

# Appendix 07.03.09

## Identifying your needs and joining up support services

This output case supports our overall approach to identifying and understanding the needs of all our customers to help keep them safe, warm and independent in their homes via direct Priority Service Register (PSR) awareness conversations, partnership working and training our front-line staff.

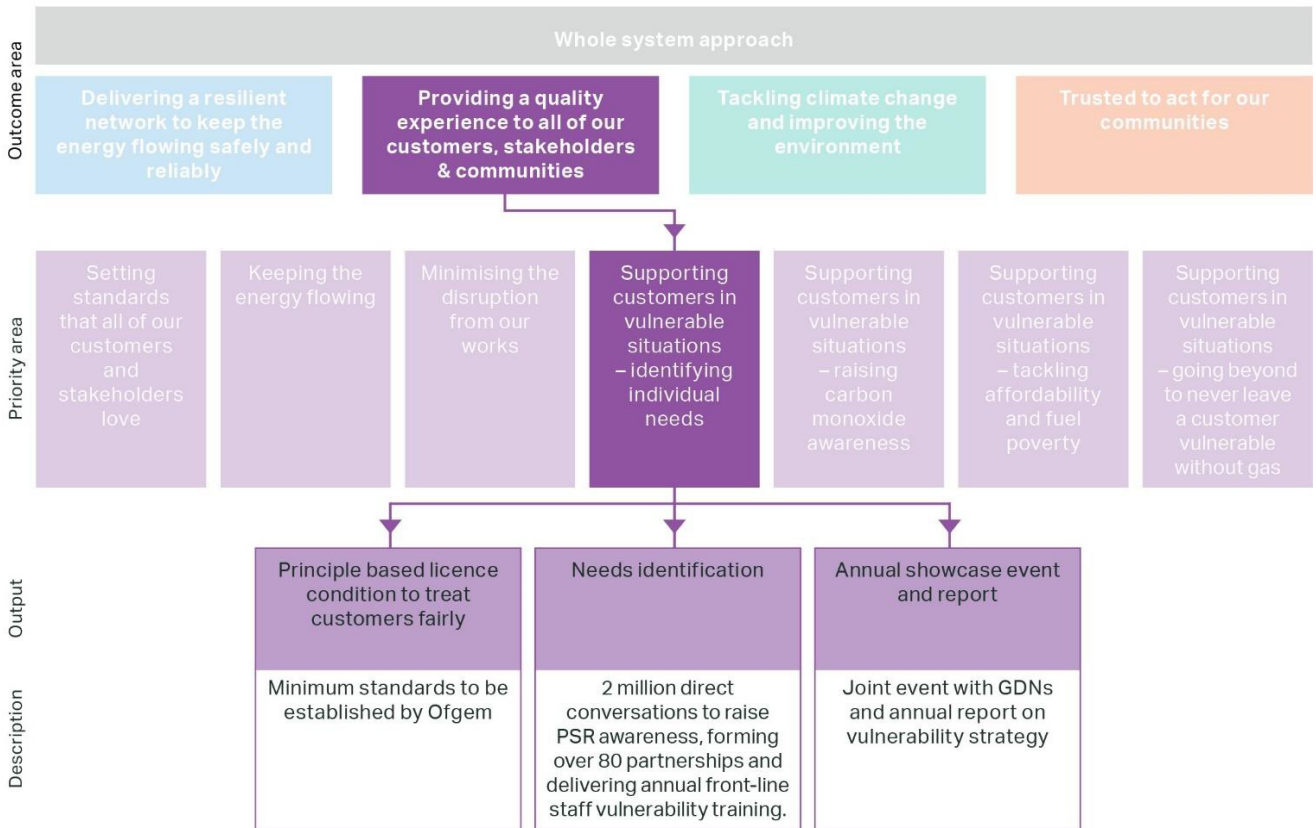
In RIIO-1, Customers in Vulnerable Situations (CIVS) were protected by Standard Special Licence Condition D13 Provision of services for specific domestic customer groups and Guaranteed Standard of Performance (GSOP) 3 – Heating and cooking facilities for priority domestic customers. During RIIO-2, the following regulatory enhancements will be made to these minimum standards:

- Increased compensation payments for GSOP 3, together with payments being made automatically.
- Licence condition D13 will be updated by Ofgem and will become more principles based to ensure fair treatment of customers across all networks.
- An annual Ofgem led best practice sharing event will take place with all Gas Distribution Networks (GDNs).

During RIIO-2 we want to continue our work over and above the minimum standards and stretch ourselves by delivering the following commitments for CIVS:

- Have two million direct conversations to raise awareness of the PSR, delivered via our front-line emergency services and partnership working across our network footprint.
- Form over 80 strategic, programme and project partnerships to utilise their trusted expertise in accessing harder to reach customers, building on the strong foundations we have set in RIIO-1 with organisations such as Maggie’s and the Royal National Institute of Blind People (RNIB).
- Innovate to deliver new products and services for CIVS and ensuring that our front-line customer facing staff are trained to identify, understand and act on any situation of vulnerability they may come across.

**We will deliver:**



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## How we have developed our proposals?

1. **We considered our vision statement** – In order to deliver standards that all of our customers love, we need to consider the specific needs of different groups of customers. In order to consider these needs, we need to be aware of them and therefore put in place processes that enable this awareness to be shared and ultimately acted on.
2. **We reviewed how we currently operate in order to provide these standards** – Customer awareness of the Priority Services Register (PSR) is a key issue that we have tried to address through the leading role we have played in developing a single PSR across the industry and in defining vulnerability.
3. **We liaised with experts** from government, charities and other organisations working with different aspects of vulnerability and found out that, despite improvements noted across RIIO-1, awareness remains a significant challenge.
4. **We tested customers' and experts' awareness levels** and confirmed that these are at around 26%, which is very consistent with the analysis completed by Ofgem and other external parties.
5. **This provided us with a clear problem statement** – How do we raise the awareness of the PSR so that customers can register and enable us to proactively tailor our services to better support specific needs?
6. **We looked at best practice** on how other organisations and industries are tackling similar challenges to those we face.
7. **We worked with experts in our target engagement phase** to assess ideas of how we could improve awareness of the PSR along with discussing other aspects of improving how we support CIVS (which fed into other commitment areas).
8. **We asked CIVS the same set of questions** – It was clear that face-to-face conversations (via a trusted source in the eyes of the customer) are seen as the most valuable way of effectively informing customers and communities of the PSR, its purpose and how to register. This helped us define potential action statements.
9. **We developed options** – We asked customers and experts to assess options around our approach and the volume of conversations we should have to raise the awareness of the PSR, based on the relative merits they saw and the difference each option would make to their bills.
10. **We considered the range of research and analysis** – We identified that while there was a consistent view on the approach, volume of work and willingness to pay from customers and experts, there was a challenge on how we could deliver this. This was one of seven commitments requiring a focussed session with Cadent's four RIIO Directors to consider all the feedback and make a decision by applying a relative weighting to the sources of data available.
11. **We considered how we could best enable face-to-face conversations with customers** and realised that, without support from partner organisations, we could not achieve the targets we had determined through our triangulation process.
12. **We defined our commitments** – We will adhere to Ofgem's new licence obligation to treat all domestic customers fairly and have committed to the following commitments above the minimum standard:
  - Deliver 2,000,000 PSR awareness conversations.
  - Form over 80 partnerships to support CIVS.
  - Provide annual vulnerability awareness training all our customer-facing staff.

13. **We confirmed our proposal in our October plan** and have tested this along with other aspects of the plan in our acceptability-testing process.
14. **We are seeking £7.7m in funding to deliver this** – However, we have calculated a social return on investment of £8.5m during RIIO-2.
15. **What will the future look like after we embed our RIIO-2 commitments?** – CIVS are no longer seen with a stigma associated, people actively engage with the one utility PSR and companies have a set of services for all that customers are able to select services based on their individual needs.

The tables below summarise our commitments in this area:

**Our commitments**

*Table 1 Summary of our commitments*

<b>Principles based licence condition to treat customers fairly</b>	
<b>Common / Bespoke</b>	Common
<b>Output type</b>	Licence Obligation
<b>Comment</b>	Minimum standards to be established by Ofgem
<b>Target</b>	N/A
<b>Cost implications (annual)</b>	N/A
<b>Incentive range</b>	N/A
<b>Net Consumer Value Proposition (CVP)</b>	No financial CVP, qualitative benefits only

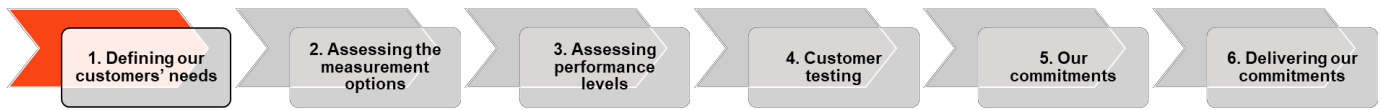
<b>PSR awareness conversations</b>	
<b>Common / Bespoke</b>	Bespoke
<b>Output type</b>	Price Control Deliverable
<b>Comment</b>	Direct PSR awareness conversations through existing interactions and strategic partnerships
<b>Target</b>	2 million direct awareness conversations over RIIO-2
<b>Cost implications (annual)</b>	£0.4m
<b>Incentive range</b>	N/A
<b>Net CVP</b>	£0.6m

<b>Partnerships</b>	
<b>Common / Bespoke</b>	Bespoke
<b>Output type</b>	Price Control Deliverable
<b>Comment</b>	Develop strategic, programme and project partnerships to deliver enhanced vulnerability services
<b>Target</b>	Develop over 82 partnerships over RIIO-2
<b>Cost implications (annual)</b>	£0.4m
<b>Incentive range</b>	N/A
<b>Net CVP</b>	No financial CVP, qualitative benefits only

<b>Front line staff vulnerability training</b>	
<b>Common / Bespoke</b>	Bespoke
<b>Output type</b>	Price Control Deliverable
<b>Comment</b>	Annual vulnerability training for all front line staff
<b>Target</b>	c.3000 front-line staff trained every year
<b>Cost implications (annual)</b>	£0.74m
<b>Incentive range</b>	N/A
<b>Net CVP</b>	No financial CVP, qualitative benefits only

<b>Annual showcase event and report</b>	
<b>Common / Bespoke</b>	Common
<b>Output type</b>	Output Delivery Incentive (R)
<b>Comment</b>	Joint event with GDNs and annual report on vulnerability strategy
<b>Target</b>	N/A
<b>Cost implications (annual)</b>	N/A
<b>Incentive range</b>	N/A
<b>Net CVP</b>	No financial CVP, qualitative benefits only

## 1. Defining our customers' needs



### 1.1. What is the area?

Our vision is to set the standards that all of our customers love, and this means that we must understand, plan for, and respond to the needs of customers in a variety of vulnerable situations. Understanding and identifying the needs of all our customers, recognising that no two customers are the same, is the one of 6 foundations of our customer vulnerability strategy.

While undertaking our works we may come across, or create, circumstances where customers are in vulnerable situations, and therefore it is essential that we provide accessible services to all, meeting their particular, and often greater, needs. It is important that our customers are aware of the bespoke and personalised services we are able to provide through their registration on the PSR so that we can help to keep them safe, warm and independent in their homes. The PSR is a powerful mechanism to identify the needs and tailor services according to these needs. However, it is only as effective as the number of people who are registered and for that they must know it exists.

We must also support colleagues in duty of care as a natural part of their everyday experiences, ensuring that actions are respectful and meaningful and deliver positive outcomes that connect customers with relevant services available in their area.

Through our experience in RIIO-1, we recognise the substantial benefits of working with expert partnerships to help identify, understand and deliver services to CIVS. This must be continued and expanded to deliver further benefits in RIIO-2.

### 1.2. Why is it important to customers and stakeholders?

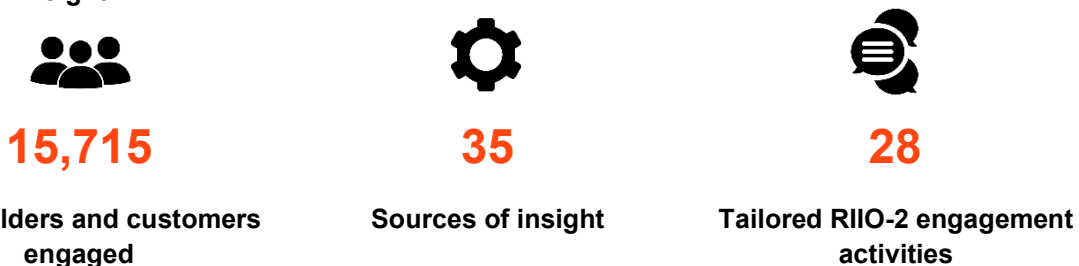
There is overwhelming support from customers and stakeholders for us to raise awareness and enhance the services we currently provide for CIVS. Despite great progress made with the PSR in RIIO-1, there is still a significant need to increase general awareness of vulnerability and the support available. There is an opportunity in RIIO-2 to use our existing interactions and work with a wider range of partnerships to raise awareness levels.

Our customer vulnerability strategy underpins our mission to safeguard customers and all who live and work in the communities we serve. Entering over 400,000 customer properties a year via our emergency work alone, we are often best placed to identify customers who find themselves in situations of vulnerability and may need extra support.

Actions to identify and support CIVS are generally delivered by front line-staff, including contact centre staff who communicate with customers daily. Training them on how to understand and identify vulnerability, including an understanding of the services available for each need, is invaluable.

### 1.3. What insights are shaping our thinking?

#### Sources of insight



We engaged with the following customers and stakeholders to discuss and understand how we can identify needs and join up support services.

