

Report

2020-21 Stakeholder Engagement (and Consumer Vulnerability) Incentives Panel Report

Publication date:	29 September 2021	Contact:	Rachel Franks
		Team:	RIIO Electricity Distribution and Cross Sector Policy
		Tel:	020 3263 9840
		Email:	Rachel.Franks@ofgem.gov.uk

Overview:

The Stakeholder Engagement Incentive ("SEI") encourages gas distribution, gas transmission and electricity transmission network companies to engage proactively with stakeholders.

The Stakeholder Engagement and Consumer Vulnerability Incentive ("SECV") also encourages electricity distribution network operators ("DNOs") to engage proactively with stakeholders, as well as incentivising DNOs to address consumer vulnerability issues.

Under these incentives, the performance of each network company is assessed in a process that involves two steps: first, an internal assessment against the Minimum Requirements and second, a Panel assessment against the Panel Assessment Criteria.

This 2020-21 Stakeholder Engagement (and Consumer Vulnerability) Incentives Panel Report sets out the Panel's assessment of network companies' 2020-21 performances under the SEI and SECV. The report includes the Overall Panel Scores awarded by the Panel, as well as feedback, including examples of best practice and suggested areas for improvement.

Associated Documents

Consumer Vulnerability Strategy

https://www.ofgem.gov.uk/sites/default/files/docs/2020/01/consumer_vulnerability_strategy_2025.pdf

Transmission and Gas Distribution: Stakeholder Engagement Incentive ("SEI") Guidance

https://www.ofgem.gov.uk/system/files/docs/2018/12/sei_guidance.pdf

Electricity Distribution: Stakeholder Engagement and Consumer Vulnerability ("SECV") Incentive Guidance

https://www.ofgem.gov.uk/system/files/docs/2018/12/secv_incentive_guidance.pdf

© Crown copyright 2019

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the [Open Government Licence](#).

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:

10 South Colonnade, Canary Wharf, London, E14 4PU. Alternatively, please call Ofgem on 0207 901 7000.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to: psi@nationalarchives.gsi.gov.uk

Contents

Associated Documents	2
Introduction	4
Purpose of the incentives	4
Assessment process	5
Companies assessed in 2020-2021	6
General Feedback	9
General points of feedback	9
Examples of best practice	11
Areas for improvement	13
Activities that were not considered eligible for a reward	14
Appendix 1: Criteria and Scores	16
Panel Assessment Criteria	16
Scoring	17
Overall Panel Scores	17
Appendix 2: Detailed Feedback	19
Cadent Feedback	20
Detailed feedback	20
NGN Feedback	23
Detailed feedback	23
SGN Feedback	26
Detailed feedback	26
WWU Feedback	29
Detailed feedback	29
NGET Feedback	32
Detailed feedback	32
NGGT Feedback	35
Detailed feedback	35
SHET Feedback	38
Detailed feedback	38
SPT Feedback	41
Detailed feedback	41
ENWL Feedback	44
Detailed feedback	44
NPg Feedback	46
Detailed feedback	46
SPEN Feedback	48
Detailed feedback	48
SSEN Feedback	50
Detailed feedback	50
UKPN Feedback	53
Detailed feedback	53
Appendix 3: Historic Scores	56

Introduction

This report sets out the Stakeholder Engagement Panel's ("the Panel") assessment of the performance of the gas and electricity network companies in their stakeholder engagement activities in the year 2020-21. Under the assessment process¹ for the SEI and SECV, the Panel of independent experts assesses the quality of network companies' submissions against predetermined criteria once certain Minimum Requirements have been met. The Panel award an Overall Panel Score to each network company and provide detailed feedback on each network company's performance.

As set out in both the SEI Guidance and SECV Guidance ("Guidance")², the Panel is comprised of at least four voting members and a non-voting Chair (who is an Ofgem employee). This year, the Panel was chaired by Charles Hargreaves, Deputy Director of Enforcement.

The Panel Members for 2020-21 were:

- Ashleye Gunn, consumer policy consultant
- Angela Love, energy consultant
- Claire Whyley, social research and policy consultant
- Mark Copley, energy policy and regulation consultant

Purpose of the incentives

The need for energy network companies to undertake effective engagement with stakeholders is a core element of the RIIO³ framework, which was first implemented in 2013⁴.

¹ Chapter 4 of the Guidance contains details of the assessment process, which is summarised on page 5 of this Panel Report.

² See paragraph 4.15 of the Guidance:

SEI Guidance: https://www.ofgem.gov.uk/system/files/docs/2018/12/sei_guidance.pdf

SECV Guidance: https://www.ofgem.gov.uk/system/files/docs/2018/12/secv_incentive_guidance.pdf

³ Revenue = Incentives + Innovation + Outputs ("RIIO"). RIIO is Ofgem's framework for setting the revenues recovered by the monopoly companies who run the gas and electricity networks in Great Britain.

⁴ RIIO price controls for Gas Transmission, Gas Distribution and Electricity Transmission run from April 2013 – March 2021. The price control for Electricity Distribution runs from April 2015 – March 2023.

The SEI and SECV aim to encourage network companies to engage proactively with stakeholders in order to anticipate their needs and to deliver a consumer-focused, socially responsible and sustainable energy service. In addition, the SECV incentivises electricity distribution network operators (“DNOs”) to play a full role in addressing consumer vulnerability issues.

To be rewarded under the incentives, companies need to deliver high quality stakeholder engagement and outcomes that go beyond their business as usual (“BAU”) activities.

Assessment process

This section provides an overview of the process for assessing network companies’ performances under the SEI and SECV in 2020/21. The assessment processes for the incentives are set out in the associated Guidance documents⁵.

Company submissions

Each year, network companies are invited to submit applications to Ofgem on their engagement activities and the resulting outcomes during the past Regulatory Year⁶. The gas distribution network companies (“GDNs”) and transmission owners (“TOs”) submit evidence in two parts, while DNOs are required to also submit a third part:

- Part 1 is aimed at demonstrating that the network company meets the Minimum Requirements set out in the Guidance⁷.
- Part 2 is aimed at demonstrating network company performance against the Panel Assessment Criteria.
- Part 3 is aimed at demonstrating the DNO’s performance against the Panel Assessment Criteria for Consumer Vulnerability.

⁵ SEI Guidance: https://www.ofgem.gov.uk/system/files/docs/2018/12/sei_guidance.pdf

SECV Guidance: https://www.ofgem.gov.uk/system/files/docs/2018/12/secv_incentive_guidance.pdf

⁶ For example, in July 2021, network companies were assessed on their performances in the 2020-21 Regulatory Year.

⁷ Ofgem checks whether the companies submissions meet the Minimum Requirements and if so, the submissions proceed to the next stage of the assessment under the incentive, which comprises Panel assessments of Part 2 (and for the SECV, also Part 3) of the submissions against the Panel Assessment Criteria.

Panel Session

Companies that meet the Minimum Requirements are invited to a Panel Session. The Panel session lasts 40 minutes, in which companies deliver a 10-minute presentation in response to the Panel's supplementary questions ("SQs"), followed by 30 minutes for questions and answers. Typically, the Panel sessions are in-person with the companies. As this was not possible this year, due to the COVID-19 pandemic, the Panel sessions took place online.

The Panel assess the companies against the Panel Assessment Criteria⁸ and award each company an Overall Panel Score out of 10. The Overall Panel Score determines the allocation of any financial reward under the incentive mechanism.

As set out in the Guidance, network companies' submissions are initially assessed against the Panel Assessment Criteria by individual panel members. The Panel then meets to discuss these assessments, and takes into account additional information provided by the companies in response to the Panel's supplementary questions ("SQs").

Decision making process

Whilst the Panel's assessment was focussed on Part 2, and for the SECV, also on Part 3, of the submissions, they were provided with the companies' complete submissions for information purposes.

Each Panel Member undertook an initial assessment against the Panel Assessment Criteria, based on their reading of Parts 2 and 3 of the submissions, in advance of the Panel Sessions. The Panel then discussed these initial assessments before the Panel Sessions. Immediately after each Panel Session, the Panel reviewed the assessment. Following the completion of all Sessions, the Panel considered the companies' performances compared to one another, and then decided on the scores and rankings of all companies.

Companies assessed in 2020-2021

The following TOs and GDNs were assessed under the SEI:

- Cadent

⁸ See paragraph 2.4 in the SEI or SECV Guidance documents for the Panel Assessment Criteria.

- Northern Gas Networks ("NGN")
- Wales and West Utilities ("WWU")
- Scotia Gas Networks ("SGN")
- Scottish Power Transmission ("SPT")
- National Grid Electricity Transmission ("NGET")
- National Grid Gas Transmission ("NGGT")
- Scottish Hydro Electric Transmission plc ("SHET")

The following DNOs were assessed under the SECV Incentive:

- UK Power Networks ("UKPN")
- Electricity North West Limited ("ENWL")
- SP Energy Networks ("SPEN")
- Northern Powergrid ("NPg")
- Scottish and Southern Electricity Networks ("SSEN")

Treatment of Western Power Distribution's submission

In February 2020, Ofgem commenced an investigation into Western Power Distribution ("WPD") and its compliance with obligations relating to the Priority Services Register ("PSR")⁹ which remains ongoing. The focus of the investigation centres on WPD's compliance with the obligation in Standard Licence Condition (SLC) 10 to give information and advice to PSR customers, and to publicise PSR services and procedures.

