

A close-up, profile view of a man with a full, grey beard and a woman with blonde hair, both looking towards the left. The man is in the foreground, wearing a dark blue suit jacket and a blue tie. The woman is slightly behind him, wearing a yellow scarf. The background is blurred, suggesting an indoor setting with other people.

Our stakeholder and consumer vulnerability strategies

Part 1

Stakeholder Engagement
and Consumer Vulnerability
Incentive 2020/21

Welcome

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This is **Part 1** of our submission to Ofgem's Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive for the regulatory year 2020/21. Our SECV submission comprises three parts:

Part 1

An overview of our strategies and approach to ensuring customer and stakeholder voice is driving change and improvement now and in the future.

Part 2

Details and examples of how engagement is leading to measurable improvements for our customers and stakeholders.

Part 3

Setting out our consumer vulnerability strategy, partnerships and fuel poverty programmes and how we are ensuring that nobody is left behind.

Our regional structure enables our teams to best serve the local needs of our customers



8m⁺

customers

42,300

miles of underground
distribution lines

2,688

colleagues

17,400

miles of overhead
distribution lines

Introduction

We are a vital part of the communities in which we live and work, and it is a privilege to serve them. As the UK's energy system becomes increasingly central to the country's decarbonisation journey, the responsibility we carry on behalf of our stakeholders is becoming even more significant. That makes it even more critical that we listen to, and engage with, the voices representing the full spectrum of our stakeholders and that we carefully consider their views and suggestions in our efforts.

To that end, in addition to our established stakeholder panels, our Customer Engagement Group holds us to account and reinforces our customer-first approach as we look ahead. Their expertise, constructive criticism and feedback helps us decide where to strike a balance on behalf of our stakeholders.

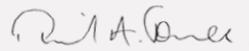
By nature, we are optimistic, ambitious and practical. Right now, that involves balancing a drive towards decarbonisation with affordability. In turn, that involves being prepared to innovate and invest in the way we run the network and our business. For example, we provide much more data to our partners and do much more of our planning jointly with stakeholders. All that is geared towards creating a flexible energy system that enables our customers to decarbonise efficiently.

The adaptability and resilience of people worldwide has been tested in the past year during the COVID pandemic. The same is true of our region and also of our team and our network. I am proud of how we have responded, not least by working alongside regional partners and championing a green recovery that will bring forward around £75m of near-term investment, accelerating our region's journey to net-zero and economic recovery from the pandemic.

Our approach to engagement, communications and partnerships continue to develop as we learn. And they have undergone a step-change this past year, reaching what we believe is the next level of scale and maturity. Stronger partnerships and improvement in our use of demographic data is helping us provide better support to vulnerable customers in fuel poverty and engage with them on minimising barriers to net-zero.

Our partnership strategy ('Stronger Together') has been refreshed this year and through these important relationships with local partners we are able to actively support our most vulnerable customers and communities. We continue to build our thinking around hard to reach or seldom heard people in society to ensure nobody is left behind.

We are determined to make sure that our stakeholders play an active part in a transformation of the energy sector that brings with it lasting positive social impact.



Phil Jones
CEO – Northern
Powergrid



2020/21 highlights

36,000+

stakeholders engaged

16,000

customers engaged through online education video campaigns

181

expert delegates assuring our work in our expanded panel programme

NEW

Rural, future fairness and community energy panels

329

discussions with regional leaders

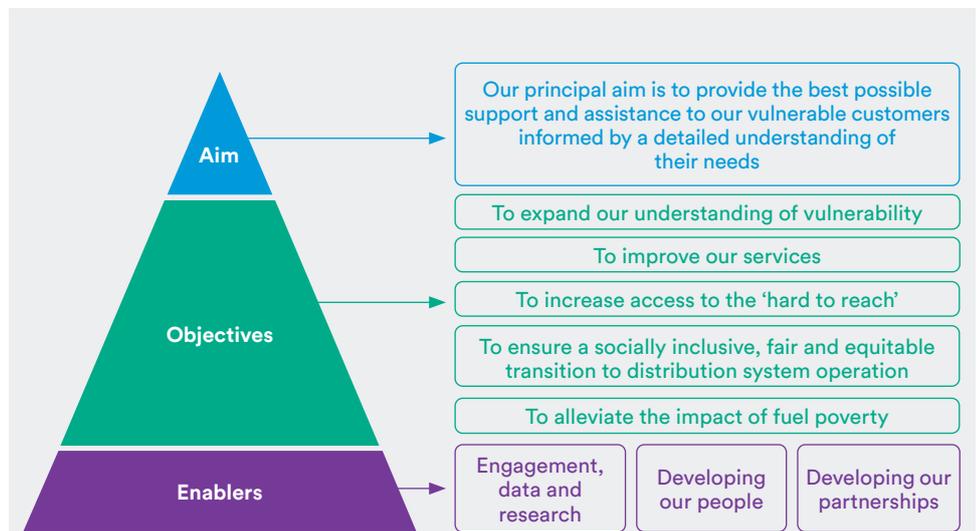
Our embedded Consumer Vulnerability strategy

Our Consumer Vulnerability strategy has evolved since 2013 as we have further understood customer needs and developed, tested and embedded a comprehensive service package. Whilst we will be publishing our new long-term strategy for the next business planning period in July 2021 it is important that our current strategy (opposite) reflects our priorities.

In consultation with our Social Issues Expert Group we have added a new objective explicitly highlighting our support for customers experiencing fuel poverty. Our strategic focus this year has been communicating and testing our supporting approaches for fuel poverty and partnerships and developing an initial approach to nobody left behind, for consultation.

It is more important than ever; with our customers and stakeholders feeling the additional impact of the pandemic that we support those most in need. Over the last 12 months we have:

- Established our Future Fairness Panel to work with us; ensuring that all customers voices are heard and our plans are inclusive.
- Extended our energy efficiency and fuel poverty advice and support channels to reach over 100,000 people.
- Prioritised support for enabling COVID response including generating pharmacies and fast-tracking connections for Nightingale hospitals.



Assuring our strategy

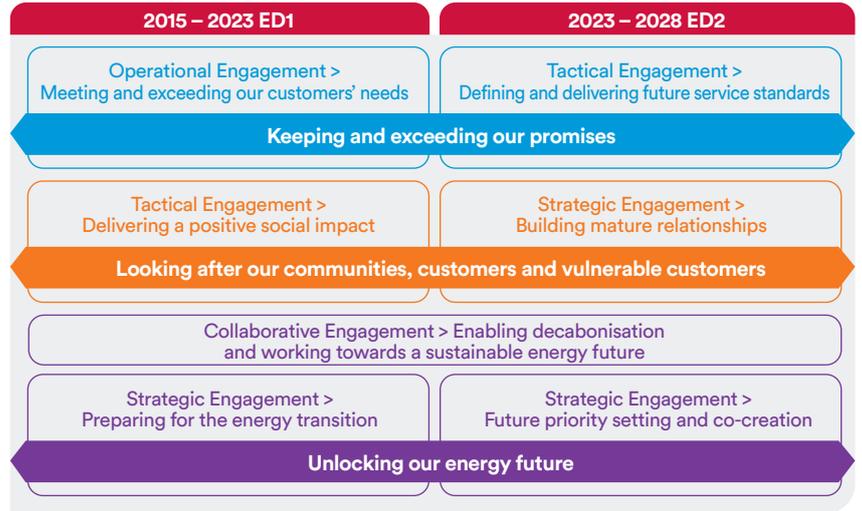
Our vulnerability strategy has been assured by our **Executive** and our **Social Issues Expert Group** since its inception in 2012. This year we have convened our new **Future Fairness Panel** to ensure that our strategy encompasses all current vulnerabilities in our region and to help us to identify new and emerging issues. The panel represents multiple vulnerabilities including sex workers and the sexually exploited, homeless people, refugees and asylum seekers, elderly people with communication impairments, dementia, carers, renters, homeless, substance addiction, learning disability or medical conditions, ex-offenders, unemployed, unskilled or low skilled workers, BAME, travellers, mental health, neurological conditions, learning disabilities, autism, loneliness and isolation, disabilities, visually impaired and blind people, families with young children.