Table 2 Customers and stakeholders engaged

Customers	Partners and Charities/Expert Stakeholders
<ul style="list-style-type: none"> <li>• Domestic customers</li> <li>• CIVS</li> <li>• Fuel poor customers</li> <li>• Business customers</li> <li>• Future customers</li> <li>• English as a second language (ESL) customers</li> <li>• Non-English-speaking customers</li> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Maggie's Trust</li> <li>• Disabled Living</li> <li>• Queen Alexandra College</li> <li>• Royal Association for Deaf people</li> <li>• Royal National Institute of Blind People</li> <li>• Carers Trust</li> <li>• Alzheimer's Society</li> <li>• National Energy Action</li> <li>• Rural England Community Interest Company</li> <li>• Citizens Advice</li> <li>• Sustainability First</li> <li>• Trussell Trust</li> <li>• Shelter</li> <li>• Sense UK</li> <li>• Catch 22</li> <li>• Age UK</li> <li>• Islington Chinese Association</li> <li>• Blind Veterans UK</li> <li>• Macmillan Cancer Support</li> <li>• Spinal Injuries Association</li> <li>• HEET</li> <li>• MS Society</li> <li>• Part-sight</li> <li>• Groundwork</li> <li>• Hackney Playbus</li> </ul>
Industry and Community Services	Forums
<ul style="list-style-type: none"> <li>• Gas Distribution Networks</li> <li>• Ofgem</li> <li>• Energy Networks Association</li> <li>• Coventry University</li> <li>• Yorkshire Energy Solutions</li> <li>• Northumbrian Water</li> <li>• Institute of Customer Service</li> <li>• Community Action Northumberland</li> <li>• Metropolitan Police</li> <li>• South Yorkshire Fire Service</li> <li>• Essex County Fire and Rescue Service</li> <li>• Leicestershire Police Against Scams</li> </ul>	<ul style="list-style-type: none"> <li>• Chairing the Safeguarding Customers Industry Working Group</li> <li>• Membership of the National Mental Capacity Forum</li> </ul>

We engaged with a wide range of customers and stakeholders to understand how we can better identify their needs, focusing on how we can enhance our approach to making support available to CIVS. We have summarised each activity, the questions asked (where applicable), the numbers involved, and a robustness score based on the following criteria:

Criteria	Robustness score		Relevance
The score shown is based on a combination of the robustness of the source information (judged on whether it was recent, direct and representative) and the relevance to this area.	<1.5	One or zero criteria met	Limited relevance
	1.5 - 2.0	Two criteria met	Significantly relevant and contributory
	>2.0	All criteria met	Highly relevant and contributory

Table 3 Engagement activities

Phase	Date	Source name	Source description	Questions asked	# of stakeholders	Score
Historical Engagement	Feb-18	Vulnerability survey	We sent a survey on Cadent's proposed definition of vulnerability to a range of stakeholders. This aimed to test our definition of vulnerability and identify any areas we had not captured. The majority of respondents agreed with our definition.	Respondents were shown each element of our definition, asked if they agreed and then were offered the opportunity to provide free text comments and suggest changes.	26	2.0
	2018	London Collaboration forum - SGN & National Grid	We held a workshop with stakeholders in our London Network, including other utilities, charities, Local Authorities and Emergency Services. The purpose was to share the work we are doing on street works and customers and community and tableside feedback from stakeholders.	Attendees were shown our plans for street works such as no-dig techniques and asked to discuss the outcomes we should try to deliver. Following this, they were introduced to our plans for supporting those who need help the most and those in fuel poverty and asked to comment.	47	1.5
	Various 2017-18	Have your say employee consultation - 2017/18 (Report also includes themes from 2016/17)	We conducted an annual online survey of employees and external stakeholders to better understand their priorities for the year.	Respondents were asked for their reviews of our engagement with stakeholders and how this could be improved. They were then asked about our organisational objectives for the year and what our priorities should be.	971	1.0
	May-19	Research by Balisha Attalia, Coventry University	A Coventry University student performed some primary research, aimed at 18 - 24 year olds, to explore services that Cadent could provide to customers both in the home and the community and services that would attract 18-24 year olds.	Participants were asked if they knew what proportion of their gas bill went towards the provision of Cadent's services. Participants were also told of additional services that Cadent provides such as carbon monoxide alarms and other support for vulnerable customers and asked how important they felt they were an whether Cadent was the appropriate organisation to provide them. Finally, participants were asked if there were any other free services that they would like Cadent to provide to customers in the home and community.	75	2.0



<b>BAU Insights</b>	Aug-18	Ofgem's RIIO-2 Customer and Social working group on 30 Aug 2018	We discussed fuel poverty with key industry players and the regulator at Ofgem's Customer and Social Issues Working Group. There were circa 12 attendees at each working group.	N/A	12	1.0
	Feb-19	Ofgem future of energy conference	We attended Ofgem's Energy Conference.	N/A	N/A	1.0
	2019	UKERC report: Paying for energy transitions	Our views were informed by the UKERC's report 'Paying for energy transitions: public perspectives and acceptability.'	N/A	N/A	3.0
<b>Discovery</b>	Nov-17	2017 regional stakeholder workshops	We held four workshops in different regions to seek feedback from key stakeholders on the early development of our business plan. Each workshop began with a short presentation, followed by roundtable discussions. Electronic voting was also used to ask stakeholders about preferred options.	The workshops explored a number of topics, including: safeguarding (e.g. PSR awareness, partnerships and innovation opportunities); the future role of gas and the decarbonisation of home heating. Cadent's general approach to its business plan was also discussed, for example the importance and coverage of the four outcome areas identified, the extent to which the plan should respond to the needs of specific customer groups or regions.	127	2.5
	Sep-18	Deliberative workshops	We delivered full day deliberative workshops in each of our regions to discuss what services customers find important, find our customer expectations of GDNs and gather feedback on our (at the time) four draft customer outcomes. The sessions began with information-giving and building knowledge of Cadent, then eliciting participants' views of services and priorities.	Participants were asked about their awareness of Cadent and expectations of a GDN. Participants were also asked for their views on the four draft outcomes in Cadent's business plan: keeping your energy flowing safely, reliably and hassle free; protecting the environment and creating a sustainable energy future; working for you and your community safeguarding those that need it most; value for money and customer satisfaction at the heart of all our services. The aim of the discussions was to shape these draft outcomes and identify any gaps.	206	3.0

<b>Discovery</b>	Oct-18	CIVS report	We interviewed CIVS and professionals working to support them (e.g. district nurses). We selected participants based on PSR needs codes and recruited via community organisations.	The interviews sought to understand what services were important to CIVS and what expectations such customers had of Cadent to safeguard them and accommodate their specific circumstances. Participants were also asked their views of the four draft outcomes in Cadent's business plan. They were asked if they are aware of the PSR.	20	3.0
	Oct-18	Focus groups with hard to reach groups	We held focus groups with individuals considered 'hard to reach' in each of our regions. Each group contained 8-10 participants and lasted two hours. Participants covered three groups: urban customers with English as a Second Language, Future Generations and Non-Customers (predominantly from rural areas). These built on our previous deliberative workshops, whose voices could otherwise become 'lost within the crowd'.	Participants were asked what they expected of Cadent. The four draft outcomes for the business plan were shared with participants and they were asked for their views on these, what they wanted to see from Cadent and whether there were additional outcomes that Cadent should include.	57	2.0
	Oct-18	Domestic survey	We ran an online survey of a representative sample of our domestic customers (and non-customers). This aimed to test the findings of the earlier deliberative workshops and focus groups.	Participants were asked closed questions on 14 topics we could cover in the business plan (e.g. minimising leaks, affordability) and asked to rate how important they are. They were then asked more open questions about the level of importance and whether anything was missing from the list of 14. Finally, they were asked a multiple-choice question on their preferred engagement methods for the future.	2,332	3.0

Discovery	Feb-19	ENA and Accent RIIO-2 stakeholder engagement (decarbonisation)	<p>A broad range of stakeholders from across the country, across different areas of the sector and representing a range of organisations were brought together by all GDNs to understand their views of how the gas networks should individually and collectively support the decarbonisation of heat through their RIIO-2 business planning. Most stakeholders preferred taking a broad definition of 'whole systems' and wanted future-proofed assets and decision-making with the longer-term end goal in mind.</p> <p>But they emphasised the need for urgency in putting the stepping stones in place to reach decarbonisation targets.</p>	<p>Stakeholders were asked what a whole energy system approach should look like, and what gas network RIIO-2 business plans should focus on in the context of decarbonising the gas system. The impact on CIVS, collaboration between gas networks and the funding of, and barriers to, decarbonisation were also discussed.</p>	37	2.0
	May-19	RIIO-2 employee engagement, May 2019	<p>We engaged with 783 of our employees through a survey to test the latest RIIO-2 business plan proposals to ensure that the plan was robust, fit for purpose and accurately represented what our customers want from us. Employees were asked for their views both as customers and as subject matter experts. Participants were asked for their priorities from their perspective as customers. Then, as subject matter experts, they were asked to rate, and provide their views, on different service offerings (Customer Contact, Emergency Response and Repair, Domestic Connections, Commercial Connections and Mains Replacement).</p>	<p>Employees were asked for their views both as customers and as subject matter experts. Participants were asked for their priorities from their perspective as customers. Then, as subject matter experts, they were asked to rate, and provide their views, on different service offerings (Customer Contact, Emergency Response and Repair, Domestic Connections, Commercial Connections and Mains Replacement).</p>	783	1.0

<p><b>Discovery</b></p>	<p>May-19</p>	<p>Business interviews</p>	<p>We commissioned Traverse to interview 18 businesses with a view to understanding specific business customer wants and needs in order to inform our proposed services for our RIIO_GD2 business plan. The interviews explored the general characteristics of the business and its gas use before establishing their existing knowledge of Cadent. The effects of interruptions and business expectations were explored. In addition, views on delivering our four outcomes were also discussed: delivering a safe, resilient network; supporting the energy transition; providing a high quality and reliable service; and acting in a fair, transparent and responsible way.</p>	<p>The interviews explored the general characteristics of the business and its gas use before establishing their existing knowledge of Cadent. The effects of interruptions and business expectations were explored. In addition, views on delivering our four outcomes were also discussed: delivering a safe, resilient network; supporting the energy transition; providing a high quality and reliable service; and acting in a fair, transparent and responsible way.</p>	<p>18</p>	<p>2.0</p>
<p><b>Targeted</b></p>	<p>Feb-19</p>	<p>Cadent Customer Forum Safeguarding</p>	<p>The first round of customer forums was held at three locations (London, Manchester, Birmingham) involving 96 customers. The forums are designed to be ongoing conversations with customers, with engaged discussions around the role of Cadent within society. The first customer forum focused on safeguarding and supporting CIVS to inform these sections of the RIIO-2 business plan. Within these themes, we explored customer expectations and priorities.</p>	<p>Customers were asked what they expected from Cadent in relation to safeguarding, how Cadent should help CIVS. The forums also sought to explore customer priorities for safeguarding and the reasons for that prioritisation.</p>	<p>96</p>	<p>3.0</p>

<b>Targeted</b>	May-19	Cadent customer forums: Interruptions and Reinstatements	The third round of customer forums was held at four locations (Ipswich, London, Manchester, Birmingham) involving 104 customers. The forums are designed to be ongoing conversations with customers, with engaged discussions around the role of Cadent within society. The third customer forum focused on planned and unplanned interruptions and public and private reinstatements to inform these sections of the RIIO-2 business plan. Within these themes, we investigated how customers are impacted and what level of customer service they think we should provide.	Customers were guided through different questions about the current service during planned and unplanned interruptions and new ideas Cadent were considering around: communication, length of interruption, provisions and timeslots to get gas back on. Discussions on public reinstatement focused on: impact of public reinstatement on customers, communication, and multi-utility working. Discussions on private reinstatements focused on the quality and duration of works.	104	3.0
	May-19	Stakeholder research	Accent carried our research on behalf of all the GDNs to understand how well the needs of CIVS are met by GDNs; and assess if additional/reviced GSOPs specifically for CIVS might be required. The research included a desk review of existing evidence and 16 telephone interviews with stakeholders working with or in the interests of CIVS.	The desk review included assessment of reports available from GDN research, GDN strategies regarding CIVS and reports from other bodies working in the interests of these customers. Interviews looked to understand stakeholder views on vulnerability, the current GSOP targets and performance levels and if any improvements could be made. They also explored the potential for new GSOPs.	16	3.0
	Jun-19	CIVS, Phase 2	We commissioned Traverse to engage with 37 CIVS and professionals working with such customers to understand their needs and preferences to support our business planning process. The overarching key finding was that CIVS are individuals and, as such, have individual needs and preferences and should be approached on a need's basis. Organisations interviewed included, Maggie's Trust, Age UK and Disabled Living.	The interviews sought to understand the needs and expectations of Cadent to safeguard CIVS and accommodate their circumstances. Topics covered included identification, the PSR (including awareness levels), partnerships, alternative cooking and heating solutions during interruptions, safety in the home, tailored services, engagement and communication.	37	3.0

<b>Business Options Testing</b>	Aug-19	Workshops with ESL and non-English speakers, Traverse	We commissioned Traverse to hold three workshops with ESL and non-English speaking customers: 22 Polish-speaking participants with English as a second language and 9 Bengali speaking participants. During this session we asked customers to tell us what role they thought that we should play in relation to carbon monoxide safety, provisions during an interruption and responding to climate change. They agreed that communication was critical with respect to interruptions. For provisions, all agreed oil filled radiators were important, but there were interesting differences too: the Bengali group prioritised hot meal vouchers & kettles, both given low priority by the Polish group which favoured shower access & hot plates. They confirmed that they believed, we as other big businesses should be acting responsibly and seeking to reduce our carbon footprint. The specific intention of this session was to ascertain the views of a different (typically hard to reach) group of customers to check if their views were consistent with other customer segments.	Customers were asked about their priorities. We also sought to understand their views on our business options in relation to carbon monoxide, provisions during interruptions, and decarbonisation.	31	2.5
	Aug-19	4 stakeholder interviews, Aug 2019	We conducted stakeholder interviews with Rural England CIC, Disabled Living, Queen Alexandra College (for people with disabilities) and the NEA.	We asked them for their views of how we could raise awareness of the PSR	4	2.5

<b>Business Options Testing</b>	Aug-19	CIVS engagement, Traverse	<p>We commissioned Traverse to engage with 65 customers in vulnerable circumstances, through deliberative workshops and telephone interviews to understand their views on options for our business plan in relation to the protection of CIVS.</p> <p>The option with the highest target delivery levels (option 3) was chosen for raising awareness of the PSR and charity partnerships. Both options 2 and 3 were popular for staff safeguarding training and using innovation to support customers. The specific intention of this session was to ascertain the views of a different (typically hard to reach) group of customers to check if their views were consistent with other customer segments.</p>	<p>Participants were asked about their priorities. We also sought to understand whether business options for a number of commitments were ambitious enough and identify and understand reasons behind their preferences. The business options discussed related to PSR awareness, partnerships with other organisations, training of Cadent staff, innovation around new technologies and services, the duration of, and provision of services during, interruptions and supporting CIVS.</p>	65	3.0
	Aug-19	Workshops with customers in fuel poverty, Traverse	<p>We commissioned Traverse to engage with 83 customers in fuel poverty at deliberative workshops in Wolverhampton and Peterborough to understand their views on options for our business plan in relation to a number of areas of relevance to customers in fuel poverty or vulnerable situations. The option with the highest target delivery levels (option 3) was chosen for each of carbon monoxide (CO) awareness &amp; action, priority safety checks and fuel poor solutions (including income &amp; energy advice). The specific intention of this session was to ascertain the views of a different (typically hard to reach) group of customers to check if their views were consistent with other customer segments.</p>	<p>Customers were asked about their priorities. We also sought to understand their views on our business options in relation to carbon monoxide, proactive safety checks, addressing fuel poverty, PSR awareness, the length of, and provisions during interruptions.</p>	85	2.5

