

THE BASILDON POWER AG



Part 3

Supporting our customers in vulnerable circumstances

2022/23 Stakeholder Engagement and Consumer Vulnerability Incentive

Redacted Version



Ranked the best customer service provider of any utility and 3rd across all organisations in the UK



Five-star rating and 19x more reviews than all other DNOs combined

Part 3

UK Power Networks is the UK's largest electricity distributor, delivering power to 8.4 million homes and businesses across London, the East and South East of England.

We take the opportunity through the Stakeholder Engagement and Consumer Vulnerability (SECV) submission to summarise how our engagement with a wide range of customers and stakeholders has led to action and impact over the last year – showcasing how insight informs the decisions we take, how we support our vulnerable customers and how we deliver positive outcomes for society.



Pupils taking part in Food and Fuel lessons – see p.8



Training local energy champions with Community Energy South and Net Zero Guildford – see p.10



Partners BHT Sussex, a housing association and homeless charity, providing energy saving measures

Our submission is divided into three parts:

Part 1

Outlines our Stakeholder Engagement Strategy, our Consumer Vulnerability Strategy, how we work with partners and collaborators, and how we measure the impact of our actions.

Part 2

Demonstrates the impact we have delivered through engaging with our stakeholders across key focus areas: enhancing our services to meet customers' evolving needs, enhancing whole system resilience, and enabling the Net Zero transition for all.

Part 3

Explains how we understand our customers' evolving needs and ensure that those in vulnerable circumstances receive the most impactful support.

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Some text has been redacted due to commercial sensitivity.

Supporting our customers through an even more challenging year

Pressures on customers have intensified further over the past year. As the nation recovered from the pandemic, we saw Russia's invasion of Ukraine and the subsequent cost of living crisis, with financial vulnerability rising to record levels. A third of customers in our regions are estimated to face the grim prospect of fuel poverty. On top of this, customers faced an increased risk of rolling planned power cuts last winter if energy demand exceeded generation. In response, we urgently evolved our strategy and intensified our efforts to support customers and communities through these growing challenges.

We doubled the customers supported through our fuel poverty programme to 31,612, delivering £1.89m of social benefit including £1.59m in customer savings. Collaboration and partnership were vital to achieving this scale of support, bringing together complementary expertise and relationships, underpinned by a shared determination to do even more for customers. We also led collaboration across DNOs to pool our learnings and approaches.

We accelerated our efforts to register customers on the Priority Services Register, achieving our highest net increase of over 233,000 customers (+11%)

this year, with 67% of eligible households now registered across our regions. Our targeted campaigns contributed to the highest growth rate (13%) across our London region, which has traditionally lagged behind our other regions. Following last year's storms, we also researched how customers' needs change hour-by-hour over the course of a power cut, recognising anyone can become vulnerable under certain circumstances. Our cutting-edge modelling enables us to provide even more personalised support to customers during power cuts.

Inclusion by design is core to our ethos. As part of our evolving strategy to support customers at risk of being left behind in the Net Zero transition, we are developing a range of targeted offerings – from Home Action Plans to a social flexibility product – to help support over 500,000 customers over the next five years. There is always more to do, but I am proud of how we and our partners have supported customers this year.

Farina Farrier,
Social Sustainability Strategy and Programme Manager



Our Consumer Vulnerability Strategy

Our Consumer Vulnerability Strategy focuses on three pillars: managing and developing our PSR, tackling fuel poverty and providing inclusive services. These pillars are underpinned by key enablers: maximising our partnerships and collaboration, training our staff and innovating for all. This strategy has been shaped by iterative engagement over several years.

Our consumer vulnerability areas of focus



Managing and developing our Priority Services Register



Tackling fuel poverty



Providing inclusive services to ensure no one is left behind

- Maximising our impact through partnerships, collaboration and training
- Innovating for all

Managing and developing our PSR: key achievements this year



Our PSR helps us identify and provide extra care to those who need it most. We aim to ensure no district is left behind, closing the gap in under-represented areas as well as growing the volume of eligible customers registered to receive the support they are entitled to. We continually enhance our support to meet customers' changing needs. This year we:

- Increased PSR registrations by 11% to 2.33m (67% of eligible households) through data-driven, tailored campaigns – on track to meet our target of 85% eligible customers registered by 2028
- Drove forward data sharing with utilities and local authorities for the benefit of our shared customers – scaling up frequent PSR data sharing with five more water companies (seven in total) and developing a geospatial mapping tool to support local authorities and local resilience forums to prepare for potential rolling planned power cuts
- Adapted our support to reflect the hour-by-hour changing impact on customers as a result of power cuts, based on our research into customer experience.

Tackling fuel poverty: key achievements this year



The scale of the fuel poverty challenge is escalating rapidly, which led us to pivot our programme to double our in-depth support. To achieve this, we needed to work differently with our partners and collaborators. This year we:

- Doubled the reach of our in-depth support, supporting 31,612 customers (+101% on 21/22) and saving them £1.59m this year
- Established the £500,000 Cost of Living Fund, allocating £200,000 in matched funding to work with local authorities to scale up local fuel poverty services
- Collaborated through our regional cross-sector Utility Affordability Framework to tackle multi-faceted issues of affordability through delivering Food and Fuel education in schools
- Trialled credit meter fuel vouchers for disabled customers, who are disproportionately impacted by rising energy costs
- Collaborated with all DNOs to align on clear and consistent fuel poverty reporting metrics to aid comparability.

Providing inclusive services to ensure no one is left behind: key achievements this year



We aim to understand and tackle the barriers that prevent all customers from taking part in the energy transition and benefitting from the incentives it offers. We aim to scale up our support to help 100,000 new customers to participate every year in the next five years. This year we:

- Created a Home Action Plan template and guidance for a range of budgets to help customers understand actions they can take to decarbonise and signpost available support
- Trialled a range of campaigns to promote smart meter uptake by medically dependent customers at risk of being left behind in the energy transition, who would also benefit from the enhanced service smart meters enable during power cuts
- Trained 870 local energy champions to provide ongoing energy saving and Net Zero support
- Began developing a tailored social flexibility product for hard-to-reach customers, engaging with communities and aggregators to shape the solution.

Underpinned by strategic enablers

Maximising our impact through partnerships, collaboration and training

To tackle the complex issues our customers face, we work in collaboration with regional and national partners across sectors, and with local trusted delivery partners to provide support. This year we:

- Stepped up our collaboration with other DNOs: we facilitated cross-DNO sessions to pool our learnings and ideas to scale up fuel poverty support; jointly ran a cross-DNO session alongside NGED to share our approaches to support the energy transition; and collaborated with all DNOs to launch a single GB-wide PSR sign-up website, learning from the PSR Scotland initiative
- Embedded our innovative cross-sector Utility Affordability Framework, coordinating regional fuel poverty activities with gas networks, water companies, local authorities and energy suppliers
- Trained our executive and senior managers on vulnerability, with 100% of the executive management team now trained.

Innovating for all

We have embedded an inclusion by design approach, so that we consider aspects of vulnerability in all projects rather than just those labelled as such.

- Since bringing vulnerability, innovation and engagement under a single department, we have now assigned dedicated innovation leads to deliver a step change in tackling consumer vulnerability issues, supported by a ringfenced innovation budget. The impact of this change is evidenced in many initiatives covered in this submission.
- Data is key to identifying which customers need support across PSR, fuel poverty and an inclusive Net Zero transition for all, so we have worked with AI companies to drive forward our data capability. For example, we applied our Socially Green vulnerability mapping tool to understand the barriers customers face, helping to shape a dedicated social flexibility product for hard-to-reach customers.