Our enduring stakeholder strategy

Our vision is to be the best energy company in serving our customers while delivering sustainable energy solutions for our region; our stakeholder strategy ensures stakeholder and customer voices are informing how we achieve this.

Customers are at the heart of our business and their views and priorities underpin our business direction, our choices, and how we support them and their communities – now and in preparing for the future.

Strong engagement with our stakeholders helps us make better decisions and better prepare to meet the needs and aspirations of those we serve. Our stakeholder strategy opposite shapes the critical objectives of our engagement and the stakeholder and customer outcomes we deliver as a result. The strategy is reviewed annually by our Executive and is supported by annual delivery plans. Parts two and three of this submission highlight just some of the key programmes and projects we have delivered over the last year.



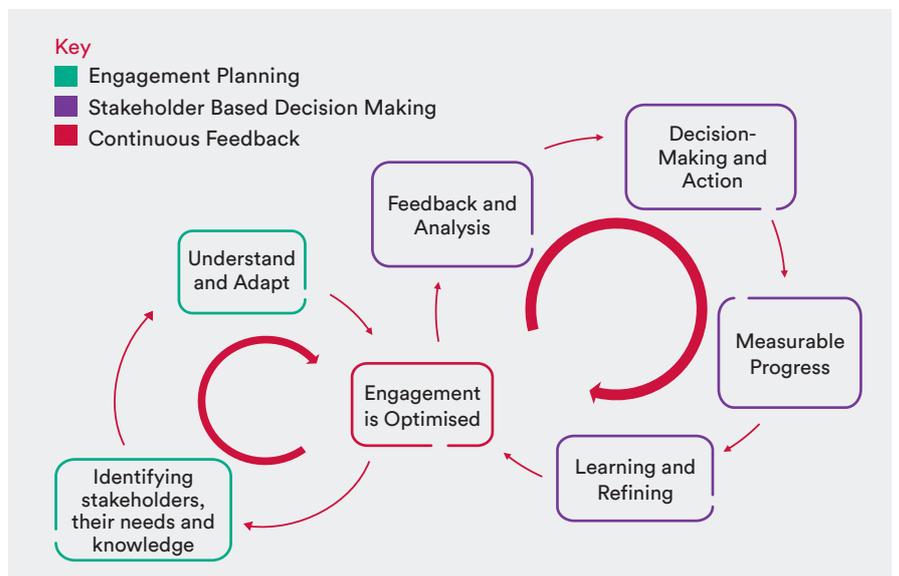
Stakeholder principles

Our Stakeholder principles guide our approach to engagement—giving us better quality control, keeping us focused on our strategic themes and helping us to deliver greater impact with our engagement—all within the scope of our overall strategy which is aligned with stakeholder needs.

Stakeholder principles	Our 2020/21 priorities and developments
Stakeholder-led – we are flexible, proactive, and responsive. Early deliberative engagement informs our plans and allows for testing with stakeholders.	In-year and COVID-related engagement priorities have been agreed and continually monitored with our stakeholders. Where possible, stakeholder needs have shaped the delivery of our engagement and response programmes.
Representative & inclusive – we will not leave anyone behind. All voices are heard from across the diverse region we serve.	Our annual audit process signposts any representation imbalance in our stakeholder database; with dedicated work that identifies and fills gaps, with a particular focus on key contacts from emerging, under-represented and seldom-heard groups.
Open & transparent – explaining what, why, and how we work. Encouraging active participation from customers and stakeholders to aid planning and decision making.	Increased public visibility of our work by launching our Engage microsite and our real-time, online action plan. This allows stakeholders and customers to view progress on each of our engagement areas and work programmes - closing the visibility loop and ensuring that we are completely transparent on our progress throughout the year.
Accessible – employing a range of engagement methods designed to engage all ages and capabilities. Educating stakeholders so they can understand our business, make better informed decisions and provide richer input.	Dedicated customer, rural and SME engagement panels have been established. They widen the inclusion of voices from our region that scrutinise and comment directly on our work, and they provide greater insight from key stakeholder groups. Education projects within each of our stakeholder panels support improvements in Energy IQ that promote better long-term understanding and help us to engage on more complex areas of our work.
Responsive & adaptive – best practice leads us, experience shapes us. Our programme is continuously evolving as we learn more about the needs of others.	8th successful year that we have been assured against the AA1000 stakeholder engagement quality standard. External quality benchmarking has delivered a best-practice plan, modelled against utility partners and wider industry.

Our engagement approach

Our engagement is proactive and purposeful and leads to actions which we report on regularly so that our stakeholders can hold us accountable. We set clear engagement objectives which we review with our stakeholders - before, during and after engagement - to see if we have met their expectations and to continually learn what we can improve. Following panel feedback asking for greater visibility of our engagement methodology, we reflected on our approach (as part of our annual review process) and published a refreshed methodology in January 2021, in collaboration with our external stakeholder panels who assured this work. The objective of these revisions is not to add additional layers to our work programmes, but to make it clearer that the work we do is properly stakeholder-led. This includes greater visibility around the embedding of our measurement and value framework, utilisation of data to improve stakeholder inclusion, and our triangulation and weighting models. We expand on examples of each of these areas throughout our submission.



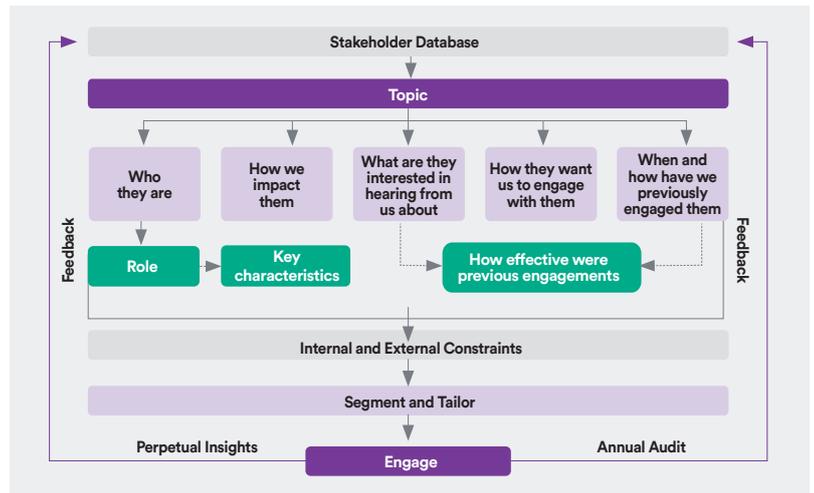
Data management and decision making

Our data approach

Data quality and integrity is fundamental to good engagement – it ensures that we are giving all our customers and stakeholders the chance to comment on, and contribute to, our work. Following an extensive benchmarking review over the last year, we have:

- Revised the segmentation approach that informs our annual programme of work, taking into account social and economic changes, changing regional priorities and stakeholder feedback on helpful ways of working.
- Conducted our annual audit, cleansing our data, identifying and filling gaps and ensuring that we remain inclusive of emerging, hard-to-reach and seldom-heard groups. We do this in conjunction with our Future Fairness Panel of expert representatives of hard to reach groups and by asking stakeholders "are there others who should be at the table with us?". As a result, we expect an annual refresh rate of around 500 new individual contacts each year - and this pattern is reflected in our 2020/21 results.
- Developed a new classification methodology and incorporated it into our processes. Using the categories from our stakeholder segmentation model, entries have been weighted based on where they fit into the matrix. All of our stakeholder entries have been tagged by the characteristics that will tell us more about: who they are and how we impact them, what they are interested in, how they prefer to be engaged, how we have engaged with them already, and the most effective types of engagement.

