the impact and effectiveness of chosen actions

SPEN has scored **8** (good) for this sub-criterion.

- SPEN has demonstrated a thorough approach to planning initiatives, and thinking about where it can make the biggest difference. It asks partners to measure sign up, referrals and impact, and is in the process of setting up measurement criteria with each partner to address this shortcoming.

- However, there are still shortcomings relating to its measurement and accountability for partners. In particular, it has identified a need for further development of standardised measurement criteria. There is also still work to be done to identify and quantify benefits, enabling a full assessment of the cost-benefit of initiatives. SPEN therefore did not rate 'excellent' for this sub-criterion.

4.5.2 Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it

Overall score against this criterion: 7.0

Assessment

Data and information acquisition

SPEN has scored **6** (fair) for this sub-criterion.

- It has demonstrated a clear link between its stakeholder engagement programme and its data acquisition strategy.

- Further evidence is provided through its approach towards hard to reach customers. SPEN initially had difficulties identifying customers which had been left behind by other services. As a result, it adapted its plans and now uses partnerships with third sector bodies to feed into its PSR acquisition strategy. For example, it recruits to the PSR through wood delivering volunteers on the Winter Warmth for Older People Project.

Assessment of DNOs

- SPEN has tried to proactively share data, but faces a lot of data sharing barriers. Data sharing during extreme weather events is working well. It is now working through industry bodies to try and enable data sharing outside emergency events. For example, SPEN is working as part of East of Scotland Regional Resilience Partnership People at Risk Working Groups (joining forces with Falkirk Council & Forth Valley NHS Trust) to deliver a generic data sharing protocol that can be shared throughout the industry with the aim of improving data quality.

- It did not rate 'good' for this criterion, as issues (common to all DNOs) around data sharing are largely preventing the data sharing strategy from being applied in practice.

Data and information management

SPEN has scored **7** (fair) for this sub-criterion.

- SPEN's data and information systems relating to vulnerable customers are connected to its wider data and information systems, but there is still some work to be done. SPEN has central data systems in place for different work types. It has invested in a CRM and workflow system for its connections work and is in the process of reviewing solutions for other work types.

- It provided evidence of awareness of data gaps, and has processes in place to address some of these:
  - When supplier data is received by SPEN, it automatically overrides existing data when the records are more recent, regardless of data quality.
  - SPEN has committed to checking the accuracy of PSR data every 2 years but has to date only carried out trials to establish the best way to improve accuracy in future.
  - SPEN has had particular problems with the 'Other' category in the PSR data. It carried out analysis of what is in the free text fields and then led industry working groups to look at how to take errors away and the suitability of possible additional categories. Due to cost implications, SPEN is awaiting the outcome of industry wide discussions before developing a transient category outside of this.

- It has not rated 'good' for this sub-criterion as it has only trialled its PSR data cleanse process so far, it has therefore only made limited progress in closing identified gaps.

Data and information use

SPEN has scored **8** (good) for this sub-criterion.

- SPEN has demonstrated evidence of how data use is influencing and improving service development and delivery. For example, its use of mapping of vulnerable customer 'hot spots' to identify possible target areas for service development and delivery described above. It also has a feedback loop in place as part of its Broader Measure of Customer Service governance framework to ensure that customer feedback and poor scores feed into its PSR services.

- As discussed in more detail in 'Overall partnership strategy', partnership knowledge is driving SPEN's improvement in service development and delivery, and the shaping of its partnerships. However, SPEN is still in the early stages of implementing this and has therefore not rated 'excellent' for this sub-criterion.

4.5.3 Approach taken to management and use of PSR and associated services

Overall score against this criterion: 7.0

Assessment

Eligibility for the PSR

SPEN has scored **8** (good) for this sub-criterion.

- SPEN uses the 21 standard PSR categories. They also utilise the 'Other' category to proactively identify and record vulnerabilities that may be transient or may not fit into the "core" groups to offer a flexible approach to PSR eligibility.

- However, there is currently no ability to add an 'end date', and therefore no ability to ensure that those customers who are no longer eligible are taken off the PSR list. Because of this, SPEN do not rate 'excellent' for this sub-criterion.

Take up of the PSR

SPEN has scored **7** (fair) for this sub-criterion.

- SPEN undertakes an annual PSR awareness campaign based on basic advertising of the PSR and the services offered to vulnerable customer groups It has tried a variety of different channels of communication, such as social media, radio competition, school competitions, and radio/press adverts. A more local targeted approach may be needed.

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- Separately, SPEN also raises awareness of the PSR through its initiatives such as Network Natter. However, it doesn't carry out other forms of targeted advertising and therefore did not rate 'good' for this sub-criterion.

Services offered for customers on the PSR

SPEN has scored **6** (fair) for this sub-criterion.

- SPEN offers a range of services to PSR customers, beyond the minimum list defined by Ofgem. During a storm, SPEN focuses on vulnerable customers first, but recognise that after a certain point during an event, everyone becomes vulnerable. It is able to arrange accommodation; food; generators; social service care; and calling family for the customer. Additional support is also offered to PSR customers based on need. If a customers say they need help during a call, SPEN will do everything it can do to deliver help itself or through partner agencies.

- However, evidence was not provided regarding detailed analysis of need to enable it to demonstrate how services reflect the complex and multidimensional nature of vulnerability. It therefore did not rate 'good' for this sub-criterion.

4.5.4 Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers

Overall score against this criterion: 7.3

Assessment

Overall partnership strategy

SPEN has scored **8** (good) for this sub-criterion.

- SPEN has a clear partnership strategy in place. This strategy covers how to utilise partnerships, as well as identification of vulnerable customers, and identification and delivery of solutions for these customers. SPEN has trialled this strategy in its target geographic (and vulnerability) areas.
  - SPEN is focusing on a local partnership model, with a tight geographical and demographic focus, and organic growth. It is targeting already established community groups so it can deliver services to specific audiences and 'bring added value'.
  - SPEN is keen to not just target national partners due to worries about losing the 'hard to reach' customers. It uses local district launch days to

make contacts in local areas and assess what is already available in local community.

- SPEN also aims to ensure that it partners with agencies where there is a reciprocal benefit.

- It has not rated 'excellent' for this sub-criterion as it is still at the early stages of partnership development and was therefore not able to demonstrate that it is fully utilising existing partnerships.

Developing partnerships

SPEN has scored **6** (fair) for this sub-criterion.

- SPEN are still at the early stages of partnership development, but it does have a limited range of partnerships that are in place beyond the utility sector, such as Age Scotland, Dumfries & Galloway Fire and Rescue, and HandyVan.

- To rate 'good' on this criterion, SPEN would have had to demonstrate a much wider network of partners that covers a variety of organisation types.

Utilising partnerships

SPEN has scored **8** (good) for this sub-criterion.

- Where SPEN does have partnerships in place, it has a leading role and is working with partners to identify vulnerable customers and solutions.

- For example, SPEN's Network Natter programme aims to work with local partners to engage local community groups, allowing SPEN to build two way referral networks and signposting going forward. Having started the programme in Dumfries & Galloway, this programme has allowed SPEN to really understand local needs and also identify hard to reach and isolated customers through local partners. SPEN has received positive feedback from attendees regarding the access that this programme provides to valuable services that they would find hard to access and cannot access in one place.

