

## Unlocking the Energy Future for the North



### Active Engagement

Annual stakeholder report

Emerging thinking:  
Distribution System Operator (DSO)

Sti do

**ENGAGE**

Feedback forms

Filming (vox pops)

On-going  
engagement plan

## Unlocking Future for

Part 1

# Our strategies and highlights of the year

2018-19

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## SECV Part 1

Our strategies and highlights of the year 2018/19

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Northern Powergrid's ambition remains "to be the best energy company in serving our customers while delivering sustainable energy solutions." Engagement is crucial to that and so is at the heart of our plans. As our approach continues to mature and grow, so do the opportunities for our stakeholders to engage with us, in particular in areas of emerging importance such as the energy transition and future skills needs.

Once again, our engagement round tables have initiated the annual business planning

cycle. This year we adopted a more issues-led approach, bringing together cross-departmental teams. We found it created a more productive discussion and, in turn, the outcomes better reflect stakeholders' views.

We are pleased to have built a robust programme of engagement that runs consistently throughout the year. Over time, it has helped to develop relationships and trust with our stakeholders and has made sure that we have a good representation of all the critical voices that we need to hear, particularly those who are less able to represent themselves.

This work has given our team better insight and is helping us to address immediate and future challenges more effectively and creatively. We're pleased to have the opportunity in this submission to share examples and case studies of the new initiatives and changes to our plans that have resulted from our engagement.

Longer term, there is no let up in the pace of change. Complex issues require new thinking. To that end, we are already working on the formation of our RIIO2 Customer Engagement Group (CEG), which I am determined will be playing its part in challenging my leadership team and me to be as ambitious as possible as we put together our plans for the future.

We have always known that to succeed as a business, it is vital that we represent the voices of those we serve across Yorkshire, North East England and northern Lincolnshire. We continue to invest in raising the understanding level of our stakeholders and have worked hard to make sure their voices and views are reflected across the business.

**Phil Jones**  
President and CEO

## 2018/19 headlines

**19,000+**  
stakeholders  
engaged

**Future proofed**  
engagement  
strategies and plans

**Embedded**  
engagement  
in annual business  
planning cycle

**Well informed**  
RIIO Electricity  
Distribution 2  
(ED2) engagement  
plan prepared

**200+**  
partners  
delivering these  
key improvements

## 2019 priorities

**Improving business to  
business engagement to  
inform relationships for  
successful Distribution Service  
Operator (DSO) transition**

**Ensuring our stakeholders are prepared,  
educated and informed to be able to  
meaningfully input to DSO and ED2 future  
plans – understanding their priorities and  
challenges**

**Ensuring that our understanding  
of our stakeholders is up-to-date  
and our future engagement  
continues to be representative  
and inclusive**

## Future proof our plans

As our strategy and engagement matures we are having more and more productive, long-term, future focused conversations with our stakeholders. With our customer-led approach to DSO development and our early plans of how we carry this best practice into our RIIO ED2 business planning engagement, we are well underway to making sure our stakeholder engagement is **fit for the future** and informing our future plans. We are doing this through:

Our aims	2018/19 activity
<b>Understanding our stakeholders, now and in the future</b>	<ul style="list-style-type: none"> <li>▶ Asking our stakeholders what they would like to engage on and how they would like to be engaged e.g. priorities research (page 4).</li> <li>▶ Regularly reviewing stakeholder maps and data/mapping sources to identify and address gaps, challenging ourselves to ensure we have robust information and representation to inform our engagement e.g. <b>80 insightful stakeholders</b> at our summit (page 3).</li> </ul>
<b>Building and maintaining mature relationships</b>	<ul style="list-style-type: none"> <li>▶ Using partnership insight to inform how we engage and respond to changing issues e.g. drought and agricultural safety (part 2, page 7).</li> <li>▶ Sharing best practice within, and outside, industry. Learning from others to future proof our engagement e.g. establishing our Customer Engagement Group (CEG) (page 2).</li> </ul>
<b>Educating our stakeholders</b>	<ul style="list-style-type: none"> <li>▶ Working with stakeholders to produce education materials which enable enhanced engagement with informed stakeholders around complex issues e.g. smart metering (part 2, page 10).</li> <li>▶ Education forming a key part of strategies framing future engagement plans e.g. RIIO ED2 and DSO (part 2, page 8).</li> </ul>
<b>Ensuring engagement models are fit for the future</b>	<ul style="list-style-type: none"> <li>▶ Setting improvement priorities for 2019 which support future engagement including:                             <ul style="list-style-type: none"> <li>– Improving business to business relationships as a building block for DSO engagement (part 2, page 10).</li> <li>– Continuing to build engagement capacity and capability of our colleagues to enhance future engagement approaches across the organisation (page 5).</li> </ul> </li> </ul>
<b>Strengthening the voice of our customers and inclusivity</b>	<ul style="list-style-type: none"> <li>▶ Representative research which incorporates the views of different customer groups e.g. priorities, smart metering.</li> <li>▶ Reviewing our definition of 'hard to reach' in relation to DSO and social inclusivity (page 8).</li> </ul>



We have a clear strategy in place that guides the delivery of our initiatives, projects and programmes, which we have highlighted in this submission.

## Our strategies

EMBEDDED

Our embedded stakeholder strategy defines how the role of engagement underpins the delivery and development of our business in the short, medium and longer term. Our activities ensure stakeholders and customers, and their priorities, are influencing our business plans and service improvements. The strategy is not rigid. It is designed to be evolving, and is informed by our research and engagement activities and the increased learning this brings; adjustments are subsequently agreed with our Executive and stakeholder panel.

The three areas of the strategy that stakeholder engagement underpins remain constant. Within each area we are considering RIIO ED2 business planning engagement as we move into this key period. Our strategy is underpinned by our principles of engagement which run through everything we do.

