

Annex 4B.1:

Consumer Vulnerability



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1. An introduction to this annex

Welcome to SPENs Consumer Vulnerability Strategy.

We have worked relentlessly throughout RIIO-ED1 to maximise the value we deliver to customers in vulnerable situations at the most efficient cost. We've supporting them with a range of services they told us were important to them both energy and non-energy related and delivered these through a network of partnerships and informed by data and trends. We recognise through our extensive engagement that SPENs role needs to evolve into the future and as electricity becomes ever more significant in our customers lives, we need to be very clear about the long-term outcomes we will deliver and the impact we will have.

Electricity plays an essential role in society from maintaining the health of citizens through to the growth and prosperity of communities. The energy landscape is changing rapidly in the face of new and unprecedented challenges to meet the ever-increasing electricity demand whilst at the same time reducing CO2 emissions. Customers expect to continue to use electricity when and how they want, at the flick of a switch. Whilst this new landscape brings opportunities for many in terms of reduced costs, benefits to the environment as well as improvements in health and employment opportunities, for some they face barriers to accessing these benefits and are therefore disadvantaged when compared to the average citizen.

Some customers may face challenges in communicating in a more self-serve digitised way and without personal and tailored support will be left behind and unable to access the benefits available to wider society. There are different levels of understanding, engagement and interest in energy across customer groups and therefore attitude to energy can also be a barrier.

Increases in certain vulnerability groups are forecast, such as elderly and young disabled people due to an aging population and an increase in better diagnosis, meaning there will be more support needed in circumstances such as power cuts. Whilst traditionally power cuts have impacted narrow aspects of people's lives, the transition to net zero means that this impact will be felt in every aspect of life in the future as more customers rely on technologies to go about their daily lives such as transport & heat but also devices to manage the impacts of medical conditions.

The makeup of households is changing with more dispersed families and social isolation which in- itself brings greater demands on services such as the NHS and support organisations. This linked with the decrease in household tenure means that there is a greater importance to maintain a close relationship with customers to ensure we understand changes in circumstances and can support in the right way at the right time.

The increase in poverty generally, alongside general financial uncertainty further impacted by Covid-19 means some customers need financial support. Whilst fuel poverty is decreasing due to the measures taken to improve energy efficiency in homes, this is not the case when costs for new low carbon technologies are considered and this will be a barrier for some in accessing the benefits of the future landscape.

SPEN have an important role to play to support the vulnerable customers we serve, and our strategy lays out our approach, long term outcomes and the actions we will take.



Kendal Morris – Customer Service Director

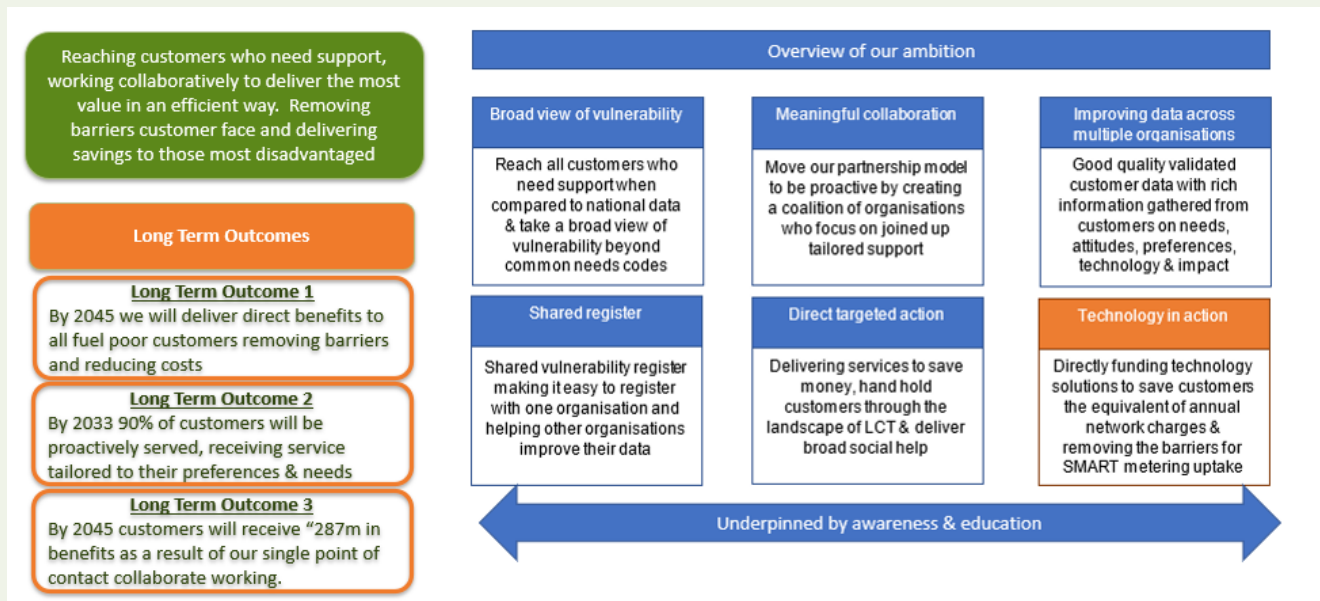
Scope

SPEN's Vulnerability Strategy sets out our RIIO-ED2 commitments to provide a level of support far exceeding anything we have delivered to date. This is in recognition of the changing energy landscape and the additional support customers will require over the next few years, be this:

- additional support during a supply interruption,
- help with energy efficiency and reducing costs, especially for those customers in, or at risk of fuel poverty
- ensuring customers can access the benefits that low carbon technologies bring and help remove any barriers that may prevent their adoption.

We also know that data is a key enabler for the delivery of this support, and that's why we have developed a series of commitments focused on reaching customers previously not captured by SPEN, either those in hard to reach groups or those where they don't traditionally fall into a vulnerability category as defined by standard industry needs codes.

Key highlights



Key benefits:

We recognise that this is a critical time for all customers, but especially for those who fall into 1 of the following 3 areas:

1. **Customers who are vulnerable during a loss of supply**
2. **Customers in, or at risk of, fuel poverty.**
3. **Customers most at risk of being left behind by the energy system transition.**

Therefore, we have developed a strategy that places these customers at its heart and have developed a series of ambitious commitments that will deliver the support these customers require when they require it and to a high standard at all times.

Priority	Priority	Our Commitment	Comparison from RIIO-ED1 period
Be the trusted partner for our customers, communities and stakeholders	We will deliver excellent satisfaction and enhanced services for all customers	We will support customers in a number of ways during a power cut and capture their individual needs through our contact channels with no less than 99% of needs being met.	99% of needs are currently met and although we currently do support customers in 8 ways during a power cut, in RIIO-ED2 we will have a more robust way of capturing and actioning on individual needs and reporting this to shape future service delivery.
Be the trusted partner for our customers, communities and stakeholders	We will support vulnerable customers and communities to ensure no-one is left behind	We will register 80% of customers across every common needs code for PSR Registration by 2028 based on nationally available data	Currently we have over 1.06m households registered for PSR covering c.1.83m vulnerabilities. We measure our reach against each need code across our post code areas and currently this ranges from 5% to 87% across needs codes.
Be the trusted partner for our customers, communities and stakeholders	We will support vulnerable customers and communities to ensure no-one is left behind	We will broaden our view of vulnerability, capturing needs broader than common utility codes, building these into our service offerings and coalition partnership model.	Whilst we have vulnerability mapping in RIIO-ED1 to identify fuel poverty and off gas grid we do not have a way of identifying if individual customers have other vulnerabilities such as being digitally excluded or low or no qualifications. We recognise through our engagement that additional support is important for these customers. This aspect is therefore NEW for RIIO-ED2
Be the trusted partner for our customers, communities and stakeholders	We will support vulnerable customers and communities to ensure no-one is left behind	We will transition our partnership model to be proactive by creating a coalition of organisations with shared goals and data sharing governance to deliver holistic and efficient support.	This is a new commitment for RIIO-ED2
Be the trusted partner for our customers, communities and stakeholders	We will support vulnerable customers and communities to ensure no-one is left behind	We will lead the creation of a single vulnerability register which our PSR will be part of, linking the organisations in our coalition partnership model. This "Register Once" service will make it easy for customers to register for vulnerability services with multiple organisations	In RIIO-ED1 we data share in a number of ways 1. 2 ways data flows with Suppliers 2. Data sharing agreements with some GDNS (2 of the 3 covering our area). GDNs done have a licence obligation to hold a PSR and so do not want auto sharing from us but will ask for sharing in an incident. SPEN received sharing from GDNS and add to our register. 3. Water data sharing - Not currently shared with Scottish Water as they are regulated separately and cannot take our data, but they will pass us information. We have a two-way arrangement with Severn Trent and share data with them. 4. We also share customer data with consent with individual partners to deliver support services
Be the trusted partner for our customers, communities and stakeholders	We will support vulnerable customers and communities to ensure no-one is left behind	We will contact 100% of all our vulnerable customers every 2 years, achieving a minimum 60% fully validated data.	We currently contact 100% of our vulnerable customers every 2 years.

Be the trusted partner for our customers, communities and stakeholders	We will support vulnerable customers and communities to ensure no-one is left behind	We will benchmark our service externally every year to measure up against best practice, achieving relevant recognized international standards and score in Top 5 UK companies through ICS service benchmark.	We benchmarked 1st against all UK service sectors in the ICS Customer Service Index, achieved the BSI CS kitemark and vulnerability standard and was a top 3DNO in the BMCS ranking each year in RIIO-ED1
Be the trusted partner for our customers, communities and stakeholders	We will support vulnerable customers and communities to ensure no-one is left behind	We will deliver direct support services to 276,000 vulnerable & disadvantaged customers.	We provided Fuel Poverty support to 1,100 customers per year of a £420,000 value
Be the trusted partner for our customers, communities and stakeholders	We will support vulnerable customers and communities to ensure no-one is left behind	We will use data creatively to understand those customers likely to face barriers in accessing low carbon technology due to social factors and overlay this with technology data creating an LCT Prioritisation ranking to enable us to best target our services.	This is a new commitment for RIIO-ED2

Customer and stakeholder input

Chapter 5 of this Annex lays out the key customer and stakeholder feedback gathered throughout the most wide-reaching program of engagement we’ve undertaken to date, including direct feedback on our plans from over 20,000 customers and 1000 stakeholders.

At each stage of the engagement process we’ve listened to the many voices of our customers and stakeholders and designed and adapted our plans and commitments accordingly.

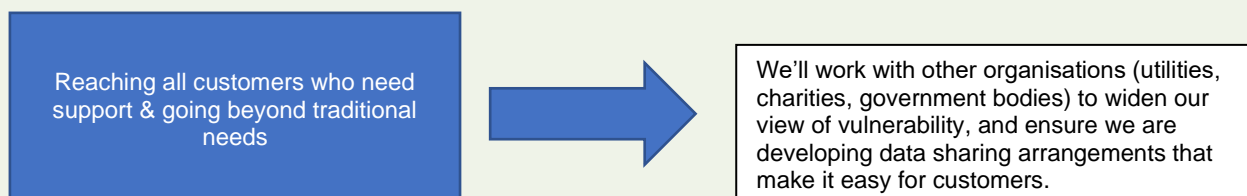
Highlights are:

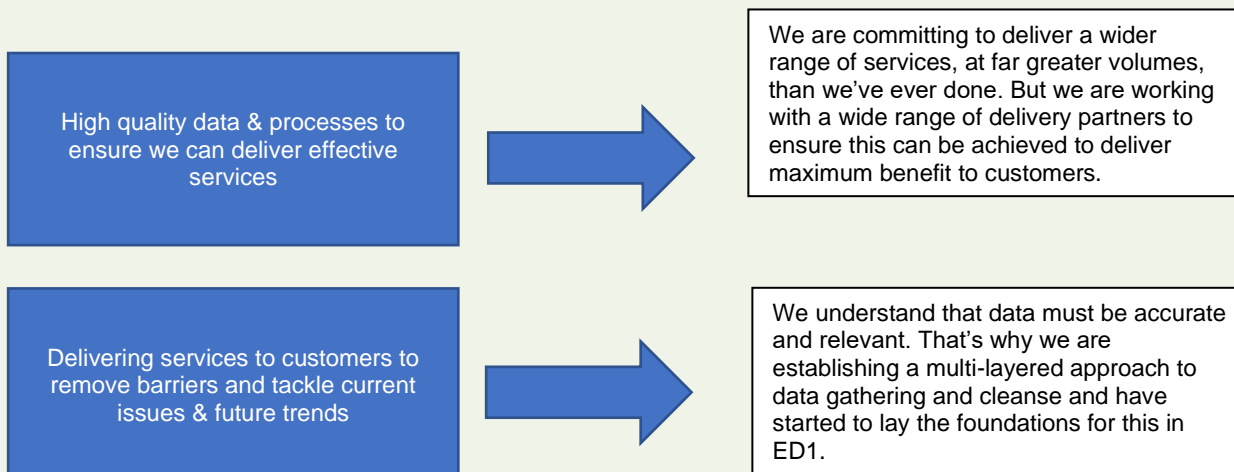
- Customers & Stakeholders believe our strategy to be ambitious and targeted in the right areas.
- Customers & Stakeholders believe these plans offer value for money, especially when considering the overall impact they have on the average energy bill.
- Customers especially want to see SPEN push boundaries, break down barriers and move into areas not previously covered by DNO’s (where we are best placed to do so).

Delivering our Plan

Our vulnerability strategy is ambitious, going well beyond the expectations of the Vulnerability common incentive, and well above the levels we have delivered for our customers in RIIO-ED1. However, the plan is also deliverable, and each initiative has been reviewed for deliverability before being committed to.

Our actions are shaped around 3 key areas, allowing segmentation of our strategy and focus on the delivery of each of these individually





We understand that the deliverability of our strategy is of paramount importance, and our deliverability annex (signpost) outlines how as an organisation we have committed to tackling this through a business wide transformation project. Within Customer Service we have begun to adapt our operating model to support the work required to turn this strategy into reality, and have already undertaken a series of organisational changes to ensure we have a dedicated department focused on the deliverability of our RIIO-ED2 plan.

Signpost to Ofgem’s business plan requirements

Ofgem BP Guidance No	Annex Page Number
3.9 Vulnerability Strategy	All
3.10 Minimum requirements	<p>As a minimum requirement under Stage 1 of the BPI, DNO’s strategies should:</p> <ul style="list-style-type: none"> include an assessment of the vulnerability issues prevalent in the company’s region and evidence of how this informs its proposed approach. (Chapter 4) set out a clearly articulated vision for addressing vulnerability issues identified, identifying links between the proposed deliverables and outcomes and the benefits these aim to deliver. (Chapter 2, Chapter 3) demonstrate how the company will deliver the standard of service outlined in the principles and baseline expectations in Appendix 1. (Chapter 16 with supporting information in Chapters 7-13) include deliverables which are specific, time bound and relevant. A company must indicate if in their view a deliverable exceeds the baseline expectations and whether it will require additional funding. Whether the DNO is funded for a deliverable will be relevant for the ex post assessment under the ODI. (Chapters 15,16,17) propose relevant performance measures which will enable stakeholders and Ofgem to evaluate the DNO’s progress in delivering its Vulnerability Strategy and associated outcomes. A performance measure could be attributed to a specific baseline expectation or more broadly to a principle or area of a DNO’s strategy. Performance measures could be quantifiable metrics, including those which may be common to all DNOs, or other performance measures such as qualitative

assessment, or a combination of performance measures. We would expect the DNO to make it clear how the performance measure is relevant to the baseline expectation(s), how the performance measure is calculated and why it is the appropriate measure of success. (**Chapters 15 & 16**)

where a DNO indicates the relevant performance measure is a quantifiable metric, it must include a baseline performance benchmark with justification to support this. This performance benchmark may be a single value or a range. (**Chapters 15 & 16**)

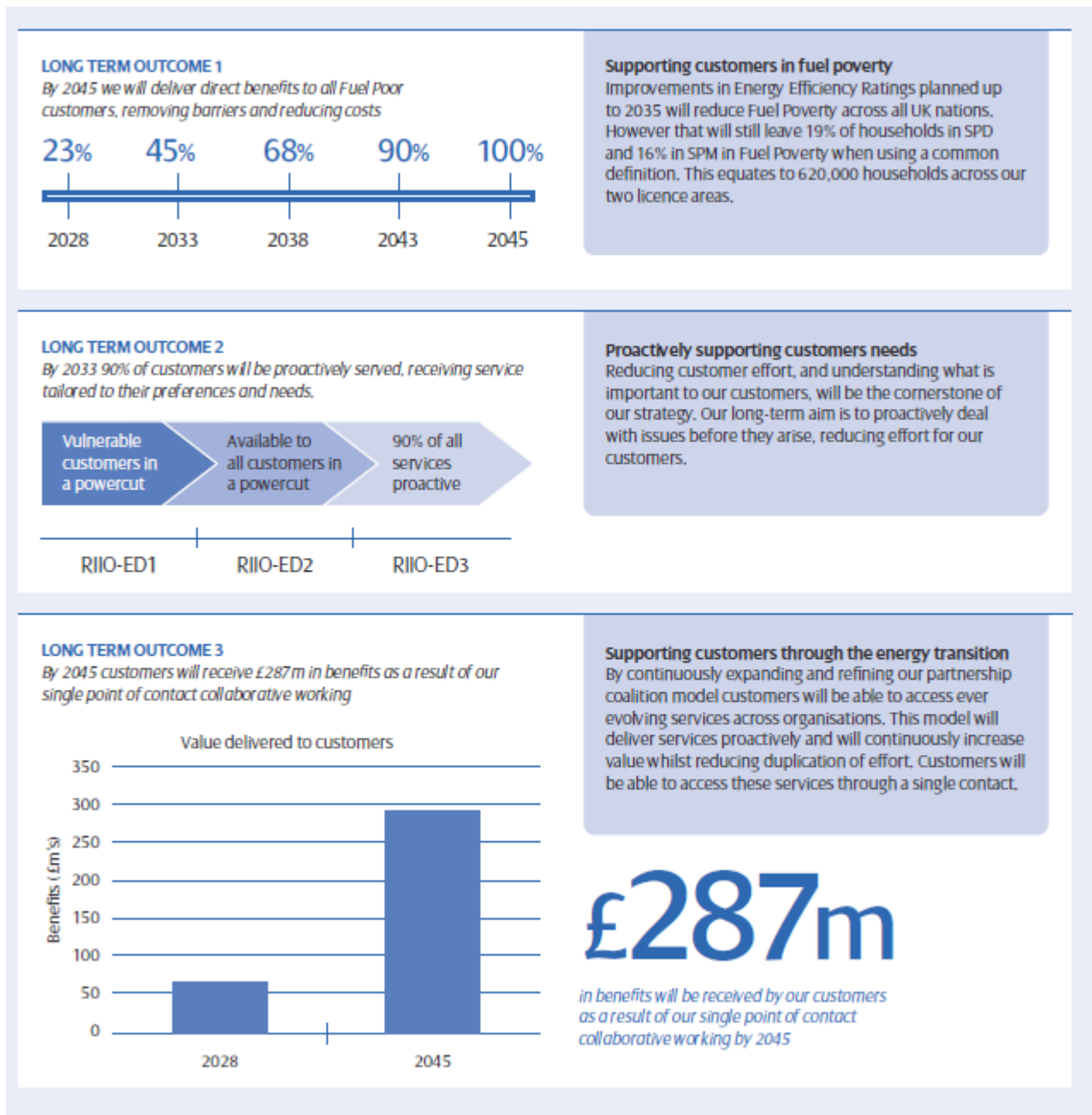
be developed with stakeholder and CEG input and developed in line with the company's wider business planning processes and decisions (**Chapter 5**)

2. EXECUTIVE SUMMARY

Our customers, communities and stakeholders are at the heart of everything we do. Customer behavior and expectations are evolving at a faster rate than ever before and we must use the successes of RIIO-ED1 as the foundation for delivering brilliant service in RIIO-ED2, but also recognizing the need to go much further to make sure the service we deliver continues to give customers what they need and leaves no one behind in a fair and just energy transition.