The opening of this investigation does not imply that we have made any findings of non-compliance by WPD. However, the investigation concerns compliance with SLC 10, which we consider is relevant to the Minimum Requirements, in particular, with regards to having an up-to-date vulnerability strategy. In order to ensure that we take all relevant information into account when determining whether WPD has passed the Minimum Requirements check, we have decided it would be appropriate to defer our Minimum Requirements assessment of WPD's Part 1 submission until the investigation has concluded or at an earlier date if we consider that we have adequate information to proceed. If, subsequently, WPD meets the Minimum Requirements, then Parts 2 and 3 of its submission

⁹ Ofgem announcement of enforcement investigation into WPD's compliance with obligations relating to its PSR: <https://www.ofgem.gov.uk/publications-and-updates/investigation-western-power-distribution-plc-and-its-compliance-obligations-relating-priority-services-register>

will be considered as soon as reasonably practicable in the next assessment process. This is consistent with the approach taken for the 2019-2020 submission.

General Feedback

At this stage the SEI and SECV are well established incentives, the Panel therefore expect to see evidence that stakeholder engagement is fully embedded in the business; influencing the company's agenda and priorities; impacting the culture from frontline staff to senior managers; delivering meaningful and measurable outcomes; and being shared and replicated both inside and outside the sector. The Panel also expect to see companies responding to feedback – at sector and company level - from previous years. This section highlights the good practice and progress found during this year's assessment process, as well as examples of where these expectations have not been met.

General points of feedback

Beyond this incentive, the Panel consider that the energy sector and companies have dealt with the challenges of the Covid-19 pandemic well. The Panel observed that those companies with robust stakeholder engagement strategies and clear networks of partnerships appeared to have been better able to respond quickly to the challenges which the pandemic created and to identify key learnings from it.

The Panel was pleased to see that in most cases companies uncovered learnings applicable to the long-term from the ways in which they handled the challenges of the pandemic. It is notable that, in a majority of cases, companies gained new insights from their engagement, in particular during the pandemic, and informed the Panel that they intend to maintain many of their learnings and new approaches.

This incentive has now been in place for a relatively long period, noting that there is a clear expectation that there will be year-on-year progress¹⁰, and recognising that this is the final year of the incentive for Gas Distribution and Transmission and that we are approaching the final two years for Electricity Distribution, the Panel expects high standards. The Panel notes that the extent to which this was evident differed significantly between companies – with some demonstrating that stakeholder engagement is embedded within that company's culture and having a significant impact on decision making, others developing year-on-year

¹⁰ Paragraph 2.4 in the Guidance documents sets out the expectation for companies to build on and highlight progress made from previous years.

SEI Guidance: https://www.ofgem.gov.uk/sites/default/files/docs/2018/12/sei_guidance.pdf

SECV Guidance:

https://www.ofgem.gov.uk/sites/default/files/docs/2018/12/secv_incentive_guidance.pdf

and some failing to demonstrate via their submissions and presentations that stakeholder engagement was a well-established and embedded part of their activities.

The scale and criticality of the Net Zero challenge was identified by every company. The Panel notes that:

- the scale of this challenge means that ambition and action is key;
- the complexity of the transition is significant and there is a real need to explain this clearly, including outlining network companies' role within it, as part of engagement activities;
- it is key that stakeholder engagement and customer research is used to understand customers' barriers, preferences and challenges relating to the transition (as opposed to reinforcing already held views).

Partnerships and collaboration are likely to have an important role to play in addressing the Net Zero challenge as well as many other challenges facing the sector. This includes learning from and applying best practice from other sectors and using partnerships - beyond as well as within the sector - to both develop and deliver initiatives. The Panel was surprised that at this stage of the incentive that there is still relatively little collaboration and sharing of learnings either between network companies of the same type or network companies of different types but operating in the same region(s). The Panel notes that many submissions included evidence that research or analysis were being commissioned to assess broadly similar topics. In addition, the Panel also notes the opportunities for benefit available in supporting vulnerable customers through collaboration and knowledge sharing.

The Panel welcomed the year-on-year development in the use of Social Return on Investment ("SROI") – with most companies using it alongside additional quantitative and qualitative information to allow more robust decision-making. The Panel notes that electricity distribution companies, in particular, have collaborated to develop this analysis. The Panel suspects that this is an area in which greater collaboration to develop a standardised approach would be beneficial and considers that a common approach may enhance robustness and comparability. Future submissions would benefit from greater clarity as to why particular projects have been selected to go ahead, particularly where the SROI value is relatively low.

The Panel notes the enhanced importance of making data freely available and in a format which reflects stakeholders' needs, to the future development of the energy system. This includes, where required, working with stakeholders to ensure data is presented in a format with which they can engage. The Panel was pleased to see developments in mapping and in

effective data sharing between organisations in this year's submissions. The Panel hopes that this progress will continue.

Supporting customers in vulnerable situations and ensuring they can access companies' services is an important part of many companies' submissions, particularly those of the DNOs'. The Panel is looking for evidence of genuine positive impact, with breakthrough initiatives scaled up quickly. The Panel would like to see all DNOs setting out what proportion of eligible customers have been added to the PSR over the year, and what the current total is. Similarly, the Panel would like companies to set out both the breadth and depth of their fuel poverty work, distinguishing between advice services and more in-depth support, with appropriately robust measurement of the benefits of this work.

Every company highlighted the significant development that they felt their stakeholder engagement strategies and approaches had undergone since the beginning of the current price control periods. Many highlighted the sizeable benefits that this had allowed the companies to realise. These observations were shared by the Panel members who had been involved in this process over a number of years. With particular consideration to this being the final year of the SEI, the Panel would be disappointed were this activity to diminish in focus in the absence of the incentive and encourages future engagement activities and commitments to be reported through annual reporting.

Examples of best practice

The following are some general and company-specific examples of best practice that the Panel identified in the submissions this year.

1. *Two-way engagement* – The highest scoring submissions were able to demonstrate, in a clear way, that engagement was a two-way, end-to-end process in which stakeholder views had an impact at every stage of an initiative and, crucially, were able to shape the agenda rather than simply respond to it. For example, NGN's Green Energy Transition Bonds initiative was viewed positively by the Panel as it demonstrated an innovative response to a need identified by customers with NGN facilitating in-depth, deliberative engagement allowing customers to be involved in developing a solution. UKPN and SSEN's work with local authorities on enabling them to make best use of Distribution Future Energy Scenarios data was also seen as good practice. Lower scoring submissions were not able to demonstrate how stakeholder engagement influenced decision making and, in some cases, gave the

impression that engagement was being used to reinforce existing views or was limited to those issues clearly of interest to the company in question.

2. *Co-creation* – Higher scoring submissions were able to show that a well-established network of partnerships, within and outside the sector and within a network company's licensed area(s), had been established and that those partnerships were being used to co-create and refine solutions. For example, the Panel would highlight the work that SPT undertook in co-creating a Community Energy Strategy with Community Energy Groups, which they have developed and embedded in their RIIO-2 plans. In addition, the wide range of partnerships and collaborations in UKPN's Tackling the Net Zero Challenge initiatives that included sustainability in the supply chain, biodiversity, heat decarbonisation, facilitating Electric Vehicle uptake, flexibility services and whole system benefits, was viewed positively by the Panel.
3. *Replicability* - The Panel identified several initiatives which could be considered best practice, particularly relating to methods of engagement, to the use of data and to new engineering solutions. The Panel notes that higher scoring submissions could evidence not only that these initiatives could be shared, but that action had been taken to ensure the learnings were proactively shared. The Panel identified SPT's Black Start demonstration trial as an example of good practice, along with UKPN sharing insights with NEA, local authorities, and non-governmental organisations from overlaying heat decarbonisation mapping with fuel poverty data.
4. *A leading role* – Where companies have taken a leading role in driving a beneficial initiative (whether nationally, locally, within sector or outside the sector) or in using their position to solve a significant challenge for the sector, the Panel awards higher scores to reflect this. The Panel was pleased to see significant focus in this year's submission on companies' working with their supply chains to improve sustainability. For example, the Panel was encouraged by UKPN working with each of their 30 highest-emitting suppliers on targeted action plans. In addition, SHET demonstrated good practice by actively sharing their learnings, including the target setting methodology on the Science Based Targets accreditation process with Ofgem's RIIO-ED2 groups.
5. *Governance & Senior buy-in* – At this stage of the incentive, the Panel expects to see mature strategies and strong senior buy-in. Within this year's Submissions, relevant evidence included stakeholder engagement reflected in objectives for colleagues across the business; engagement findings being a feature of Board level

decision making; well-established training programs; and clear governance arrangements.

6. *Quantifications* – As noted above, the Panel welcomed the year-on-year developments in the use of SROI. Relatively better scoring submissions were able to demonstrate how this was one of the factors considered in decision-making and to provide robust assessments of impact. For example, ENWL showed how the use of SROI had influenced their Board to invest additional funds into grid digitalisation with the anticipated benefit of further bill reductions for customers and significant social value. In addition, UKPN's breakdown of social valuation by financial, social and wellbeing impacts was highlighted by the Panel as a good example of quantification. Recognising that several companies pursued projects with very large ranges of SROI values, the Panel would encourage companies to explain how SROI influences decisions about the relative priority and scale of projects.
7. *Financial support* – This year many companies chose to make some form of financial contribution to partners or groups operating within their licensed area. While clearly beneficial, it could be argued that this is what would be expected of a responsible business. Higher scoring submissions were able to demonstrate how engagement influenced the decisions about where to target funding and were able to show that learnings had come from the funding and that, where possible, those learnings had been shared. For example, SPT's work with their Green Economy Fund project partners to build links between partners to share best practice and learnings, and to also drive wider benefits through sharing the learnings more widely. The Panel also noted several innovative initiatives which sought to financially support consumers. ENWL's Smart Street initiative used voltage optimisation technology to reduce customer's energy bills by an average of £60 per annum and is through business outperformance and cost-efficiency expected to save at least £127m.