2015-2023 – ED1	2023-2028 – ED2	<h3>Principles of engagement</h3> <ul style="list-style-type: none"><li>▶ Early engagement</li><li>▶ Co-creation</li><li>▶ Focus on what customers most value</li><li>▶ Open, transparent and robust</li><li>▶ Meaningful, not just optionality</li><li>▶ Independent</li><li>▶ Continual learning and best practice</li></ul>
Strategic engagement – keeping our priorities relevant	Strategic engagement – future priority setting and co-creation	
Unlocking our energy future		
Tactical engagement – informing our service	Tactical engagement – defining and delivering future service standards	
Keeping and exceeding our promises		
Operational engagement – going above and beyond	Business-as-usual engagement – building mature relationships	
Looking after our communities, customers and vulnerable customers		

ENHANCED

**Our Social Responsibility strategy** complements our stakeholder strategy and enables us to take a targeted approach to our investments for vulnerable customers and broader social issues such as affordability, skills and employability. This year we have reviewed our social strategy with our Social Issues Expert Group (SIEG) and our Executive to set stretch targets and future proof our approach in line with emerging stakeholder needs. Aligning our vulnerability and social programmes to our investment plans is helping us to understand and tailor the support we offer to our

communities before we are impacting them and during our works. With a focus on minimising disruption and maximising the positive impact we can have, this approach is leading to strengthened community engagement and focused delivery and outcomes across our range of affordability, safety, STEM and wider education programmes.

Examples of the outcomes and stakeholder benefits we are delivering are illustrated throughout parts 2 and 3 of this submission.

NEW

## Our approach to RIIO ED2 engagement

We are taking the opportunity to learn best practice approaches from within and outside industry to support our RIIO 2 business planning engagement. We are starting early to ensure that when we reach more formal consultation stages we already have representative, inclusive engagement models in place with well informed, educated stakeholders who are equipped to input effectively. Through our ongoing deliberative conversations around the future, we are ensuring that initial proposals will be informed by representative, meaningful stakeholder views drawn from open and deliberative engagement. We have a full multi-layered engagement plan which supports our approach.

2018-19	2019-20	2020-21	2021-2022	2022-2023
Phase 1 – Recruitment, education and understanding	Phase 2 – Deliberative engagement and open discussions	Phase 3 – Consultation on initial plans Phase 4 – Costed optionality Phase 5 – Final consultation and assessment of support Phase 6 – Re-testing plans		Commence enduring engagement Lessons learned review Planning for ED3

2018/19 activity	2019/20 plans
<ul style="list-style-type: none"> <li>▶ Best practice sharing with gas and water on Customer Engagement Groups (CEG) and recruitment of Chair – led by our Executive and non-executive directors.</li> <li>▶ Expanded stakeholder panel to include emerging stakeholders and tested our ED2 engagement approach.</li> <li>▶ Extended priorities research on what stakeholders would like to be engaged on and how they would like to be engaged.</li> <li>▶ Tested the market for best practice models for increasing customer voice and representation.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of CEG and education programme for members.</li> <li>▶ To agree stakeholder charter.</li> <li>▶ Establish Consumer Panel (in addition to the CEG).</li> <li>▶ Research and engagement to increase understanding of our costs, role and value for money.</li> <li>▶ Continue ED2 debate with expert panels.</li> <li>▶ Robust approach to representation, mapping across RIIO ED2 issues.</li> <li>▶ Deliberative engagement around key RIIO ED2 issues; future skills, DSO, innovation and social inclusion.</li> </ul>

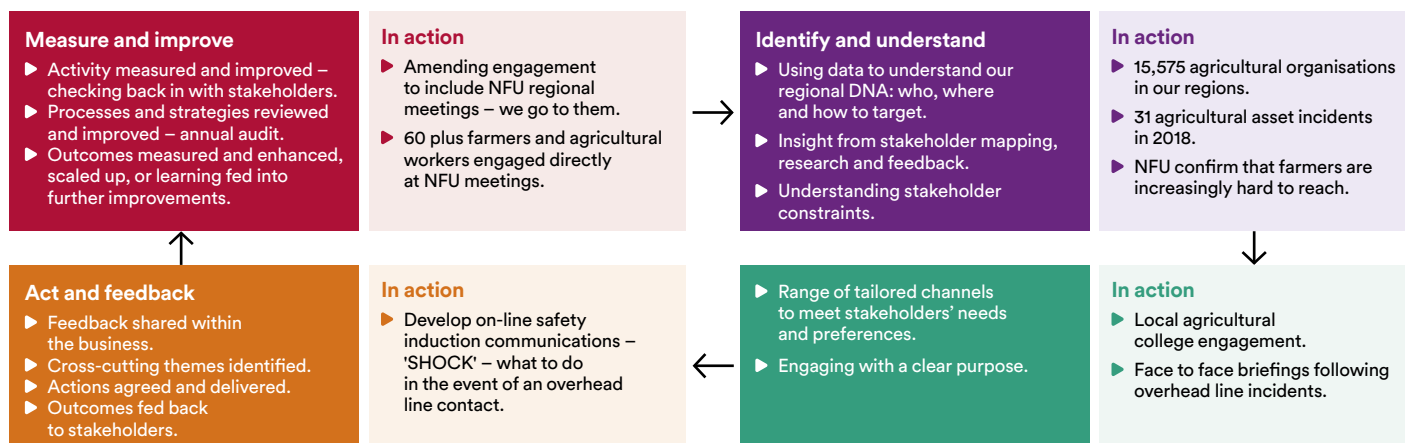
Coherent and holistic engagement is leading to more mature discussions and debate with our stakeholders and more comprehensive and meaningful outcomes.

It is rare that any meaningful engagement is contained to discussions or feedback around a single issue. Our business, and the world that we operate in and our stakeholders live in, is rarely straightforward. With this in mind we see every conversation or engagement as an opportunity to build relationships and increase mutual understanding across a range of issues. Over the last year we have seen multiple examples of how this more coherent approach is leading to more relevant and value added outcomes for our stakeholders.

Our engagement approach has two distinct parts – **the engagement cycle**, ensuring every engagement has a purpose and leads to meaningful outcomes, and our **annual stakeholder engagement** schedule, underpinning annual business planning and priority setting.

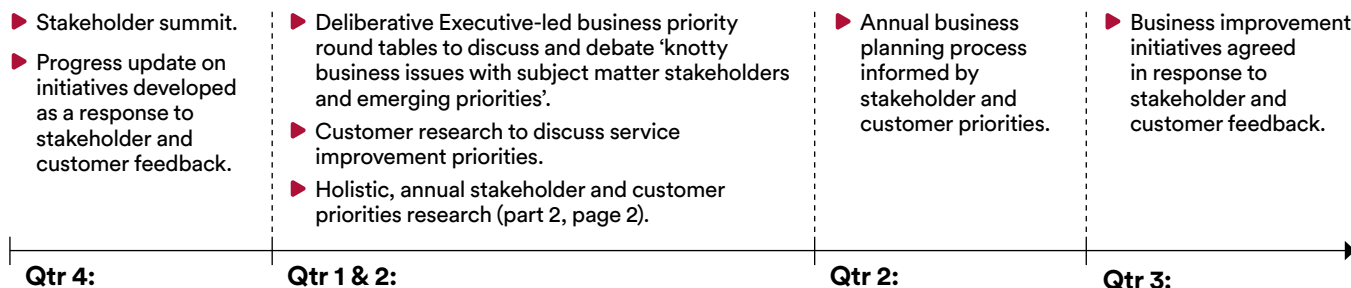
## EMBEDDED

**End to end meaningful engagement approach** – Our cyclical approach to engagement planning and activity ensures that continuous improvement underpins tactical, operational and strategic engagement activities:



## ENHANCED

**Informed business planning and priority setting** – Last year, we made a step change in embedding engagement within our governance and business planning process. This year we have built upon this; introducing an annual engagement schedule, led by our Executive to enable more comprehensive, holistic engagement fully aligned to further underpin stakeholder-led business priorities and decision making. Key engagement activities throughout the year are aligned to inform annual business plan decision making.



