Making a Difference
Part Three: Our consumer vulnerability story

Ofgem Electricity Distribution Stakeholder Engagement
and Consumer Vulnerability Incentive Scheme 2021/22

SP ENERGY NETWORKS

This is Part Three of our submission to Ofgem's Stakeholder Engagement Incentive for regulatory year 2021/2022.

Ofgem's annual Stakeholder and Consumer Vulnerability Incentive (SECV Incentive) encourages Distribution Network Operators (DNOs) to: 'engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service.'

Our submission is in three parts:

Part One
– Our strategy
Introduces our Stakeholder Engagement and Consumer Vulnerability Strategy, with evidence that we meet Ofgem's minimum requirements.

Part Two
– Stakeholder engagement outcomes and impacts
Details the actions we have taken to meet the needs, preferences and priorities of customers and stakeholders identified through extensive engagement.

Part Three
– Supporting vulnerable customers
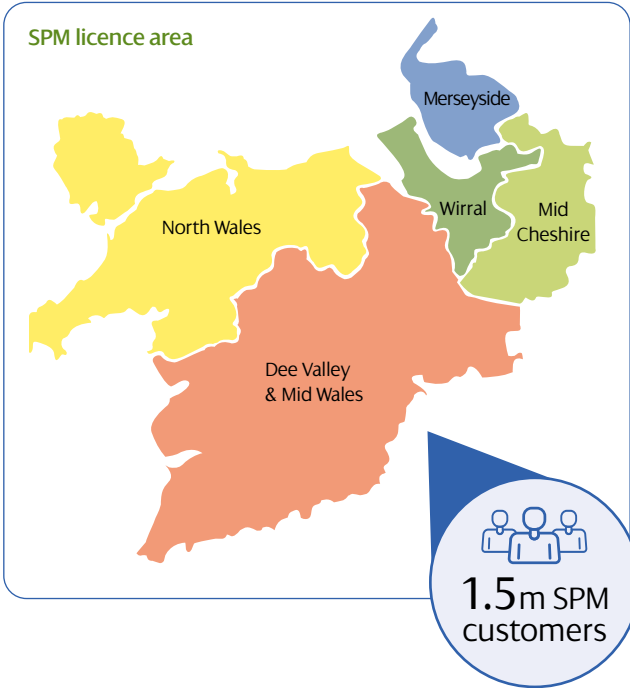Details key activities we delivered to address consumer vulnerability issues and the outcomes achieved during this regulatory year.

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About us

SP Energy Networks is the Distribution Network Operator that delivers electricity to homes and businesses in Central and Southern Scotland, Merseyside, Cheshire, North Wales and North Shropshire. We are the only network operator to work across three countries – Scotland, England, and Wales. We operate in **three of the UK's largest cities (Liverpool, Glasgow and Edinburgh) accounting for 1.6m (43%) of our customers**, as well as three significant rural areas (North Wales, Scottish Borders and Dumfries & Galloway).

SPD licence area — Glasgow, Central & Fife, Lanarkshire, Edinburgh & Borders, Ayrshire & Clyde South, Dumfries. **2.01m SPD customers**

SPM licence area — Merseyside, North Wales, Wirral, Mid Cheshire, Dee Valley & Mid Wales. **1.5m SPM customers**

Introduction from Kendal Morris, our Customer Service Director

We are living through challenging times. The past two years have been difficult for everyone, but especially for people already experiencing situations of vulnerability. The COVID-19 pandemic has deeply impacted the mental and physical wellbeing of many, disrupting the livelihood and welfare of millions of people.

More recently, the turn of the year has seen the start of an energy cost crisis, which saw the price cap set by Ofgem rise by over 50% (average energy bill increase of £700 per UK household). Fast increasing energy costs are landing a direct impact on the finances of every household in the UK and are compounding the adverse impact of the highest recorded levels of inflation in decades. Unfortunately, these trends will continue to cause challenges for people for the coming months, and may even worsen considering, for example, the recent conflict in Ukraine. People affected by situations of vulnerability and those in or at risk of fuel poverty – already among the members of society most in need of help and support – will bear the greatest consequences of these crises.

The pandemic and the ongoing energy crisis are also happening at a pivotal time for the energy system. The UK is moving towards a decarbonised, decentralised, digitalised and democratised energy system that will revolutionise the way society interacts with energy. As individuals and households will start to play an active role in the energy system, they will be exposed to both opportunities and challenges. The personal circumstances that affect those experiencing vulnerabilities and fuel poverty will also pose as blockers to them benefiting from the developing energy system. Our research on this key issue tells us that, unfortunately, the challenges that emerged over the past two years will intensify these blockers and make more people at risk of being left behind in the energy system transition.

At SP Energy Networks, we are committed to supporting the people and families in our communities that need extra help. As an essential service provider and a regional business with deep ties to our communities in Wales, England and Scotland, we take pride in doing what's right for those we serve. Bringing this ambition to life relies on a complex set of tools, processes and capabilities and a deeply rooted customer-centric culture that we have built over the years. These elements are captured in our vulnerability strategy, introduced in 2015, developed and refined with stakeholders and fully embedded from the front-line to our board and executive team. Our strategy focuses on three core areas; each is presented below along with an overview of the results we have achieved for our customers over the last year.

Our 3 core areas of focus

Understand customers' needs

The needs of our customers in vulnerable situations are complex, multidimensional and ever-evolving; no two situations are alike. As we strive to deliver tailored and meaningful support that truly addresses the root causes of vulnerability, it is essential that we build a detailed understanding of needs at a global, local and individual level. This understanding then impacts all aspects of our approach to vulnerability, from the services and the staff training we offer, to our partnerships.

To understand our customers' needs we make extensive use of data (including our PSR data and innovative data models) but also continually engage both customers in vulnerable situations and expert stakeholders who represent and support them.

> Developing an innovative tool that allows us to map customers at risk of being left behind in energy system transition

> Benchmarked 1st against all UK service sectors in the ICS UK Customer Service Index

> Engaged 18,543 customers and stakeholders to further understand their needs and how we could address them

> 370,847 vulnerabilities added to our register this year

Address customers' needs

Our research and engagement tells us that the needs of our customers go well beyond the energy sector. As an energy network we have worked closely with customers and stakeholders to define our role:

- Supporting customers before and during a power cut
- Addressing fuel poverty and wider social issues
- Ensuring no customer is left behind in the transition to Net Zero

At the same time, our innovative Coalition of Partners model, will ensure that the needs of the people we (and our many partners) identify will be fully and comprehensively addressed by organisations best placed to do it.

> Delivered advice and support services to over 3.5m customers

> 94% customer satisfaction from our vulnerable customers across all support services

> Developed a comprehensive LCT resource to inform, educate and link to expert advice and funding

> 99.66% of PSR customers experienced zero supply interruptions or were restored in six hours

Maximise value delivered

We go to great lengths to ensure that every action, investment and project set up to address our customers' needs delivers the greatest possible impact. This is driven by our ambition to leave a positive, lasting mark on our communities and by the fact that everything we do is funded by our customers, including those to whom these measures are targeted. The importance of maximising value delivered led us to be the first DNO to adopt the Social Return on Investment (SROI) model and to lead the industry in developing a unified social value measurement methodology. We have continued to refine our use of the model which now shapes the choice of every project and initiative aimed at vulnerable customers and allows us to track the benefit delivered by our programme, keeping us in line with our ambition to maximise impact. Whilst we led on SROI we also led all DNOs to build a consistent outcomes focused framework for the Vulnerability Incentive in ED2.

