



TW-OC-A3

**Vulnerability BSI
Performance
Commitment**

(AR07)



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Section 1

Introduction

- 1.1 This document provides summary details relating to performance commitment AR07 BSI for fair, flexible inclusive services and supports our overall resubmission to Ofwat on 1st April 2019.
- 1.2 This performance commitment is 100% allocated to the Residential Retail price control. This document also supports Appendix 3 – Affordability and vulnerability of our September 2018 submission, which details our overall vulnerability strategy. (Please note that this document has not been updated to reflect the change in performance commitments; our overall approach to supporting customers in vulnerable circumstances remains unchanged.)
- 1.3 Full details of our customer engagement that underpins this performance commitment can also be found in document TW-CSE-A1- 'What Customers Want'.
- 1.4 This document is structured as follows:
 - Section 2 summarises the performance commitment definition.
 - Section 3 explains how this performance commitment fits within our plans and how it reflects customers' views.
 - Section 4 details our AMP7 targets, and why these are stretching in the context of our long-term ambition.
 - Section 5 describes the incentive type, and why it is the right one for customers.
 - Section 6 explains how we will measure, report on and assure this performance commitment.



Section 2

Our performance commitment definition

Outcome A - Deliver an effortless customer experience

Company Performance Commitment AR07: BSI for fair, flexible inclusive services

Short Definition:

This performance commitment commits Thames Water to achieving and maintaining the BS18477 British Standard for Inclusive Service Provision.

Measurement:

Compliance is measured by an annual independent audit carried out by the British Standards Institute.

Mitigation/exceptions:

None.

Any other information relating to the performance commitment:

None.

Full definition of the performance commitment

Customers have told us that they expect us to:

- Meet the needs of customers in vulnerable circumstances.¹

1.5 It is our aim to know our customers that are in vulnerable circumstances and provide an inclusive and safe service that is tailored to their needs in every interaction with Thames Water. This commitment is designed to demonstrate the scope and quality of the services that we provide and that we can demonstrate an overall company culture of inclusive service provision by achieving and maintaining British Standard BS18477 for inclusive service provision.

¹ Thames Water, TW-CSE-A1-What Customers Want, Section 33, 1 April 2019



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- 1.6 Common performance commitment AR07 measures the growth of the number of households with customers registered on our Priority Services Register ('PSR'), and these commitments should be considered together.

Changes since our September 2018 submission

- 1.7 We have always maintained that it is important to measure both growth in the number of customers on our Priority Services Register, and the quality of the support we provide to these customers. Our original business plan included achieving BSI certification as an ambition for AMP7. Ofwat has suggested that we include achievement of this certification as a formal performance commitment going forward.
- 1.8 We previously proposed performance commitment AR05 Customers Recommending Priority Services. The aim of both this measure and the new BSI certification commitment is to ensure we provide meaningful support to customers in vulnerable circumstances and measure the quality of our service provision. Only a single performance commitment is required to fulfil this purpose. In addition, including three performance commitments on this topic would weight our plan disproportionately in one area. We are therefore removing AR05 Customers Recommending Priority Services from our plans. This has been discussed with our Customer Challenge Group ('CCG').
- 1.9 It remains our ambition to provide industry-leading levels of support to our customers in vulnerable circumstances. Customer feedback and research is a key component of achieving BSI certification for continuous improvement – we will continue with our plans to measure the NPS of customers on our Priority Service Register to ensure we are gaining insights of how meaningful our service provision is, and this will remain an important internal KPI that we intend to monitor going forwards.

Section 3

How this performance commitment fits within our plans

This section provides the background and context for the performance commitment.

Background to Performance Commitment

- 1.10 Vulnerability occurs when a customer may not have reasonable opportunity to access and receive an inclusive, safe service from Thames Water, resulting in a permanent or temporary detrimental impact on their well-being, finances or health.
- 1.11 These needs can include, amongst other things:
- Medical needs – related to both physical (for example, mobility or customers on dialysis, who have a dependency on a reliable water supply) or mental health
 - Language needs
 - Additional needs resulting from age (both the very young and the elderly)
 - “Transient vulnerabilities” (i.e. customers that may temporarily be in vulnerable circumstances).

Why this is the right commitment

- 1.12 The Priority Services Register (‘PSR’) helps us to identify which customers are in vulnerable circumstances and therefore may need to be offered bespoke or flexible services appropriate to their needs. Without identifying these customers, we are not able to proactively provide them with the support they may require.
- 1.13 However, whilst we have ambitions to grow the number of households on our Priority Services Register (which is the subject of common performance commitment AR06 *Households on the Priority Services Register*), we must also ensure that they are receiving the support they require. This is something our CCG had previously challenged us on, and we developed commitment AR05 *Customers Recommending Priority Services* in response to this challenge.
- 1.14 We have had ongoing dialogue with our CCG as to the suitability of net promoter scores (NPS) since our September 2018 submission. They are now content with the suitability of NPS for priority services customers; in particular this was due to sharing case studies from the NHS and other monopoly sectors with them. NPS will remain an important part of our programme. However, the CCG remains concerned that those receiving a service, particularly during a supply interruption, are adequately served. Therefore any performance commitment must ensure that this is taken into account, which the BSI certification does



through the requirement of undertaking customer research and using this to inform continuous improvement activity.