<p><b>Business Options Testing</b></p>	<p>Aug-19</p>	<p>Cadent customer forum, round 5, Traverse</p>	<p>We held our fifth customer forum in Ipswich, London, Birmingham and Manchester with 130 participants to get customers' views on their priorities on a range of issues. This cross section of customers discussed with us various options (some proposed by us, some suggested by them) in a deliberative style session. Key topics discussed included: minimum standards and compensation; options for raising PSR awareness; interruptions - both acceptable length and appropriate provisions; supporting CIVS; options for Cadent's objective to become a carbon neutral business, the merits of connecting off-grid communities; and roadworks information and communication.</p>	<p>Participants were asked questions about a range of topics. On minimum standards, customers were asked whether current standards and levels of compensation were appropriate. With respect to PSR awareness, customers were asked about their preferred package of options. For interruptions, we discussed which provisions customers feel Cadent should provide as a core package and how customers would like to be informed of the availability of those provisions as what an acceptable duration for interruptions was. We also explored if there is an appetite for Cadent's engineers to be trained to do minor pipe and appliances repairs. On environmental options, we discussed Cadent's commitments around becoming a carbon neutral business and the connection of off-grid communities. Finally, we discussed which communications methods customers prefer with respect to roadworks.</p>	<p>130</p>	<p>3.0</p>
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<p><b>Business Options Testing</b></p>	<p>Aug-19</p>	<p>Public consultation, BOT, qualitative phase, Traverse</p>	<p>We commissioned Traverse to conduct a survey of 2,605 members of the public to understand views on certain aspects of our business plan in each of the 4 outcome areas (environment, quality experience, trusted to act for society and resilience). The survey revealed strong support for utilities working together to minimise disruption and for outstanding customer service, as well as providing useful information on the relative importance to customers of different types of information and different environmental initiatives.</p>	<p>Participants were asked questions to understand their views and preferences on issues within each of the four outcome areas. On resilience, customers were asked which one single improvement we should make to reduce disruption the most. In relation to a "quality experience", customers were asked what level of service they'd love the most and how much they'd be willing to pay to ensure a vulnerable customer could get enhanced help if their gas stopped working. On the environment, customers were asked their relative preference for initiatives to achieve carbon neutrality and eliminate avoidable waste to landfill. Customers were also asked how much they knew about the decarbonisation challenge. Finally, for "trusted to act for society", customers were asked what the most important information to know about Cadent was and how we can help the customer / Cadent conversation flow. We also asked about their awareness of Cadent.</p>	<p>2,605</p>	<p>2.0</p>
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<p><b>Business Options Testing</b></p>	<p>Aug-19</p>	<p>Domestic and business surveys, quantitative phase, Traverse</p>	<p>We commissioned Traverse to conduct a survey of more than 2000 domestic customers and more than 500 business customers to understand preferences between the different business options under consideration across 14 different service areas. The options presented combined service provisions e.g. educate 50,000 customers most at risk of CO poisoning and a monetary impact on the customer's annual bill. Across both the domestic and business surveys, the highest weighted average scores, supporting the options with the highest target delivery levels, were achieved in areas relating to safety and protection of vulnerable customers: responding to carbon monoxide incidents, repairing and replacing faulty appliances, helping vulnerable customers without gas and carbon monoxide safety.</p>	<p>Domestic and business customers were asked their preferred options (with varying degrees of target delivery levels / cost) for 14 commitments:</p> <ol style="list-style-type: none"> <li>1. Carbon Monoxide Safety</li> <li>2. Responding to Carbon Monoxide incidents</li> <li>3. Repairing and replacing faulty appliances</li> <li>4. Helping vulnerable customers without gas</li> <li>5. Helping all customers without gas</li> <li>6. Getting customers back on gas</li> <li>7. Carrying out safety checks</li> <li>8. Minimising disruption from our works</li> <li>9. Tackling Fuel Poverty</li> <li>10. Awareness of Priority Services Register</li> <li>11. Priority Services Register training</li> <li>12. Becoming a Carbon neutral business</li> <li>13. Communities not currently connected to gas</li> <li>14. Keeping the energy flowing reliably and safely</li> </ol>	<p>2,547</p>	<p>3.0</p>
<p><b>Acceptability Testing</b></p>	<p>Oct-19</p>	<p>Carer's Trust</p>	<p>We sought email feedback from a number of stakeholders with an interest in the PSR and safeguarding to explore whether our plans in this area were appropriate. Issues covered included PSR awareness, staff training, partnerships and innovation. Overall, the feedback received was positive.</p>	<p>Via email, we asked whether they agreed with our priority for PSR awareness and which of the options would be most appropriate. We also asked whether they considered our approach to partnerships to be sensible. We explained our proposals for our Safeguarding Champions Network and asked if they thought it would make a difference. We also asked for views on whether only front-line staff should be trained in PSR needs. Finally, we asked whether innovation to safeguard is important, whether we should do more co-creation with partners and whether we should continue to work to lead the industry on extending innovation.</p>	<p>1</p>	<p>2.5</p>

Acceptability Testing	Oct-19	Phase 4 - Business interviews and surveys	We commissioned Traverse to test the acceptability and affordability of Cadent's proposed plan amongst business customers. This consisted of an on-line / face to face survey of 504 business customers and in-depth qualitative telephone interviews with 45 business customers. This showed that the plan had achieved high levels of acceptability and affordability from a business customer perspective.	Business customers were asked about the acceptability and affordability of Cadent's overall plan. If they said that the plan was unacceptable, they were asked to explain their response. If they said that it was neither acceptable nor unacceptable, they were asked what they would like to see in order to find it acceptable. Business customers were also asked to rate the acceptability of the outcome areas (environment, quality experience and resilience). Then, having learnt about the outcome areas, customers were asked as "informed customers" to rate the overall acceptability and affordability of the plan.	549	2.0
	Oct-19	Acceptability testing - final survey report on domestic customers,	We commissioned Traverse to test the acceptability and affordability of Cadent's proposed plan amongst domestic customers. This consisted of surveying 4,446 domestic customers through on-line and face to face methods. This showed that the plan had achieved high levels of acceptability and affordability amongst domestic customers, including those who are fuel poor.	Customers were asked about the acceptability and affordability of Cadent's overall plan. If they said that the plan was unacceptable, they were asked to explain their response. If they said that it was neither acceptable nor unacceptable, they were asked what they would like to see in order to find it acceptable. Customers were also asked to rate the acceptability of the outcome areas (environment, quality experience and resilience). Then, having learnt about the outcome areas, customers were asked as "informed customers" to rate the overall acceptability and affordability of the plan.	4,446	2.0
	Oct-19	Acceptability testing - focus groups with the general population	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) with 79 members of the public in regional focus groups. Participants were supportive of our plans for quality experience and resilience, but no consensus was reach on our environmental plans.	A group discussion was facilitated to discuss views on Cadent's plans in each of the three outcome areas and participants were also asked to complete a survey to rank levels of acceptability and affordability.	79	3.0

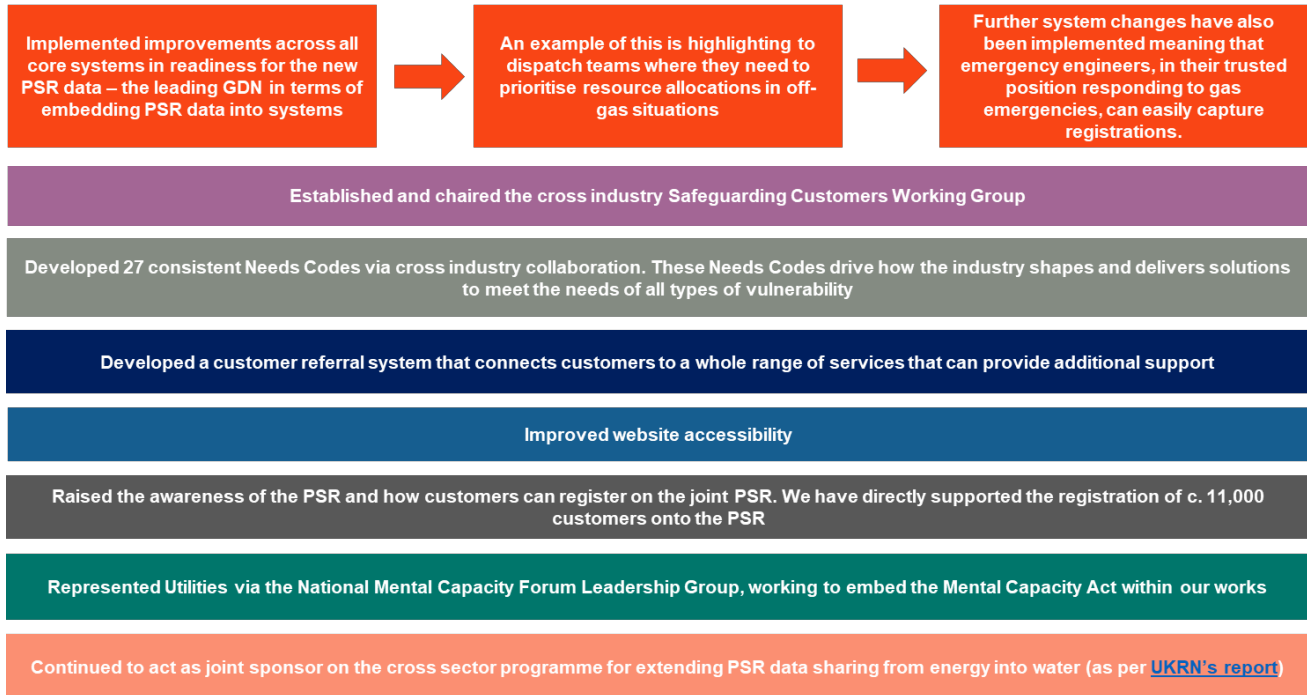
<b>Acceptability Testing</b>	Oct-19	Acceptability testing - customer forum	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) with 109 customers who had attended previous customer forums. Overall, participants found our plans to be both acceptable and affordable.	A group discussion was facilitated to discuss views on Cadent's plans in each of the three outcome areas and participants were also asked to complete a survey to rank levels of acceptability and affordability.	109	3.0
	Oct-19	Acceptability testing - focus groups with future customers	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) with 20 "future customers" (16-18 year olds) in 2 focus groups. Participants were supportive of our plans for the environment and resilience but questioned whether helping vulnerable customers was part our remit.	A group discussion was facilitated to discuss views on Cadent's plans in each of the three outcome areas and participants were also asked to complete a survey to rank levels of acceptability and affordability.	20	2.5
	Oct-19	Acceptability testing - interviews with CIVs	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) by interviewing 20 CIVs. Overall, our plans were supported, and all found the plans affordable.	Throughout the interviews the CIVs were explained the elements of the plan, asked to comment on whether they found each outcome acceptable, which particular elements were important to them, and whether they had any additional comments. They were also asked whether the new business plan was affordable.	20	3.0
	Oct-19	Acceptability testing - fuel poor focus groups	We commissioned Traverse to explore the acceptability of our plans and commitments in each of the three outcome areas (environment, quality experience and resilience) with 35 customers in fuel poverty in regional focus groups. Overall, participants were supportive of our plans in all three areas.	A group discussion was facilitated to discuss views on Cadent's plans in each of the three outcome areas and participants were also asked to complete a survey to rank levels of acceptability and affordability.	35	3.0

<p><b>Acceptability Testing</b></p>	<p>Oct-19</p>	<p>Verve business plan consultation</p>	<p>We commissioned Verve to gather views on our plans to reduce our carbon footprint from 25 customers. We did this through an online forum with customers and stakeholders to discuss the key components that we shared on our EAP. This included our intentions to support our employees to make a positive difference to tackling climate change.</p>	<p>Participants were asked about their awareness of Cadent, discussed the three outcome areas (environment, quality experience and resilience), discussed the bill impact breakdown (both at present and as a result of the plan), risks and uncertainties and innovation funding.</p>	<p>25</p>	<p>2.0</p>
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### 1.4. Learning from RIIO-1

Throughout RIIO-1, Cadent has driven industry-wide improvements to the PSR and have been the ‘go-to’ utility company for best practice in serving CIVS.

During RIIO-1 we have:



In RIIO-1 we have seen the benefits of industry collaboration and sharing of best practice. Some examples of where we have led the industry to collectively work together and enable the delivery of positive outcomes for CIVS to include the following:

- Through the Safeguarding Customer Working Group, all energy companies were brought together to agree on a consistent set of ‘Needs Codes’ which made a single PSR registration possible. If one company signs up a customer to the PSR, their details are safely stored and shared by all energy companies, with customer consent. This helps provide companies with information to tailor services better so that they receive consistent and appropriate levels of support from energy companies in times of need.
- The National Mental Capacity Forum (NMCF) Utilities Working Group brings together companies from across essential services of Energy, Water and Communications to create good practice guidance for all utility companies to use – focusing on key priorities (i.e. Utilities Against Scams and Money and Mental Health) and the continual development of guidance already published.
- Cadent has been pivotal in gaining commitment from the water industry to join the energy industry’s approach to sharing PSR data by 2020. The ambition is for the energy and water industries to have shared PSR data so that customers can easily register and access safeguarding services across both essential services.

The development of the 27 Needs Codes has allowed us to understand the needs of our customers and to tailor our services and deliver initiatives that support customers with specific needs. Examples of this include:

- PSR Language Line in North London - North London is a densely populated area with diverse communities. Across our London Network, over 54% of the population English is not the first language, which is 2.5 times the national average<sup>1</sup> Emergency First Call Operatives (FCO’s) making use of Language Line, an ‘over the phone’ translation service, on the doorstep helps not only to allow the FCO to gain access to properties but also supports the customer in feeling less anxious because they understand what is going on and why. Feedback from FCOs is that this makes the job a lot easier and means that they can provide a service rather than it feeling like an intrusion.