Our vision is to lead the way when it comes to satisfying our customers, delivering exceptional customer experience, and providing proactive and tailored service based on customers preferences and needs. We also want to deliver focused support to our customers who find themselves in vulnerable situations or who are disadvantaged, providing support that is easy to access, helping them save money, access the benefits of the low carbon transition, make use of technology and receive support for wider social issues. Whilst still focusing on the basic principles of ensuring our customers receive tailored support during a power cut.

Our long-term outcomes clearly demonstrate our direction and where our ED2 plan sits in this longer-term view.



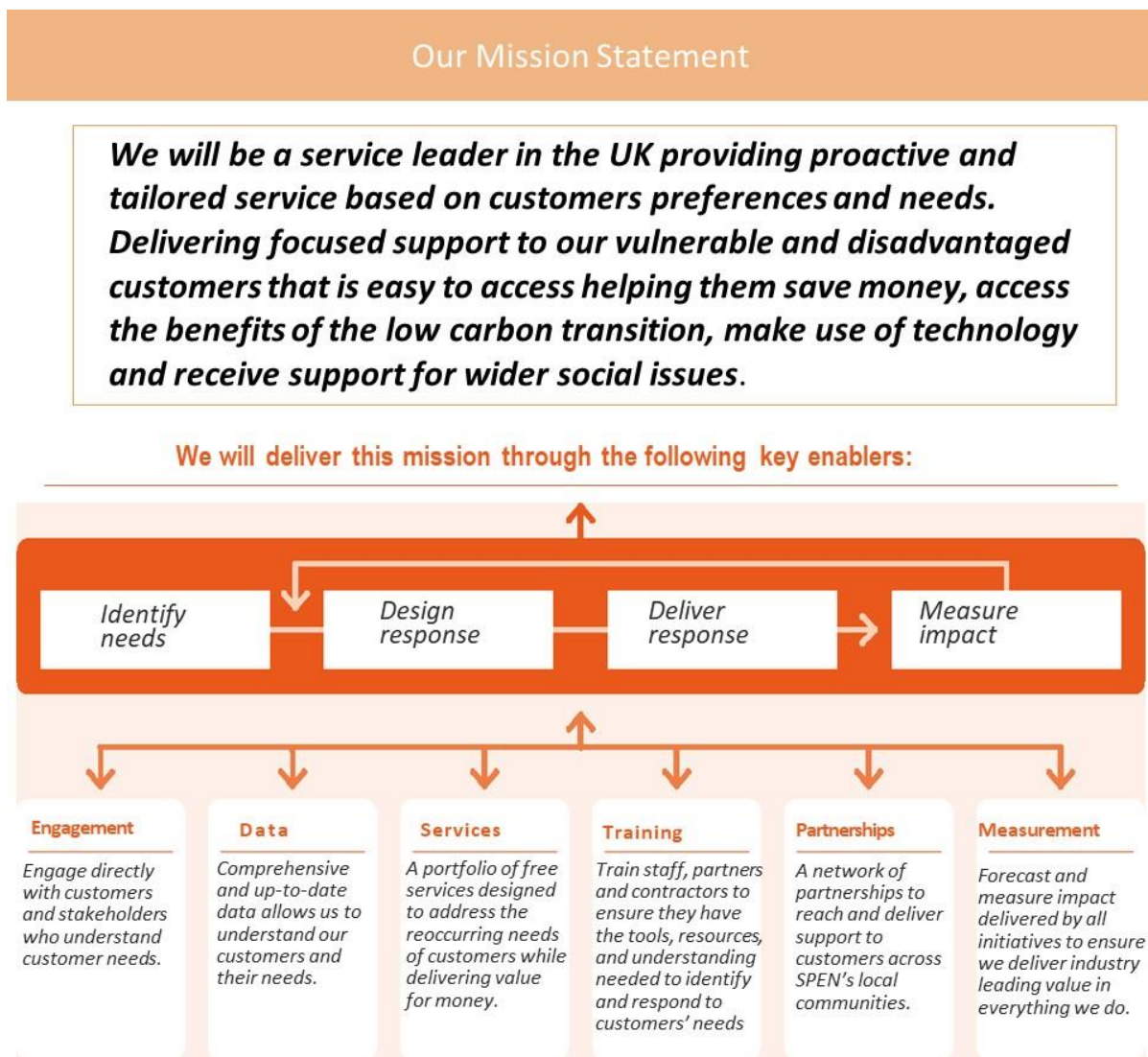
3. OUR VISION

Our ambition in addressing the situations of vulnerability that may affect any of our customers is to:

- Safeguard our communities; and
- Deliver industry-leading value by addressing our customers’ core needs.

Our vulnerability strategy turns this ambition into reality by setting out a continuous process of refinement that starts from understanding the needs of our customers and proceeds to deliver the best possible responses to these. This process was first introduced in 2015 and is now embedded across our company, translating our ambition into everyday actions from the front-line to the boardroom.

Our mission statement:



Six 'pillars' provide solid foundations for our strategy. Each pillar represents a key function without which our strategy would fail to deliver optimal outcomes for vulnerable customers.

Engagement

Ongoing engagement with customers and stakeholders plays a critical role in evolving our approach to vulnerability. The insight we gather on the situations of vulnerability that affect our customers and the underlying needs of those affected by specific situations lead us to new responses and delivery methods, ensuring we offer the right support to the right people.

Services

While we strive to offer bespoke support that address the unique circumstances faced by customers, we have designed a wide portfolio of services that efficiently satisfies their diverse needs.

Partnerships

Our partnerships are vital to the success of our vulnerability strategy. From providing an expert view of our customers' needs to co-developing responses to these needs and gathering data on the impact of our actions, partners act as an extension of SPEN to deliver local impact across our diverse communities in England, Wales and Scotland.

Data

Comprehensive, up-to-date and granular data on the situations of vulnerability and the factors that drive these lead to insight that guides the evolution of our strategy. In practice, data plays a critical role in our day-to-day support, telling us who needs extra attention and bespoke support.

Training

Addressing vulnerability is a company-wide effort. We provide extensive training, co-developed with our partners, to ensure that our staff, partners and contractors are well equipped to identify and respond to situations of vulnerability appropriately.

Measurement

We employ the industry-wide Social Return on Investment (SROI) methodology across all vulnerability initiatives to ensure we are delivering value to our vulnerable customers and our wider customer base. This tool also informs our service design process, allowing us to target the most impactful responses to our customers' needs.

4. CONSUMER VULNERABILITY TRENDS

The energy market is in a period of transition and this transition will have a significant impact on everyone from network operators to customers, and more than any other demographic, on vulnerable consumers.

We have carried out research to identify overarching trends that may impact our approach to vulnerability. Furthermore, we explored the specific impact that the trends will have on groups of vulnerable customers and identified responses to maximise positive outcomes.

As a result of our research we identified three industry trends and six socio-economic trends that will impact our approach to consumer vulnerability in RIIO-ED2 and beyond. We also considered two types of impacts; those on specific situations of vulnerability and likely to be eligible for the Priority Services Register and those on the structural approach to consumer vulnerability.

We expect that the impact that these trends will have on the situations of vulnerability range from an increase in fuel poor households to the growth of several codes including 'pensionable age'. This research focuses on the six critical situations of vulnerability.

The trends identified, especially those implied by the transition to Net Zero and SPENs role as a Distribution System Operator (DSO), will result in profound changes to how vulnerable customers interact with the energy industry. Stakeholders tell us that steps will be required to ensure that those in vulnerable situations benefit from a decentralised energy system. These changes will create new costs and benefits and change the way consumers interact with their energy provider. Changes to forms of interaction, mean that vulnerable consumers are a primary concern for the transition. Numerous sources were reviewed to produce an overview of the main issues and effects.

1. We analysed industry trends and focused on the implications of a net zero transition for vulnerable customers.
2. We assessed how wider societal trends can impact vulnerable customers and our existing approach to consumer vulnerability.

4.1 INDUSTRY TRENDS SUMMARY

Adopting new technologies and behaviors

The most vulnerable consumers might have very little benefit from innovation due to their inability to access or adopt the innovation required to benefit from a 'net zero future'. Efforts need to be made to differentiate between those who are unable or unwilling to adopt new technologies and those who are prevented from doing so.

You can read what we are doing to address this in: Annex 4B.2 Customer Service where we discuss the wider range of communication mediums being made available to customers in RIIO-ED2, and how communication will be tailored to the specific needs of each customer.

The increasing complexity of information

Vulnerable consumers are more likely to have multiple priorities and less free time compared to others, which when combined with the increasing complexity of any 'net zero' future, will exacerbate the already low-engagement rates of these customers with the energy industry. There is a need to identify responses to facilitate customers in understanding information thereby unlocking the benefits of low carbon technology for these groups.

You can read what we are doing to address this in Chapter 13 in this document where we discuss how we are delivering service to customers to remove barriers and tackle issues and future trends

Digitalisation of communication

The customers who are unable to adopt new technologies and operate new communication channels are less likely to access the benefits of the low carbon transition. While digitalisation of services is leading to the reduction

of direct contact, it will be crucial to identify ways to minimise the negative impact on the vulnerable customers and tailor communication channels.

You can read what we are doing to address this in: Annex 4B.2 Customer Service where we discuss the wider range of communication mediums being made available to customers in RIIO-ED2, and how communication will be tailored to the specific needs of each customer.

Industry Trends detailed description and implications for our vulnerability approach

Industry Trend	Description	Implications for our vulnerability approach
<p>Adopting new technologies and behaviours</p>	<ul style="list-style-type: none"> • Stakeholder feedback showed a strong sentiment that innovation may have very little benefit for the most vulnerable consumers. • Specifically, stakeholders expected the most significant impact to be felt by consumers not online, on a low income or unable to adjust the timing of their daily energy use (e.g. those on the PSR code 'medical dependency on electricity'). 	<ul style="list-style-type: none"> • Vulnerable customers who will be unable to access or adopt the innovation required to benefit from a 'DSO future' are at risk of being 'decoupled' from the energy industry. While our customer base will be able to adopt behaviours that maximise their welfare (e.g. receive money or discounts in exchange for reducing demand), vulnerable customers will still interact with their energy supply as they do today. • A difference must be highlighted between those who are unable or willing to adopt new technologies and behaviours and those who are prevented from doing so. In case where a vulnerable customer can feasibly evolve their energy use and are not doing so because of disinformation or disengagement (e.g. some groups of pensionable age customers), we can step in to provide support and information that will lead to the adoption of equipment and behaviours. On the other hand, we shall develop comprehensive responses to address the needs of those who cannot evolve their energy use due to chronic medical or mental issues – these groups of customers will need meaningful alternatives to engage with and benefit from a DSO future. • We expect that 'Decoupled' vulnerable customers will forgo significant financial benefits. Possible responses should aim to address three issues: <ol style="list-style-type: none"> 1. How can we facilitate the adoption of equipment and behaviours that will enable customers to benefit from the DSO transition? Solutions may include modified equipment, financial support, tailored guides or training courses for targeted groups. 2. In cases where a customer is prevented from adopting equipment and behaviours required due to a medical condition, how will we off-set the forgone benefits of these specific groups? What is the role we should play with respect to social services and government in these cases? 3. What steps will we take to communicate and service the households where the absence of 'modern' equipment may render obsolete new grid and load management tools/practices?
<p>Increasing complexity of information</p>	<ul style="list-style-type: none"> • Consumers in vulnerable situations are more likely to face multiple barriers to entry when trying to engage with the energy market compared to other consumers. They are more likely to have multiple priorities, less free time or feel 	<ul style="list-style-type: none"> • A customer's inability to engage with the increasing complexity of any 'DSO' future will exacerbate the already low-engagement rates of vulnerable customers with the energy industry. • Regardless of which communication channel is considered, in the future, customers will have to interpret more complex information (e.g. load data) in a timely fashion. Customers affected by a wide range of

	<p>unable to make complex decisions.</p> <ul style="list-style-type: none"> • This is of particular relevance for a network that is in a period of transition; for example, barriers such as the increased cost of new technology and more complex forms of communication have the potential to prevent Ofgem’s desire for ‘positive and fair outcomes for all consumers including those in vulnerable situations.’ 	<p>vulnerability situations, including mental health and other disabilities, may be unable to interpret, analyse and make informed decisions based on this data. This, in turn, may lead to a loss of financial welfare and the wider inability to benefit from a decentralised and distributed energy network.</p> <ul style="list-style-type: none"> • We will aim to address the following issues: <ul style="list-style-type: none"> -- How can we ensure that as many customers as possible can understand and make decisions based on the information provided to them? Responses may include different formats, tailored channels to deliver this information. -- In cases where a customer is fully unable to understand and interact with the information provided in any ‘DSO future’ what steps can we take to minimise the forgone benefits of these specific groups? Responses may consider the ability of a carer or third party to make informed decisions in the interests of the vulnerable customer.
<p>Digitalisation of communication</p>	<ul style="list-style-type: none"> • The nature of communication between consumers and suppliers is changing dramatically with the digitalisation of services, the introduction of new technologies and reduction of face-to-face interaction. For example, despite an increasing number of pensionable age consumers having access to a smartphone, they are still less likely to consider this as their primary device for connecting to the internet, and their connectivity to broadband remains significantly behind other age groups. • Stakeholder feedback highlighted significant concern about the varied nature of communications between different suppliers; this is particularly relevant to vulnerable consumers as communications become more digital. 	<ul style="list-style-type: none"> • A customer’s inability or unwillingness to adopt new technologies (e.g. smart meters, connected appliances, mobile applications) required to benefit from any ‘DSO future’ will have an impact on customers and on our ability to communicate with them. • Customers who are unable to operate new communication channels face a range of implications from potentially life-threatening situations to forgoing benefits of a DSO model. Instances where customers are medically dependent on electrical devices and fail to be informed of a planned interruption (or recovery from an unplanned interruption) can lead to particularly grave consequences. On the other end of the spectrum, vulnerable customers unable to operate digital channels may forgo the financial benefits of a flexible network (e.g. flexibility payouts). • While it is now uncertain what exact role we will cover in the future, it is plausible to expect that communication with stakeholders will be more automated, tailored (i.e. based on good customer data) and take place over digital channels. Should a customer not have access or be able to operate the equipment required to facilitate this communication, we will find it difficult or impossible to service this group of vulnerable customers. • We will identify a series of responses aimed at minimising the negative impact faced by vulnerable customers who won’t access digitalised communication. We shall look to understand: <ul style="list-style-type: none"> -- How we will communicate with customers who are unable to adopt or unwilling to accept new digital communication methods. Specifically, how will emergency communication with these vulnerable customers take place. Responses may include (1) tailored communication channels for vulnerable customers unable or unwilling to adopt digital communication channels and (2) digital communication with appointed third parties such as carers or family members. -- From a human resources and technology perspective, how will we handle PSR customer service in a future based on digital communication? Potential responses may include a dedicated team of customer service representatives operating existing communication channels.

Much like there are major shifts taking place in the energy industry, there are several changes taking place in the socio-economic landscape in the UK that will affect the way customers experience situations of vulnerability.