Key challenges affecting our customers

Insights from data, research and engagement have clarified the challenges which we set out to tackle this year:

Rising costs mean even more people are struggling to pay their bills



- The cost of living crisis and rising costs across energy, food and housing, on top of debt accumulated during the COVID-19 pandemic, means financial pressures on customers are intense. National Energy Action forecast that 7.5m people will be in fuel poverty by April 2023, up 12% on last April, with 21% of those households receiving disability payments, according to Friends of the Earth. Analysis by Citizens Advice shows that energy debt is now the dominant debt issue across the regions we serve.
- Customers are facing increasingly stark choices. One in five people are now borrowing to pay for food and essential items, with half doing so for the first time, according to the Money and Pensions Service, while the Joseph Rowntree Foundation's research found 45% of lower-income households had cut down on or skipped meals and 27% were limiting or entirely avoiding using their heating at home.
- Our partners told us that support organisations are at capacity and struggling to meet growing demand. Additional resource is needed to scale up their service, but organisations such as local authorities are struggling to fund the increasing level of support needed.

Customers are at risk of being left behind in the energy transition



- The cost of living crisis threatens to widen the gap between those who can afford to invest to decarbonise and reduce their energy bills, and those who cannot afford the upfront costs and so face continued higher energy costs. The financial impact of being left behind in the energy transition could compound the pressures customers are already under.
- Smart meters are a foundation for smart energy services which could financially benefit customers, and also enable extra support during power cuts. However, customers who could benefit most from getting a smart meter could be put off by news of poor practices in remotely switching smart meter customers to prepayment mode when they are struggling to pay their bills.

Customers and stakeholders are increasingly concerned about the impact of power cuts



- With much media speculation around the potential for rolling planned power cuts, local stakeholders wanted to work together with us to plan support for PSR customers who are at most risk during power cuts.

How our submission has evolved this year



We have adopted a common approach to social valuation to support greater consistency across DNOs, as described in Part 1, p.10



We have aligned on a consistent set of core reporting metrics to present the impact of our fuel poverty support, to enable easier comparison across DNOs



We have provided greater clarity on benefits, including focusing on benefits delivered in-year, comparing trial and rollout benefits where possible, and identifying where benefits are estimated or based on those actually reported



We have highlighted examples of collaboration with other networks, based on the framework for collaboration described in Part 1, p.8

31,612

customers received in-depth fuel poverty support through our delivery partners

236

active partners, with 82 new partnerships this year our delivery partners

189

hours collaborating with DNOs on vulnerability

100%

of our executive management team have received vulnerability training (up from 50% last year)

Our partnership and collaboration approach

Given the complex, multi-faceted issues our customers face, we recognise the need to work with and learn from other organisations to deliver meaningful impact. Building on our categorisation of strategic and tactical partnerships in our submission last year, we have evolved our approach further by distinguishing between collaboration and partnerships, clarifying the fundamental drivers for working with other organisations as follows:

Collaboration

We collaborate on shared challenges with organisations who we share a common purpose with, and where we share the same level of ambition to act, working together at pace to understand the root cause of the issue, shape actions, deliver change, and evaluate the impact.

Over several years we have joined up with other key actors in our regions, including gas and water companies, local authorities and energy suppliers, to increase our collective impact by taking action in a coordinated and targeted way. Given the scale of the fuel poverty challenge, collaborative approaches are now increasingly important in delivering impactful support at scale.

Partnerships

We partner with organisations with complementary capabilities, expertise, reach and capacity to deliver a specific objective, e.g. delivering targeted support to hard-to-reach customers. We recognise we are not always best placed to directly deliver the support our customers require, so we partner to ensure customers receive a complete and rounded service.

To maximise the impact of our consumer vulnerability programmes, we partner with like-minded delivery organisations who:

Can deliver real impact and excellent service to our customers

Are innovative and drive the frontier with us

Have the ability to scale

Are able to engage the seldom-heard and hard-to-reach

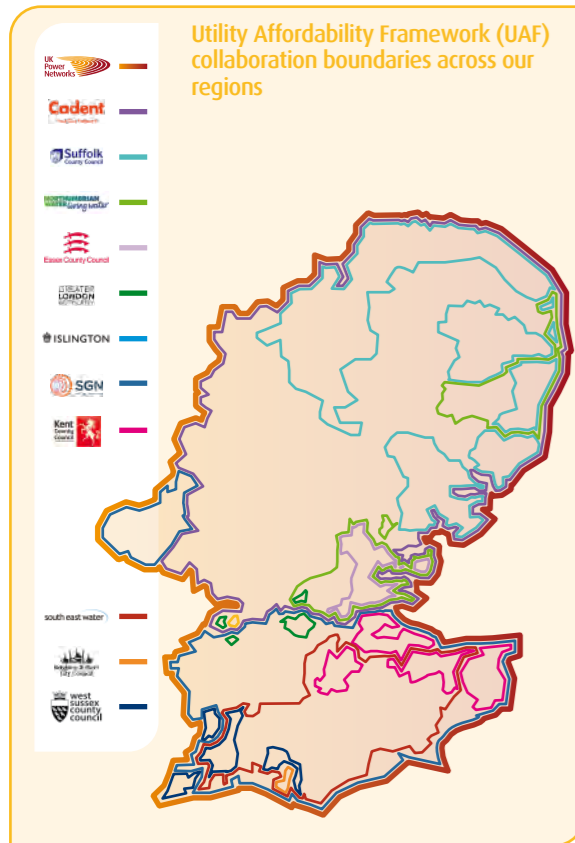
Are open to reciprocal learning opportunities

Share our values and vulnerability principles

We work to enhance our ongoing partnerships and to create new partnerships, providing the agility to respond to customers' changing needs. Each year we review our partnerships against customers' changing needs, conducting a gap analysis against our existing offerings. Our partnerships operate at three geographical tiers: multi-regional, regional and local. This model allows us to target specific local needs as well as to scale support across our regions, to achieve both depth of support and broad geographical coverage.

Evaluating impact

When assessing potential partners we consider their unit costs and benefits (generating a social return on investment (SROI) forecast), expertise and reach, as well as ensuring our overall programme has suitable coverage across the range of vulnerabilities and geographical areas in our regions. During and after delivery, we work closely with partners to accurately report actual benefits.



Our programmes tackle intersecting vulnerabilities across our regions

Main vulnerability focus areas of our partnerships



Further regional collaborators



The challenge

We need to continually adapt our partnership and collaboration approach along with our internal training to tackle changing priorities, from the growing scale of fuel poverty and the challenge of registering hard-to-reach customers on the PSR, to the relatively new challenge of ensuring no one is left behind in the Net Zero transition.

What we did

Collaboration across sectors

- **Enhanced our cross-sector Utility Affordability Framework (UAF)** to coordinate fuel poverty activities with gas networks, water companies, local authorities and energy suppliers operating in our regions, to jointly deliver greater impact for our communities. This approach drives greater efficiency by pooling our data, insights and resources towards shared priorities and provides more consistency and certainty for third sector delivery partners. We shared research between parties to understand the common issues customers face and identified datasets to share at Lower Super Output Area (LSOA) level. Based on feedback from members, we are setting up two dedicated workstreams covering data and delivery to provide greater clarity as the approach continues to evolve. We share examples of our UAF initiatives on p.8.
- **Scaled automated and highly frequent PSR data sharing across an additional five water companies in our regions.** We were the first DNO to introduce fully automated, real-time, two-way PSR data sharing with water companies, enabling customers to register once to receive support across their utilities. This year we scaled up data sharing through both automated and manual approaches, depending on the readiness of each water company. Where we share data manually, we do so either daily or weekly, ensuring customers very quickly start receiving additional support once they have registered. Data sharing has allowed us to register 11,454 customers and water companies to register 19,047 customers this year.