- SPEN has also attended other organisations' events, again with the aim of building two way referral networks and signposting. It has already seen the benefits of this coordinated approach, with positive feedback from partners and others wanting to join.

- However, as these partnerships are largely still in the early stages, SPEN is not yet able to demonstrate that it is utilising these partnerships to deliver

solutions without creating unnecessary work for itself. It therefore hasn't rated 'excellent' for this sub-criterion.

4.5.5 Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

Overall score against this criterion: 8.0

Assessment

Embedding strategy in managing customer interactions

SPEN has scored **8** (good) for this sub-criterion.

- SPEN has requirements relating to different PSR groups set out for call centre staff, incident control and field staff. These have been developed from learnings from British Red Cross and Age Scotland training, as well as from customer feedback.

- More specifically, SPEN's call centre staff have been trained, in conjunction with the British Red Cross & Age Scotland, to identify wider signs of vulnerability, and prompt customers further to assess what help SPEN can offer. Quality checking processes are also in place.

- Field staff are also trained internally on vulnerability standards and requirements. They make use of 'in field' vulnerability check lists on 'person on-site' cards. There is also proactive process in place to contact customers on site, engage with vulnerable customers and identify customers not registered for the PSR. Customer service is built into performance management goals for field staff, and customer and vulnerable requirements are built into contracts for all contractors. However, field staff don't currently receive training in identifying vulnerabilities. SPEN therefore hasn't rated 'excellent'.

Embedding strategy in general systems and processes

SPEN has scored **8** (good) for this sub-criterion.

- SPEN has a clear feedback loop between information collected on customer needs and vulnerabilities, and its work around the PSR and partnership strategy. It is evident that SPEN is taking the time to learn about the most effective way of helping its vulnerable customers, largely from stakeholder engagement and service pilots, and to use this learning shape its partnership strategy.

- SPEN also has executive and senior management buy-in. For example, the CEO and senior managers sit on internal and external expert panels.

- The services that it has in place are routinely monitored and evaluated, and the learnings from this process feed into wider service design going forward. However, there are still some improvements to be made for SPEN to be able to fully evaluate the effectiveness of its actions. It therefore does not rate 'excellent' for this sub-criterion.

4.6 UK Power Networks (UKPN)

Overall, UKPN scored 8.1, averaged across criteria. **Table 12** presents the scores on each criterion.

Table 12. UKPN Score Breakdown

Criterion	Overall score
Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	8.5
Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	7.7
Approach taken to management and use of PSR and associated services	7.7
Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	8.0
Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	8.5

Note: Decimal places are due to averaging of scores over sub-criteria

We provide details of the assessment against each sub-criterion and the resulting scores below.

4.6.1 Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers

Overall score against this criterion: 8.5

Assessment

Understanding of the definition of a vulnerable customer

UKPN has scored **10** (excellent) on this sub criterion.

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- UKPN has demonstrated that it understands that a one size fits all approach to vulnerable customers is not appropriate. For example, it is conscious that it needs to be flexible to the fact that in its geographical area it has varying levels of deprivation; a significant number of different languages spoken; varying levels of wealth; a mix of rural and urban communities and a variety of security of supply needs. It has demonstrated a good understanding of the main vulnerability issues facing its customers. For example, the main vulnerability factors that it focuses on include, but are not restricted to: blindness, deafness, fuel poverty, disability, age, medically dependence on electricity and mental health issues. UKPN also recognises transient vulnerability.

- It uses heat maps to further understand consumer vulnerability across its customer base, and identify geographical areas of focus for particular services. It undertook initial work with National Energy Action to look at a variety of individual/personal factors and market factors. After reviewing this work in the context of information on vulnerability from other sources, UKPN decided to focus the map on individual factors (age, health and disability, fuel poverty, employment) and add UKPN data on PSR customers and fault history (which are both live data sets). These measures are then weighted. UKPN's heat maps are used to drive service provision, and have been used for this purpose in the last six months.

- It has demonstrated flexibility to adapt to differences in vulnerability and the changing needs for vulnerable customers. For example, it has used focus groups and an online survey to gain a greater understanding of vulnerable customers' needs. This is the extra stretch needed to rate 'excellent'. It also demonstrated that it regularly updates and makes use of its online data maps to understand the changing needs of its vulnerable customers across its networks and plan service provision accordingly.

Awareness of the range of social issues

UKPN has scored **8** (good) on this sub criterion.

- UKPN demonstrated a good awareness of the range of social issues associated with its customer base. It is very clear on the four main types of support that its vulnerable customers need:
  - someone to understand their individual needs;
  - regular updates during a power cut;
  - hands-on support during a power cut depending on their situation; and
  - help to reduce energy bills and energy efficiency

- It has also used heat maps to develop an understanding of the prevalence of these issues across its customer base.

- It has not rated 'excellent' on this criterion as its main focus remains on issues internal to the industry, in particular fuel poverty.

Recognition and integration of the DNOs role in relation to social issues

UKPN has scored **8** (good) on this sub criterion.

- 'Delivering a tailored service to our vulnerable and fuel poor customers' is explicitly embedded in UKPN's overall strategy. As described above, it has identified the four key things that vulnerable customers are looking for and clearly addresses the systems and services required to address these needs as part of its plans for this aspect of its overall strategy. We would therefore not classify its treatment of its social role as an 'add on' aspect of business strategy and practices

- Delivering on its social role does not yet underpin the delivery of all services and UKPN has therefore not rated 'excellent' on this criterion. This is recognised by UKPN and it has targets in place to improve performance in this area.

Awareness of the impact and effectiveness of chosen actions

UKPN has scored **8** (good) on this sub criterion.

- UKPN is able to provide basic justification as to why its chosen actions address social issues relevant to vulnerable customers. It also has clear plans in place to address shortcomings and barriers to performance when these are identified.
    - It has chosen actions to address social issues relevant to vulnerable customers, which have largely been driven by customer and stakeholder feedback, as well as feedback from external standards, such as BSI and Action on Hearing Loss. Based on stakeholder feedback, it is conscious of barriers posed by 'trust' and therefore plans to focus on working with trusted partners to access hard to reach customers.
    - UKPN carries out high level evaluation of initiatives, but this evaluation can be improved. As a result, it has clear plans in place for further work to be done to complement this existing process with quantification of social benefits. This evaluation of initiative and plans to address shortcomings, are discussed in more detail under 'Embedding strategy in general systems and processes.

- Because of the shortcomings it currently faces, it is not yet able to fully assess the value of its initiatives and why these are more effective over alternatives. UKPN has therefore not rated 'excellent' for this sub-criterion.

4.6.2 Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it

Overall score against this criterion: 7.7

Assessment

Data and information acquisition

UKPN has scored **6** (fair) on this sub criterion.

- UKPN demonstrated clear links between its Stakeholder Engagement programme and its data acquisition strategy, but has had varying success in acquiring data in this way. It uses storm periods as an opportunity to capture data on vulnerability from appropriate stakeholders. It is a category 2 responder during an emergency and can share data with resilience partners during emergency situations, and this has worked well to date. However, outside of an emergency, it faces problems with sharing data with its stakeholders. For example, Age UK has not been able to share its database so UKPN have to ask Age UK to contact their customers on UKPN's behalf.

- UKPN has begun to work with suppliers to set up systems to share data, but it did not highlight any work in relation to the development of any data sharing protocols.

- Unlike some other DNOs, it also does not yet collect data from home oxygen suppliers to the NHS, but is in discussions with these companies surrounding this data.

