

The background of the entire page is an aerial photograph of a coastal town, likely Scarborough, taken at dusk. The town is built on a hillside overlooking a bay. The houses are densely packed, with a mix of red-tiled and grey-slated roofs. Some windows are lit up, and streetlights are on. In the foreground, there is a stone wall and a small boat in a tidal pool. The sky is a mix of purple, pink, and blue, and the sea is visible in the distance.

Stakeholder Engagement and Consumer
Vulnerability Incentive 2021-22

Part 1

Our stakeholder and consumer vulnerability strategies



Who we are at Northern Powergrid

Northern Powergrid is the electricity distribution business for North East England, Yorkshire, and northern Lincolnshire. We deliver power safely and reliably to 8m people across 3.9m homes and businesses. Our network comprises more than 63k substations and 96k km of overhead power lines and underground cables, spanning some 25k km².

Every year, we report on our Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive activity by publishing a summary report showing how we engage with our diverse range of stakeholders and tackle critical issues relating to consumer vulnerability.

This three-part report demonstrates how our engagement activities address wider social and environmental issues that impact our customers, our communities, and all of us, while ensuring we prioritise people's power through the ongoing efficiency and reliability of our network.

Our submission is divided into 3 parts and this is Part 1:

Part 1: an overview of our strategies and approach to ensure customer and stakeholder voices are 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 and approach to partnerships, fuel poverty programmes, and ensuring there's Nobody Left Behind.



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Minimising the environmental impact of the SECV print submission



This year, we wanted to share how we went about minimising the environmental footprint of our print submission, which was printed by **Park** and hand-delivered to Ofgem via public transport, to reduce CO₂ emissions from the 'dirty last mile' of delivery.

- Carbon emissions offset by ClimatePartner.
- 100% recycled paper stock.
- Print company recycles oils to reduce waste.
- Biodegradable wallets.
- Hand-delivered via public transport to eliminate private transport emissions.

Glossary of terms: The energy industry is full of acronyms and unusual terms. You can find simple explanations of everything we talk about in this document at ceg.northernpowergrid.com.

A message from Phil Jones, our Chief Executive



Powering life for more than eight million people means we're a vital part of the communities in which we live and work. It is a privilege to serve them.

customers during this time, and the storms served as a stark reminder about the fundamental role that energy plays in the essentials of daily life.

Reflecting on what we learned during the storms is making us a stronger organisation. We have already put in place some improvements and will continue to do so, as we work to live up to the expectations our customers have of us. Our purpose is not only to deliver an essential service for customers but also to make a broader contribution in support of our communities and this submission outlines how we are doing that.

Energy security is an increasingly important issue alongside the overall cost that is contributing to the growing financial strain felt by customers across our regions. We are determined to do what we can to help, which is why we have expanded our fuel poverty outreach programme and the practical

support and advice that is available to those who need it the most. We are also looking to target the deployment of some of our innovative, sustainable solutions in places that benefit some of the most vulnerable households, including those worst affected by the recent storms.

As we look to the future, the increasing importance of balancing a drive towards decarbonisation with affordability is front and centre in our plans. Against this backdrop, we navigate our course, delivering the network investment programme as efficiently as possible, enabling decarbonisation while recognising hardships this energy crisis brings to many homes in our region.

We will continue to focus on delivering an excellent service to our current and future customers in a way that builds trust in how we operate, making a real and sustainable difference to the communities we serve.

Listening to our stakeholders and enabling them to play an active part in transforming the energy sector in a way that brings lasting positive social impact is of the utmost importance to us.

It has been a year of significant disruption, challenge and uncertainty. The pandemic continued to disrupt our operations, albeit less severely than in 2020. And our region experienced the most damaging weather event for at least 20 years when Storm Arwen, followed by six other storms through the winter, caused havoc across Yorkshire and the Northeast.

The critical nature of our work was brought into sharp focus for our

Delivering on stakeholder priorities in 2021-22

As our CEO highlights, our stakeholder feedback shapes our strategy. To garner that feedback we have a comprehensive and multi-faceted engagement strategy, reflecting the needs of our customers – who have all had a challenging year.

(see page 2). These changes increase the importance of engagement to drive our business in response to need.

Insights gleaned from our engagement directly impact our operations and decision making; it is our duty to provide trusted advice to our stakeholders on different, and often complex, topics.

In our 2020-21 submission we

highlighted 17 key stakeholder priorities for delivery this year, we are delighted to report that we have achieved all of them and many are detailed in this submission.

This report shows where and how we have engaged to inform our strategic focus areas, ensuring these are aligned to stakeholder priorities.

This year's five focus areas are:

Data & Digitalisation	Supporting our Communities	Reliability & Resilience	Enabling Net Zero	Vulnerable Customers
<p>“Decarbonisation requires an increasingly digitalised energy system. Stakeholder feedback is a key factor in shaping our vision.” Paul Fitton, Director of Information Systems</p> <p>“To enable net zero, network operators must develop consistent and accurate data systems to enable the energy transition through collaboration.” Energy Networks Association</p>	<p>“We bring together communities to share learnings, overcome barriers and tackle common goals.” Michelle Cummings, Social Responsibility Manager</p> <p>“Northern Powergrid help us provide our clients with support. For some people, being without power is more than an inconvenience.” Sonya Roe, Age UK</p>	<p>“We're constantly collaborating, such as with the Yorkshire Infrastructure Adaptation Forum. We're more resilient when we're together.” Peter Collinson, Investment Planning and Delivery Manager</p> <p>“Reliance on electricity came to public attention during winter 2021 and having input into Northern Powergrid's resilience plans we recognise the challenges the business and region face.” Citizens Panel</p>	<p>“2021-22 was a watershed, bringing the climate crisis to the forefront. Our stakeholders asked us to prioritise decarbonisation.” Jim Cardwell, Head of Policy Development</p> <p>“As a large business with expertise, Northern Powergrid should lead by example to net zero.” Northern Powergrid Consumer Panel</p>	<p>“Our support is shaped by engagement with vulnerable customers guiding how our operations team deliver these services to those who need them most.” Catherine Harris, Consumer Vulnerability Manager</p> <p>“Northern Powergrid must support the levelling-up agenda. Through planning, we can see our impact.” Future Fairness Panel</p>