## NEW

**Stakeholder summit – mature engagement approach extending reach** – Our inaugural annual stakeholder summit, held in December 2018, began the business planning cycle with our stakeholders. Led by our Executive with over 80 stakeholders from across government, commerce, the third sector and community groups in attendance. This platform provides an update on business plan performance and progress on the commitments we have already made to our stakeholders. Furthermore, we signalled our commitment to engagement on the major energy changes. Key debates included how we invest in a smart sustainable network for the future; ensuring a socially inclusive transition to a smart energy future, electric vehicles, and Skills: developing the northern energy economy's future workforce. These events were supported by external, media, social media and webinars to broaden their reach even further, post event.

## ENHANCED

**Deliberative Executive-led business priority round tables.** These sessions then pick up the mantle from the summit and take forward the emerging issues within the right sized forums and with the right level of focus to drill in to specific issues and topics. Introduced in Q1, 2018, these Executive-led round tables meet head on the challenge of legitimately enabling stakeholders and customers to genuinely influence the real business issues and decisions we are facing, and placing them in the planning process to enable their priorities and needs to be reflected in the plans right from the outset.

A combination of stakeholder driven topics alongside knotty business issues that kept our Executive awake at night drove the roundtable programme. Our stakeholders brought challenge and insight; working hand-in-hand with our senior teams to consider solutions, re-frame problems and identify next steps. The round tables were kept

quite small to allow full discussion and debate; with subject matter experts relevant to the topic bringing new expertise and challenge to help our business think from our customers' shoes.

*"The development of the round tables to engage senior managers and directors with expert stakeholders on key questions immediately prior to the annual business planning process is a good example of developing new mechanisms to integrate stakeholder feedback into strategy and business planning."*  
AA1000SES Independent Audit report, July 2018

Embedded within our governance processes, actions feed directly into our annual business planning cycle where they become deliverables which are managed and reported on throughout the year. Feedback from 78 stakeholders led to **18 new actions** and outcomes underway, see page 9 for examples.

We work hard to better understand our stakeholders, striving to ensure that we have the best possible information and insight available to inform our decision making across the board.

## Accurate information and insight driving meaningful engagement, activity and outcomes

EMBEDDED

**Robust data management and use**  
– Last year we reported on the piloting of our web-based system which allows us to see and interrogate the social, community and business data we invest in, in line with our own data sets, our Priority Service Register (PSR). This system is now used regularly to inform decisions and target our resources for engagement and wider programmes of work like our tower blocks PSR recruitment approach.

SCALED UP

**Partnership insight** – Through our social programme and working closely with our delivery partners we have learnt the value of their insight, particularly on how to identify and engage hard to reach stakeholders and the issues they are facing. This has helped us to tailor and target our engagement for key stakeholder groups like community energy, agricultural stakeholders and SMEs. Regular meetings with key national and regional players help us to keep abreast of the wider issues impacting

EMBEDDED

our stakeholders as well as opportunities to collaborate in our engagement and co-create our response to issues.

**Stakeholder mapping to increase diversity and representation** – We routinely undertake stakeholder mapping to ensure we have high quality, up-to-date information and are effectively identifying emerging stakeholder groups. For example, our DSO engagement mapping focus is to identify new market entrants, energy disruptors and groups representing the interests of those who may be left behind. Research, mapping and tracking has increased our pool of these stakeholders which will continue to grow. This understanding of who our stakeholders are has helped us to:  
▶ Refresh our stakeholder panel with new members including large energy users, academics who specialise in smart grids and future transport, the Energy Innovation Centre, Community Energy England and partners from councils across our operating region.

EMBEDDED

▶ Ensure that we are targeting the right stakeholders for engagement, getting the right input from the right people, not just “bums on seats”.

**Stakeholder engagement** – Asking our stakeholders directly how they want to engage and on what, is the most direct way of ensuring our future engagement activity is fit for purpose. Through our priorities research, questions ahead of and evaluation post events and webinars, we have been able to amend our engagement to meet stakeholders’ needs and preferences. For example, at the stakeholder summit in December, delegates fed back that they would have preferred more interaction to bring to life some of the discussions. The DSO event which followed in January was consultative and provided opportunities to engage and consult via roundtable sessions, making the time stakeholders invest in our events much more valuable and collaborative.

## Our shared priorities

As well as the breadth and depth of engagement and feedback we get from our tailored and targeted engagement, it is important that we regularly check in with a broad representative group of our customers and stakeholders. This year we have:

- ▶ Worked with leading research agencies and engagement experts within and beyond utilities to ensure a best practice approach to our engagement to give a robust, representative outcome.
- ▶ Commissioned an experienced, independent research agency to review our prioritisation research over the last 5 years, helping us to understand trends over time, as well as emerging priorities, to inform future engagement.
- ▶ Conducted best practice prioritisation research with a representative group of over 1,600 domestic customers and

wider stakeholders to understand their current priorities, identify gaps and help us prioritise improvement initiatives identified through more in-depth engagement.

### 2018/19 headlines

- ▶ **79% have heard of Northern Powergrid – an 111% increase since 2017/18.**
- ▶ Reliability is the main priority, with delivering a positive impact on our communities a strong second. Only 4% of participants thought other priorities should have been included – with a focus on environment and preparing for the energy future.
- ▶ Emerging or increasing priorities identified over the five years are:
  - **Innovation and the future** has been steadily increasing in importance with much higher standing in priority ranking in 2017 than 2014/15.