Areas for improvement

1. *Presentation of submissions* - In many cases companies chose to use small fonts in submissions and to include a very large amount of information. Whilst this may be considered a sign of the volume of activity being undertaken, it can also make submissions difficult to digest, risks important initiatives being missed or can give the impression that relatively little explanatory information about an initiative is provided. The Panel thanks those companies who chose to use type sizes that are

easy to read; this makes it much easier to absorb the information in the submission. In addition, several submissions were written in either very corporate or very technical language.

2. *Awards* – Many submissions included long lists of awards and recognitions companies have achieved. The Panel can only assess what is included in the submissions and, if these are directly related to engagement activities, companies could consider drawing these out individually. The Panel is mindful where it is unclear which companies have entered awards or understand the basis on which award decisions have been made.
3. *Scale* – The Panel pays particular attention to the scale of initiatives, including the year on year increase in the scale of pilot initiatives from previous years. The purpose of the incentive is to trigger activities which unlock benefits for customers. The Panel was disappointed to see several examples in the submissions which could have had far greater consumer benefits but had not, in the opinion of the Panel, been scaled up to the extent they could have been.
4. *Large figures* – Similarly, many submissions contain large numbers, often in large type, highlighting such things as the number of outcomes achieved, the number of stakeholders engaged with, and in one case the number of vulnerabilities added to the PSR. These 'big figures' do not provide the Panel with sufficient context to understand the impact of what is being referred to. Fewer 'big figures' and more emphasis on presenting evidence of impact would be welcome.
5. *Comparability/ contextualisation of numbers* – Almost all submissions include lots of numbers. The Panel are challenged with contextualising these numbers – not least given the different sizes of the companies involved. Companies may wish to consider how to present numbers in a way which makes for easier comparison.

Activities that were not considered eligible for a reward

The Panel highlight again the following points which were included in the 2019-20 Panel report.

1. The SEI and SECV incentives are designed to reward network companies for undertaking high-quality engagement activities and for using the outputs from this

process to inform how they plan and run their business on an ongoing basis. In this way, the incentives drive companies to embed stakeholder engagement in all areas of their businesses. Paragraph 5.2 of the Guidance requires that companies clearly identify where activities are driven by a statutory or license obligation, or incentives that exist elsewhere in the regulatory framework. The Panel would reward these initiatives as part of its assessment only where it has been clearly demonstrated that the stakeholder engagement or consumer vulnerability activities go beyond the outcome of what was originally incentivised. It is the companies' responsibility to demonstrate this added value.

2. In 2020-21, a number of companies included grants from specific funds or foundations as a benefit to customers. Companies are reminded that the provision of grants to individuals, community groups or other stakeholders will be considered a benefit only where this addresses stakeholder needs or difficulties that are identified through stakeholder feedback, demonstrates exceptional stakeholder activity that goes beyond BAU activities and where the benefits are measurable.
3. As highlighted in previous Panel Reports¹¹, we would again remind companies that in the remaining years of the incentives in RIIO-1, the Panel will not consider activities undertaken that are part of RIIO-2 preparations.

¹¹ See page 11 of 2019-20 Panel Report- Stakeholder Engagement (and Consumer Vulnerability) Incentives: https://www.ofgem.gov.uk/sites/default/files/docs/2020/09/2019-20_secv_sei_panel_report_published_0_0.pdf

Appendix 1: Criteria and Scores

Panel Assessment Criteria

The Panel assess GDNs and TOs against the SEI Panel Assessment Criteria, and DNOs against the SECV Panel Assessment Criteria.

Table 1: SEI Panel Assessment Criteria

Criterion	Weighting
Initiatives which are part of an holistic approach embedded in their business	15%
Initiatives which reflect innovative thinking in responding to needs of stakeholders	25%
Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits,	25%
Initiatives which are supported by robust project management processes and appropriate resources,	10%
Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice and could be replicated across the industry	25%

Table 2: SECV Panel Assessment Criteria

Criterion	Weighting
Initiatives are part of a holistic approach embedded in their business	15%
Initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	25%
Initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	10%
Initiatives result in measurable benefits for stakeholders	25%
The quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	25%

The Panel use the Consumer Vulnerability Sub-Criteria for guidance purposes in their assessment of the DNOs under the SECV.

Further information on the Panel Assessment Criteria can be found in the Guidance.

Scoring

The Panel scored the network companies out of 10 on each of the relevant criteria. The Overall Panel Score is then derived by applying the weightings in tables 1 and 2 to the score for each criterion. The Overall Panel Score determines the allocation of a financial reward (if any) under the incentive mechanisms.

Table 3: Score descriptions

Score	<i>Below 5</i>	<i>5</i>	<i>6-7</i>	<i>8</i>	<i>9-10</i>
Description	Weak	Average	Fair	Good	Excellent

Scores of 4 or less receive no reward, while scores of 9 and above receive the maximum financial reward available¹².

Overall Panel Scores

The Panel awarded the following Overall Panel Scores out of 10 for each of the network companies (rounded to 2 decimal places). Using the stakeholder engagement methodology¹³, the financial reward for each GDN, TO and DNO group is shown in 2020-21 prices. This adjustment will be applied to the 2021-22 revenues.

¹² As set out in paragraph 6.3 of the Guidance.

¹³ https://www.ofgem.gov.uk/sites/default/files/docs/2014/07/se_reward_decision.pdf

Table 4: Overall Panel Scores and rank 2020-21

<i>Company</i>	<i>Score/10</i>	<i>Rank</i>
UKPN	8.05	1
NGN	7.2	2
SPEN	7.08	3
Cadent	6.78	4
ENWL	6.61	5
SPT	6.46	6
SHET	6.34	7
SGN	6.21	8
SSEN	6.2	9
NGET	5.46	10
NPg	5.01	11
WWU	4.85	12
NGGT	4.81	13

Appendix 2: Detailed Feedback

Index

Name	Page No.
Cadent Feedback	20
NGN Feedback	23
SGN Feedback	26
WWU Feedback	29
NGET Feedback	32
NGGT Feedback	35
SHET Feedback	38
SPT Feedback	41
ENWL Feedback	44
NPg Feedback	46
SPEN Feedback	48
SSEN Feedback	50
UKPN Feedback	53

Cadent Feedback

Overall Panel Score: 6.78

Cadent's Submission showed evidence that a clear strategy is in place and that the results of engagement are driving business decisions. Cadent has clearly tried to respond to feedback from last year to show how engagement activities influenced priorities. There was evidence of a range of innovative approaches – ranging from technology, to data and to forms of engagement. The Panel hopes to see Cadent further scale-up initiatives and share best practice during the RIIO-GD2 period.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - Initiatives which are part of a holistic approach embedded in their business	Cadent's submission included evidence of a coordinated approach to stakeholder engagement and of stakeholders influencing company strategy (e.g. making future plans a reality sooner). However, recognising that this is the final year of the incentive, the Panel noted that new vision and Critical Friends Panels were being created; suggesting a less mature approach than some other companies. Evidence of senior involvement remained present, with the approach continuing to evolve with the recruitment of regionally located managers. Cadent clearly sought to respond to feedback around demonstrating how stakeholders had influenced overall priorities, outlining the role, for example, of the Customer Engagement Forum; though there remains scope to be clearer in this regard and the Panel would particularly like to see evidence of the outcomes which engagement has delivered. The Panel commented on the strong use of data through the submission and presentation. The Panel was encouraged by Cadent's description of the evolution in their approach and the description of the current approach relative to that at the start of the incentive as 'Chalk and Cheese' and hopes Cadent continues to develop in this area.	6.75
2- Initiatives which reflect innovative thinking in	The Panel felt Cadent demonstrated a broad range of initiatives reflecting innovative thinking, with evidence those	7.25

responding to needs of stakeholders	<p>initiatives had been informed and shaped by stakeholder feedback. This included the use of data and AI to facilitate data-driven decision-making in areas such as leakage prevention and trialling sniffer dogs to detect gas. The Panel felt that some of the initiatives related to data could, perhaps, have been delivered sooner. The Panel looked at the projects related to hydrogen with interest. Given questions such as the repurposing of gas infrastructure are clearly highly relevant to GDNs' future strategy, this was an area where the Panel would have welcomed more information on the role of stakeholders.</p>	
3 - Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits	<p>The Panel saw a range of regional projects in the Submission – for example focussing on Net Zero pathways in Greater Manchester. The Panel noted that, in general, work to support vulnerable customers appeared to be at a relatively early stage with more descriptions of research and insight rather than outcomes. The Panel viewed the work with the supply chain positively, welcoming the increased focus on attracting applicants from underrepresented groups and on diversity and inclusion more generally. They considered the work on connections to be in line with expectations. While simple, the Panel felt the One Number Referral Scheme could deliver customer benefits. The Panel viewed the work on suicide prevention positively and note that this was not an area that they had seen other companies working on. The Panel would have liked to see greater evidence to demonstrate that Cadent was taking a leading role in projects, as opposed to being a participant.</p>	6.75
4 - Initiatives which are supported by robust project management processes and appropriate resources	<p>Generally, the Panel saw evidence of robust governance and project management processes. On assessment, the Panel did not feel that the Submission described approaches such as the Value Assessment Framework in sufficient detail for it to fully understand the impact that this assessment was creating. The Panel noted the use of Power BI data. The SROI answer in the Panel Session presentation provided useful information about how this was one of a number of factors used in a triangulation process which informed</p>	5.75

	decision making, though the development of a robust sector wide SROI methodology remains a work in progress.	
5 - Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice and could be replicated across the industry	As with every company, the Panel was seeking evidence that efforts had been made to share initiatives which could be considered smart or best practice, rather than that these initiatives were purely present in Submissions. Panel members commented on the use of immersive research techniques; learnings from partnering with local authorities; the One Number Referral Scheme; enhanced use of data and AI; and the use of sniffer dogs. The Panel also highlighted that the work Cadent had done on Net Zero could be easily replicated.	6.75