An evolving and responsive strategy

Our embedded processes help us to quickly understand new needs through engagement, so we can adapt our services. This year, we delivered 144 outcomes against a backdrop of unprecedented external variables, as set out below:

The critical moment	Outcomes for stakeholders
IPCC report confirmed that climate change is widespread, rapid and intensifying	Feedback shaped our strategy to rapidly decarbonise our region, while ensuring a fair and just energy transition. We significantly expanded our SME decarbonisation programme (Part 2, page 9) and cut our carbon footprint by 48% (Part 2, page 10).
£5k heat pump grants for households; EV charging points to become mandatory in new builds from 2022	We have been working with Distribution Network Operators (DNOs) and Ofgem to mobilise Green Recovery, including £53m decarbonisation investment to make properties ready for low carbon technologies (LCTs; Part 2, page 5).
COP26 promised “to revisit and strengthen 2030 targets... by the end of 2022” – keeping 1.5°C alive	Our Distribution Future Energy Scenarios (DFES) is developed with experts to help stakeholders understand what net zero could look like. This year we engaged with industry pioneers to create real-time LCT take-up projections (Part 2, page 4).
Further and evolving COVID-19 restrictions impacted a struggling economy and combined with inflation to create a cost-of-living crisis	Senior colleagues meet monthly with our Social Issues Expert Group (SIEG) for strategic guidance on how we can continue to support the most vulnerable in our region. We're proud to have provided £50k additional funding to alleviate food poverty in 2021-22, through seven local grassroots organisations (Part 2, page 6).
A worldwide surge in gas prices together with global events created an ongoing energy crisis	With Green Doctor, we expanded fuel poverty training across 100% of our region (Part 3, page 8); and funded six new Citizens Advice advisors to support vulnerable customers in our region's areas of highest fuel poverty deprivation (Part 3, page 7).
Storm Arwen left 280k homes across our region without power	See page 4 for our detailed response to Storm Arwen, together with lessons learned on resilience (Part 2, page 7) and welfare and communications (Part 3, page 6).
Geopolitical conflict in Europe displaced thousands of refugees and cut off Ukrainian cities from power	As a member of the Ukraine Electricity Network Support Task Group, we worked with the Energy Networks Association, the UK government and our fellow DNOs to source and send generators to Ukraine to power around 20k homes and buildings.

Shaping our engagement strategy

Our engagement strategy is shaped by a commitment to these four areas:

Inclusive: ensuring our engagement reaches and includes a diverse range of individuals, groups, experts, and locations that represent the communities we serve.	Accessible: increasing the use of new communications channels, removing engagement barriers, and increasing cooperation with a wide range of local organisations so innovative thinkers and future customers access and contribute to our engagement.	Relevant: providing additional ways to discuss complex topics and tailor communication approaches so that we deliver engagement that promotes an understanding of priority topics such as decarbonisation and an inclusive energy transition.	Continuously improving: maturing the skills, processes, infrastructure, and capacity of customers, communities, and our own teams to ensure engagement is two-way, measurable, and transparent.
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In 2021-22, our engagement reached over 44k people. We focused on how to support our 2.7k+ colleagues in putting engagement front and centre in their every day roles.

Building & Civil Engineer Gary Miller, who this year has been protecting the power supply for customers from Hebden Bridge in the Calder Valley to Tynemouth in North Tyneside, says: “My job relies on complex collaboration with partners and stakeholders including the Environment Agency, local councils and landowners. But there's also a real-world

side: when we're on site, everyone's interested – dog walkers, joggers, business owners... We're not just protecting substations: we're talking to people about what we're doing.”

In Parts 2 and 3 we explore our 2021-22 engagement and outcomes in detail.

We haven't always got it right: Storm Arwen significantly tested our network's resilience, but we have listened to everything our customers and partners have told us, and fast-tracked changes that were tested in subsequent storms.

Continuous improvements this year

- **NEW** Neighbourhood vulnerability mapping tool
- **NEW** Apolitical stakeholder mapping
- **NEW** Spatial mapping representation and reporting tool
- **NEW** Partnership mapping diagnostic tool
- **NEW** Research: vulnerable customers' knowledge of net zero
- **NEW** Audience Engine targeting specific vulnerabilities

Our engagement approach



Governance, accountability, and ownership

Over the past two years we have run an ambitious engagement programme – in addition to our in-year engagement – to underpin business plan development for 2023-28, with scrutiny from our CEG. The scale of our ambition – to co-create the plan with input from 63k customers and stakeholders from across our region, and led by the executive, heads and management teams from every area of our business – was unprecedented.