According to most observers, there are six overarching trends that are the most relevant to DNOs. These trends have been singled out for two key reasons.

1. They are all increasing and affecting a greater number of customers such as 'ageing population' or worsening for the customers they already affect as is the case for 'inequality'
2. They have all been identified by Ofgem as issues within the Vulnerable Consumer space. There are six overarching trends.

4.2 SOCIO-ECONOMIC TRENDS SUMMARY

Ageing population

Due to the increasingly ageing population, we expect an increase in PSR registrations under the 'Pensionable Age' code. Given the nature of this PSR code, we also expect a higher demand for PSR services and a higher share of vulnerability situations per customer.

Our overall plan is to reach a wider range of PSR customers than before, as well as widening our view of vulnerability. We understand that our systems need to modernize to cope with additional demand, and we have outlined in our Digital & Data Strategy (Name TBC) how we plan to go about this.

Inability to engage with the energy market

The UK's energy market is characterised by very uneven levels of understanding and participation from different demographic groups which might increase with accelerated digitalisation of communication.

We believe education and awareness to be a key enabler so our customers can unlock the benefits that the energy transition will bring and see this underpinning our vulnerability strategy.

More disabled young people

Improved diagnosis and better survival rates will likely cause an increase in the number of young people with disabilities. This may lead to an increase in PSR registration volumes, and 'Priority 1' codes registrations along with the 'Families with children under five' category.

Similar to an aging population, we understand that our PSR volumes will increase, and are putting supporting processes and systems in place to support this.

More homes, smaller households, and dispersed families

The average number of people per household is expected to decrease which is likely to have a double effect on our consumer vulnerability approach; (1) increase in households registered in the PSR database and (2) vulnerable customers requiring additional support due to the lack of support from families and close neighbours.

Data is fundamental to our future plans, which is why quality of data plays such a prominent role in our Vulnerability Strategy. We talk about our plans to improve the quality of data we hold in Chapter 11 of this document.

Financial uncertainty and poverty

Fuel Poverty is set to increase because of a rise in poverty caused by financial uncertainty and slow economic growth. It is to be expected that the regulator will put even more focus on the topic due to the attention given to the problem by politicians and the media.

We've put our most ambitious support package in place, delivering support to 276,000 customers across a number of initiatives. 40,000 of these are specific to those customers in fuel poverty, and we've also ensured that these customers will be high up the eligibility list for some of our bespoke deliverables, such as our CVP to reduce energy bills through the use of technology, or our support for the SMART metering rollout in the UK. We've also built supporting fuel poverty into our long-term vision and over the next 2 years will look to provide practical support to every fuel poor customer in our licence areas.

More private renters

Although the rising trend of private renters is unlikely to directly impact the PSR codes, the decreasing average length of stay in properties will put pressure on the PSR data quality.

This again poses a data quality challenge, which we have outlined our extensive plans to solve in Chapter 11.

Socio-economic Trends detailed description and implications for our vulnerability approach

Socio-economic trends	Description	Implications for our vulnerability approach
Ageing population	<ul style="list-style-type: none"> The most well-documented trend within the vulnerable consumer segment is an increasingly ageing population. People will continue to live longer, but with more health concerns and requiring more care. Currently, about 19% of Scotland is of 'pensionable age,' but this is expected to grow to 19.4% by 2029 and 22.9% by 2043, equating to roughly 240,000 more pensioners. 	<ul style="list-style-type: none"> We shall expect an increase in the number of PSR registrations under the 'Pensionable Age' code. Crucially – the 'Pensionable Age' code can be considered a 'transversal' PSR code. In other words, customers registered against this situation of vulnerability are more likely to be affected by medical and mental conditions (e.g. restricted hand movement, dementia). It follows that an increase in the number of 'pensionable age' customers will have spill over effects into the vast majority of PSR codes. In other words, an ageing population leads to a larger PSR database and a relatively higher share of vulnerability situation per customer across our network areas. Linked to a higher incidence of vulnerability across our network, we expect a higher demand for the services offered to PSR customers. This will require more resources, more external pools of funding and larger networks of specialised partners to deliver these services.
Inability to engage with the energy market	<ul style="list-style-type: none"> The UK's energy market is characterised by very uneven levels of understanding and participation from different demographic groups. If new technology is dependent on large upfront investment and the most competitive tariffs are complex to understand, benefits will become more unevenly distributed. This will result in a stronger correlation between more wealthy demographics taking advantage of new technologies. 	<ul style="list-style-type: none"> Linked to digitalisation of communication and the ever-increasing complexity of information mentioned in the section above, vulnerable customers now face hardship in navigating the plethora of energy supply options. The inability of a customer to engage with the energy market is set to exacerbate as electric vehicles, electric heat, smart meters, smart appliances and flexibility come together at the same time. We will need to cooperate with different parties within the energy eco-system to facilitate an understanding of the market.
More disabled young people	<ul style="list-style-type: none"> The number of children and young people with disabilities is expected 	<ul style="list-style-type: none"> This trend will impact several PSR need codes including: Physical Impairment, Hearing/ speech

	<p>to increase, for reasons including improved diagnosis, reduced stigma in reporting disability and better survival rates.</p> <ul style="list-style-type: none"> • The UK government works consistently to strengthen the evidence base on disability and improve engagement with disabled people and their organisations. The more evidence collected, and work in general carried out in this space, the more young people there will be identified as having a disability. • Estimates suggest there will be over 1.25 million children in the UK with a disability by 2029. 	<p>difficulties, medicine refrigeration and developmental conditions.</p> <ul style="list-style-type: none"> • In addition to its direct impacts on PSR registration volumes, this code will also increase the severity of issues faced by households registered against the 'Families with Children under 5' category. Similarly, to 'Pensionable Age' mentioned above, this is a transversal code; in the future, we will observe more customers being registered against both this code and other Priority 1 codes (i.e. those that require urgent support in case of a power outage). • We shall consider performing a campaign to ensure that customers within these transversal codes are registered against the full range of situations of vulnerability that affect them. This will facilitate future delivery of services.
<p>More homes, smaller households and dispersed families</p>	<ul style="list-style-type: none"> • The number of households in England is forecasted to increase to 28 million in 2039 from 22.7 million in 2014 – with an average growth equivalent to 210,000 per year. • However, the average number of people per household is expected to decrease, and smaller households use more energy per person. • Families are becoming more dispersed with more people living by themselves without immediate support. 	<ul style="list-style-type: none"> • The rise in households couples with 'dispersion' of family units is expected to have a double effect on our approach to consumer vulnerability: <ul style="list-style-type: none"> -- Firstly, we expect a significant increase in households registered against one or more codes on the PSR database. Higher volumes of vulnerable customers will put pressure on existing resources for networks and external partners. -- Secondly, the dispersion of families will lead to situations whereby some groups of vulnerable customers will be less likely to cope and require additional support. Estimating the exact impact of this trend of individual PSR codes is difficult as personal circumstances will be a key determinant. We expect, however, that this trend will be felt most by those in the 'Pensionable Age' PSR Code and all codes often linked to it (e.g. restricted hand movement, unable to answer door). The rationale for this conclusion is that customers affected by 'Priority 1' vulnerability codes (e.g. forms of disability, medical dependence of electric equipment) will tend to benefit from carers and third parties regardless of their family situation. • We will consider the additional resources that will be needed to address the needs of a higher volume of PSR customers during RIIO-ED2.
<p>Financial uncertainty and poverty</p>	<ul style="list-style-type: none"> • Exacerbated by Brexit and electoral uncertainty, economic growth is forecasted to be slow for the next five years. • Average growth of GDP per capita is predicted to be 1.7%, but the gap between private rents and housing benefits could put 1 million households at risk of homelessness by 2020. • Household debt as a percentage of income is forecast to continue to grow, adding to the pressure on household finances. It should be noted that supporting consumers who have difficulty paying their bills is one of the key themes in Ofgem's 2025 Consumer Vulnerability report. 	<ul style="list-style-type: none"> • While financial uncertainty and poverty are not tied to a specific PSR code they are likely to exacerbate the negative externalities faced by all customers in situation of vulnerability. In other words, the most significant impact of this trend is that of aggravating and deepening the situations of vulnerability already faced by customers. • Crucially, in addition to further affecting those in each PSR code, rising poverty will be a major driver of Fuel Poverty. While there is no consistent definition of Fuel Poverty across England, Wales and Scotland, all definitions tend to consider the energy requirement of a household as well as the household's financial situation. All things equal, rising poverty will lead to a higher number of households in fuel poverty. • Currently, electricity networks are not expressly mandated to support fuel poor

		<p>customers as part of their consumer vulnerability approaches. However, through feedback provided by the independent panel set up by Ofgem as part of the SECV (Stakeholder Engagement and Consumer Vulnerability) incentive, the regulator has driven a focus on the topic. This focus is in line with political and media attention to this nationwide problem. We expect this focus to continue within ED-2.</p> <ul style="list-style-type: none"> • We shall consider how best to manage the increasing number of fuel poor households found on our network. Responses should consider a further focus on partnership networks and the use of external pots of funding for both energy efficiency improvements and financial support to customers. A targeted, comprehensive and balanced approach is required for us to deal with increasing numbers of vulnerable customers on one hand and to avoid socialising excessive costs to deliver support.
<p>More private renters</p>	<ul style="list-style-type: none"> • An additional 1.8 million households in the UK are expected to become private renters by 2025. • There will be more private renters than people in social housing. A combination of shorter leases and less physical space will mean it will become more difficult to install energy-efficient measures, due a lack of willingness from consumers during a short lease, and a lack of physical space to make the installations. 	<ul style="list-style-type: none"> • The rising trend of private renters is unlikely to directly impact any of the PSR need codes. Instead, we expect that a decreasing average length of stay in any given property across our networks will put pressure on PSR data quality. • The current industry standard for the 'life' of a PSR record is between 18 and 24 months (i.e. each record is updated at least every 2 years). Considering the higher rate of moving, coupled with an increase in 'vulnerable' households we expect that the average 'life' of a PSR record will converge towards 12 months. • This has several implications to our approach: rising costs to update data, an increasing role for partnership networks in identifying PSR customers, the need for innovative, flexible ways for customers to update PSR records proactively.

5. KEY FACTS FROM ENGAGEMENT

Our 4 Phase approach to engagement is detailed in Chapter 2 of the plan and in detail in the Customer Engagement Annex, however a summary of the key customer driven outcomes of the engagement is covered here.

5.1 Phase 1: Priorities & Ambitions

This phase focused on determining the priority and level of ambition customers place on high level topics.

Customer ranked priorities:

	Priorities	Domestic Rankings	Commercial Rankings
<i>Speed of restoring power after a power cut</i>		1	1
<i>Network resilience, not having a power cut</i>		2	2
<i>How SPEN communicate with customers should a power cut occur</i>		3	3
<i>Providing additional support for vulnerable customers</i>		4	13
<i>How SPEN manages health and safety regulation</i>		5	4
<i>Investing in a network to meet future needs</i>		6	5
<i>SPEN being environmentally friendly</i>		7	9
<i>How SPEN meets environmental regulations</i>		8	8
<i>Ways you can contact SPEN</i>		9	6
<i>SPEN setting target customer satisfaction levels across all areas</i>		10	7
<i>How SPEN manage waste reduction</i>		11	14
<i>If/how SPEN shares personal usage data</i>		12	12
<i>Environmental sustainability in SPEN supply chain</i>		13	10
<i>How SPEN meets Government objectives</i>		14	15
<i>Adding low carbon technology to the network</i>		15	17
<i>Encourage non-peak electricity usage with cheaper tariffs to reduce peak demand</i>		16	19
<i>Speed at which SPEN can make additional connections to the network</i>		17	11
<i>How SPEN Invests in staff</i>		18	16
<i>Timelines for when SPEN achieve being carbon neutral</i>		19	20
<i>If/how SP Energy Networks shares network usage data</i>		20	23
<i>How SPEN deal with community requests to connect low carbon tech</i>		21	22
<i>Biodiversity at SPEN sites</i>		22	24
<i>Central innovation funding directed by OFGEM</i>		23	21
<i>Getting a quote for a new electricity connection from SPEN</i>		24	18

Whilst network performance and resiliency were the highest ranked customer priorities for both domestic & commercial customers, the following areas should be noted:

- How SPEN communicate with customers should a power cut occur ranked 3rd most important for both domestic and commercial customers.
- Providing additional support for vulnerable customers was ranked 4th by domestic customers and 13th by commercial customers.
- Ways you can contact SPEN ranked 9th for domestic and 6th for commercial.
- SPEN setting target customer satisfaction levels across all areas was 10th for domestic & 7th for commercial.

Customer and Stakeholder Priorities were combined into 9 Key Priority Areas around which our plan is formed

1	2	3	4	5	6	7	8	9
Ensuring a safe & reliable electricity supply	Supporting vulnerable customers & communities to ensure no-one is left behind in the energy transition	Working with customers, stakeholders and communities to facilitate the energy transition	Making a positive impact on the natural environment	Promoting an inclusive, skilled and healthy workforce	Delivering excellent satisfaction and enhanced services for all customers	Foster digitalization to unlock Net Zero benefits for our customers & stakeholders	Developing the network of the future	Providing timely and efficient connections to our network

5.2 Phase 2: Detailed Engagement

This phase focused on exploring the key topics in much more detail with customers. We also looked at breaking the results down by attitudinal segment and customer grouping. A high-level summary of the findings is contained below:

5.2.1 Low carbon technology

- Most customers think SPEN should play a role offering support & advice on LCT.
- The role SPEN should play in relation to LCT should cover
 1. Education
 2. Grants & Funding
 3. Differences between solutions
 4. Energy efficiency ratings.
 5. Customers would also like SPEN to provide a dedicated LCT area on our website.
- Customers believe that LCT education and awareness should focus on 4 areas:
 1. What is on offer
 2. Grants & funding
 3. Differences between solutions
 4. Energy efficiency ratings.
- Customers said SPEN should focus on delivering the most benefit for customers at the least cost.
- Most customers (around 80%) felt barriers to access low carbon technology were greater for vulnerable customers and the main barriers were:
 1. Cost
 2. Not knowing where to go for advice
 3. Not knowing when new technologies become available
 4. Being unsure of the advantages.

5.2.2 SMART Metering

- Only a minority of customers spoken to have a SMART meter installed.
- The main reasons customers had not installed a SMART meter were
 1. They were not clear on the benefits
 2. They were unsure if they would subsequently be able to switch suppliers
 3. They were not confident in the accuracy of these meters.
- Most customers believe SPEN should play a role in addressing these concerns and explaining the benefits that SMART meters bring.

- Customers believed that SPEN should prioritise efforts on harder to reach groups including:
 1. Commercial customers
 2. Off gas grid customers
 3. Digitally excluded customers
 4. Fuel poor customers
 5. 18-24-year old's.
- Most customers would be happy for SPEN to access Smart metering data to better manage the network including individual property usage data

5.2.3 Vulnerability support

- Customers were surprised and impressed by the current range of services provided by SPEN but feel awareness should be increased.
- Customers could not propose any other services that SPEN should offer outside of what is already being offered:
 1. Best Tariff
 2. Friendship and Hot Meals
 3. Benefits Advice
 4. Debt Advice
 5. Befriending Services
 6. Staying Safe at Home
 7. Help in a Power Cut
 8. Help for Dementia
 9. Helping Carers
 10. Energy Efficiency Advice
- In a power cut customers want SPEN to continue to support customers where needed with a range of services including:
 1. Uplifting medical supplies on the customers behalf
 2. Contacting care providers / family
 3. Providing hot food, drinks and where required, hotels.
 4. Providing welfare support
 5. Issuing out winter packs.

5.2.4 Fuel poverty

Customers feel SPEN could support fuel poor customers in a range of ways some of which fall clearly under the responsibility of Suppliers or the Energy Ombudsman and therefore we do not propose to incorporate these into our plan such as:

1. Payment holidays
2. Low interest emergency payments for prepayment customers
3. Loyalty schemes for those in debt
4. Tariffs for low income households

5. Conflict resolution between suppliers and customers
 6. Grants based on the findings of energy audits.
- However, customers also felt that **SPEN could support** in several other ways which are within our remit including:
 1. Work with house builders on energy efficiency
 2. Support customers through independent financial charities
 3. Provide education on fuel bills and how to reduce usage and costs
 4. Provide education on SMART metering and the benefits.

There is also a section of feedback on both “Communication methods” & “Contact in a power cut”. These are covered in detail in the Customer Service Annex (4B.1).

5.3 Phase 3: Testing Commitments & Willingness to Pay

The priority areas identified in Phase 1, combined with the detailed feedback on these key areas obtained in Phase 2 provided insight that was used to develop a draft series of commitments, which were then tested with customers:

- 83.1% of household customers and 78.6% of commercial customers believed that **the full suite** of SPEN’s vulnerability commitments were acceptable.
- 81.7% of customers are willing to pay for the level of service outlined in the commitments.
- Overall, stakeholders shared the sentiment that ensuring vulnerable customers are not left behind in the low carbon energy transition is vital – new technologies have the potential to improve the quality of life, particularly for fuel poor households.
- Stakeholders further mentioned a just transition needs to take into the account the installation and consumption costs of some new low carbon technologies. These costs are currently seen as barriers in preventing vulnerable customers from participating in the low carbon transition. Stakeholders also highlighted that removing the barriers to participating in the low carbon transition would potentially require a greater focus on value-for-money support such as flexibility services.
- Overall, only 0.55% of all stakeholders engaged did not believe that SPEN’s consumer vulnerability commitments represented the right level of ambition.

