

Peter Davies  
Dwr Cymru Customer Challenge Group  
Cynnal Cymru  
Baltic House  
Mount Stuart Square  
Cardiff CF10 5FH

5<sup>th</sup> July 2018

Dear Peter

### **Vulnerable Customer Strategy**

As a not-for-profit company, our customers are at the centre of everything that we do. We know that our customers do not have the same needs and that some customers will need support from us above and beyond just supplying clean, safe drinking water and taking away their wastewater safely. Welsh Water has a strong track record in helping customers in financial difficulty, as well as the additional support we provide through our Priority Services Scheme.

However, we have an ambition to do even more. We believe that this is an area of particular importance for us and for our customers. It is also a central theme within our Welsh Water 2050 strategy. Therefore we have invested a great deal of our time over the last year listening to the views of our customers and getting feedback through our network of over 180 partners on the areas that we need to prioritise and this forms the basis of the draft strategy that we share with you earlier this year.

The discussions with the CCG have been extremely positive and we appreciate the insight that the group has been able to provide. I would personally like to take the opportunity to thank you and the other members of the CCG for taking the time to review the draft strategy and provide feedback on it. I have included a summary of the points raised and our response in the appendix to this letter. The points that pertained to the strategy itself have been incorporated into our final document.

You highlighted a number of improvement areas within the implementation plan. We will be holding a stakeholder event later in the year to review this plan and agree on priorities and we will address the points the CCG highlighted during that session. Obviously I am hoping that you and other members of the CCG will be able to attend and participate in that event, and possibly that you would be able to speak at it.

Once again, thank you for the your support and constructive discussion over the last few months and I look forward to working with you and the CCG as we move into the next stage of our work in this area.

Kind regards

A handwritten signature in black ink, appearing to read 'Sam James', with a horizontal line underneath it.

**Sam James**  
**MD, Household Customer Services**

Appendix - Response to CCG comments on draft strategy document

CCG comment/observation	DCWW response
<p>Operating context needs to set out more clearly the nature and likely challenges in the operating context</p>	<p>Agreed – we have taken this into account in the introduction section of the final strategy document</p>
<p>The CCG feels that the company needs to put more emphasis on understanding the <i>different</i> challenges that customers face. It is important to distinguish between vulnerability and financial vulnerability (affordability). The challenge faced by vulnerable people with what are essentially <b>access</b> to service issues are fundamentally different to the <b>affordability</b> challenges faced by people on low incomes. There is a danger in linking to the two issues, that the strategy can lack focus and clarity.</p>	<p>We agree with this comment and this is something that we will take into account in developing the implementation plan that will underpin this strategy. However it is also important to recognise that vulnerability often results in financial vulnerability. Financial vulnerability is often identified first and we must use this opportunity to fully understand customer circumstances.</p>
<p>We would recommend that a definition of vulnerable customers is presented in the strategy and linked clearly to customer segmentation.</p>	<p>Agreed – we have taken this into account in the introduction section of the final strategy document. We will also explore further in the training that we provide to our teams and improving the range of services that we offer</p>
<p>The strategy focuses on households, but in doing so it has played down the likely increase in financial hardship particularly arising from the transition to Universal Credit</p>	<p>Noted – we have made reference to the impact of UC in our final strategy document, but we would like to reassure the CCG that this is something that we understand and will factor into the implementation plan.</p>

CCG comment/observation	DCWW response
<p>The CCG supports the importance of greater use and promotion of the Priority Services register with an aim of increasing its numbers. Through data sharing with energy companies all water companies will see an increase in numbers as groups over 65 get registered automatically on the register. This is a very blunt tool and not reflective of vulnerability so there needs to be a clear focus on quality of data and an avoidance of an over reliance on the register as an indicator. It will be importance to assess the value of the assistance provided through the PSR. We would encourage reference to the CCW Priority Services register review</p>	<p>Agreed – we will address this in a number of ways:</p> <ul style="list-style-type: none"> <li>- Training for our teams to looking for the signs of vulnerability at all times</li> <li>- Regularly survey customers to assess their satisfaction with the services provided</li> <li>- Engaging with the groups that represent customers to get feedback on the effectiveness of our services</li> <li>- We will factor improvements recommended by the CCWater Priority Services Register review where appropriate</li> </ul>
<p>The CCG is concerned that the current reliance on the Priority Services Register shows only a relatively low % of vulnerable customers being identified ( less than 5% of customers ). The CCG recommends using the comprehensive ‘dynamic data’ held by the 4 sub regional Resilience Forums operating in Wales ( Category 1 and Category 2 Responders ). These forums hold ‘dynamic data which is offered by Social Services and comprise typically 80% of the highly vulnerable households during emergency and flood events. The Resilience Forums depend on the dynamic data as it has monthly updates and is refreshed every year, whereas PSR data is at best refreshed bi-annually and even the best DNO’s have barely validated 50% of the data they hold. It can therefore be seen why the statutory multi-agency</p>	<p>We are exploring this with our Emergency Planning team. Our current understanding is that data sharing with Category 1 and Category 2 Responders is only permitted in emergency situations.</p>