NGN Feedback

Overall Panel Score: 7.2

The Panel considered that NGN's submission demonstrated that stakeholder engagement is an embedded part of its culture and is driving decision making. The Panel recognised evidence of senior buy-in, noting that stakeholder engagement was reflected in staff objectives throughout the business and saw evidence of innovation in the use of data, in methods of engagement and technologically. The Panel particularly noted that the Citizens Jury, which has now been in place for a number of years, had matured significantly and was interested to see issues such as the financing model for network companies being discussed.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - Initiatives which are part of an holistic approach embedded in their business	<p>The Panel found credible evidence that NGN is understanding and valuing stakeholder engagement at various levels of the business. For example, Finance and HR having engagement related objectives.</p> <p>One example of senior buy-in, the Green Transition Bond, which NGN had discussed at senior levels with their owner CKI, was picked out by the Panel as a positive demonstration of using stakeholder feedback to make a change in company culture. The Panel believed that NGN has a clear strategy; albeit noting parts of that strategy are not fully mature as yet, such as activities related to the PSR. The Panel considered that NGN was open to gathering feedback in a variety of ways, for example the Young Innovators Council was seeking to use feedback to improve its business and was open to co-creating initiatives with stakeholders.</p>	7.5
2- Initiatives which reflect innovative thinking in responding to needs of stakeholders	<p>A range of innovative initiatives which had been developed with and shaped by stakeholders were identified. On the partnership front, NGN evidenced the work supporting local authorities in delivering Net Zero; enhanced use of AI and a focus on improving data; the development of a Green Transition Bond on the finance side and technological</p>	7.5

	<p>developments such as acoustic cameras. The Panel noted that even in smaller scale initiatives, there was evidence that stakeholders were involved, and that feedback was shaping decisions. The Panel questioned whether the focus on improved data could have happened sooner.</p> <p>The Panel was particularly interested in the process leading to the development of the Green Transition Bond and the related feedback that only 34% of the Citizens Jury considered the investment model fair. The Panel were interested to learn that the Citizens Jury had developed to a point where it was considering such complex topics as it has been in place for some time, providing more in-depth, challenging, and insightful feedback.</p>	
3 - Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits	<p>The Panel considered work in this area to be relatively strong with a range of initiatives demonstrated, but felt some of the initiatives could have come at an earlier stage. The Panel noted that webinars had been accessed by stakeholders from Australia and Continental Europe and considered the Young Innovators Council to be an interesting development. Prior to the presentation, the Panel commented that the Submission provided less information on NGN's role as an Anchor Institution than returning Panel members had expected following last year's submission. This was, however, expanded on as part of the question-and-answer session.</p> <p>The Panel noted that 20% of PSR eligible customers have been signed up vs a possible total of 30%. The Panel encourage NGN to continue to seek to extend their PSR reach throughout RIIO-GD2.</p>	7.75
4 - Initiatives which are supported by robust project management processes and appropriate resources	<p>From NGN's presentation and Submission, the Panel had the impression that a thorough approach is followed with clear senior buy-in. Presenters noted that there is a desire to further improve SROI and to create a more robust methodology – which the Panel would support for NGN and the sector in general. More information on the way that SROI and wider analysis has informed decisions to start, stop or scale up projects would be helpful given there were</p>	5.75

	projects in the submission with a £0.01m net SROI over the next five years and a £5.4m net SROI over the next five years, whilst recognising that SROI is one input into a project assessment process.	
5 - Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice and could be replicated across the industry	As noted under Criteria 2, a range of innovative initiatives were identified. The Panel would have liked to see evidence that efforts have been made to share and replicate best practice, as opposed to evidence that initiatives could potentially be shared. Learnings from the Citizen's Jury could usefully be shared, as could the Green Transition Bond (noting that ownership is common between NGN and some other network companies). The Panel notes that NGN seemed to collaborate effectively outside the sector but questioned whether there was scope to improve within sector collaboration.	6.75

SGN Feedback

Overall Panel Score: 6.21

SGN's Submission and presentation this year did not provide the Panel with sufficient evidence that stakeholder engagement is an embedded part of the business and is influencing decision making. While there was clear evidence of beneficial initiatives, the scale was often small and the extent to which the initiatives had been shaped by stakeholders was difficult to determine. Recognising the incentive requires a company to 'run to stand still', the Panel did not see evidence to suggest there had been a significant year on year increase, thereby leading to a lower score for SGN again this year. While elements of the presentation, particularly those focussed on operational experience, gave valuable insights, other answers did not provide the Panel with additional evidence to dispel concerns.

Detailed feedback

Criterion	Comments	Score
1 - Initiatives which are part of an holistic approach embedded in their business	<p>The Panel did not consider that SGN's Submission was as clear as it could have been about how stakeholder engagement was driving changes/improvements in business strategy. For example, the Panel would have liked more evidence as to how the three commitments to customers were initially, and continue to be, shaped by stakeholder input. The Panel noted that at this stage of the incentive, a strategy should be clearly embedded and producing positive results. The Panel noted that a number of new Panels have recently been set up and would have liked to hear more about where they fit into SGN's current and future strategy and approach.</p> <p>At some points the Panel had the sense that engagement was focused solely on issues of importance to SGN. The responses to Panel Session presentation questions reinforced this and caused the Panel to question the extent to which a strategy was deeply embedded within the business.</p>	5.75
2- Initiatives which reflect innovative thinking in	The Panel saw evidence of several positive initiatives, such as Live Mains Transfer and customer self-isolation and	6.25

responding to needs of stakeholders	<p>restoration procedure as used in Huntly. It is clear SGN is focusing on decarbonisation, though the submission did not yet give a sense of leadership or delivering at scale. The Panel thought the work on biomethane connections was clearly responding to stakeholders' needs.</p> <p>The Panel also considered that giving specific consideration to the impact of streetworks on wheelchairs, pushchairs and mobility scooters is a positive development, as is the pipe risk module which has been shared.</p>	
3 - Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits	<p>The Panel saw evidence of ongoing efforts to build partnerships and evolve these in light of changing customer needs, and to support vulnerable customers. However, it did not see a step change in the level of activity or evidence of delivery at an increased scale.</p> <p>The Panel noted a number of initiatives arising from COVID-19, including the rescheduling of work near hospitals and care homes; engagement to understand customer concerns before restarting replacement works; and asymptomatic testing of engineers. The Panel also noted efforts to gain feedback on streetworks from multiple parties, including Scope. The Panel also noted efforts to target farmers and those working on the land.</p> <p>The Panel noted that a Vulnerability Steering Group has been established and that three new partnerships were established this year. The Panel considered the number of locking cooker valves installed low given the high number of dementia suffers and long period of time in which this initiative has featured in SGN's Submissions. The Panel felt that efforts to work with those leaving hospital were positive and noted actions to embed British Sign Language within the website.</p>	6.5
4 - Initiatives which are supported by robust project management processes and appropriate resources	<p>As noted above, the Panel Session presentation and the scale of many of the initiatives in the submission caused the Panel to question how extensive senior buy-in is.</p> <p>The Panel understands that SROI is one form of information used in decision-making as part of a triangulation process. The Panel would have liked a clearer sense of how SROI was being used within the business to inform decision-making.</p>	6

	There appears to be scope to further develop the methodology and perhaps the Social Value Bank.	
5 - Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice and could be replicated across the industry	The Panel is looking for evidence that things could be shared in future and that efforts have been made to share them within the incentive year. The Panel felt initiatives such as the Live Mains Transfer, the launch of the FYLD application, and the self-isolation and restoration processes were replicable and were pleased to see that some initiatives have already been shared.	6.25

WWU Feedback

Overall Panel Score: 4.85

The Panel did not consider that the evidence included in the Submission demonstrated that stakeholder engagement is fully embedded across the business, that initiatives are co-created with stakeholders and that engagement activities are driving decision-making. The Panel noted a broad range of initiatives, however the scale of these initiatives were often small. The Panel expects to see evidence that an embedded strategy is delivering an increasing number of beneficial outcomes with year-on-year improvements in the quality of engagement and that there have been attempts to scale up and roll out initiatives from previous year's Submissions. The Panel did not see this in WWU's submission, leading to a lower score relative to last year.