- It did not rate 'good' for this criterion, as issues (common to all DNOs) around data sharing are largely preventing its data sharing strategy from being applied in practice. At present, most data is acquired through its daily interactions with customers.

Data and information management

UKPN has scored **7** (fair) on this sub criterion.

- UKPN has shown good progress in keeping records up to date. It introduced a CRM in December 2014. This provides a single view of a property and customer's experience, with access provided to all relevant

teams (including Incident Control and operational teams). However, the full intended functionality of this system is not yet in place, with further developments to be made with this system over the coming year.

- It manages the consistency of data coming into UKPN through a system set up to carry out an automatic cleanse on suppliers' data before it enters UKPN's systems.

- It also aims to ensure that every PSR record is updated regularly. So far it has taken a 'cleansing in real time' approach and confirmed that over 35,000 records are up-to-date through customer interactions. [✂]

- It has not rated 'good' for this sub-criterion the lack of a dedicated data cleansing process means that it is making limited progress in closing identified gaps.

Data and information use

UKPN has scored **10** (excellent) on this sub criterion.

- UKPN has provided clear evidence that data use is improving service delivery and that it is using data to assess the future risk of vulnerability and shape partnerships. As discussed in 'Understanding of the definition of a vulnerable customer', UKPN actively uses heat maps (including PSR data) to identify target areas. This helps it to target work with partners.

- UKPN has set up an additional feedback loop between data management and data use. It uses data captured during storms to invite customers to register for PSR, and emails all customers annually to promote the PSR and signpost to partnership links.

4.6.3 Approach taken to management and use of PSR and associated services

Overall score against this criterion: 7.7

Assessment

Eligibility for the PSR

UKPN has scored **8** (good) on this sub criterion.

- In recording vulnerability through the PSR, UKPN uses Ofgem's 21 vulnerability codes, with priority given to those who are medically dependent. It currently uses the 'Other' category for transient vulnerability e.g. young child, recently out of hospital, bereavement. Although UKPN have plans to introduce the ability to register for a timed period, this is not

yet in place. It therefore doesn't rate 'excellent' for this criterion as customers who are no longer eligible may remain on the list.

- UKPN also does not make blanket assumptions regarding people on the PSR, e.g. a customer is not automatically added if they are over 60. It instead aims for all additions to the PSR to be based on customer need, rather than aiming for PSR numbers to be as high as possible. For example, a customer is also not automatically added to the PSR just because they have requested to be part of the password scheme. However, as discussed in Section 4 under this criterion, this flexibility is not something that the current assessment criteria allow to be taken into account when scoring a DNO.

Take up of the PSR

UKPN has scored **8** (good) on this sub criterion.

- UKPN carries out a targeted PSR recruitment through a number of channels. For example:
  - One of UKPN's main campaigns through which it advertises the PSR is its winter awareness campaign. In this assessment period, UKPN worked with:
    - Local Authorities to help raise awareness of the PSR through its winter awareness campaign leaflets – e.g. some Local Authorities helped by sending out the leaflets in council tax bills. This campaign is based on survey and feedback from UKPN's Critical Friends panel. Customers wanted a low cost solution, not TV or newspaper adverts.
    - Age UK also helped by putting posters up in its charity shops.
    - MPs were also active in promoting it.
  - Based on further advice from the Critical Friends panel, UKPN also carried out targeted online advertising. In addition to mass promotion on Facebook etc., it also targeted people who had 'liked' particular groups (e.g. Age UK) that are linked to particular vulnerable customer groups, and held a competition to win Amazon vouchers for those who signed up to the PSR. As a result, it received 947 applications to the PSR during the competition compared to 57 applications on average over the six months previous to this.
- Beyond this targeting advertising, UKPN do not have a wider PSR recruitment programme. It therefore does not rate 'excellent for this sub-criterion.

Services offered for customers on the PSR

UKPN has scored **7** (fair) on this sub criterion.

- UKPN offers a wide range of PSR services that reflect the needs of core vulnerable customers. This includes the use of c.a. 50 staff on the ground ("customer champions") who are trained to analyse customer need and provide the relevant support on site. These staff members are used in addition to the British Red Cross in events of an extended or unusual nature. .UKPN's Contact Centre management team are also empowered to support customers during power outages as required, e.g. meals, taxis, hotels, invoking the British Red Cross, or providing portable heating/generators. UKPN can also send out a command vehicle where needed, which provides a variety of services including charging points and wifi for customers.
    - UKPN also issues a 'Power Cut Support Kit' (containing an analogue phone, torch and booklet setting out UKPN's PSR services) to medically dependent customers.

- UKPN was also able to justify its choice of services to provide. In particular, it has received input into its PSR services design from a variety of sources, including customer surveys, its vulnerable customer and fuel poor focus group, and Critical Friends panel.

- Analysis of need appears to largely be reactive, restricted to only those services with which issues have been raised or potential improvements have been posed through feedback from customers and stakeholders, rather than a detailed analysis across the full range of services. It therefore did not rate 'good' on this sub-criterion.

4.6.4 Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers

Overall score against this criterion: 8.0

Assessment

Overall partnership strategy

UKPN has scored **7** (fair) on this sub criterion.

- UKPN has demonstrated a clear strategy towards developing partnerships and has set out clear criteria for its choice of partners (including geographical alignment, professional management of customers, aligned objectives and respect accorded to the organisation). It has a number of well-established partnerships, for example with the British Red Cross. It aims to build this network further, but only where a need has been identified through channels

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such as customer feedback, conversations with vulnerable customer teams and sometimes also through Ofgem requirements. One of UKPN's aims of expanding the dedicated PSR & Vulnerability team is to enhance partnerships to provide UKPN's vulnerable customers with a wider support network.

- It has demonstrated an understanding of not only how to best develop partnerships, but also what can be achieved through these partnerships. For example, it recognises the importance of using trusted partners, such as Age UK and the British Red Cross to help it work with vulnerable customers.

- However, UKPN has not yet demonstrated a clear strategy on how to fully utilise these partnerships once they are in place, and has therefore not been rated 'good' for this sub-criterion. It explained that referral networks were harder to launch than it first thought because customers don't necessarily expect to be talking to UKPN about things such as energy efficiency advice, but did not provide a clear strategy to overcome these barriers.

Developing partnerships

UKPN has scored **7** (fair) on this sub criterion.

- UKPN have partnerships with a wide range of organisations, some of which are active outside the utility sector. For example:
  - UKPN work with Housing Associations in relation to its Winter Campaign;
  - UKPN also developed a Cross Utility Forum (BT, British Gas, Thames Water), with the aim of pooling resources to identify vulnerable customers (as these are often the same across utilities) and how best to serve them; and
  - it also has partners with a range of organisations such as Action on Hearing Loss, Royal Association for the Deaf, Age UK and the Carers Trust.

- To rate 'good' or 'excellent' on this criterion, UKPN would have had to demonstrate a network of partners that covers a wider variety of organisation types.

Utilising partnerships

UKPN has scored **10** (excellent) on this sub criterion.