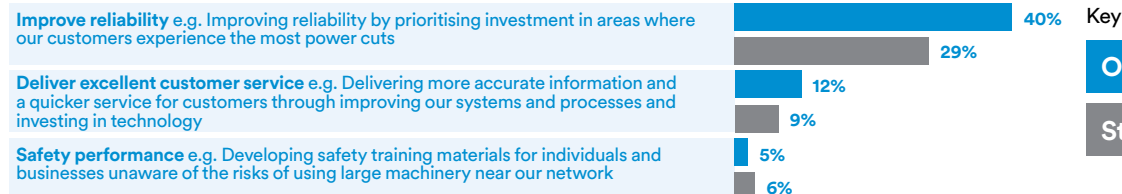
– **Cutting our carbon footprint** is another emerging priority, with more focus (and greater consumer prioritisation) since 2015. This research has shown it still to be important (ranked fourth out of six).

– **The impact of Big Data.** Since 2015, respondents have raised concerns about how data held about them was used (particularly for smart meters and electric vehicle (EV) management). This will be key to providing excellent customer service (ranked third by customers).

- ▶ Future engagement:
  - Although the top priority, reliability is of lower interest than other areas for consultation such as **keeping prices low, vulnerable customers and the environment.**

## Priority and example statement

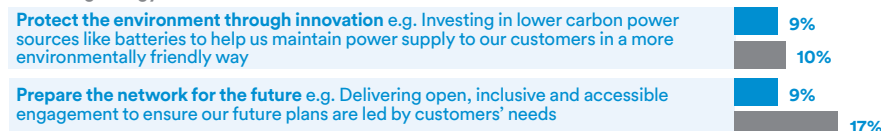
### Keeping our promises



### Looking after our communities



### Unlocking energy futures



These priorities largely aligned to the themes emerging at a national level from the joint DNO research which included the views of 163 of our domestic customers. We set out, throughout this submission, examples of how we are delivering against these priorities for our stakeholders.

Building on strong foundations, through our leadership team to our front line and with our partners, we are delivering excellent services for our customers and stakeholders through passion, collaboration, new tools, innovations and an ethos of continual improvement.

## Senior management engagement

“There is a growing sense of a culture of engagement and good practice in stakeholder engagement across the business.” – AA1000SES Independent Audit report, July 2018

ENHANCED

**Monthly Strategic Stakeholder Engagement Group** – Chaired by our Policy & Markets Director, senior managers from across the business meet monthly to discuss their engagement plans, planned activities, challenges and potential synergies in approach, particularly key for those who may have similar or the same stakeholders. To further enhance the discussion, an ‘in focus’ section has been added to make time available to address a particular topic, stakeholder group or issues that would benefit from stakeholder input, consultations or dedicated research. Outputs from the meeting are formally reported back to the board, where stakeholder priorities are discussed and addressed. Progress updates are also provided on our weekly Executive call, led by our CEO.

ENHANCED

**Leading by example** – Stakeholders positively received the introduction of business priorities deliberative round tables this year, but commented that they felt it would strengthen the debate if Northern Powergrid leaders facilitated the sessions rather than using external facilitators. This change was swiftly introduced and now our senior managers and Executive not only help to develop and shape the engagement activities but also facilitate, present and take part on expert panels during the sessions such as the stakeholder summit, Deliberative Round tables, Stakeholder Panel and DSO engagement events to ensure our stakeholders are working hand-in-hand with our leadership team who are accountable for taking the feedback and actions arising forward.

ENHANCED

**Leading industry best practice and engagement** – Phil Jones, our CEO, has been appointed as the Energy Networks Association (ENA) Chair for the second time. At a time of rapid change, he is looking forward to working with colleagues to ensure that our customers continue to be front and centre of the work that we are doing to deliver a smarter, cleaner energy system that delivers the best value for customers and the country. Our CEO is a strong advocate for skills and education in regional development. Our leadership in this area was recognised by the Secretary of State for Education, Damian Hinds, when he visited our Castleford site to meet our craft and cyber apprentices.

“There is evidence of increasingly sophisticated understanding at senior level of the importance of stakeholders to the future of the business, and the role of stakeholder engagement in developing effective strategy and delivering better services and outcomes to customers.” – AA1000SES Independent Audit report, July 2018

## Building the capacity and capability of our colleagues

NEW

**Developing the tools to do the job** – The industry is going through significant change, it is well known that it faces a retirement cliff edge but there is also a change required in the types of skills needed to be a DSO, delivering the energy system and services our customers want. Central to this is the capacity and capability of our employees to be able to engage well with their stakeholders. We acknowledge that embedding engagement takes time across a complex, multi-site operation and our focus is to build ownership, up-skilling our teams and creating a sustainable, lasting legacy rather than creating a quickly out of date toolkit which may get left on a shelf. Working in partnership with managers and operational teams, we have together developed education materials and tools to do the job, such as tailored materials to support Local authority meetings to discuss improvement schemes (part 2, pages 3

NEW

and 4), information and guidance packs to better support the needs of our MPs and improved safety education materials. These are delivered alongside coaching and mentoring to equip our teams with the skills, tactics and confidence to effectively engage and better co-ordinate their activities.

**Engagement underpinning business improvement** – Last year, we identified that our business improvement programmes would benefit from more comprehensive

engagement programmes, so Stakeholder Relations has been working hand-in-hand with project managers from across the business to build their engagement capacity and capability to develop engagement plans. Building on this, a training suite of materials has been developed with best practice examples from this phase to deepen understanding of what great engagement looks like and further build understanding and ownership.

“The Stakeholder team has strengthened its role as catalyst and driver for stakeholder engagement across the business. There has been significant work this year to develop the tools and systems required to embed and support engagement, to build capacity, and to develop mechanisms for sharing lessons learned across the business.” – AA1000SES Audit report, July 2018

“A notable development this year has been the increase in the confidence and capacity of Northern Powergrid staff – especially at a senior level – in the skills required for effective engagement. These ‘soft’ communication and listening skills are vitally important for building trust and effective engagement.” – AA1000SES Independent Audit report, July 2018

## Developing our partnerships

Our network of trusted partners and collaborators gives us insight into the existing and emerging issues that are important to our stakeholders and customers; helping us to be agile and responsive to their changing needs. We continue to develop a range of complementary partners

and collaborations that help us to deliver positive outcomes through programmes and targeted support. We are extending our reach through new partnerships in targeted areas that most need our support and we continue to share our learning, regionally and nationally.