These improvements are reflected within the data we hold on stakeholders and customers. The diagram above shows how our approach works in conjunction with our enduring stakeholder database, increasing the scale and reach of our engagement, making it more inclusive of seldom heard voices, and providing better granularity of insight from our customers.

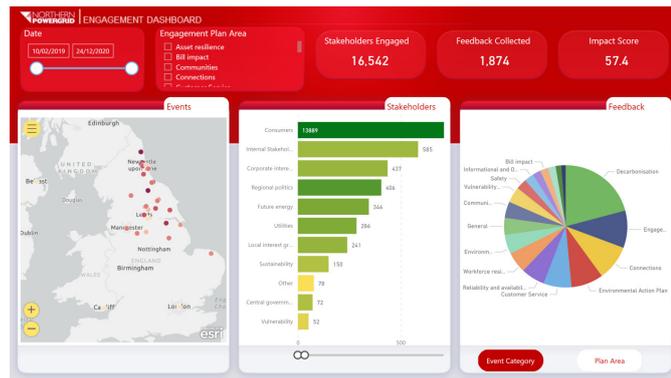


"Mapping has been used to identify gaps in coverage, particularly at a regional level, and using social indicator data through the model developed with Experian. For example, it was noted during the Community Energy engagement that a number of stakeholders and groups from South Yorkshire communities were present. This is an area that has been historically less well represented. Another example is Public Affairs engagement, which has been stepped up regionally to engage with more local MPs, elected Mayors, LEPs and council leaders, particularly around local and regional decarbonisation of the energy network, and supporting jobs in the region."

– AA100SES Assurance, 2021

Tracking stakeholder feedback

The refinements we have made to our data have helped us to deploy a centralised Stakeholder Feedback Reporting Dashboard that enables us to capture, report and track all stakeholder feedback in a single place. This allows us to clearly track stakeholder satisfaction levels, identify the most effective and most popular engagement approaches, and review levels of engagement and gaps by both stakeholder type and geography. We can interrogate the data both by segment and by sub-characteristic, which uncovers detailed trends and insights across different groups of stakeholders. It also allows us to track engagement across seldom-heard and hard-to-reach groups and to record actions taken in response to stakeholder feedback.



Our stakeholder feedback reporting dashboard in action.

Data and insight informing tailored engagement

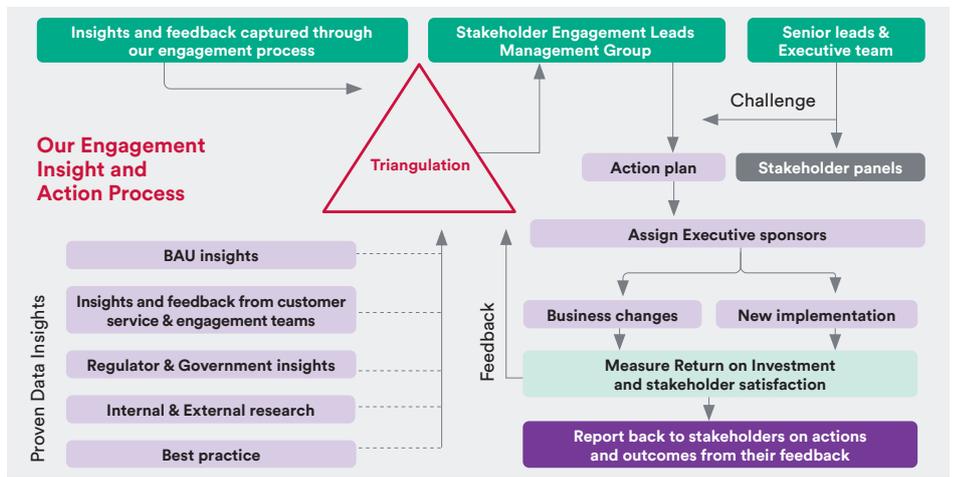
We set clear engagement objectives which we review with our stakeholders—before, during and after engagement—to see if we have met their expectations and to continually learn what we can improve. Our dashboard enables us to be quicker, acting in real time to adapt and tailor our engagement in response to this feedback and trends. Examples this year include:

- Local Authority energy managers told us that the use of technical jargon and complex processes made it more difficult to engage with us on issues around decarbonisation. They also told us that our energy-transition forums were not giving them the content they needed. In response, we consulted on several options to resolve these difficulties:
 - ✓ Responding to feedback, we introduced **knowledge-level or subject specific break out sessions** to our online forums so that participants can choose the right topic and technical level of discussion, based on their needs.
 - ✓ Each break-out is staffed by a Northern Powergrid colleague who is briefed to support and advise our stakeholders with information appropriate to their knowledge level.
 - ✓ As a result, satisfaction with digital engagement has increased from **75% to 90%**.
- Stakeholders told us that, exacerbated by the digital nature of engagement during the pandemic, they are suffering fatigue and want to make sure they are only attending engagements that are directly relevant to their needs. Instead of developing a host of new engagement events to support engagement around green recovery projects and our Future Energy Scenarios work, we re-evaluated our approach;
 - ✓ We conducted a short, light-touch **Quick Win survey** that gave us high level feedback on priorities, interests, how we can help, and identified any stakeholders with an urgent need to engage in emerging business areas/projects.
 - ✓ We produced a set of **'bolt on' engagement materials** including a 30 second animation on these emerging business areas to incorporate into existing engagement events - both internal and externally-led. This has helped us deliver quality knowledge transfer and engagement while still reducing meeting times for our delegates.
- We have **optimised our use of LinkedIn** in order to expand the reach of our engagement and match our events and discussions with the interests and needs of stakeholders who may not otherwise come across our work. To do this, we have increased our engagement with **key sectoral influencers** on the platform (such as Local Authority leaders) and expanded proactive recruitment and awareness raising in relevant professional networks.
- The restrictions of COVID have meant that our engagement has moved online and that most of our stakeholders are now working from home – with many working more flexibly than before. As a result, our stakeholders tell us that to fit with this flexible approach, we need to make our **engagement content accessible around the clock**, and give them a chance to respond even after our events have closed. To that end, we launched **Engage - a centralised micro-site** (widely promoted to our stakeholders and at our events), with all materials, event recording and polls now available at times to suit our stakeholders. We have published discussion summaries so that stakeholders can 'catch up' on our debates and run targeted outreach post-event to those who have been unable to attend live.

Stakeholder-led decision making

Putting robust and inclusive engagement processes in place is immaterial if we are unable to respond to stakeholder feedback in ways that strengthen improvements and outcomes for customers and stakeholders.

To that end, we put significant energy into gathering stakeholder insights in a structured way, so that everything we learn can be put to good use in ways that benefit our customers and stakeholders. **Our robust governance model is explained further on page 9**, but strategically, we have improved the granularity of insight we are able to gather with the **new engagement dashboard** and we have improved our ability to assess stakeholder feedback from multiple sources through the use of a **triangulated approach**.