> The benefit delivered by our projects and initiatives to vulnerable customers this year alone amounted to £5.9m, up from £3.4m last year

> For every pound spent on supporting vulnerable customers, we delivered a benefit of £1.88 to our customers

> Designed an innovative database of outcomes that maximises the transparency and accuracy of our SROI calculations

> Winner of the Institute of Customer Service Award for Best Return on Customer Investment
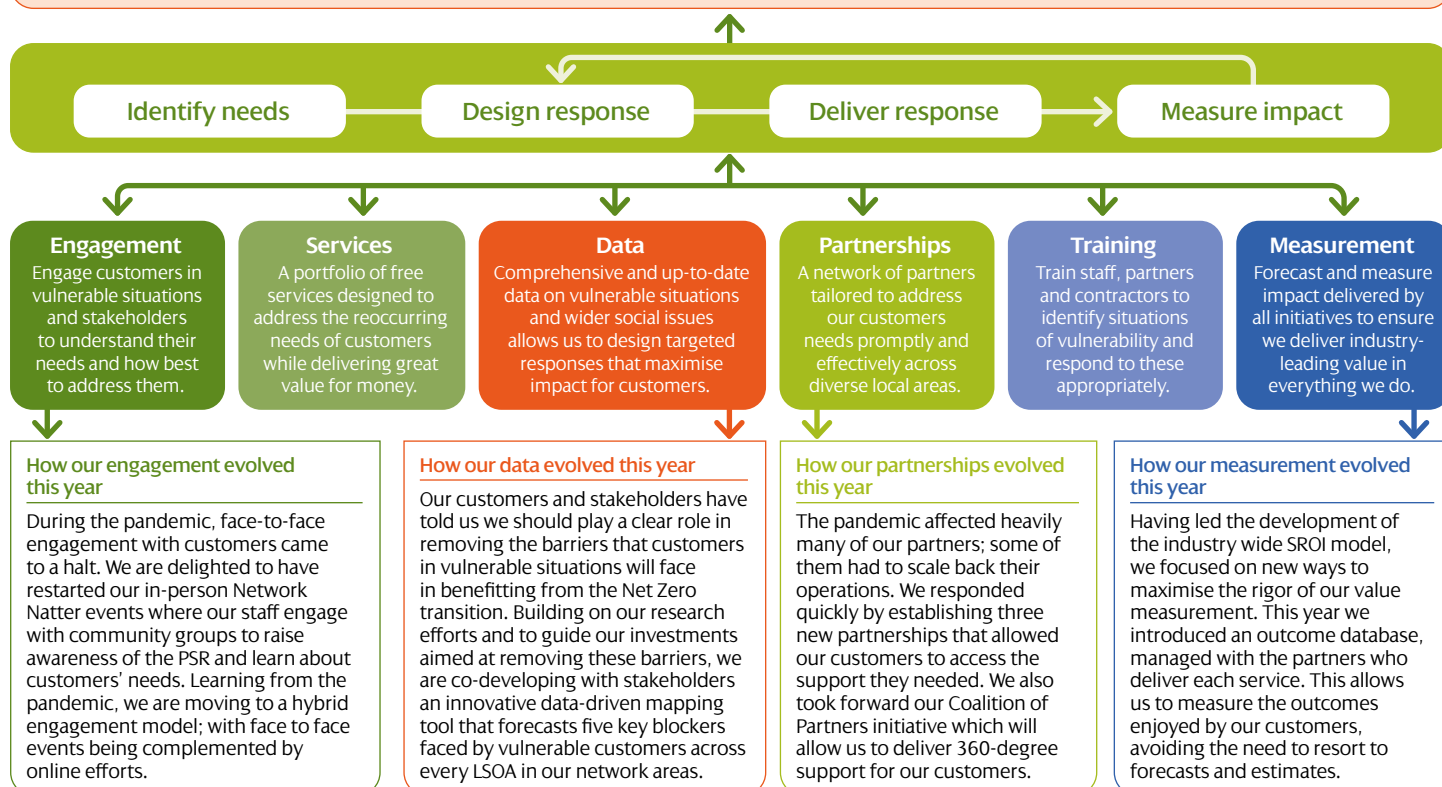
Our Consumer Vulnerability Strategy

Our support for customers in situations of vulnerability aims to achieve two key outcomes:

- Safeguarding our communities, and
- Deliver industry-leading value by addressing our customers' core needs.

These outcomes guide our consumer vulnerability programme and our wider actions as a business are captured by a mission statement defined with customers and stakeholders in 2018, and updated in 2021. The mission statement, along with three key focus areas, and capabilities that support their achievement, make up our strategy.

Our mission statement

"We will be a service leader in the UK, providing proactive and tailored service based on customers preferences and needs. By delivering focused support to our vulnerable and disadvantaged customers that is easy to access, we will help them save money, access the benefits of the low carbon transition, make use of technology, and receive support for wider social issues."

Identify needs	Design response	Deliver response	Measure impact

Engagement
Engage customers in vulnerable situations and stakeholders to understand their needs and how best to address them.

Services
A portfolio of free services designed to address the reoccurring needs of customers while delivering great value for money.

Data
Comprehensive and up-to-date data on vulnerable situations and wider social issues allows us to design targeted responses that maximise impact for customers.

Partnerships
A network of partners tailored to address our customers needs promptly and effectively across diverse local areas.

Training
Train staff, partners and contractors to identify situations of vulnerability and respond to these appropriately.

Measurement
Forecast and measure impact delivered by all initiatives to ensure we deliver industry-leading value in everything we do.

How our engagement evolved this year

During the pandemic, face-to-face engagement with customers came to a halt. We are delighted to have restarted our in-person Network Natter events where our staff engage with community groups to raise awareness of the PSR and learn about customers' needs. Learning from the pandemic, we are moving to a hybrid engagement model; with face to face events being complemented by online efforts.

How our data evolved this year

Our customers and stakeholders have told us we should play a clear role in removing the barriers that customers in vulnerable situations will face in benefitting from the Net Zero transition. Building on our research efforts and to guide our investments aimed at removing these barriers, we are co-developing with stakeholders an innovative data-driven mapping tool that forecasts five key blockers faced by vulnerable customers across every LSOA in our network areas.

How our partnerships evolved this year

The pandemic affected heavily many of our partners; some of them had to scale back their operations. We responded quickly by establishing three new partnerships that allowed our customers to access the support they needed. We also took forward our Coalition of Partners initiative which will allow us to deliver 360-degree support for our customers.

How our measurement evolved this year

Having led the development of the industry wide SROI model, we focused on new ways to maximise the rigor of our value measurement. This year we introduced an outcome database, managed with the partners who deliver each service. This allows us to measure the outcomes enjoyed by our customers, avoiding the need to resort to forecasts and estimates.

Focus on the role of our partners

Partners play a pivotal role in the end-to-end approach to addressing consumer vulnerability; they educate us on customers' needs, deliver and promote our services and work with us to measure impact. Operating in local communities, they are trusted by our customers and hold the knowledge and experience needed to solve the particular challenges they face.

Stakeholder feedback:

- Our stakeholders highlighted the key role that partners must play in our efforts to address the needs of vulnerable customers. They highlighted that SPEN is best placed to prevent customers from going off supply and getting them back on ASAP. They believe that as a customer facing organisation we have a role to play in addressing wider issues such as fuel poverty but this should focus on forming partnerships with organisations best placed to support.

- Many of our partners, especially local organisations, struggled to attract the necessary funding and resources to deal with the increase in support needed by local communities.

