Consumer Vulnerability Strategy

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Our updated Consumer Vulnerability Strategy

In preparation for the next price control RIIO-GD2, we are focusing on our social responsibility to identify and address the needs of our most vulnerable consumers. To do so, we have developed an improved Consumer Vulnerability Strategy that encompasses a step-by-step strategic approach supported by bespoke tools and processes. Our Strategy has been updated to capture lessons learned from previous years and ensure it fully reflects our values and continuous effort to improve. In addition to the lessons we learned, this strategy was completed by performing a gap analysis of our approach to consumer vulnerability with respect to best performers in the industry. The resulting strategy has been validated by our Critical Friends Panel. In June 2019 we reviewed our strategy to make sure it aligned with Ofgem's five strategic criteria, as part of its consultation on its Consumer Vulnerability Strategy.

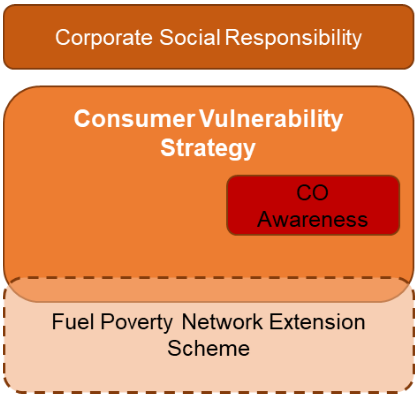
This document will set out our Consumer Vulnerability Strategy by outlining our overarching objective, the approach we will employ to reach it, and the tools and processes developed to facilitate our colleagues at every step of the way.

Our Consumer Vulnerability Strategy

Defining the scope of our Vulnerability Strategy

The diagram sets out how the Consumer Vulnerability Strategy interacts with our wider Corporate Social Responsibility, CO Awareness and Fuel Poverty roles.

This Consumer Vulnerability Strategy brings together a collection of elements that sets out our over-arching mission in supporting vulnerable customers and outlines the practical steps that will be taken to achieve this objective.



A clear strategy provides a logical direction and a narrative around all our actions, activities and initiatives. In addition to this it offers a focus which all colleagues and partners can rally around, but most importantly, **it is designed to enable us to deliver the support that our vulnerable customers want and need in cost-effective and efficient ways.**

How does it fit in with our Stakeholder Engagement Strategy?

The objective of our Stakeholder Engagement Strategy is to identify key issues that affect our company and our communities and to cost-effectively engage on these. The feedback gathered needs to inform the business on the wants and needs of stakeholders and lead to actions that enable us to deliver the right outcomes our customers will value.

The Vulnerability Strategy on the other hand, is concerned with what we will do to identify and support vulnerable customers with the services they want and need in a cost-efficient and effective way.

The Engagement Strategy is key to identifying the wants and needs of vulnerable customers, while the Vulnerability Strategy sets out how these will be serviced and delivered to those who need it the most. The Engagement Strategy therefore serves to inform the Vulnerability Strategy. The two strategies have been developed in parallel to deliver the outputs and outcomes vulnerable customers really need in value-for-money ways.

Structure of the Consumer Vulnerability Strategy

Our strategy is comprised of the following three key elements:

The **objective** provides the high-level statement that sets out what the ultimate ambition of our Consumer Vulnerability Strategy is.

The **capabilities** outline the key areas that we need to focus on in order to achieve the objective - each capability indicates a different workstream of our approach.

Day to day actions are made up of the tools, processes and steps necessary to follow across each key capability. These actions will develop the capabilities and lead us to achieve our objective.