Partnerships

- **Doubled the reach of our fuel poverty support through scaling up partnerships.** We established the Cost of Living Fund, providing £500,000 in extra funding to ramp up support. This funding enabled partners to scale up their in-depth support, increasing home visits and income maximisation support to meet growing demand. Based on insight from local authorities, we allocated £200,000 as matched funding to help support the increasing demand on their services. We co-funded 129 warm spaces in communities (known as warm hubs), reaching 18,399 people with 3,023 receiving in-depth support. Engaging with local authorities through the UAF was key to understanding how we can tap into expertise and existing initiatives across our regions.
- **Shared learnings to enhance customer experience.** We worked with partners to share our experience of running customer surveys, to enable them to better understand customer satisfaction with the fuel poverty support we provide together. Through collaborating on this action, partners told us they saw great value in coming together to share ideas

and identify how to better work together to provide great service, so we plan to facilitate more best practice sharing sessions across partners.

- **Collaborated with community partners to develop a Home Action Plan,** supporting customers to decarbonise their homes. Building on our partnership with Ovesco through an innovation trial, we developed an enhanced Home Action Plan and worked with Citizens Advice Essex to test it with customers.

Building capacity in our communities

- As the number of customers in fuel poverty grows, we need to build sustainable capacity that will continue to support communities in years to come. This year we trained 870 front-line energy advisers within communities to provide advice and support on bill savings, energy efficiency and low-carbon technologies (LCTs). For example, we partnered with Community Energy South and Net Zero Guildford to train energy champions to provide in-depth energy advice and use infrared cameras to identify and fix draughty areas.

Inclusion by design mindset embedded in our business

- We trained 316 call centre staff to handle queries on bills and cost of energy, and signpost customers to support including our Energy Advice Line
- 100% of our executive management team (EMT) have received vulnerability training, resulting in greater support for our increased Cost of Living Fund.

Outcomes

- ✓ 11,454 new PSR registrations (+183% on 21/22) through PSR data sharing with water companies, plus 19,047 new registrations for water companies (+254% on 21/22)
- ✓ £500,000 additional funding for fuel poverty support secured as a result of enhanced EMT understanding of vulnerability
- ✓ Customers are better served by their DNO on cost of living issues as a result of training 316 front-line staff
- ✓ 25% increase in partnerships compared to 21/22
- ✓ 870 front-line energy advisers trained within communities

Collaboration with DNOs

Customers and DNOs across Great Britain are facing many of the same challenges, so we see great value in collaborating with other DNOs to share learnings, adopt best practice and jointly take forward actions to enhance support for customers.

Managing and developing our PSR

- Developed a common eligibility definition so all GB customers receive an equitable service
- Launched a single GB-wide PSR sign-up website with all DNOs, learning from the PSR Scotland website
- Shared our research projects into battery provision for medically dependent customers to power their essential equipment during a power cut
- Held bilateral sessions to share our automated PSR data-sharing approach with four DNOs and four gas distribution networks.

Tackling fuel poverty

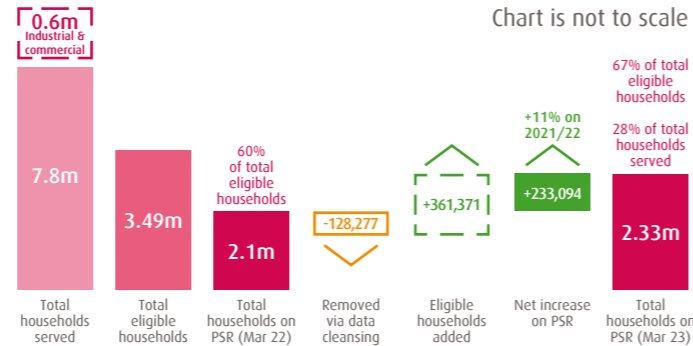
- Openly shared our SROI models to enable greater consistency in reporting, leading to a common measurement rulebook, and alignment on consistent reporting metrics for our fuel poverty programmes
- Facilitated an all-DNO session to pool our learnings and ideas to tackle the challenge of scaling up fuel poverty support, covering customer experience, delivering value, and scaling up support
- Held a deep-dive session to share our Utility Affordability Framework with other DNOs
- Joining up our Scouts programme and ENWL's Girl Guides programme on energy awareness to reach additional customers.

Providing inclusive services

- We jointly ran an all-DNO session with NGED to share our insights and approaches to support the energy transition, sharing our Socially Green consumer vulnerability mapping tool and underlying datasets with all DNOs, which led to Northern Powergrid looking to adopt our approach for their regions
- Held workshops to share our approach and initiatives to support customers in vulnerable circumstances through the energy transition with all DNOs.

Our PSR strategy

We are working towards a long-term target of 85% of eligible customers registered on the PSR by 2028. Data sharing with partners is key to our strategy allowing us to register customers already known to need additional support, in line with the cross-industry eligibility definition. While a high registration number is important, our strategy aims to ensure we leave nobody behind by levelling up the 124 districts we serve. We take a data-driven approach to identify and register harder-to-reach customers, targeting under-represented areas and needs codes through tailored, higher cost campaigns. Given the importance of having accurate information to provide support, we continually enhance our data quality programme and evolve the tailored support available to PSR customers during power cuts.



Targets 2022/23	Performance	Channels	Data quality	Support	Outcome
2.27m, (65%) eligible households registered (+8% on 21/22)	2.33m (67%) eligible households registered (+11% on 21/22)	Direct PSR registration and update channels 51% website (+19%) 25% phone (-19%) 3% post (-11%) 21% water data (+11%)	2,117,383 customers contacted and 690,757 information records updated via 18-month contact cycle	7,066,729 interactions with customers on the PSR this year (+14% on 21/22)	94.6% PSR customer satisfaction (+0.9% on 21/22)
124/124 districts (100%) with 60%+ eligible households registered (+49% on 21/22)	106/124 districts (85%) with 60%+ eligible households registered (+28% on 21/22)	17,827 PSR registrations through our fuel poverty and referral partners	128,277 (6.1%) customer details removed through cleansing	35 location-specific partners covering top 20% most under-represented districts	84.1% PSR customers restored within one hour in a power cut (+2.1% on 21/22)

Tailoring approaches to register under-represented groups

↑ Scaling Up

The challenge

We are working to increase registrations in districts with less than 60% of eligible households registered, with the majority of under-represented districts in London, where we have been working to close the gap. At the start of this year, 41 out of 124 districts remained below this threshold, with the final districts being the hardest to reach. We targeted our approaches to register eligible households in these areas.