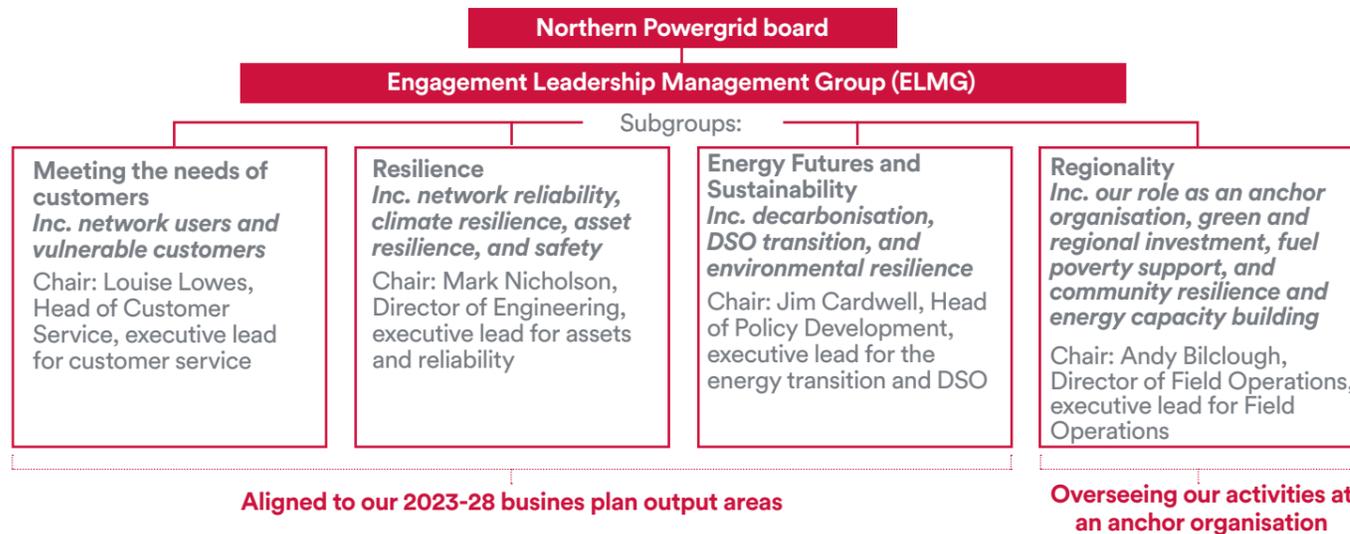
On reflection, it was challenging to balance this ambition with our business-as-usual engagement. We have learned from this, listened to the SECV panel, and built on the strong performance and principles of the programme to enhance our in-year work. Here, we outline the changes we have made.

To deliver the scale of ambition our stakeholders expect, and implement improvements based on lessons from the storms, we have strengthened our existing strategic governance model – the ELMG – which is already aligned to the board’s decision making, executive-led, and meets the high expectations of our enduring CEG. The ELMG now shares responsibility for embedding consumer voice with four subgroups, each led by members of the executive and aligned to areas of significant future change and stakeholders’ priorities.

Each subgroup meets at least monthly to identify and prioritise their area’s key change initiatives – which may be improvement initiatives or commitments supporting our business plans.

Reviewed and observed by the CEG, they ensure that consumer voice is embedded in projects and commitments and identify opportunities to use consumer feedback to test ideas, shape potential solutions, and assess whether benefits have been delivered.

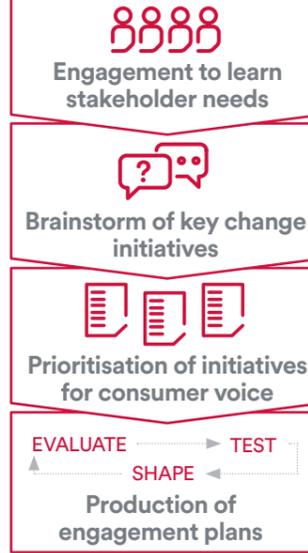
The groups’ governance framework ensures consistency and standardisation of meetings and reporting – including monthly reports to the ELMG and board. Membership is multi-disciplinary and identifies opportunities for collaborative working and sharing best practices. And together, all groups have responsibility for cross-cutting themes of data and digitalisation, innovation, vulnerable customers, and creating a fair and just energy transition.



The group priorities include:

- Ensuring that customer and stakeholder voice is firmly embedded within priorities and projects in each area
- Ensuring opportunities to engage hard-to-reach and digitally excluded customers and stakeholders are fully explored
- Developing and identifying opportunities to further underpin these priorities with stakeholder voices (e.g., new engagement, triangulation of existing engagement, operational data, satisfaction scores)
- To develop stretch targets and measures of success
- Monthly reporting on progress and escalating barriers and achievements to the board
- Monthly reporting to our CEG for additional scrutiny and accountability

Embedding engagement



Assurance

We renew our accreditation annually against the stakeholder engagement standard, AA1000SES, which we have held continuously since 2012. Doing the right thing for stakeholders means continually monitoring our progress, and we’re proud to have achieved measurable growth this year, through these awards and assessments:

- Annual audit against the A1000 standard
- ISO55000 accreditation, including assessment of our stakeholder engagement strategy
- BSI assessment of our approach to consumer vulnerability, including an extra audit to ensure our services are fully embedded across the business

When things go wrong – what we’ve learned from you



Storm Arwen caused significant damage and power cuts to 280k customers. In its aftermath, we:

- 1) Offered meetings to councillors and MPs of impacted constituencies to hear feedback on how we could improve and developed our lessons learned.
- 2) Held roundtables for regional leaders, their constituents, and peers to seek feedback, give an overview of common improvement themes and update on measures.
- 3) Wrote to all regional councillors seeking feedback and offered bilaterals to all regional chief executives and council leaders.

While this was taking place, our region was hit by several more storms – Malik, Barra, Corrie, Dudley, Eunice and Franklin. During the latter part of the engagement, many MPs commented on how our communication had improved.