Actions we've taken:

- ✓ Our longstanding partner, Citrus Energy, offered the successful "Finding a Best Tariff" service to hundreds of customers every year. They unfortunately halted this service due to lack of funding. We reacted quickly to set up 3 new partnerships with USwitch, IncomeMax and Agility Eco to ensure that our partners can access a key service that has, on average, saved annually £236.27 per customer in the past.

- ✓ Using the tools of our partnership strategy, we assessed our existing services against the needs of all groups of customers in vulnerable situations. We identified the opportunity to better support asylum seekers and refugees. Working in partnership with National Energy Action and the Scottish Refugee Council, we supported the delivery of workshops that supported 200 families to access affordable warmth.

- ✓ We kicked-off our flagship initiative Coalition of Partners.

Case Study: Coalition of Partners

The Coalition of Partners (CoP) is an initiative that aims to bring together key organisations involved in supporting any member of society who may need some extra help. Bridging efforts, resources and data this initiative will lead to: **(i)** A granular understanding of individual's needs, **(ii)** Comprehensive, timely and easy-to-access support for individuals, **(iii)** Cost efficiencies for partners, enabling additional and more in-depth support with resources already available and will be ultimately underpinned by a single platform.

Our progress in implementing this model

After an initial consultation stage with stakeholders on the value of this concept, we are taking steps to progress this model this year.

- We are setting up a trial in Glasgow with partners including Local Authorities, other networks and utilities, emergency services, several charities and consumer bodies focusing on different groups of vulnerable customers. Partners will be represented by a member of staff on a steering group.

- Defined and built a set of key tools and processes that will allow the trial to function, including **(i)** a standardised approach to recording customer needs, **(ii)** the sharing of referrals across partners based on the need identified by any organisation involved in the coalition.

Understand customers' needs

The situations of vulnerability that affect our customers, like the needs that stem from these, are complex, multi-dimensional and can change very quickly. The pandemic has not only placed more people in a situation of vulnerability, but it has also exacerbated the situations affecting those already in need of extra help. The ongoing energy-crisis will only worsen this trend and worsen the challenges faced by our customers, especially those in, or at risk of fuel poverty. Against the backdrop of these shorter term trends, every customer will soon feel the impacts of the energy system transition to Net Zero. Those in situations of vulnerability, especially customers that are unable or unwilling to take up new technologies and engage with the market in new ways risk being left behind in this transition that they will contribute towards.

Understanding the needs of every customer as these evolve, impacted by short and long term trends and by endless personal and environmental factors is essential to the success of our consumer vulnerability approach. An in-depth understanding of customer needs, in fact, directly shapes every aspect of our strategy, from the services we offer, how we offer them, the partnerships we establish and the training we offer.

This year we have continued to invest in and expand the two ways in which we understand our customers' needs:

- a sophisticated data strategy and
- comprehensive engagement with both customers and stakeholders.

Focus on our customer data

Stakeholders said:

- Stakeholders strongly support our focus on vulnerability data. They believe that our core focus should lie in identifying and registering customers to the PSR, but they also expect that this should be complemented by additional data that will allow us to paint a more granular and comprehensive picture of the vulnerability dynamics across our communities.

- They also believe that ensuring the quality of the vulnerability data we hold, especially PSR data, is accurate and essential, given the impact this has in shaping our actions in support of customers.

Our actions/Acquiring and sharing data:

✓ We added over 140,000 households to the Priority Service Register to reach 67% eligible households (53% customer needs). Over 29,000 of these households were added through effective processes embedded in all customer contacts; other sources included community events and awareness campaigns.

✓ This year we focused our efforts on closing the gap on the PSR 'Dementia' category, which is one of the fastest growing categories within our PSR. We have used our network of partners and links to local community groups to target this area.

✓ In partnership with SSEN, Scottish Water and SGN, we continued to offer the 'PSR Scotland' website. A central resource where customers can learn about the comprehensive support offered to those on the register and where they can sign-up on both the energy and water PSR.

✓ Continued our collaboration with partners to ensure that our customers can access more comprehensive support, delivered efficiently, from a multitude of relevant organisations including: emergency support (e.g. Fire & Rescue Services), utilities, (suppliers, WWU, SGN). In total, we shared and received 109,945 records.

✓ Gathered and mapped 50 additional datasets on characteristics linked to situations of vulnerability and PSR. We added these to the existing 68 datasets in our mapping tool to gather a more granular and comprehensive understand of the vulnerability.

Our actions/Ensuring the quality of data:

✓ We continued to employ a wide range of approaches to update the PSR data we hold on our customers as we strive towards an industry-leading target of 80% of eligible customers registered on the PSR. For example, we ask whether our customers' situations had changed during every inbound and outbound call with customers.

✓ We have continued to offer 'timed' PSR signups to accommodate the situations of those in temporary situations of vulnerability. Over recent times, this process proved successful in recording and supporting customers affected by COVID in the short and long term.

✓ Overall, we updated 370,847 records and remove another 184,283. Through every customer contact we ensure our vulnerability PSR data is up to date, where a customer's record reaches 24 months without any contact we carry out a proactive data cleanse.

Case Study: Measuring and mapping the risk of being left behind

To reap the benefits and opportunities that the energy system transition will bring, customers will need to adopt new technologies, take new behaviours and actively engage with new organisations.

Not every customer will be willing or able to make these choices. Since 2019, we have worked hard to assess the blockers that specific customer groups, especially those in situations of vulnerability and fuel poverty will face in joining the transition.

A key development this year has been starting a new project that aims to measure and geographically map the blockers faced by our customers. So far, we have:

- Studied and compared 15 mathematical and statistical approaches to measuring real-world 'situations' by merging existing datasets (e.g. Scottish Indices of Multiple Deprivation).

- Based on the benchmark exercise, we designed a bespoke method to measure the likelihood that customers in a given LSOA (small area with a population of 500–1000 sharing similar characteristics) will experience one of the five barriers identified in our research (see more on page 7).

- We have identified at least 50 datasets from reputable government sources covering a range of economic, social, demographic and cultural aspects of each community we serve.

- We are calculating a score for each local community which indicates the risk that customers within it could be left behind in the energy system transition. The score is composed from criteria from each of the five blockers – this allows us to address the barrier that will prevent customers from engaging with the transition.

How we are using this data-driven insight

- We are engaging with stakeholders to gather their expert take on our initial modelling, and carrying out testing of our results by comparing these to feedback from customers in the areas targeted.

- This project will be key in informing our initiatives, partnerships and all efforts aimed at removing blockers that will prevent our vulnerable and fuel poor customers from benefitting from the energy system transition.

- Over 2022/23, we plan to start sharing the findings of this new tool more widely to support our local partners as well as other utility companies in informing their efforts to make the transition to Net Zero as equitable and just as possible.

Data to drive our desired impact

Support customers before and during a powercut
- PSR data
- Operational data
- Experian's Mosaic customer segments

Addressing fuel poverty and wider social issues
- Specialised fuel poverty data from dedicated suppliers

Ensuring no customer is left behind in the Net Zero transition
- 50 datasets including financial, educational attainment, health, occupational datasets

Comprehensive engagement with customers and stakeholders

Stakeholders said:

- Our stakeholders tell us that continued engagement with organisations that represent specific groups of vulnerable customers and those that have expertise in supporting these groups of customers is critical to ensure we understand the unique and changing needs of our customer base. However, they believe that ongoing contact and collaboration with stakeholders should only complement direct engagement with customers and communities.

The actions we've taken:

✓ Over the past year we have engaged a total of 18,543 customers and stakeholders. All engagement was consistent with our embedded stakeholder engagement strategy presented in Part One of this submission. The table below provides an overview of this engagement.