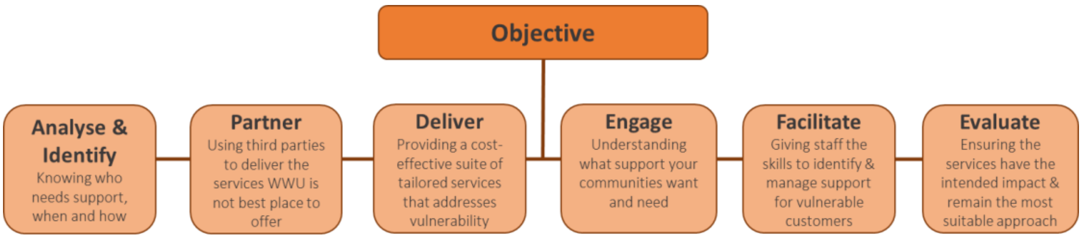
Our Objective

Our objective sets out the ambition for what we aim to deliver and how we will deliver it. This was developed to be consistent with our overall RIIO-GD2 mission statement and to reflect the views of our stakeholders and executive team. It follows:

"Safeguard all vulnerable customers by proactively identifying stakeholders' needs to deliver innovative and tailored support that goes above and beyond our obligations. Working with diverse partners, we will continually monitor and annually review the success of our safeguards to ensure they regularly evolve to deliver ongoing value."

Our Capabilities

To achieve our objective, it is important that what we develop will deliver the best outcomes in the most cost-efficient manner. Hence, we identified the following six key areas that we will focus on:



Each key area represents a capability that we need to build upon. To clearly communicate how we will develop the capabilities, it is necessary to recognise the ambition and ultimate goal of each capability by attaching a mission statement to every key focus area.

Analyse and Identify

"We will build our database to identify and prioritise vulnerable stakeholders, understand who needs support and ensure that the chosen response is the most suitable for that individual concerned."

Partner

"Where we are not best placed to offer the support needed, we will work with a broad and diverse selection of partners to ensure that the vulnerable customers get the services they need and that they are delivered by those with the appropriate tools and expertise."

Deliver

"Our broad range of services is tailored to meet the specific needs of our vulnerable customers and aims to go above and beyond the license obligations, addressing both the root cause and circumstances of their vulnerability."

Engage

"Our customer-led approach enables us to understand what vulnerable customers want and what is the most suitable method and channel to deliver this."

Facilitate

"We will ensure that delivery of vulnerability services are being continuously monitored in order to provide training to our partners or colleagues to facilitate the delivery of expected benefits.

Evaluate

"We will measure the outputs and total benefits delivered by our services and partnerships to assess whether they performed as expected and decide how they will evolve in the future.

Our Day-to-Day actions

The six capabilities we will develop in order to meet our objectives translate into a set of Day-to-Day actions. These actions are supported by bespoke tools and processes that have been designed to enable us to deliver the support our customers want and need in a cost-efficient manner.

It is important to note that the '*Partner'* and '*Deliver'* capabilities have embedded strategies that will be explained in more detail.

Analyse and Identify

This action is about understanding who is at the end of our pipes; identifying who needs our support, when and how. To do so we will:

- **Acquire PSR data**

  We will acquire PSR data from XO-Serve (through the newly established PSR data-flows) and by signing up customers through appropriate forms. We will identify the most cost-effective channels to get more PSR sign-ups by using the Social Obligations Dashboard.

- **Use PSR data**

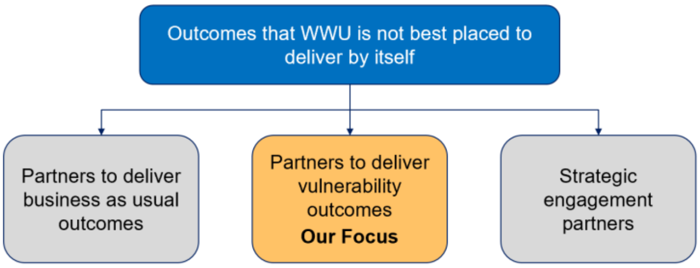
  We can use our PSR data to inform the evolution of our strategy, the services we offer and the partnerships we develop. Outside of our Social Obligations work, we will start considering ways in which PSR data can be used to inform our work in other areas (i.e. asset management replacement plans).

Partner and Deliver

Having identified who our vulnerable stakeholders are and what support they require, we proceed to determine which service will be delivered and by whom. These aspects are respectively covered by the Partnership and Service Strategies that work hand-in-hand ensuring services are delivered to those most in need by those with the best expertise. Specifically, each strategy explains the following:

a) The **Partnership Strategy** describes how our partnerships with third parties serve the wants and needs of vulnerable customers when we are not best placed to deliver a service ourself. It provides a framework to identify, select, monitor and evaluate potential partnerships ensuring we collaborate with the best organisations to deliver the best outcomes.