What we did

- Focused on the districts and needs codes with the largest registration gaps.** We triangulated research, data and our vulnerability mapping tools to identify under-represented districts and the under-represented needs codes in those areas. This analysis showed that eligible customers in the least-represented districts tend to have intersecting vulnerabilities and specific communication needs, making them harder to reach. This includes customers with physical and mental health needs, first languages other than English, limited internet access, over 65s and families with young children. As a result, we went even further in tailoring our channels and messaging to reach under-represented customers, using data from trials to inform which approaches we scale up.
- Scaled up proven tailored approaches to reach under-represented groups.** To reach customers with physical health needs and carers in under-represented London districts, we ran SMS and social media campaigns targeted to specific postcodes, building on learnings from our trial last year. Sending 130,094 messages resulted in 6,136 views of our PSR sign-up page. We measure campaign effectiveness using individual trackable weblinks and QR codes and using geospatial mapping to track new registrations in targeted areas. Through testing different versions of social media campaigns, we learned that including videos attracted more views to our PSR page, leading us to use videos in future campaigns. We also scaled up the multi-language leaflet door drop approach we took last year to reach those with limited internet access and first languages other than English, reaching 41,000 households in Haringey.
- Trialled new approaches tailored to hard-to-reach customers.** To reach digitally excluded customers with physical and mental health needs, we trialled a new approach of placing 1,500 posters in GP surgeries across all 17 under-represented London districts. It is challenging to track registrations as a direct result, since these customers will not typically use trackable weblinks due to their lack of internet access; however, we expect this channel to contribute to registrations over a longer period. Our analysis also identified that the district of Kensington and Chelsea has a

high proportion of unregistered customers who are over 65 and live in affluent areas, who are less likely to consider themselves vulnerable. To reach these customers, we trialled placing tailored messages in a borough magazine with 143,375 readership. However, this resulted in fewer than ten PSR page views. We plan to carry out further research with this group to understand what messages appeal to them, to help us tailor future campaigns.

- Promoted the PSR through our wider channels.** For example, we worked with our inclusive online customer panel to enhance our annual Statement of Services communications to 7.8 million households, resulting in 24,229 registrations (50% higher than average monthly registrations). To enhance this channel further, we sought feedback on the materials from industry specialists and from customers, who rated the updated communications 9.75/10. In future we plan to include more detail on the customer benefits of the PSR beyond support during power cuts. We will continue to investigate what is driving persistently lower registrations in a few districts to inform our future actions.

Outcomes
60.5% of eligible London households registered on the PSR (7.1% higher than 21/22), the highest growth of our regions
106 (85%) of 124 districts in our regions met target of 60%+ of eligible households registered (+28% on 21/22)
89,931 net increase in PSR registrations across under-represented districts across our regions
88 districts saw registrations increase by over 10% and eight districts increased by over 15%, including three in London

Driving forward PSR data sharing

The challenge

Last year's storms and the increased risk of rolling planned power cuts underline the importance of data sharing between organisations to provide support when it is needed most. Automated, highly frequent, two-way PSR data sharing with water companies has become a key part of our PSR strategy to reach customers already known to be eligible, allowing utilities to pool our strengths in finding and registering harder-to-reach customers. We wanted to scale our data-sharing approach to increase PSR registrations and enable customers to receive joined-up support from other organisations.

What we did

- Scaled our two-way, highly frequent PSR data-sharing approach to five additional water companies in our regions.** Building on our DNO-first fully automated data sharing, we scaled two-way data sharing to seven of the eight water companies in our regions, adopting a mix of automated and manual data sharing based on water companies' preferences and systems. Automated data is shared in real time and manual data sharing takes place daily or weekly, ensuring customers quickly receive additional support once they have registered.
- Collaborated to launch a national PSR sign-up website.** Learning from the PSR Scotland website, we collaborated with all DNOs to introduce a GB-wide PSR sign-up website, jointly leading on customer testing with NGED and promoting the website via delivery partners and social media.
- Pioneering development of a national cross-utility vulnerability hub.** Building on our work with Northumbrian Water last year to rapidly develop a proof of concept for a cross-sector hub, we are supporting the trial of Support4All, a national cross-utility data sharing approach.
- Shared PSR data with local and national government to support planning for potential rolling planned power cuts.** Through proactive discussions with local authorities and local resilience forums we learned they did not have the capability to overlay the areas for rolling planned power cuts with vulnerability data. We developed and securely shared a geospatial mapping tool to display these areas and mapped the number of PSR customers medically dependent on electricity by postcode and LSOA, helping these stakeholders to prepare.
- Tackled data-sharing barriers to provide joined-up support.** Through our Utility Affordability Framework (see p.4) we learned that the legal complexity of sharing personal data can be a barrier to establishing a common view of vulnerability. To overcome this, we are developing a proof of concept to pool data centrally with controlled access rights.

If successful, this approach could be considered for national and wider cross-sector approaches and removes the GDPR risks often cited as the top barrier to vulnerability data sharing, which excites us.

PSR data quality

To ensure our PSR data remains accurate and up to date, we developed a data improvement framework which focuses on completeness, consistency and quality. We established our baseline and worked with data companies to acquire additional contact data, over and above our 18-month contact cycle, reducing effort for customers while keeping their details up to date.

Outcomes
11,454 additional eligible households are now able to receive support due to new PSR registrations received via data sharing with water companies (+183% on 21/22) and 15,996 information updates (+624% on 21/22), plus 19,047 new registrations for water companies (+254% on 21/22)
93,314 records shared bi-directionally between water companies and UK Power Networks (+256% on 21/22)
115,155 customers medically dependent on electricity better supported to prepare for rolling planned power cuts due to sharing data with local authorities and local resilience forums
PSR data quality increased from 91% to 97%, ensuring we can reach PSR customers when they need us most

PSR data sharing with water companies is forecast to deliver £68,935 social value to PSR customers over five years, based on our bespoke PSR support financial proxy

Enhancing support during power cuts

DNO First Leadership

The challenge

Data and feedback from major events highlighted that customers can experience very different impacts during the same power cut, depending on their circumstances. The impact can change hour by hour. Some customers who would otherwise experience little impact during a short power cut can begin to experience short-term transitory vulnerability during a longer power cut. Through research and feedback we learned this impact can be greater than initially expected, so we set out to provide more personalised support that reflects how customers experience power cuts differently.

What we did

- Tailored our proactive support to reflect the hour-by-hour impact of power cuts.** We created an innovative tool that provides an indicative level of vulnerability that customers experience at different times during a power cut across all 10,000+ LSOAs we serve, and the key factors that drive customers' perception of vulnerability in each area, based on in-depth feedback from customers. The tool uses cutting-edge statistical methods to capture how local factors, such as tight-knit neighbourhood support networks, influence vulnerability to power cuts. Our customer service and operational teams embraced how these insights can help them take a more nuanced view of customers' situations and needs, layered on top of the PSR categories, recognising that anyone may be vulnerable under certain circumstances. We applied the tool to decide on the best locations for customer support vehicles. It can also identify areas where non-PSR customers could benefit from proactive call-backs during longer power cuts, once PSR customers have been contacted.
- Designed our battery pack deployment approach around medically dependent customer needs.** Building on an innovation project in 2019, we have committed to offer battery packs to medically dependent customers at risk of being off-supply for more than four hours. To understand the needs of these customers, we reviewed existing research,

partnered with the Research Institute for Disabled Customers to carry out a survey of 886 medically dependent customers and ran in-depth customer interviews to understand practical considerations such as battery size, weight and capacity requirements, which informed our evaluation of battery options. We shared our approaches and learnings with all DNOs and explored opportunities to pool support with regional partners.

- Registered 92,669 additional small businesses for extra support during power cuts.** Businesses also experience very different impacts during power cuts. We proactively register businesses that may face more severe impacts on our Extra Care Register and proactively contact them during a power cut to understand if they need any additional support.

Outcomes
131 customers benefitted from tailored support during four planned power cuts in March, during our vulnerability tool trial
92,669 additional small businesses registered for extra support (+688% on 21/22), with 106,133 registered in total

Our strategy to reduce fuel poverty

Customers are under pressure from all angles, with costs rising across energy, housing, food, and transport, affecting their finances, health and wellbeing. Engagement with strategic vulnerability stakeholders highlighted we need to significantly scale up our support for customers in fuel poverty, beyond the already ambitious, industry-leading targets we had set – while remaining realistic about the impact we can make within this enormous challenge. We refined our strategy to deliver this rapid increase.