We are taking the review of our own procedures seriously so we can provide better outcomes for our customers. Our Chief Executive Phil Jones explains, “Lessons are being learned. There are

Initial feedback	Our response	Subsequent feedback
MPs and civic leaders wanted a named contact to report concerns to	On 29 November we supplied a named contact for MPs and council leaders	MPs praised the helpfulness of Stakeholder Engagement Manager Helen Priestley
Local Authorities (LAs) requested detailed postcode info on power cuts	From 30 November we shared this data for partners to alert us to customers without power	Jack Bell, Chief of Staff to Dehenna Davison MP, commented on its usefulness
MPs spoke about the need for direct lines of communication	We began compiling an emergency database of MPs’ direct contact details, for use during similar events	Roundtable attendees inc. Mary Foy MP commented on how much our communications have improved since Arwen
Councils noted that we didn’t share enough info during the early days of Arwen	In further storms we opened lines of communication at the outset, inc. to all councillors in the region – not just leaders	22 councillors emailed during Storms Dudley and Eunice to praise our communication
Parish councils and customers had concerns about not knowing what welfare provision was available, and where	Following Arwen, we ensured that parish councillors and community groups were included in bulletin updates so they had the relevant information on welfare support	See Part 3, page 10 for more information on our welfare provision during Storm Arwen. We received 30+ letters of support from customers and stakeholders.

people who have suffered terribly over a very long time and we can’t accept that – we will do better.” Some measures are already in place, such as disabling auto-generated estimated restoration times, something that caused uncertainty after Arwen. More detail on changes, such as providing estimates in days rather than specific times, are outlined in Part 3.

Another key lesson learned from feedback is the need for a direct line of communication for MPs to escalate cases and gather information to share with constituents. To ensure we can contact MPs directly 24/7, we have now created an emergency contact database, and set up an MP ‘hotline’.

Some longer-term solutions were already in the pipeline for 2022, e.g.:

- New telephony systems to improve our ability to handle large call volumes (Part 2, page 3).
- Digital solutions to increase capacity for web traffic (Part 2, page 3).
- More sophisticated approach to communicating in a long-duration event, such as how best to provide accurate information (Part 3, page 2).
- More effective communication to update customers as to the potential longevity of a power cut so they can make alternative arrangements dependent on personal circumstances.

How we engaged with our stakeholders in 2021-22

Through more than 205 engagements, we reached more than 44k stakeholders. Here are just a few highlights...

Engagement mechanism	Example stakeholders and events	Outcomes included	Northern Powergrid engagement leads
Stakeholder Panel	<ul style="list-style-type: none"> 21 expert stakeholders Quarterly meetings Input and challenge to strategic plans 	<ul style="list-style-type: none"> Supporting access to data for third parties through our Energy Data Request Tool 	<p>"This group is essential to shaping our plans and challenging our thinking." Paul Glendinning, Policy and Markets Director</p>
Social Issues Expert Group	<ul style="list-style-type: none"> Bi-monthly meetings 12 experts Vulnerable customer service oversight 	<ul style="list-style-type: none"> Decarbonisation advice app to support customers Expanded Fuel Poverty programme 	<p>"These experts challenge us and offer innovative insights to social issues." Jo Lawson-Green, Customer Service Programme Manager</p>
Cross-utility forum	<ul style="list-style-type: none"> Senior colleagues from NGN, Yorkshire and Northumbrian Water Collaborating to benefit our shared customers 	<ul style="list-style-type: none"> Joint work to improve customer experience on hydrogen village trial Heat pump enablement 	<p>"Relationships with our colleagues in gas and water utilities grow in importance as we develop whole-system thinking." Mark Nicholson, Director of Engineering</p>
LA meetings and forums	<ul style="list-style-type: none"> Regular meetings with LA officers to enable local projects, share data and understand their needs to shape our support 	<ul style="list-style-type: none"> Supporting access to data Jointly with EON and N'le City Council to install 250 domestic heat pumps (HPs) M'ship local Climate Coalitions and Comissions 	<p>North East England and Yorkshire and Humber Climate Comissions provide an important opportunity for local leaders to support a just transition to net zero." Jim Cardwell, Head of Policy Development</p>
National Farmers Union meetings	<ul style="list-style-type: none"> Understanding big issues driven by Brexit, net zero and wider challenges for this key sector 	<ul style="list-style-type: none"> Innovation to explore decarbonising farming Farm power line safety campaign seen 4m times 	<p>"Engagement makes it possible to find solutions that benefit the farming community and the network." Iain Miller, Head of Innovation</p>
SME panel	<ul style="list-style-type: none"> 20 SMEs Help us understand their priorities, our impact and support we should offer 	<ul style="list-style-type: none"> Established new oversight board 17 new major trade partners Net Zero Portal accessed by SMEs nationally and promoted by high street banks to their members 	<p>"It is crucial we support SMEs – 99% of UK business – to reduce their carbon footprint." Helen Priestley, Stakeholder Engagement Manager</p>
Community Energy Stakeholder Panel	<ul style="list-style-type: none"> 20 community energy experts Insight into their needs to shape our plans to build their capacity 	<ul style="list-style-type: none"> £50k Community Energy fund 120 community energy stakeholders trained to deliver advice 	<p>"These discussions help us to shape and deliver the right support and services for this key group." Anda Baumerte, Sustainability Manager</p>
Citizens Panels	<ul style="list-style-type: none"> 50 customers from rural, consumer and SME panels Meet quarterly to discuss complex issues 	<ul style="list-style-type: none"> Removing barriers to LCTs Refreshed easy-to-navigate website Offering out-of-hours customer appointments 	<p>"This group gives us deliberative discussions on key issues and helps us to identify ideas to be further tested." Siobhan Barton, Head of Stakeholder Relations</p>
Arwen MP and customer meetings	<ul style="list-style-type: none"> See previous page for details 	<ul style="list-style-type: none"> See previous page for details 	<p>"This was an important first step in understanding Arwen's impact on customers and learning for the future." Louise Lowes, Head of Customer Service</p>
Barriers to decarb. research	<ul style="list-style-type: none"> In-depth, 60-minute interviews with 10 vulnerable customers Helping to shape how we communicate decarb. advice and support 	<ul style="list-style-type: none"> Introducing dedicated online portal with decarbonisation advice and support materials tailored to customers' needs 	<p>"Nobody Left Behind is key to our plans. This research has helped us understand barriers and shape our services to overcome them." Catherine Harris, Consumer Vulnerability Manager</p>
Future Customers surveys and focus groups	<ul style="list-style-type: none"> Focus group of 15 and online research with 150+ future customers Understand their priorities and how we communicate 	<ul style="list-style-type: none"> Targeted recruitment campaigns to encourage diversity of applications Founding member of West Yorkshire's Green Jobs Taskforce 	<p>"Having this insight has helped us to shape our recruitment campaign and reach young people who might not have considered energy as a career." Andy Bilclough, Director of Field Operations</p>
Online focus group on reliability	<ul style="list-style-type: none"> Online research with 44 customers who had experienced a recent power cut 	<ul style="list-style-type: none"> Set 2022 targets to reflect customer priorities inc. further reductions in power cuts, and increasing portable generation 	<p>"Customer needs are complex. It's important that we test the services we're developing with customers." Chris Morris, Head of Customer Services Operations</p>