<sup>1</sup> Department of education

- Easy-assist ECV - There are currently 500,000 people registered on the PSR with restricted hand movement. We have innovated to develop the Easy-assist ECV which helps customers to stay safe and independent in their homes with a 'push button' ECV rather than a handle.
- Safeguarding decision-making tool – We are in the early stages of developing a decision-making tool which connects data in our core systems with details specific to the job such as the time likely to be off gas, the time of year and the weather forecast to allow our field force, who work with CIVS on a daily basis, to identify the relevant and available services to support the specific needs of our customers. This provides a standardised way to support colleagues to offer the right services but link that with the delivery mechanism too.

### 1.5. Engagement feedback

Responses from our engagement on identifying customer needs showed that there is no one-size-fits-all approach. While many CIVS may share common needs, there were many points that are specific to the individual needs and preferences of people within each needs code.

Providing for specific customer needs is broadly supported by our customers and employees. This is evident in UKERC's research, which suggested that customers are, on average, willing to accept a 9.6% increase in their energy bill supporting the goal of 'helping vulnerable and disadvantaged groups.' At our customer forum on interruptions and reinstatement, with 104 attendees, most customers agreed that CIVS, including dependent children and those on the PSR, should first and foremost have access to provisions during planned interruptions. In addition, our internal survey of 783 employees, indicated that they highly value meeting the individual expectations of our customers, especially vulnerable customers (scoring 4 out of 5).

Safeguarding as a whole was also discussed in-depth during stakeholder interviews in August 2019. All stakeholders agreed that innovation and new technology should be encouraged. Rural England noted that this could minimise risk for vulnerable people, especially the elderly and those with disabilities. Disabled Living agreed that, as a community we all need to be able to think creatively and support everyone to stay safe in the home they deserve, and that creative thinking will ensure Cadent stays ahead of the game with customer service and trust will grow if people feel safe at home.

#### *Awareness of the PSR and its services*

Our engagement showed that there is a low awareness of the PSR and its services, with evidence from a total of 307 stakeholders: our interviews with 13 CIVS, London Collaboration Forums with SGN and 48 attendees, deliberative workshops with 206 customers, and the CIVS study with 40 participants.

From our interviews with CIVS, we learned that none of them had heard of Cadent and were thus unaware of the services offered. This feedback was supported during our London Collaboration Forums with SGN, and deliberative workshops with customers who told us that they were unaware of the safeguarding services offered by Cadent and the PSR. This varied significantly across regions from 44% to 92% being unaware, with a particular need for more awareness in North West and East Anglia.

These results hold even for the seven professionals and carers working directly with CIVS. Our CIVS study showed that only five professionals out of nineteen, and only five out of nineteen CIVS and carers, had heard of the PSR.

This feedback was further supported by the results of the survey of 75 individuals in Coventry, where individuals suggested that we improve the communication around the services we offer.

Across engagement activities, respondents provided us with examples of how we could increase awareness, including advertising (both general and targeted), providing training for staff and partnering with other organisations (e.g. other utilities, emergency services and doctors).

Liaising with third parties was frequently mentioned, and we were advised that we should partner with the wider support network of people in vulnerable situations, such as charities, social or health carers and family. This idea was strongly prioritised by stakeholders in North London, as well as participants in our CIVS study, the Accent workshop with 37 attendees, the forum on safeguarding with 96 participants, and interviews with 18 of our business customers. Participants in our CIVS study also mentioned that engineers could be given easy access to a central hub of relevant local partner organisations that they could easily refer to.

In terms of which services were considered important, all 31 participants at the ESL and non-English speakers workshops felt that locking cooker valves was a good idea, especially for those with dementia, learning difficulties

or mental health problems, and families with children. Some thought that all households should have this, whereas some believed only CIVS should be provided with one. Many believed Cadent should work with other GDNs to roll out initiatives like this. Others mentioned working with social services and mental health service providers to identify customers who would benefit from a locking cooker valve.

Participants at our acceptability testing workshops with CIVs agreed that the Priority Service Register needs to be more widely advertised and customers support Cadent's plans to adopt several methods to achieve this, including working with local charities and partnerships. Largely, customers agreed that Cadent should prioritise raising awareness of all its initiatives (including PSR and CO) but some also suggested that there should be more accessible information about who Cadent are in general and how to call them in an emergency.

#### *Improving PSR sign-ups and reaching the right customers*

During our deliberative customer workshops, we learned from the 206 attendees that registering for the PSR could be made easier, for example through an online application or prompts for suppliers when they take on a new customer. Similar to raising awareness, working together with vulnerable customers' support networks was also seen as critical for getting vulnerable customers onto the PSR.

Some of the 127 stakeholders at our regional workshops and in our CIVS study informed us that the internet was not a reliable way to reach everyone and potentially eligible customers should be reached through a variety of channels. These stakeholders identified additional obstacles to getting people on the PSR, such as:

- Lack of visibility on who they might be.
- Suitability of eligibility criteria.
- Language barriers.
- Confusion over who is responsible for referrals.
- The stigma associated with being 'vulnerable'.

Feedback from the deliberative workshops confirmed these obstacles and stressed the importance of identifying vulnerability and various approaches to meet different sets of circumstances. The focus should be on providing tailored services and ensuring that CIVS receive the right level of support. Respondents to the survey of individuals in Coventry suggested tailored services and support, such as language interpreters for customers with English as their second language, and provision of cheaper fixed tariffs for those in vulnerable situations.

Feedback from the CIVS study and our safeguarding forum also revealed ways we could be innovative in signing up customers in need, rather than relying on self-identification. This included using data, such as energy usage patterns or Warm Home Discounts, partnering with relevant third parties, and ensuring that engineers are trained to recognise signs of neglect, agitations, abuse, lack of hygiene or safety, or hoarding.

At CIVS workshops, participants stated that TV was likely to be more effective and inclusive than social media campaigns for promoting the PSR and protecting and supporting vulnerable customers. They also stated that they receive much of their important information from charities and support organisations. Partnerships were seen as positive, though there were questions on 'the right ones', the suggestion of working with suppliers to promote PSR on gas bills came up consistently.

#### *Individual compounding factors*

It is important that, even with the representative customer research that we have carried out across our networks, we continue to consider additional compounding factors that impact vulnerability. For example, we must consider how we identify cultural differences or geographic restrictions, how this will change our response, and/or how we reach these customers.

Cadent has been working with London Sustainability Exchange (LSX) to look at the first of these compounding factors, working with cultural groups across our network to understand how we might need to adapt or consider our actions to have the best positive impact. The idea is to ensure that we take the initial customer forum research and look to consider the 'so what' in the case of different gender and age across cultures. For example, how would our response differ because we are engaging with a young female or an elder. How can we work with cultural



groups across our networks to raise awareness in an appropriate and relevant way? What are the additional considerations to ensure we can provide equal access? What opportunities are there for intergenerational differences?

**Joint GDN research into how well the needs of CIVS are met by GDNs**

During phase 1 of joint GDN research into how well the needs of CIVS are met by GDNs, research agency Accent conducted 16 telephone interviews with stakeholders working with, or in the interests of, consumers in vulnerable circumstances (representatives of Gas Network partner agencies, consumer bodies, charities and other relevant organisations).

The findings reveal that:

- The Gas Networks generally service customers with vulnerabilities well and GDNs understanding of customer needs is improving.
- The Gas Networks have a similar understanding of the needs of customers experiencing vulnerability but there should be greater consistency between networks in the way in which vulnerability is described.
- The most significant gap in customer awareness is of the PSR, which needs to be increased, along with awareness and promotion of the GSOPs – both among end customers and the groups working to support them.
- The GSOPs are, broadly, fit for purpose and do not require wholesale change. However, a number could be improved and there is stakeholder support for enhancements.

Overall, in light of the findings for phase 1, the networks were happy with the evidence in place and did not believe further collective work was needed to support RIIO-2 business planning. At Cadent, we have further developed our proposals for service offerings above and beyond GSOP minimum standard levels based on our customer and stakeholder feedback. We have understood and acted appropriately within this commitment together with our other commitments found in the Appendices '07.03.06 Getting our customers back on gas', '07.03.12 Going beyond to never leave a customer vulnerable without gas' and '07.03.08 Minimising disruption from our works'.

**Stakeholder views on Ofgem’s RIIO-2 methodology**

In December 2018, Citizens Advice published a series of essays<sup>2</sup> to illustrate and share ideas on how the RIIO-2 price control could better support consumers in vulnerable situations. A roundtable was subsequently convened in February 2019 to discuss and develop these ideas further, and thereby assist Ofgem in improving its approach to vulnerability under RIIO.

Key commentary from Citizen’s Advice on which areas are of immediate importance for Ofgem include:

<p>“Support available to people should not depend on where they live or who their network provider is”</p>	<p>“Sharing of ideas &amp; best practice between companies is crucial if the networks are to learn from each other”</p>
<p>“It is also important to ensure that consumers receive the same level &amp; quality of support, regardless of where they live &amp; who their energy network is”</p>	<p>“Networks need to actively form part of the consumer journey for a person in a vulnerable situation – proactively linking up with other industry or government schemes”</p>
<p>“The networks have done some good work to date &amp; should be encouraged to develop further partnerships that can positively improve the experience of CIVS”</p>	<p>“Networks already have some partnerships in place, but need to be pushed to continue to improve on that &amp; get more integrated in other areas to deliver benefits”</p>
<p>“Where there is a cost behind forming additional partnerships, this could potentially be funded by the ‘use-it-or-lose-it RIIO-2 allowance”</p>	

<sup>2</sup> [https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/RIIO-2%20Vulnerability%20Essays\\_FINAL%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/RIIO-2%20Vulnerability%20Essays_FINAL%20(1).pdf)

Table 4 Summary of insights

Feedback/insight	How we have addressed this
<p>Customers and stakeholders highlighted that there should be no one-size-fits-all approach. CIVS have bespoke individual needs and our services should reflect these.</p>	<p>We strongly agree with this insight and in RIIO-1 we led the development of 27 consistent needs codes across the industry. We will continue to evolve these and ensure our services correspond to individual needs. One example of this is our commitment to offer a choice of welfare provisions and services beyond the minimum requirement to CIVS during an interruption to their gas supply. See Appendix '07.03.12 Going beyond to never leave a customer vulnerable without gas' for more information on this.</p>
<p>Our engagement shows that there is a low awareness of the PSR and its services.</p>	<p>Raising awareness of the PSR and what it means to be registered has been one of our priorities in RIIO-1 and will continue to be a priority in RIIO-2, where we will enhance our reach and partnership working to spread a significantly greater level of awareness.</p>
<p>Customers and stakeholders encouraged us to be innovative and creative in our thinking to ensure we stay ahead of the game with services to support CIVS.</p>	<p>In our proposals we explore our level of innovation in services related to vulnerability. We will continually seek to innovate and roll out proven and effective innovations in the vulnerability space including bespoke products or services catering to specific needs.</p>
<p>Customers and stakeholders highlighted that we could utilise various approaches to raise awareness of the PSR including advertising and media campaigns.</p>	<p>We want to ensure all our services are accessible and inclusive to all including those related to the PSR. Therefore, we are committing to utilise various online and offline methods to increase the awareness of the PSR and the services customers registering on the PSR are entitled to receive. See Appendix '07.03.05 Measuring and enhancing accessibility and inclusivity' for more information.</p>
<p>Customers and stakeholders across various forums and interviews encouraged us to partner with the wider support network of people in vulnerable situations, such as charities and expert partners.</p>	<p>Partnership working already forms the foundations for our work to support CIVS in RIIO-1. For RIIO-2, we are looking to further enhance our partnership working, building on partnerships already made and forming new partnerships to reach customers that we wouldn't normally reach as part of our day-to-day operations. We are committing to forming over 80 partnerships with various organisations over RIIO-2.</p>
<p>Some customers explained that registering for the PSR could be made easier, for example through an online application or prompts for suppliers when they take on a new customer.</p>	<p>As part of proposals to provide accessible and inclusive communications and services, we will develop our communication channels including our website to ensure it is easy for customers to register on the PSR. See Appendix '07.03.05 Measuring and enhancing accessibility and inclusivity' for more information.</p>
<p>Individuals in Coventry University suggested providing language interpreters and translation services for customers with English as their second language.</p>	<p>Our proposals for accessible and inclusive communication includes providing information to ESL and non-English speaking customers translation and interpretation services e.g. Language line. See Appendix '07.03.05 Measuring and enhancing accessibility and inclusivity' for more information.</p>
<p>Customers and employees highlighted the importance of engineers being trained to recognise signs of vulnerability including neglect, agitations, abuse, lack of hygiene or safety, or hoarding.</p>	<p>Our employees are key to identifying needs and delivering bespoke services for CIVS, especially those who interact with our customers on a day to day basis. Therefore, we commit to providing annual vulnerability training to all our front line staff over RIIO-2.</p>
<p>As part of our ambitions to raise awareness of the PSR customers and stakeholders encouraged us to raise awareness of the GSOPs.</p>	<p>Guaranteed standards are important and encourage networks to stay above the minimum requirements and compensate when they fail. Although our proposals aim</p>

	to go beyond these levels we will ensure any failure leads to automatic payment without customers having to claim and we will communicate and raise awareness of what they standards are through various channels.
Customers said that networks should continue to make improvements and ensure all customers receive the same level and quality of support regardless of where they live or who their energy network is, moving away from any potential stigma of vulnerability.	Embedded within our commitments for RIIO-2 will be to ensure that the level and quality of service we deliver is consistent to all customers, no matter their situation. The existing RIIO-1 licence condition (D13) that protects CIVS is due to be updated by Ofgem for RIIO-2 and will become more principles based. This will help to ensure that CIVS across networks receive more consistent levels of service.

## 2. Assessing the measurement options



### 2.1. How is it currently measured?

In RIIO-1, there are no specific regulatory output measures related to improving awareness of services related to vulnerability or PSR registrations. However, we do have licence obligations and minimum standards to protect domestic customers specifically those registered upon the PSR.

Standard Special Condition D13 requires us to provide services for specific domestic customer groups including agreeing on a password for easy identification during works, providing facilities which enables any domestic customer who has additional communication needs to ask or complain about any service, and sharing relevant information with suppliers. In addition, initiatives related to vulnerability are incentivised through the Stakeholder Engagement Incentive Submission (SEIS) and the Discretionary Reward Scheme (DRS). In Section 3, 'assessing performance levels', we explain our current and historic performance in the area of vulnerability.