- Where UKPN has partnerships in place, it is mainly leading these and working together with partners to identify vulnerable customers, and solutions, and in a way that does not create unnecessary work for itself. A

good example of this is its partnership with British Red Cross. During storms, the British Red Cross attend the affected area, as with most other DNOs. However, they are also in UKPN's offices working side-by-side with the PSR and vulnerable Call-Back Team to help prioritise and understand which customers have the greater need and allocate available resources accordingly. This helps it to make quicker decisions and helps it identify other services to use. In addition, UKPN now has a member of staff seconded to the British Red Cross. UKPN explained that this is a mutually beneficial arrangement to help standardise the British Red Cross approach for DNOs and GDNs, thereby producing benefits for the industry as a whole and not just UKPN.

- UKPN realises that they have a strong role to play in fuel poverty and helping customers [✂]. UKPN's energywise Low Carbon Networks Fund project, which tests whether energy efficiency devices, demand side response and supply side solutions can help households in fuel poverty, is also exploring the appropriate role of the DNO, and how UKPN can work with partners. This project has already received funding from Ofgem.

- UKPN provided examples of how its work with partners has developed useful outputs. For example, the development of the heat maps discussed in 'Understanding of the definition of a vulnerable customer' with National Energy Action came off the back of work to provide fuel initiatives in partnership. UKNP also runs fuel poverty surgeries with National Energy Action.

4.6.5 Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

Overall score against this criterion: 8.5

Assessment

Embedding strategy in managing customer interactions

UKPN has scored **10** (excellent) on this sub criterion.

- UKPN's customer service staff and front-line staff are trained in identifying and responding to customer vulnerabilities. It provides a suite of staff vulnerability training programmes for all customer-facing staff including (new staff inductions, annual refresher training, wider call handling training for the additional 900 people who are not part of the core contact centre team but are trained to take customer calls in storm events and training for customer champions). It also provides customer service training with a

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focus on managing and identifying vulnerability to field teams, which include 2000 of UKPN's own staff and 1500 contractors.

- UKPN empowers its staff to support vulnerable customers as required, tailoring this support to the individual customer need and circumstances, and allowing them to 'do the right thing'. All training is focussed on situational management and understanding customers. Staff receive clear guidance, and call handling standards where appropriate to support the Broad Measure of Customer Satisfaction, but there are no scripts or time limits. UKPN also has a live call listening team to ensure all calls meet quality standards.

- To further embed its consumer vulnerability strategy in managing customer interactions, and as part of its commitment to meet BSI 18477:2010, UKPN's staff in customer service roles are completing the National QCF Customer Services qualification to help them to document their work in relation to identifying vulnerable customers and how they can be supported. 33 staff members have completed this so far.

Embedding strategy in general systems and processes

UKPN has scored **7** (fair) on this sub criterion.

- UKPN has demonstrated a clear feedback loop between information captured on customer needs and vulnerabilities reflected in it wider stakeholder engagement and partnership strategies. UKPN has reporting lines in place from project management upwards and the stakeholder engagement team feeds in information at all points in the chain and also receives direction from all levels. For example:

  - There is a line of sight from UKPN's executive management through to customer facing staff. The CEO takes UKPN's vision to achieve 'best in class' in the Broad Measure of Customer Satisfaction, and feeds this down to the Director of Customer Services, who works across the Directorates to think about how this could be best achieved in practice. The Head of Customer Service translates this into how to achieve the target score in the Unplanned loss of Supply and GE customer satisfaction survey, which is put into action by front line staff.

  - Customer services have been formally on the Executive Management Team (EMT) agenda for the last 12-18 months. There are monthly updates to EMT the on customer satisfaction and stakeholder engagement, with vulnerable customers featuring regularly during these updates. There are also monthly meetings with the CEO to discuss the previous month's customer satisfaction scores.

- All feedback is evaluated for continuous improvement. For example, based on customer feedback regarding choice of food and value for money, UKPN decided to choose building its own network of caterers over working with the National Caterers association.

- UKPN currently relies on feedback, cost tracking and assessment against performance objectives to monitor and evaluate initiatives (e.g. number of people helped and related cost savings for those people). However, there are still improvements to be made to how it monitors and evaluates initiatives, particularly the level of detail and the gaps relating to the quantification of benefits.

- Although it has full senior management buy-in to the DNOs strategy in this area and services are subject to some monitoring and evaluation, it has not rated 'good' on this sub-criterion, as it has not demonstrated that this monitoring and evaluation is carried out routinely and is still carried out at a relatively high level, as evidenced by potential improvements that UKPN have identified.

4.7 Western Power Distribution (WPD)

Overall, WPD scored 8.8, averaged across criteria. **Table 13** presents the scores on each criterion.

Table 13. WPD Score Breakdown

Criterion	Overall score
Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	8.8
Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	8.7
Approach taken to management and use of PSR and associated services	9.0
Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	9.0
Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	8.5

Note: Decimal places are due to averaging of scores over sub-criteria

We provide details of the assessment against each sub-criterion and the resulting scores below.

4.7.1 Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers

Overall score against this criterion: 8.8

Assessment

Understanding of the definition of a vulnerable customer

WPD has scored **10** (excellent) for this sub-criterion.

- WPD has moved beyond the key vulnerability characteristics to consider a wider range of factors such as temporary vulnerabilities relating to new born children, post hospital recovery or recent bereavement. Through this, it has shown that it is aware that there is not a one size fits all approach to vulnerable customers.

- It has a good understanding of the main vulnerability issues facing its customers. This understanding has been developed through work carried out with the Centre for Sustainable Energy (CSE) to develop detailed social indicator maps to identify the highest concentrations of vulnerable people,

using multiple definitions e.g. age, disability, receipt of benefits. This work has been used with local knowledge from partners to identify target areas.

- WPD has demonstrated flexibility to adapt to differences in vulnerability and the changing needs of vulnerable customers. This is the extra stretch required to rate 'excellent'. It understands that factors affecting vulnerability vary over time. One of the four objectives of its strategy is to improve its understanding of vulnerability. To meet this objective it works with partners (such as the CSE, EST) to help identify vulnerable customers, the nature of their vulnerability, and relevant social issues. It regularly consults stakeholders (through the quarterly Customer Panel and the annual Stakeholder workshops) to seek feedback on the focus of its social programmes.

Awareness of the range of social issues

WPD has scored **8** (good) for this criterion.

- WPD's wider understanding of 'vulnerability' extends to those customers impacted by wider social issues including fuel poverty. Through its work on detailed social indicator maps with CSE (described above), WPD has developed a good understanding of the vulnerability issues facing its customers and the prevalence of these issues.

- It has not rated excellent on this criterion as its main focus remains on issues internal to the industry, in particular fuel poverty.

Recognition and integration of the DNOs role in relation to social issues

WPD has rated **8** (good) for this criterion.

- WPD has a fully integrated understanding of its role in relation to social issues, with strong chief executive and executive management buy in. It has also demonstrated clear plans for developing systems and customer facing services to reflect its social role. For example, the chief executive attends all of the quarterly Customer Engagement Panels. Every Customer Panel meeting includes a specific workshop session on 'social obligations'. Directors, senior managers and distribution managers also attend WPD's stakeholder workshops. This accelerates business plan delivery and shapes WPD's social obligations strategy. The strategy and business plan are refreshed annually including review by WPD's Chief Executive and Directors. It includes an action plan with target outcomes for developing systems and services to reflect WPD's role, costs and owners.

- However, there is still work to do to embed this understanding of WPD's social role with frontline staff. Delivering on its social role does therefore

not yet underpin the delivery of all services and WPD has not rated excellent on this criterion.