CCG comment/observation	DCWW response
<p>Resilience Forums rely on the more reliable dynamic data as it is shared for the purpose of 'need-to-know' in preparation for emergency purposes. The data can be imported, with express consent, into daily operational purposes and operational data via Home Tag or other means can be fed into the Resilience Data base</p> <p>The CCG particularly welcomes the plans to <b>share data, train staff and make its services more accessible</b>, but feels there may be scope to go further. For example</p> <ul style="list-style-type: none"> <li>• The website on paying your bill is not an easy read</li> <li>• There are multiple schemes to help people e.g. water sure / water direct / customer assistance fund - but they mean nothing to someone in difficulty</li> <li>• Some companies make the commitment to help navigate customers through the assistance offerings to help identify which one(s) are the most suitable for them. It might be a commitment useful to make, as well as a commitment to refer customer to external agencies for support.</li> <li>• There is strong evidence that people on low incomes face significant additional stress and that stress temporarily reduces their cognitive ability - so making things simple to understand is all the more important. The Alzheimers Society produce very helpful guidance which should be embedded in the company's commitment to service excellence.</li> <li>• The CCG recommends where possible to avoid multi-signposting as this can readily confuse many</li> </ul>	<p>Agreed – many of these recommendations have been included in the commitments in our strategy document and those remaining will be included in our implementation plan.</p>

CCG comment/observation	DCWW response
<p>highly vulnerable households, especially those groups unable to undertake self-help tasks . Far better for the company to concentrate on the direct targeting of highly vulnerable households directly or through trusted intermediaries so that data can be gathered centrally rather than elements only held by certain agents as a reliable multi-agency data logging system.</p> <ul style="list-style-type: none"> <li>• The information is not consistent e.g. the page on <a href="#">help paying my bill</a> directs people in difficulty to the Consumer Credit Counselling Service and the National Debtline but the page on the Customer Assistance Fund directs people to Moneyline or CAB and then has an advert for Step Change!</li> <li>• Many low income households either don't have internet, use public computers or use very expensive data on their phones. It is hard to find the phone number on the DCWW website and the fact that its 0800 number is free is not made clear</li> <li>• Understanding how 'vulnerable' customers want to interact with DCWW is key to getting the website and phone contact right. DCWW should consider setting up a feedback mechanism on how it is doing.</li> </ul>	
<p>The CCG welcomes the emphasis on <b>working in partnership with third sector organisations</b> as trusted intermediaries, but would recommend further analysis in identifying</p>	<p>Agreed – we will include these recommendations in our implementation plan.</p>

CCG comment/observation	DCWW response
<ul style="list-style-type: none"> <li>• Relative effectiveness and impact of the 150+ organisations trained</li> <li>• Smaller voluntary organisations who work directly with the most vulnerable individuals at the local level</li> <li>• Opportunities for a more strategic relationship with key sectors – such as housing associations</li> <li>• Whether there are specific gaps in relation to particular disabilities</li> <li>• Opportunities for co-design with vulnerable customers to develop innovative solutions, including in the redesign of the bill format</li> <li>• Further opportunities for employee development through partnerships with relevant voluntary sector partners e.g. through provision of specialist training to DCWW staff; expanding programmes to encourage DCWW to volunteer and become trustees of voluntary groups.</li> <li>• Specific relationships with centres of expertise – the CCG would particularly highlight the role of the Bevan Foundation in this respect and recommend a stronger partnership.</li> <li>• We would like to see a strategy on how these third sector organisations and community medians are identified</li> </ul>	