#### How do current measures deliver against customer outcome/priority?

The current measures in RIIO-1 largely focus on providing minimum standards to CIVS. Customers have highlighted the importance of raising awareness of the services available and prioritising CIVS as our works will have the greatest impact on them.

**Strengths** – The setting of minimum standards has ensured the most vulnerable are protected and prioritised. The stakeholder engagement incentive has also encouraged greater engagement and knowledge sharing with charities and organisations who have experience and expertise in supporting vulnerable groups.

**Weaknesses** - Although the current measures have set a strong foundation to support and prioritise the most vulnerable, they encourage a reactive approach as opposed to longer-term outcomes delivered proactively. There are no measurable outputs related to increasing the awareness of the PSR, number of partnerships, or staff training.

### 2.2. Good practice

There is a lot of good practice taking place across the utility industry and the wider service sector to support CIVS. The main areas of good practice, include:

- **Tailored services** - Developing awareness of vulnerability needs codes and showing a maturity in thinking how to tailor services to meet individual needs. It is as important to realise when a safeguarding service or product should not be offered as much as which service or product is best suited to the overall situation.
- **Partnerships** – Work closely with industry experts and charities to consistently deliver positive customer outcomes with a drive to improve and continually raise the bar and be flexible to changing needs.
- **Measurement and reporting** – Measuring the services which improve the lives of customers living in vulnerable situations is not always tangible, but in recent years regulators and organisations have adopted many different approaches to measure, track and improve performance related to vulnerability.

#### Tailored services

Water companies included a range of commitments in their PR19 business plans relating to tailored services for CIVS. These include:

- Dee Valley Water and Severn Trent Water have a 'help to fix' scheme where, if a person in vulnerable circumstances' health is at risk as a result of a private issue, they will fix it or support them to find a contractor who can fix it for them. For customers with mental or emotional vulnerabilities, they will support them through the process of getting a private issue resolved and, where required, fix it for them.
- South West Water will provide freephone numbers to all customers on the PSR and customers who require support to pay so they do not cause them an extra financial burden if they need to talk to their water supplier. It is also going to double the size of its Customer Care Team as a reflection of the social services provided, such as extra home visits, outbound calling and assigning vulnerable customers a dedicated contact. Its new Vulnerability Strategy Team will build a trusted partner network of agencies, organisations and other utilities to share data and cross-promote services.
- South Staffordshire Water has set up a Community Hub staffed by its people. This venture enables it to engage directly with customers who may be categorised as vulnerable or who express a desire to engage with them face to face. By the end of June this year, nearly 1,000 customers had visited the community hub, receiving advice and information on things like water meters, social tariffs and debt management.

A Financial Conduct Authority (FCA) report on vulnerability also provided some examples from the financial sector of the way companies support customers with specific needs and embed this in their incentives and performance management for staff (the firms were anonymous):

- A relatively new bank told the FCA that it was able to establish a debt management programme that built-in the need to treat customers fairly from the outset. It believes a flexible approach is supported at board level and relevant managers feel they have the autonomy to implement this in practice. The approach is embedded throughout all aspects of the organisation 'like a stick of rock'. It reports that it educates staff to see customers as people rather than statistics. Staff are encouraged to understand the reasons behind debt and take on board the longer-term implications of not resolving the situation for the customer (such as an impaired credit record). Staff are trained to look out for tell-tale signs of stress, including late payments, changes to dates of payments and manual payments, as well as what customers say in phone calls. It identifies a consistency of approach across all customer-facing teams; staff training; a specialist support team, and a Vulnerable Customer Committee that assesses individual cases, as part of the keys to success. Another key point is an incentive scheme that was radically altered to reflect quality in managing vulnerable customers and finding successful solutions.
- A firm in the credit sector informed the FCA that its approach to vulnerability includes extensive training, a specialist customer support team, and signposting to support agencies at every opportunity. Incentives for staff to identify and deal effectively with vulnerable customers by building this into their performance assessment is also essential. Performance assessment includes managers listening to a sample of calls and assessing how potentially vulnerable people are handled. According to the firm, if these customers are not passed onto the customer support team appropriately, and if calls are not dealt with in a friendly, empathetic manner, this will impact on staff rewards. The firm uses speech analytics software to help with auditing staff performance. This analyses all calls and picks up on specific key words, which may be triggers or clues to vulnerability, such as the mention of illness, treatment, diagnosis or depression. Managers can then assess how these calls have been handled, and give feedback where improvements are needed.

## Partnerships

Many organisations work with partners and industry experts to deliver the most effective outcomes for CIVS. These partners have a greater level of experience in delivering services to specific groups and have developed a level of trust and reliability with customers and communities.

These organisations often publish a range of advice and studies covering the topic of vulnerability. Their summaries of good practice include the following:

- Reports by Citizens Advice encourage service providers to promote energy efficiency, enhancing staff training, data sharing and recording and customer segmentation while providing greater access for the vulnerable and tailoring marketing and communications so that they are clear and easy to understand.
- Age UK requests that the aged receive special attention and make suggestions such as the provision of paper-based information that can be pinned to a board and inform customers about the PSR.
- Britain Thinks said that service providers need an improved understanding of the mentally ill and should partner with charitable organisations and support CIVS once identified (through calls, home visits, letters). They suggest that companies should work sensitively with consumers and work in partnership with advice organisations, such as Job Centres and Housing Associations.

## Measurement and reporting

Regulators outside the energy sector have adopted different approaches to vulnerability:

- Ofcom introduced a new General Condition (the rules all companies must follow) in October 2018, which means that firms will be required to publish their policy on treating all CIVS fairly and offering them additional help if necessary. Ofcom is monitoring the impact of the General Condition on vulnerability (GC C5) and will identify examples of best practice which will be shared with us through industry events and a guide.
- Following PR19 business plan submissions, Ofwat required that all companies adopt a performance commitment based on the following specifications:
  - Companies should register a minimum of 7% of households on the PSR by 2024-25. Companies may choose to set a level that is higher than this minimum level.
  - When setting the new target, companies should consider the needs of customers in vulnerable circumstances in their region by consulting available data and engaging with relevant third parties.
  - Companies should contact a minimum of 90% of registered customers every two years to make sure they are still getting the right support.
  - If a company has already proposed a performance commitment to increase the coverage of their register, they must adapt their commitment to meet the specifications above.

## 2.3. What options have we considered?

### Defining objectives

Reflecting on the insights we have received from our customers and stakeholders and best practice across the industry, we have defined the objectives the outputs on vulnerability should deliver in RIIO-2.

*Table 5 Defining the objectives*

Objective	Business insights	Customer and stakeholder insight/feedback	Best practice	Strategy/policy
<b>Evolve the service we provide to meet the needs of CIVS</b>	Our people take pride in supporting and helping customers they find in vulnerable situations and want us to do more.	Customers and stakeholders are encouraging us to continually improve our services for CIVS.	Organisations within the energy sector and beyond are evolving their services to consider the needs of all customers.	Ofgem has indicated that vulnerability has a greater role in RIIO-2 than ever before.
<b>Use data to support and inform our interactions with customers and/or develop partnerships</b>	Joining our data with publicly available data has allowed us to be better informed and make better decisions.		Data and technology are being used across the industry to identify vulnerability with accuracy and at scale.	
<b>Partner with industry experts and charities to</b>	Partnerships formed in RIIO-1	Stakeholders have advised us to form	Many organisations across the industry	

<b>deliver the best outcome for customers</b>	have helped us join CIVS with the services they need.	effective partnerships to co-create and deliver better services.	use partnerships to deliver enhanced services.	
<b>Increase the visibility and accessibility of our safeguarding services for our customers</b>	As a relatively new company, we want to ensure we are known to all and our services are accessible to all.	Customers and stakeholders call for us to ensure all our services are accessible to all.		
<b>Innovate to deliver solutions that best meet the needs of both current and future customers</b>	Innovation targeted at specific customer needs has delivered great benefits and should be continued.	Customers want us to continue to innovate and use the latest technologies to support CIVS.	Innovations across the industry that support CIVS can be adopted and/or developed.	

Table 6 Options we considered

Option 1: Continue with existing safeguarding services	
<ul style="list-style-type: none"> <li>• <b>Minimum standards</b> - Compliance with minimum standards (D13 licence condition and GSOP3).</li> <li>• <b>Influencing industry</b> - Driving the industry to drive good practice in offering services to safeguard CIVS</li> <li>• <b>PSR</b> - Continuing to embed PSR data into our core systems.</li> <li>• <b>Referrals system</b> – working with existing partnerships to support customers and connect them to the services they need.</li> </ul>	
Assessing the merits and drawbacks	
Pros	Cons
<ul style="list-style-type: none"> <li>• Reaching out to a wide range of customers using PSR data.</li> <li>• PSR data embedded within our systems to inform our thinking.</li> </ul>	<ul style="list-style-type: none"> <li>• No real step-change in performance for customers who need it most.</li> <li>• No specific innovation funding or criteria for supporting CIVS.</li> <li>• Limited industry collaboration to deliver services for all.</li> </ul>
Potential unintended consequences	
<ul style="list-style-type: none"> <li>• Damage to Cadent brand and reputation – We have been leaders in the industry for driving changes in safeguarding and supporting CIVS. If we do not continue to make improvements, we will fall behind the wider industry, damaging our brand and reputation.</li> <li>• Making the most of our interactions – In many instances as a GDN going into people's homes, we are the only company or contact that an individual living alone might have. To provide a minimum standard in services and not to invest in partnership to support what we might find is potentially a missed opportunity for societal purposes and the welfare of our colleagues.</li> </ul>	

Option 2: Enhancing our use of data to further address all the Needs Codes, deliver innovative solutions and create new partnerships	
<ul style="list-style-type: none"> <li>• All elements of Option 1</li> <li>• <b>Greater use of data layering</b> - Using multiple data sets about vulnerability (in our systems and public data) to build a richer picture and inform decision making and identifying solutions for all vulnerability Needs Codes.</li> <li>• <b>Enhanced partnerships</b> - Developing new partnerships at the appropriate level with charities and expert organisations to broaden our reach.</li> <li>• <b>Developing our people</b> - Further developing internal behavioural and cultural change and ensuring that there are support processes in place for colleagues who may find themselves in a personal vulnerable situation.</li> <li>• <b>Innovation</b> - Building on existing innovations together with investment in new options to access harder to reach audiences.</li> </ul>	
Assessing the merits and drawbacks	
Pros	Cons

<ul style="list-style-type: none"> <li>• All the benefits of Option 1.</li> <li>• Delivers a greater breadth of options or solutions for the Needs Codes, informed by multiple layers of data.</li> <li>• Accelerates innovation solutions including the wide-scale implementation of proven innovations, and the development of new innovations.</li> <li>• Goes further to support CIVS through increased and enhanced partnerships with charities and expert organisations.</li> <li>• Provides our people with the right skills and tools to support all customers they face or speak to.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk that new partnerships do not deliver the required outcomes due to a lack of maturity, capacity and funding.</li> <li>• An enhanced approach would most likely add cost to the customer bill.</li> </ul>
<p><b>Potential unintended consequences</b></p> <ul style="list-style-type: none"> <li>• Regulated funds used for forming partnerships with experts carries the risk of impacting the competitive market. There need to be clear guidelines associated with these services to ensure they do not drive the wrong behaviour from companies and consumers.</li> </ul>	

**Option 3: Transformational approach to how we serve CIVS**

<ul style="list-style-type: none"> <li>• All elements of Options 1 and 2.</li> <li>• <b>Fully interfaced IT systems and applications to support vulnerability</b> – Industry-leading systems with the latest technology to best serve CIVS (e.g. a decision-support tool which triangulates customer information and job data to inform colleagues on what services are available and should be provided in all situations).</li> <li>• <b>A multi-layered approach to partnership</b> – Formation of partnerships at different levels and lengths to reach more customers and communities. This could be a mix of strategic long-term partnerships allowing co-creation and co-sponsorship of a broad range of joint opportunities, programme partnerships for the development and delivery of specific services, and one-off project partnerships with charities and regional authorities to raise awareness of services.</li> <li>• <b>A holistic approach to vulnerability</b> - Delivering a holistic solution when we identify vulnerability by assessing the whole house situation and providing solutions from across our safeguarding offerings (including CO and Fuel Poverty) to keep people safe, warm and independent in their homes.</li> <li>• <b>One PSR</b> – Working with the wider utilities sector to develop one PSR across the energy and water industry so that customers are able to easily register and access safeguarding services across both essential services.</li> <li>• <b>Transformational innovation</b> – Step-change investment in innovation to deliver unique, long term solutions for CIVS, targeting specific and bespoke needs for all Needs Codes.</li> </ul>
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**Assessing the merits and drawbacks**

Pros	Cons
<ul style="list-style-type: none"> <li>• All of the benefits of Options 1 and 2.</li> <li>• Step-change increase in the level of service we provide to CIVS.</li> <li>• Strength and reach of multi-layered partnerships will allow us to reach many more customers to raise awareness of services and provide the required support when our activities affect them.</li> <li>• Allows us to more quickly implement new ideas and best practice from other industries and companies.</li> <li>• One PSR makes it easier for customers to access support from multiple companies and would create the environment for all customers to benefit from the delivery of transformational change.</li> <li>• Creates the right environment for our engineers to do what is right for the customer in every situation, thereby increasing employee morale and satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>• Would require significant investment in resource and systems to deliver transformational change and therefore considerable cost added to the customer bill.</li> <li>• Complex system interactions would need to be reflected in activities related to Business Continuity Management.</li> <li>• A greater risk is associated with non-delivery of benefits associated with increased investment in transformational innovation.</li> </ul>



<ul style="list-style-type: none"> <li>• Will automatically be captured in systems where 'action' and welfare products have been provided allowing us to keep track of the customer relationship.</li> <li>• Creates a simple way to introduce new innovations, services and products to the front line in a consistent way.</li> </ul>	
<b>Potential unintended consequences</b>	
<ul style="list-style-type: none"> <li>• Regulated funds used for forming partnerships with experts carries the risk of impacting the competitive market. There need to be clear guidelines associated with these services to ensure they do not drive the wrong behaviour from companies and consumers.</li> </ul>	

**2.4. Why are these the options**

Our options range from what we do today to delivering transformational changes based on what customers and stakeholders have informed us and what we are able to deliver. We do not believe there is an option to do less than what we do today as we have made some encouraging progress in going beyond what customers expect as a minimum and influencing the industry to do more to address vulnerability. Option 2 goes beyond what we do today based on key insights we have obtained from our experience in RIIO-1, feedback and engagement with customers and stakeholders, and analysis on best practice across the industry. Option 3 builds further on this by proposing a step-change in how we address vulnerability, making the most of data, technology and innovation. This option stretches us to become leaders in the industry while ensuring it is within our capability to deliver at an efficient cost to customers.