Awareness of the impact and effectiveness of chosen actions

WPD has rated **9** (excellent) for this criterion.

- WPD provided evidence of a robust process for fully justifying why its chosen actions address social issues relevant to vulnerable customer and demonstrate why these 'add value' and are more effective over alternatives. For every project, WPD aims to demonstrate a number of key factors, including long term customer benefits, measurability, transparency, and whether the project drives WPD's business as usual. To help demonstrate these, WPD estimates benefits ex ante as well as ex post. It also ensures that cost-benefit is done for all large flagship projects, e.g. the 'Power Up' schemes.

- Further improvements can still be made and WPD is currently exploring more sophisticated ways of undertaking assessments of the cost benefit of schemes to improve its assessment of the value and effectiveness of its chosen actions. For example, willingness to pay research has been completed to estimate the values of a number of things e.g. awareness of WPD, calls from WPD during a powercut and preparation for winter; so that they can start to look at monetising social benefits.

4.7.2 Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it

Overall score against this criterion: 8.7

Assessment

Data and information acquisition

WPD has scored **7** (fair) for this criterion.

- WPD has demonstrated a clear link between its stakeholder engagement programme and its data acquisition strategy. It has a good relationship with partners relating to medically dependent customers, and is currently the only DNO receiving data from two partners:
  - home oxygen providers provide bimonthly data; and
  - the NHS provides data on electrical equipment (but this is limited).

- There are also formal agreements in place for data sharing with Local Resilience Forums and key agencies (Category 1 and 2 responders) during emergencies.

- However, WPD is not able to fully utilise other relationships due to data sharing issues, particularly the time taken to gain industry-wide agreement on common needs codes and two-way data flows. WPD led a key industry change in 2014, which ensures that every record received from suppliers by DNOs now includes the vulnerable customer name and contact telephone number (as well as meter number and vulnerability code).

- It did not rate 'good' for this criterion, as issues (common to all DNOs) around data sharing are largely preventing the data sharing strategy from being applied in practice.

Data and information management

WPD has scored **9** (excellent) for this criterion.

- WPD is undertaking a PSR data cleanse and has made good process in closing previously identified data gaps. It has therefore rated 'excellent' for this sub-criterion.
  - The comprehensive cleanse process was designed with help of the Customer Panel and includes three telephone contact attempts, on three different days, before letters and freepost response forms are sent. This process is also used for brand awareness, powercut advice and fuel poverty support.
  - WPD's data cleanse process is a continuous process with system changes made to flag customers for re-contact every 2 years. WPD has a dedicated cleanse team of 25, but it is also done via customer contact during power cuts.
  - 464,000 customers have been contacted since the process began, with 52% of contacted records updated. However, there is still progress to be made towards WPD's ultimate goal of 500,000 contacts a year.
  -

Data and information use

WPD has scored **10** (excellent) for this criterion.

- WPD uses data to improve service delivery and development, and to shape partnerships. For example, the detailed social indicator maps used to identify

the highest concentrations of vulnerable people, have influenced the partners it works with.

- It has also demonstrated an additional feedback loop between data acquisition and improvements in customer service. Good quality customer contact data has enabled it to improve customer service by significantly increasing the amount of proactive contact with customers during power cuts. Of the 1.1 million contacts a year, around 40% are now proactive.

4.7.3 Approach taken to management and use of PSR and associated services

Overall score against this criterion: 9.0

Assessment

Eligibility for the PSR

WPD has scored **9** (excellent) for this criterion.

- WPD currently uses the 21 Ofgem categories.

- Customers can also register for 6, 12 and 18 months for temporary/transient reasons such as new-born children, post hospital recovery or recent bereavement. System changes have been made and staff have received the relevant training to make proper use of this system change. This therefore ensures that customers who are no longer eligible are taken off the PSR list. However, WPD did not provide evidence of whether this system change had improved the recording of vulnerability for this customer group.

Take up of the PSR

WPD has scored **9** (excellent) for this criterion.

- WPD has an extensive PSR recruitment programme. It publicises the PSR through twitter, online, through outreach events, schools events, GP's mailouts, a joint deaf awareness initiative (with NPG) to introduce a text number in a power cut, and through key partnerships with the British Red Cross, Age UK and the Energy Saving Trust. It also writes to every customer annually and promotes the PSR in the same mailout.

- In addition to this advertising, of the PSR and the services offered to vulnerable customer groups, WPD'S PSR recruitment programme stretches wider than this, utilising partnerships and drawing on data and information sources to proactively identify and contact eligible customers. However, some of the initiatives it has in place are still at a trial stage.

Services offered for customers on the PSR

WPD has scored **9** (excellent) for this criterion.

- WPD offers a wide range of services for PSR customers, separating these services into: business as usual, planned power cuts and unplanned power cuts, thereby recognising the need for different services under each of these circumstances.

- WPD undertakes regular reviews of PSR services with customers, to assess appropriateness of services. This is also assessed through BSI. WPD's Internal Audit team will conduct an annual review of WPD's PSR and the provision of associated services. We therefore consider WPD to have demonstrated the ability to provide justification for how all of these services add value to the associated group of PSR customers. However, there appears to be the opportunity for further work to be carried out to enable WPD to fully justify how each of these services add value to the associated group of PSR customers.

4.7.4 Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers

Overall score against this criterion: 9.0

Assessment

Overall partnership strategy

WPD has scored **10** (excellent) for this criterion.

- WPD has a clear strategy towards developing partnerships with relevant organisations and how these partnerships should be utilised once they are in place. It aims to deliver five key interventions through their fuel poverty partnerships:
  - income maximisation e.g. debt management;
  - energy tariffs e.g. switching;
  - energy efficiency measures e.g. home insulation schemes/funding;
  - heating solutions e.g. boiler replacement schemes; and
  - behavioural changes e.g. effectively use of heating systems.

Assessment of DNOs

- WPD's focus on partnerships has been informed by a 'Horizon scan'[7] to identify existing fuel poverty schemes, particularly working with hard-to-reach customers, which could be potential partners to WPD. 177 existing services were identified and 85 surveys were conducted with a range of local authorities, public sector and charity organisations to understand their service provision, impact and resourcing and identify opportunities to support these services.

- It has also provided evidence that it is fully utilising partnerships with other organisations, recognising the strengths and weakness of different organisation types and adapting its partnership strategy to suit this. It follows a "hub" delivery model, using a wider network of "sub-partners" sitting under lead partner who is responsible for:
  - receiving the referral from WPD;
  - contacting the customer to assess their needs;
  - delivering solutions and refer on to a sub-partner if necessary; and
  - reporting an outcome for every customer.

- WPD is aware of the wider limitations on the DNO in relation to expanding partnerships, and has put it place measures to overcome these limitations where possible. WPD requires partners to evidence and measure the benefits of all outcomes, including quantitative benefits (e.g. savings achieved from switching energy tariffs) and qualitative outcomes. However, it also recognises that every local scheme couldn't deliver this level of robustness.

Developing partnerships

WPD has scored **7** (fair) for this criterion.

- WPD has a wide range of partnerships extending beyond the utility sector (including Citizens Advice Bureau, Centre for Sustainable Energy and the Energy Savings Trust).

- There are still gaps in this network. For example, it currently has fewer initiatives in the East Midlands. To rate 'good' or 'excellent' on this criterion, WPD would have had to have closed these gaps and demonstrated a network of partners that covers a wider variety of organisation types.