✓ Implementing the lessons learned throughout the pandemic, during which we continued to engage customers and stakeholders notwithstanding the restrictions, we have started to move towards a 'hybrid' engagement model.

We will continue to offer flexible means of engagement to our stakeholders, such as online conferences, workshops, and surveys – these methods proved successful involving more deeply expert stakeholders such as smaller, often resource-strapped, local charities. Building on this, we have re-started our programme of face-to-face engagement with customers across their local communities – we have learned that direct, in person engagement is the best way to learn about our customers' needs and inform them on the help we can give. Where customers require that extra support, such as those with limited digital literacy, we've used "buddy" engagement to ensure these customers have a voice.

Examples of our engagement

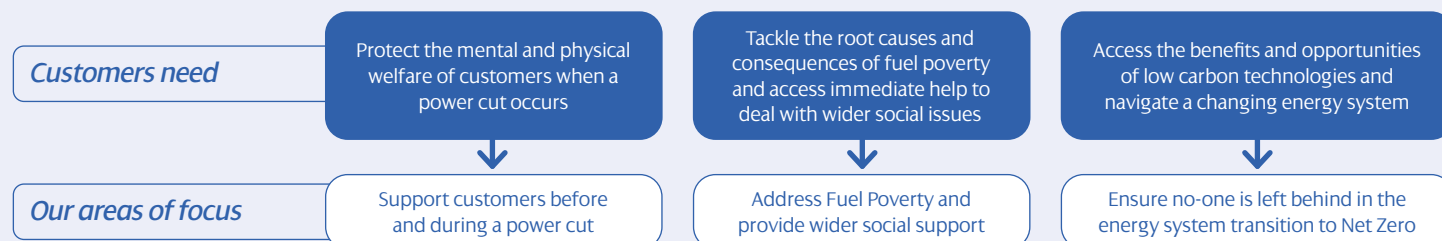| Engagement Event	Examples of Stakeholders Involved	Description	Results	Reach
Partner Cascade Workshops	Partner organisations such as Age Scotland; NEST; Denbighshire Voluntary Services Council; VOCAL a carers support Edinburgh; Changeworks; Lothians Locality Alzheimer Scotland	Training of partner's staff to deliver and promote the benefits of joining the PSR and raising awareness of the additional support services available and how to refer them to SPEN to access such services	Information and resources dispensed to a wider network of support staff to deliver Raise awareness of the 105 number & PSR Raising further awareness of customer needs and the additional support services available	4,870
Utilities Engagement	Welsh Water, SGN, SSEN, Scottish Water, Cadent, United Utilities, Wales & West Utilities, etc	Sharing best practice, collaborating on initiatives, data sharing	Enhancing additional support services and collaboration (i.e. promoting carbon monoxide alarms) Promote services available to vulnerable customers Refer on to Priority Services Register	1,131
Network Natters	Local community groups, parishes, local carer groups such as North Ayrshire Dementia; Local Solutions Carer Support Liverpool; Falkirk Ladies Lunch; Saline Ladies Guild; Newcomers Club; Macular Society Scotland	We attend community/parish/club meetings to promote the PSR and the additional services offered to registered customers	Learned about how the needs of specific customer groups such as those in pensionable age are changing as a result of COVID Raise awareness of the 105 number & PSR Identify customer needs and offer tailored support	704
Emergency Services Partnerships	Cheshire Fire and Rescue Service; North Wales Fire & Rescue Service; Scottish Fire & Rescue Service and Shropshire Fire & Rescue	Building on existing services programmes (e.g. Safe & well visits) and training staff to identify PSR customers, referring them to SPEN and promoting the additional support services	Promote services available to vulnerable customers Refer on to Priority Services Register Distribution of Winter Warm Packs	600
Forums, Workshops	Neighbourhood Networks, Safer Scotland, Empowered by Energy	Promoting the PSR and the additional services offered to customers Sharing best practice and ways of raising awareness	Promote services available to vulnerable customers Refer on to Priority Services Register	300
Security of Supplies Leaflet and SMS Text	All 3.5 million customers households	Our annual awareness leaflet to all customers advising them of our licence obligations and support we provide	Advice on what to do in a power cut Who we are and the channels to report an emergency Raise awareness of 105 & PSR	3.5m households

Case Study: Training powered by data

In 2019, we designed and developed a 'customer needs tracker' that tracks our vulnerable customers' unique needs. This allows us to ensure that the support services and processes we offer are fit for purpose in addressing the needs of our customer base.

The data and information we hold on our customers' needs (beyond the PSR) also proved to be a precious resource for training our staff. Over the past year, we have delivered over 6,000 training hours to educate our staff and contractors on the diverse needs of customers and how to address these.

Addressing customers' needs

Ongoing engagement with stakeholders and people in vulnerable situations, complemented by a sophisticated data strategy, have led us to build a comprehensive and accurate picture of our customers' needs. As discussed in the previous section, these needs are complex, diverse and multi-dimensional; addressing them all requires the involvement and support of many bodies and organisations across the private and public sectors. At the same time, as a regulated network, everything we do is funded by our customers so it's essential that our efforts in tackling vulnerability focus on the areas where our customer base and our expert stakeholders believe we can have the most impact. Over the years, we have worked closely with them to define our role in supporting customers in vulnerable situations; for example, we have learned that our customers want to support people in times of hardship but do not believe it's our role to provide direct financial support. Collaboration with customers and stakeholders led us to focus on the three following needs:

Customers need	Protect the mental and physical welfare of customers when a power cut occurs	Tackle the root causes and consequences of fuel poverty and access immediate help to deal with wider social issues	Access the benefits and opportunities of low carbon technologies and navigate a changing energy system
Our areas of focus	Support customers before and during a power cut	Address Fuel Poverty and provide wider social support	Ensure no-one is left behind in the energy system transition to Net Zero

While our consumer vulnerability programme is focused on addressing these three core needs, we have taken new steps to ensure that our vulnerable customers can access 360-degree support that truly makes a lasting impact on their wellbeing and their quality of life. Our Coalition of Partners model, further described on page 2, gives us the means to directly connect those in need of extra help with tailored support from organisations with the expertise and resources necessary to make a difference. This model complements our portfolio of support, allowing us to focus our efforts where we can be more effective while leaving no stone unturned to support our vulnerable customers.

The sections below provide more detail on our ongoing efforts and new projects aimed at addressing our customers' needs.

Support customers before and during a power cut

Stakeholders said:

- Addressing the issues and challenges that customers may experience as a result of a power cut should be the central focus of our vulnerability programme. As a DNO, we have a duty to **(i)** prevent customers from going off supply and, **(ii)** should they be impacted by a power cut to restore their supply as soon as possible and support them before this happens.

- Given the greater impact that people affected by situations of vulnerability can experience during a power cut, stakeholders believe we should focus on both **(i)** preventing detriment arising from power cuts and **(ii)** offer prompt, tailored and flexible support when vulnerable customers are affected by a power cut.

Customers said:

- All customers expressed a clear desire for timely and accurate communication around power cuts, this was especially true for our vulnerable customers. Not only is proactive communication key to manage stress and make the necessary arrangements, but they also place more importance on specific types of information, such as when the engineer will arrive and when to expect the power to be restored.

- Similarly, when a power cut occurs, vulnerable customers expect more support to be provided (especially groups of customers who are medically dependent on electricity), at a personal and community level, sooner than other customers.

- They believe that SPEN should work hard to promote the services it offers.