It is important to note that, of course, there are other potential options that we have considered and discounted. For example, we considered setting up our own PSR. However, the costs were significantly prohibitory and we do not believe that this provides the best options for customers. Whilst it would provide more specific and timely information to us, it would require customers to register their vulnerability with several organisations. We believe that in setting up our own PSR we would be responding to a symptom of weakness in the current approach (mainly the timeliness of data flows to be updated) as opposed to the main challenge, which is to provide an easy to use platform that people understand and are aware of to register specific requirements that utility companies such as Cadent can use and respond to.

We have mapped these options against the objectives we defined above:

*Table 7 Options appraisal against objectives*

	<b>Option 1:</b> Continue with existing safeguarding services	<b>Option 2:</b> Enhancing our use of data to further address all the Needs Codes, deliver innovative solutions and create new partnerships	<b>Option 3:</b> Transformational approach to how we serve CIVS
Evolve the service we provide to meet the needs of CIVS			
Use data to support and inform our interactions with customers and/or develop partnerships			
Partner with industry experts and charities to deliver the best outcome for customers			
Increase the visibility and accessibility of our safeguarding services for our customers			

Innovate to deliver solutions that best meet the needs of both current and future customers			
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No delivery	Weak delivery	Some delivery	Delivery	Strong delivery
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**2.5. Customer and stakeholder preference**

Ahead of customer testing and acceptability, the preference was a hybrid of Options 2 and 3 as this best aligns with insights from our historical experience and early engagement with our customers and stakeholders. This option allows us to deliver a step-change in performance for customers in RIIO-2 and also ensure that we extend and tailor our services to meet the needs of the changing nature of vulnerability. Section 3 shows how we developed proposed performance levels and associated costs which we went on to test with our customers during our business options testing. The outcome of this is described in Section 4.

In summary, our key areas of focus are:

- Raising awareness of the PSR and making it more accessible to register.
- Using partnerships to reach specific CIVS, allowing us to access wider audiences through trusted relationships that are already in place.
- Providing the skills and knowledge to our people to ensure they are best prepared to identify vulnerability and provide the right services.
- Providing tools to aid colleagues to act upon vulnerable situations that they come across daily.
- Continuing to innovate in order to develop new tools, techniques and processes to better serve CIVS.

### 3. Assessing performance levels



#### 3.1. How we performed in RIIO-1

In RIIO-1 to date, we have complied with licence condition D13 to provide specific services for vulnerable customers.

##### *Stakeholder Engagement Incentive*

In July 2019, we were awarded a score of 6.33/10 by the Stakeholder Engagement panel for our 2018/19 submission. Although we have received higher scores in previous years, the expectations get higher every year as companies are expected to embed previous improvements into business as usual activities and continually improve.

*Table 8 RIIO-1 Stakeholder engagement incentive performance*

	13/14	14/15	15/16	16/17	17/18	18/19
SEIS score	7.1	5.9	6.9	6.9	6.0	6.33

The SEIS panel noted a significant improvement in our stakeholder engagement approach and delivery in 2018/19 from previous years, in particular, a step-change underpinned by increased investment, leading to far greater scale of engagement. Last year marked the start of our business transformation programme, which is creating a far more regionally aligned operating model. This has allowed us to engage with customers and stakeholders from a regional focal point, creating much clearer and more focused plans and outcomes. Our transformation will continue through 2019/20 as organisational structures are fully populated and good practice identified in a series of pilots across the country which will be scaled up. Our engagement plans for 2019/20 are even more ambitious than in 2018/19, with greater scale still, but more focus on measuring the benefits of engagement through the continued application of our social return on investment tool. Although our stakeholder engagement is wide and applicable to several areas, vulnerability is one of the most important elements for us. In Section 1, we highlighted some of the activities and initiatives related to vulnerability we undertook in RIIO-1.

#### 3.2. What performance levels have we considered for RIIO-2

Based on our engagement, insights, and historic performance, we explored three potential output areas to enable us to identify customer needs and join up the relevant support services. In addition, we considered the level of innovation in this area. We have identified three delivery levels based on historic performance and initial customer feedback that we tested with our customers and stakeholders, showing the cost of each option and how it will affect bills.

##### **Conversations to raise awareness of the PSR**

It is vital that we use our existing interactions and relationships with partners to directly communicate with our customers to raise awareness of the PSR, whether it be for themselves to register or someone they know.

*Table 9 PSR conversations target range and cost to achieve*

	Low	Medium	High
<b>Target</b>	Have direct conversations with 500,000 customers to raise the awareness of the PSR, and we will register all customers who wish to be added following explicit consent (using the principles of verbal communication).	Have direct conversations with a million customers to raise the awareness of the PSR and we will register all customers who wish to be added following explicit consent (using the principles of verbal communication).	Have direct conversations with two million customers to raise the awareness of the PSR and we will register all customers who wish to be added following explicit consent (using the principles of verbal communication).
<b>Cost to achieve (RIIO2 period)</b>	0	£1,500,000	£2,000,000
<b>Cost assumptions/calculation</b>	No additional cost for conversations as they occur during normal day to day interactions.	<ul style="list-style-type: none"> <li>• First 500k conversations delivered at no incremental cost.</li> <li>• Additional 300k conversations delivered by Cadent staff @ £4.67 per conversation (resource and material cost).</li> <li>• Additional 200k conversations delivered by partners @ £0.50 per conversation (partnership set up cost captured under partnership costs below).</li> </ul>	<ul style="list-style-type: none"> <li>• First 500k conversations delivered at no incremental cost.</li> <li>• Additional 300k conversations delivered by Cadent staff @ £4.67 per conversation (resource and material cost).</li> <li>• Additional 1.2m conversations delivered by partners @ £0.50 per conversation (partnership set up cost captured under partnership costs below).</li> </ul>

**Partnerships**

Through partnerships we are able to access a greater number of our customers and deliver increased awareness of our services, co-create future services and develop expert training for our colleagues.

This could be a mix of strategic partnerships which achieve broad outcomes, allowing multiple long-term options for co-creation and co-sponsorship of joint opportunities to raise awareness of services for all. Greater numbers of programmed partnerships could be made with organisations that are not set-up to support in as much breadth across co-creation as others are, although they may still be operating at the national level. One-off project partnerships could achieve specific short-term objectives (e.g. with a regional charity or a Local authority that can support awareness at an annual event or through a publication).

*Table 10 Partnerships target range and cost to achieve*

	Low	Medium	High
<b>Target</b>	<ul style="list-style-type: none"> <li>• Form 2 strategic partnerships a year.</li> <li>• Form 3 programme or long-term but</li> </ul>	<ul style="list-style-type: none"> <li>• Form 3 strategic partnerships a year.</li> <li>• Form 5 programme or long-term but</li> </ul>	<ul style="list-style-type: none"> <li>• Form 6 strategic partnerships a year.</li> <li>• Form 8 programme or long-term but</li> </ul>

	singularly focussed partnerships per year. <ul style="list-style-type: none"> <li>Form 2 Project partnerships.</li> </ul>	singularly focussed partnerships per year. <ul style="list-style-type: none"> <li>Form 6 Project Partnerships.</li> </ul>	singularly focussed partnerships per year. <ul style="list-style-type: none"> <li>Form 12 Project partnerships.</li> </ul>
<b>Cost to achieve (RIIO2 period)</b>	£450,000	£900,000	£2,000,000
<b>Cost assumptions and calculations</b>	<ul style="list-style-type: none"> <li>Strategic: £30k p.a. per partner.</li> <li>Programme: £10k p.a. per partner</li> <li>Project: n/a (BAU costs).</li> </ul>	<ul style="list-style-type: none"> <li>Strategic: £35k p.a. per partner.</li> <li>Programme: £15k p.a. per partner</li> <li>Project: n/a (BAU costs).</li> </ul>	<ul style="list-style-type: none"> <li>Strategic: £40k p.a. per partner.</li> <li>Programme: £20k p.a. per partner.</li> <li>Project: n/a (BAU costs).</li> </ul>

### Training our people

Vulnerability is not always easy to identify and can be missed during busy periods. It is important we equip our colleagues with the right skills to understand the signs of vulnerability and what they are required to do to meet the needs of customers they interact with who are in vulnerable situations.

*Table 11 Vulnerability training target range and cost to achieve*

	Low	Medium	High
<b>Target</b>	<ul style="list-style-type: none"> <li>Annual vulnerability awareness training for our customer-facing staff.</li> <li>Safeguarding Champions network across our regions.</li> </ul>	<ul style="list-style-type: none"> <li>Annual vulnerability awareness training for our customer-facing staff and non-customer facing staff.</li> <li>Development of support services for colleagues who may be vulnerable.</li> <li>Enhanced Safeguarding Champions Network (SCN) across our regions, who spend 20% of their time dedicated to promoting safeguarding. The Champions will bring safeguarding alive in a trusted way with their peers – helping to truly embed a ‘culture of care’ across all interactions.</li> </ul>	<ul style="list-style-type: none"> <li>Industry-leading vulnerability training for all our staff.</li> <li>Development of support services for colleagues who may be vulnerable.</li> <li>Line Manager vulnerability training to support staff and colleagues.</li> <li>Enhanced Safeguarding Champions network across our regions, who spend 20% of their time dedicated to promoting safeguarding. With dedicated support from Cadent Directors to escalate issues.</li> <li>Embedding safeguarding/PSR learning into resilience processes and feeding into regional and national forums.</li> <li>Sharing learning across GDNs (e.g. learning taken from incident management).</li> </ul>
<b>Cost to achieve (RIIO2 period)</b>	£3.2m	£4.7m	£7.1m

<p><b>Cost assumptions/ calculation</b></p>	<p><u>Customer facing staff training:</u> Resource time cost – an average of 2,700 staff trained (1/2 day) @ £100 per attendee time = £270,000 p.a. Development/delivery of course - with 12 delegates per half day course (24 per day = 83 days) @ £2,630 per full day session = £297,700 p.a. <b>Overall cost = £568,430 p.a. (average)</b></p> <p><u>Safeguarding Champions Network training</u> Resource time cost – c. 75 champions trained (2.5 days) @ £175 per person = £13,125 Development/delivery of training – Number of core areas (5) @ £8000 per area = £40,000 <b>Overall cost = £53,125 p.a. (average)</b></p>	<p><i>Costs in low target option plus:</i></p> <p><u>Non-customer staff training:</u> Resource time cost – an average of 1,400 staff trained (3 hours) @ £75 per attendee = £106,700 p.a. Development/delivery of course - with 25 delegates per 3-hour course (50 per day = 40 days) @ £1,387.50 = £79,600 p.a. <b>Overall cost = £186,335 p.a. (average)</b></p> <p><u>Development of support services</u> Resource time cost – c.4,100 colleagues x 30% vulnerability (based on PSR stats for UK) = 1,200 staff requiring support, with 75% assumed take-up @ £75 per support service = £69,750 p.a. (average) Development/delivery of support service – Number of broad topics (8) x cost per development of training/advice service (£5,000) = £40,000 <b>Overall cost = £109,750 p.a. (average)</b></p> <p><u>Line Manager annual training to support staff</u> Resource time cost – around 75 line managers p.a. trained (1/2 day) @ £100 per person = <b>£7,500</b> Development/delivery of support service – Covered within staff training = <b>£0</b> <b>Overall cost = £7,500 p.a. (average)</b></p>	<p><i>Costs in low and medium target option plus:</i></p> <p><u>Development of a refresher and a higher level of training</u> Resource time cost – c. 4,100 staff (2 hours) @ £50 per person = £205,000 Web-based training hosted on Cadent's core systems = £40,000 Filming of case studies and creation of virtual reality training (including tech required) = £35,000 Virtual reality training for 50% of non-customer facing staff (1000) @ £75 per person = £75,000 <b>Overall cost = £355,000 p.a. (average)</b></p> <p><u>Development and delivery of resilience training to SCN</u> Resource time cost - Pre meeting attendance (hr. each) @ £50 per person = £3,750 1 meeting per quarter (4 hrs) with 75 champions @ £100 per person = £7,500 x 4 = £30,000 Development/delivery/refresh of training – Number of courses developed (4 – one per network) @ £1,500 per course = £6000 <b>Overall cost = £39,750 p.a. (average)</b></p> <p><u>Resilience training development for customer facing colleagues</u> Resource time cost – c.2,700 staff trained (1 hour) @ £25 per person = £67,500 Development/delivery/refresh of training = £15,000 <b>Overall cost = £82,500 p.a. (average)</b></p>
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## Innovation

Innovation can unlock many new ways of supporting and protecting CIVS. The Easy Assist ECV and locker cooker valves are some examples of innovative products we developed in RIIO-1. We have an opportunity to build on this and continue to innovate and explore new ideas and methods to help the most vulnerable.

Table 12 Innovation target range and cost to achieve

	Low	Medium	High
<b>Target</b>	<p><b>Implement and embed well-developed and proven innovations such as:</b></p> <ul style="list-style-type: none"> <li>• Roll out of Easy Assist ECV.</li> <li>• Easy to read communications.</li> <li>• Extend and embed NEA partnership to support vulnerable customers with gas appliance repair or replacement following an interruption across all networks.</li> </ul>	<p><b>Implement proven innovations and explore roll-out of less proven innovations such as:</b></p> <ul style="list-style-type: none"> <li>• Delivery and rollout of bluetooth beacons and rumble strips to aid specific vulnerable groups.</li> <li>• Increased embedding of Mental Capacity Act and supporting mental health innovations.</li> <li>• Innovative welfare services such as the B-warm blanket and alternative ways to (without the use of electricity) of heating a bowl, sink or bath full of water.</li> <li>• Providing PSR customers with updates to outages, pre-warn on outages and other useful information to allow them to plan.</li> </ul>	<p><b>Implement proven and less proven innovations, and explore and develop new creative ideas such as:</b></p> <ul style="list-style-type: none"> <li>• The development of a tool that links data that Cadent already have access to; as well as external data (such as weather predictions) to aid colleagues to offer and select the best safeguarding service offerings for each household's situation.</li> <li>• Exploring further technology for PSR registration (e.g. embedding the ability to register on the PSR via Amazon's Alexa and one-PSR industry approach).</li> </ul>
<b>Cost to achieve (RIIO2 period)</b>	£18.75m	£24.95m	£31.8m
<b>Cost assumptions and calculations</b>	<p>Target 60,000 customers p.a. for Easy Assist ECV roll out @ £35 (including product and time) = <b>£2.1m p.a.</b></p> <p>Suite of graphics and developed images across all communications = <b>£50,000 p.a.</b></p> <p>Extend NEA pilot across all networks (£500k per network) = <b>£2m</b></p>	<p>Improve accessibility across all streetworks – blue tooth beacons and rumble strips = c. £550 per excavation = <b>£1.2m p.a.</b></p> <p>EIC innovation, supporting current opportunities for mental health – introducing 4 projects per annum - £250k per project = £1m Technology and process costs - £450k one-off set up and ongoing c. £150k p.a. = <b>£450k (year 1) and £1.15m p.a.</b></p>	<p>Costs for decision tool - £2m set up and £850k p.a. ongoing years 2-5 = <b>£2m (year 1) and £850k (years 2-5)</b></p> <p>Cost of innovative ways to increase PSR registrations and one industry PSR = <b>£1.4m (over the period)</b></p>

## 4. Customer testing



We have tested our commitments in a variety of ways to ensure we have quantitative and qualitative responses across a broad segmentation of customers and stakeholders. We have tested the output measures that we are proposing and gathered feedback where options exist. This phase was called business options testing (BOT). Alongside customer testing, we have targeted specific groups such as hard to reach, seldom heard, future generations, those in fuel poverty and businesses such as micro-businesses. We really wanted to understand if had heard correctly what our customers and stakeholders wanted and needed from us.