Utilising partnerships

WPD has scored **10** (excellent) for this criterion.

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7 Undertaken with the help of the Centre for Sustainable Energy.

- WPD has a leading role in a number of partnerships that it has developed. It has also provided evidence that it looks at how it can deliver solutions with partners without creating unnecessary work.
  - For example, WPD has a good relationship with chief exec of Citizens Advice Bureau. This led to partnering to establish pilot 'Power Up' schemes in Coventry and Leicestershire. Although it was conscious that costs were greater than benefits for this pilot (savings were primarily achieved via benefit entitlement checks and switching energy tariffs), the project evidenced that there is a huge role and opportunity for DNOs to address fuel poverty. WPD explained that the pilot identified clear 'interventions' that can be taken to lift customers out of fuel poverty. WPD has now expanded to 3 additional embedded schemes with Citizens Advice in Birmingham, Energy saving trust in South Wales and Centre for Sustainable Energy in the South West. All projects are now subject to a cost benefit, with a maximum cost per referral set at £120.
  - Another example is WPD's relationship with the British Red Cross, which it previously solely used reactively (as part of welfare support agreements), as many of the other DNOs still do. It has found that as its network gets better, they are needed less. WPD has therefore reallocated funding for British Red Cross to do more around PSR publicising and informed consent (e.g. they have achieved this as part of the informed consent trial to directly sign-up customers to the PSR via BRC's medical equipment loan service).

4.7.5 Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

Overall score against this criterion: 8.5

Assessment

Embedding strategy in managing customer interactions

WPD has scored **8** (good) for this criterion.

- WPD provides a number of training courses for contact centre staff to enable them to identify and respond to customer vulnerabilities. For example, specialist empathy training from innovative Hijinx theatre company, Age UK and British Red Cross 'CALMER' training. If the wider contact centre team identifies a customer that they believe to be vulnerable then they pass them onto the data cleanse team.

- WPD highlighted that it has had great success in embedding its consumer vulnerability strategy in its contact centre. However, there is also a need to

embed this with front line staff. It is because of this current gap that WPD doesn't rate 'excellent' for this sub-criterion.

Embedding strategy in general systems and processes

WPD has scored **9** (excellent) for this criterion.

- WPD has demonstrated evidence of full senior management buy in to the DNOs strategy in this area, as described in 'Recognition and integration of the DNO's role in relation to social issues', and also how this strategy is reflected in WPD's general systems and processes.

- As described in 'Awareness of impact and effectiveness of chosen actions', WPD carries out routine monitoring and evaluation of its actions in relation to consumer vulnerability. From this, it is able to demonstrate a clear feedback loop to its overall consumer vulnerability strategy. This monitoring and evaluation covers ex ante assessment as well as ex post, and also looks at qualitative aspects as well as quantitative. This monitoring and evaluation allows WPD to feed outcomes into wider service design. Although WPD should look into more sophisticated ways of undertaking assessments of the cost benefit of schemes.

5 Learnings and recommendations

The purpose of this trial was to provide learnings that could be taken forward to feed into the design of the formal assessment in 2016.

As an overall observation, we believe that the process enabled us to provide a robust assessment of the DNOs' performance against Ofgem's criteria. The ranking of DNOs provides an accurate reflection of our view of the performance of the DNOs. We also believe the absolute scores and relativities between DNOs are reasonable, though we suggest several improvements to the assessment methodology below, which could increase the accuracy of these measures.

Overall, we believe that the scores, together with the write-ups should help the Expert Panel to make appropriate awards under the SECV Incentive. However, we also believe that we could have made a similar assessment with a simpler process, in particular involving fewer sub-criteria and a simpler scoring system.

We provide our assessment of our learnings from this trial under the following sections:

- the common assessment methodology;
- provision of evidence; and
- process.

We discuss each one in turn below.

5.1 Common assessment methodology

Section 2 of this report dealt with the development of the common assessment methodology and the scoring criteria. Our objective had been to develop a system that provided an equitable, transparent and effective assessment of each DNO against Ofgem's Consumer Vulnerability Criteria. In particular, we were conscious of striking the right balance between providing DNOs with sufficient detail to understand how we would assess them against the criteria, while not providing them with too much detail such that it prevented them from thinking for themselves how best to demonstrate their performance.

5.1.1 Sub-criteria

When undertaking the assessment of each DNO using the common assessment methodology, we were mindful of the suitability of the sub-criteria that have been developed as part of this process, as well as the associated requirements and scores. Throughout the process, the DNOs reacted positively to the clarity and amount of detail that they felt that the sub-criteria provided. One DNO added that this made it easier to understand expectations and demonstrate against these. It was felt by most DNOs that this level of detail be retained for the formal

SECV assessment in 2016, and should be extended beyond the Consultants Assessment to the Expert Panel assessment.

While we believe that the use of the balanced scorecard approach was useful in providing a clear framework for evaluation, we felt that there was less value in defining, and then scoring, the number of sub-criteria that we had developed. It increased the complexity of the assessment and, in some cases, there was a significant overlap between the evidence required across particular sets of sub-criteria such that it resulted in unnecessary repetition. Therefore, if the approach is to be retained going forward, we would suggest that the number of sub-criteria is reduced and that scoring is only undertaken on the basis of each criteria, rather than each sub-criteria[8].

We also felt that improvements could be made to the definition of some of the sub-criteria.

- Having reviewed DNOs' activities, we now believe there is a question over whether some of the targets are desirable, or indeed possible, to achieve.
- Following on from the overall Consumer Vulnerability Criteria, some of the current sub-criteria requirements focus on the strategy DNOs have in place, rather than the outcomes. While it is important to recognise the benefits of coherent and well-thought through strategies, we believe that DNOs' achievements could often be better assessed by focussing on outcomes.
- For other sub-criteria where the majority of DNOs are already meeting the target, there is a question whether the requirement for meeting them should be either stretched or dropped.
- There are also some cases where we believe the relativities between 'weak', 'fair', 'good' and 'excellent' could be improved – either in terms of allowing for a clearer distinction between categories, or to improve the consistency of how the categories are applied across criteria.

Given these points, we suggest changes for each of the criteria below.

8 We have sometimes scored the same DNO differently for two sub-criteria that we are now recommending are merged. This reflects the fact that sub-criteria can include some overlapping elements and some distinct elements.

Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers

This criterion focusses on the DNOs strategic understanding and activities that demonstrate their commitment in this area. The assessment could be improved if the sub-criteria related more to the outcomes DNOs are achieving in relation to tackling social issues relevant to vulnerable customers, rather than just their strategies. We would therefore recommend that the sub-criteria requirements be updated to increase the focus on outcomes, while still allowing DNOs to choose how best to demonstrate these achievements through outcome data.

In assessing each DNO against this criterion, we found that 'Understanding of the definition of a vulnerable customer'[9] is very much intertwined with 'Awareness of the range of social issues'. In particular, it is often difficult to separate out vulnerability and social issues. For example, a customer is often considered vulnerable if they are in fuel poverty. However, fuel poverty is a social issue in itself. We would therefore recommend combining these two sub-criteria to remove this ambiguity.