Our Weighting Methodology score components		Weighting	Inputs
Sample size	A sample size 'score' is calculated based on the respondents and the type of engagement	20%	Automatic
Representation	A representation 'score' is calculated based on the number of stakeholders the participants represent	20%	Automatic
Influence	A score which measures the influence of the stakeholder in the study. This is derived from the stakeholder map	15%	Automatic
Impact	A score which measures our impact on stakeholders. This is derived from the stakeholder map	15%	Automatic
Relevance	A relevance 'score' which is input by the stakeholder as a measure of how relevant the engagement is to the overall business plan	15%	USER
Knowledge	A knowledge 'score' is input by the stakeholder and is a measure of how important stakeholder voice is to the topic being considered	15%	USER

We have produced a **Weighting Methodology** to measure engagement and insight based on multiple factors (see left). The methodology helps us to plan engagement and is particularly useful where we have any tension or contradictory opinions between different stakeholder groups. While any decision will always have a human factor as well as considerations like cost/benefit, alignment to business values and other feasibility factors, this approach means that we can evaluate the strength of multiple pieces of feedback with consistency and integrity.

Suitcase generators – weighting and triangulation in action

Our customers have told us the importance of maintaining power during both planned and unplanned power cuts. This is particularly the case for vulnerable customers, i.e. those who are more reliant on electricity. For example, 12% of our Priority Services Members are medically dependent on electricity.

We sought 'customers' views as we considered the purchase of additional suitcase generators to provide a flexible local resource to increase the number of customers we can support. To make this decision we triangulated feedback from annual customer priorities research, Willingness to Pay, our Broad Measure of Customer Satisfaction (BMCS), and qualitative feedback from domestic customers and SME customers.

The weighting methodology was helpful in this example as we had different levels of support and challenge. Individual customers supported the proposal for additional generators and for them to be prioritised for use to support vulnerable customers. SME customers challenged this option and asked for a system that will support home heating as well (suitcase generators are not large enough to warm a house at present), has better environmental credentials and asked us to consider using more community energy options to supplement our use of suitcase generators.

This feedback - while reflecting differing priorities - is all helpful, but there was a need to bring this feedback together to form a solid conclusion that meets shared customer needs.

This weighting alongside the feedback helps us to triangulate views and make more balanced decisions. Typically vulnerable customers are most likely to benefit from this service. However, it is obvious that SMEs would like to be involved in how these services impact the wider environment and creating a sustainable alternative.

Whilst not an exact science this helped to inform which approach we should adopt. We are investing in the expansion of suitcase generators, whilst exploring the other suggestions put forward as part of our innovation portfolio and the development of micro-grids. We will continue to engage our domestic customers and SMEs as we develop future services in this area.

	Consumer panel	SME panel	BMCS and priorities customer feedback
Weighting score	75	59	74
Engagement feedback on reliability, restoration and use of suitcase generators.	Invest in additional suitcase generators and prioritise them for vulnerable customers.	Suitcase generators do not heat homes, have limited value and are bad for the environment.	Reliability and getting power back on as soon as possible remains the number one priority.

Responding to feedback

Effective project management requires us to continually review the positive impact of our work and examine whether we are able to continue delivering strong customer or stakeholder benefit and balance changing stakeholder needs, regulatory integrity and available resources. Where stakeholders tell us that our projects have not been successful, or where they no longer meet stakeholder needs, we have adapted or stopped our programmes. Examples of where these decisions have been made are set out below:

Stakeholder feedback	Considerations	Our response
Stakeholders suggested in 2018 that we extend the reach of our safety education programme for young children through partnering with the Scouts.	Whilst the pilot was successful the scheme was national, therefore we approached the other DNOs to co-fund. There was limited interest and we could not justify ongoing regional investment for a national project.	We have re-directed the resources and funding into developing and promoting digital resources which can be used by schools and other educational groups for young people including the Scouts, so extending our reach further and more efficiently.
We initially introduced modular sub-stations in response to feedback around minimising our visual impact.	Following initial pilots they are not currently cost efficient for wider roll out.	We have paused the roll out of modular sub-stations as we re-tender for a more efficient price this year.
There is a clear view from stakeholders, particularly Local Authorities and Community Energy, for us to push hard for flexibility on the network.	We do not have the same capacity restraints that other DNOs may have and procuring flexibility where we don't need it would be at a greater cost to customers.	We are looking at opportunities for flexibility within our network and examining where we can use it to support localised planned and unplanned interruption responses. We are working with stakeholders to re-formulate our approach and ensure it is inclusive.

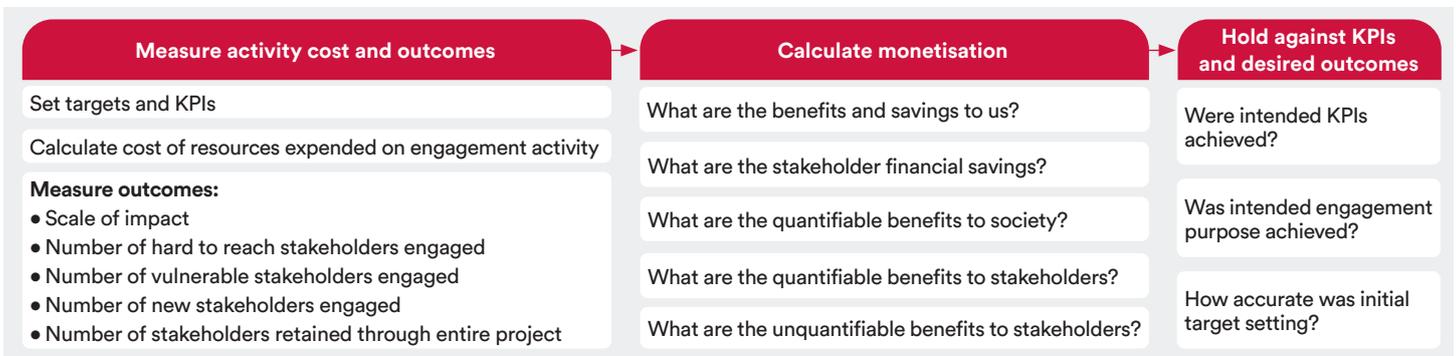
Measuring our impact and value



2021

We use measurement methodologies that let us quantify both financial and non-financial benefits for stakeholders and the return on investment from our activities. In the 2019/20 assessment, the panel recognised our work to strengthen our methodology to measure benefits, but identified gaps in the calculation of Social Return on Investment (SROI), the identification of risks, and how the metrics might be used to decide whether to start (or scale up) an initiative or to stop. This was our oversight and so we now include a restatement of our impact assessment (including SROI) and project management approach, which is an integral part of our assessment model.

This year we have further strengthened our measurement methodology (set out below) through incorporating the jointly agreed new DNO proxy SROI measures for RIIO ED2 into our model. The 69 new proxy measures cover Housing, Fire, Quality of Life, Transport, Crime, Employment, Energy and Education and, through adding them into our model with our own SROI proxies, we can test drive the complete model with our in-year engagement to strengthen the robustness of our approach for the longer-term plan. We continue to use a mixed quantification model that draws from a range of respected sources and, where financial values are not available, research methodologies. It lets us define a piece of activity in terms of savings, value – financial or not – and social benefit.



We set out below an example of how the methodology is applied at an initiative level to help us to make decisions on what to start, stop, scale-up etc. and to further enable understanding of the process we have applied to projects, programmes and initiatives throughout the submission.