During options testing, we shared the bill impacts to ensure our customers and stakeholders were fully informed before making choices.

Once we had gathered all the feedback from the options testing phase, we conducted acceptability testing to check our plan in readiness for our final plan submission in December.

### 4.1. Business options testing (BOT) and Triangulation

*PSR awareness conversations, partnerships and innovation*

During phase one of our engagement, customers made it clear that there is low awareness about the PSR and that we should do much more in promoting this to all of our customers directly through our existing interactions and through trusted expert partnerships (see Section 1 for further detail).

Using these insights along with other business insights we developed our options and calculated the cost of these options and the bill impact. Next, we tested these proposals with our customers to understand customer preferences, as the impact on bills could then be considered.

We put forward the following options and bill impacts to our customers as part of the BOT quantitative survey with more than 2,000 customers.

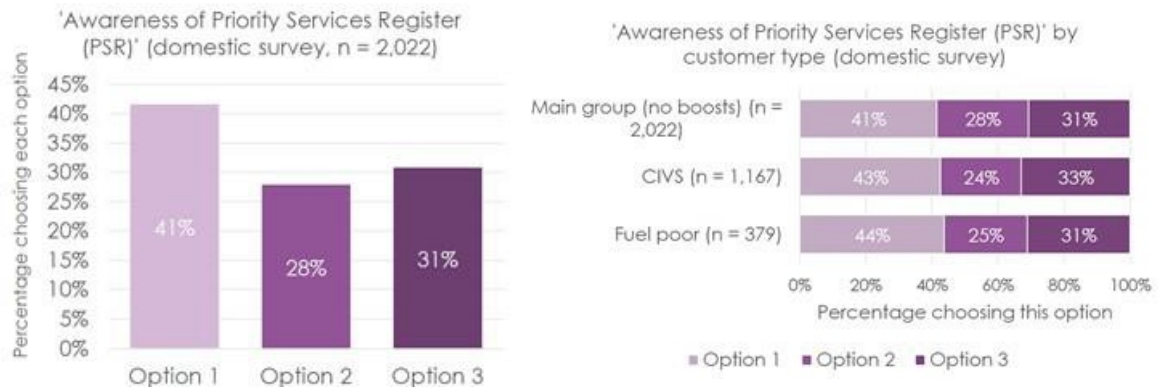
*Table 13 PSR BOT survey proposals*

	Option 1: Low	Option 2: Medium	Option 3: High
What Cadent could do	<ul style="list-style-type: none"> <li>500,000 PSR conversations</li> <li>Develop 5-7 partnerships per year</li> <li>Implement proven innovations</li> </ul>	<ul style="list-style-type: none"> <li>1 million PSR conversations</li> <li>Develop 12-14 partnerships per year</li> <li>Implement proven and unproven innovations</li> </ul>	<ul style="list-style-type: none"> <li>2 million conversations</li> <li>Develop 23-26 partnerships per year</li> <li>Implement proven, unproven and creative innovations</li> </ul>
Additional cost on customer bill per year	£0.16	£0.29	£0.32

The favoured option in the domestic BOT quantitative survey was the low option; to have 500,000 PSR awareness conversations, work with a small number of partners to support those who are most vulnerable and roll out proven innovations to support CIVS (this option got 41% of the votes). CIVS and fuel poor customers were also supportive of the low option, which received 43% and 44% of their votes respectively. The most popular response amongst small business customers also preferred the low option, which received 41% of the overall votes.



Figure 1 PSR BOT survey results

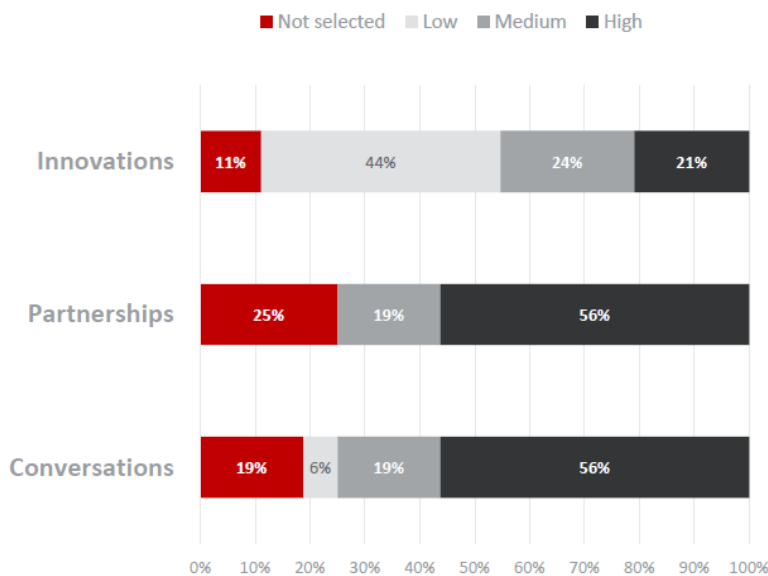


Strength of preference analysis, however, showed that those who supported high option had the greatest strength of preference at 7.86 out of 10. Whereas the low option had the lowest strength of preference at 6.34.

As results were significantly different from the initial feedback from customer engagement, we decided to undertake qualitative engagement during follow-on workshops across our four networks to review these finding and explore customers' preferred package.

During these workshops, customers were shown the quantitative survey results. In the main, customers were not surprised by the results and explained that many may not be aware of the benefits associated with the PSR and that these activities may not be perceived as part of Cadent's core remit.

Figure 2 PSR Qualitative workshop results



The graph shows how frequently each of the topics was selected and at what investment level.

Customers were asked to consider the package in its individual elements and indicated the following:

The majority of customers indicated that that the PSR package should focus on increasing the awareness of the PSR through effective conversations and partnerships with 56% preferring the highest target delivery level for both areas.

However, customers explained that our innovation investment should be focused on initiatives which were seen as having a higher chance of reaching the right groups with 44% selecting the low option.

There were no significant regional differences within the results.

Although the BOT quantitative survey results indicated that the majority of customers preferred the low option, subsequent testing showed that customers preferred a hybrid approach

which encourages us to be ambitious with PSR awareness conversations and partnerships but to target innovation on the most effective initiatives. It must be noted that innovation costs were included within the testing of this option and contributed significantly to the impact on the customer bill.

In addition, we have taken into account best practice across the industry and the insight of experts, such as Citizens Advice, who have encouraged us to do more to increase awareness of the PSR and work with expert partners. These are the main factors, along with the deliberative workshops, that we gave greater consideration to when making our decision.

**Decision: we will commit to implementing and embedding well-developed and proven innovations related to vulnerability but commit to delivering 2 million PSR conversations and forming more than 80 partnerships. We will target vulnerability innovation on the most effective initiatives and fund this through the Network Innovation Allowance and other funding mechanisms**

*Training our people*

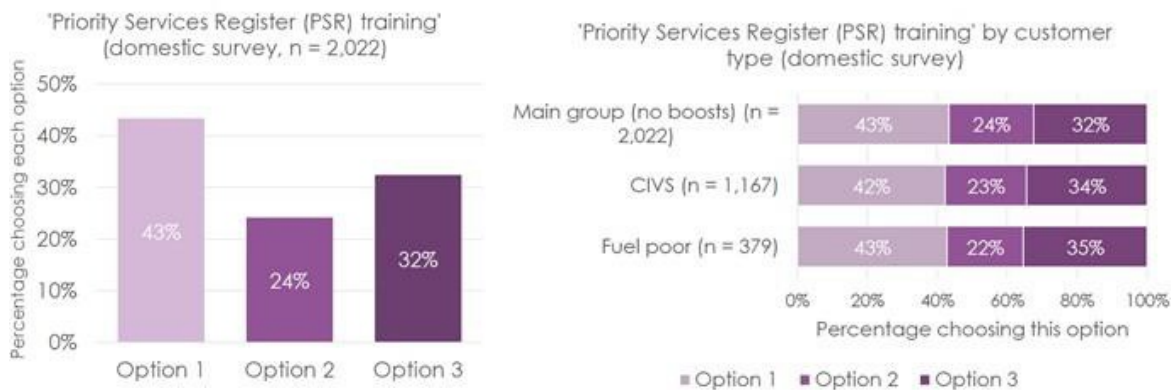
With respect to PSR training, we put forward the following options and bill impacts to our customers as part of the BOT Quantitative Survey with more than 2,000 customers.

*Table 14 Training BOT survey proposals*

	Option 1: Low	Option 2: Medium	Option 3: High
What Cadent could do	<ul style="list-style-type: none"> <li>Annual vulnerability awareness training for frontline customer-facing staff.</li> <li>Safeguarding Champions Network across all our networks.</li> </ul>	<ul style="list-style-type: none"> <li>Annual vulnerability awareness training for all staff.</li> <li>Enhanced Safeguarding Champions Network across all our networks with time dedicated to promoting safeguarding.</li> </ul>	<ul style="list-style-type: none"> <li>Industry-leading training for all staff and development of support services for staff.</li> <li>Increased resource for safeguarding champions so they can do more work at a local level.</li> </ul>
Additional cost on customer bill per year	£0.04	£0.06	£0.10

The low option to provide annual awareness training for front-line customer-facing staff only and create a Safeguarding Champion network across the regions received the most votes (43%). The medium and high options received 24% and 32% of the votes respectively and involved providing support services for internal staff and an increased role and resources for the Safeguarding Champions. Although CIVS and fuel poor voters were more likely to support the high option (which received 34% and 35% of the votes respectively), results show that the low option remained the most popular, with 42% and 43% of the votes. Small business customers also showed a preference for the low option, which gained 43% of the votes in the survey.

*Table 15 Training BOT survey results*



However, preference analysis showed that those who supported the high option had the greatest strength of preference at 7.95 out of 10. The medium option had the lowest strength of preference at 6.97 out of 10.

During our early engagement workshops, we engaged at a high level with customers and experts and heard clear feedback that ensuring that employees are adequately trained is critical and that doing so should be funded. Nevertheless, it was not clear at this stage the degree to which we should train our staff (all of them, or just those typically engaging directly with customers). There are benefits of both approaches, with the former supporting a much more informed culture across the organisation but costing more to deliver. The latter allows more focussed training and the results to be seen on a daily basis.

We tested customers' and experts' preferences during our BOT phase, looking at the options in the table. This helped us to narrow our specific commitment and it was clear through the research that greater value was perceived in a targeted training regime to front-line staff, which is why we have opted for this approach. It should be noted that in our July plan we assumed the high option for all of our prospective outputs, hence the cost has reduced in our October plan (and is the same in December).

**Decision: we will be providing vulnerability (classroom based) training to customer-facing staff only and implementing an enhanced Safeguarding Champions network. We will continue to provide general awareness training to all employees each year.**

### Summary

Customers and stakeholders are clear in that raising awareness of the PSR is a priority, and we have listened and acted on this by committing to the highest delivery targets for direct PSR conversations. This will really test our deliverability in this area, but working with our expert partners, we are ready for the challenge.

Our commitments to develop innovative solutions and train our people have been levelled appropriately based on customer feedback. Customers were a little more cautious in terms of how much we should commit to unproven innovation, therefore we have reduced our ambition in this area. This means we can focus on really getting the proven technology right to better serve CIVS.

Customers saw benefits in training all our staff on how to understand and act on vulnerability, but they could also appreciate that just training front-line customer facing staff would ensure that the training was focused and would deliver the most benefit. Overall, the BOT testing results combined with qualitative research led us towards focused training for front-line staff only, reducing our original targeted delivery level for training.

## 4.2. Acceptability testing of our quality experience customer outcome

In our acceptability testing, the quality experience aspects of our business plan, including protecting CIVS, were generally found to be acceptable:

- Of domestic customers, 83% of those surveyed found the quality experience section of the plan acceptable, and only 1% found it unacceptable. When asked what would make it acceptable, those who answered that they found it neither acceptable nor unacceptable suggested a further reduction in prices (14%) or wanted more detail on how it would be implemented (6%). This was broadly consistent across the regions.
- 49% of Cadent business customers said that they found the quality customer experience aspects of Cadent's business plan "very important" and 37% "fairly important" (86% in total). The breakdown across business sizes was broadly consistent, but overall acceptability increased with business size, with the percentages finding the plan either very acceptable or acceptable being 79%, 87% and 90% for sole traders, businesses with 1-9 employees and business with 10-49 employees respectively. Customers said that a quality experience was an essential element of delivering a service. However, some customers questioned the feasibility of the plan and some terms used (such as fuel poverty or PSR) were not understood. Many business customers said that the proposals around fuel poverty and supporting those in vulnerable situations demonstrated that Cadent were making efforts to go above and beyond their remit.

Our commitments relating to protecting CIVS were supported in most qualitative acceptability testing:

- Across all workshops, customers were happy with the level of support that Cadent was offering. They felt that Cadent was 'doing the right thing'. Some felt that charities and foundations should take better

care of vulnerable people in society, but in the absence of this, it made sense that Cadent was stepping in. The quality experience outcome was not without its critics as, at our acceptability testing focus groups with the general population, the quantities felt arbitrary to the participants. They wanted Cadent to make clear how these numbers were decided. There were mixed views and mixed support for Cadent's efforts to protect vulnerable customers. Participants landed on why questions: why that number? Why this action? Why is Cadent doing this? Participants suggested several ways in which Cadent could improve these aspects of the plan, including:

1. Echoing general concerns about the plan, participants felt that benchmarking, context, and more transparent rationale would improve the clarity of the vulnerable customer commitments.
2. Similar to customer forum members, participants suggested that Cadent provide a clear means testing approach.