STAKEHOLDER EXPERTISE LEVEL

HIGH

LOW

Measuring our impact

We are a major employer and investor and we leverage the positive impact that we create for the benefit of our communities. Here, we set out the robust mechanisms we use to measure that impact.

Why we measure impact

Understanding the social value of our work is as crucial as knowing the financial impact. By applying a structured approach to analysing our projects, we can better understand not only the benefits they are delivering, but also what they will deliver in the future. We use Social Return on Investment (SROI) to do this, using the standard framework developed for all DNOs. It allows us to make the best possible decisions when evaluating projects suggested by our stakeholders and ensures we consider current and future generations in our planning processes.

effort to develop a standardised SROI framework. This work allowed us to identify where we could go further in supporting our stakeholders, providing them with real, tangible benefits. Our 2020-21 SECV submission was our first that used SROI analysis, and although our use focused on Part 3, this initial trial acted as the foundation for our current impact measurement process.

Mid-2021: challenging our initiatives

We recognised the need to go further, and therefore we challenged our current projects and initiatives. This effort identified several projects (examples below) that should be expanded or discontinued based on their SROI results. Through challenging our initiatives, we have embedded a more data-driven approach into our business planning, changing the way we think, work, and prioritise projects.

2021-22: complete reporting inc. SROI

In this SECV, we deliver complete reporting across 22 Part 2 and 3 initiatives, with details on the total value and the specific recipients of this value. Working with Sia Partners across our business plan, existing and emerging projects we have analysed each project fully to understand the value it delivered and will continue to deliver throughout the project lifecycle using SROI. allows us to make informed decisions about which projects to prioritise, progress or stop, and which partners deliver best value for our customers.

How we apply our approach

To measure SROI, we:

1. Undertake extensive stakeholder engagement and research to better understand our customers' needs
2. Identify a range of potential options to meet those needs
3. Confirm preferred approach with stakeholders
4. Identify potential project outcomes and benefits

For this stage, we compile cost, number of stakeholders impacted, and expected financial benefits (such as bill savings) or societal benefits (such as avoided injuries). These are combined with well-evidenced assumptions, such as the likelihood of an event occurring or the chance a stakeholder follows the advice they receive. This analysis provides us with an SROI and allows us to appropriately scale and adjust our projects to provide the best value.



Our social value journey 2019-20: WTP

In 2019, we and other DNOs undertook engagement on WTP to prioritise our initiatives and better understand what our stakeholders expect of us. These exercises allowed us to develop our initial cost-benefit strategy, identifying where stakeholders thought we should spend our funding.

2020-21: initial use of SROI

In our 2020-21 SECV, we used WTP to inform the priority of the initiatives we were undertaking. However, we recognised this methodology could not accurately represent our programmes' actual costs and benefits. So we contributed to a cross-DNO

SROI in practice: Audience Engine

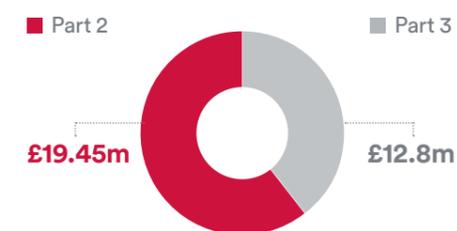
One of our projects (see Part 3, page 8 for full detail) is our effort to expand our PSM with an innovative Audience Engine. The programme we looked into has two main components: an Experian Data Refresh to improve the accuracy of our data, and the Audience Engine itself to enable a targeted marketing campaign, presenting different costs and benefits. To establish an approach, based on reach, average click-throughs, financial benefits of average energy efficiency savings, and societal benefits brought about by PSM membership, we modelled four scenarios to identify how we could deliver maximum value. By altering the programme's scope (expanding its reach and providing more detailed energy efficiency advice), the programme reports a net present value of £83.8k over five years, with an SROI of £21.64. It is one of our most impactful initiatives, however we will continue to build even more value.

What we delivered in 2021-22

Based on our full review of Part 2 and Part 3, we have delivered £32.26m in net present value over five years across 22 initiatives. In addition to this split, we have also broken out the recipients of the value delivered, providing a new granularity on where and how we impact our customers and stakeholders.

Benefits (£m)

In net benefit delivered over 5 years



5-year gross present value, by beneficiary

Vulnerable Customers	£24,738,445.81
Local Authorities	£12,044,708.80
Network avoided cost	£3,123,030.00
Customers	£3,095,376.57
Health Services	£1,653,507.83
Future Customers	£547,189.93
Environment	£302,640.41
Economy	£4,504.50

TOTAL **£45,509,403.85**

Key 2021-22 outcomes

By engaging 44k stakeholders, we delivered 144 outcomes, creating £32.26m net benefits over five years for communities and customers. Here, we highlight some 2021-22 initiatives – a detailed exploration of our year is provided in Parts 2 and 3.