Our actions/Communicate promptly, clearly and effectively during and before power cut:

✓ We continued to ensure that our customers in vulnerable situations remained informed and up-to-date in a variety of scenarios. Communicating effectively and keeping customers involved is critical to lower stress, manage anxiety, and allow customers and those who care for them to put the necessary arrangements in place to protect their welfare and wellbeing.

✓ Over the past year, we continued to rely on our comprehensive portfolio of 12 communication services, delivering these to over 3.5million customers. The large volume in the delivery of communication services reflects our relentless customer focus and the unprecedented efforts made in supporting our vulnerable customers throughout a very challenging storm season.

✓ From visits to a customers' premises before a planned outage to providing accessible channels for communicating and staying up to date during supply interruptions, these services were designed over the years to ensure that our customers stay abreast of the latest progress and feel in control of their situation.

IVR Messaging **179,041** Customers supported	Inbound fault enquiry **659,283** Customers supported	Text relay service **96** Customers supported
Restoration calls **165,727** Customers supported	SMS Updates **781,093** Customers supported	Dedicated PSR Helpline **15,046** Customers supported
Voice to landline updates **465,909** Customers supported	Website accessibility **290,520** Customers supported	Security of Supplies Leaflet **3.5million** Households supported
Planned outage face-to-face visits **31,413** Customers supported	Added security checks **1,789** Customers supported	Braille and Large Print Services **48** Customers supported

Our actions/Support customers' welfare when a power cut occurs:

✓ We take all steps necessary to prevent and minimise detriment that our vulnerable customers can experience during a power cut. Our objective is always to provide a tailored response to our customers' unique set of needs and circumstances. We do this by empowering our customer-facing staff with **(i)** the skills to understand customers' needs and **(ii)** the flexibility to do what's required to support them fully.

✓ At the same time, our experience, engagement and data analysis tells us there are recurring needs we can address with a standardised services to minimise impact to customers during power cuts.

Generator provision **6,668** generator provided	Help in a power cut support **9,565** Customers supported
Winter welfare packs **4,012** Customers supported	Hot food and hotels provided **90,902**

Our actions/Train our colleagues to identify and respond to customers' needs:

✓ Every customer interaction is an opportunity to learn about an individual's unique circumstances, their needs and explore whether they can be supported by us or our partners. For this to happen, it's essential that everyone at SPEN has the tools, resources and understanding needed to identify and respond to our vulnerable customers' needs. In light of the importance of training, we have continued to expand the reach of our vulnerability training programme. Over the past year we delivered 6,140 training hours, up 61% from last year!

✓ We have expanded our 'making a difference' training, first introduced by vulnerability training experts in 2019, which aims to increase our colleagues' confidence in interacting and addressing the needs of vulnerable customers, with modules focusing on situations such as Mental Health. This year we held a total of 97 sessions (up 102% from last year) with 5,645 colleagues, focusing on apprentices and adult craft trainees to ensure that a focus on vulnerability is built-in from day one at SPEN. Our colleagues benefitted greatly from this training, reporting a 4.9 point increase in their overall knowledge and confidence to address vulnerability and a perfect 100% pass rate.

Case Study: Storm Arwen

In November 2021 Storm Arwen severely impacted much of the UK, leaving more than 1 million households without power, 200,000 of these customers in SPEN licence areas. Due to the tireless efforts of our teams the vast majority of customers had their power restored in less than 24 hours. However, we also recognise that some customers were without power for longer than is acceptable, even in such trying circumstances, and that's why we were the 1st DNO to proactively compensate these customers with a £150 payment over and above any statutory payments. We were also acknowledged by Ofgem and other key stakeholders as being the DNO to pay all entitled customers quickest.

We've used Storm Arwen as a valuable lessons learned exercise, working with the communities most impacted and establishing our own independent review of performance in parallel with supporting both the BEIS and Ofgem investigations.

We are pleased to note that lessons learned from Storm Arwen have already been factored into our emergency plans in the six subsequent severe weather events in 2022:

- 99% of customers had their power restored in 24 hours and all customers restored in 48 hours (up from 88% in 24 hrs and 96% in 48 hrs in Storm Arwen)
- 90%+ of customers restored within the initial time estimate (up from 79% in Storm Arwen)

Over the course of 2022 we will continue to implement actions aimed at reducing likelihood of a power cut, reducing the time taken to restore power during a power cut and developing the support measures we can put in place for our customers when these events do occur.

Outcomes we delivered for power cut support

We delivered a **total benefit of** **£4.2m*** **over the past year** alone	For **every pound spent** on power cut support, **we delivered a benefit of** **£1.45*** to our customers	**90%** **customer satisfaction** with the power cut support offered	**99.66%** of vulnerable customers did not experience a power cut or were restored within 6 hours in 2021/22

These results are is based on the outcomes enjoyed by customers as a result of 23 services we delivered over the past year to support customers before and during powercuts.

Address Fuel Poverty and provide wider social support

Stakeholders said:

- Stakeholders believe that as a distribution network we have a significant role in addressing fuel poverty along with other private and public organisations. They believe our role should mainly focus on providing guidance and quality advice to manage energy costs and driving energy efficiency improvements.
- As an essential service provider with a high degree of customer contact, especially in difficult circumstances (e.g. power cuts), our stakeholders believe we should address emergencies and situations of vulnerability not strictly related to the energy sphere.
- Stakeholders believe effective collaboration with a wide range of partners is the best way for SPEN to address the needs of customers it is not best placed to tackle.

Customers said:

- Our customers often echo the views of stakeholders in supporting us in addressing fuel poverty and wider social needs when encountered. They are especially supportive of services that can be delivered without adding further pressure on bills.
- Customers also agree that SPEN is often not best placed to tackle issues of a social and economic nature, including fuel poverty, and therefore, support SPEN's efforts in developing networks of partners that can deliver this support once a need is identified.

Our actions/Tackling the root causes of fuel poverty and its consequences:

No one should have to choose between heat or eating, but this is unfortunately is a situation that many households in fuel poverty face regularly. Fuel poverty is not only a social and economic problem, but it also has wider societal impact such as the negative impacts of cold and damp homes on the wellbeing of its residents among many others. Ongoing events, such as the pandemic and the energy crisis are already exacerbating the issue by pushing more people deeper into fuel poverty.

To tackle fuel poverty, we rely on a strategy that addresses its three key components: household income, the cost of energy and the efficiency of the home. This strategy is supported by three key services, shown in the table on the right; we have delivered these to 33,813 customers over the past year.

Responding to the ongoing energy crisis we have also developed new initiatives and partnerships:

✓ While focusing on addressing the root causes of fuel poverty, we also geared up to support our partners' efforts in lending a helping hand to families facing the impending price hike. We partnered with Energy Action Scotland on the Essential Warmth Campaign to deliver duvets and duvet covers to 100 families in the most deprived communities.

✓ We partnered with the Fuel Bank Foundation, along with several other electricity and gas networks, to support a network of community support partners in providing emergency next day fuel funds and the provision of additional support services to address long term debt and poverty. Since the start of this year 309 families were supported.

Energy advice and efficiency measures
33,441
Customers supported

Best energy tariff
241
Customers supported

Income maximisation and debt advice
131
Customers supported

Case Study: Agility Eco with LEAP

AgilityEco is a leading provider of fuel poverty, energy-efficiency and low-carbon services across the UK, working in partnership with utility companies, local authorities, social housing providers, charities and social enterprises tackling the dual challenges of fuel poverty and vulnerability. They design and operate a number of community-based programmes to provide fuel poverty and energy efficiency solutions to these specific households, one of which is the award-winning Local Energy Advice Partnership (LEAP).

