

# BASIC SERVICES HUMAN RIGHTS NETWORK



National Grid Transco : Severn Trent : npower : Thames Water : BG Group

## 2004 REPORT

**The Basic Services Human Rights Network** was established by National Grid Transco, Severn Trent, npower, Thames Water and BG Group in May 2004. Its purpose is to develop sector specific expertise on corporate responsibility for human rights. In 2004, the Network began with a focus on the topics of the supply chain and the vulnerable customer.

## VULNERABLE CUSTOMERS

The UK basic services industry has in place a range of programmes, procedures and special services to meet the needs of and, in particular circumstances to come to the aid of, vulnerable customers. These include social tariffs, specific guidelines on customer care in the event of service disruptions and disconnections, energy efficiency programmes and trust funds to help those in debt. The Network has started to review the mix of mandatory and voluntary activities and the opportunities for sharing learning between the energy and water sectors in this regard.

Notably, while the disconnection of domestic water supplies for non-payment has been prohibited since 1999, the energy sector's approach is voluntary. In September 2004, the Energy Retail Association published the industry's code on the prevention of disconnection of vulnerable customers<sup>1</sup>. Given the broader discussion about mandatory and voluntary approaches to corporate responsibility, it is interesting to share learning and experience of these two approaches.

The Network has begun to explore whether there might be potential in applying the principles of

- Non-discrimination and equality
- Explicit recognition of human rights norms
- Participation
- Empowerment
- Accountability

that underpin a rights-based approach to vulnerable customer programmes in both the UK and internationally.

### THE SEVERN TRENT CHARITABLE TRUST

The Severn Trent Charitable Trust was established in 1997 to assist customers who are facing genuine economic distress. Its long-term aim is to help people back on the path to self sufficiency. Registered as an independent charity, the Trust receives an annual grant from Severn Trent Water.

The Trust's assistance is limited to the Severn Trent Water geographical area, but is not limited to paying water bills in that applicants may also receive grants to pay other utility bills, council tax or rent, or to buy essential household items. The result of the Trust's work is encouraging. Over half of those who receive help pay their water bills on time in the future, whilst up to 70% pay off their outstanding water bills over time. About 8,000 people a year now apply for the Trust's help, with 40,000 helped so far. Other utility companies are now working with the Severn Trent Charitable Trust to assist vulnerable customers.

For more information see:  
[www.sttf.org.uk](http://www.sttf.org.uk)

### WATER AND SANITATION FOR THE URBAN POOR (WSUP)

WSUP is a pro-poor, multi-sector, partnership committed to delivering sustainable, equitable and affordable water and sanitation services to the urban poor in developing countries. It brings together Care International UK, Wateraid and the World Wildlife Fund, Thames Water, Unilever, Halcrow and Cranfield University. WSUP works at two levels; the international alliance works with local partners to identify and develop projects on a non-profit basis; and project consortia including WSUP members and other organisations work in partnership to deliver the projects. Key features of WSUP are its emphasis on targeting the areas of greatest need, the participation of local communities from the start, local capacity building and empowerment, community education and scalability. The first WSUP pilot project is in Bangalore, India to deliver water and sanitation to 70,000 urban slum dwellers. There is the potential for 60+ projects each covering roughly 100,000 people by 2015.

For more information see:  
[www.wsup.com](http://www.wsup.com)

Our initial observations are that this approach highlights possible areas of learning from each other, such as:

- Are current definitions of vulnerable customers aligned? For example in the UK they do not include reference to ethnic minorities though there is some evidence of higher rates of fuel poverty amongst these communities<sup>2</sup>.
- In international programmes, 'the poor' are often considered as vulnerable without differentiation. What does this mean for vulnerable groups such as the disabled who are often the poorest of the poor and have specific needs?
- How we include vulnerable customers and their advocates in identifying, designing and evaluating the services provided to them?

An analysis on this basis has also served to highlight best practice in existing programmes. For example, the approach taken by the Severn Trent Trust Fund not only addresses the utilities debts of those who seek its help, but tries to put the individuals who it helps back on the path to self-sufficiency; or the way in which the Water and Sanitation for the Urban Poor partnership focuses on the most needy, on the participation of these communities and on empowering local actors to run the facilities over the long term.

## THE SUPPLY CHAIN

Basic services companies have traditionally performed well in many of the leading corporate responsibility indexes and they are looking to respond proactively to the increasing expectations of investors and wider society on the issue of ethical supply chain management.

In comparison to other sectors, UK utilities have a key advantage. For a significant proportion of their supply base they already collaborate in identifying, verifying and reporting performance through the Utilities Vendor Database (UVDB - see inset). The Basic Services Human Rights Network has contributed to enhancing the UVDB to incorporate labour standards by drafting an initial set of questions designed to raise the awareness of both suppliers and buyers. These will be incorporated into the database by the turn of the year.

The Network will continue to monitor and contribute to the process now being led by Achilles CSR Steering Group (which includes Scottish Power, South West Water and Network Rail as well as Basic Services Human Rights Network members). This will involve defining appropriate standards for the supply chain, further enhancing the UVDB database and developing processes to monitor and verify the performance of suppliers.

### UTILITIES VENDOR DATABASE (UVDB)

The UVDB is the supplier database used by the UK utility industry to source and prequalify current and potential suppliers of major products, services and works. The UVDB has been in operation since 1995 and is now used by over sixty utilities and major contractors. It is run, on behalf of the utilities, by Achilles, a global provider of supplier management information (see [www.achilles.com](http://www.achilles.com)). Achilles also provides supplier management services to the oil & gas, pharmaceutical, transport, construction and public sectors.

UVDBVerify is a standardised safety, health, environment and quality assessment also run by Achilles on behalf of subscribing utilities, suppliers and contractors. A steering group made up of the utilities and supplier community maintain the single set of qualification criteria against which they are all prepared to assess their contractors and suppliers.

<sup>1</sup> Protecting Vulnerable Customers from Disconnection, Energy Retail Association, September 2004 see [www.energy-retail.org.uk/](http://www.energy-retail.org.uk/)

<sup>2</sup> See Energywatch submission to Trade and Industry Select Committee into Fuel Disconnections see [www.energywatch.org.uk](http://www.energywatch.org.uk)

## BASIC SERVICES HUMAN RIGHTS NETWORK

The Basic Services Human Rights Network was established by National Grid Transco, Severn Trent, npower, Thames Water and BG Group in May 2004. The network is supported by human rights consultancy, TwentyFifty. Its use of the term 'basic services' reflects the increasing diversification of traditional utilities into services such as waste disposal and environmental monitoring.

The key purpose of the Network is to develop sector specific expertise on corporate responsibility for human rights including:

- Increasing understanding of members' responsibilities within their spheres of influence and activity.
- Developing tools and techniques to identify, manage and mitigate human rights related risks in the sector.
- Sharing knowledge and learning of practical implementation challenges and dilemmas.
- Sharing learning with the Business Leaders Initiative on Human Rights and other initiatives.

In 2004, the Network focused its inquiry and action on the topics of the supply chain and the vulnerable customer. In 2005, the Network's attention will be on considering how basic services companies contribute to the realisation of economic, social and cultural rights, exploring the links between the emphasis on water in the Millennium Development Goals and the provision of energy, and furthering our understanding of human rights as a valuable framework for corporate responsibility.

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National Grid Transco



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