Like many businesses, we are sometimes unable to deliver outputs internally, so we form partnerships depending on the type of outcomes needed. The diagram below illustrates the scope of the Partnership Strategy that is restricted to partners who deliver vulnerability-specific services.

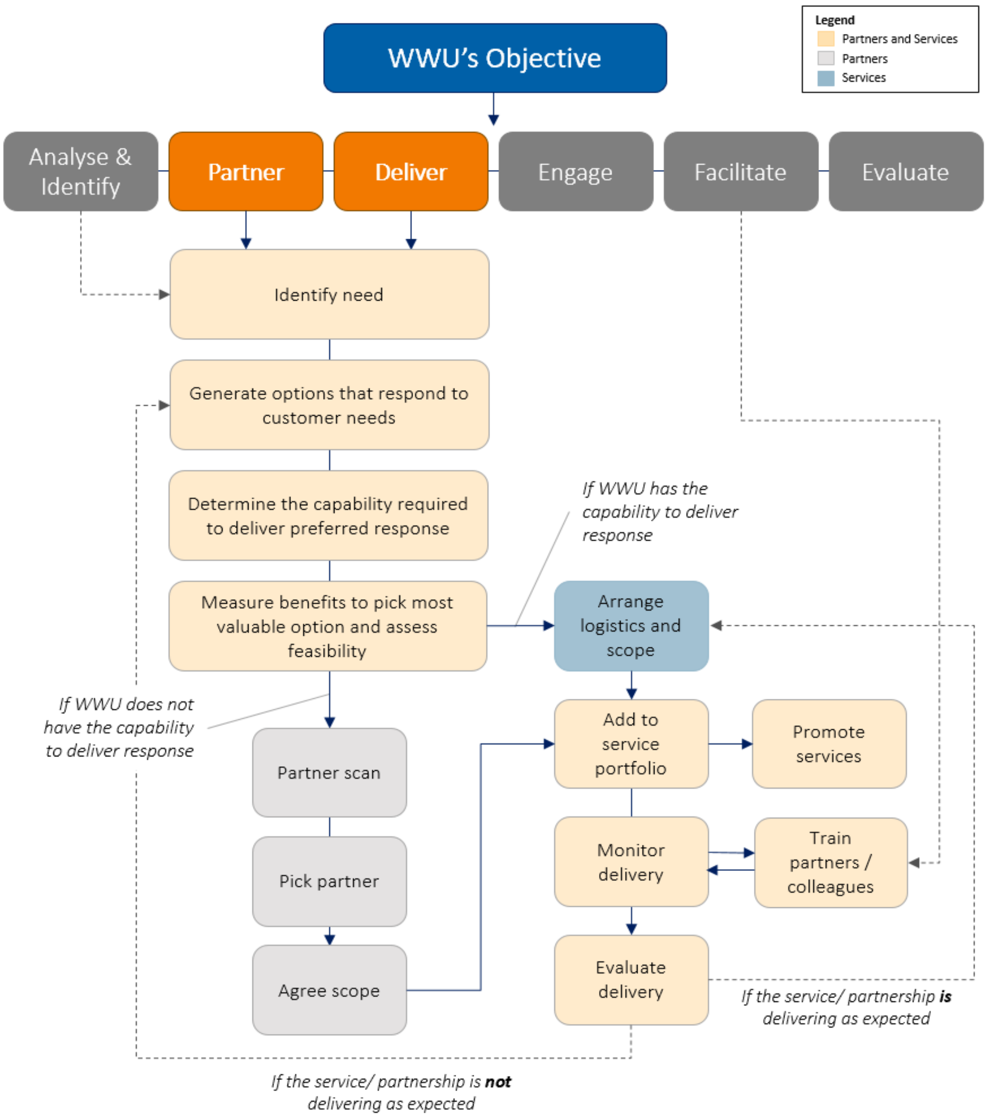


b) The **Service Strategy** describes how we serve the wants and needs of our customers. it explains how services are selected, built, promoted and evaluated to ensure they are the best response to a given need. This strategy will ensure that our vulnerable customers' needs are met, and a comprehensive portfolio of services is formed.