Several customers were concerned about customers footing the bill for these [social] initiatives, especially where they felt Cadent was not being transparent about its motives.

- Participants at our acceptability workshops with CIVS agreed that the PSR needs to be more widely advertised and customers support Cadent's plans to adopt several methods to achieve this, including working with local charities and partnerships. Largely, customers agreed that Cadent should prioritise raising awareness of all its initiatives (including PSR) but some also suggested that there should be more accessible information about who Cadent are in general and how to call them in an emergency. Most participants commented that they had never heard of Cadent prior to being involved with the engagement. Customers were supportive of the proposed customer service solutions and the innovations put forward to improve support for those in vulnerable situations.
- Customers at our acceptability testing focus groups with those in fuel poverty felt that Cadent is going 'above and beyond' to support those in vulnerable situations. There was strong support for welfare provisions for CIVS. One customer mentioned that some might struggle to accept help, so vulnerability training would also be needed.
- Participants at our acceptability focus groups with future customers were split on how Cadent should help vulnerable customers. They thought that some areas, such as vulnerability training and helping people in winter, should be 'standard practice', while others, such as the community fund were too far 'above and beyond' and 'not in [Cadent's] job description.
- Participants at our acceptability testing customer forum wanted more clarity surrounding needs assessments. The PSR and partnership working continue to be popular amongst customer forum members. Participants were very supportive of Cadent's commitment to provide vulnerability training to frontline staff, describing it as the 'ideal scenario'. Participants wanted more clarity surrounding needs assessments.
  - The majority of discussion on this outcome area focused on how Cadent would ensure that their efforts were targeted at those who needed support most. Concerns raised included:
  - Fuel poverty interventions and the measures to protect vulnerable people would not go to the 'right' people.
  - Those most in need would have difficulty accessing provisions.
  - Some customers might try to take advantage Cadent's more philanthropic initiatives, e.g. repairing and replacing a boiler for free. They want Cadent to explain how robust needs assessments will be conducted.
  - The working poor would be missing out on these initiatives.

Feedback from the Carer's Trust in October 2019 agreed with prioritising meaningful conversations to raise awareness about the PSR, noting that it is important to raise awareness to ensure that the right audiences are accessing it. They also noted that Cadent's approach to partnerships seemed highly sensible and practical and were in favour of the SCN, suggesting an incentive for staff to join as champions. They agreed that it is important for staff to understand PSR codes. Otherwise, they might not be able to use them properly and they might not be able to signpost to our local Network Partners or to other charities as needed. The Carer's Trust also said that co-creation is very valuable and there should be an element of the carer/beneficiary involvement as part of the process if possible.

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Rural England were “Wholly supportive of this [PSR awareness] priority. Raising awareness of the PSR in rural areas is essential due to the increasing number of older people who live in isolation”.

National Energy Action said “This plan sets out some very positive and welcome activities to support vulnerable householders and it is important to ensure that activities are joined up across departments wherever practicable, mainstreamed to ensure continued delivery and longevity. In addition, PSR needs to be focused not just on numbers, but on quality as we would be concerned that if it captures too many people then it ceases to become a meaningful priority register – it has to capture the right people. It’s also key that people aren’t just signed up to the PSR but made aware of what they get from it.”

Queen Alexandra College said “I genuinely think it is so refreshing to see the approach Cadent are taking with regard to safeguarding your customers. I think the approach set out in your business plan looks well structured and ambitious. I particularly like the idea of the Safeguarding Champions Network as I think that will really help drive conversations between your colleagues and provide the important peer to peer support that is required when providing safeguarding to customers. I also like the fact that you have taken the approach that customers will require interactions through various channels and there is not a one size fits all solution for your customers”.

Disabled Living said “The direct conversations Cadent can have, when employed efficiently could contribute significantly to a safer society in addition to improving customer service and increasing revenue. By thinking creatively and with appropriate training, Cadent can not only increase their numbers on the PSR but make invaluable contributions to a person’s safety at home with all the positive impacts this has on a person and the community, both psychologically and financially.”

As part of the Verve business plan consultation, a quality experience was seen as critical obligation for any organisation. Most customers saw this as a hygiene factor and it surprised a few that it was part of the plan, although many welcomed it being spelt out. Many expected the commitments to be manageable, though no customers had any real experience of Cadent’s services. Providing detail of what the commitments should entail provides comfort, though failure to deliver will quickly harm trust. Reliability and reassurance in relation to safety and service delivery stood out. Some customers had issues with jargon e.g. PSR and some commitments felt hard to achieve. Despite Cadent admitting that direct contact with their customers is rare, the promise that they are available, if needed, was reassuring.

## 5. Our commitments



### 5.1. Our commitments for identifying needs and joining up support services in RIIO-2

Over the RIIO-2 period we will measure and report on the following bespoke output commitments leading to benefits to our current and future customers.

*Table 16 Our output commitments*

Output commitment	Measure definition	Benefits to current customers	Benefits to future customers	SROI/WTP value over RIIO-2 period
2 million PSR conversations	Number of direct PSR conversations through existing interactions and partnerships	<ul style="list-style-type: none"> <li>• CIVS prioritised and protected</li> <li>• PSR information sharing leads to benefits from other utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Increased awareness of PSR will lead to future registrations from customers who do not currently qualify but may do in future</li> </ul>	£0.57m
82 partnerships to support CIVS	Number of partnerships to support CIVS	<ul style="list-style-type: none"> <li>• Increased reach of services through trusted partners</li> </ul>	<ul style="list-style-type: none"> <li>• Established and continually expanding the network of trusted partnerships</li> </ul>	
Annual awareness training for all customer-facing front-line staff	Number of customer-facing staff trained	<ul style="list-style-type: none"> <li>• CIVS will receive enhanced services grounded in knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term benefits of enhanced services received from greater staff awareness of vulnerability</li> </ul>	

### What would the future look like (RIIO-3 and beyond) as a result of embedding our commitments?

*CIVS are no longer seen with a stigma associated, people actively engage with one utility PSR and companies have a set of services for all, so that customers are able to select services based on their individual needs.*

### 5.2. Assessment of how to treat commitments

Ofgem is considering several regulatory framework packages to address vulnerability. These packages contain items from the following:

- Maintaining or improving the minimum standards set in RIIO-1. This includes maintaining the existing licence obligation to provide additional services to specified customer groups. Ofgem also proposes a potential enhancement to GSOP 3, and a new principles-based licence obligation with requirements to identify and understand CIVS.

- Using ODIs to encourage network companies to go beyond minimum standards. This includes potential reputational ODIs to highlight strong performance in this area and to raise awareness for those who have not addressed it.
- Introducing a price control deliverable (PCD) in the form of a ‘use-it-or-lose-it’ allowance that will cover consumer vulnerability and carbon monoxide safety awareness, going beyond business as usual.
- Specific innovation funding for consumer vulnerability within the Network Innovation Allowance.

Ofgem has stated within its Sector Specific Methodology Decision that they intend to implement the combined package. Ofgem believes that this option provides an appropriate level of flexibility to support innovation in this area, but also sets out the minimum service level expected from GDNs.

We have undertaken an assessment of our proposed bespoke outputs against Ofgem’s criteria in order to understand the best form of regulatory treatment.

*Table 17 Regulatory treatment assessment*

Regulatory treatment	Criteria	Rating	Further explanation of assessment
<b>Reputational ODI</b>	Demonstrate this is important to customers and/or stakeholders	Green	Our insight from customers and stakeholders shows support for improving the level of service we provide to customers for this output.
	Funded elsewhere in our plan, or inappropriate for funding	Red	This output is not funded elsewhere in the plan and is appropriate for funding in line with Ofgem’s proposals.
	Can robustly measure performance improvement	Yellow	Elements of our preferred option by nature are not associated with a distinct measure of performance.
<b>Financial ODI</b>	Demonstrate this is important to customers and/or stakeholders and they are willing to pay	Green	Our insight from customers and stakeholders shows support for improving the level of service we provide to customers for this output. We do not have relevant information on willingness to pay for this output.
	Not funded elsewhere in our plan	Green	This output is not funded elsewhere in the plan and is appropriate for funding in line with Ofgem’s proposals.
	Can robustly measure performance improvement	Yellow	As described for Reputational ODI.
<b>Price control deliverable</b>	Specific deliverable with clear timeline and targets	Green	Our preferred option for this output contains elements of specific work programmes to improve the level of service we provide to CIVS.
	Demonstrable benefit to customers which they support	Green	Our preferred option for this output will bring about a step-change in how we serve vulnerable customers, improving our identification and also introducing innovative solutions to problems they may face.
<b>Licence obligation</b>	Absolute minimum, with significant customer harm if we do not deliver it	Red	Our preferred package goes beyond the minimum Licence Obligations included in the D13 licence condition, and in the application of GSOP 3. Ofgem has proposed further enhancements to Licence Obligations, including a new principles-based obligation relating to identifying and understanding CIVS.

	Applicable to all GDNs		For this output, we have undertaken work specifically to understand the challenges and needs of customers in our area.
<b>Business Plan Incentive</b>	Adds to the quality of our plan, but not a specific deliverable or performance measure		Our preferred option for this output includes specific programmes of work.
	Funded elsewhere in our plan, or inappropriate for funding		This output is not funded elsewhere in the plan, and is appropriate for funding in line with Ofgem's proposals.

Doesn't meet criteria	Weakly meets criteria	Partially meets criteria	Meets criteria	Strongly meets criteria
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We are therefore supporting Ofgem's proposal for a 'use-it-or-lose-it' allowance in the form of a PCD for our bespoke outputs. This will allow us the flexibility to develop a package to improve our approach to identifying the needs of CIVS. This is in line with Ofgem's draft proposals in relation to customer vulnerability. Many of our proposals to identify and improve customer vulnerability are not associated with distinct measures of performance. However, the social return on investment we deliver through the activities can be used to prioritise activities funded through the common use-it-or-lose-it allowance. It is important, however, to be aware that SROI is not the only reason a project should or would be progressed. Supporting licence conditions and safety also are paramount.

*Table 18 Measures and targets for identifying your needs output commitments*

Output	East of England	North London	North West	West Midlands	Cadent	Comparis on to RIIO-1	Cost to deliver
Standard special condition DX1: Treating domestic customers fairly	Zero failures	Zero failures	Zero failures	Zero failures	<b>Zero failures</b>	New licence obligation	<b>£0</b>
PSR awareness conversations	760,000	380,000	500,000	360,000	<b>2,000,000</b>	Not measured in RIIO-1	<b>£2m</b>
Partnerships	<b>Form a minimum of 82 partnerships across our footprint</b>					Not measured in RIIO-1	<b>£2m</b>
Annual Awareness training	<b>c.3,000 front-line members trained every year</b>					New measure	<b>£3.7m</b>
Annual showcase event	<b>Annual report on common vulnerability service metrics</b>					New measure	<b>£0</b>



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### 5.3. Funding our commitments

We propose to fund our commitments through the use it or lose it (UIOLI) allowance and bespoke PCDs. We recognise that our costs associated with proposals on vulnerability go beyond the £30m joint fund proposed by Ofgem, of which approximately £11.5m will be allocated to Cadent.

However, our evidence suggests that customers and stakeholders are encouraging us to provide enhanced services related to identifying the needs of vulnerable customers.

Therefore, we propose that those initiatives which deliver the greatest net social value (i.e. SROI considered with delivery costs) are prioritised first through the common UIOLI allowance, and then bespoke PCDs set for initiatives beyond this.

In Chapter 7.3 we have shown a ranking of the benefits of all the vulnerable initiatives in terms of overall value and by value per pound invested which could be used to prioritise against the Ofgem mechanism.

## 6. Delivering our commitments



### 6.1. How we will deliver our commitments

We will deliver our commitments through a number of different channels across our business:

*Table 19 Delivering our commitments*

Area	What we will do to deliver commitments
<b>Customer communications</b>	<ul style="list-style-type: none"> <li>PSR conversations will continue across all our customer-facing services. We will work with our partners to increase the volume of conversations we have to reach wider audiences.</li> <li>We will support our people to have meaningful conversations and support the customer/household to register where they wish and provide their explicit consent to do so.</li> <li>We will weave PSR discussion and awareness through creating training for partners to support consistency in how benefits are shared.</li> </ul>
<b>Processes/ systems</b>	<ul style="list-style-type: none"> <li>Our systems will be updated with the latest PSR data as we get it. This data will help us to understand the vulnerability landscape and shape the services we deliver for CIVS.</li> <li>We will continue to drive improvements related to our actions, products and services and share these through innovative developments to the tools and techniques available for use via systemised methods where possible.</li> <li>We will share relevant systems (i.e. referral system) developed with partners to benefit their processes in connecting those they support to services within their area.</li> </ul>
<b>Partnerships</b>	<ul style="list-style-type: none"> <li>We will increase our breadth of partnerships in order to serve harder to reach CIVS and ensure they have access to the services they need.</li> <li>We will collaborate with GDNs and the wider industry to deliver joint initiatives to identify and support CIVS.</li> <li>We will look to work with other industry participants and other industries to improve the consistency in how CIVs are supported in everyday, emergency and resilience situations.</li> </ul>
<b>Engagement</b>	<ul style="list-style-type: none"> <li>Engagement will continue across the industry with charities, advisory bodies, gas distribution networks and other utilities to share best practice and ensure a consistent application of PSR data.</li> <li>We will contribute to the annual showcase event to exhibit our vulnerability initiatives and share best practice.</li> </ul>

### 6.2. How we will protect against non-delivery

*Table 20 Protecting against non-delivery*

Regulatory tool	How it will help in protecting customers from non-delivery
<b>Principles-based licence obligation</b>	<ul style="list-style-type: none"> <li>The licence obligation will require GDNs to treat all domestic customers fairly, including CIVS.</li> </ul>
<b>Use it or lose it allowance – Price Control Deliverable</b>	<ul style="list-style-type: none"> <li>Funding for a number of vulnerability activities has been allowed by Ofgem in a ‘use it or lose it’ format or PCD. Any funding not used by GDNs will be returned in full to customers.</li> </ul>