Focus area	Stakeholders told us to...	So we...	Stakeholder outcomes
Data & Digitalisation Total outcomes 11	Increase our use of digital tools and support customers through the digital transition. Make our data more available to support them in making net zero planning decisions.	Invested in a telephony system and site upgrades to increase our call-handling capacity. Partnered to publish our DFES 2021 with accompanying open data sets and new search tools.	— <3 second average call answer time — 50% reduction in repeat callers through proactive SMS capabilities — 43 modelling data sets — Friendlier interfaces for LAs — 39 LAs given local forecasts
Supporting our Communities Total outcomes 16	Target social funding schemes and partnerships locally, aiming for significant impact. Include 'at-risk' off-grid customers in rural areas in our energy transition planning.	Allocated £150k of funding to local orgs. including those working on food poverty. Partnered with local stakeholders to develop plans to connect remote areas.	— 12 local orgs. supported via the Community Partnering Fund — £50k to food poverty groups — Identified 50 customers who can be brought onto the grid. — £300k savings p.a. — 114,736kg CO ₂ savings p.a.
Reliability & Resilience Total outcomes 42	Educate on safety and take any opportunity to reduce the risk of contact with our equipment. Use multiple comms. channels to raise awareness of the Accelerated Loss of Mains Change Programme.	Partnered with Energy Innovation Centre and SP Energy Networks to identify a solution to reduce incidents. Partnered with Greenhouse Communications to lead a national awareness campaign.	— 4m views of our safety campaign — 3 innovators shortlisted to create an accident-prevention solution — 5.2m impressions for our ALoMCP content — 33k website tool visits
Enabling Net Zero Total outcomes 35	Find novel solutions for a resilient future network that maximise benefits and minimise costs. Target investment to support economic recovery, create green jobs and skills development.	Designed a bespoke resilience programme to pilot on different areas of our network. Targeted £53m of green growth-boosting investment through Green Recovery.	— Innovative localised pilots — Created a clear action plan to deliver 12 hours additional power — Increasing capacity to reduce disparity gaps in EV charging — Children supported to access green spaces
Vulnerable Customers Total outcomes 40	Continue to review and improve services and partnerships to meet current and evolving needs. Increase scale of fuel poverty projects through partnerships and expand 'train the trainer'.	Shared learnings from our PSM rebrand and created new data-sharing guidelines. Enhanced our partnerships with Citizens Advice, Green Doctor and Barnardo's.	— 23% increase in direct sign-ups to the PSM — 117% increase in outbound contacts — 100% of our region now covered by fuel poverty support — 6 new Citizens Advice advisors

Balancing affordability and ambition

C. 430k+ households in our region experience acute fuel poverty and significant numbers remain at risk. And this will rise as the cost of living crisis impacts our region. Stakeholders tell us that our focus should be work that delivers direct value, removes inequalities, and enables regional prosperity. Where our assessments fail to demonstrate positive impacts, don't meet regulatory requirements, or our SROI modelling shows they're not a cost-effective way to deliver benefits, we take steps to modify or end those projects – so that we can prioritise our efforts on those areas that do deliver. This table is a summary of example actions we've taken this year to demonstrate our strategic decision making.

Stakeholder engagement	Stakeholders asked us to...	Why we didn't take action	What we did instead
Consumer Panel	Invest in the network 'ahead of need' to achieve net zero	Current regulation does not enable DNOs to do this, but Green Recovery work is building targeted capacity	Worked with community energy stakeholders to build capacity and capability; supported access to funding. Also scaled up unlooping domestic services to support future LCT connections
Off-Grid Working Group	Invest to connect 500 off-grid in rural N'berland	Unable to invest and socialise costs within current regulations and SROI does not deliver benefits	Following full consultation, invested in the electrification of masts in this area in order to bring at least some affected customers onto the grid
Social Reliability Conference, SIEG, Future Fairness Panel & Customer Panels	Maximise/measure impact of services via third-sector partners; use long-term contracts	With 100s of partners, geographies and support models, it is challenging to implement an overarching approach	Implemented 3-year+ contracts for strategic fuel-poor delivery partners. Retained and expanded our PSM referral partner network. Continued our Community Partnering Fund to encourage localised innovation around emerging vulnerabilities

Working in partnership...

46 delivery partners • 50+ industry partners • 355 referral partners

As an anchor organisation our focus is on delivering the greatest regional impact while creating a cleaner, greener energy system for all (part of our Nobody Left Behind strategy). Partnerships are key to helping us deliver on this promise.

We'll let Project Manager Dave Smith explain: "An excellent example of the power of community partnerships is when we funded community tree and wildflower planting to thank residents for their patience during vital maintenance works. Our partner Hull City Council stretched that initiative by attracting Defra match funding to support Rewilding Youth, a programme that gets young people outdoors and introduces them to jobs such as arboriculture and conservation."

Dave's thoughts are echoed by Neil Metcalfe, Project Engineering Manager. He says, "It's one thing to look at a

rebuilt substation and be proud. It's when you look at what you've done in the community – new playgrounds, things that make a difference – that you feel you've done a good job."

It's this passion, together with our close working relationships and partnerships – where we share knowledge, data, experience and resources – that allows us to identify, reach and meet the needs of the most vulnerable in our region.

We also offer support to our peers: gas distribution network NGN has secured £500k innovation funding for projects to drive net zero, and we're offering our expertise. Collaboration is key to extending impact, including to hard-to-reach and vulnerable customers, to deliver increasing benefits.

And sometimes we just want to give something back, such as 40 hampers to hospices across our region. Head of Stakeholder Relations Siobhan Barton explains, "Many of our donated hampers raise as much as £1k. It's lovely

to hear that hospices have been able to generate extra funds to support local people when they need it most."