Together, the strategies form the core of our Vulnerability Strategy providing comprehensive, yet cost-effective vulnerability support. They describe two closely related approaches and share several steps. In reflection of this, we have presented both strategies together.

The diagram on the following page visualises the link between the two strategies in the context of our wider vulnerability objective.

This indicates that a bespoke tool has been developed to support this step of the process



1. **Identify need**

Through engagement with internal and external stakeholders, and using a range of methods such as data analysis, engagement or research, we identify relevant wants and needs. This enables us to find any gaps in the existing service portfolio and informs us as to whether we are offering the right services.

We have developed a comprehensive *checklist of methods* through which we identify customer needs. A list of several engagement methods we can deploy follows.

This indicates that a bespoke tool has been developed to support this step of the process

Need identified through:	Suggested governance:	
	Method and tools:	**Timeframe:**
1. Assigning **specific staff to hold meetings**	Have trained staff engage with **focus groups at meetings** to identify specific needs and solutions. This approach can be used for WWU's list of service to be verified by a relevant group (i.e. Critical Friends Panel).	Bi-annually
2. Allocating **customer-facing staff**	Produce and send structured **survey** via email to end-customers to inquire about relevant wants and needs. Have staff survey and engage in conversation with customers at their **doorstep** to identify any arising issues and needs.	Ongoing
3. Using **innovative processes**	Using **Alva Insight** sentiment report, collect and track monthly negative sentiment to identify issues expressed by customers. A **data science tool** capturing feedback from several sources can be used to identify underlying wants and needs from issues.	Monthly
4. Leveraging **social media** conversations and comments	Colleagues participate in identifying problems voiced by customers by **engaging in online conversations** (SEIS, part 1, pg. 6).	Ongoing
5. Asking **existing service and referral partners**	**Engage in discussion** with partners via email, conference calls or webinars. Organise recurrent and tailored **in-person meetings**. Have WWU's responsible contact organise the processes for its partnership.	Bi-annually
6. **Commissioning research** and **literature review**	Designated contact manages and **collects commissioned research** – i.e. use Federation of Small Businesses to provide information on hard-to-reach stakeholders such as small businesses. Also, it can identify underlying needs of a PSR category (i.e. blind category requires different needs from old age category). Undertaking **literature review** can provide substantive findings especially regarding customer research.	Ad-hoc
7. Asking **event participants**	Staff holding events should ask specific questions to **attendees with appropriate knowledge** level to indicate any gaps, wants and needs.	During events

2. Generate options

Where we have identified a new customer need, we will develop a list of possible responses to address this need. Potential responses can be developed in the following ways:

- Referring to our *Social Obligations Matrix*, we list corresponding services that a customer with a specific need is eligible to receive.
- Consulting with our Vulnerability Champions provides us with expert knowledge on how best to support an identified need.
- Consult with other expert stakeholders including partners to scan for additional responses we have not identified internally.
- Determining criteria that any response we give should satisfy in order to be considered as an option.

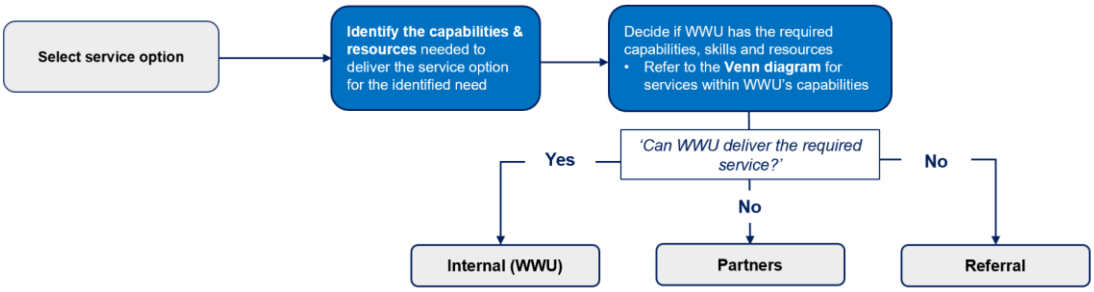
The identified options are listed in our *Standardised Service Selection* tool that is used in *step 4* to determine the best option.