Combined social impact programmes – impact and benefit calculations (see case study on part 2, page 8)

Investment £212,000	Example £ quantified benefits <ul style="list-style-type: none"> Introduction of STEM teachers increases student skills, teacher and student retention rates, and improves employability. Reduction in deaths around electricity. Reduced social isolation amongst vulnerable women. 	<ul style="list-style-type: none"> Improved quality of life, financial skills. PSR signup and wellbeing amongst vulnerable women. Reduced time taken for roadworks through technology and increased information. 8,000 trees planted - reduction in carbon dioxide. Increase in signup to the Priority Services Membership (PSM).
Financial benefits £1,582,707		

Due to the level of detail applied throughout this quantification it is impossible to show the granularity of every aspect of the model but to the right is a snapshot of the quantification of the South Yorkshire Woodland Creation project which makes up just part of the social impact programme highlighted above.

Specific project information		Reduction of CO ₂ via tree planting (tonnes)	
Output	Tree planting	Percentage planted to date	33%
Investment	£40,000	Number of trees planted to date	1,320
Description	<ul style="list-style-type: none"> Sequestration (removal) Tree planting Offsetting impact of our work Measurable outputs 	Amount of t/CO₂ each tree reduces in its life	1
Number of trees planted	4,000	Percentage of trees that will survive	80%
Benefits	Offsetting CO ₂	Reduction of CO₂ via planting (tonnes) across tree lifetime	3,200
		Cost benefit to society of 1t of CO₂	£88
		Benefit value carbon dioxide reduction	£281,600

Robust project management

Our approach identifies types of benefit and quantifies the result in monetary terms, giving us a way to fairly compare results across a range of initiatives that have a variety of measurable and non-measurable outcomes. This helps to inform future investment decisions and the overall success of projects in terms of stakeholder outcomes and runs alongside our other reporting processes.

Description of the initiative	Process stage	Financial information	
Details in simple terms what the timeline is about, the reason for implementing it and its objectives. Provides high level timeframe and identifies potential partnerships	Conceive and prototype	Costs £Value Our investment to implement the initiative	Benefits Estimated or realised financial benefits for the stakeholder Estimated or realised non-financial benefits
	Start Up		
	Scale Up		
	Embed		
	Enhance		
Outputs	Reported outcomes Social outcome: Description of social outcomes as a result of the output	Reported benefits Quantified benefit: Description of the indicator used to measure the impact of the outcome as well as its value	

Nobody left behind - hard-to-reach

We have a mature, embedded hard-to-reach strategy that recognises the importance of engaging with traditionally under-represented groups and those who struggle to engage with us due to vulnerabilities and circumstantial difficulties.

As part of our continuous improvement process, however, we have considered, with stakeholders, how to develop our hard-to-reach strategy, and have shifted to a more holistic approach framework in 2020/21 that we believe gives better results for our stakeholders and customers.



For several years, we have developed our approaches to seldom-heard, hard-to-reach and social inclusivity, but we have not always been clear about what these terms mean to us. Across the last year, a lot of work has taken place, both academically and from within the energy industry, that explores new tools and methodologies in support of social inclusivity.

In responding, we have adopted the best-practice elements of these innovations, using the UN-approved 'Nobody left behind' framework approach of 'Examine, Empower, Enact', as the bedrock for our enhanced strategic approach. This new approach, set out below, has been examined, challenged and approved by our Future Fairness Panel and our Social Issues Expert Group, who have fed back that they believe this methodology is more robust and gives us a more holistic, well rounded result from our work in this area.

Approach	Examine Identifying and understanding who is being left behind and why	Empower Tailoring approach for inclusive and representative engagement and participation	Enact Ensuring future policies, services and approach are fair and remove barriers to participation
Processes	<ul style="list-style-type: none"> Identifying seldom heard and hard to reach. Understanding socio-economic make up of our region. Identifying current and future social issues and barriers to energy market. 	<ul style="list-style-type: none"> Tailoring our engagement approach for inclusivity and accessibility. Representative engagement and partnerships. 	<ul style="list-style-type: none"> Ensuring our current and future services are fair and equitable. Lobby on behalf of our under-represented customers and stakeholder groups for fair and equitable policies, regulation and distribution of costs.
Enabling activity and policy examples	<ul style="list-style-type: none"> Identifying barriers - physical, emotional, societal, attitudinal, organisational, cultural, practical. 	<ul style="list-style-type: none"> Energy IQ education resources. Inclusivity and representation tool and principles. Expanding partnerships to close gaps. 	<ul style="list-style-type: none"> 7 DSO transition principles. Flexibility offers. Well evidenced consultation responses.

In addition to our improved framework, we have been developing and deploying supporting tools that enhance our inclusive engagement approach. Examples are set out below and throughout this submission.

Hard-to-reach and seldom-heard

Customers and stakeholders who have not engaged before, have been unrepresented in our engagement or who are unlikely to engage, experience a range of engagement barriers. We have defined these barriers based on best practice and grouped them into three key categories:

1. Attitudinal and cultural e.g. lack of awareness or relevance, perception that their view will not matter.
2. Organisational, practical, and physical e.g. time poor, communications barriers, transport.
3. Energy markets and vulnerabilities e.g. Priority Services Membership (PSM) needs codes and additional energy market barriers like affordability, technology and awareness.

We conduct a review annually of who has engaged and analyse this for under-represented groups as well as wider engagement feedback (from stakeholders and partners) to identify individuals and groups that fit these criteria as well as emerging barriers.

Digital exclusion

The digital exclusion gap in the UK has closed significantly over the last decade but our region still has some of the highest levels of digital exclusion in the UK, with disabled customers, the elderly and those with English as a second language being most affected. This is particularly problematic now, as new public-health restrictions have increased the reliance on digital channels for engagement.

In addition to reviewing and addressing best practice and barriers in digital engagement we have worked closely with our research partners to meet the principles of our inclusivity and representation strategy. This has included:

- Telephone surveys to supplement online activity - leaving more time for explanation, consideration and communications barriers.
- Translation support for our surveys into 240 languages.

- In-depth telephone interviews with under-represented groups and their representatives.
- Working closely with our third sector partners to understand the changing needs of those they are supporting - in some cases asking them to engage on our behalf.

We have a series of metrics in place to determine the effectiveness of digital engagement, including:

- ✓ The percentage of new stakeholders engaged.
- ✓ The percentage of stakeholders attending from vulnerable and/or hard to reach groups.
- ✓ Levels of stakeholder satisfaction.
- ✓ Qualitative feedback on alignment with stakeholder needs.
- ✓ Assessment of engagement objectives achieved.

Collaboration and partnerships

As our engagement matures, our collaborations and partnerships add increasing value to the business. These mutually beneficial relationships are becoming more prolific and more important as we expand our role as an anchor organisation in our region. Illustrative examples are demonstrated throughout the submission, and our partnership strategy is detailed in Part 3, in addition to the examples included below:

During the COVID-19 pandemic we took the lead within the **DNOs** to establish a supplier liquidity scheme to support **small and medium** suppliers. The scheme had to be fair and not impose unfair costs on other consumer groups, or other parts of the system. Qualifying suppliers were able to defer a portion of their June, July and August 2020 use of system bills and re-pay that debt plus interest in seven monthly instalments before 31 March 2021. Sixteen suppliers joined the scheme, with £5.1m in our license areas having been utilised.

We are supporting **Banks Group** with their plans to invest around £3.5m in developing a new blueprint for green-energy job creation with the Flexible Energy Park in Stockton-on-Tees, which will include a new hydrogen plant and an electricity storage battery.

We formally partnered with the **Leeds Agricultural Research Farm** and Northern Gas Networks to deliver a whole system approach for their new Pig Centre and decarbonisation of their wider sites across the city.