## Industry collaboration and best practice sharing

We work closely with our peers in industry across a range of issues, sharing best practice and learning to inform joint projects and ideas we can roll out in our own area. Over the last year this has included:

- ▶ Joint social value research and Community Energy engagement events with all DNOs.
- ▶ Sharing our research findings on customer attitudes to smart metering data sharing with all DNOs and other key stakeholders such as Citizens Advice.
- ▶ Partnering with our Infrastructure North colleagues to jointly promote our PSRs at local events throughout Community Week.
- ▶ Engaged with colleagues in Gas and Water including the Chair and members of their Customer Engagement Groups to better understand best practice and learn from their challenges as we establish our own group.
- ▶ Developed the SHOCK agricultural safety tool as a national resource which can be used by all DNOs.
- ▶ Providing neighbourly support and collaboration to help Manx Utilities with their planning on service interactions for their 50,000 customers.
- ▶ Formally joining our Partnering Community Fund with NGN to increase the impact and efficiency and provide more comprehensive support for the local organisations working with us.

## Building capacity and capability with our partners

Through our close community partnerships, we see every day how supporting them through data sharing, training and wider support we are able to work together to deliver better outcomes for our customers. This is an approach which we extend to other key partners across a range of issues:

- ▶ Eight members of the BEIS Resilience Team took part in an engineering appreciation course at our training centre in Kipper, including a visit to Belmont Primary substation and a fault-finding exercise; "...a first class programme that we all found to be really useful: the combination of science and theory, practical hands-on demonstrations and site visits was ideal for us".

- ▶ As part of our ongoing work with HSE, we enabled development for HSE inspectors to learn about battery storage at our Rise Carr storage facility. Following this successful event, HSE asked that we brief inspectors at their quality conference on cyber security.
- ▶ Presenting to Yorkshire Water managers and tier 1 contractors to guide them smoothly through the new connections process to aid the delivery of their capital investment plan.

## Industry change, innovation and opportunities

As the industry changes, working with our partners to develop our joint understanding of what the potential implications may be enables us and them to maximise the opportunities that they present. This year we have:

- ▶ Rolled out an enhanced Regional Planning Programme (RPP) to provide additional support and guidance to installers of electric charge points.
- ▶ Participated in the Welfare, Employment and Energy Demand research project with University of Exeter, University of York and Lancaster University. The project examines the links between welfare policy and issues of energy use, access and affordability, with a view to understanding interaction in complex policy areas, in discussion with BEIS and other policy makers.
- ▶ Engaged with Asda's energy efficiency management company to discuss flexibility opportunities as part of our ongoing engagement with large energy users, including Nissan and BOC.
- ▶ Held bilateral meetings with suppliers around charging reforms and wider issues, including RIIO ED2. We also shared our thinking with industry stakeholders via a webinar ahead of our formal responses to Ofgem.
- ▶ Taken part in 'Exercise Nobel Falcon', hosted by BEIS, to undertake an emergency planning exercise in response to a simulated hurricane on the British Overseas Territories. Black Start task group has also taken place in London – considering the implications of distributed generation and what this brings to the Black Start agenda.
- ▶ Held sessions with Newcastle University and Siemens to discuss potential smart meter

data usage and met with Leeds Beckett University to support a grant bid they are developing about influences and consumer attitudes to smart meter take up and the 'nudge points' to encourage adoption.

- ▶ Held discussions with EPSRC research council about research to consider: 'how do we encourage general customers interested in demand response?'. Further discussions are underway regarding how we share information/data that we hold with researchers to support further analysis and research.
- ▶ Reached out to a cohort of academic, consultant and external organisations to validate the smart meter gateway plans. This included a consortium of seven universities lead by University College London, who are building their own DCC gateway and would like to share learnings with us.
- ▶ Continued our innovation dialogue with a series of partners who are establishing their own innovation projects (batteries, storage, demand side response) and require our energy system expertise and information on how they can interact with it – including Siemens, CESI, Energise Barnsley and Sheffield University.

## Our partners

We have numerous partners collaborating with us to co-create, test and deliver the best possible outcomes for our customers. Over 200 partners have been involved in delivering the activities, outcomes and benefits reported throughout this submission alone.



## EMBEDDED

## CASE STUDY

## Working with MPs to improve future decision making and service access

### The issue

We currently operate in an area represented by 84 Members of Parliament, who have a unique role in delivering change through the decisions they make. They also act as a gateway for customers (particularly vulnerable customers) accessing our services. Research commissioned this year showed that we (and DNOs in general) have low awareness levels among regional MPs.

### What we did

We have introduced a long-term engagement plan for elected representatives to increase their understanding of what we do and what the changing issues are which face both Northern Powergrid and the energy industry.

We wrote to all MPs and are delivering a series of site visits and one to one meetings. We reached 17 MPs through the APPG Yorkshire and Northern Lincolnshire meetings in Westminster, contributing our expertise in energy to important regional debates that aim to protect and promote the interests of communities across our region; and through dedicated meetings/visits with MPs in order to demonstrate our work directly and how we go above and beyond in our commitment to deliver great service in the communities they represent. Their feedback has led to the establishment of a dedicated "MP hotline", enabling them to raise concerns, thoughts and questions directly with our leadership team for

the first time. This new hotline is an expansion of the successful system used for local authorities.

### The outcomes and benefits

- ▶ Increased PSR recruitment, recruitment materials distributed through MP surgeries.
- ▶ Increased awareness of our Powergrid Care service and MP constituent referrals to Newcastle Citizens Advice.
- ▶ Speedier response times for customers who go through their MPs to engage with us.



We use a range of open and specific channels to deliver tailored engagement, providing a multi-layered approach to achieve maximum involvement, input and good quality outcomes. We proactively work with specialist partners to engage and tailor our approach for hard to reach individuals and groups.

“Northern Powergrid has a long experience of implementing planned engagements. All meetings and stakeholder events observed demonstrated good practice in implementation of the engagement plan. This year has seen consolidation and continued improvement of processes to deliver more effective outcomes and enable more stakeholder voices to be heard.” – AA100SES Independent Audit report, July 2018

## A range of tailored channels

We have introduced new channels and improved the reach of a number of existing channels this year.

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**Improvements in stakeholder communications** – Our stakeholders told us that they would like more tailored communications on the subjects that interest them so we have introduced an online tool to enable them to select and register which topics they would like to receive information about, and we have enhanced our communications to ensure we meet these needs with targeted content.

NEW

**Targeting to increase awareness** – Increasing awareness of the 105 number remains a priority and we have developed geographically targeted communications to

NEW

**two million customers**, particularly focused in areas where there is limited knowledge of us, to educate around the 105 number so we can be there if they need us. As a result, over **21,000 customers** accessed our website, YouTube videos, Twitter and Facebook pages via links included within the communications.