Our full partnership strategy is outlined in detail in Part 3 – but here's a taster of our 2021-22 activities and initiatives.

Expanding #NetZeroSME
Last year we shared #NetZeroSME, our effort to support SME decarbonisation in partnership with the Federation of Small Businesses. In 2021-22 this project hugely expanded – full details are in Part 2, page 9, but the highlights are:

- 17 NEW trade partners across multiple industries
- Zero Carbon Business site launched
- 100 SMEs polled
- COP26 sessions with 300 stakeholders
- 12 engagements with ministers and other policy makers
- 4 capacity-building workshops with SMEs delivered nationally to share good practice.

ENHANCED Partnerships we strengthened in 2021-22

“We're delighted to be partnering with Northern Powergrid. Listening to young people has a real effect.”
Steve Oversby, Director, Barnardo's North

“It's great to be able to offer access to IT equipment to help with job hunting, thanks to Northern Powergrid.”
Trish Kinsella, Manager, The Rainbow Centre

NEW Partnerships we strengthened in 2021-22

...and working together

Everyone in our business strives to create a diverse, equal, and inclusive place to work, with a workforce that puts customer needs at the heart of our business. Here are the tools and processes we used to do that in 2021-22:

Lunchtime learning sessions
Our Lunch & Learn series was initiated by Chrysa Kinini, Design Engineer, who says, "I wanted an online forum for colleagues to share expertise. My idea launched a series of 14 events in 2021-22, with more than 500 colleagues participating, and guest speakers such as Newcastle University and Andy's Man Club."

Powergrid News

7 February 2022
You're invited to 'Lunch & Learn' with Ruth Peacock, Resource Manager
"Inverse Define Minimum Time (IDMT) protection on 11kV networks"

You're invited to another virtual 30 minute Lunch & Learn (L&L) event taking place this Wednesday, 9 February.

L&L gives you the opportunity to virtually meet, learn from and share your skills and expertise with colleagues from across the business.

Colleagues also hosted sessions, such as our Director of Information Systems, Paul Fitton, on what digitalisation means for our customers and colleagues.

In 2021-22, we also:
— NEW In response to feedback, agreed to board-level engagement from 2023 with our three unions.
— ENHANCED Increased

“As part of Mental Health Awareness Week, we helped a colleague anonymously share a frank account of their own mental health journey. It was inspiring and moving to read.”
Anna Preston, People Business Partner

opportunities for new roles via internal progression and retraining.
— NEW Upgraded 20% of colleagues' computers, targeting 100% in 2023.
— NEW Published our Diversity, Equity and Inclusion plan in December 2021.
— EMBEDDED Supported the 15th National Apprenticeship Week; and promoted our apprenticeships in underprivileged areas.

“What I'm most proud of this year is a STEM project we did partnering with Eagles Community Foundation – helping them teach kids about velocity through basketball! It's such a creative initiative.”
Leah Larkin, Social Responsibility Advisor

Our Consumer Vulnerability Strategy 2021-22

5th successive year awarded BSI Inclusive Service Provision for Vulnerable Customers standard (BSI 18477)	100% of region covered by fuel-poverty support programme	+23% direct sign-ups to the PSM	15k people reached through our Community Partnering Fund	NEW Nobody Left Behind workshop series
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As we deliver decarbonisation for our region and best-in-class service to our customers, we centre society's most vulnerable in our thinking, support those in fuel poverty, and create a socially inclusive energy transition. We live and work in the region we're proud to serve, where we power one of the most isolated villages in the UK, Byrness in Northumberland, but also power three of the top 10 largest cities in the UK, and many areas where more than 30 languages are spoken. 4m of our customers meet Ofgem's definition of vulnerability, which can be permanent or transient, changing against a backdrop of world events such as COVID-19, extreme weather, and the global energy crisis. For Yorkshire, northern Lincolnshire and North East England, there is no 'one size fits all' solution, so we ensure that all 2.7k+ of our colleagues, and our contractors, are empowered with vulnerability training so they can continue to deliver a service that is accessible, inclusive and fair for all. Our strategy and principles are explored in-depth in Part 3, but here is an overview of 2021-22, based on our four strategic priority focus areas:

- Stronger Together
- Priority Services Membership
- Fuel Poverty
- Nobody Left Behind

1. Stronger Together: building our capacity and capability through partnerships

Our revised partnership strategy for vulnerable customers is now entering its fourth year. Through our wide range of

partnerships (voluntary, local, regional and national organisations, charities and official bodies) we deliver an ecosystem of support for different vulnerabilities.

We continue to develop partnerships to respond to new and emerging needs. Our two 2021-22 priorities were: (1) scaling up and expanding the reach



of our fuel poverty services, and (2) exploring opportunities with existing and new partners to support our customers with decarbonisation advice, support and services, ensuring there's Nobody Left Behind. You can read more about how we did this in Parts 2 and 3.

2. Priority Services Membership: embedding and enhancing our customer-led rebrand

Our strategy focuses on those most at risk or currently underrepresented on the PSM. This year, we revised all of our PSM data via work with Experian to develop an Audience Engine that supports us to identify vulnerability at a property level (Part 3, page 5). We are proud that our targeted improvements

have led to a 23% increase in direct sign-ups to the PSM. In this year's SECV report, we're sharing the success story of our rebrand to lead the way for other DNOs to follow (Part 3, page 5).

3. Fuel Poverty: expanding and scaling programmes to meet current and emerging needs

Acute fuel poverty affects 430k+ households in our region and is linked to low incomes, high energy costs and inefficient, older housing. Our current multi-channel support model enables us to give customers tailored advice and services that meet their individual needs. This involves face-to-face direct interventions with the most vulnerable and hard to reach, via Powergrid Care (delivered in partnership with Citizens Advice) and in-home visits through Green Doctor (Part 3, page 8). Since 2019, we have scaled our support 50% each year and we're proud to say that this year, our fuel poverty support programme now covers 100% of our region. We have also funded the four areas with the highest prevalence of vulnerabilities to provide six more Citizens Advice energy advisors.