- 1.15 The British Standard BS18477 for Inclusive Service Provision measures accessibility and inclusivity of a company's services, and is designed to signal that a company is inclusive to all customers, including those who are most vulnerable due to low income and/or particular needs, including disability. It focusses on identifying and responding to customer vulnerability.
- 1.16 We have discussed our plans with the BSI. While the scope of a yearly validation can change, we will ensure that our annual audit includes the services provided during a supply interruption as a key component, plus evidence of feedback from customers, both as a snapshot in time and for our own internal records over the year.
- 1.17 The standard can be used by any service provider – from energy companies to broadband providers, local councils, government departments, charities, banks or transport providers, and will allow us to provide our customers with proof of our commitment to offering a service that is inclusive and accessible to all, but particularly to those that find themselves in vulnerable circumstances. It is a benchmark recognised by the third sector and ensures that we are able to demonstrate best practice in this area in line with companies in other sectors.

Customer Support for the Performance Commitment

- 1.18 Our customers have clearly told us that they expect us to meet the needs of customers in vulnerable circumstances².
- 1.19 In addition, customers in vulnerable circumstances have their own specific requirements:³
- They want us to tailor our services by providing a personal service. Vulnerable customers are not all the same; their needs can differ markedly, and they expect us to respond accordingly. We need to ensure that we have the processes and communications in place to identify their specific needs and then respond appropriately.
- 1.20 This performance commitment therefore demonstrates how well we meet these needs.
- 1.21 We have not directly tested this performance commitment with customers, as this commitment is being proposed in response to an action resulting from Ofwat's initial assessment of PR19 business plans. However, in the research we undertook into our previous commitment 'AR05 Customers Recommending Priority Services', customers were

² Thames Water, TW-CSE-A1-What Customers Want, Section 33, 1 April 2019

³ Thames Water, TW-CSE-A1-What Customers Want, Section 33, 1 April 2019



supportive of the inclusion of a commitment that measured the quality of service provision to customers in vulnerable circumstances.⁴

- 1.22 We have discussed the proposed change in performance commitments with our CCG, representatives from the third sector, and CCWater. There was broad agreement that the BSI performance commitment was appropriate.

⁴ Thames Water, TSD019-CR27 PCs and ODIs, September 2018



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- 1.23 A representative from Age UK felt that the BSI standard gave a recognisable benchmark with a common vocabulary that the third sector would recognise. The vulnerability specialist at CCWater understood the argument that our previous commitment 'AR05 Customers Recommending Priority Services' and this new commitment were both aimed at ensuring meaningful support for customers in vulnerable circumstances.



Section 4

Our targets and why they are stretching

Our ambition for this performance commitment

- 1.24 Our overall aspiration is to provide industry-leading levels of support to our customers in vulnerable circumstances. This aligns with our wider customer ambition “to be here for all of our customers; proactively engaging and delivering a high quality service to create lifelong customer advocates”.
- 1.25 In 2018 we discussed a phased implementation of certification. However, the BSI has subsequently changed their approach so that an entire company’s operation is required to be demonstrating the required standard in order to be certified. We will undertake staged audits for sections of the business that deliver distinct customer services, prioritised where customer need is greatest, namely Revenue, Water and Waste services as we implement capability. Therefore, our targets for this performance commitment are as follows:

Table 1: Forecast profile of our level of performance

| AMP6 Forecast | | AMP7 Targets | | | | AMP8 Targets | AMP9 Targets |
|-------------------------|--|----------------------------|-----------------|------------------|------------------|------------------|------------------|
| Yr5 | Yr1 | Yr2 | Yr3 | Yr4 | Yr5 | Yr5 | Yr5 |
| Commence implementation | BSI audit Revenue and Water operations | BSI audit Waste operations | Achieve BS18477 | Maintain BS18477 | Maintain BS18477 | Maintain BS18477 | Maintain BS18477 |

Source: Thames Water table APP1, 1 April 2019

Why this is a stretching target

- 1.26 We plan to grow the number of customers we register for priority services seven fold by 2025 from 1st April 2018.⁵ At the same time, it is our aim to continually improve the service we provide to this customer group.
- 1.27 Achievement of BS18477 will be challenging, as it will require us to ensure we are able to demonstrate a culture of support for customers in vulnerable circumstances across our entire organisation. It will require significant time and resource to make the investment in

⁵ TW-OC-A4, AR06 Households on our Priority Services Register, 1 April 2019



people, processes and systems in order to ensure that we can demonstrate a cultural shift across the entire organisation.

How we will achieve our AMP7 targets

1.28 The way we will achieve our AMP7 targets is through the successful implementation of our overall Thames Water vulnerability strategy, which is detailed further in BPD1-A3 Affordability and Vulnerability of our September 2018 business plan submission.