**Engagement tools** – 2018 saw the integration of the Sli.do platform to our events. Sli.do allows delegates to post questions via an online platform and then other delegates vote for their favourites. It encourages active participation and ensures no one

delegate's voice is louder than others. It also allows for post-event follow-up and better record keeping. With each question securely logged onto the Sli.do platform, there could be no error in data capture of unanswered questions. This enabled us to go back through anything unanswered, directly e-mailing delegates and making the answers available on our website following the event, opening up participation. **Sli.do feedback example:**



### Face-to-face

#### Events

- ▶ Meetings
- ▶ Workshops
- ▶ Conferences
- ▶ Community events
- ▶ Drop-in sessions
- ▶ Round tables
- ▶ Site visits
- ▶ One-to-one briefings
- ▶ Surgeries

#### Expert panels

- ▶ External Stakeholder Panel
- ▶ Social Issues Expert Group
- ▶ Areas of Outstanding Natural Beauty Expert Group
- ▶ Distributed Generation Expert Forum

**4,000+**  
people engaged

**48** members  
**23** meetings

### Social media



**13,567**  
Facebook  
followers



**+46%**  
increase  
from 2018



**22,833**  
Twitter  
followers



**+15%**  
increase  
from 2018



**6,395**  
LinkedIn  
followers



**+46%**  
increase  
from 2018

### Areas of research

**15,000+**  
engaged

- ▶ Customer satisfaction
- ▶ PSR satisfaction
- ▶ Stakeholder satisfaction
- ▶ Priorities
- ▶ Willingness to pay
- ▶ Future consumer
- ▶ Electrical losses
- ▶ Risk
- ▶ Unplanned power cuts
- ▶ Flooding
- ▶ Hard to reach – rural safety
- ▶ Tower block residents

### Digital

**600**  
webinar  
views

**100%**  
webinar  
satisfaction

**100+**  
stakeholders  
accessing  
incident data

### Newsletters and updates

**6,900+**  
recipients

## Tailored approach to respond to differing needs



We strive to ensure our engagement approach is robust, open and inclusive and enables our stakeholders, who are often time-poor, to be informed, engage, challenge, collaborate and co-create. This is even more important as we move through the energy transition to ensure we enable an inclusive transition (part 2, page 8).

From our research, we understand that our stakeholders have differing levels of knowledge, understanding and interest. We therefore tailor and target our engagement and ensure we keep up an ongoing dialogue, rather than one-off events, educating them so that they have a basis of knowledge to contribute to the debate and providing a range of flexible engagement channels and opportunities to meet their needs.

## Hard to reach customers and social inclusivity

As our future plans develop, we are mindful of the difficulties when trying to engage with 'hard to reach' customers, particularly when the very nature of DSO has the potential to exclude those lacking in digital skills. We need to ensure that in the future, if our hard to reach customers don't, or can't, engage with us, that we find a way for them to be represented, building their needs and requirements into our plans.

We are committed to delivering socially inclusive change which benefits all our customers; we have outlined our initial approach to DSO and vulnerability.

We took this model to our stakeholders for input at our stakeholder summit, asking stakeholders if we should be widening our focus to include social inclusivity rather than just vulnerability. Stakeholders felt that "social" should be a theme in all elements of the DSO plans and, therefore, did not feel that an additional definition of hard to reach stakeholders was necessary. They also advised us to tailor engagement with real life examples that resonate directly with customers, or with their representatives. This approach is directly influencing our engagement and planning.

## Socially inclusive energy transition approach



Innovation projects looking at how emerging technology can allow us to deliver a better service to vulnerable customers (e.g. Resilient Homes).

Some customers will be less flexible than others, whether by choice or necessity. DSR may not be an option or may require additional facilitation.

Ensuring the fuel poor do not end up paying any more than their fair share or fall victim of scams and fraud due to new market models.

Better service at a lower cost keeps prices down for all customers. Use social and demographic factors to prioritise network investment aimed at increasing reliability.

Opportunities to participate in local energy initiatives, potentially reducing fuel poverty, bringing people and communities together.

Overall reduction in power cuts will benefit all customers, particularly those in vulnerable situations.

## Tailored approaches for hard to reach groups

Some of our most important stakeholders are the hardest to reach. We therefore take different approaches to identifying, reaching, engaging and supporting the hard to reach, dependent on their particular needs and the outcome we are trying to achieve.

Working with third sector partners is essential to supporting vulnerable customers and communities (part 3, page 7), and we use this approach with other hard to reach groups including rural agricultural (part 2, page 7) and the community energy and SME examples set out below.

### ENHANCED

### CASE STUDY

### Creating an enduring SME/micro business resilience strategy

#### The issue

- ▶ The hard to reach group of SMEs and micro businesses makes up 99.8% of businesses in our region, employing approximately 1.6m people.
- ▶ Current industry approaches focus on awareness raising through direct communications or campaigns but with little measurement of impact.
- ▶ Recent research identified that:
  - By a power cut or systems failure 72% of businesses said operations and revenue would be disrupted by power related issues.

#### What we did

We consulted with local resilience forums (LRFs) and government funded business

growth hubs to explore how working in partnership can help us develop an impactful approach to business resilience.

We were advised that:

- ▶ Proactively reaching out pre-Brexit to increase resilience could create anxiety in the current uncertain climate.
- ▶ We should take a joint utilities approach moving forward.
- ▶ Working with existing channels known and trusted by SMEs like banks, LFRs etc. is the most effective approach.

We have reached out to our Infrastructure North partners to pick this up, we have also initiated research around existing SME channels and trusted partners.

We have enhanced our current communications approach, producing two videos giving advice on preparing for power cuts and the impact of flooding, these are being supported and promoted by our local authority partners.

#### The outcomes and benefits

- ▶ When the enduring solution is in place it will be fit for purpose and responsive to stakeholder needs.
- ▶ The videos have been shared with councils and LEPs, achieving almost **70,000** impressions across social media platforms.

### ENHANCED

### CASE STUDY

### People-centred energy approach



#### The issue

In 2018, Community Energy England reported that 'communities require clearer government and local authority strategies including early-stage funding, financing support and subsidy review to enable community energy success and associated wider benefits'.

#### What we did

Whilst we continue to support, educate and engage with these groups and involve them in our preparations for DSO, we have reviewed our community energy plan and restructured to provide more strategic

insight and strengthen their voice as well as give practical support.