We would also raise a question in relation to 'Awareness of the range of social issues'. The sub-criteria requirements state that to achieve excellent, a DNO needs to be looking at issues external to the industry. No DNOs have currently stretched their strategies to this extent, and there is a question of how appropriate this requirement is, as currently worded. We recommend that the requirement is clarified to make it clear that DNOs will be rewarded for focussing on issues, external and internal to the industry, that most affect customers' ability to interact with the energy industry and the potential issues associated with it, e.g. power cuts.

Finally, we also recommend that the requirements for achieving good for this criterion are increased, as these appear to be less stretching than the requirements to achieve good in other criteria (and there is a bigger jump from good to excellent). This is largely because, to achieve good, the DNO currently only needs to demonstrate basic justification as to why its chosen actions address social issues relevant to vulnerable customers, with plans in place to address shortcomings and/or barriers to performance improvement. To achieve excellent, the DNO must be able to fully justify its chosen actions.

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9 In addition, the distribution of scores for each of these sub-criteria shows that already, four of the DNOs score 'excellent' for 'Understanding of the definition of a vulnerable customer'. See Annex 1: Summary of sub-criteria scores provides a summary of all of the sub criteria scores across DNOs.

Learnings and recommendations

Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it

There are some industry wide data sharing issues at the moment that make it difficult to score highly on data acquisition. However, retaining this stretch factor could help incentivise industry solutions to be developed. Therefore we recommend that the requirements for this sub-criterion are retained in their current form.

The processes for acquiring and managing data are linked for DNOs. For example the data cleanse process that many of them have in place is relevant to both sub-criteria. We would therefore recommend merging the 'Management' and 'Acquisition' categories.

The description of the 'Use' sub criterion could be refined so that is only relates to how the data is used. At the moment, it also includes an assessment of the feedback loops into the acquisition and management strategies. It feels like there is currently too much bundled into this criterion and we believe the reference to having a 'system of use checks' could be removed.

Approach taken to management and use of PSR and associated services

In assessing the DNOs, we found that there are overlaps between the current definitions of 'Eligibility for the PSR' and 'Take up of the PSR'. In particular, the requirement under the 'Eligibiity for the PSR' sub-criterion for DNO's to be 'proactively identifying customers outside of the "core" groups'. We therefore recommend that these two sub criteria are merged.

There is also a potential overlap with the Data and Information Management sub-criterion, in relation to the requirement to ensure customers that are no longer eligible are taken off the PSR list. We recommend that this element of the sub-criterion is clarified to only apply to transient/temporary vulnerability.

As defined, DNOs are also not rewarded for being selective in how they define eligibility in the 'Eligibility for the PSR' criterion. Linking the reward to DNOs to how wide their definition of vulnerability is and how flexibly they apply it, may result in DNO resources being diverted away from those customers that are most vulnerable.

Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and delivery solutions (both energy and non-energy) for vulnerable customers

At present, this criterion includes requirements relating to DNOs' partnership strategy. We believe that DNOs should be rewarded for putting well thought out and coherent strategies in place. However, it would be better to measure the

strength of their strategies in terms of outcomes rather than intentions. We would therefore recommend that the wording of this criterion be amended to focus more on outcomes. Again, we believe that the choice on how to best demonstrate these outcomes should be left to DNOs.

We also found that there are overlaps between the current definition of 'Overall partnership strategy' and 'Developing partnerships' and recommend that these two sub-criteria are merged. We also believe that DNOs should not just be rewarded for how wide or extensive their range of partnerships is. Instead, this sub-criterion should focus on how effectively their choice of partners provides coverage for their key vulnerable groups.

Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions

In relation to 'Embedding strategy in managing customer interactions', all DNOs were able to at least meet the requirements for 'Good' as they have some degree of staff training in relation to vulnerability (as shown in Annex 1: Summary of sub-criteria scores), and all empower their staff to 'do the right thing'. We would therefore recommend applying a further stretch- factor to this criterion next year. This stretch could focus on, for example, evidence that DNOs are empowering their staff to focus on the areas where they can be most effective, with evidence as to why the areas have been identified.

We also found that there was some overlap between 'Embedding strategy in general systems and processes' and 'Awareness of the impact and effectiveness of chosen actions', which appears under the first main criterion. We therefore recommend that these two sub criteria are merged.

5.1.2 Range of scores within each scoring category

As set out in Section 3.1.1, we based the trial on a scoring system from 1-10, broadly matching the one used by the Expert Panel. Overall, we are happy that the resulting scores do represent a reasonable reflection of our views of both the absolute level of performance of the companies, and also the relativities between them. However, we think that improvements can be made in the scoring system.

While we believe that it is useful to distinguish between four basic categories of performance (weak, fair, good and excellent), we would suggest that within each of these categories, at most two marks could be given (one for lower performance and one for upper performance) to differentiate performance. This would produce a range of scores from zero to 7. At a minimum, we would recommend revisiting whether it is appropriate to retain a wide scoring range (0-5) is available for "weak" (when in practice only one DNO warranted this score for one of the criterion) while there is only a single score (8) for "good" when was the appropriate grade on a much more frequent basis.

Learnings and recommendations

We would expect that the Expert Panel scoring system would suffer from similar issues to the ones we found, and therefore that should also be updated. If this is not possible, we would still recommend updating the Consultant assessment scoring system, ever if it makes it slightly more difficult for the Expert Panel to mechanistically translate the Consultants scores into its own scoring mechanism. Since it is likely that the Expert Panel will want to retain a degree of discretion in how it uses the Consultant's report we do not foresee this being a particular problem.

5.1.3 Robustness of overall assessment

We believe that, subject to the developments suggested above, the balanced scorecard approach provides an appropriate way of assessing the companies. However, as we were undertaking the assessment, we felt it was appropriate to raise some additional issues.

- **Methods appropriate to a particular DNO's business.** There was nothing in our evaluation that allowed for the fact that different actions/approaches may be appropriate for a DNO because of the particular characteristics of its business. We would suggest this is something that Ofgem may wish to consider going forward.

- **Differentiation of performance.** We felt that there is currently sufficient differentiation between the companies' performance to warrant differential payments to be made against the performance. However, this is something that Ofgem should keep under review on an annual basis as, if the differences become more marginal, it may be questionable whether the rewards should be very different.

- **DNOs' obligations.** It is important that the Expert Panel is aware of activities that DNOs are already obligated to do. These could be, for example, activities that are funded through compensation payments agreed with Ofgem, or that are part of existing Low Carbon Networks Fund projects. We recommend that DNOs should highlight in their submissions where activities are part of existing obligations, and where they go beyond these obligations. The guidance document should also clearly state that DNOs will not receive credit or reward in the scoring for activities that are part of existing obligations.

5.2 Provision of evidence

There were two main opportunities through which a DNO could provide evidence for this assessment: their submission and the site visit. Together, we

found these provided us with sufficient evidence to enable us to make a robust evaluation.

5.2.1 DNO submission

During the early stages of the trial, DNO's provided views on the appropriate length of DNO submissions. It was agreed that a 10 page length would be sufficient for the trial, allowing DNOs to provide an introductory summary of their overall stakeholder engagement and consumer vulnerability strategy as well as evidence to demonstrate how they meet Ofgem's CVC.

Following submission, the general feedback from DNOs was that, although it was tight, the 10 page limit felt about right, and they agreed with the principle of having a page limit in place. We recommend therefore that this page limit remains.