1.29 We are choosing to comply with the standard and in doing so this demonstrates that we are making a serious commitment to providing services that are fair and accessible to all. Our plan to achieve this certification therefore includes:

- **Systems and Data;** this will be the single biggest investment we will need to make in order to achieve our goals as they will provide our people with the visibility of customers who require additional support. A key enabler for the achievement of this commitment will be the on-time implementation of our new billing system, which will coincide with an update of the needs codes in our systems in line with best practice. It will also provide us with the ability to manage our customer data more consistently. This includes data sharing with the energy sector, where customers provide explicit consent, as well as enabling the “check-in” process that we will use to regularly engage with customers on the register, ensuring that we hold the right information about their needs and preferences. We will also need to identify and report against a new set of vulnerability performance measures.
- **Service Provision and Processes;** we are embedding a new set of processes to support vulnerable customers across key business areas. Fundamental to this is the concept of “tell us once”, so that a customer will give insight into their circumstances so that all future engagement will be undertaken consistently, with the right level of personalisation and empathy across our business. We will review existing services and introduce new ones in order to deliver customers in vulnerable circumstances with an experience that meets their needs. One example of this is “Knock and Wait”, whereby field employees will allow customers with specific needs more time in order to answer the door. We also recognise that the support we provide during a supply interruption is particularly important for customers in vulnerable circumstances. The processes and systems we deploy during such events (for example, keeping them informed and providing additional water where required) will be a particular focus for us, including how we learn from customer feedback. In order to ensure that we are delivering services to the right standard and quality, we will also be defining and implementing wider quality monitoring, audit and continuous improvement mechanisms for vulnerability.
- **People and Culture;** ensuring all staff – from our Executive and senior management to customer-facing staff – are committed to inclusive service and get the training and resources needed to implement a company culture of vulnerability advocacy. We will ensure that our operating model is optimised and teams are trained appropriately, including the introduction of specialist teams where required. We have just commissioned the Money Advice Trust to develop content for vulnerability training



in partnership with our internal Learning and Development team. This will involve three tiers of training content (“general awareness”, “spotter” and “specialist”) designed to ensure that all staff have a general awareness and understanding of customer vulnerability in the water sector. “Spotters” and “specialists” will receive more in-depth training designed to enable them to recognise signs of vulnerability in individuals and identify their needs. They will need to be able to both tailor their approach and offer referral to additional services for supplementary support, such as PSR registration.

- **Contact methods;** making it as easy as possible for customers to contact us, by providing a range of methods, offering Freephone telephone numbers, and having a well-publicised procedure and timeframes for dealing with complaints. This includes creating new, and improving current, communication channels and materials and ensuring all products and services are tested for accessibility and usability. In parallel, our new website is being developed, which will offer an accessible platform for our customers.
- 1.30 Previous approaches within BSI have allowed staged certification to be achieved. This has now changed so that an entire company’s operation is required to be demonstrating the required standard.
- 1.31 To provide assurance that we are on track for certification we will undertake staged audits with BSI for sections of the business. These BSI audits will be supported by internal audits to ensure capability is being implemented and standards are being maintained. We will share the outcomes of these audits with our CCG. This will lead into a full BSI audit in 2022/23 to achieve certification.

Historic targets and performance

This is a completely new performance commitment, for which we do not have any historic data.



Section 5

Incentive type

Incentive definition

This performance commitment has a reputational, in-period incentive associated with it.

Why a reputational incentive is appropriate

1.32 Ofwat has proposed that this should be a reputational performance commitment. We also consider this to be the most appropriate form of incentive, for the following reasons:

- The impact will be to a relatively small percentage of our customer base, therefore it would not be appropriate to impact all customer bills with a financial incentive that will impact all customers.
- This is a process-related measure with a binary outcome that will either be “achieved” or “not achieved”, which does not naturally lend itself to financial incentives.
- This is a new commitment. We will review our progress over the AMP and use our learnings to drive continuous improvement.



Section 6

Reporting and assurance

Measurement

- 1.33 We will measure this performance commitment via an annual independent audit, and the achievement of the accreditation certificate and ongoing audit certificates demonstrating that we are meeting the standard.
- 1.34 The BSI standard is focussed on ensuring meaningful support. In particular we need to ensure the support we provide during a supply interruption meets the needs of customers in vulnerable circumstances. Along with customer feedback, we will therefore ensure that this element of our service provision is included within the annual audit, which will not only undertake spot checks of various incidents, but of our processes and systems as a whole.

Audit and Assurance

- 1.35 Our company-wide approach and process for all regulatory assurance and reporting is detailed in CSD010-AMP7 performance reporting framework of our September 2018 submission.
- 1.36 For AMP7 we will maintain a robust approach to tracking our commitments and reviewing progress.
- 1.37 Progress against this commitment will be reported externally both to our CCG, and to Ofwat as part of the performance commitment process.
- 1.38 Data reported will be independently audited as part of the Annual Reporting process.