5.4 Phase 4: Testing bespoke incentives and overall WTA

In Phase 4, and based on feedback from our Customer Engagement Group (CEG) we undertook an exercise to outline our bespoke incentive proposals to customers & stakeholders to see if they accepted these proposals given the impact they had on consumer bills. For vulnerability this meant testing our CVP’s on supporting disadvantaged customers and supporting SMART metering rollout. The remainder of Phase 4 engagement focused on overall acceptability of the business plan, and as such isn’t referenced in this Annex.

Phase 4A topline results:

% of customers who are willing to pay for the additional service on top of the ED2 cost

- Willing to pay stated amount or more for this additional service – 71.00%
 - 32.10% were willing to pay an additional 10% for this, 16.30% an additional 5%.
- Willing to pay less – 7.40%
- Not willing to pay anything – 7.40%

- Unsure – 14.20%

5.5 CEG Input

Feedback stage	Feedback / Challenge	SPEN Response / Changes
Draft plan feedback	<p>The trade-off is, therefore, to “develop a network that’s ready for Net Zero” by increasing network costs through consumers’ bills, and seeking to ameliorate the adverse impacts on just 6% of fuel-poor households who will spend a significantly higher proportion of their income on energy bills than the “able-to-pay” households. We challenge whether the commitment to help 6% reflects a Just Transition and is sufficiently stretching.</p>	<p>The 6% quoted was based on the commitment to support 40,000 of our 620,000 FP customers. However in reality our support goes much wider than this:</p> <ol style="list-style-type: none"> 1) We are committing to supporting 40,000 disadvantaged customers, most of whom will be in, or at risk of FP. 2) We are proposing to support 136,000 customers with SMART metering rollout, again the majority of these customers are likely to be in FP. 3) We have stated in our long-term outcome we will support every customer in FP between now and 2046. <p>13.A.2.1.1 clarifies the type of customers supported by each initiative.</p>
Draft plan feedback	<p>Conversely, one could argue that some customers (albeit likely a minority) would be willing for SPEN to increase their network cost if this meant they could electrify and digitise their homes or businesses faster.</p>	<p>This is out of scope for SPEN as we have no ability to change how customers are charged. What we have looked to do is to develop a plan that provides extensive support for those customers who need it most, do these activities for the lowest possible cost, and keep the associated bill increase low for all customers.</p>
Draft plan feedback	<p>SPEN’s business plan appears to adequately address the deliverables and, where relevant, metrics for each of Ofgem’s baseline standards for a vulnerability strategy. It is notable that there is only one baseline standard that has a hard metric, relating to the frequency of updating data in the priority service register (PSR).</p>	<p>We have been working to develop a common set of baseline metrics that can be used across all DNO’s. A detailed breakdown of these can be found in Chapter 15.</p> <p>Additionally, where SPEN believe the best method of measurement against a baseline standard is via either qual or quant measurement, these have been outlined in Chapter 17.</p>
Draft plan feedback	<p>At this point it appears to us that SPEN’s business plan, when finalised, will be able to meet the Business Plan Incentive (BPI) requirements that it is within our remit to review. As part of</p>	<p>We have looked to clarify this throughout the document, explaining the difference between RIIO-ED1 performance and</p>

	<p>finalising the plan, we expect some improvements to explanation clarity. This is particularly true as regarding clear documentation of how the proposed levels of performance and commitments compare to present levels, and with other comparable entities. The CEG has not validated that SPEN has met Ofgem’s data assurance guidance, which is one of the Stage 1 tests.</p>	<p>proposed performance where this is appropriate.</p>
<p>Draft plan feedback</p>	<p>There are three aspects of these requirements we intend to further evaluate with the company during the autumn of 2021:</p> <p>(i) Testing of propositions - Regarding testing of propositions related to vulnerability services/strategy with stakeholders, both to understand the testing already carried out, and to see further testing with stakeholders. In Phase 3 engagement, stakeholders tended to show a lower degree of support for some proposals, as compared to customers.</p> <p>(ii) Measures of success – There are several commitments that concern new processes for, and ways of working with, other organisations. We would like to understand how the success of these initiatives is going to be validated and measured.</p> <p>(iii) Risks to delivery and safeguards – We think SPEN could explain in more depth the potential risks to delivering several elements of the vulnerability strategy, particularly those that rely heavily on effective partnership with, or delivery by, others – including other utilities. The PSR proposal is particularly relevant here. Many others have tried to increase PSR registration; it is not yet clear to us what SPEN will be doing differently to be able to confidently secure 80% registration among groups of people in which registration levels are presently very low.</p>	<p>(i) We have performed specific customer and stakeholder testing of our bespoke proposals to directly address this point. The CEG were invited along to these sessions to hear 1st hand the feedback provided. We have provided the high-level acceptance in Chapter 5, with full details of the engagement being captured in the dedicated Annexes focused on engagement, including the triangulation records.</p> <p>(ii) We have looked to clarify how measures will work for our initiatives, including proposals for a generic DNO KPI suite.</p> <p>(iii) We have looked to clarify where possible how we will undertake the work required. However, the deliverability of the plan in general is a key focus area and we have a dedicated transformation directorate now in place to support this. In addition, we have undertaken a re-organisation within Customer Service to ensure we have dedicated resources focused on deliverability of the plan and the initiatives.</p>
<p>Draft plan feedback</p>	<p>Ofgem’s baseline standards in this area are qualitative descriptions of the minimum requirements. Therefore, it is a matter of subjective judgement whether the details of SPEN’s plans are actually materially beyond what Ofgem may be envisaging as a baseline.</p>	<p>We believe the majority of our activities outlined in the Vulnerability Common ODI go beyond the baseline levels of performance. Given that the baseline for each has not been established, we have proposed what level we believe the baseline should be set at for each, and</p>

		where SPEN's target performance levels are.
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6. TYPES OF VULNERABLE CUSTOMERS & HOW WE WILL IDENTIFY THEM

6.1 Common industry needs codes

SPEN maintains a Priority Services Register which is free for customers. Customers are eligible to join our register under a variety of vulnerabilities, such as pensionable age, disabled or chronically sick, long-term medical condition, hearing or visual impairment or additional communication needs or where the customer is in a temporary vulnerable situation. In total there are 29 vulnerability categories on the register.

Our customers can join the register in several different ways:

PSR Sign Up Channels
Via their Energy Suppliers (Data Transfer – 2 way)
Customer Interactions through our processes <i>(such as planned maintenance, unplanned power cuts, new connections & general enquiries)</i>
Through our Network of Partners & Utilities
Through our dedicated Line, website and SMS campaign
Through our proactive community outreach work
Through our Awareness Campaigns & Community Events

Over the course of RIIO-ED1 we have built a network of partners across other Utilities and support sector organisations, who in line with data sharing agreements and built into their service processes, sign up their customers within our network to our PSR.

Further to the relationships we have been building with our partners we also engage directly with local community groups through our Network Natter scheme, whereby our trained team deliver awareness of who we are, what we do, the benefits of joining the Priority Services Register and inform our customers on the support available to them. Our team reach out across a wide range of community groups and partnerships over our areas. Examples of these are: - carers groups, dementia support groups, sight loss groups & elderly social groups.

We also run annual awareness campaigns via media outlets, social media, out of home campaigns, and high street awareness as well as annual events and national shows to reach customers and raise awareness of the support on offer.

6.1.1 Volume of customers on our Priority Services Register

The table below shows the volume of vulnerabilities that we hold against each category on our PSR as of end of October 2021. This does not show the total number of households, and it only counts 1 record against each category per household. So, for example if 2 elderly people live together, the count against “pensionable age” will only be 1. However, if the householders have a nebuliser, an oxygen concentrator and a careline system, then the count against each of these categories will be 1, meaning the total number of categories against the household would be 4.

Medically Dependant Equipment	Nebuliser and apnoea monitor	21,900	175,791
	Heart, lung & ventilator	22,639	
	Dialysis, feeding pump and automated medication	4,343	
	Oxygen concentrator	12,000	
	Medically dependent showering/bathing	7,091	
	Careline/telecare system	11,721	
	Medicine refrigeration	34,025	
	Stair lift, hoist, electric bed	25,036	
	Other Medical Dependency on electricity*	37,036	
Safety	Cust Password	2,764	20,259

	Oxygen Use	4,827	
	Poor sense of smell/taste	3,385	
	Additional presence preferred	6,509	
	Water dependent	2,774	
Communications	Blind	9,241	133,945
	Partially sighted	32,135	
	Hearing impairment (Inc. Deaf)	76,909	
	Speech impairment	8,947	
	Unable to communicate in English	6,713	
Age Related	Pensionable age	613,614	756,543
	Families with young children 5 or under	142,929	
Poor Mobility	Physical impairment	200,889	316,470
	Unable to answer door	95,423	
	Restricted hand movement	20,158	
Health	Developmental condition	36,374	372,791
	Dementia(s)/Cognitive impairment	22,785	
	Chronic/serious illness	219,283	
	Mental health	94,349	
Temporary	Temporary - Life changes	7,272	13,532
	Temporary - Post hospital recovery	4,656	
	Temporary - Young adult householder (<18)	1604	
Other	Other*	159,211	159,211
			1,948,542

* These categories are no longer live, but we still hold historical data against them in our systems.

6.2 Wider view of vulnerability

We understand that the traditional view of vulnerability is evolving in line with the changing energy landscape and vulnerability reaches far wider than the standard industry needs codes. That’s why we are committed to not only increasing the coverage of our PSR, but will also in identifying wider forms of vulnerability that result in customers needing additional / tailored support in the way we communicate, including:

1. Digitally excluded customers
2. Customers with low or no qualifications
3. Those in, or at greatest risk of, fuel poverty
4. Those who are at greatest risk of being left behind in the move to Net Zero
5. The customer attitudinal segments which have identified those who need more support or engagement

Ongoing continuous research will be undertaken in this area to allow us to stay ahead of developing trends and identify any new and evolving areas of vulnerability we should consider.

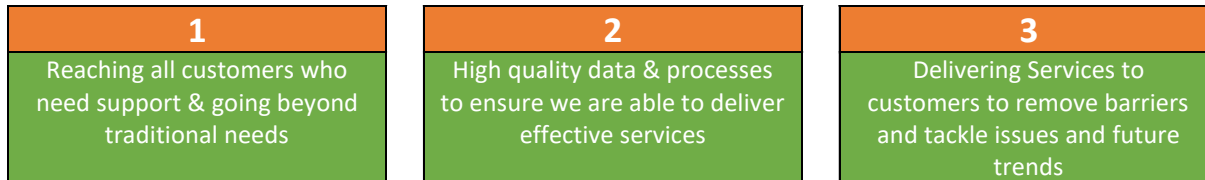
The table below shows how we will take a broad view of vulnerability and how we will prioritise those on our PSR.

Priority Services Register (29 categories under 8 vulnerability groups)	Priority 1	Medically Dependant Equipment Dementia	Welfare Calls	Proactive Contact in a Power Cut	Targeted Services
	Priority 2	Safety Communications Age Related Poor Mobility Health Temporary			
Wider Vulnerabilities		Digitally excluded customers Customers with low or no qualifications			

	Those in, or at greatest risk of, fuel poverty Those who are at greatest risk of being left behind in the move to Net Zero. Customer attitudinal segmentation	
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7. DELIVERING OUR STRATEGY

Our vulnerability strategy is built around our customers and designed to be responsive to their feedback and that of our stakeholders and expert partners. To meet the challenges now and in the future, we have determined, through our engagement, that our three key areas of focus should be:



Underpinning our actions in these 3 areas we will simplify the complex energy landscape through outreach, awareness and education and use customer attitudinal segmentation to tailor our communication.

In this section we will detail how we intend to support our customers giving transparency to how we have addressed the core requirements of the Strategy Delivery Incentive: Customer Vulnerability, but also highlighted where we are looking to go much further and offer services and support to customers far in advance of the required baseline, whilst continuing to ensure this is delivered in a value for money way.

8. REACHING ALL CUSTOMERS WHO NEED SUPPORT & GOING BEYOND TRADITIONAL NEEDS

1
Reaching all customers who need support & going beyond traditional needs

8.1 Overview

Our research tells us customer vulnerability can be complex and the specific needs of each vulnerable customer are unique depending on their circumstance(s) and situation(s).

Vulnerability takes many forms, and the specific needs of each customer in a vulnerable situation are unique depending on their own circumstances. This section lays out our commitments to identify and reach these customers.

Using nationally available data, we will benchmark our existing PSR coverage against each of the common needs codes to identify specific codes, geographies, demographics where there is lower coverage, and focus our engagement efforts in these areas. We recognise not all customers want to join our PSR even when eligible to do so, but we believe it is important that we set ambitious targets to reach all those who do require support. That’s why we are making a commitment to achieve a minimum of 80% coverage in every PSR needs code. We also understand that the traditional view of vulnerability is evolving in line with the changing energy landscape and vulnerability reaches far wider than the standard industry needs codes. That’s why we are committed to not only increasing the coverage of our PSR, but will also identify wider forms of vulnerability including:

- Digitally excluded customers
- Customers with low or no qualifications
- Those in, or at greatest risk of, fuel poverty.
- Those who are at greatest risk of being left behind in the move to Net Zero.
- Customer attitudinal segmentation which indicates additional support or communication is needed

Whilst focusing on increasing the scope and reach of our vulnerability register, we also recognise the need for greater collaboration across organisations who could provide support. That’s why we are committing to lead a Coalition of Partners model (CoP) to get organisations working collaboratively, sharing data, sharing resources and sharing services so wherever a customer registers they will have the option to choose which other organisations they would like to be automatically registered with, therefore making it much easier for customers to gain access to vulnerability registers across utilities and broader organisations. The coalition will work together with the customer at the centre of our efforts, taking a holistic view of what support is needed and working together to best deliver this. This model turns partnership working on its head, making support much more proactive and giving customers the benefit of being able to access ever evolving support without needing to know it exists.

This wider view of our customers, combined with the work we are doing to establish our coalition of partners, will ensure we are best placed to identify and deliver a wider range of services and support to our customers than ever before.

8.2 Our ED2 Commitments

Reaching all customers who need support & going beyond traditional needs	
Reaching those who need help	We will register 80% of customers across every common needs code for PSR Registration by 2028 based on nationally available data
Broadening PSR to capture wider vulnerability	We will broaden our view of vulnerability, capturing needs broader than common utility codes, building these into our service offerings and coalition partnership model.

Coalition of partners	We will transition our partnership model to be proactive by creating a coalition of organisations with shared goals and data sharing governance to deliver holistic and efficient support.
Single shared vulnerability register	We will lead the creation of a single vulnerability register which our PSR will be part of, linking the organisations in our coalition partnership model. This "Register Once" service will make it easy for customers to register for vulnerability services with multiple organisations

9. Our Approach - REACHING all customer who need support & going beyond traditional needs



9.1 Coalition of Partners

9.1.1 Overview

Building on our strong network of partnerships developed to help deliver support to customers and reach those who may not otherwise come to us for help, we recognize that to move our support package forward in a significant way will take real collaborative working across a wide range of organisations - that's why we are committing to lead a coalition partnership model. This will be a large group of organisations who sign up to the same governance framework and data sharing agreements and will share resources and services so that whichever organisation customers interact with they will have the option to choose which other companies they would like to automatically receive support from.

The Coalition of Partners will be informed by a panel of experts recruited based on the demographics and vulnerability trend data across our footprint and will be recruited to inform the coalition every 6 months on trends and vulnerabilities we should consider.

The outline scope for this group will be engaged on to further refine in 2021 with the aim to have organisations recruited in 2021 & 2022 to ensure the model is fully functioning ahead of 1st April 2023.

Partnership Model in ED1	Partnership Model in ED2
	
<p>In ED1 our partnership model was reactive. SPEN developed a set of services offered to customers and we reached customers through outreach, promotion, awareness and our business processes.</p> <p>A network of partnerships was developed (70+) to promote, sign up and deliver services to our customers</p>	<p>In ED2 we will evolve our partnership model to be much more proactive. A Coalition of organisations will be formed with shared governance & data and they will work together collectively with the customer at the centre of their efforts.</p> <p>The organisations will share one platform so customers can ask for support through one organisation and receive support from many organisations.</p> <p>The aim will be to holistically look at customer needs and then work collectively to deliver the best joined up support.</p> <p>Each organisation will bring their service offering to the table. The group will be regularly informed by a panel of vulnerability experts to ensure the group are informed on trends and can continuously evolve the service offering.</p> <p>By moving our partnership model to this more proactive, collaborative approach customers will be able to receive a broader range of services to best meet their needs by going to only one organisation without needing to know what is available.</p>

9.1.2 Structure & Governance

In May 2020, we released a position paper to call for the development of a new model to address vulnerability – the Nexus of Partnerships. It has since been renamed to the Coalition of Partnerships (CoP).

This model was proposed to enable SPEN and our partners to deliver holistic support to vulnerable customers by bringing together organisations to address multiple facets with respect to an individuals' situation.

The objectives of the position paper were to:

- Share SPEN's vision of the drivers that call for a new way of addressing consumer vulnerability across company and sector silos.
- Provide an initial blueprint of the nature, functions and outcomes achieved via the CoP model.

For more information, please refer to the Nexus of Partnerships Position Paper.