As part of this assessment, we also agreed that URLs and supplementary information could be provided if DNOs were able to explain why this was useful for the assessment. Where embedded URLs and appendices were used by some of the DNOs in their submissions, we didn't feel like this provided essential information. In addition, we feel if they are allowed in future there is a risk that they will increasingly be used and the amount of evidence submitted will ratchet upwards. Also, if some DNOs use URLs and some don't, there is a risk of unfair treatment. We would therefore recommend that URLs and supplementary information are not permitted in future. Instead the focus should be on providing submissions that contain factual detail and evidence about the activities undertaken.

Beyond the page limit, DNOs were given the freedom to present the information within their submissions in whichever way they thought appropriate. The main feedback from DNOs on the submission format was that it was difficult to know whether to structure the submission to the criteria or not, and difficult to find the right balance between evidencing criteria and telling their 'story'. However, neither point was felt to be a major issue. We believe that both approaches have their merits and that the decision should be left with the individual DNOs.

5.2.2 Site visits

There are two particular aspects of the site visit element of the trial assessment from which learnings can be made:

- value of visits;
- length and format; and
- organisation and timing of visits.

In summary, we felt that we got value from the site visits, though the degree to which this changed our initial assessment varied by DNO. For us, it was a useful

complement to the submissions: bringing them to life, gaining clarity around certain aspects, and providing the opportunity to ask for further details to ensure we could carry out the assessment effectively. Perhaps more importantly, it enabled the DNOs to ensure that we understood their evidence and so increased the legitimacy of the review. This will be important given the money that will be at stake. However, we note that the site visits formed a significant part of the budget of this project.

Some DNOs found the visits to be a good opportunity for them to bring to life how far, and how deep, their consumer vulnerability strategy goes. One DNO highlighted that it did not find the site visit useful, and felt that it lacked a sufficient degree of challenge and was not focussed enough on outcomes.

In the light of our experience and these comments, we recommend some changes to the approach below.

Value of visits

We believe that the site visits did have value, to warrant the time and cost involved. In particular, providing enough detail to allow the DNO assessments to be carried out robustly and provide the Expert Panel with the information that it requires to carry out its assessment.

Following analysis of submissions, we created a topic list for each DNO, which covered the areas where further clarification/supplementary information was required on the basis of the assessment criteria. DNOs found the topic lists a useful steer for content of the day.

As noted above, one DNO highlighted that it did not find the site visits useful in their current format because of a lack of focus on outcomes and an insufficient level of challenge. The changes we recommend to sub-criteria above will help address the comment about outcomes. To increase the level of challenge, we recommend that the assessors carry out a full assessment of each DNO before the site visit, and use this to frame detailed questions, rather than the focussing on more general topic areas. The focus of the site visit could then be on discussing these detailed questions and probing the evidence that underlies each conclusion.

Length and format

A five hour time slot was allowed for each visit and the DNOs were given the freedom to use this as they saw fit, based on our topic lists. The general feedback was that the length of the site visits was ok, although one DNO would have liked longer to be able to demonstrate the strategy in action by showing us around the contact centre. Our view is that the length of the visit was about right for the trial. We also believe that a similar amount of time would be appropriate for site

visits that instead focus on exploring detailed questions and probing the evidence provided, as recommended above.

There was variation in the level of evidence provided by the DNOs at the visits.. As with the submissions, the purpose is to provide factual evidence to the assessors. However, we do not think the DNO needs to show detailed proof (such as email chains).

Some DNOs provided takeaways of slides/summaries provided for the day. While providing handouts of the delivered presentations does provide a useful record of the visit, we are concerned that this could lead to a de facto increase in the length of the submission. Therefore we would recommend that the guidance is clear that takeaways of slides/summaries are only allowed where they are directly answering the submitted questions of the assessors.

Organisation of site visits

To provide the DNOs with sufficient notice, we prioritised the organisation of the site visits within the project timetable. In the interest of fairness between DNOs, we also ensured that the same Frontier employees were available to attend all site visits. Feedback suggests that this aspect was particularly valued by DNOs.

Initially all site visits were arranged to be held during two separate weeks in the project timetable. However, one DNO requested that its site visit was postponed due to a storm event.

It is essential that the process is kept fair, and that all DNOs have the same amount of time to prepare for a site visit. In addition, rescheduling site visits places an additional burden on those carrying out the assessment. We would therefore recommend that the guidance makes it clear that site visits are only postponed under exceptional circumstances[10].

5.3 Process

During the site visits, we also asked the DNOs for their feedback in relation to the timelines for the trial assessment and overall approach. In general, the DNOs thought that the timelines were particularly tight, especially between:

- Frontier and Ofgem finalising the methodology and the date for submissions; and
- receiving the topic lists for the site visits and the visits themselves.

[10] It was agreed with Ofgem and the DNOs that attempting to provide an exact definition of these circumstances in advance could be difficult and time consuming

However, DNOs recognised that the timelines for the formal assessment are likely to allow more time for the above. They also appreciated having full sight of the project timelines and degree of inclusion in the process more generally. It was highlighted that it was useful to have an external party working to a published process.

From our point of view, the timelines were generally adequate, although more time (3-4 weeks rather than 2 weeks) would be beneficial in between the end of the site visits and the submission of the final assessment.

Some DNOs raised the question of whether there would be benefit in the same consultants carrying out the review for multiple years, as the level of understanding of the consultants is inevitably likely to increase over time. While we can understand that this will reduce the requirement for background evidence to be provided (and could reduce the length of the site visits) we are not sure that this is sufficiently valuable to mitigate the downsides of such an approach. In particular, it would seem unlikely that the same individuals would necessarily be able to contract for evaluations across a number of years. Instead we believe that it is a matter for Ofgem to select competent and experienced consultants to undertake the reviews on an annual basis. Sufficient background should then be available to the incoming consultants from the previous years' evaluations, and from the submissions and site visits, to undertake a robust assessment.

6 Annex 1: Summary of sub-criteria scores

Table 14. Summary of sub-criteria scores

Criterion	Sub-criterion	ENWL	NPg	SSEPD	SPEN	UKPN	WPD
Strategic understanding and commitment to the role that network companies can play in tackling social issues relevant to vulnerable customers	**Understanding of the definition of a vulnerable customer**	7	10	8	7	10	10
	Awareness of the range of social issues	7	8	7	8	8	8
	Recognition and integration of role in relation to social issues	6	8	6	7	8	8
	Awareness of impact and effectiveness of chosen actions	5	8	8	8	8	9
Engagement with stakeholders to improve the data and information that they hold on vulnerable customers and what they do with it	**Acquisition**	6	6	6	6	6	7
	Management	6	7	7	7	7	9
	Use	5	9	8	8	10	10
Approach taken to management and use of PSR and	**Eligibility for the PSR**	9	8	8	8	8	9
	Take up of the PSR	6	6	7	7	8	9

associated services	**Services offered to customers on the PSR**	6	7	7	6	7	9
Approach taken to develop and utilise partnerships (e.g. referral networks) to identify and deliver solutions (both energy and non-energy) for vulnerable customers	**Overall partnership strategy**	4	8	5	8	7	10
	Developing partnerships	6	7	6	6	7	7
	Utilising partnerships	5	9	8	8	10	10
Embedding their strategy for addressing consumer vulnerability in their systems, processes and how they manage customer interactions	**Embedding strategy in managing customer interactions**	9	9	8	8	10	8
	Embedding strategy general systems and processes	6	8	7	8	7	9

Annex 1: Summary of sub-criteria scores

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