4. Nobody Left Behind: ensuring a socially inclusive, fair and equitable transition

We have a mature, embedded hard-to-reach strategy. All senior leaders and regional managers report on operational plans to ensure vulnerable customers are supported in business-wide activity. This includes performance reporting to SIEG, ensuring targets are being met and to escalate issues. These plans recognise the importance of engaging with traditionally underrepresented groups and those who struggle to engage with us due to vulnerabilities and circumstantial difficulties.

We introduced our Nobody Left Behind Framework last year, but were challenged by our Future Fairness Panel and SIEG to translate this into action. In response our focus is responding directly to customer and vulnerable customers' needs and barriers to active participation in the energy transition. Critical to this has been mapping which partners can deliver meaningful net zero support at a community level. You can see some of our 2021-22 activities in the summary opposite, and explore our work in detail in Part 3.

2021-22 PROGRESS		
New	Embedded	Scaled
<ul style="list-style-type: none"> — Published long-term vulnerability strategy — Centre for Sustainable Energy social ecosystem audit — Boxclever and Energy Saving Trust partnership on net zero support for vulnerable customers — Improved accessibility of our YouTube videos — IVR telephony platform improves capacity for 100% human contact 	<ul style="list-style-type: none"> — Future Fairness panel, ensuring all customers' voices are heard — Model for a socially inclusive DSO developed and supported by expert stakeholders — Partnered with Barnardo's, Energy Savings Trust and Infrastructure North to deliver energy-saving advice to ensure regional coverage and a range of communication channels 	<ul style="list-style-type: none"> — Expanded Green Doctor partnerships to cover 100% of the region — Progressed six decarb. initiatives — Funded six new Citizens Advice energy advisors to reach areas of highest vulnerability in our region — Expanded fuel-poverty support to cover 100% of fuel-poor homes we serve

How we engage on consumer vulnerability issues

We engage with stakeholders and customers in vulnerable circumstances through our SIEG, Future Fairness Panel and regional partnerships to ensure vulnerable customers are engaged appropriately on our PSM, fuel poverty, partnership and Nobody Left Behind strategies. Below is an overview of some of the engagements we held in 2021-22:

Methodologies	Stakeholder expertise level	Stakeholder categories	Example stakeholders	New or improved in 2021-22	Reach
Social Issues Expert Group (SIEG)	High	Experts in health, social housing and fuel poverty	NEA, NHS North East, VONNE	EMBEDDED	6
Future Fairness Panel (FFP)	Medium	Panel represents multiple vulnerabilities including sex workers, refugees and asylum seekers, dementia, carers, renters and many more	MIND, Crisis UK, Stroke Association, Foresight North East Lincolnshire, Northumberland Carers	EMBEDDED	16
Social Responsibility annual conference (external)	High	Third-sector partners, LA vulnerability experts and our own vulnerability leads	Citizens Advice Sheffield, Newcastle and Leeds, Green Doctor	EMBEDDED	150
Social Responsibility annual conference (internal)	High	Our vulnerability leads, SIEG and Future Fairness Panel members	Head of Innovation, Head of Customer Experience, Customer Service Managers, Regional General Managers	EMBEDDED	50
PSM insight and satisfaction survey	Low	PSM customers	Range of customer vulnerabilities; experienced a power cut, new members, accessed enhanced service	EMBEDDED	300
PSM service design workshop	Low	PSM customers	Physical & mental health, communication barriers, affordability	NEW	40
Barriers to decarbonisation interviews	Low	PSM customers	Including those experiencing financial, mobility, age-related and visual challenges	NEW	10
Nobody Left Behind research	Medium	Desk research across all vulnerable and Nobody Left Behind customer groups	Physical disabilities and EVs, social housing and smart homes	NEW	NA

Nobody Left Behind and hard-to-reach customers

Part 2 and Part 3 explore our hard-to-reach and Nobody Left Behind work in detail, but here's a 2021-22 summary:

- With the Future Fairness Panel, we identified community groups that work with vulnerable people and would help with post-pandemic face-to-face research.
- Five focus groups with Speak Up (for adults with autism and/or learning difficulties), Digital Voice (for digitally excluded adults), Barnardo's (for young adults at risk of not being in employment, education or training), Vision Support (for adults with vision impairment), and Keighley Association for Women and Children's Centre (for British Asian women with young children or elderly/otherwise vulnerable people living in their household).
- In Storm Arwen, with the National

Farmers' Union, we worked to reach digitally disadvantaged rural customers through door-knocking.

- With Energy Heroes, we worked to ensure our communications were accessible and in plain English.
- Community outreach in worst-served areas, such as Bellingham and Allendale in Northumberland.

We're embedding lessons we learned from the pandemic: enhancing our communications plan templates to identify support for vulnerable customers before we put a spade in the ground, and introducing a social impact section to our major project forms. Because we're not only engineers, we're also customer service operatives.

Carl Bandeira, Field Operations

Improving comms accessibility

Stakeholders told us: to improve video accessibility for vulnerable customers.

So we: audited our YouTube channel, identifying critical content, removing outdated videos, and creating easy-to-navigate 'playlists'. Partnering with a specialist communications agency, we developed bespoke descriptions for each video with links to resources.

Stakeholder outcomes:

- 74 videos updated with transcripts
- Critical information easily accessible in five languages highly prevalent in our region (English, Arabic, Bengali, Punjabi Urdu and BSL)
- PSM information made easily accessible for five key vulnerability groups (hard of hearing, sight difficulties, medically dependent on electricity, English as a second language, mental health issues)



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