The Panel Session presentation and question and answer session provided an opportunity to address concerns from the Panel in these areas. However, responses to the questions posed raised further questions about whether engagement is having a fundamental impact on decision making at senior levels; and suggested to the Panel that WWU was making smaller strides forward than some of its peers.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - Initiatives which are part of an holistic approach embedded in their business	The Panel felt that WWU's Submission and Panel Session presentation was not as clear as it could have been on what stakeholder engagement had brought to the business. This caused concerns considering the late stage of this incentive. The presentation lacked information about how the strategy had evolved and how it is designed to add value. The Panel would have liked to have seen more detail in areas including initiatives being pursued in tandem with supply chain partners and on the environment. This moved to second place in customers' priorities, but it was not clear what was being done in response. The Panel would also have liked to see a much greater focus on delivery and impact. Attempts to embed the strategy via, for example, local visits were viewed as sensible, and the Panel would have liked to have understood more relating to the Citizens Panel.	5.25

2- Initiatives which reflect innovative thinking in responding to needs of stakeholders	<p>The Panel identified a number of positive initiatives including creating healthy soil from construction waste, flood mapping and recycling hardhats, which was a WWU employee's idea. They also noted projects to create a new customer experience system and increase automation and integration of data. It appeared to the Panel that modelling and data is a strength, for example the Pathfinder project but there was limited evidence of this leading to delivery. Some initiatives, such as a pilot on infrastructure planning, were yet to get under way and others appear to be being undertaken at a small scale.</p> <p>The Panel also noted a significant focus on interesting hydrogen related projects – HYHY and HYcompact in particular. Noting that these projects have received some funding from other sources, the Panel would have welcomed greater evidence on the role which stakeholder engagement had played in them.</p>	4.5
3 - Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits	<p>There was evidence of efforts to target various groups of challenging stakeholders, though the Panel were concerned about the scale of projects. For example, 46 park homes had been connected, 718 fuel poor customers were helped, and 55 people referred for advice in Torbay. While there were various training sessions, including with Mind, Marie Curie, and Dementia Friends, this did not seem to be translating into the sort of scaling up which one might expect to see at this stage of the incentive. The Panel therefore felt that all potential customer benefits were not necessarily being realised.</p>	5.5
4 - Initiatives which are supported by robust project management processes and appropriate resources	<p>The Panel did not get a sense that a robust assessment of impact was being undertaken. They would have liked to see more explanation of why and how measures had been undertaken and of how that translated into decisions to stop, redesign, scale up or roll out initiatives. The Submission was not systematic in detailing benefits and some numbers lacked context, for example whether they were one-off or annual savings. The presentation on this topic did not manage to convey a clear sense of how SROI is being used.</p>	3.75

5 - Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice and could be replicated across the industry	The Panel considered some initiatives such as the approach to accessing gas supplier contact data, the hybrid gas boiler/ heat pump and the stickers on appliances could be replicated. The Panel also felt the focus on scams was topical. The Panel would have again liked to see proactivity in sharing the learnings from initiatives which had been scaled-up.	4.75
---	---	------

NGET Feedback

Overall Panel Score: 5.46

The Panel recognised that last year NGET reviewed its stakeholder engagement approach and made changes with a view to ensuring that stakeholder engagement was embedded into its decision-making throughout the business. However, whilst the Panel could see that some improvements have been made, they were concerned over whether there was buy-in from the wider business and whether initiatives were truly being driven by stakeholders. The Panel was encouraged by NGET's use of the SROI tool and the work to improve use of it.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - Initiatives which are part of an holistic approach embedded in their business	The Panel recognised that NGET continue to engage with stakeholders on areas and topics in which they believe that stakeholders can make a difference and seem much more open to letting stakeholders shape NGET's focus. While the concept of the "golden thread" was viewed positively by the Panel, they felt that this was not adequately explained in relation to what this entailed nor how it was used to improve the stakeholder experience or shape engagement. The Panel also felt that not a lot of engagement had been detailed in the Submission, that there was a lack of explanation on NGET's approach and that the approach did not come across as embedded. However, the Panel noted that NGET said that business as usual engagement was not included in their Submission.	6
2- Initiatives which reflect innovative thinking in responding to needs of stakeholders	The Panel felt that limited evidence was provided in respect of innovation. Generally speaking, examples that were quoted were developments that could have been delivered at an earlier stage which, in some cases, had been delivered by some other companies who are subject to the incentive, for example the use of 'gamified' tools. The Panel felt that there was a lot of emphasis placed on the Responsible Business Charter, but they could not see how stakeholders had driven this development and believed that this could be viewed as	5

	<p>Corporate Social Responsibility. The Panel did however recognise the NGET were doing work in relation to challenges associated with delivering Net Zero, highlighting NGET's work on HGVs and heat as good examples.</p> <p>In respect of customers, whilst qualitative research had been carried out, this seemed to be as far as the company went in understanding what customers think and the Panel felt that it does not appear a robust means of assessing customer needs.</p>	
3 - Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits	<p>There was a wide range of initiatives detailed across numerous different challenging groups. Last year the Panel had been concerned about the scale of the initiatives being pursued by NGET, however this year they could see that a number of projects were at a substantial scale. There were elements of the submission that the Panel viewed as being Corporate Social Responsibility, for example some of the work on diversity and inclusion. The Panel liked that NGET had used national television programmes to substantially extend their reach and engage the wider public on significant issues such the Net Zero challenge, for example through the BBC's Top Gear, where they sought to address concerns about "range anxiety" in relation to electric vehicles.</p> <p>Similarly, partnering with the BBC's Country File programme in visiting their Bishop's Wood Environmental Education Centre to discuss environmental remote learning during the pandemic and promote their work around natural capital.</p>	6.25
4 - Initiatives which are supported by robust project management processes and appropriate resources	<p>NGET explained how they have developed the SROI tool within their business and worked to improve their use of it across their business. The Panel believed that there was evidence of its use in decision-making and that there is senior level buy-in to the principles. However, they were not clear how the tool is used by NGET at an individual project level. The Panel were pleased to see that NGET had been working with the electricity distribution companies on the SROI tool in the last 12 months.</p>	5
5 - Initiatives resulting from stakeholder engagement activities which may be	<p>Similar to last year, the Panel felt that there was not a lot of examples of initiatives that could be viewed as smart practice and not a lot of work to share initiatives. The Panel did</p>	5

<p>recognised as smart practice and could be replicated across the industry</p>	<p>recognise the work done on the Connect Now tool and that NGET had shared this with SSEN. The Panel was encouraged that NGET had been approached by a Japanese energy regulator to share best practice on stakeholder engagement and was similarly pleased to see that NGET had been undertaking international engagement to share engineering solutions and engaged with a European TO to reduce congestion and facilitate the energy transition.</p>	
--	--	--

NGGT Feedback

Overall Panel Score: 4.81

The Panel was encouraged to see that NGGT is taking steps to address the serious concerns that the Panel had about last year's submission. The enhanced approach that had been developed does now seem to be starting to deliver some improvements, and further improvements are being made such as working with a long-term focus with stakeholders on the Net Zero transition. However, the Panel did not find sufficient evidence that the strategy was consistently being implemented in a way which would identify customer and stakeholder needs, respond to them and ultimately unlock relevant benefits.

The Panel consider that there is still much further for NGGT to go in terms of stakeholder engagement, particularly in reaching out beyond the expected set of stakeholders and using the full range of measurement tools to prioritise and evaluate initiatives. While there also appears to be opportunities to enable stakeholders to drive the engagement agenda, not just respond, it was encouraging to see emerging evidence that NGGT is responding to the feedback it receives. The Panel concluded that NGGT would see benefits from continuing to build on these improved foundations during RIIO-2.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - Initiatives which are part of an holistic approach embedded in their business	<p>The Panel was encouraged to see that NGGT had responded to last year's Panel feedback and is making efforts to improve its approach to stakeholder engagement. This includes a long-term focus on the Net Zero transition as well as near-term matters. The evolution in approach, with engagement now owned within teams and proactive updates to stakeholders about what NGGT is doing in response to their feedback, should pay dividends going forward.</p> <p>However, rather than looking to engage more widely, much of the focus was on a narrow set of stakeholders that NGGT would be expected to engage with. The Panel was also left with the impression that NGGT continues to engage mainly on the issues that are important to them, rather than truly enabling stakeholders to influence the agenda. There were some initial signs of improvement but overall, once again, it</p>	5.5

	was rarely clear what influence stakeholder engagement is having on NGGT's strategy and decision making.	
2- Initiatives which reflect innovative thinking in responding to needs of stakeholders	<p>NGGT do not appear to be taking the leading role that would be expected in this area for a company of its size and role in the GB energy system. Much of the work on Hydrogen in transport and heat seemed small scale and slow, focused on facilitating debate or doing analysis rather than wholeheartedly working collaboratively to find solutions. The descriptions of the initiatives were often minimal, making it difficult for the Panel to understand what insights stakeholder engagement brought or how approaches changed in response. For example, the claim to be ensuring that consumers' voices are heard at the European level was not backed up with evidence of how consumers' views had been sought, nor the influence they had had on NGGT's approach. There was no description of the stakeholder need that the Humber crossing project had responded to. NGGT have apparently delivered £4.5m of 'value to society' but no information was provided about the 'community support activities' and recycling that the value came from, nor what role, if any, engagement played in the development of these initiatives.</p> <p>However, there were some examples of smaller projects – including Safe Dig and enabling stakeholders to access and use data – where NGGT had clearly worked to understand the issues facing stakeholders and responded to meet their needs. The Panel hopes that NGGT will build on these successes going forward.</p>	4.75
3 - Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits	<p>There were some examples of working with particular stakeholder groups and acting on feedback, including the Gas Future Operability Plan and the corrosion remediation work at the St Fergus terminal, but again little sense of leadership or initiatives beyond what would be expected, such as the work on the Gas Charging regime. The Panel could not find a great deal of evidence of reaching out to specific challenging or hard-to-reach groups; the need to reach major energy users via trade organisations strengthened the sense that NGGT</p>	4.75