Building blocks of our fuel poverty strategy

Breadth	Depth	Enduring support
Providing general fuel poverty advice by signposting to resources, e.g. energy efficiency and income maximisation advice. This preventative approach is intended to reach a wide range of customers either in or at risk of fuel poverty.	Providing in-depth personalised one-to-one support. Partners spend time to directly provide practical support tailored to individuals' circumstances, e.g. support to apply for benefits and grants, and tailored energy efficiency support.	Supporting partners to train energy champions, advisers and front-line workers embedded in communities to provide fuel poverty advice and ongoing support to maximise enduring impact.
Targets 2022/23		
Provide advice to over 1,350,000 customers (+50% on 21/22)	Provide in-depth support to 30,000 customers (double compared to 21/22)	Train 850 front-line workers and energy champions (-50% on 21/22), explained below
Performance 2022/23		
1,466,630 customers reached (+63% on 21/22)	31,612 customers supported (+101% on 21/22) through 36,881 hours of support	870 front-line workers and energy champions trained (+2% above target)
£3.49 average saving per customer this year	£50.18 average saving per customer this year	1,740 training hours delivered on energy resilience support and 10,029 customers signed up to the PSR by fuel poverty partners (+78% on 21/22)
£5,122,121 total financial benefit to customers this year	£1,586,398 total financial benefit to customers this year	Due to the urgent need to scale up fuel poverty support, we weighed up the short-term impact of training front-line energy champions against the impact of providing more in-depth support and general advice, and decided to place more relative effort on in-depth support and general advice. These activities deliver direct impact more quickly than investing time to train communities to deliver support.
£1.11 average additional social and wellbeing benefit per customer this year, totalling £1,623,824	£9.53 average additional social and wellbeing benefit per customer this year, totalling £301,315 £1.20 SROI over and above every £1 spent this year	

Savings estimated using standard proxies

Savings based primarily on actuals reported by partners

We deliver our strategy by building a sustainable ecosystem of partnerships with local trusted organisations; collaborating with other utilities; evaluating and prioritising where to focus and maximise impact by using data on customer needs and barriers, feedback from delivery partners and evaluating past initiatives; and providing personalised support to help address a wide range of complex and interrelated circumstances many customers face.

Measuring the impact of our support

In response to Panel feedback, all DNOs have collaborated to align on clear and consistent fuel poverty reporting metrics to aid comparability, supported by a common definition of in-depth fuel poverty services and consistent, independently assured application of a measurement rulebook. We openly shared our SROI models with other DNOs to align on a common social valuation approach.

As well as measuring the impact of in-depth support, we measure the number of customers who receive general fuel poverty advice and use standard financial proxies to estimate the social value this delivers, based on a subset of these customers taking action as a result. Providing advice enables us to reach a wide range of customers who may go on to take up additional in-depth support to reduce their bills further. Reaching more customers therefore helps us deliver in-depth support to more customers, so we set targets and measure our performance on both breadth and depth to drive progress.

Scaling up fuel poverty advice through partnerships and new channels

↑ Scaling Up

The challenge

Given the rapidly growing scale of the fuel poverty challenge, we set out to provide advice to 1.35 million customers in our regions (50% higher than last year) to empower them to take action. While advice does not always lead to customers making changes, some will take action. Importantly, customers may then go on to receive in-depth support. **We needed to adapt our approach to deliver advice at this scale.**

What we did

We scaled up existing partnerships to reach more customers. Building on our partnership with the Scouts, we provided advice to 173,253 customers via a new email campaign. Through our partnership with Scope, we shared advice for publication on their website, reaching 144,508 customers. We leveraged existing interactions to provide advice, for example, alongside multi-language PSR leaflets in Haringey, and shared advice with new PSR customers via Welcome Packs.

We opened up new channels. Collaborating with Surrey County Council we reached 361,500 customers, signposting them to resources including warm hubs we co-funded, collaborating across network areas with SSEN and SGN.

Outcomes

- ✓ 1,466,630 total customers reached (+63% on 21/22), including:
- ✓ 427,253 via Welcome Packs
- ✓ 361,500 via Surrey County Council
- ✓ 317,761 via partners Scope and the Scouts
- ✓ 223,750 via advice provided alongside PSR leaflets

Scaling up in-depth support through partnerships, funding and new activities

DNO First

Collaboration

The challenge

Due to the impact of the cost of living crisis, identifying customers who would benefit from in-depth support is no longer the main challenge. Through engagement we heard that many of our delivery partners were already at capacity due to surging demand and needed additional funding to scale up their services, while local authorities were struggling to fund the increasing level of support needed. Engagement with strategic vulnerability stakeholders highlighted the need to significantly scale up our in-depth support, so **we challenged ourselves to support twice as many customers as we have ever supported before. To deliver this rapid increase, we needed to rethink our approach.**

What we did

We ramped up our support to customers, focusing on areas that deliver maximum impact. We established the Cost of Living Fund, providing £500,000 extra funding to scale up in-depth support. Through research and engagement, we assessed gaps in our existing support and the support available more widely, and took action to scale up our existing partnerships, develop new types of partnerships and deliver new forms of support. The vulnerability training provided to all Executive Team Members helped secure senior endorsement of the Cost of Living Fund, resulting in more than double the number of customers receiving in-depth support compared to last year.

Scaling up existing partnerships

Scaled up existing partnerships, increasing home visits and income maximisation support

AgilityEco, who provide a dedicated Energy Advice Line for our customers, had reached capacity due to high demand. We provided additional funding and worked with them to scale their energy saving and income maximisation advice services, enabling 1,018 more customers to receive support. AgilityEco also extended their offerings to include home energy visits, providing in-depth support to 702 customers.

Supported community warm hubs through matched funding

Through the Cost of Living Fund we scaled up initiatives through existing partners. As well as providing warm hubs through delivery partners Bonny Downs Community Association and Voluntary Norfolk, we collaborated across DNO borders with SSEN and SGN to provide 129 warm hubs in Surrey and Sussex, as well as energy efficiency advice, Warmth Packs and PSR leaflets.

Shared and learned from best practice across DNOs

Since fuel poverty is a shared challenge that affects customers across Great Britain, we facilitated cross-DNO sessions to pool our learnings and ideas, covering customer experience, delivering value, and scaling up support.

Developing new types of partnership

Collaborated through our Utility Affordability Framework (UAF) to deliver more support to more people

Engagement with gas networks, water companies, energy suppliers and local authorities allowed us to understand the fuel poverty challenge from different perspectives and join up our efforts to maximise impact. With 45% of lower-income households cutting down on or skipping meals according to the Joseph Rowntree Foundation, we partnered with UKHarvest and Cadent to trial Food and Fuel cookery classes on preparing healthy low-cost meals, food budgeting and energy-efficient cooking. Through collaborating with Cadent we doubled the original scale of this initiative. We worked with 14 schools in areas of high fuel poverty and higher free school meal entitlement, with classes encouraging students to practice outside of the classroom and involve their parents and carers, supporting longer-term change. We developed supporting video and online materials, including a 10-hour livestreamed cookathon, signposted adults to the PSR and support services, and provided 420 energy-efficient slow cookers and air fryers to schools.