We are a key partner in the new **Yorkshire and Humber Climate Commission**. Launched in March the committee will provide an independent voice for ambitious climate action in our region.

Through our partnership with **Nissan**, we have provided supporting evidence for the **Governments Green Job Taskforce**.

Our engagement in action

2020/21 activity and highlights

36,000+

stakeholders engaged

329

discussions with Local Authority leaders about joint decarbonisation work

50+

deliberative workshops, roundtables and meetings

16,000

customers engaged through online education video campaigns

100%

growth in annual stakeholder summit delegates

100,000

online video views of energy saving video campaigns

181

expert delegates observing our work as part of our expanded Panel Programme

Our engagement

Enduring engagement channels

Our enduring engagement channels are embedded and form the backbone of a programme that is expanding and seeks to be as inclusive as possible - reflecting the diversity of the region we serve.

Now in its third year our **Stakeholder Summit** is fully embedded as part of our annual engagement process. It brings together experts and leaders from across the region to horizon scan and generate partnerships and collaborations, aiming to solve current and future problems, both regionally and nationally.

This year, our summit agenda focused on the future in-line with stakeholder priorities. **Over 250 key stakeholders joined us** to hear from industry experts and energy leaders including Lord Deben, Chair of the UK's Climate Change Committee,

on issues including net-zero planning, the green recovery and climate justice. Despite the adapted digital format, the event surfaced **9 clear actions** for 2021/22 delivery and a **90% overall satisfaction rate**.

Our **Stakeholder Panel** and **Social Issues Expert Group (SIEG)** have been in place for many years now and they continue to challenge and add value to our strategic direction and specific programmes of work. This year they have discussed and input to key issues including our response to COVID-19, inclusive engagement strategies, our approach to supporting a green recovery and our business plan process. At each stage, our delegates have asked detailed questions, critiqued our work and, ultimately, assured our work so that we know it fits with stakeholder and customer expectations.

Horizon scanning for our stakeholders

In addition to a detailed understanding of stakeholder needs, feedback and associated actions, it is increasingly important in a changing world that we understand how other external factors are shaping their priorities, views, and opinions. This ensures that our stakeholder strategy and approach remains relevant in real time, and for the future. We achieve this in several different ways and include examples below:

	External factors	What we've learnt and what we've changed
Attitudinal polling	Customers' intrinsic values and how this might impact our future work	<p>We commissioned an agency to conduct 20 in-depth interviews with domestic and SME customers from early October onwards to understand their needs and motivations, and identify enduring values which customers expect from us, pre- and post- decarbonisation.</p> <ul style="list-style-type: none"> Overall the task of decarbonisation is quite overwhelming for customers and it is difficult to relate to their everyday lives and to understand what/how/when it is needed. Incentivisation to change behaviours must <p>come in a variety of forms - financial of course but also convenience and emotive.</p> <ul style="list-style-type: none"> Social media in particular will be important for the younger generation and should aim to inspire and empower. There is perhaps a role for us in providing independent, objective, expert information. <p>We are using this feedback to shape our awareness and education campaigns as well as our engagement. This also helps to frame our longer term business plans.</p>
Public affairs tracking	<p>Ten Point Plan for a Green Industrial Revolution</p> <p>Energy White Paper – 'Powering our net zero future'</p>	<p>The Government's announcements have resulted in the acceleration of Local Energy Area Plans and Net Zero agendas. In response we have:</p> <ul style="list-style-type: none"> Increased regional and local engagement with LAs and LEPS. <ul style="list-style-type: none"> Increased support for EV uptake. Commissioned a Public Affairs Agency to map local investment intelligence and energy ambition.
Best practice shares and expert input	Stakeholder summit, Community Energy Forum, Future Fairness Panel, Local Government Forum, and other strategic events	<p>We are having ongoing conversations with stakeholders to understand what is worrying them, where we can help and what they want to engage on in 2021/22, including:</p> <ul style="list-style-type: none"> Cross-utility engagement, in particular on climate change preparation work. <ul style="list-style-type: none"> Collaborations targeted at vulnerable customers in order to help them understand and prepare for the transition to net-zero.

COVID-19 pandemic – insight, influence and attitude tracking

New

COVID is one of the areas where we have sought to understand the concerns and impact on our stakeholders and customers through a variety of insight methods.

We **initially conducted a study** that assessed the scale of vulnerability - in relation to COVID - across key impact areas and supported a longer term **attitudinal survey** looking at the impact of Covid-19 on domestic and personal finances. We extended this research with additional work that examines whether the pandemic has impacted attitudes to decarbonisation. Reflecting on the results, we have incorporated elements of the study into wider discussion and engagement channels throughout the year.

Specifically:

- We spoke to **132 customers** from our region (part of a wider group of 1,079) who displayed one or more vulnerability factors.
- We engaged **30 households in extended discussions** to understand the impact of the pandemic on consumer confidence and financial decision-making. Insights were shared with Ofgem and Citizens Advice.
- We gathered **first hand experiences** of the pandemic's impact on vulnerable customers from consumer panel members, stakeholder panel delegates, and the new Future Fairness Panel.

From this work we gathered the following insights:

- Stakeholders are worried about how the pandemic will affect **levels of fuel poverty**. We need to ensure that we are not leaving people behind, particularly in relation to decarbonisation.
- Levels of ambition for investment vary**, with Local Authorities struggling for investment funding due to the pandemic's impact but encourage us to invest in ambitious decarbonisation plans.
- Customers recognise the need for decarbonisation, but also want to **keep costs down**, citing the economic impact of COVID-19 as the driver.
- Training our engineers to be our eyes and ears so that **signs of vulnerability are identified** wherever possible.
- Home working has increased** and so has the emphasis on reliability of electricity throughout the working day.

Throughout our submission we have set out examples of how we have responded to these insights - adapting and extending support for domestic, vulnerable and SME customers, and partnering with others in response to increased need for local support services.

Embedding, adapting and innovating in our engagement

Strengthening customer voice

Scaled up

Last year we established our new consumer panels and future consumer panels.

Following their establishment and early engagement we brought forward our “fit for purpose” review due to the pandemic and the changes impacting our panel members, to ensure we continue to engage in ways that fit with stakeholder needs. Discussion uncovered fewer technological barriers to participation than expected (given the switch to online deliberation in line with Government guidelines), but there was a desire from stakeholder delegates to adapt our approach and discussion topics in a way that was more impactful. Changes included:

- ✔ Pre-engagement discussion and early information sharing to improve understanding before asking for opinions and insight.
- ✔ Fewer discussion items on each panel agenda, supporting more detailed discussion and reducing stakeholder fatigue.
- ✔ Smaller breakout sessions that allow more inclusive discussion in an online environment. These also took into account levels of knowledge with participants then paired with others with the same level of knowledge or confidence in the issue.

These measures have worked as we have retained **95%** of our original panel members and received positive feedback about their involvement.

“I think this whole experience has been informative and has allowed me to feel like I’ve contributed, and Northern Powergrid has listened.”

– Consumer Panel member

With this model of early education, setting their future agendas and digital engagement working we have now introduced specific panels focusing on other customer groups or their representatives. The engagement methods are independently-led or chaired and have been tailored to meet individual needs and constraints in order to get the best insight possible.