	<p>has further to go in establishing strong, mutually benefit links with all the relevant stakeholder groups.</p> <p>There had been efforts to proactively share the death and bereavement toolkit that National Grid developed, and overall the presence of more examples than last year led to an improved score.</p>	
4 - Initiatives which are supported by robust project management processes and appropriate resources	<p>The approach taken to setting out costs and benefits of initiatives did not fully convince the Panel that initiatives are supported by robust project management processes and appropriate resources. There was an emphasis on costs in FTE time, most of which were so low they called the significance of the initiatives into question. The submission noted that NGGT had 'worked with' NGET on Social Value but it was not clear what NGGT had contributed. A few examples of SROI benefits were given but it was not clear how the SROI tool is used within the business, for example in project prioritisation and evaluation.</p>	4.25
5 - Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice and could be replicated across the industry	<p>The Panel identified a relatively small number of projects that could be replicated, and the score was further limited by the identified projects being quite small scale. They included the Safe Dig work, the revised approach to training that reduces the time to become competent to 10 weeks, and the death and bereavement toolkit.</p> <p>It is important that projects are not just replicable, but actually shared and the Panel was pleased to see evidence of NGGT sharing initiatives. One example was the cyber security PIN technology and the work that NGGT did in leading and sharing this with the GDNs.</p>	4.75

SHET Feedback

Overall Panel Score: 6.34

The Panel believed that SHET's stakeholder engagement is becoming more embedded in the organisation and is being led by senior management. The Panel was however concerned that stakeholder engagement is not driving the business and that SHET engages on the issues that it wishes to pursue with stakeholders, rather than asking stakeholders what is important to them and what SHET should focus on. In that regard, there was a concern that the predominant engagement focus for SHET is around generation assets and problems.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - Initiatives which are part of an holistic approach embedded in their business	<p>The Panel recognised that as with last year SHET is undertaking co-creation in several areas, as well as consulting on solutions, which the Panel viewed as positive. However, some of the projects quoted seemed to reflect business as usual activity and were not covering areas that the other companies are or that the Panel would have expected, for example SHET is typically focused on generation issues. In addition, SHET's submission lacked evidence of year-on-year improvement.</p> <p>The appointment of a Director of Customers and Stakeholders to the Executive Committee and the new directorate to underpin the strategy was viewed positively. However, the Panel had concerns that stakeholder engagement is not driving the business, with topics of engagement being chosen by SHET.</p>	6
2- Initiatives which reflect innovative thinking in responding to needs of stakeholders	<p>There were few initiatives that demonstrated innovative thinking and the Panel was concerned that the initiatives outlined were mainly large strategic projects. In particular, there appeared to be limited initiatives at a community level. However, the examples that were listed were strong, including the cost benefit analysis methodology that was developed to future proof the network investment (the PGAT approach) and the approach to the barriers for offshore wind</p>	6.25

	(reducing the time spent on initial offshore wind applications – Super CION). The Panel also noted the development of alternatives to the use of Sulphur hexafluoride (SF ₆), where SHET has installed the world's first SF ₆ free insulated switchgear, the collaborative research project to advance the readiness of meshed grids and the science-based targets for carbon reduction.	
3 - Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits	<p>There were a number of strategic projects that the Panel were impressed by. This included SHET's work on connecting customers, in particular around the offshore wind connections, where SHET established the "Scotwind" roundtable which was chaired by a SHET Director and created a joint position statement. Recommendations from the roundtable were adopted by BEIS and Ofgem and aligned to the OTNR. The work with stakeholders around consents was also viewed positively by the Panel, in that SHET had gone into detail on solutions, with a view to protecting assets. The Panel expected that this would have been a time-consuming exercise and therefore acknowledged SHET's willingness to expend the effort to help.</p> <p>The Panel did have a concern that some of the projects were more of benefit to the company, for example the extension of the offshore network, which would be added to their asset base.</p>	6.75
4 - Initiatives which are supported by robust project management processes and appropriate resources	SHET have introduced the SROI tool and adopted a comprehensive measurement approach, although the Panel would have expected this to be more embedded. There is evidence of the use of this approach, with benefits shown and explained throughout the submission. In addition, SHET also explained the external evaluation of their approach. The Panel believed that there is senior buy-in and noted the new procurement app, which seeks to understand the social value further down the value chain, as novel and innovative.	6.25
5 - Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice	The Panel was concerned that SHET predominantly look outside of the energy sector for best practice and did not seem to value the opportunity to work with and learn from network and energy companies more generally. The Panel believed that SHET could have done more through working	6.25

<p>and could be replicated across the industry</p>	<p>with companies in the energy sector. However, there are a number of areas where SHET have actively shared learnings and best practice. These include sharing their target setting methodology and learning from the Science Based Targets accreditation process with Ofgem's ED2 groups and shared best practice at an International Asset Management Conference. In addition, SHET led several other initiatives which could be replicated, such as working collaboratively with landowners and developers to find mutually acceptable solutions and shared maps with the Fire and Rescue Service so that they can use them in their risk assessments.</p>	
---	--	--

SPT Feedback

Overall Panel Score: 6.46

The Panel believed that there was a lack of evidence of how SPT's strategy is continuing to be informed by stakeholders and how their views are driving SPT's activities. On a number of initiatives there was also concern that SPT were a participant rather than leading and that co-creation with stakeholders was limited. However, SPT demonstrated a large number of projects focused towards a breadth of specific challenges and interests and the Panel were encouraged by SPT's approach to measuring the value for projects and initiatives.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - Initiatives which are part of an holistic approach embedded in their business	The Panel believed that SPT's Submission demonstrated a detailed and comprehensive approach to stakeholder engagement, which recognised the benefits of employee and stakeholder engagement and the synergies between them. They were also encouraged to see that SPT had worked collaboratively both within the sector, on energy security and network resilience, for example, and outside the industry, for example with Network Rail on electrification of railways. However, there was a concern about whether SPT were taking a leadership role and working on principles rather than delivery on initiatives. Several examples were provided of holistic and embedded engagement, although the Panel were disappointed by the lack of evidence on how SPT's strategy had been informed by stakeholders.	6.5
2- Initiatives which reflect innovative thinking in responding to needs of stakeholders	There were a number of good initiatives, which the Panel viewed as innovative, although there were some concerns about whether SPT's supply chain work had been imposed or co-created and about the scale of initiatives. The Panel was particularly impressed by the Black Start trial initiative, given the substantial challenge that the changing generation mix in Scotland will have in the event of power outages/disruption. Equally SPT highlighted that this work will culminate in the world's first Black Start windfarm by 2022, which will see learnings put in to practice and new technology installed. The	6.5

	Panel noted SPT's work with communities, in particular the co-creation of a Community Energy Strategy with Community Energy Groups – such focus seemed to be lacking in other TO Submissions. Other aspects of innovation were also viewed positively by the Panel, for example SPT being the first utility to offset plastic to construct a new road at one of their substations and the demonstration of the technical and economic advantages of deploying hybrid-synchronous compensators.	
3 - Initiatives which best serve specific interests of challenging groups of customers/communities/future stakeholders and result in measurable benefits	There were a number of wide-ranging projects focused on specific challenges and interests, for example those focused on sustainability, environment and communities. The Panel noted SPT's leverage of a number of the Green Economy projects to support local communities during the pandemic and how they looked to share best practice between stakeholders to get the best out of the projects. In addition, in respect of sustainability SPT highlighted that they were the first TO to partner with the Supply Chain Sustainability School to increase supply chain sustainability and also launched the GO Supply platform to ensure minimum sustainability standards across their supply chain. However, the Panel had concerns about what engagement there had been with suppliers on the introduction of the sustainability standard and also on the lack of more strategic-focused projects relative to some of the other TOs.	6.5
4 - Initiatives which are supported by robust project management processes and appropriate resources	The Panel was positive about SPT's use of SROI and viewed that the methodology has been embedded in the business. Equally the project management approach used by SPT looked to be an effective way to manage disparate projects over time. Project delivery was well explained and SPT demonstrated how they were tracking benefits, on time delivery and risk management. More detail could have been provided on risks assessed in individual projects and what resources were committed to delivering them.	6.75
5 - Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice	SPT evidenced a number of different initiatives that could be deemed as smart practice and examples of SPT sharing information in respect of them. As outlined in Criteria 4 above, the Panel were pleased to see both the work that SPT	6.25

and could be replicated across the industry	<p>had done on the SROI as positive, but also recognised this as a good example of where network companies can work collaboratively to the benefit of the wider sector. The other examples that drew the Panel's attention included the connections portal, the renewables Black Start event, shared SF₆ learnings and engagement with the National Health and Safety Committee to share key learnings on new working practices and risk assessments.</p> <p>However, as noted across the sector, the Panel felt there is more that SPT could be doing in respect to actively sharing learnings and best practice across their counterparts in the networks sector and seeking out learnings and best practice from other industries.</p>	
--	--	--