Following support from customers and stakeholders for this proposal, SPEN will lead in the establishment of the CoP model as part of our RIIO-ED2 Business Plan. This section builds on our position paper by proposing an outline of the structure and governance framework through which we envisage the CoP to operate during RIIO-ED2 and beyond. The proposed structure and governance presented below will be further refined through close collaboration with key stakeholders including our RIIO-ED2 CEG and Executive Team

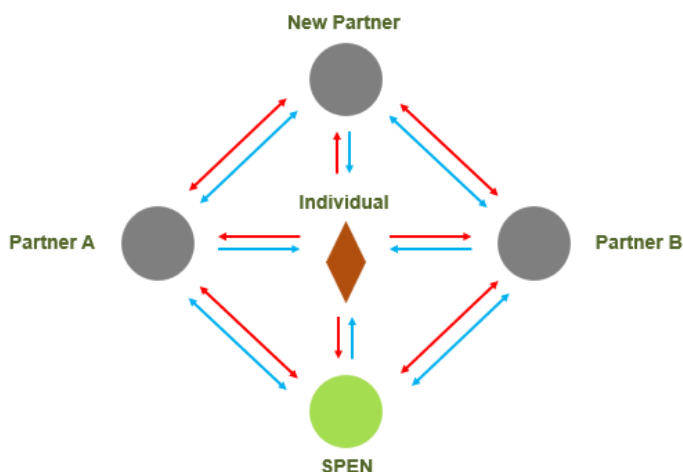
9.A.1.2.1. Structure

Under the CoP model (illustrated in Figure 1), systemic data sharing, pooled resources, technologies, best practices and policy leadership will be shared across partners to remove organisational silos and create unprecedented synergies. The model will facilitate a steady flow of data on individuals' personal circumstances and ensure that they receive support that addresses as many of their needs as possible through systemic referrals.

Two aspects of the CoP model will drive better outcomes for vulnerable customers and society as a whole:

1. **Shared vulnerability register** – this register will hold data defining the situations of vulnerability that impact each individual identified by any member of the partnership. This register will be similar to the Priority Service Register (PSR) in that it will define a set of codes for a vast range of needs that go above and beyond the 29 need codes defined as part of the PSR (to include wider vulnerabilities such as fuel poverty or lacking digital skills). For SPEN and other partners, the shared vulnerability register will feature two-way flows with established PSR registers so that vulnerability data can be embedded in established internal processes and ways of working. Crucially, the shared vulnerability register will allow any individual to sign up to multiple PSRs and similar databases at once, removing all silos in the identification of vulnerable individuals.
2. **Services** – These encompass any service, tool or resource made available by any of the partners to address a specific individuals' need. This range of responses to customer needs is directly proportional to the breadth of partners who will join the CoP. The services to be offered will be informed by:
 - A panel of vulnerability experts who will share insight into the evolving needs of people in vulnerable circumstances.
 - An annual trend report prepared by an independent expert that will define the full set of vulnerability needs and the coverage of these by the services currently offered by CoP partners.
 - Analysis of the shared vulnerability register and additional vulnerability datasets such as indices of multiple deprivation, government datasets on socio-economic issues (e.g. unemployment, poverty, low levels of education, concentration of people receiving welfare benefits) and data from private sector providers (e.g. Experian).

Figure 1: Coalition of Partnerships Model



We expect that this model will achieve three mutually reinforcing outcomes that will position it as the gold standard in supporting customers in vulnerable situations:

1. **Unprecedented, granular understanding of vulnerability dynamics** – It will result in the creation of a single database of vulnerable customers containing information on multiple facets of their situation.
2. **Better outcomes for UK society as a whole** – Members of the partnership will pull together their resources and capabilities to address more aspects of an individuals’ vulnerability situation. As a result, the CoP acts as a one-stop-shop for vulnerable customers to receive full support that makes a lasting and meaningful difference to their wellbeing while maximising the value of funding available to support them.
3. **Improved readiness to address consumer vulnerability** – Sharing best practices, training, tools and processes developed to support vulnerable customers will enhance each organisations’ capability to address vulnerability.

9.A.1.2.2. Governance

Table 1 below outlines our proposed governance model for the CoP.

Table 1: Coalition of Partnerships – Proposed Governance Model ¹

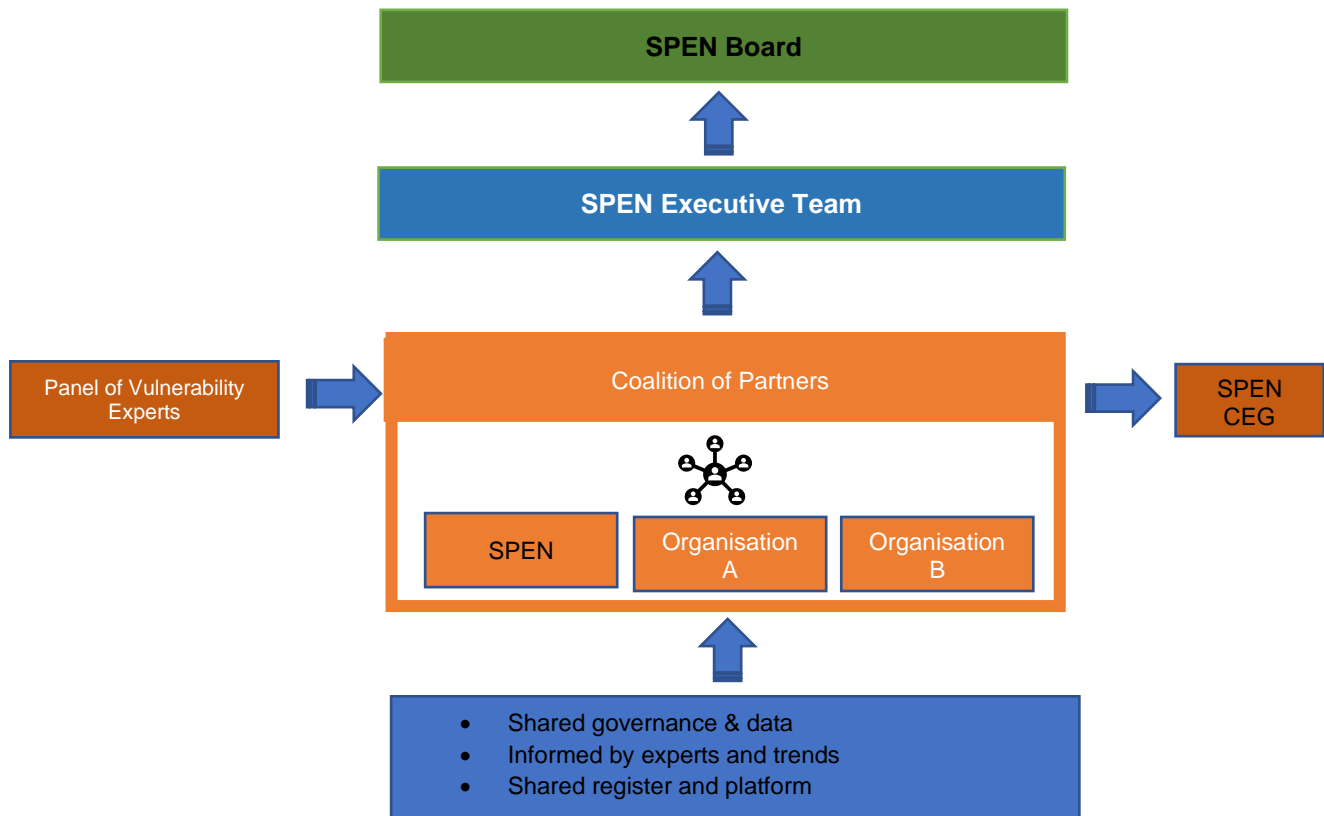
Components	Description
Core principles	<p>In recognition of the real nature of vulnerability, we propose the delivery of holistic support to vulnerable customers by bringing together organisations to address all aspects of an individuals’ situation. The paradigm shift this model implies will</p> <ol style="list-style-type: none"> 1. maximise outcomes for vulnerable customers while minimising the overall cost to UK society and 2. provide the blueprint for all future efforts in addressing consumer vulnerability.
Governance Structure <i>(Roles are also outlined in Figure 2)</i>	<p>Each organisation is to adhere to common, non-legally binding, terms of reference which will specify the commitments that each party makes to the committee and the processes that govern the CoP’s operations. These partners form a committee of organisations (each represented by an individual acting as a liaison). We expect that these partners will perform the following functions:</p> <ul style="list-style-type: none"> • Through their business-as-usual activities, the partners will commit to identify vulnerable customers and sign them up to the shared vulnerability register in accordance with relevant data privacy laws and data sharing regulations. Through the vulnerability register, customers can be referred to support offered by CoP members, tailored to a customer’s unique circumstances. Specifically, partners should gather and share the least possible data on personal information and circumstances for partners to deliver tailored support as needed (in line with the ‘data minimisation’ principle set out by the Digital Economy Act of 2017).

¹ The proposed governance model has been constructed in line with Deloitte’s guidance on developing an effective governance operating model - <https://deloitte.wsj.com/riskandcompliance/files/2013/06/Developinganeffectivegovernance.pdf>

	<ul style="list-style-type: none"> • Through their business-as-usual activities, they will proactively and reactively promote the additional support that CoP members can offer to vulnerable customers and explain how to benefit from these services. • Deliver services to support the individuals referred to the CoP and commit to referring individuals to organisations outside the committee should the partnership not be able to address their needs. • Report the nature of the service provided to individuals and explain how customers benefitted from the support provided. • Share best practices on how to address vulnerability and how to best empower the workforce in doing so. • Collaborate to shape government policy focused on addressing consumer vulnerability and supporting the organisations that operate in this space. • Share any underlying data or tools they have developed to identify, contact and support vulnerable customers within their ability and pre-existing legal provisions. <p>Sitting above the committee of organisations will be an independent chair to the partnership. This individual will be hired by SPEN, however will retain his/her independence. We propose this individual will have similar provisions to those mandated by Ofgem for the CEG chair, including appointing committee members, overseeing governance arrangements and ensuring the effective operation of the group.</p> <p>The chair will also be tasked with appointing an independent expert panel who will advise the CoP twice a year on the challenges the customers they represent face and vulnerabilities the committee should consider.</p> <p>An independent trends report will be commissioned annually via a pre-determined scope. The report is to be based on hard data and evidence and is to be issued by the independent chair and informed by the engagement.</p> <p>An annual mapping exercise will take place to map the evolving list of vulnerabilities and services to identify any gaps in both organisations and services and steps will be taken to fill these gaps annually.</p> <p>An impact report (presenting the outputs of the CoP will be produced annually. This report is to be signed off by the SPEN board – ensuring that the CoP is addressing the most relevant issues through the right services and organisations. The board will also validate that SPEN is delivering more value to society by running this model than if they were supporting individual customers themselves.</p> <p>SPEN's CEG is also to feature</p> <ol style="list-style-type: none"> (1) as an observing member on the CoP (2) in the production of the annual impact report, with a dedicated section for the body to share its opinion on how the partnership has performed. <p>In addition to this, the partnership is to take part in outward engagement to share its learnings in advocating similar best practice solutions across the UK. We envisage SPEN's CEG will be engaged as part of this ongoing process</p>
<p>Reporting frequency and performance tracking</p>	<ul style="list-style-type: none"> • Monthly performance tracking will take place and shared with & will be reviewed with SPEN. • A quarterly update will be given to the CEG and SPENs Exec Team • Annual Report will go to the SPEN Board • This will be submitted to OFGEM with the regular regulatory reporting.

We believe that the above will further inform the enhanced development of SPEN's response to vulnerability. Engagement with external experts and the commissioning of trends and impact reports in the space enables us to offer the most comprehensive set of services that are appropriate for our role as a DNO, considering the comprehensive set of vulnerability services that exist.

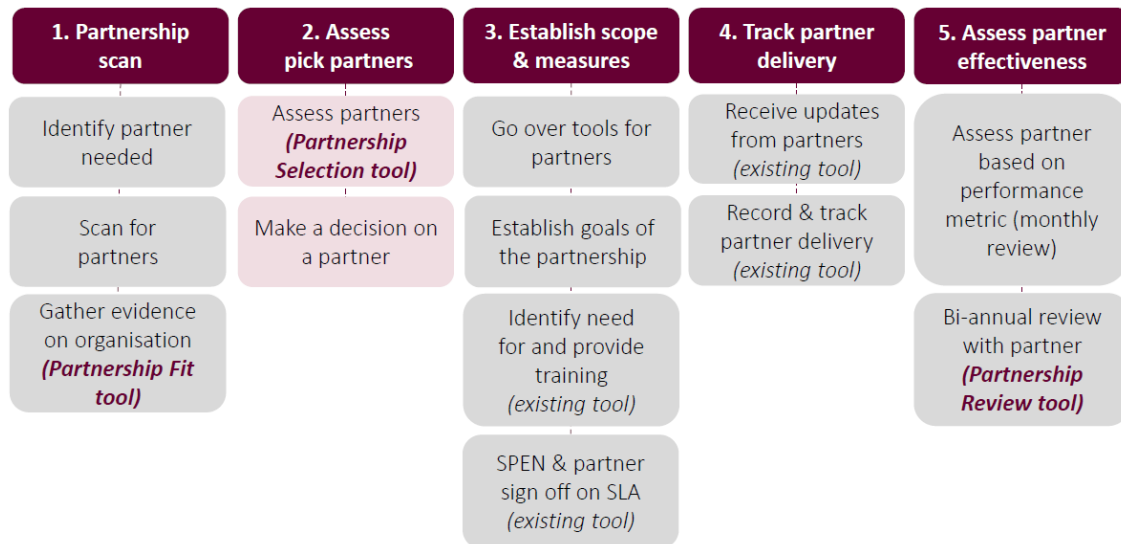
Figure 2: Coalition of Partnerships – Proposed Governance Structure Roles



As we move towards the final submission of the RIIO-ED2 Business Plan, we will continue to refine the proposed Coalition of Partnerships, as well as the governance model proposed in this document, with key stakeholders including our Customer Engagement Group.

9.1.3 Partnership Toolkits

While the Coalition to Partners is a new and evolving model, we have for several years had in place a Partnership Strategy which sets out our processes and standards when selecting and reviewing the organisations we work closely with. There are 5 key steps to managing our relationships with partners, we will ensure this toolkit is used and refined as part of the CoP framework when selecting and reviewing organisational membership and effectiveness.



1. Partnership scan – This is the first step in the partner selection process, it qualifies acceptable partners and gathers all the information needed to assess the value of a partnership for the selection tool.
2. Assess pick partners - This selection tool assesses the organisations that we are considering partnering with based on nine qualitative and quantitative measures. This process allows us to easily compare entities and assess the value of potential partnerships. This tool provides a consistent approach to selecting the best possible partners for SPEN. In case an agreement with the highest-scoring organisation cannot be reached, this tool can produce a second or third best option as back-up choices.
3. Establish scope & measure – This process involves a start-up meeting with a new partner, whereby we are establishing joint goals of the partnership and agreed processes. From the type of service, the partner can provide to the method of data sharing, we discuss with the partner what works best for both parties, and for our customers. We also support new partners with further training on what SPEN do as an organisation (our core role), how we can help in a power cut and how best they can prepare for one, how we support customers and the wider support services we offer. We document our agreed processes and methods in a standard level agreement document for clarity to both parties.
4. Track partner delivery – In order to identify if a partnership is working and to identify potential delivery gaps, we track weekly referrals, sign-ups, etc., as well as monthly case studies or direct feedback. These pieces of feedback and case studies are assessed in the bi-annual review in the next step. SPEN further carries out post-service calls to collect customer satisfaction data. This is included in the ‘SOB weekly scorecard’.
5. Assess Partner effectiveness – Using the regular reporting and feedback SPEN hold monthly review meetings with partners to discuss progress, as well as sharing what is new for both organisations and looking for new ways to promote the extended support services with customers. Furthermore, we use a partnership review tool at the bi-annual review session that is held between SPEN and a partner. This review is more detailed and comprehensive than the monthly ones and therefore aims to provide a more holistic picture of how well a partnership has been working. This review covers both qualitative and quantitative aspects of performance and allows SPEN to evaluate the overall partnership. In addition to questions on past performance, SPEN and the partner identify risks & opportunities and discuss what went well or what should be improved. A final checklist is carried out by SPEN after the review meeting to help the Social Obligations team decide on whether to continue, expand or end a partnership.

9.2 Single Shared Vulnerability Register

As part of the CoP, we plan to build a shared vulnerability portal to allow data to be shared and customers to be registered for support described in section 9.A.1.2.1 This will take the broadest view of vulnerability to include needs which are broader than the common utility needs codes taking in vulnerabilities such as digitally excluded customers, those with low or no qualifications, fuel poverty and more.

9.3 Reaching those who need help for PSR

9.3.1 Overview

SP Energy Networks will effectively support consumers in vulnerable situations, particularly those most vulnerable to a loss of supply, through a sophisticated approach to the management, promotion and maintenance of a PSR register.

SPEN has set the ambitious target of 80% coverage of the PSR by increasing registrations and raising awareness in areas identified as having the highest gaps in PSR's through proactive and targeted engagement, advertisement, and working with a specific range of partners reaching those hard to engage groups that are unaware and not registered for Priority Services.

Our proactive targeted approach will ensure customers in vulnerable situations have awareness of the support available during power outages, how to register for Priority Services and of the wider social support available. This engagement will be targeted at the highest gaps in PSR prioritising those who are medically dependent and who are at the highest risk of detriment if they experience a power cut.

To identify the gaps, we obtain National Statistical data on an annual basis which is specific to our geographic areas and compare this data to our PSR. There is currently National statistical data available which covers 8 sets of vulnerability definitions; Pensionable Age; Disabled; Dementia; Non-English Speaking; Families with Children under 5; Blind/Partially Sighted; Dialysis and Mental Health. These 8 sets of data can be attributed to 16 of the common need’s codes on the PSR.