SME Panel	20 small and medium sized enterprises meeting quarterly through digital channel to discuss what is impacting them and test feedback from other panels for commonality or areas of conflict.
Rural Panel	30 rural domestic customers being telephone interviewed to discuss what is impacting them specifically and test feedback from other panels for commonalities or areas of conflict.
Community Energy Panel	20 community energy representatives from across the region meeting quarterly to discuss shared priorities and assure our community energy work programme. This panel helps us ensure we are delivering against the commitments made in our sector strategy and gives us insight into the changing local and regional environment in this area.
Future Fairness Panel	16 experts meeting quarterly and chaired by Voluntary Organisations Network North East (VONNE) represent people experiencing a range of vulnerabilities including the elderly, carers, sex workers and the homeless. Delegates discuss key issues affecting these groups and hold us accountable for our just transition work.

Intergenerational feedback

New

Through strengthening different customer voices in our engagement it is clear that there are a number of different opinion drivers and conflicting views across different generations as well as geographies and a number of other factors.

Whilst we will never get a definitive answer on shared values and approach, we were keen to

understand how this may change when some of these groups were brought together. Our intergenerational engagement was research that brought together multiple generations in family groups across Zoom to discuss and explore views and expectations for the future in the context of decarbonisation – what the future will feel/look like, what it will mean

for people and their lifestyles, what needs to happen now in advance of net zero and how/where should compromises be made.

We are using this insight to inform how we communicate and engage with the different generations, including our future consumer panel, as well as framing our thinking around longer-term plans and priorities.

1 Our customers are aware of climate change and are concerned about the planet/environment for the future. However, their **understanding (and interest) does not run particularly deep**

2 The **younger generation** is more **aspirational** (especially when still in education and before the reality of managing their own bills/finances begins) and can be **influencers** on middle and older generations (depending upon family dynamics), driving forwards behavioural change, education and dispelling myths. They will be **key to engage** and bring on board and they **expect to adopt** low carbon technologies and, to a lesser extent, renewable energies going forward

3 The **middle generation** is more focused on reducing energy consumption with a view to **saving money**. They have busy lives and competing priorities and **convenience** is a necessity for them. They may have explored lower carbon technologies and renewable options but **price barriers** have prevailed

4 The **older generation** is concerned about the environment for the **sake of their grandchildren**. **Affordability** again is key and attitudes towards changing behaviours are mixed although some are open to consider alternative ideas if it may benefit the lives of future generations

5 Families across the generations have begun to make small household and lifestyle changes that they hope will help – but only when these are **convenient to them and often with a primary motivation of saving money**. These behaviours focus around energy saving, recycling/ reducing waste/pollution

6 Net zero is felt to be a priority although, again, understanding about what this means and what is needed is limited. However, **affordability and fairness** are also important and customers recognise the **tricky balance** in striving for net zero more quickly whilst also maintaining affordability for customers, especially given COVID is felt to have reversed the economy and personal finances

7 Both the **younger and older generations** express comfort with paying more towards the development costs needed to decarbonise – younger because they will benefit from it and older because they wish to do this for their grandchildren. The **middle generation** believe they will pay regardless of the speed of development

Digital engagement

Scaled up

Digital engagement has formed the bedrock of our enduring stakeholder programme, largely as a response to the COVID pandemic and the need to keep our colleagues, stakeholders and customers safe. Yet even before the pandemic, we were expanding this area of our work. As a result, **we have seen the number of digitally engaged stakeholders rise massively from 1,200 in 2019/20 to over 36,000 across all our digital platforms and channels this year.**

This big leap in engagement figures reflects the advantages of a digital approach for many of our customers and stakeholders in that it removes many of the barriers that occur with more traditional, face-to-face approaches.

So that we understand these relative advantages and disadvantages and continue to build on this progress in future, we conducted independent research with our stakeholders – exploring barriers to entry and options that could mitigate the impact of long-term stakeholder fatigue. We shared our insights with other utilities and applied our learning to our engagement programme. As a result, as well as continuing to enjoy unprecedented levels of engagement with our stakeholders and customers, **we have maintained an average 85% overall satisfaction rate across our digital engagements.** Some of the changes we have made in response to stakeholder feedback include:

1. Limiting digital events to a maximum of two hours in length.
2. Circulating agendas and short briefing documents in advance - with glossaries for technically-focused engagement topics.
3. Stretching lead-in times for events to around four weeks.
4. Building time into agendas for introductions and networking.
5. Adding extra presenters to our engagement sessions who can answer questions in real time and interact with written questions in chat streams.

Building commitment, culture and capacity

We believe in strong governance, accountability, and clear reporting. Everything we do must be transparent and robust – it is how we make sure we are promoting informed decision-making and maintaining our stakeholder-led approach.

To embed engagement widely and deeply within our business, we start with governance and clear accountability but, just as importantly, we need to win the hearts and minds of our colleagues.

Embedding the philosophy, leading by example, demonstrating the value, providing the tools and framework to achieve best practice and the training makes this happen.

Group	What
Engagement Leads Management Group Meets monthly	Senior managers from across the business who are responsible for engagement oversight. They plan and execute engagement activity to deliver the stakeholder strategy, respond and act on the feedback we receive, and escalate issues where necessary to the Executive. This group is responsible for design and delivery of annual stakeholder plans.
Social Responsibility Engagement Management Group Meets monthly	Managers from across the business who are responsible for supporting vulnerable stakeholders, delivering innovative solutions to affordability challenges, and strengthening the communities we serve through education.
CEO/Exec Board Meets monthly, quarterly and annually	Ensures engagement activity, feedback and our actions are planned, executed, measured, and responded on and that stakeholders are helping to shape and influence our business. The Executive receives a monthly stakeholder engagement report, reviews the strategy annually, and can request reporting on any or all aspects of stakeholder activity at any time.
Board of Directors Meets quarterly	Responsible for Governance and holding the Executive to account. Our expert group chairs like SIEG feed into this group via the Non-Executive Directors.

Senior management engagement

Our CEO, Phil Jones, leads our engagement with a hands-on approach to regional and industry engagement - as the Energy Networks Association Chair he has helped secure investment for green recovery - in direct response to stakeholder feedback as part of our annual engagement with business and civic leaders - and in his leadership of our stakeholder events (including our stakeholder summit) and in his overall scrutiny of our engagement efforts through our Board of Directors reporting process.

In addition to scrutiny through our reporting processes, our leadership team lead their own strategic engagement with key partners and stakeholders, including trade unions, energy leaders and civil and Government leads.

All of our Executive team have been directly involved in leading engagement this year, with an emphasis on strategic longer-term discussions around our RIIO-ED2 and decarbonisation plans.

“Whilst it is sometimes challenging during the pandemic to engage with all stakeholders it has also presented opportunities. Never before have Government policy, regulation, stakeholder and business priorities and needs been so closely aligned. This alongside the digital engagement tools we are forced to rely on means that leaders can connect more easily, strategic needs can be understood quickly and key decisions expediated. This has led to an excellent outcome nationally in securing and targeting green recovery investment.”

– Phil Jones, CEO Northern Powergrid

“The overall programme of engagement is owned and led by the Board and ELMG. Each business area now has an Engagement Lead, who is a member of the ELMG and is responsible for ensuring engagement required for their area of the plan is taking place within the terms and guidance of the Engagement Approach. Business areas have the mandate to engage and to develop their open engagement priorities and approach, within the framework of the overall plan.”

– AA100SES Assurance, 2021

Building the capacity and capability of our colleagues

Last year we invested in engagement training for 60 senior colleagues across two workshops to:

- Embed a shared understanding of the purpose of stakeholder engagement and its value.
- Discuss and share good practice examples from within and outside of Northern Powergrid.
- Improve colleague understanding of innovative engagement approaches.
- Identify next steps in developing our outcomes-focused approach to stakeholder engagement.