We established a new partnership with LEAP in 2021 in light of the energy crisis and responding to existing partners halting the provision of services to our customers. LEAP play an important role in our efforts to address fuel poverty, delivering a wide range of services aiming to lower heating costs and increase disposable incomes, including: **(i)** Best Tariff and income maximisation, **(ii)** Delivering energy efficiency advice and supporting customers in accessing grants, **(iii)** Funding the adoption of new white goods, **(iv)** providing efficiency measures such as LED bulbs, radiator reflectors, draught-proofing windows.

Our actions/Providing support to address wider social needs:

✓ As a customer-facing organisation with a strong local footprint, we interact with customers everyday, often at delicate times. Across these touchpoints, we often encounter emergencies and situations of vulnerability, many of which are not related to a customer's energy supply. These include health issues such as dementia and mental health but also social issues such as loneliness.

✓ Supported by our customers and stakeholders we have long held the belief that we have a role in identifying and linking expert partners – we are particularly proud of this role.

✓ To do so, we have set up a portfolio of nine services designed to give a helping hand to those customers who may need extra support. Over 2021/22, we have delivered these services to 1,541 customers via our wide network of local partners.

Connections assistance **45** Customers supported	Carbon monoxide awareness and alarms issued **300** Customers supported
Safeguarding through fire services – safe and well programmes **634** Customers supported	Befriending, carers support, dementia support, good food and friends and community support **562** Customers supported

Outcomes we delivered to address wider social needs

We delivered a **total benefit of** **£1.3m**[*] **over the past year** alone	For **every pound spent** on fuel poverty and wider social support, **we delivered a benefit of** **£6.44**[*] to our customers	**97%** **customer satisfaction** with the fuel poverty and wider social support services	**5%** collaborative initiatives with Utilities organisations

*These results are is based on the outcomes enjoyed by customers as a result of 21 services we delivered over the past year to tackle fuel poverty and address wider social services.

Ensure no-one is left behind in the energy system transition to Net Zero

Stakeholders said:

• Stakeholders believe we should play a role in supporting our customers, especially those in situations of vulnerability, to participate in the energy system transition. They believe our role should focus on enhancing customers' knowledge, their technical capability and to generate opportunities for them to adopt low carbon technologies.

• Focusing on the importance of increasing customers' level of knowledge on low carbon technologies, they felt it was important to communicate clearly and in simple terms across both digital and traditional channels, to ensure communication was accessible by all.

• Finally, they highlighted the importance of working with expert partners to deliver support and tailored education.

Customers said:

• Customers felt uninformed and, while supporting a specific focus on those in situations of vulnerability, they expressed a clear interest for SPEN to support all groups in participating in the transition to Net Zero.

• Customers generally saw cost, the lack of knowledge and their understanding of low carbon technologies as a major blocker to participating. Among potential sources of support, the most popular was a central resource with clear and simple information on low carbon technologies and how to adopt them.

Our actions/Leaving no-one behind in the energy system transition:

As a network operator, we play a central role in building the network, processes, systems and functions around which the future energy system will rotate – as such, it's essential that we take steps to make this system accessible and beneficial to all in the transition to Net Zero.

Our efforts to understand the barriers that vulnerable customers face in participating in the transition started in 2019. We commissioned independent research into the industry and socio-economic trends that would impact the dynamics of vulnerability as our communities moved towards Net Zero. Having identified these key trends, we engaged our partners and expert stakeholders to map the barriers (shown on the right) that vulnerable customers would face in adopting low carbon technologies and taking an active role into the future energy system. As we gear up for the next regulatory period, we have made great strides forward in this area over the last year:

✓ We are developing a new method to measure and map the risk of being left behind across every local community we serve in England, Wales and Scotland. This method will result in the creation of an interactive map which will shape our efforts in supporting customers throughout this transition.

✓ We worked with our stakeholders to co-develop simple, comprehensive guides on 16 new energy technologies and solutions ranging from heat pumps to time of use tariffs and heat networks. These guides have been published on our website and are accessible in printable formats for the accessibility of all groups.

✓ We commissioned another independent study to explore the latest thinking on the blockers that vulnerable customers may face in participating in the energy system transition. This report, based on 27 highly reputable sources including BEIS, Citizens Advice, the Energy System Catapult, largely supported the barriers on which our approach is built.

✓ We commissioned an independent study to identity the barriers that disabled drivers would face when charging EVs. The study also explores potential solutions that could be implemented to overcome these barriers.

The five barriers faced by our vulnerable customers

- Knowledge
- Financial
- Technical Capability
- Opportunity
- Willingness to take risks

Case Study: Guides on new energy and low carbon technologies

Our research and engagement told us that increasing our customers' knowledge on the new energy and low carbon technologies was a key step in facilitating their participation in their energy system transition. In light of this finding we have now published several guides on energy technologies, ranging from key low carbon technologies (e.g. different types of heat pumps and solar technologies) to new tariffs (e.g. time of use tariffs) and smart technology (e.g. hubs, appliances).

The guides provide simple information in plain English including: **(i)** an explanation of the technology, its uses and how it works, **(ii)** information on the best use cases for the technology, **(iii)** information on costs and potential savings, **(iv)** information around key considerations including maintenance and life expectancy, **(v)** information on how to adopt the technology (i.e. impact of installation) and **(iv)** information on the financial support available.

To maximise the usability and ease of access for these guides, we built a 'survey-like' experience where the user is asked a few simple questions on their needs, location and the type of home. Based on these answers, the guides return tailored results on installers, funding and partners available to support, only relevant to the customers circumstances.

To ensure that the guides were fit for purpose and widely accessible, we engaged with our expert stakeholders. They guided us in all stages of this process, from the list of technologies, the structure of the guides, their tone, language and accessibility.

Each guide is available for download in a printable PDF format, allowing carers and family members to share the guides with customers who cannot engage with digital content.

The guides are now available on our website and widely promoted by our customer-facing colleagues and our partners. These will act as the cornerstone of our efforts in the short and medium term to enhance our customers' knowledge and increase their confidence in considering the adoption of low carbon technologies as a first step in the energy system transition.
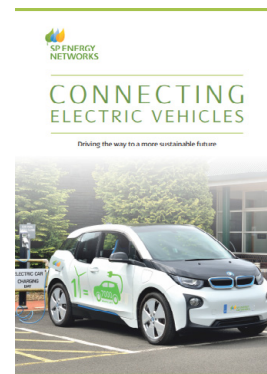
Case Study: Designing and testing new solutions for off-gas grid fuel poor households

Low carbon technologies can offer valuable solutions, in the short term, to address fuel poverty while decarbonising heat and reducing peak demand in communities not connected to the gas grid. This was the premise of a new project, kicked off in partnership with SSEN, that will demonstrate how domestic thermal storage along with heat pumps can reduce the peak demand on the network, reducing the need for conventional reinforcement. The project, named 're-heat', will install heat pumps with thermal stores in 150 homes across three local authorities in Scotland.

The project will be delivered as part of the recently formed strategic heat partnership with Scottish Government and will be supported by funding from Scottish Government, SSEN and project delivery partner E.ON. The project has been discussed with BEIS, Ofgem, Welsh Government,

Scottish Government and a number of local authorities and housing associations in both Scotland and Wales. We have leveraged our innovative NAVI system (discussed in Part 2) to model the impact of the heat pumps on the network and have further developed our existing partnership with Sunamp to install the heat batteries in fuel poor homes.

This industry-first project will allow 150 families in fuel poverty to benefit from the installation of a new heating system while lowering their bills by approximately £140 a year. At the same time, rolling out this solution across our network could save all customers £54m by 2040 not counting the health benefits to fuel poor customers and the wider benefits to the environment from lower CO_2 emissions.