3. Determine required capabilities

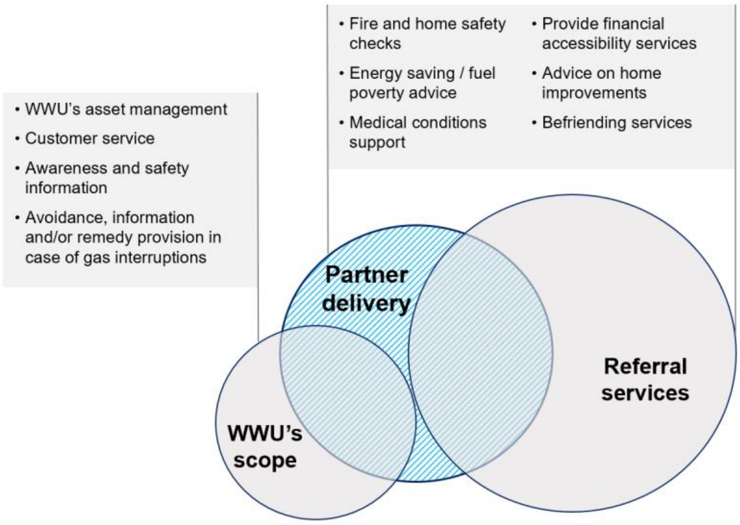
For each potential response we will assess the required capabilities to deliver it. Based on these capabilities we then assess whether these responses should be delivered by us or by a third party. Two approaches are deployed to facilitate this step:

a) Our *Process Diagram* below indicates the steps taken to identify who has the required skills and capabilities to deliver a new service.

This indicates that a bespoke tool has been developed to support this step of the process



b) A *Venn Diagram* provides a list of services that fall within our capabilities and those that are within a partner's or referral's area of expertise. It is a high-level list that is used to swiftly pinpoint to already known services' delivery remit.



4. **Pick best option**

We take a consistent approach to ensure that the response chosen to address customer needs is always the most appropriate. When selecting the best service from the list of options, the aim is to recognise the one that maximises value to customers in the following ways:

a) Stakeholders can be asked to provide their views on what they think the best option is to address the need.

b) For each service option, we measure the expected financial, social (SROI) and indirect benefits using our bespoke model. The value delivered by each option should be captured in the *Service Selection Tool*.

The service that provides the overall maximum benefit is selected.

This indicates that a bespoke tool has been developed to support this step of the process

5. Partner scan

Sometimes we are not best placed to deliver the best service to support specific vulnerability needs. The capabilities and expertise required to deliver a service can often fall within the remit of outside organisations requiring us to form partnerships as the next best option. We ensure that every partnership is valuable to our customers and it delivers outcomes in a cost-efficient way.

A *partner scan* allows us to identify several organisations that are well placed to deliver the required outcome. In form of a checklist presented below, we scan primary and secondary sources such as its stakeholder database, vulnerability-specific websites and charities to identify a list of potential partners.

	Region	Name	Website link	Search functions
Primary sources	Wales	WWU Stakeholder Database	N/A (internal source)	• Region • Demographics • Knowledge level on vulnerability topics
Primary sources	England & Wales	Charity Commission	The Charity Commission - GOV.UK	• Local authority • What the charity does and how they operate • Who they help • Keyword search
Secondary sources	GB	Befriending Directory	https://www.befriending.co.uk/befriendingdirectory.php	• Region • Demographic group or theme • Age range
Secondary sources	GB	Alzheimer's Society	https://www.alzheimers.org.uk/find-support-near-you	• Location • Support type
Secondary sources	GB	Money Advice Service	https://www.moneyadviceservice.org.uk/en/articles/where-to-get-help-and-advice-about-benefits	• Advice offered • Services provided • Who these are for

6. Pick partner

We ensure we take a standard approach to reviewing every partner identified prior to selecting the one to collaborate with. This guarantees that every partnership is subject to the same review standards aimed at maximising the outcome and benefits delivered to vulnerable customers.