This increased awareness of good practice and additional confidence in their own capability has led to more and better-quality engagement plans. It has also increased participation from colleagues who recognise the value in hearing back directly and understanding what is driving feedback from a broad range of stakeholders.

This year over 926 senior colleagues have been directly involved in planning and participating in engagement, an increase of 12.9% from last year. An additional 24 engagement leads have been involved in one-to-one sessions to understand the methodology and application of our new weighting model.

“I recognise how important it is that our panels are facilitated independently to get the best results, but the value of being on hand for clarification and to answer questions is that I get to hear first-hand not just what different stakeholders think but why they think that. Hearing that feedback and working with the agency to develop simple and easy to understand content has been invaluable in how I engage in future and shaping the plans we put forward.”

– Gordon Walker, Northern Powergrid Environmental Manager

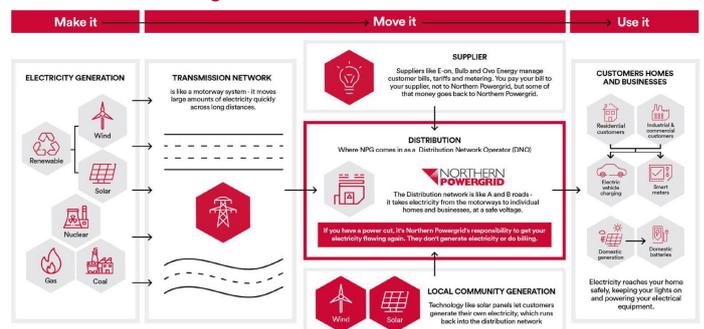
Energy champions

We know from stakeholder feedback that it is important that we engage with others in a way that is accessible and clearly understandable. We recruited 12 individuals (our Energy Champions) including domestic customers (urban and rural), SME customers, representatives of vulnerable groups and our colleagues. These Energy Champions review our plans, materials, presentations, and talk with colleagues throughout the business and help us explain our most complex topics in accessible language and imagery. To date, the Energy Champions have delivered:

- ✓ An infographic that effectively explains our role and how this fits into the wider energy system.
- ✓ A slide deck that explains the concepts of climate change, net zero, decarbonisation and energy futures so that customers can have an informed conversation on the topic.
- ✓ An approach to explain the long-term impacts of investment decisions on bills.
- ✓ Coaching for our colleagues on their presentation technique including the use of relatable analogies and calling out jargon such as using “equipment” instead of “assets”.

As a result our stakeholders are able to have an informed conversation on complex topics using the materials and techniques developed by the Energy Champions and feedback tells us that this new approach is welcomed by our customers.

How does it all fit together?



Our year in summary

Our engagement pathways

Level of knowledge, engagement type and reach	Core pathway examples
EXPERT Expert panels and sector forums 526	Stakeholder Panel, Community Energy Panel, Future Fairness Panel, Local Authority Forum, Community Energy Forums, Cross-utility Forums, SME Decarbonisation Group, Industrial Representative Forum, Regional Decarbonisation Working Groups, Local Government Bi-laterals
INTERESTED Conferences, deliberative engagement and capacity building workshops 2,050	Annual Stakeholder Summit, Consumer Vulnerability Conference, Innovation Festival, Decarbonisation workshops (heat, EVs, whole system planning), Annual roundtable sessions, Open Data workshops, Co-creation sessions, Enabling Decarbonisation sessions, Tackling Fuel Poverty education sessions
LIMITED Direct customer engagement, research and proactive communication campaigns 50,000+	Citizens Panel, Future Consumer Panel, Intergenerational Community Forum, Barriers to Engagement Research, Tailored newsletters for connections, Community Energy and MPs, Customer values Research, COVID attitudinal polling, Inter-generational research, PSM Customer Support Needs Survey, Customer and Stakeholder Satisfaction and Priorities Research, Regional Economic/Social Development Research, Sectoral Needs Research, Monthly Stakeholder Newsletter, Quarterly Community Energy Update, Targeted awareness raising and pre-investment communications

Outcomes and benefits

Strategy area	2020/21 engagement examples	2020/21 outcome examples	2020/21 benefits
Keeping our promises 	<ul style="list-style-type: none"> Reliability priority telephone interviews Broader Measure of Customer Service Cross DNO collaboration Quick polls NFU and Local Authority bi-laterals ICP/IDNO forums 	<ul style="list-style-type: none"> 80 outcomes delivered ICP and IDNO access to our data through new portal Most successful agricultural safety campaign ever – LOOK UP IT'S LIVE safety message was seen more than four million times by farmers, farm workers and anyone operating farm machinery with thousands requesting free farm safety packs What3words introduced to improve geographical accuracy of customers reporting power cuts Roll out of environmentally friendly eco-paint across the network 	<ul style="list-style-type: none"> ICPs and IDNOs can provide more accurate information to their customers Agricultural workers are more aware of safety around electrical equipment Improved accuracy and speed of response to reporting of power cuts Eco paint reduces asset down time by 166 days (4,000 hours) a year, improving reliability
Looking after our communities and vulnerable customers 	<ul style="list-style-type: none"> Consumer vulnerability conference Fuel poor customer – barriers and insights interviews PSM customer research Intergenerational research Customer values research Partnership mapping 	<ul style="list-style-type: none"> 84 outcomes delivered PSR rebranded to Priority Services Membership Suitcase generators and silent power vehicles deployed Money and Pensions Advice Service referral process launched Only DNO invited to give evidence on community energy at UK Parliament's Environmental Audit Committee 	<ul style="list-style-type: none"> Improved accessibility of Priority Services Vulnerable customers benefit from restored power quickly through generation Multiple channels available to support fuel poor customers Strengthening community energy voice at a national level
Unlocking our energy future 	<ul style="list-style-type: none"> Stakeholder summit Innovation Festival LAEP bi-laterals Future fairness panel Local Authority and Community Energy forums on heat and EVs DNO flexibility working group Sustainability round tables 	<ul style="list-style-type: none"> 20 outcomes delivered Repledged to 2020 to 2025 Energy & Utilities Skills Partnership 'Workforce Renewal & Skills Strategy' Working with SP Energy Networks, Scottish and Southern Electricity Networks and Western Power Distribution to provide flexibility providers with a direct path to participate in flexibility on multiple networks Key partner in the North East England Climate Coalition (NEECCo); making a pledge to work together, and to help attract significant and sustainable investment, including from Government 	<ul style="list-style-type: none"> Creating work ready apprenticeships that create a diverse talented workforce that is equipped with the right skills and behaviours Streamlined process for flexibility providers that makes interfacing with DNOs simpler and easier Regional stakeholders supported in achieving decarbonisation and net zero ambitions including ambition to build a £1.5 billion portfolio of investable projects in the North East

External assurance and benchmarking

Doing the right thing for stakeholders means continually monitoring our progress. We are proud to have achieved measurable growth this year through these awards and assessments.

- ✓ Assuring ourselves against the AA1000 stakeholder standard for the eighth year.
- ✓ ISO55000 Accreditation includes assessment of our stakeholder engagement strategy.
- ✓ BSI assessing our approach to Consumer Vulnerability, including an extra audit to ensure our services are fully embedded across the business.

Whilst assurance is useful in terms of reassurance that we are moving in the right direction and doing the right thing, its real value lies in the recommendations made, which help us to continually improve. This year this has included:

- ✓ Continuing to keep abreast of the impact that the COVID pandemic more widely and the move to digital engagement specifically is having on engagement, particularly with the disenfranchised.
- ✓ Continuing to challenge ourselves to develop resources and communications which enable accessible engagement around complex issues.