Match funded local authority initiatives to scale up support

Engaging with local authorities through the UAF helped us understand how we can tap into their local expertise and bolster their existing initiatives, drawing on their trusted brand and networks of partners. This insight led us to dedicate £200,000 of the Cost of Living Fund to match funding initiatives with local authorities. Roughly half of initiatives supported were identified via the UAF, either directly or through members sharing the opportunity through their networks. For example, Brighton and Hove City Council introduced us to Energyworks, run by Citizens Advice Brighton and Hove and Money Advice Plus, which provides Warmth for Wellbeing grants to residents whose health is at risk from living in fuel poverty in cold homes. Eligible customers include those with young children, disabilities,

and mental health conditions. Local authority grants had been capped due to unprecedented demand, so we provided a £50,000 boost to the scheme, enabling a further 420 residents to receive support.

Delivered new forms of support

Piloted £80 fuel vouchers for disabled and medically dependent customers on credit meters

Research by Scope found that even before the cost of living crisis, disabled people faced extra costs of £583 per month on average. Financial support at an early stage could reduce the risk of credit meter customers accumulating more debt or being switched to a prepayment meter and potentially self-disconnecting. Partnering with Scope, we piloted a first-of-its-kind fuel voucher scheme with 100 credit meter customers, including advice on benefits, energy trust fund applications, water debt relief, and energy and water efficiency. Customers rated the impact as 4.2 out of 5, with 71% reporting reduced stress and anxiety in general. Following the pilot's success, we invested a further £100,000 to make the vouchers available to a further 1,051 customers calling Scope's Disability Energy Support line. We shared our approach and learnings with the Energy Saving Trust, the Scope Utility Members Forum and the GLA, who will promote the scheme through their networks. We now aim to scale the approach with Citizens Advice and others.

Enhanced practical support to help customers keep the heating on

We enhanced our partnership with the London Borough of Lewisham, joining forces with three other boroughs to trial heating engineer services to repair boilers and make them operate more efficiently. We also learned that some schools were considering shorter weeks due to rising energy costs, meaning some children were at risk of not having regular access to warm spaces. This led us to call on our 7,000-strong community of innovators to provide low-cost, easy-to-install ideas to help schools to manage their heating more efficiently. We engaged with the London Borough of Hackney to understand the heating systems already in schools to help develop an innovative solution which could be replicated in as many schools as possible, including nationally through other DNOs. We plan to test a simple-to-deploy heating control solution in Hackney, an area of high fuel poverty, to help schools save on their energy costs.

Outcomes

- ✓ 31,612 customers received in-depth support (+101% on 21/22), including:
- ✓ 20,161 customers supported through existing partnerships, of which:
 - 13,372 customers supported through ongoing partnerships
 - 6,789 supported through Power Partners programme
- ✓ 11,451 customers supported through Cost of Living Fund support, of which:
 - 5,850 customers supported through additional partnerships
 - 4,450 customers supported through matched funding, with 934 via the Utility Affordability Framework
 - 1,151 customers supported through fuel vouchers
- ✓ Fuel vouchers initiative shortlisted for Best Response to the Cost of Living Crisis in the Business Charity Awards 2023

Cost of Living Fund initiatives are estimated to have delivered over £1.1m social value to customers over the last year, including over £957,000 in financial benefits to customers – a social value of £0.83 over and above every £1 spent

Our strategy to ensure no one is left behind in the energy transition

1.58m customers in our regions are at risk of being left behind in the energy transition by 2030, based on our modelling of the barriers customers face. This creates the risk of a widening gap between those who can participate in a smart flexible energy system to lower their bills, and those who face barriers to participating, who then continue to face higher energy costs.

We set a target to support 500,000 customers to transition over the next five years. While fuel poverty is a well-established issue, the challenge of supporting customers in the energy transition is relatively new. Our approach reflects our inclusion by design approach, our experience of supporting the EV transition and learnings from initiatives, such as reducing barriers for disabled motorists. Our strategy consists of three key pillars:

- 1 Understanding which customers need support
- 2 Developing products
- 3 Scaling up support

1. Understanding which customers need support

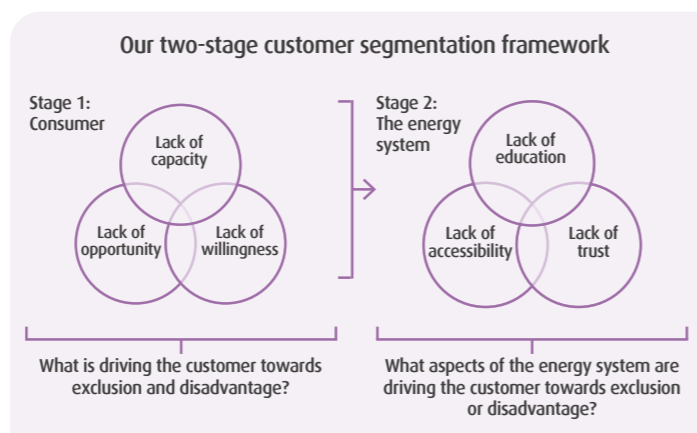


The challenge

Over several years, our engagement with stakeholders such as Scope, the Energy Savings Trust and the Centre for Sustainable Energy's 'Smart and Fair?' project has changed the way we think about vulnerability and exclusion. Learning from the social model of disability, which describes how people are disabled by barriers in society and not their impairment, led us to understand exclusion as being driven by the interplay of multiple factors including energy system barriers and personal circumstances. To take action that delivers impact, **we first need to understand which customers need our support to take part in the energy transition.**

What we did

- **Identified the barriers that customers face in participating in the energy transition.** Our intersectionality framework, developed last year, helps us understand how multiple overlapping vulnerabilities can amplify customers' overall level of vulnerability. In addition, our customer segmentation framework (illustrated) reflects that the risk of exclusion is driven by energy system barriers as well as personal circumstances, identifying six key barriers.
- **Enhanced our vulnerability mapping to understand how customers' characteristics influence their risk of being left behind.** Based on these barriers, we developed our Socially Green vulnerability mapping tool, bringing together 43 data-driven indicators that drive vulnerability, disadvantage and exclusion, helping us forecast how many customers will face each barrier, as well as where and when. This year we enhanced our analysis by combining vulnerability datasets with energy efficiency datasets and smart meter system data to identify customers at risk of fuel poverty, impacting their ability to participate in Net Zero.



Outcomes

- ✓ Key barriers identified, enabling us to develop tailored products to enable participation
- ✓ Understanding of volume and location of customers facing barriers, enabling us to target support where it is needed

Our definition of intersectionality

Intersectionality is a theoretical framework that helps us understand how different facets of a person's identity and their circumstances intersect to shape their lived experience. Through this lens, we can explore how marginalised identities (e.g. race, gender, sexuality) interact with personal factors (e.g. health-related issues) to create more complex situations of vulnerability.

2. Developing products



The challenge

Based on our customer segmentation, we identified the need to **develop tailored products to tackle barriers and enable customers at risk of exclusion to participate in the energy transition.**

We take a blended approach to develop targeted initiatives to enable a fair transition to Net Zero for all, consisting of:

Quick wins – simple actions we can implement quickly to support customers to transition

Enablers – initiatives that tackle systemic barriers to enable more customers to transition

Enduring offerings – initiatives designed to support customers to take part in the Net Zero transition

What we did

Created a Home Action Plan guidance and template for customers

We developed a Home Action Plan to support residents to decarbonise their homes, helping customers understand the actions they can take and signposting available support. The plan includes actions for a range of budgets, from draught-proofing to insulation to installing a heat pump. Partnering with community energy group Ovesco, we tested the Home Action Plan with 43 customers in East Sussex, with 88% rating the Home Action Plan as useful and 56% stating they intend to take action as a result. We have published the Home Action Plan on our website and we will share the resource with delivery partners and train them so they can use it during their interactions with customers.