9.3.2 Gap in our PSR Coverage

The table below shows SPENs current gap when compared with National Statistical data or our license areas and our aim in RIIO-ED2 is to increase our coverage to 80% or more (data as at October 2021)

	Total number of people as estimated by national stats	PSR Records	Estimated gap	Estimated coverage in PSR%
Unable to communicate in English	70,738	6,713	64,025	9%
Dementia / Cognitive impairment	90,274	22,785	67,489	25%
Dialysis	9,812	4,343	5,469	44%
Families with children under 5	458,376	142,929	315,447	31%
Physical disabilities or restrictions	736,899	637,291	99,608	86%
Pensionable age (60+)	1,038,389	613,614	424,775	58%
Blind or partially sighted	43,570	41,376	2,194	95%
Mental health	72,622	94,349	-21,727	130%

Note: SPEN data in table 6.1.1 is based on number of vulnerabilities and National data in table 9.3.2 is based on number of customers per Vulnerability. A conversion calculation is carried out to compare data for elderly as there are multiple customers in 1 household. A multiplication factor of 1.75 is used - please note this when looking at this table and the table in 6.1.1

For the remaining PSR categories not captured by National Statistical data we will agree common data sources across the DNO group of companies to act as proxies for National Comparisons so that we are able to better understand our data and work towards closing PSR gaps in all categories on the PSR (excluding the 3 codes which are transient).

To achieve 80% coverage across all need’s codes will require approximately a 30% increase in the number of vulnerabilities we hold, increasing our total numbers from ~1.8m to 2.35m. This will equate to around 1.34m households being registered on our PSR for traditional needs codes, almost 40% of our customer base.

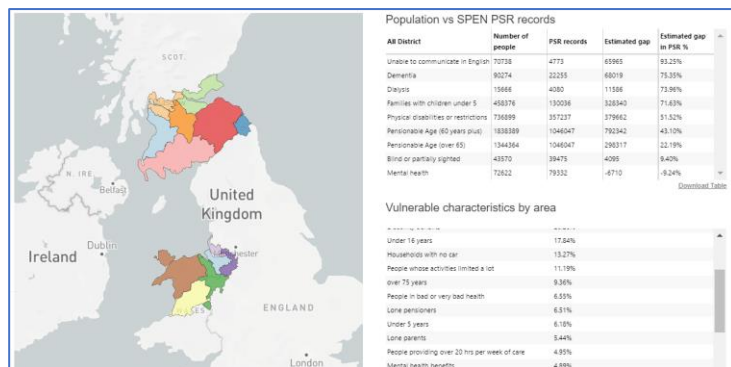
9.4 Broadening PSR to cover wider vulnerabilities

9.4.1 Overview

The traditional view of vulnerability taken by DNOs across the common 27 needs codes has served us well to deliver and target effective support however the energy landscape is changing and ED2 we will broaden our view of vulnerability taking into account wider vulnerabilities which mean customers need additional support in the help we deliver or the way we communicate.

9.4.2 Vulnerability Mapping

In 2019 we implemented our own Vulnerability Mapping tool which has played a pivotal role in determining our engagement and data strategies. The tool uses the various sources to not only assist with identifying the gaps we have in our PSR, but also provides us with mosaic profiles of our customer groups and has multiple views in order for us to understand gaps in services and partnerships.



Vulnerable Source Data and Output Datasets

Currently the Vulnerability Mapping tool displays the following sets of data:

Data sources	Outputs
National statistics Census ONS/National records of Scotland Public Health England Stats Wales Scottish Government	Population; Number of people of pensionable age (60 years plus); Number of children 5 or under; Number of people with long-term physically limiting health conditions; Number of people who don't speak English well or at all. Estimated number of people on dialysis; Prevalence of dementia; People with severe mental health issues; Number of people blind or partially sighted
Other vulnerable stats DWP (Dept. for Working Pensions) BEIS (Dept. for Business, Energy & Industrial strategy) DCLG (Dept. for Communities & local government) Care inspectorate Care commission	Number of households; Population; over 65 years; over 75 years; over 85 years; Under 16 years; Under 5 years; Lone pensioners; Lone parents; Children in low income households; Low or no qualifications; Low income employment; Long-term unemployed; People in bad or very bad health; People whose activities limited a lot; Disability benefits; Child disability benefits; Mental health benefits
Experian MOSAIC profiles Public sector view 66 profiles (20 vulnerable) Vulnerable weighting applied against use cases Identification of Low Resilient Communities	Outlying Seniors; Families with Needs; Aided Elderly; Dependent Greys; Estate Veterans; High Rise Residents Solo Retirees; Far-Flung Outposts; Local Focus; Disconnected Youth; Childcare Squeeze; Pocket Pensions Streetwise Singles; Crowded Kaleidoscope; Asian Heritage Renting a Room; Seasoned Survivors; Inner City Stalwarts. Bungalow Haven; Low Income Workers

The Vulnerability Mapping tool has 6 functions used to inform our engagement with services and partnerships:

Area analysis	An interactive map which displays various vulnerable data sets associated with the area
PSR category analysis	A view of SPEN's PSR customer base and national stats with the ability to filter by our District areas of coverage
Search by postcode	A simple postcode search function which will link to a local area (LSOA**) view of vulnerable data sets & a comparison of SPEN PSR vs National Statistics
Partner analysis	A view of SPEN's partnerships within Local Authorities and the services they deliver in that area
Resilience analysis (ranking)	A view that ranks substations by their community resilience within a district alongside LSOA** PSR gap analysis
Search by substation	A simple substation search function which will link to a local area (LSOA**) view of vulnerable data sets & a comparison of SPEN PSR vs National Statistics

This mapping tool is at the core of our PSR engagement strategy by pinpointing areas with the highest gaps in our PSR. We then target our engagement and advertisement to not only reach customers that

are not already on the register, but to raise awareness with organisations supporting vulnerable customers and create partnerships to improve this channel of sign up.

For ED2 we will continue to source further data sets which become available and use the DNO jointly agreed proxies for codes not covered by National Statistical data to expand our Vulnerability mapping tool.

Furthermore, we will develop the tool to track a broad range of vulnerability trends including the PSR categories and wider vulnerabilities such as digitally excluded customers or low incomes.

New Data sets to be included in ED2

ED2 – New Data Sets - Mapping Vulnerability		
Disruptive Technology Data		Disadvantage Customers
<i>We have undertaken a project to collate disruptive technologies by property to understand what technology customers have</i>		<i>Understanding the additional disadvantaged customer groups such as unemployed; Off Gas Grid; Fuel Poor; Lower or No Qualification; Digitally Excluded; Rural and low income</i>
Smart Metering Data	Future Partnerships	Customers' Needs
<i>To understand when our customers are off supply so we can proactively communicate as well as analyse usage patterns</i>	<i>Further develop a database of organisations we wish to partner with and the new services available to recruit into our Coalition of Partners Model (CoP)</i>	<i>We record customer needs through our current processes and these needs will also be integrated into our mapping to allow us to understand if our service offering covers all needs.</i>

9.4.3 Data Science

Whilst in RIIO-ED1 we have used data to understand trends and where our support should be directed and where we have the biggest gaps against national data. In RIIO-ED2 we will go much further by using data to understand customer behaviour.

Use of Data in RIIO-ED1	Use of Data in RIIO-ED2
In ED1 we used data to understand where best to target our effort and resources to reach customers effectively.	In ED2 we will further develop our use of data by
We also used data to understand if our strategy for reaching customers and delivering PSR and Broader support services was effective as well as to understand the effectiveness of our partnerships	<ol style="list-style-type: none"> Improving the ways in which we cleanse data and ensuring we deliver a high rate of validation for customer records Reach more customers with our PSR support by closing the gap to achieve 80% reach where national data is available. Where not available use agreed proxy data to achieve 80% across every common needs code Recognising broader vulnerabilities such as: <ul style="list-style-type: none"> Digitally excluded customers Customers with low or no qualifications Those in, or at greatest risk of, fuel poverty. Those who are at greatest risk of being left behind in the move to Net Zero. Customer attitudinal segmentation which indicates additional support or communication is needed

	<p>4. Continuously reviewing trend data to identify new vulnerabilities we should consider</p>
	<p>5. Use of data science to develop innovative solution for our vulnerable customers.</p> <p>Examples of this would be</p> <ul style="list-style-type: none"> • looking at usage patterns to trigger alerts to us for our most vulnerable where their usage pattern may indicate something may be wrong so we can follow up. • Linked with Smart meter deployment identify customers who are fuel poor & who could be provided advice on reducing bills.
	<p>6. Our Coalition of Partners model will use data in several ways</p> <ul style="list-style-type: none"> • Sharing Customer Data • Understanding trends to develop service propositions • Understanding the needs of customers and where we see the greatest issues • Understanding the services available collectively and where gaps are identified for new services to be developed • Understanding the benefit of the services delivered • Understanding the performance of each partner organization to drive improvements in the collective delivery model. • Understanding of the avoided costs by working truly collaboratively in this way

10. HIGH QUALITY DATA & PROCESSES TO ENSURE WE ARE ABLE TO DELIVER EFFECTIVE SERVICES

2
High quality data & processes to ensure we can deliver effective services

10.1 Overview

Capturing a wider range of data than ever before is a key enabler in ensuring we can offer the widest possible tailored support to our customers. But equally important is to ensure that we maintain the quality of such data.

We will look to embrace digital solutions to make it easy for customers to update their details, but we will also maximise information flows between organisations to ensure the details we hold are as up to date as possible. Where data reaches a certain age without being verified by either of these methods, we will put in place a dedicated data cleanse team who will work to validate the customer records.

10.2 Our ED2 Commitments

High quality data & processes to ensure we can deliver effective services	
Keeping our records updated	We will contact 100% of all our vulnerable customers every 2 years, achieving a minimum 60% fully validated data.
Measure up against the best	We will benchmark our service externally every year to measure up against best practice, achieving relevant recognized international standards and score in Top 5 UK companies through ICS service benchmark.
Prioritising customers for Low Carbon Technology support	We will use data creatively to understand those customers likely to face barriers in accessing low carbon technology due to social factors and overlay this with technology data creating an LCT Prioritisation ranking to enable us to best target our services.

11. Our Approach – High Quality Data & processes to ensure we can deliver effective services

11.1 Measuring up against the best

11.1.1 Overview

We also recognise that the quality of service we offer our customers is a key differentiator, and whilst we will continue to commit to delivering best in class customer satisfaction scores as outlined in our Customer Service Strategy, we will also look to benchmark our services externally every year to make sure we take every available opportunity to identify ways we can improve.

11.1.2 Testing our Processes through Accreditation

In ED1 we accreditation through the British Standard and achieved the Kite Mark as well as Benchmarking ahead of the Top Ranked company for 3 years running through the Institute of Customer Services Top 50 UK Service Companies Benchmark.

In ED2 we will commit to maintaining and achieving the following accreditation and standards

BSI Kite Mark	<i>BSI Kite Mark Standard</i>	Annually
BS18477:2010	<i>Inclusive service provision – identifying and responding to customers vulnerability in relation to electricity distribution</i>	
BS 8477:2014	<i>Customer Service</i>	
ISO 10002:2014	<i>Complaints Management</i>	
ICS Top 50 Benchmark	<i>Benchmarking with the Institute of Customer Services and aim to achieve at least equivalent to top 5 ranking or higher each year</i>	

We will also scan annually for new and evolving standards and accreditation appropriate to test our processes and stretch out thinking.

11.1.3 Accessibility

One of our prime objectives is to ensure that everyone, regardless of disabilities, age or the type of technology used, can access our SP Energy Networks website without barriers.

With this in mind, our website has been designed in compliance with the Web Content Accessibility Guidelines 2.1 established by the W3C (World Wide Web Consortium). These guidelines are also the core for standards such as ISO/IEC 40500 or UNE 139803:2012.

In ED1 we received our accessibility certification, issued by Ilunion Technology & Accessibility a leading expert in accessible technology, as evidence of our commitment and of the tasks completed in relation to audit, consultancy and certification of our website.

For ED2 we aim to achieve the most advanced accreditation of accessibility by achieving the AAA standard.

11.2 Contacting all vulnerable customers to keep their records updated

11.2.1 Overview

The accuracy of the data we hold in relation to our customers is key to the success of our processes and services. Our customer data impacts all process from the success of our customer contacts through to the effective targeting of our services.

In ED2 data will be more important than ever before and we want to ensure we can hold a rich set of data for our customers, ranging from the attitudes and preferences of our customers through to their specific needs and the technology they have. This will allow us to effectively understand where and how to best deploy our support in the most effective ways.

11.A.2.1.1. RIIO-ED1 approach

In RIIO-ED1 we introduced a process whereby we validate our customer contact and vulnerability data during customer interactions and where we don't directly interact with a vulnerable customer for 2 years, we write out to these customers asking them to provide any updates to their circumstances. However, this process does not provide the level of cleanse we will require in RIIO-ED2, so we are looking at developing a more robust data cleanse process using a wider channel offering to make it easier for customers to keep their data updated.

11.A.2.1.2. RIIO-ED2 approach

In RIIO-ED2 we will continue to validate and update data during the interactions we have with our customers, be it during a power cut, planned work or when dealing with an enquiry. However, we will also look to maximise both the opportunities and methods for customers to update their details including the creation of a self-serve portal which customers can use to update their details and an enhanced data sharing process through our wider collaboration with other parties integral to our coalition partnership model (CoP). A summary of our approach to cleansing customer data can be found below:

Method of update	RIIO-ED1	RIIO-ED2
Updated during normal interactions <i>E.g. when reporting a power cut, ahead of planned work, when contacting us for a new connection or a general enquiry</i>	Yes	Yes
Customer self-serve portal	No	Yes
SMS data cleanse campaigns	No	Yes
Letter data cleanse campaigns	Yes	Yes
Data sharing with other utilities	Yes	Yes & Enhanced
Data sharing with other partners	Yes	Yes & Enhanced

Purchasing customer data to compare against our records	Partial	Yes
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By deploying these enhanced methods, we will ensure the data for all vulnerable customers are checked every 2 years as a minimum with no less than 60% of customer records fully validated by using a combination of these methods. By fully validated we mean that the records have been positively confirmed as correct, or updated with the latest information, either by the customer themselves or by a qualified 3rd party. Where this data is validated by someone other than the customer themselves, we will ensure that this process is independently assessed to ensure reliability and accuracy of information provided.

We will also measure and track the success of each method to ensure we maximise the response rate in the most efficient way.

11.3 Prioritising Customers for Low Carbon Technology Support

11.3.1 Overview

Ensuring we are efficient and effective in our use of resource and can reach the customers who most need help, underpins our strategy. We will therefore allocate all customers a Low Carbon Technology Risk Score to indicate how likely they are to face barriers to low carbon technology to best prioritise our actions and the customers we will aim to reach.

11.3.2 Approach to calculation the LCT Risk Score

The table below shown the factors we will consider in allocating the risk score. We will engage specifically on this prioritisation method with expert stakeholders in advance of deploying this score across our customer base to ensure no factors have been missed in our final methodology.

	If customer is/has
1	Vulnerable (broad definition)
2	Fuel poor or on Low Income
3	Off Gas Grid
4	Relies solely on electricity
5	Has LCT technology already
6	In an attitudinal segment that needs additional engagement
7	A smart meter
8	Living in a rural area
9	Unemployed

We will set up a targeted outreach education program where our staff will work with customers and community groups as well as charities to provide education on the low carbon transition and how customers can benefit as well as the support we can offer.

12. DELIVERING SERVICES TO CUSTOMERS TO REMOVE BARRIERS & TACKLE ISSUES & FUTURE TRENDS

3
Delivering services to customers to remove barriers & tackle issues & future trends

12.1 Overview

Accurate data and high-quality processes are the foundations of our strategy and give us the launchpad to be able to support more customers than we've ever done. This will include continued support during a powercut, or any other interaction with us, but also proactive development of services that will bring direct benefit to customers.

We will work to ensure that PSR customers receive a 1st class service during times they require it most, be that during a supply interruption, when requesting work from us or accessing support services to unlock the benefits of the low carbon transition or help them save money on their electricity bills.

12.2 Our ED2 Commitments

Delivering services to customers to remove barriers & tackle issues and future trends	
Understanding customer needs in a power cut	We will support customers in a number of ways during a power cut and capture their individual needs through our contact channels with no less than 99% of needs being met.
Delivering services to support customers in all aspects of vulnerability	We will deliver direct support services to 276,000 vulnerable & disadvantaged customers.

13. Our APPROACH - Delivering Service to customers to remove barriers and tackle issues and future trends

13.1 Understanding Customer Needs in a Power Cut

13.1.1 Overview











Whilst we hold data for customers on our priority services register under the 27 common needs codes, understanding their specific needs can be very different from a customer’s vulnerability category. Whilst a customer may be registered for a vulnerability such as mental health for example, their need maybe that they would prefer contact in a specific way or want us to talk slowly when we communicate. These needs are very specific to individual customers and to ensure we can support them effectively we take steps to understand the help customers want from us.

13.1.2 Our Approach to Understanding Needs

In 2020 we developed a customer needs tracker to capture the specific needs of our customers through our contact processes and track these through to delivery. Whether this is an action we need to take in terms of communication or a service we need to deliver such as delivering a generator or hot food, the needs of individual customers are captured and delivered.

In ED2 we are committing to capturing all needs identified through our contact processes, delivering on them and updating our customer records to ensure we can act proactively in the future. We will also feed these needs into our data mapping process to ensure our service offering and strategy adapts to cover the areas our customer need help.