Our *Partnership Selection Tool* is a *Scorecard* that assess each potential partner along nine qualitative and quantitative measures. It enables a consistent approach to objectively compare the suitability and value of a partnership.

This indicates that a bespoke tool has been developed to support this step of the process

7. Agree partner scope

Once a partner has been selected, it is imperative to agree the partner's scope and responsibilities that will enable them to effectively deliver expected outcomes for vulnerable customers. Agreeing and recording a scope prior to delivering is important as it forms the basis for partner review after a set time period.

Our *Partner Standard Level Agreement* (SLA) form is used as an agreement for us to capture partners' expectations, responsibilities, service method, expected output delivery and reporting conditions. One form should be used for every partnership and is intended to be filled out by us and co-signed by partners.

8. Arrange logistics and scope

When we decide that we are best placed to deliver a service, we ensure that the service is set up in a standardised manner.

This includes recording our objectives, responsibilities and expected deliverables that form the scope and logistics of the chosen service. Capturing these aspects will serve as a basis of comparison to decide whether we have delivered successfully and if the chosen service was the best possible response to the identified need.

9. Service portfolio and promotion of services

a) The services that we select are added to our **service portfolio** - the *Social Obligations Services Matrix*. The matrix maps the list of responses we offer to tackle each vulnerability situation. We ensure to also include priority customers with temporary vulnerabilities as well as those who may feel that they require support. Services can also be delivered at our discretion even if the customer is not initially eligible.

   We have also improved our service portfolio to:

   - Capture services delivered by us, as well as by our partners and referral organisations; and
   - Document active services, retired services and those planned to be delivered in the future (in the pipeline)

b) To ensure our customers are aware of the service we offer, we make use of a vast range of **promotional methods.** These include organic and paid channels, digital and physical promotion, as well as promotion through partnerships.

10. Monitor delivery and train

It is important that we regularly review service delivery and provide readily available training to our colleagues and partners. Having these mechanisms in place ensure that the delivery of services can be facilitated when needed.

a) We **monitor delivery** by regularly capturing our colleagues' performance and collecting out partners' reports throughout the duration of the service delivery. We ensure that all monitoring is reported in a standardised format. This helps us to assess whether we are successfully addressing the customers' needs.

b) Additional **training** is provided to both colleagues and partners to support them in identifying and responding appropriately to situations of vulnerability. We have a comprehensive training programme tailored separately for partners and colleagues addressing a varied list of customer vulnerabilities. The types and methods through which we deliver training are expanding (e.g. e-learning) to ensure that also remote teams can have access to training when needed.

WALES&WEST UTILITIES

This indicates that a bespoke tool has been developed to support this step of the process

Our aim is to continuously train all our colleagues including customer-facing, contact centre, and operational field colleagues. As part of our initiative to also encourage vulnerability knowledge sharing across the organisation, we have expanded our team of vulnerability experts known as the Vulnerability Champions.

Engage

As mentioned previously, engaging with stakeholders is key to identifying the needs of our vulnerable customers. This is widely demonstrated by how we approach partnerships and service selection.

For more information on how we engage stakeholders in tailored ways, refer to our *Stakeholder Engagement Strategy* document.

Evaluate delivery

Evaluating the benefits delivered to vulnerable customers is approached in two ways depending if the service is delivered internally (by us) or by a third party.

a) If a service was **delivered by us**, then you should refer to the *Service Selection Tool* to compare expected benefits against recorded outcomes.

This will determine if we will continue to use this service for addressing the identified need in the future. In some cases, the service will not deliver as we expected so we decide to either terminate it or enhance it.

b) If the service was **delivered by partners**, it is necessary to determine whether the selected partnership was the best choice. Refer to the *Partner Standard Level Agreement (SLA)* to compare the initial agrees scope and expected benefits against the actual benefits delivered by the partner.

This will indicate if the selected partnership was successful and will continue in the future. If otherwise, the partnership will be terminated, or its delivery scope will be amended.