**NEW** **Leading research** – To better understand the barriers and opportunities to develop a sustainable, community energy network within our region, we supported policy options research undertaken by Sheffield Hallam University and Community Energy England to consider emerging findings with community energy stakeholders and practitioners and to test out policy recommendations for Local Authorities, LEPs, BEIS energy hubs and ourselves in developing people-centred energy in Yorkshire & Humber.

**ENHANCED** **Community energy and local supply** – we facilitated two local supply workshops as this is still very much a pressing topic on the minds of local communities energy groups. We have and continue to represent their views to Ofgem and we have a role to play

in helping market players think this one through.

#### Hands-on support:

- ▶ We have attended AGMs of Community Energy Group and both sponsored and attended Regen 'Community Energy Innovation' events. Feedback from these events shows that communities want:
  - More opportunities to develop innovation with DSOs and
  - To influence strategic decisions by being invited to join DNO advisory panels and support to influence BEIS and Ofgem.

#### The outcomes and benefits

- ▶ Increased understanding of local energy challenges helping to inform our engagement and services.
- ▶ Improved national representation and stronger voice for community energy with policy makers.

In striving to deliver the right benefits for our stakeholders and customers we are always looking at ways to better measure our impact, learn from best practice and improve.

## Meaningful engagement leading to clear, measurable benefits

The best measure of how successful our engagement has been is how it is translating into meaningful outcomes and benefits for our stakeholders and customers. Through robust governance and reporting, we know that this year we have delivered or committed to **185 meaningful outcomes**, many of these are highlighted in more detail throughout the submission and within the summary table below.

Engagement summary	Number of outcomes	Example actions and outputs	Example outcomes and benefits
<b>Representative views setting priorities through open and targeted channels</b> – Over 15,000 people engaged through channels including priorities research, customer focus groups and awareness surveys. Over 10,000 through customer satisfaction surveys.	43	<ul style="list-style-type: none"> <li>Introduced new online, instant quote service that supports our customers to undertake property demolitions safely and further renovation works in reduced timescales.</li> <li>Developed a social inclusion model for DSO and reviewed hard to reach definitions.</li> <li>Developing smart meter educational video.</li> <li>Reviewing our approach and strategy to explore the potential benefits of access to smarter, real time data and to reflect stakeholder and customer views and concerns.</li> </ul>	<ul style="list-style-type: none"> <li>A 23.3% improvement in time from 50.5 days to 38.7 days for new properties or re-generation connections.</li> <li>Social inclusion is embedded in DSO plans and all engagement examples.</li> <li>Research outcomes based on informed customer views.</li> <li>We extended our 2013 business plan commitment in our 2018 annual plan to lead the industry in our use of smart data and our 'Making use of data' project is exploring how we can use this data to benefit our customers.</li> </ul>
<b>Deliberative, open engagement with 208 stakeholders</b> – Driving business planning, including annual stakeholder summit, DSO engagement event and deliberative round tables.	32	<ul style="list-style-type: none"> <li>Developing and testing an account management pilot.</li> <li>Developing a map for local and housing authorities who have vulnerable customers in an outage situation.</li> <li>Applying 'Black Start' approach to cyber resilience.</li> </ul>	<ul style="list-style-type: none"> <li>Improved customer experience for large business customers and regional stakeholders.</li> <li>Enabling Local Authorities to better serve vulnerable customers through data sharing.</li> <li>Robust and secure cyber security and data management systems in place.</li> </ul>
<b>Issue specific, tailored and targeted engagement</b> – Over 4,000 people engaged through issue-specific channels including PSR customer surveys, local energy events, community partner and health workshops, co-creation round tables and many more.  We also engage with hundreds of stakeholders every year through face-to-face meetings with:  Local authorities, MPs, Local Economic Partnerships, Environment Agency, and we attend a number of key forums around resilience, fuel poverty and more.	56	<ul style="list-style-type: none"> <li>Community fund supporting local partners to address hard to reach communication challenges.</li> <li>Introducing key contact to coordinate programmes for transport infrastructure.</li> <li>Increased investment and scale of tower block improvement programme.</li> <li>Joint working to address animal welfare issues in times of extreme heat.</li> <li>Partnered with IPPR think tank on regional skills research – 'Just transition'.</li> <li>Working with Cabinet Office to enable data sharing with emergency responders through Resilience Direct.</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face advice for 482 clients experiencing digital exclusion, hearing difficulties or where English is their second language.</li> <li>Reducing costs and timescales on transport infrastructure, and enabling increased inward investment to the region.</li> <li>£3-8 million additional investment, doubling the number of customers who benefit to 1,600 (estimated).</li> <li>Minimising agricultural economic impact as a result of climate change.</li> <li>Helping policy makers to understand the challenges and what is needed to prepare the North of England to take advantage of future energy changes.</li> <li>Increased support for vulnerable customers based on accurate information.</li> </ul>
<b>Expert panels – informing strategic direction and issues</b> – We regularly engage with 46 issue experts through our own stakeholder, DSO, undergrounding and social panels.  We also meet with over 40 experts through groups including APPG Yorkshire and Humber, the Northern Energy Taskforce and Infrastructure North.	35	<ul style="list-style-type: none"> <li>Established partnership with Women in Science and Engineering (WISE).</li> <li>Sourcing UK timber and ensuring poles are robust enough to withstand animal interventions in Pollywood pole replacement project.</li> <li>Introduced a range of flexible engagement opportunities – to aid time poor stakeholders engage with complex future charging arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>Better informed recruitment to address industry gender imbalance.</li> <li>85% less ship fuel to import wood, saving thousands of litres of diesel and significantly reducing CO<sub>2</sub> emissions.</li> <li>Prepared and informed stakeholders impacted by future charging arrangements.</li> </ul>
<b>Industry engagement, best practice and collaboration</b> – We regularly attend over 25 industry working groups and panels as well as best practice sharing visits, events and meetings with industry colleagues including Environment Agency, academia, HSE, DNOs, GDNs, energy suppliers and government bodies such as BEIS.	19	<ul style="list-style-type: none"> <li>Sharing our research findings on customer attitudes to smart metering data with all DNOs and other key stakeholders such as Citizens Advice.</li> <li>Engaged with colleagues in Gas and Water including the Chair and members of their Customer Engagement Groups to better understand best practice and learn from their challenges as we establish our own group.</li> <li>Participated in the Welfare, Employment and Energy Demand research project with the Universities of Exeter, York and Lancaster.</li> </ul>	<ul style="list-style-type: none"> <li>Getting the full investment value for customers through sharing approach and findings widely.</li> <li>Helping us to ensure we establish a robust, independent group which follows best practice learnings.</li> <li>Improved understanding of interactions between complex policy areas for vulnerable customers, shared with policy makers.</li> </ul>

## Balancing stakeholder expectations

It is not always possible to respond to all or sometimes, very specific stakeholder requests, particularly if the outcome is not appropriate for wider stakeholders or customers. However, we ensure we close the loop with a clear explanation as to why decisions have been made.