ENWL Feedback

Overall Panel Score: 6.61

Overall, the Panel was impressed with the improvement in ENWL's SECV Submission since last year and found the Panel Session presentation helpful in bringing more detail and colour to illustrate the use of SROI and their work on fuel poverty. Additional detail in the form of practical examples, both in the Submission and the presentation would have added further substance to the progress of ENWL's stakeholder engagement during the last year and the benefits delivered. The Panel was pleased to see evidence of successful projects from previous years becoming embedded in the business, although noting some of these projects remain small in scale.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - initiatives are part of a holistic approach embedded in their business	The Panel believed that ENWL has developed a comprehensive approach to stakeholder engagement that is becoming embedded in the business and delivering demonstrable benefits. The Panel noted the development of a new strategic priority – Planning for the Future – in response to feedback from its stakeholders, picking up on the new stakeholder relationships and additional engagement activity ENWL has undertaken in relation to this. There was also encouraging evidence that ENWL regularly audits and updates its stakeholder base. The use of some interesting methods of engagement, including deliberative engagement over a 24-hour period indicates a strategy that has evolved and become more sophisticated during the course of the incentive.	7
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	As last year, the Panel identified several new and innovative initiatives representing best practice and with potential for replication, and some examples of further roll-out within the business of initiatives from previous years. Notable examples this year include Smart Street, the test ABB socket cap, Power in the House, use of generators in power cuts, oil recycling and local decarbonisation pathways. The Panel felt that ENWL could still do more, however, to demonstrate a clear understanding of how these initiatives could be scaled and replicated. The Panel was disappointed that ENWL has not already taken steps to promote	6.5

	and share replicable approaches and solutions where these have been developed.	
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	There are encouraging signs that ENWL has expanded its approach this year, making use of SROI to shape and prioritise activities, and can demonstrate how it has responded to stakeholder feedback in this area. ENWL demonstrated a thoughtful approach to adapting its strategy following restrictions on stakeholder engagement activities imposed by the Covid-19 pandemic, tailoring its approach in response to stakeholder needs; adopting new methods and smart technologies; and proactively contacting around 625,000 customers to check on welfare and signpost support. The Panel felt, however, that some of these activities are quite small scale and would like to see greater ambition in this area.	6.25
4 - initiatives result in measurable benefits for stakeholders	<p>The Panel was pleased to see that ENWL's submission and presentation indicated a systematic and mature approach to the use of SROI to prioritise, evaluate and refine activities to maximise impact and capture social value as well as financial returns. ENWL was able to use clear examples to demonstrate its approach, including a case where a pilot initiative was abandoned when evaluation indicated that it wasn't delivering the anticipated benefits. Other notable examples include oil recycling, grid digitalisation, and paving the way for mass adoption of low carbon tech.</p> <p>The Panel found some of the detailed information on benefit calculations hard to follow and were concerned about the robustness of some of the benefits stated. Clearer presentation of this information might have resulted in a higher score.</p>	6.5
5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	The Panel noted an improvement in ENWL's consumer vulnerability approach compared with previous years, developing an understanding of its strategic role in this area and undertaking some interesting initiatives. Positive examples here include emergency top-up vouchers for pre-payment meter customers at risk of self-disconnection and longitudinal research to discover 'fuel poverty mindsets'. The Panel was also encouraged to note ENWL's efforts to develop its approach to vulnerability using a five-pillar approach, prioritising customers with intersecting vulnerable circumstances and developing new needs codes. Nevertheless, the Panel was disappointed that this work remains small in scale.	6.75

NPg Feedback

Overall Panel Score: 5.01

For another consecutive year the Panel was disappointed in the lack of improvement in NPg's approach to stakeholder engagement and, given the expectation of continuous improvement built into the incentive, this is reflected in the drop in the score this year. The submission illustrated how NPg's approach to stakeholder engagement is developing but the pace of development is slow, and it remains less evolved and joined-up than would be expected at this late stage in the incentive.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - initiatives are part of a holistic approach embedded in their business	NPg's submission shows that they have developed a reasonably comprehensive approach to stakeholder engagement and the presentation added some colour to the submission, with some practical examples. However, the submission lacked a sense of what stakeholder engagement is bringing to the business in terms of improved insights, operations or decision-making. The Panel's overall impression, therefore, is that stakeholder engagement is still not driving NPg's business. It appears that stakeholders are asked to respond to questions identified by the business rather than given an opportunity to influence the agenda. There is a lack of evidence of senior level buy-in and change in response to feedback.	5
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	The Panel noted some examples of innovation, including the Boston Spa Energy Efficiency Trial, the AutoDesign Capacity and Connections Quotation Tool, which was co-created with stakeholders, and the Green Finance Framework. Nevertheless, it was not always possible to detect the influence of stakeholder engagement on NPg's projects, or to understand how stakeholders influenced the projects and to what effect. In some cases, for example in relation to the New Power Generation website, statistics were cited without sufficient context to illustrate how this engagement had impacted on actual performance and what had been achieved as a result.	4.75
3 - initiatives which best serve specific	While NPg's submission provided some examples of work they have conducted with challenging or hard-to-reach stakeholders, the	4.5

interests of challenging groups or hard to reach stakeholders	Panel felt that much of the evidence cited lacked context. As a result, the impact of the engagement and the outcomes delivered were unclear. For example, the Panel felt that the Nobody Left Behind strategy lacked tangible outputs. Likewise, while the Panel was pleased to see NPg's efforts to identify and engage hard-to-reach SME's, there was no information on the engagement that was undertaken, or the insights gained from it. NPg's stakeholder engagement around community energy, while slow to develop, seems to be influencing decisions and making a difference.	
4 - initiatives result in measurable benefits for stakeholders	NPg has adopted the joint DNO approach to SROI developed for ED2 but its approach to systematically calculating benefits and outcomes is disappointing, progress has been slow and impacts so far appear to be small in scale. Both the submission and presentation lacked evidence of senior buy-in and it's not clear how risks were identified and managed. Evidence of the value that SROI is bringing to way that initiatives are designed, prioritised, delivered and evaluated would have resulted in a higher score.	5
5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	Progress on addressing consumer vulnerability seems to have slowed from last year and it is difficult to identify how NPg has developed a leadership role and expanded its focus. The submission identified some interesting initiatives that are delivering value, for example the MIND training rolled out with customer-facing staff and initiatives targeting care-leavers and people on the edge of care. It was not always possible to determine impact, however, due to gaps in the evidence. The Panel also felt that NPg could be using its role to add more value here, taking a leadership role and providing practical support as well as funding.	5.5

SPEN Feedback

Overall Panel Score: 7.08

SPEN has seen an increase in its score for this incentive for the third consecutive year, reflecting a stakeholder engagement strategy that has progressed and become further embedded within the business. The Panel noted some substantial stakeholder engagement projects over the last year, evidence of senior commitment to the engagement process and an agile response to the challenges brought by the Covid-19 pandemic. The presentation would have benefitted from a wider range of illustrative examples to demonstrate the impact of stakeholder engagement on the business and shown the extent to which it is driving SPEN's decision-making in practice.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - initiatives are part of a holistic approach embedded in their business	SPEN's Submission showcased a clear, comprehensive and well-developed strategy, backed by senior level ownership and with some interesting engagement projects that have influenced the business. Both the submission and presentation would have benefitted from more practical examples, to demonstrate the way that stakeholder engagement is core to business strategy and decision-making. The Panel noted a continued improvement in the development of the strategy but would liked to have seen evidence that stakeholders have an opportunity to set the agenda and influence business priorities and decisions rather than just respond.	7.25
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	The Panel noted a number of examples of interesting and innovative projects that have been developed over the last year, relating to community energy, climate change and data/digitalisation in particular. The Electric Vehicles project with the Scottish Government is a notable example that demonstrates the role of stakeholder input in influencing direction and outcomes. The iIdentify project, using AI recognition technology to crowdsource data and reduce aborted calls also illustrates the way that SPEN has worked with stakeholders to achieve positive outcomes for consumers and for the business. The Panel felt it was not always clear, however, that SPEN is going as far as it could in allowing stakeholders to really drive the development of these	7

	projects and to fully respond to the challenges raised by stakeholders.	
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	The Panel noted that SPEN's Submission provided several examples of initiatives targeted at meeting the needs of more challenging stakeholders and groups that are harder to reach. In particular, SPEN has increased the depth of its work with community energy projects, providing practical support from top line to advice through to in-depth work with two communities, as well as funding. These projects demonstrated the potential for energy companies to add real value and find solutions to real-life problems through strong stakeholder engagement. Further evidence of impact for stakeholders and customers would have strengthened the Submission and increased the score.	6.75
4 - initiatives result in measurable benefits for stakeholders	The Panel was impressed with SPEN's progress since last year and noted a positive response to feedback from last year's incentive process. SPEN has played a leading role in developing SROI methodology across the sector, and both the submission and presentation demonstrated an informed, comprehensive and embedded approach that is being used to inform the approach to decision-making, delivery and evaluation. The iIdentify project and some of the work on the pathway to Net Zero are good examples of how SROI is used in practice. The Panel noted a wide range in the level of return that is forecast from SPEN's existing project portfolio. The submissions would have been strengthened by an explanation of why some projects were taken forward despite a low level of return.	7.5
5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	The Panel noted an improvement in SPEN's work on Consumer Vulnerability during the last year, including partnership with RNIB that allowed them to proactively contact customers to provide welfare checks and offer support and the LEAP project, which supported customers in accessing grants. The Panel also noted the high level of satisfaction among SPEN's vulnerable customers and the development of its Nexus of Partnerships. Questions remain over how embedded this work is within the business, the overall scale and whether projects could be rolled out more quickly and comprehensively.	6.75

SSEN Feedback

Overall Panel Score: 6.2

The Panel was encouraged to see that SSEN has built on the significant improvements set out in last year's submission, and that SSEN now appears to understand that stakeholder engagement can bring real benefits to the business and is taking steps to embed it throughout the organisation. There was growing evidence of focus on overcoming the complexities of delivering improvements that genuinely meet stakeholder needs. The strategy and approach to addressing consumer vulnerability is improving, with PSR registration levels a strength.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - initiatives are part of a holistic approach embedded in their business	<p>Last year the Panel noted a step change in SSEN's approach, with evidence of stakeholder engagement being taken more seriously and an understanding of its potential to add value to the business emerging. The journey appeared to have continued this year, with further evidence of the strategy being put into practice. Efforts are being made to focus on company culture, with an acknowledgement that stakeholder engagement is 'everyone's job'. There was also positive evidence of co-creation work with stakeholders and customers on projects of various types and sizes.</p> <p>The Panel did have some concerns, however, that SSEN often appear to still be deciding the topics and terms of engagement rather than the focus being genuinely stakeholder led.</p> <p>Overall, while question marks remain over how much influence stakeholder engagement is having on SSEN's strategy development and decisions, the Panel concluded that SSEN is now making tangible progress which should deliver a further strengthened evidence base in future submissions.</p>	5.75
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>The Panel noted some positive examples in relation to innovation, for example the use of Big Data to create the Customer Health Index. Although working with stakeholders on DFES is expected, modelling the forecasts at output area level and adding energy efficiency analysis shows real responsiveness to stakeholder</p>	6