CCG comment/observation	DCWW response
<p>The <b>relationship with Citizens Advice</b> is particularly important, as it is often the first port of call for customers with debt problems, and should be reviewed as part of the strategy to ensure that there is effective engagement and feedback from the local Citizen Advice network</p>	<p>Agreed – we have included a commitment to work more closely with Citizens Advice in our strategy document.</p>
<p>The CCG very much welcomes the references to the <b>importance of the Rhondda Fach pilot</b> and the experience of the company in the early stages of the pilot has highlighted issues in respect of engagement of most vulnerable customers who are not benefiting from the additional services available. It is vital that the lessons from this pilot are applied widely across the strategy in targeting those most in need.</p> <p>The CCG also hopes that the holistic, community-focused approach, linked to infrastructure investment, being developed in Rhondda Fach will be adopted as a standard business approach across the next business plan. This approach should complement other initiatives and tools within the strategy to help support vulnerable customers who might find themselves in circumstances of vulnerability outside the geographical locations this and other similar project may target</p>	<p>Agreed – we have included a commitment to undertake at least 1 resilient community project a year in AMP7.</p>
<p>The company has a role to lead the way in supporting its most financially vulnerable customers and then ensuring there is a properly co-ordinated ‘hand-holding’ exercise to leverage benefits and arrange co-ordination of local services. The use of targeted help to the most vulnerable, properly co-ordinated with local services is a critical focus for DCWW,</p>	<p>Agreed – we have committed to establishing a specialist team that will identify financially vulnerable customers and ensure that they receive the support that is most appropriate for them, including priority services.</p>

CCG comment/observation	DCWW response
<p>with more attention being given to identifying the 'off-radar' vulnerable households, and to identifying those who are the most vulnerable – a super priority group</p> <p>When expanding the Community Engagement process, as well as the knowledge of surface water and drainage infrastructure upgrading, the CCG recommend that account should be taken of the flood risk maps prepared by Natural Resources Wales and their identification of high risk communities (e.g. lower Cardiff has the highest concentration of flood risk homes at c8,500 of the 16,000 highest risk households in Wales). The company should engage actively in using the emergency services' Resilience Forum data particularly the 'dynamic data' on vulnerable households co-ordinated between Social Services and the Fire &amp; Rescue Cat 1 Responders in the 4 Wales sub-regional Resilience Forums. The use of the FRESH Vulnerability Mapping system should also be taken into account in helping to prioritise work in seeking out hard-to-reach vulnerable households in partnership with the Environmental Health services in each local council area</p> <p>The CCG recognises that while DCWW has a leadership role in Wales, it can achieve best results for its <b>customers through collaboration</b>. The CCG has prioritised the importance of cross-sector working, supporting the Working Together Conference, and would want to see greater emphasis on collaborations across those companies providing essential services to customers in vulnerable circumstances. The</p>	<p>As noted above, we are exploring the opportunities for working with Category 1 and 2 Responders. However, we agree with the proposal to use our operational data to identify vulnerable customers and will factor this into our implementation plans.</p>
	<p>Agreed – partnership working is a key element of our strategy and we have committed to holding an annual event to explore and share best practice across our region.</p>

CCG comment/observation	DCWW response
<p>contribution through the CCG of Legal and General, highlighted the benefits of this collaborative approach in terms of shared learning and training. DCWW should take a lead in enabling this greater collaboration.</p> <p>There is considerable opportunity for collaboration with initiatives working to address fuel poor households such as those being taken forward through Warm Wales and to partner with the FRESH vulnerability mapping being undertaken through local authorities. The cost of heating water is a significant factor for customers and should be the focus for greater collaborative action and innovation.</p>	
<p>The strategy does not include reference to <b>customers who become vulnerable during operational incidents</b>, such as water supply interruptions and whose vulnerability would not manifest itself in normal circumstances, so would not appear on the priority services register. What is the company's response to those customers who the company becomes aware of through such operational incidents?</p>	<p>In any incident our teams prioritise identifying vulnerable customers, not only those who are registered for Priority Services, and this was demonstrated during the Storm Emma event.</p>
<p>The strategy should cover how the company will <b>fulfil the reporting requirements</b> to Ofwat and CCW in assessing progress in addressing financial and otherwise defined vulnerability</p>	<p>Agreed – we have committed to reporting on performance annually</p>