The table below shows the way in which we will support vulnerable customer in a power cut where a need is identified.

Support for Vulnerable Customers in a Power Cut				
				
Proactive Contact	Additional Welfare Calls our most vulnerable	Contacting Carers and Family	Providing hot food and drinks where needed	Providing welfare support such as facilities
				
Support Packs	Hotels	Generators	Uplifting Medical Supplies	Understanding and acting on any other needs

13.2 Delivering Services to Support customers in all aspects of vulnerability

13.2.1 Overview

Our strategy is not only servicing our customers traditional needs in a power cut which is laid out in section 13.1.2, but also providing a level of support for key issues and customer groups that goes way above anything

we have done previously. Through our engagement with customers and stakeholder the message was loud and clear, there are 4 key areas our customers say they need help over and above help in a power cut and they feel we have a role to play in delivering this

1	2	3	4
Financial Support	Removing Barriers to Low Carbon Technology	Social Support	Accessing Smart Meters
<p>Helping customers reduce their energy bills through</p> <ol style="list-style-type: none"> 1. Energy efficiency measures, 2. Advice and practical support on income levels 3. Use of technology in customers' homes to help save money 4. Getting customers onto the best tariff 5. Debt Advice 	<p>Helping customers to overcome the barriers to accessing the benefits of the Low Carbon Transition</p>	<p>Supporting customers in their day to day lives through practical help with wider social issues</p> <ol style="list-style-type: none"> 1. Befriending 2. Dementia Support 3. Carer Support 4. Staying safe at home 5. Friendship & Hot Meals 	<p>Supporting customers to overcome some of the barriers accessing Smart meters customers tell us they face</p> <ol style="list-style-type: none"> 1. Understanding the benefits of Smart meters 2. Clarity on ability to switch Suppliers 3. Clarity on accuracy of meters 4. Overcoming perception that Suppliers only offer Smart meters on higher tariffs 5. Clarity on what will happen to customer data 6. Clarity on supply arrangement such as 3 Phase Supplies

13.A.2.1.1. Support services at a glance

As a result of the feedback we received, we have built a set of services to deliver on these 4 areas of need.

The table below shows a summary of the services we will deliver which are described in full in the following sections: -

Service area	Customers in scope	Number of customers	Gross Benefits delivered
Supporting Customers in Fuel Poverty	Fuel poor	40,000	£28m
Supporting Disadvantaged customers (CVP)	Fuel poor / Medically dependent on electricity	40,000	£18m
Providing LCT Advice & Support	All	40,000	£10m
Delivering Wider Social Support	All	20,000	£3.5m
Facilitating access to SMART metering (CVP)	Fuel poor / hard to reach	136,000	£3m
		276,000	£62.5m

Note: Benefits because of awareness are not included in the Gross Benefit calculations – these calculations are based on actual services delivered for customers and not perceived awareness benefits

In addition to the dedicated services outlined in this section, we will also be undertaking awareness campaigns to reach all our customers to educate them on the critical role SPEN plays, as well as the services we can offer our customers.

13.A.2.1.2. Fuel poverty

We estimate that in our licence areas, 620,000 households are currently living in fuel poverty and we want to do what we can to make a positive difference to as many of these customers as possible. There are 3 main recognised contributing factors to households being in fuel poverty:

1. The cost people pay for energy
2. The household income
3. The energy efficiency of the home

We are committing to help every fuel poor customer in our network areas by 2045, and in RIIO-ED2 will provide direct support to 40,000 fuel poor customers. The support we provide will be tailored to the specific needs of each customer, but will include 4 Key services

Tariff Switching Support	Energy Efficiency Measures	Income Maximisation	Debt Advice
<i>Independent advice on the best energy tariff and practical help to switch</i>	<i>Independent energy efficiency advice on reducing costs, keeping warm along with practical action and installations</i>	<i>Independent benefits check in customers' homes or over the phone to check customers are on the right income and getting it sorted if they are not</i>	<i>Independent advice on debt along with practical help with planning and support</i>

Whilst this represents a significant increase in the number of customers who will receive support in this area over the lifetime of RIIO-ED2, we believe this is a fundamental pillar of our strategy and therefore an area we must focus on. Through ongoing engagement with our partners delivering these services, we understand the additional work required to deliver this level of services and have factored the additional costs involved in facilitating this into our baseline. To provide increased support to customers in fuel poverty, in addition to increased support for LCT adoption as well as supporting more customers than ever before with their wider social needs will drive an additional cost of £9.44m than the support we provided in RIIO-ED1. However, we have modelled this level of support to identify the benefits that this will deliver to customers using the industry standard SROI tool, and the benefits across these 3 areas total £41.5m.

13.A.2.1.3. Supporting Disadvantaged Customers - CVP

In addition to the specific measures outlined above to help customers tackle fuel poverty, we are also committing to supporting a further 40,000 disadvantaged customers, who are fuel poor and have other vulnerability needs, through the installation of innovative technological solutions aimed at reducing their energy bills. Our aim is to implement solutions that will deliver £100 per year to customer in savings as a result of any technology we directly fund and deploy.

Target Audience	Number of Customers we will Support	Example of the type of technology we will deploy	Benefit to each customer as a result

<p>Customers who are vulnerable and also in fuel poverty – prioritising those who are Medically Dependent</p>	<h1>40,000</h1>	<p>We will fund and deliver technology into customers' homes to directly reduce their electricity bills.</p> <p>Example would be: - Demand side management, installing in home devices to turn down heating by very small amounts for short periods of time to positively impact the customers overall consumption</p>	<p>Saving of</p> <h1>£100</h1> <p>For every customer</p>
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At this stage we are not committing to a specific solution to this challenge as this is an area where there is currently a great deal of focus from an innovation perspective and new solutions will naturally emerge. Any work in this area would also require SPEN to complete a competitive tender process due to the value of the work to be delivered. However, we have engaged with organisations currently providing support in this area and have supported small scale pilot rollouts of suitable solutions to understand the practical challenges associated with any large-scale rollout. We have also looked to engage with organisations who have a proven track record of delivering such services, either in the UK or in other European countries. Whilst the results from similar schemes cannot be universally adopted, especially when obtained from other countries, these can be used as an indicative guide to the benefits likely to be delivered by such schemes, as well as providing an idea of the scalability.

13.A.2.1.4. LCT Transition







We are also committed to ensuring that no customers are left behind in the energy system transition, and as a result we will support customers to access Low Carbon Technologies and the benefits they deliver. We will conduct a prioritisation assessment of all our customers and look to prioritise those who face the greatest barriers and who otherwise would not be able to access these technologies. This support will take many forms but will include education & awareness on new technologies, what benefits these bring and help accessing grants and funding

Target Audience	Number of Customers we will Support	Type of support we will deliver		
	<h1>40,000</h1>			
<p>Vulnerable Customers Prioritised by LCT Risk Score</p>		<p>1</p> <p>Advice Line</p>	<p>2</p> <p>Planning</p>	<p>3</p> <p>Hand Holding</p>
<p><i>This service would be available to all vulnerable customers. However, we will prioritise our promotion and reach around those customers most significantly impacted based on our LCT Risk Score criteria</i></p>		<p><i>We will operate an Advice Line for customers to provide advice on</i></p> <ol style="list-style-type: none"> 1.Costs & Available Funding 2.Advice on New Technology and what is available in the market 3.The Benefits the new technology can deliver 	<p><i>We will offer a planning service for customers who have gone through our Advice Line and who require a tailored plan to be developed for them as a result of the advice they have been given</i></p>	<p><i>We will offer a hand holding service for those customers who require support right through the process end to end once their plan is created right through to the deployment of the new technology</i></p>

13.A.2.1.5. Wider support services

In RIIO-ED1 we delivered services to vulnerable customers to support wider social issues. Through our engagement with customers and stakeholder the feedback has been that we should continue to deliver these services as customers find them valuable and we are in a unique position to bring a package of services together. Customers were asked if additional services should be added to our ED1 offering in this area and they could not identify any new services at this time but felt we should do more to promote the services we currently offer.

As a result of this feedback we will continue to deliver our current service offering for wider social issues not covered under our other services. Through our coalition of partners model & business as usual processes we identify any new needs coming through and adapt our offering should we identify new needs in this area in the future.

Target Audience	Number of Customers we will Support	Services we will deliver		
 Any customer who feels they would benefit from the service	20,000	 Befriending Service	 Dementia Support	 Carers Support
		 Staying Safe at Home	 Friendship & Hot Food	

13.2.2 SMART metering




Whilst the UK SMART metering rollout is the responsibility of the energy retailers, customers and stakeholders believe there is a key role that DNO's can and should play in this deployment given our unique independent position within our communities.

That's why we are proposing to put in place a dedicated team focused on identifying harder to reach customers, and those most at risk of being missed by the SMART rollout. Customers told us clearly there are 6 areas of concern stopping them adopting a SMART Meter and we aim to work with customers who have not yet adopted this technology to overcome these barriers.

We are not proposing to provide direct support in the uptake of SMART meters as this is outside of our remit, however what we are looking to do is both help identify groups of customers most likely to be left behind by the rollout, and contact and educate these customers on the benefits that SMART metering will bring to both them and to SPEN. We will then work with trusted independent partners to facilitate the rollout of the meters into customers' homes.

This will have 2 key benefits

1. Customers will be able to access the benefits of the Low Carbon Transition more easily and have visibility of their consumption, which in turn may lead to lower energy bills for customers.
2. SPEN will gain the benefit of additional SMART meters on our network giving us more visibility in terms of network monitoring

Target Audience	Number of Customers we will Support	The Service we will deliver	Benefits
 <p>Fuel Poor Customer and Those harder to reach</p>	<p>136,000</p>	 <p>We will reach out to customers to educate and raise awareness with the specific aim of overcoming the 6 barriers customers said were stopping them adopting a smart meter</p> <ol style="list-style-type: none"> 1. Understanding the benefits of Smart meters 2. Clarity on ability to switch Suppliers 3. Clarity on accuracy of meters 4. Overcoming perception that Suppliers only offer Smart meters on higher tariffs 5. Clarity on what will happen to customer data 6. Clarity on supply arrangement such as 3 Phase Supplies 	 <p>As a result of this we have committed to an increase in SMART Metering uptake across the customers we engage. This will result in</p> <p>Benefits to the customer through access to LCT Benefits and visibility of their usage</p> <p>Benefits to SPEN in the form of additional network monitoring vital as we move to a Net Zero Future and a DSO Model where flexibility services will be needed</p>

14. Additional Areas of Focus to deliver on Baseline Standards

14.1 Overview

Whilst we have laid out our ED2 commitments and our approach to delivering them in the sections above, there are other area of focus which underpin our ability to deliver and support meeting our baseline standards.

14.1.1 Delivering vulnerability training

We understand that everyone in SPEN has a role to play in supporting and protecting vulnerable customers, this is inherent in our company’s culture. To ensure that all staff, from our Executive Team to our frontline staff including our contractors have the tools, resources and understanding needed to identify and respond to our customers’ needs, we deliver a comprehensive vulnerability training programme which evolved constantly to our challenges and our customer and staff needs..





Our vulnerability framework is informed and delivered in the following ways:

Who	Our Approach to Building Training
Experts	We work closely with vulnerability experts across a range of organisation to best understand customer need and how our staff should support them as well as to understand when we should see expert help for our customers.
Types of Vulnerability	We review the types of vulnerabilities, priorities and different circumstances which may impact customers to inform our training
Feedback	We use real examples to help shape our training to ensure we are training staff of the real needs of our customers
Staff	We ask our teams for regular feedback on the things they struggle with day to day, so we can problem solve and give them proactive solutions and escalation routes.

- Our suite of Vulnerability modules which form a significant portion of our training program focus on individual vulnerability codes and relate to the various touchpoints across our services
- All training is assessed and recorded on our corporate training records.

For ED2 we will develop our suite of vulnerability modules ensuring we are always current with updates and changes affecting our customers, and that all services across SPEN have considered the needs and support available to vulnerable customers.

Furthermore, we will look to the broader vulnerability groups, such as low income, fuel poor, digitally excluded and build a suite on modules to better understand these customers’ needs and develop the ways and means of supporting them. To do this we recognise the need have dedicated trainers across the business who are accredited to delivering this wider support services.

Trainers	Shaping Training	Who we target	How we measure
			
<i>Dedicated Customer Service & Vulnerability Trainers</i>	<i>Vulnerability Experts are engaged for to shape every</i>		

<p><i>building tailored programmes to address the specific needs of our customers and staff</i></p> <p><i>Our Trainers are trained by experts in vulnerability</i></p>	<p><i>training model and give feedback on the training programmes before they are delivered</i></p>	<p><i>All staff at all levels of the organisation interfacing with customers.</i></p> <p><i>We ensure both SPEN own staff as well as Our Contractor Service Partners receive the same training</i></p>	<p><i>Training is logged onto employee corporate training records</i></p> <p>Measurement</p> <ul style="list-style-type: none"> ○ Attendance ○ Completion ○ Tests are carried out before and after end of each training session to measure understanding and the increase in knowledge ○ Any staff not meeting the standard set are followed up for 1 to 1 support and go back through the training ○ Senior managers and given performance packs for their teams with improvement areas ○ Quality checks are carried out beyond the training to ensure the training is being put into practice ○ An Executive Governance Framework sits over this process to ensure we are addressing the training needs effectively.
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14.1.2 Safeguarding customers

Whilst in ED1 we have followed the principles on Safeguarding for our vulnerable customers in ED2 we will be much more specific in this regard through our processes and audits.

A toolkit will be in place underpinned by 6 guiding principles

No	Principle	Description
1	Empowerment	Presumption of person led decisions & consent
2	Prevention	Take action to prevent harm occurring
3	Proportionality	The action we take is appropriate, provides help and is wanted
4	Protection	Help will be given to customers based on and understanding of greatest need
5	Partnership	Working collaboratively with organisations to efficient deliver the best overall outcome for the customer
6	Accountability	Transparency in everything we do and the role we play

14.1.3 Measuring Value Overview

Ultimately the success of our efforts across our vulnerability strategy should be delivered across the number of customers we help relative to our customers base with real tangible delivered services and what value we deliver. It is important that when measuring value, we do this consistently across all companies both in terms of the value per service delivered and that we are also consistent in terms of our terminology, so we are not counting benefits for awareness and comparing them against actual tangible services

delivered. That's why SPEN called for one consistent model across all DNOs and the first stage of that process is now complete.

14.1.4 SROI

In 2018 SPEN commissioned Sia Partners to develop a tool for measuring the Social Return on Investment primarily the support services we provide to our vulnerable customers. We recognised the need for a tool which evolved beyond the Willingness to Pay model. For the last few years we have successfully used the tool to demonstrate the value we deliver for our customers.

During working groups in early 2020, SPEN along with WPD led DNOs discussions to create a consistent, transparent (quantitative) measurement of social value, and how it could form a part of how the DNOs were reviewed for both the SECV submissions and for ED2. The Customer Value Proposition (CVP) as part of the business plan incentive also requires DNOs to measure social value. To prepare for the CVP process, and for changes to the SECV incentive, DNOs developed a common approach to measuring social value with a consistent mechanism that would allow for straightforward assessment and comparison.

The tool meets the following aims to:

1. Provide robust, consistent measurement of all social benefits DNOs deliver through their services
2. Deliver a framework for DNOs to measure their CVP values in 2021
3. Act as an ongoing solution a framework applicable for the full ED2 period
4. Drive innovation and ambition in the social value space

Based on stakeholder feedback, and the DNO's and Ofgem's expectations, a framework was designed around three guiding principles:

1. Consistent:

The framework was designed to allow for regular, dependable measurement, using an approach and research that is consistent across the industry. To deliver this, the framework includes; A project data checklist; Standard values; a set approach for bespoke research; a standard worksheet and an audit process.

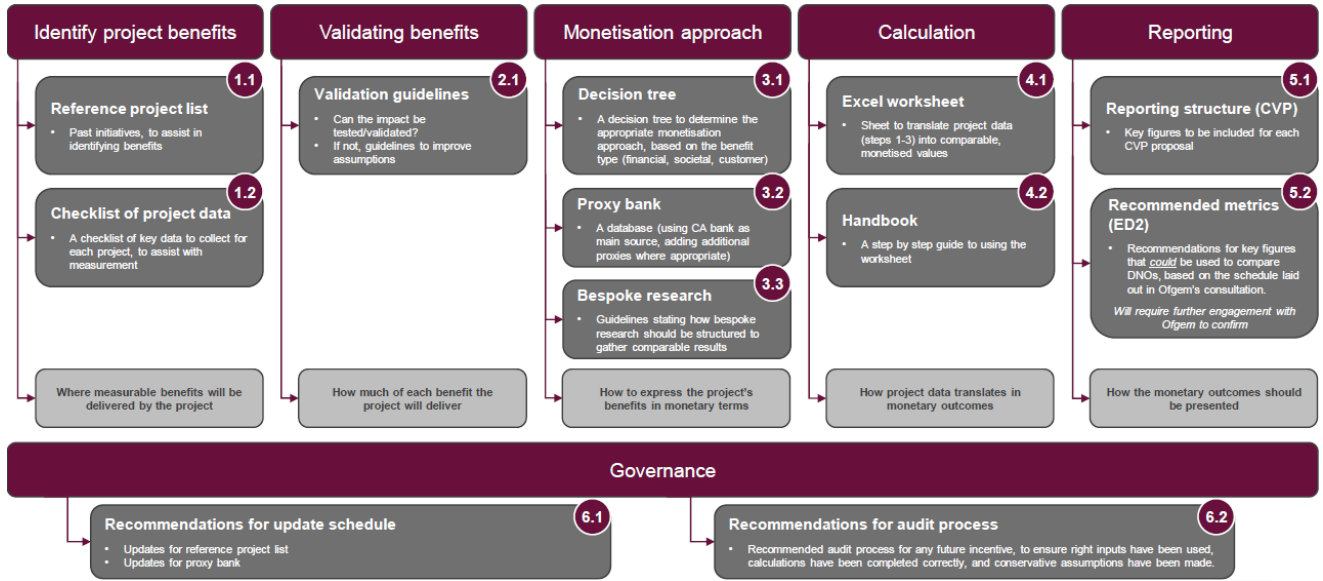
2.Comparable

The central goal of the framework is to provide figures for Ofgem's incentives that allow for the effective comparison of the various outcomes delivered by DNOs. The framework includes a set of reporting templates, listing common measures to compare DNOs.