Outcomes delivered in leaving no-one behind

All vulnerable customers can now access simple guides that increase their knowledge while providing a direct route to funding, installation and tailored support.	Measured and mapped the risk of being left behind across every LSOA we serve. This will allow us to shape and target future support.	We delivered a **total benefit of** **£390,000** **over the past year** alone	For **every pound spent** on LCT initiatives, **we delivered a benefit of** **£7.77** to our customers

Promoting our services to ensure every customer is aware of them

Stakeholders said:
- Ensuring that customers are aware of the support available to those registered on the Priority Service Register is an important factor in our ability to support customers. Customers' awareness leads to word of mouth across communities that help us register more people in situations of vulnerability, enhancing our ability to deliver targeted support, in addition to our proactive outreach efforts.

Customers said:
- Many customers are unaware of the PSR and the services offered to customers registered on it.
- People who are affected by situations of vulnerability can sometimes doubt whether they are eligible for the register.

Our actions/Promoting our services:

Over the past year, we have continued to deliver our approach to promotion of the PSR and the associated services. Introduced in 2018, this approach aims to raise:

✓ Awareness of the Priority Service Register

✓ Awareness of the services offered to customers on the PSR and the key benefits for customers (e.g. priority restoration of supply).

This approach relies on a variety of digital and traditional channels targeted to different demographic groups and geographies. A balanced mix of channels makes our promotion efforts accessible to all groups and ensures that the target audience is reached effectively. The table on the right provides some examples of the promotional channels we relied upon in 2021/22.

Over the past year, we promoted the PSR and the associated services via four channels, reaching over 3.5 million customers.

Promotional channels	Community initiatives	Partners	Stakeholder events
High street poster and postcard	Network Natters	National Energy Action	Local authority winter preparedness
Security of Supplies Leaflet	GPs and healthcare centre packs	Fuel Bank Foundation partnership with other networks	Neighbourhood Networks Forum
Scotland PSR website	Scottish/Cheshire Fire & Rescue services	LEAP, NEST, EPP, HES	Welsh Water Workshop

Maximise value delivered

Every decision we make as a business, from our projects to every-day choices, is taken with the objective to deliver great value to our customers affected by situations of vulnerability, improving their resilience and wellbeing in sustainable ways. As a regulated energy network, these decisions are ultimately funded by our customers – we have a duty to them of making the most of this funding. For these reasons, assessing the value of our decisions has been a central consideration at SPEN, especially in the vulnerability space, where customer impact is the primary goal.

In light of its importance, we have taken a leading role in social value measurement, introducing the Social Return on Investment (SROI) across all aspects of our vulnerability strategy and, more recently, leading the industry in the adoption of a shared SROI methodology to ensure in ED2 DNO value is measured using a consistent model and governance framework.

Today, we continue to embed our sophisticated approach to value measurement and to push its boundaries to achieve ever more rigorous, accurate and transparent measurements. Our aim is to make the right choices for customers – the ones that maximise value for them.

Sophisticated value measurement to maximise outcomes for customers

Stakeholders said:

- Our stakeholders believe that we should seek to maximise the value delivered to customers in vulnerable situations considering the cost to deliver this impact as a secondary.
- They believe that the public has a role to play in supporting those less fortunate in society through a small portion of their energy bills.

Customers said:

- Customers held a different view from stakeholders as they felt that we should maximise impact delivered while minimising cost to the wider customer base.

Our actions/Embedded the SROI in our stakeholder-driven decision making process:

Social value measurements, more specifically the Social Return on Investment (SROI) method, is an integral part of how we make decisions at SPEN.

The diagram on the side demonstrates how our stakeholder-driven decision making process, is adapted to the consumer vulnerability programme. We use the SROI method in two ways:
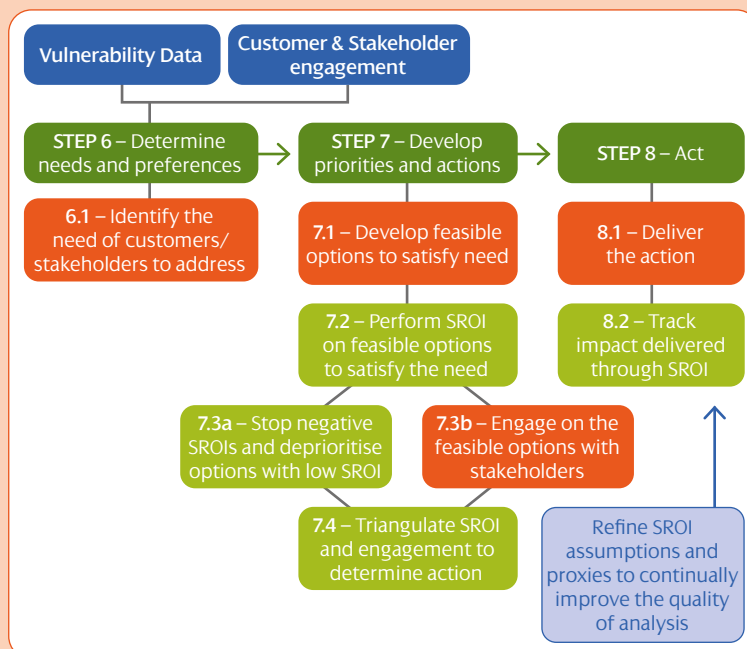
✓ **To set up new services and projects:** we forecast the value of different options that could be delivered to satisfy a customer need; and

✓ **To measure the value delivered:** we quantify the outcomes that result from services and projects delivered for customers.

Setting up new services

Our sophisticated data strategy and comprehensive engagement with customers and stakeholders informs our understanding of customers' needs.

Once a customer need is identified, we work with internal and external stakeholders to develop feasible options to address this need. Once a set of (feasible and realistic) competing options is produced, we forecast each of their value to society by putting these through the SROI. Initiatives with a negative value are eliminated.

At the same time, we engage with customers and stakeholders to gather their views on the quality of each option. This process leads us to triangulate **(i)** the quantitative findings from the SROI and **(ii)** the qualitative findings from the engagement to ultimately select the project which maximises value for society. See the example below.

Background	Project	Cost	Benefit (GPV)	Net SROI	Qualitative benefits
An existing partner ended their offering of several key services that supported our fuel poor customers. We needed to move quickly to find alternative suppliers.	LEAP with Agility ECO	£12,037	£136,013	£10.30	This partner could offer the same type and level of support to customers across all network areas.
	Partner B *(Anonymised)*	£12,037	£67,789	£4.63	This partner was mostly focused on Wales and England. This would have required an additional partnership to focus on the Scotland region.

As this example opposite shows, we decided to select Agility ECO as a partner to close the gap in our Fuel Poverty offering. This was driven by both a better value for money profile (the project generates nearly a pound extra in benefits for every pound spent on it) and because it offered us the ability to urgently close a gap in service provision across all local areas, a key consideration given the little notice given by the previous service provider and the ongoing energy crisis and pandemic gripping the country.

Reviewing the effectiveness of services and initiatives

We also use the SROI method to assess the impact delivered by a project. While the underlying model and methodology remain unchanged (and in line with the industry-wide SROI model) we replace estimated outcomes with actual outcomes gathered from project partners. This was a key area of development over the past year.