Promoted smart meter uptake by medically dependent customers

Smart meters enable customers to take part in the smart energy services and also benefit customers during power cuts, telling us if a customer is off-supply without them needing to contact us or check their own electrical equipment. We can automatically alert the customer and their support contacts, which is especially beneficial for customers medically dependent on electricity.

• **Identified medically dependent customers are at risk of being left behind.** Last year, engagement with our Inclusive Customer Panel found 75% of these customers were not aware of the benefits of smart meters during a power cut, and through engagement with energy suppliers we learned they are not specifically targeting medically dependent customers for smart meter installation. Media coverage of poor energy supplier practices in remotely switching smart meters to prepayment mode could also put customers off switching to technology that could benefit them, so we set out to develop tailored messages to promote the benefits to these customers to ensure they are not left behind.

• **Trialed a range of channels to promote the benefits to medically dependent customers.** We engaged with Smart Energy GB, which is responsible for the national communications campaign for smart meters, to co-design targeted messaging, which we then tested with our Inclusive Customer Panel. We found 67% would consider installing a smart meter as a result. Smart Energy GB, suppliers, and ourselves play a role in communicating with customers about smart meters, so we joined forces to trial three approaches to understand which organisational face and channels work best to reach medically dependent PSR customers:

- A joint campaign with Smart Energy GB saw 9% of engaged customers switch to a smart meter within six months
- A trial with supplier EDF via email and letter resulted in 1.4% of customers booking a smart meter installation appointment
- A trial with disability charity Scope resulted in 3.3% of customers booking a smart meter installation appointment within two weeks.

As a result, Scope and two further energy suppliers are now looking to scale the approach nationally and we have shared our approach with other DNOs to unlock similar benefits for customers across Britain.

Developing tailored flexibility products for hard-to-reach customers

- **Identified customer barriers by triangulating engagement and our Socially Green vulnerability mapping tool.** Flexibility products for domestic customers offered by suppliers and aggregators do not currently target customers in vulnerable circumstances to take part in and benefit from the financial rewards of flexibility services. Feedback from flexibility providers indicates that most domestic flexibility participants appear to be affluent LCT owners. We analysed 43 datasets within our tool to assess how social indicators and potential exclusion factors overlap in network constraint zones, identifying the barriers that customers are likely to face in taking part in flexibility services. We then explored these barriers in more detail through customer engagement to guide our next steps.
- **Engaged with customers and aggregators to shape a social flexibility product.** Partnering with the Centre for Sustainable Energy, we ran four in-depth focus groups with 24 customers at risk of exclusion to understand the barriers they face and the incentives needed to participate. We learned that customers with higher electricity usage, such as those with electric heating, were most interested in taking part in flexibility. We then engaged with 15 flexibility providers to understand how flexibility services could be designed to widen customer participation, while ensuring services would be viable for providers to offer and cost effective for the DSO to procure. As a result, we are developing a social flexibility product to address the identified barriers to participation to ensure these customers are not left behind and are able to benefit from flexibility services. We plan to trial the approach with hard-to-reach households in South London in areas with network needs as well as a high proportion of eligible customers.

Outcomes

- ✓ 88% of customers rated the Home Action Plan as useful during testing, with 56% intending to make changes as a result
- ✓ 2,313 customers reached through our smart meter campaigns requested or switched to a smart meter – supporting them to take part in smart energy services and receive enhanced service during power cuts
- ✓ 93% power cut customer satisfaction score for customers with a smart meter
- ✓ First DSO to develop a social flexibility product tailored to hard-to-reach households, truly demonstrating inclusion by design

Smart meters are estimated to have delivered £39,891 social value to medically dependent customers over the last year, based on bill savings and lower carbon emissions

3. Scaling up support



The challenge

To deliver benefits, our products and offerings must reach the customers they are intended to support. Enabling an inclusive transition is relatively new, without a well-established network of support organisations, so we need to build capability to reach customers. **We set out to support customers quickly while developing sustainable capability to scale up support.**

What we did

We took a threefold approach:

- **Leveraging existing channels** – upskilling delivery partners to deliver LCT support and advice alongside their existing services. Last year our partner survey found they wanted to understand more about Net Zero and how to support customers in the transition, so this year we worked with partners to train energy advisers in communities on Net Zero support. Building on last year's training event run by Citizens Advice, we partnered with Community Energy South and Net Zero Guildford to train 36 energy champions to provide personalised in-depth energy advice, use infrared cameras to identify and fix draughty areas, and signpost customers to further support. There was strong customer appetite for this support, with appointments fully booked within a few days. We also shared our Socially Green mapping tool with Community Energy South to help them identify and support customers at risk of being left behind.

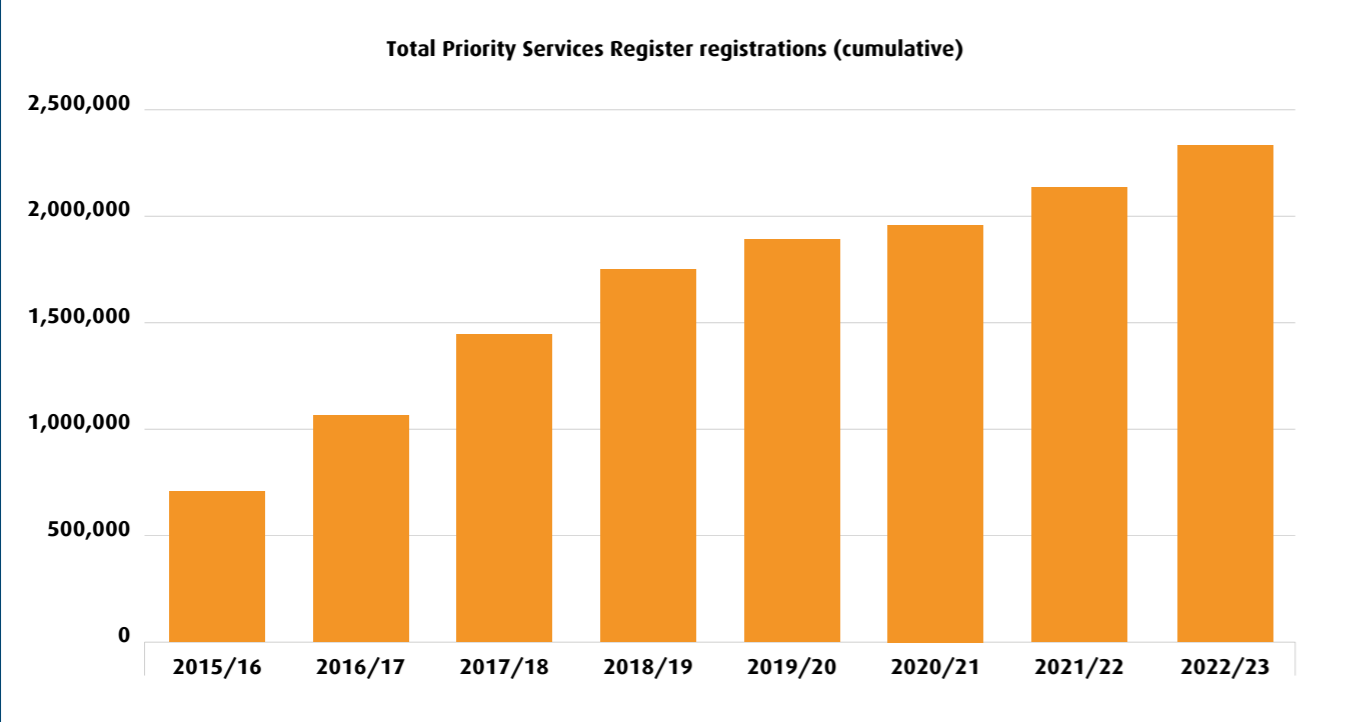
- **Developing new channels** – building a network of delivery partners where expert capabilities already exist, such as tackling digital exclusion, and developing new routes to reach customers, including through community energy groups and local authorities.
- **Learning as a collective** – since this is a relatively new area for all DNOs, we jointly ran a cross-DNO session alongside NGED to share our insights and approaches to support the energy transition, sharing our vulnerability mapping tool and underlying datasets with all DNOs.