	<p>requests. The EV charge point locator is a helpful response to a source of frustration for EV customers.</p> <p>The Panel did note that, similarly to last year, several projects were only at the strategy or 'letter of intent' stage rather than up and running and delivering results. The submission also gave the impression that SSEN is more often a participant rather than a leader on innovation projects, despite its size. The Panel noted that participation can bring benefits, as demonstrated in SSEN's work with Shetland Telecom, but the Panel would appreciate clearer evidence of SSEN's particular contributions in future submissions.</p>	
<p>3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders</p>	<p>The Panel felt there were strong examples here, such as the work with Distributed Generators and the work with emergency services on decarbonising their vehicle fleets. These showed genuine engagement with the complexities of the situation and delivered solutions that addressed the challenges.</p> <p>The Panel noted the further work that SSEN has undertaken with farmers on overhead line strikes, and on inclusion and diversity in the workplace. However, in both these cases, as well as in some other examples, the outcomes did not show progress against the issue originally identified – for example it was not clear whether there was increased awareness as a result of the farm safety campaign. By contrast, the success of the work on planned interruptions during the pandemic was evaluated through the relevant metric of customer satisfaction levels.</p>	6.5
<p>4 - initiatives result in measurable benefits for stakeholders</p>	<p>The Panel found evidence of an improving approach to measuring benefits which is becoming more sophisticated. There was evidence that SROI is being used in decision making, and the Electric A9 case study provided a helpful illustration of how this is done.</p> <p>The Panel agrees that the shift in the use of Willingness to Pay research is appropriate; with it now being used only in prioritisation rather than to assign value – and never in isolation. Similarly, the acknowledgement that qualitative feedback and customer prioritisation may not deliver maximum holistic value vs cost was welcomed by the Panel.</p> <p>However, the evidence of senior buy-in was limited, leading the Panel to question whether stakeholder engagement is as embedded at senior level as it could be. However, there was an acknowledgement during SSEN's presentation that there is room for</p>	5.75

	further improvement in this area of 'measurable benefits', and the Panel looks forward to seeing this demonstrated in future Submissions.	
5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>The Panel viewed that SSEN's PSR registration levels of 68.5% of eligible households are strong and that there is a good, analysis-driven strategy for addressing the gaps, including improvements in mapping. The Panel also noted the proactive role SSEN played in the development and launch of the PSR Scotland website and would have appreciated more detail on what exactly was involved.</p> <p>The two-tier targeted approach on fuel poverty appears to be starting to pay off, although the numbers of people helped are still low for a company of SSEN's size. The Panel looks forward to more evidence of 'embedding fairness and inclusivity from the start'. The work with Disabled Motoring UK to address barriers to EV charging was a positive example here.</p>	7

UKPN Feedback

Overall Panel Score: 8.05

UKPN once again presented a good submission, achieving the highest score in this year's incentive. The mature strategy, embedded across the organisation, appears to be an integral part of delivering progress against significant challenges facing the industry. The submission contained a large number of initiatives from across the business, showing a commitment to progress in both established and emerging areas. In some cases, the Panel would have appreciated greater clarity about why the initiative has been undertaken, the benefits that are being delivered and their value.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - initiatives are part of a holistic approach embedded in their business	<p>The Panel felt that UKPN's presentation and Submission demonstrated a well-thought out, mature and embedded strategy with continuous monitoring and learning to enable UKPN to be agile in adapting to the changing energy landscape and agenda. There was evidence of a culture of engagement, with examples of staff involvement and devolved decision-making. Engagement is both within the sector and beyond it, including learning from and partnering with relevant organisations to drive progress and deliver solutions.</p> <p>Where the workstreams are established ones for the sector, such as flexibility and collaborating with the ESO, it is important to communicate how the initiative goes beyond business as usual, demonstrating exactly why further work has been undertaken, that it responds to stakeholder needs, and how it constitutes a step change in delivery that merits reward under the incentive. The Panel was not always entirely clear how UKPN's work was going beyond business as usual in this regard.</p>	8.5
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>UKPN evidenced a strong drive to be innovative, and to be ambitious in delivering solutions. The Panel saw that particular strength were the examples of practical work and trials that are learned from and then rolled out to advance the Net Zero transition. UKPN demonstrated that they are taking an innovative role in the sector and more widely in the communities they</p>	8.5

	<p>serve. The Panel felt that work on the decarbonisation of heat showed commitment to taking a lead on a major challenge for the energy sector.</p> <p>A range of engagement methods appears to be important both in identifying stakeholders' needs and in finding solutions. There were notable examples of collaboration with expert partners and customer research along with more traditional stakeholder engagement, and UKPN regularly co-opts knowledge from outside the sector and internationally to enhance delivery. Examples such as the achievement of answering the phone in 3 seconds during the pandemic demonstrated that innovations can be embedded in core services as well as newer areas. The Panel highlights that where these are included, it is important to demonstrate how the work is innovative, and where a new or evolving stakeholder need has been met.</p>	
<p>3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders</p>	<p>There was evidence of UKPN identifying and addressing the needs of several 'challenging groups'. The Panel appreciated the expansion of the work that appeared in last year's submission to make a practical difference for SME's both in the short-term, for example (e.g. cable damage payment holidays) and the longer-term (e.g. EVs research and portal). In addition, the work with local authorities on the Distribution Future Energy Scenarios has also progressed, and the focus on enabling them to use the data meets an important need, as does the work supporting local authorities to plan on-street community charging. The work with generation customers is also moving forwards, suggesting focus on their needs.</p> <p>In some instances, the Panel felt there could have been greater clarity around why UKPN had chosen to work with that particular group in that particular way, and why the initiative(s) undertaken will make a material difference.</p>	7.75
<p>4 - initiatives result in measurable benefits for stakeholders</p>	<p>UKPN demonstrated an understanding of value and wider benefits, with benefits evaluated using a variety of measures applied appropriately. The Panel noted evidence of a desire to improve further, for example addressing the gap of mental health wellbeing measures and the recognitions of the limitations of Willingness to Pay research. Furthermore, the Panel felt UKPN showed a clear understanding of the role of SROI and how it can</p>	7.5

	<p>be used across a range of initiatives, with the number of initiatives evaluated using SROI increasing significantly. Measuring SROI over varied periods of up to 10 years was viewed as an appropriate evolution by the Panel given the need to make progress towards the 2050 Net Zero target despite current uncertainty.</p> <p>However, some statistics lacked the context for the Panel to be certain that they had been calculated robustly. Providing such context is particularly important where large figures are projected over long time periods. For example, the combined financial and social value from Tackling the Net Zero Challenge initiatives was calculated to be £7.85 million in 2020/21, rising to £465 million over ten years. The Panel would have appreciated an explanation of the particular metrics that are driving this substantial increase.</p>	
<p>5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered</p>	<p>UKPN's clear evidence of a mature, well-established strategy built around partnerships was viewed positively by the Panel. An agile approach was demonstrated through examples such as introducing transparent face masks, and there was evidence of sharing learnings, for example from the work with Scope. The Panel felt UKPN's work on fuel poverty was a strength, achieving both scale in provision of advice and a relatively large number of customers provided with in depth support. The increased rigour of measuring impact in this area was an example of commitment to continued improvement.</p> <p>The work to increase PSR registrations in London was noted, as was taking the lead on work to establish a consistent lawful basis for data-sharing across the energy and water sectors, addressing an issue that has prevented progress for some time. However, the Panel would have appreciated clarification of why 40% of eligible households registered across each district is a stretching target for PSR registration.</p>	8

Appendix 3: Historic Scores

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Rank this year
UKPN	7.15	6.55	5.85	7.53	7.53	7.25	7.95	8.3	8.05	1
NGN	5.75	6.75	5.5	6.8	7.25	6.15	5.96	6.96	7.2	2
SPEN	n/a	6.65	6.5	6.78	6.28	6.35	6.71	6.85	7.08	3
Cadent	6.4	7.15	5.9	6.9	6.9	6	6.33	6.93	6.78	4
ENWL	7.9	6.45	6.1	6.9	6.38	5.75	4.54	6.03	6.61	5
SPT	3.4	4.9	5.5	6.25	6.25	6.4	4.94	5.94	6.46	6
SHET	3	5.4	6	6	5.4	3.25	4.06	6.55	6.34	7
SGN	5.25	6.05	6.4	5.75	7	6.25	6.76	6.23	6.21	8
SSEN	6.85	5.5	5	5.73	5.23	5.5	3.95	5.54	6.2	9
NGET	3.4	5.75	6	6.25	7	5.1	5.54	5.91	5.46	10
NPg	7.85	7.65	7.65	6.5	6.5	7.5	7.01	6.71	5.01	11
WWU	6.15	6.3	7.05	6.05	6	5	5.43	5.55	4.85	12
NGGT	3.4	5.75	6.25	6.15	6.5	4.25	4.85	3.11	4.81	13
WPD	8.4	8.05	8.75	8.75	8.53	8.75	8.35	n/a	n/a	n/a