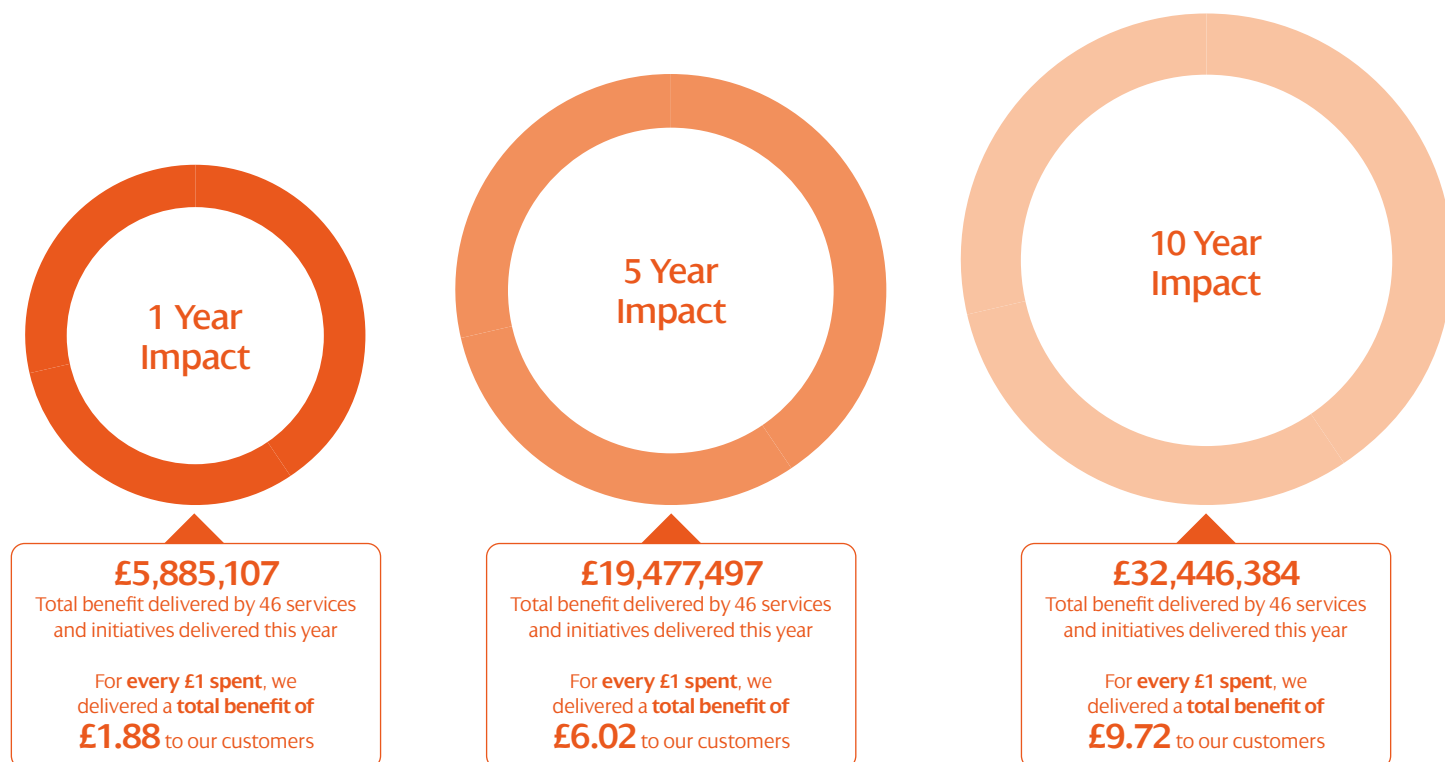**By tracking the impact delivered by every project we can ensure that:**

- Our forecasts are accurate and rigorous. Any discrepancies are studied and reflected in a better estimation of forecasted benefits which, in turn, improve our ability to make decisions that maximise customer value in the long run.

- We can assess the overall impact delivered to customers and study its year-on-year development. This is critical to ensure that our approach to consumer vulnerability is fit for purpose in meeting our objective of maximizing value for customers.

The diagrams in the section on page 10 present an overview of the total benefits delivered by all efforts to tackle consumer vulnerability as well as their evolution over the coming years. The results demonstrate our customer-driven focus on maximizing the value delivered to customers in vulnerable situations while minimising the cost to the wider customer base. By 2032 the services we have delivered to customers this year will have delivered a total benefit of over £30m with a cost just above £3m – generating nearly £10 of benefit for our customers for every pound spent.

Our consumer vulnerability programme delivers great value for money

1 Year Impact

£5,885,107
Total benefit delivered by 46 services and initiatives delivered this year

For **every £1 spent**, we delivered a **total benefit of £1.88** to our customers

5 Year Impact

£19,477,497
Total benefit delivered by 46 services and initiatives delivered this year

For **every £1 spent**, we delivered a **total benefit of £6.02** to our customers

10 Year Impact

£32,446,384
Total benefit delivered by 46 services and initiatives delivered this year

For **every £1 spent**, we delivered a **total benefit of £9.72** to our customers

Case Study: Improving outcome data

The importance of building a clear picture of the impact we deliver on our customers in vulnerable situations leads us to continuously improve the way we forecast and measure value delivered. The definition of a shared industry-wide SROI model has led all the DNOs to adopt the same model, methodology and broadly the same values for unquantifiable outcomes (also called proxies). This shared model has introduced more standardization and comparability, making it possible for companies to compare their performance and identify best practice.

To improve the rigor and transparency of our value measurement, we have focused on the quality of our inputs, specifically, of the outcomes we are measuring. Outcomes can be defined as any event or result that the customers benefits from as a result of an action or initiative we delivered.

For example, as a result of energy efficiency advice we delivered (our action, or 'output'), our customers benefit from lower energy costs (i.e. the 'outcome'), among other benefits.

Over the past year, we have worked hard to improve the quality of our outcome data. This is typically gathered from many different partners, at different times, across many of the services we deliver. The logistics and differences in partner reporting can sometimes lead to inconsistencies that would result in an over or underestimation of the benefits delivered. To address this issue we have build a structured outcome database that includes all key information for each service delivered with an external party.

We have built automation is this dataset to ensure data quality (e.g. visual aids comparing actual

results delivered against results contracted or expected by the partner at the onset of the year) and, crucially, to support our colleagues in gathering better data from our partners. We have done this by building functionalities that produce automated reports for each partner based on the unique set of services they deliver with us. Now every colleague at SPEN who is working with external parties can provide an overview of the data we hold, based on a single source of truth, and gather new data (or correct the existing) in one single, consistent and structured format.

The outcome database has already enhanced the quality of our data and will continue to play a key role in enhancing the rigour and accuracy of our value measurement efforts, ultimately leading us to maximise value delivered to our customers in vulnerable situations.

Achieving and setting challenging targets

Meeting last year's targets

Further development of the Coalition of Partners model	We are setting up a trial of the model – see page 2
Develop a customer-facing resource to educate customers on low carbon technology	We co-developed 16 guides on low carbon technologies with our stakeholders – see page 8
Improve the transparency and accuracy of our value measurement	We developed a structured outcome database with advanced functionalities – see more in the case study above
Continue to close PSR gaps and research vulnerability beyond the PSR	We reached a total of 67% eligible households (53% customer needs) on the PSR and are measuring blockers to participate in the energy system transition across all communities – see more on page 7

Challenging targets for this year

Expand the Coalition of Partners trial into a full-scale initiative to ensure this model is tested and in place ahead of ED2.

Continue to close PSR gaps to reach 80% of all eligible PSR customers, focusing efforts on situations of vulnerability least represented on the PSR.

Map funding streams (and their eligibility criteria) available to support vulnerable customers in the adoption of low carbon technologies across all areas of our network. Proactively make this mapping available to customers in a user-friendly format to support them in participating in the energy system transition.