Outcomes

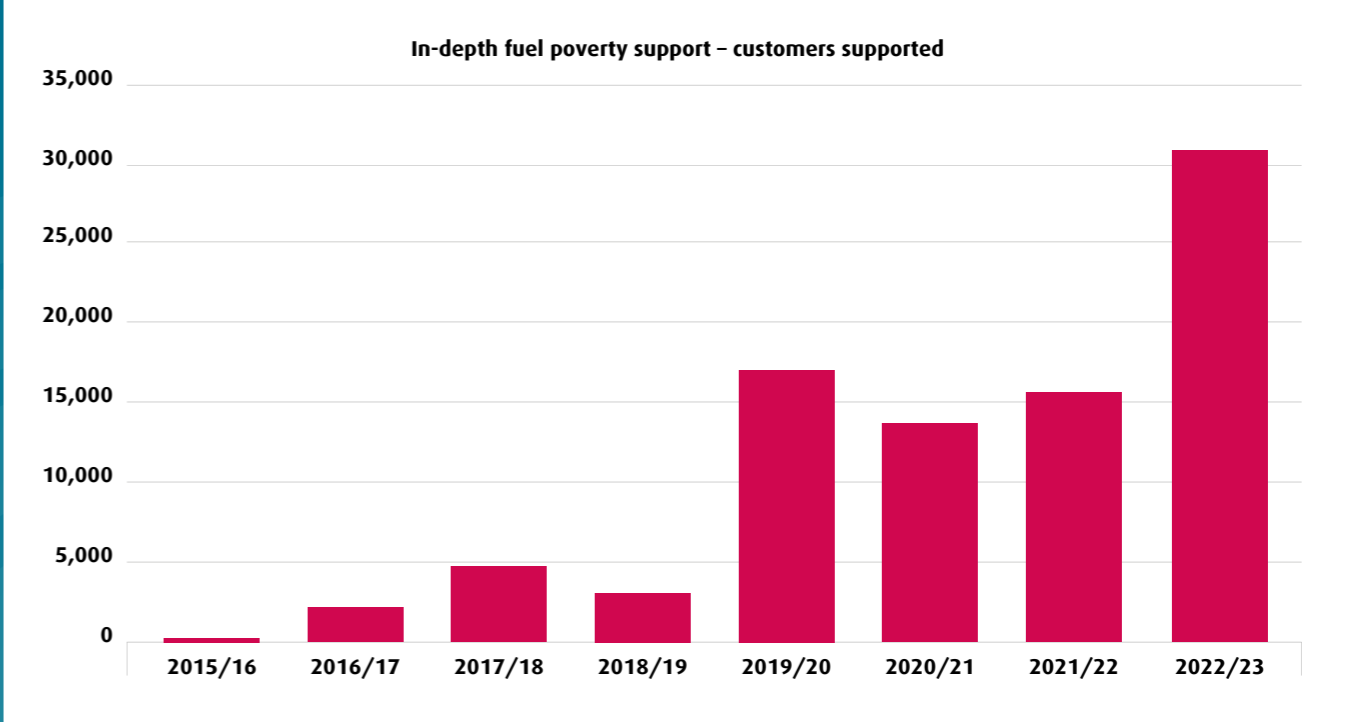
- ✓ 672 thermal imaging surveys completed across Surrey and Suffolk, including 377 households at risk of fuel poverty

The SECV incentive has helped us evolve our consumer vulnerability approach, driving better outcomes for customers

2.33m vulnerable customers benefitting from Priority Services



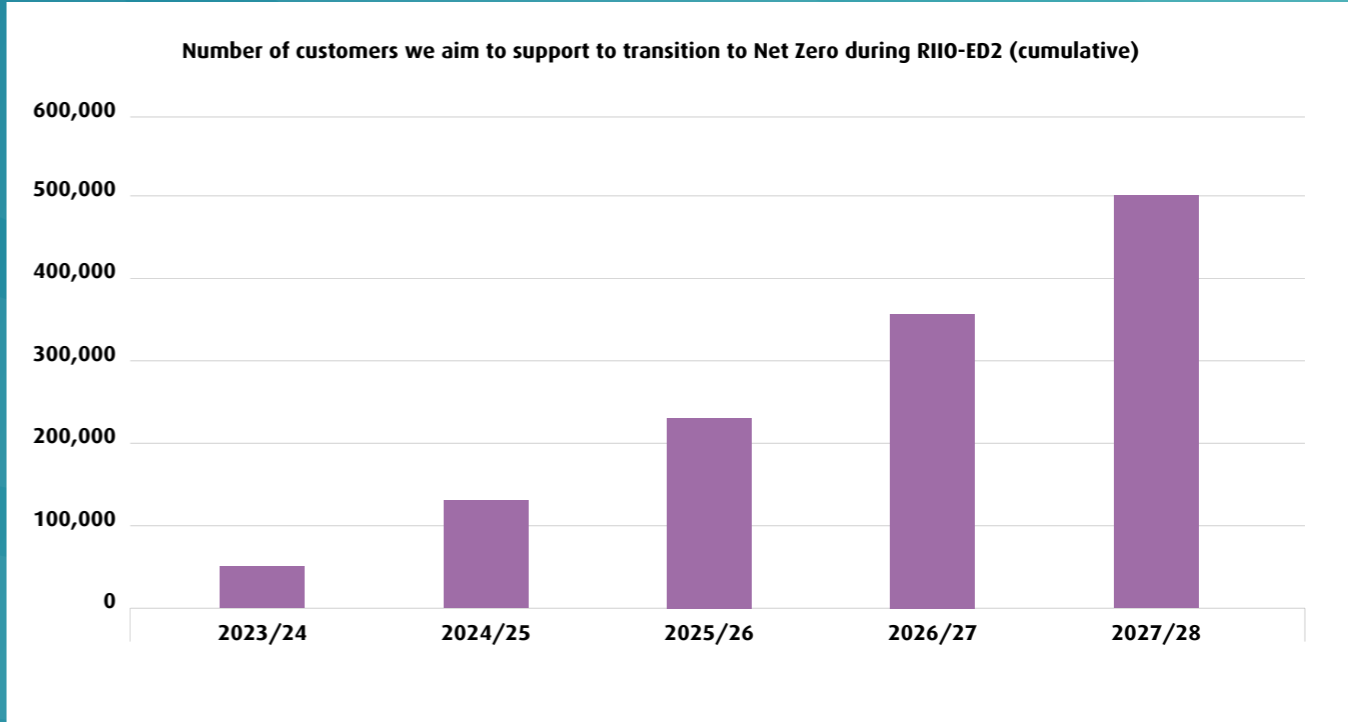
31,612 customers received in-depth fuel poverty support this year



1.46m customers received fuel poverty advice this year



Engagement has helped us understand the challenge of ensuring no one is left behind in the energy transition, shaping our plans to support 500,000 customers to transition during RIIO-ED2



These two pages share additional information on the progress we've made thanks to engagement with our stakeholders since the very first SECV.



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