Early, deliberative engagement has helped to better understand and respond to differing stakeholder needs and many of our discussions now centre around what is possible, what the barriers are and whether we can find a joint solution we can all work through to meet our mutual needs.

We have been challenged this year, particularly around issues of timing, so we have not necessarily stopped major pieces of work, but some, such as business resilience, have been deferred until after the Brexit position becomes clear at the request of our stakeholders. Similarly, our National Parks and Areas of Outstanding Beauty Expert Group have asked us to reduce the number of meetings we convene across the year, as they are comfortable with positive progress we have made in delivering undergrounding beyond what was originally planned.



## ENHANCED

### Challenging how we quantify value for our stakeholders

Measuring the value of the services we offer to our customers and stakeholders in order to prioritise activities and make informed decisions is an area of research we have used throughout the formation and delivery of our RIIO ED1 business plan. This year we have revisited research best practice in value assessment methods and effective representative sampling, to guide our approach, and preparation for future business planning.

Our expert partners at Impact Utilities state the best practice principles of 'willingness to pay' (WTP) as:

- ▶ Have only one dimension to each attribute level (e.g. not '40% of households receive help and receive 50% off bill payments').
- ▶ Avoid maximum possible values for the 'best improvement' level (e.g. not '100% of low income households receive help').
- ▶ Try as far as possible to have similar magnitudes and units of improvement.
- ▶ Reference current levels of service.

- ▶ Price values: We need levels of annual bill increase to 'pay' for these improvements. This represents the amount above the current bill in today's monetary value.
- ▶ A packaging element to cover several elements e.g. full service lines not just singular improvements.

However, we understand the ideal is not always possible and therefore we can use WTP as a prioritisation tool and understand the relative values, but not rely on actual £.p values for financial planning purposes.

With this in mind, our prioritisation research (see part 2, page 2) used numerical indexing rather than £ values to avoid confusion over actual WTP rather than assumptive/hypothetical financial values placed on prioritising initiatives which are not comparable service improvements. We'll be conducting WTP using best practice principles to test our consumer vulnerability service offering with optionality in 2019/20 and of course for our ED2 business planning engagement across all service lines. We talk more about quantifying value in part 2 (see page 2).

## ENHANCED

### Robust project management –

We reported last year how we are capturing what our stakeholders value through improved project management. Our approach identifies types of benefits and initiatives are undertaken. This is helping us to report clearly the impacts, as well as informing investment decision making, in terms of what we invested in, where we move projects on to scale up or enhance following pilots. This process along with our regular reporting also helps us to manage and minimise any risks with clear check points to ensure that we are delivering value for money and that new projects/initiatives are realising or exceeding their objectives, outcomes and benefits. We talk more about how we are quantifying the results in part 2.

Description of the initiative	Process stage	Financial information	
Detail in simple terms what the timeline is about, the reason for implementing it and its objectives. Provide high-level timeframe, potential partnerships identified.	1. Conceive and Prototype	<b>Costs</b>	<b>Benefits</b>
	2. Start Up	<b>£Value</b>	Estimated or realised financial benefits for the stakeholders.
	3. Scale Up	NPg's investment to implement the initiative.	Estimated or realised non-financial benefits.
	4. Embed		
	5. Enhance		
<b>Outputs</b>	<b>Reported outcomes</b>	<b>Reported benefits</b>	
	<b>Social outcome:</b> Description of a social outcome as a result of the output.	<b>Quantified benefit:</b> Definition of the indicator used to measure the impact of the outcome as well as its value.	
<b>Output #1</b>	<b>Environmental outcome:</b> Description of a social outcome as a result of the output.	<b>Quantified benefit:</b> Definition of the indicator used to measure the impact of the outcome as well as its value.	

## External assurance and benchmarking

In order to ensure we are continually learning and improving, we undertake a number of assurance and accreditation activities, helping us to do the right thing for our business and our stakeholders:

## NEW

**Partnership Initiative of the Year Award** – we have recently been awarded Partnership Initiative of the Year at the inaugural Network Awards, for our Activating Community Engagement project (ACE). The first ever trial to show how mobile gaming could incentivise households to reduce their electricity consumption at times of high demand, the judges commented that the "Activating Community Engagement project displayed an innovative approach and huge potential in terms of cracking the really hard problem of engaging customers in energy demand management."



**BSI: Assessing our approach to Consumer Vulnerability** which ensures we are delivering comprehensive, quality services for our vulnerable customers.



We were successfully accredited against the ISO 55000 asset management standard which includes an assessment of our stakeholder engagement strategy.



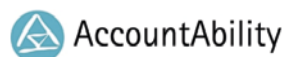
**UK's Top 50 Companies:** We've been named number one in the UK Top 50 Companies for Customer Service for 2018 – coming first for Best Medium Sized Contact Centre, Best in Service Provider Sector and first overall for Best Channel.



**Action for Hearing Loss – Louder than Words:** We maintained our 'Louder than Words' charter, following a successful assessment by Action on Hearing Loss against their 10-point charter.



**ISO27001 certification:** In our business priorities focus groups, the issue of holding customer data was raised and our stakeholders sought reassurance of what we are doing to uphold our responsibilities and ensure we have the right levels of protection in place.



**AA1000 Stakeholder Engagement Standard** We are audited annually against the AA1000 standard. We act on the recommendations and good practice this process brings as we continually seek to improve our engagement.

**As a result of this assurance and the resulting recommendations, over the last year we have:**

- ▶ Evaluated both the quality of the outcomes, and the understanding of and the engagement process across the business, in order to identify engagement opportunities and priorities for next year.

- ▶ Investigated ways to minimise stakeholder fatigue and to engage with less well represented groups through stakeholder mapping, gap analysis and improvements in the identification and relationship management of a wider pool of stakeholders.

- ▶ Introduced an internal audit plan for PSR metrics to assure and validate the results.
- ▶ Introduced BSL versions of customer videos and web content following an Action on Hearing Loss assessment.