3.Conservative

Key feedback from stakeholders was to ensure figures were conservative wherever possible. The framework has been designed with this principle at its core. To deliver this, the framework includes validation and assumption guidelines and a common approach for determining 'optimism bias'.

This framework is now in place and as part of the business plan submission, SPEN successfully lobbied all the DNO's to submit their CVP proposals to SIA partners along with the SROI models used. SIA partners have conducted an independent assessment of these models and provided feedback on their suitability. This ensures that all DNO's are using the same approach to calculating this SROI, and this will be a cornerstone of future work in this area.



15. Common ODI Baseline metrics

DNOs have been working with Ofgem and key stakeholders to assess the appropriate metrics which could be consistently used across all companies to measure the effectiveness of vulnerability plans. Whilst no final agreement has been reached on what these common metrics should be, SPEN have proposed the following and indicated our ambition in these areas.

15.1 COMMON VULNERABILITY METRICS ACROSS ALL DNO'S

Vulnerability should be measured across DNOs using common metrics. SPEN have been leading the DNO review of what can be used as a common metric, working closely with all DNO's and Ofgem to determine what these would cover and how they would be measured. We have identified what we believe to be the baseline standard for each metric and have also identified the SPEN ambition for each.

Metric	Measure	Data Source	Weighting	Assurance	Additional Reporting
PSR	1. % Reach against each PSR category (Agreement being reached across DNO's if this should be measured against household or needs code)	1. Agree data source table & DNO PSR register	30%	1. Reach % assured 2. Data cleanse approach assured	1. PSR interruption BMCS score reported for information
	SPEN proposed baseline & stretch targets: Baseline = 50% (based on SPEN current performance where National Data is available) Stretch = 80%				
Metric	Measure	Data Source	Weighting	Assurance	Additional Reporting
Partnerships & Services	1. Volume of delivered services 2. Gross present value delivered (through SROI model)	1. DNO / partner outputs in terms of volume & value 2. GPV values calculated through agreed SROI methodology	70%	1. Volume 2. SROI model 3. Plan deliverables	1. Csat score for services delivered – Fuel Poverty & LCT Support. Measured against ICS performance score to demonstrate minimum service level. 86.6 1st Place in July 21
	SPEN proposed baseline & stretch targets: 1. Volume of delivered services Baseline = 35,000 physical services delivered (not awareness) . Stretch = 100,000 physical services delivered Note – The baseline and stretch volumes do not include SPEN's proposed CVP. Including the CVP volumes would increase SPEN's baseline target to 96,600 and stretch target to 276,000. 2. Gross present value delivered Baseline = £14.55m gross present value delivered (based on £2.91m p/a benefits delivered by WPD in their published 18/19 SECV submission. Note no WPD submission has been published since this date.)* Stretch = £42.5m gross present value over the 5 years of RIIO-ED2.** Note – this £42.5m does not include the gross present value of SPEN's proposed CVP. Including the CVP the stretch target is £62.5m.				

* WPD delivered £6.5m value with a base of 7.8m households = £0.833m benefits per 1m customers. Therefore, using this calculation for SPENs 3.5m households we estimated the baseline to be £2.91m per annum. The rationale for using WPD data is that they have been the leading DNO in SECV every year until 2019/20 – in 19/20 UKPN took the leading position in the incentive however we can see from their benefits that these are not delivered services but advice given to their whole customer base and based on WTP.

** All DNO's have historically used different methods of calculation and therefore a like for like comparison is impossible. That is why SPEN lead the formation of the SROI standard model. Any benefits shown in SPENs plans are for services actually delivered and not for awareness campaigns.

16. Baseline Standards – How we will meet and exceed

16.1 Overview

The following section lays out a table for each of the OFGEM baseline standards to show how SPEN would measure or evidence the baseline and alongside this how SPEN will go beyond the baseline. The Commitments and Strategy in the previous sections of this document have covered our ED2 commitments and approach and how these were formed. This section is to confirm the elements we will evidence against each standard and where we think the baseline should be set, showing our stretching ambition beyond that for a simple comparison.

16.2 Principle 1: Effectively support consumers in vulnerable situations

OFGEM Baseline standard 1.1	
Undertake proactive and targeted advertising of the PSR and the services offered to vulnerable consumer groups. By targeted, we mean towards specific areas of highest need or where data analysis suggests there are gaps in PSR reach.	
Baseline	<ul style="list-style-type: none"> 50% coverage for all PSR categories where National Data Exists
SPEN Target	<ul style="list-style-type: none"> 80% coverage for all vulnerable categories where National Data Exists by end of RIIO-ED2 (with incremental targets set between 50% and 80% for each year of RIIO-ED2)

OFGEM Baseline standard 1.2	
Have a data and information strategy in place specific to meet the needs of vulnerable consumers. This should demonstrate how DNOs will maintain their PSR database, with customer data checks at least every 24 months. Data analysis should be used to inform the development and delivery of service offerings. As part of their data and information strategy, DNOs should consider how to best facilitate the sharing of vulnerable customer data with suppliers and other utilities to get customers onto the PSR in line with Data Best Practice.	
Baseline	<ul style="list-style-type: none"> 100% PSR customers contacted every 24 months for data accuracy checks Evidence of approach to using data to inform service offering Evidence of data sharing strategy in place with utilities
SPEN Target	<ul style="list-style-type: none"> 100% PSR customers records checked every 24 months & a minimum of 60% of data validated. Coalition of Partners model in place including suppliers, other utilities & wider organisation (based on the makeup of our customer base) with single vulnerability register in place & 2-way data sharing Services offering informed by an Expert Panel, Data Trends, Customer Feedback & Data Science

OFGEM Baseline standard 1.3	
Communicate with and provide information to PSR customers in formats suited to a range of additional communication needs, including hearing or sight loss. For accessibility services, companies should meet a minimum standard of Accessibility AA. Translation services should be available for at least the top 10 languages in a DNO area.	
Baseline	<ul style="list-style-type: none"> Evidence of AA Accessibility Standard Achieved Evidence of communication formats in place for Sight & Hearing difficulties (CS Strategy)

	<ul style="list-style-type: none"> Evidence of top 10 language translation in place (online and calls)
SPEN Target	<ul style="list-style-type: none"> AAA Accessibility Standard Language Translation via website and phone for all language requirements in our licence areas (evidenced by data) Annual review of website, materials & processes by RNIB Annual review of website, materials & processes by the British Deaf Association

OFGEM Baseline standard 1.4	
Have dedicated lines, or prioritisation processes, available for customers registered on the PSR when they need to contact the DNO, regardless of the time of day.	
Baseline	<ul style="list-style-type: none"> Evidence Prioritisation in place for PSR customers regardless of their channel of choice Evidence prioritisation in place for PSR customers regardless of their time of contact Evidence contact times are lower than other customers
SPEN Target	<ul style="list-style-type: none"> PSR ASA within 10 seconds or less regardless of the channel from 2023.

OFGEM Baseline standard 1.5	
Deliver a wide range of support during, or in relation to, a supply interruption that reflects different customer needs and is, at a minimum, in line with the company’s existing RIIO-ED1 provision. There should be a clear link between the information held about PSR customers and how this is used to target, or prioritise, support. We consider a wide range of support could include, but is not limited to, crisis packs, hot meals and drinks, mobile generation, alternative accommodation or on-site welfare units. We would expect there to be multi-channel information provision during supply interruptions. Companies can deliver this support directly or through/in conjunction with partner agencies. This support should be available 24/7.	
Baseline	<ul style="list-style-type: none"> Evidence of the range of support provided to customers based on their needs Evidence of the volume of support provide against this range of services Evidence of prioritisation process in place and working Evidence of multi-channel communication
SPEN Target	<ul style="list-style-type: none"> Multi- channel communication based on customers preferred method of communication Evidence of service requested by customers based on needs shape our service offering Customer Satisfaction Score for PSR customers 9.4 out of 10

16.3 Principle 2: Maximise opportunities to identify and deliver support to consumes in vulnerable situations

OFGEM Baseline standard 2.1	
Utilise social indicator, or vulnerability, mapping to inform their service development and approach to partnerships. This approach may form part of the DNO’s PSR management, but the identification of vulnerability should not be limited to PSR registrations and should recognise that vulnerability can be transient and may evolve in the transition to Net Zero	
Baseline	<ul style="list-style-type: none"> Evidence social indicator/vulnerability mapping is in place including the number & type of data sets used Evidence to show how vulnerability data informs services and partnerships Evidence of the approach to identifying vulnerable customers & how this identification process recognises all types of vulnerability including the transition to net zero.
SPEN Target	<ul style="list-style-type: none"> Trends data to be run annually and any new data sources identified Panel of Experts to be formed to advise Coalition Partnership Members twice per year regarding challenges & barriers faced and give advice on support that could be provided to customers to address the full range of vulnerabilities Evidence of the use of data science to inform ongoing strategy

OFGEM Baseline standard 2.2	
Maintain a good understanding of the social and well-being issues associated with the scope of the DNOs' role, the prevalence of these within their consumer base and how they are evolving.	
Baseline	<ul style="list-style-type: none"> Evidence of annual research on vulnerability trends conducted Evidence of data mapping across customer base to identify the prevalence specific to SPEN
SPEN Target	<ul style="list-style-type: none"> A Team of vulnerability experts delivering 6 monthly updates to the Coalition of Partners informing these organisations on trends, including social and well-being issues to help shape the future partnership strategy. Evidence of use of data science to identify social issues and hot spots

16.4 Principle 3: Understand new forms of vulnerability

OFGEM Baseline standard 3.1	
Have an extensive network of partnerships with a range of organisation types, from multiple sectors including other utilities.	
Baseline	<ul style="list-style-type: none"> Evidence that SPEN have an extensive network of partnerships in place, and that these are across a range of organisation types from multiple sectors, including other utilities Annual reporting on the number of partnerships in place, their purpose & types
SPEN Target	<ul style="list-style-type: none"> Our Coalition partnership model will include a wide range of cross sector organisations where customers can register once with any organisation to benefit from services. Sharing Data and informed by experts and trend data Annual reporting on the range of services delivered and value delivered through the Coalition of Partnership model showing both <ol style="list-style-type: none"> the services delivered by SPEN the services delivered beyond SPEN as a result of our creation and leadership of the Coalition Partnership Model.

OFGEM Baseline standard 3.2	
Make use of referral channels and signpost support to customers. This will primarily be done through customer service teams, but we expect DNOs to seek opportunities to maximise consumer touchpoints.	
Baseline	<ul style="list-style-type: none"> Evidence of acquisition channel and volume of PSR sign ups Evidence of acquisition channel and volume for wider support
SPEN Target	<ul style="list-style-type: none"> Coalition of Partnership model will include a wide range of cross sector organisations where customer can register once with any organisation to benefit from service & data sharing. Single vulnerability register, where customers can access all services via any organisation in the Coalition and via a single platform with two-way data sharing

OFGEM Baseline standard 3.3	
Be involved in two-way flow partnerships supporting vulnerable customers, in line with the companies understanding of social issues in their region. This should include the DNO having direct involvement in the end to end process of delivering support, providing expertise and co-creating schemes. Where appropriate, we would expect to see example schemes where the DNO is taking a leading role.	
Baseline	<ul style="list-style-type: none"> Evidence 2-way flow partnerships in place (volume and organisation type) Evidence of SPENs role in end to end process Evidence of expertise SPEN provides to partnerships Evidence of co-creation schemes where SPEN is leading
SPEN Target	<ul style="list-style-type: none"> £62.5m delivered by SPEN as a result of the schemes we lead (across ED2) Evidence of £value delivered by Coalition Model SPEN have led

OFGEM Baseline standard 3.4

Have a clear process for identifying which partnerships are likely to be most effective at delivering benefits through co-operative working. This should be clearly linked to the priority areas of focus of the strategy, in particular addressing fuel poverty and supporting those at risk of being left by the energy system transition.	
Baseline	<ul style="list-style-type: none"> Show the number and type of partnerships in place to support <ol style="list-style-type: none"> Fuel Poverty Support the Energy Transition Have in place a Partnership Assessment Toolkit with clear assessment of <ol style="list-style-type: none"> Partner Selection Partner Outputs Assessment Demonstrate using the all DNO SROI tool the benefits SPEN has produced as a result of the service we directly deliver (Including DNO Governance Framework regarding use of the proxy values Evidence ways in which SPEN have supported those in Fuel Poverty Evidence ways in which SPEN have supported customers through the energy transition Evidence baseline value of £2.91m per annum has been met
SPEN Target	<ul style="list-style-type: none"> Evidence the £ benefits SPEN has delivered over baseline – against proposed targeted Evidence the benefits SPEN leadership and management of the Coalition Partnership model has delivered beyond the services SPEN directly provides

16.5 Principle 4: Embed the approach to protecting the interests of consumers in vulnerable situations

OFGEM Baseline standard 4.1	
Have processes in place for embedding a commitment to protecting the interests of vulnerable customers within the company’s culture. This should include a well justified approach to ensuring all staff have received an appropriate form of vulnerability training to maximise the potential from all customer touchpoints. Companies should make use of external advice and support to set strategic direction, such as a vulnerability advisory or research panel. DNOs should appoint a vulnerability champion at senior management or board level	
Baseline	<ul style="list-style-type: none"> Evidence of vulnerably governance framework signed off by SPENH Board Evidence of Training Assessment Framework, laying out framework for <ol style="list-style-type: none"> Source data How data is used to inform Training needs How Training material is shaped by Experts, research and Trends How Training is targeted How Training is effectively assessed Evidence of training completed Evidence the customer touchpoints across SPEN and how we support vulnerable customers through these Evidence of the role Data, Trends, Research and Expert Advisors plays in our Coalition of Partners Model, Services, Training & Accessibility Evidence of Executive Team Vulnerability Champion & Governance into our Board
SPEN Target	<ul style="list-style-type: none"> Evidence SPEN training covers Contractors (as well as SPEN staff) SPEN Trainers undertake training to develop skills and knowledge in sectors such as Financial & broad vulnerability categories

OFGEM Baseline standard 4.2	
Seek opportunities to protect vulnerable customers throughout their capabilities.	
Baseline Measure	Demonstrate safeguarding processes are embedded in organisation
Baseline Target	<ul style="list-style-type: none"> Evidence of safeguarding Toolkit in place to ensure the 6 Safeguarding Principles are followed <ol style="list-style-type: none"> Empowerment Prevention Proportionality Protection Partnership Accountability
SPEN Target	<ul style="list-style-type: none"> As above

Evidence	Measures will be reported as part of our annual report, alongside this an Annual Independent Assessment to be conducted to evidence Baseline Target and SPEN Target being met. This Independent output report will be submitted as part of our annual reporting.
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17. Costs

In RIIO-ED1 we have worked to maximise the services we offer to our vulnerable customers whilst minimising costs. We've achieved this through an effective partnership model and will look to build upon this in RIIO-ED2. However, we also recognise that to deliver an enhanced level of support as required by the Vulnerability Common ODI, there are areas which will require investment over and above RIIO-ED1 levels.

Below is a snapshot of the cost increases predicted from RIIO-ED1 levels.

Commitment	Baseline standards impacted	Cost increase from RIIO-ED1 levels
We will transition our partnership model to be proactive by creating a coalition of organisations with shared goals and data sharing governance to deliver holistic and efficient support.	1.2, 2.1, 2.2, 3.1, 3.3	£0.3m
We will lead the creation of a single vulnerability register which our PSR will be part of, linking the organisations in our coalition partnership model. This "Register Once" service will make it easy for customers to register for vulnerability services with multiple organisations	3.2	£0m
We will register 80% of customers across every common needs code for PSR Registration by 2028 based on nationally available data	1.1	£0.08m
We will broaden our view of vulnerability, capturing needs broader than common utility codes, building these into our service offerings and coalition partnership model.	2.1	£0m
We will benchmark our service externally every year to measure up against best practice, achieving relevant recognized international standards and score in Top 5 UK companies through ICS service benchmark.	4.1,4.2	£0m
We will contact 100% of all our vulnerable customers every 2 years achieving a minimum 60% fully validated data.	1.2	£0m
We will use data creatively to understand those customers likely to face barriers in accessing low carbon technology due to social factors and overlay this with technology data creating an LCT Prioritisation ranking to enable us to best target our services.	2.1	£0.25m
We will support customers in a number of ways during a power cut and capture their individual needs through our contact channels with no less than 99% of needs being met.	3.4	£0m
We will deliver direct support services to 100,000* vulnerable & disadvantaged customers. * This does not include customers supported via the proposed CVP's and only captures those customers in scope of the common ODI services.	3.3, 3.4	£9.44m
Total		£10.07m



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