

Report

2021-22 Stakeholder Engagement and Consumer Vulnerability Incentive Panel Report

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Overview:

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

Under the incentive, the performance of the relevant electricity distribution network operator is assessed in a process that involves two steps. First, an internal assessment against the Minimum Requirements and, second, an assessment by an expert Panel against the Panel Assessment Criteria.

This 2021-22 Stakeholder Engagement and Consumer Vulnerability Incentive Panel Report sets out the Panel's assessment of DNOs' performance under the SECV. The report includes the Overall 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

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

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

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Introduction

This report sets out the Stakeholder Engagement Panel's ("the Panel") assessment of the performance of the electricity distribution companies in their stakeholder engagement activities in the year 2021-22. Under the assessment process¹ for the SECV incentive, the Panel of independent experts assesses the quality of electricity distribution network operators' submissions against predetermined criteria, providing certain Minimum Requirements have been met. The Panel awards an Overall Panel Score to each network company and provides detailed feedback on each network company's performance.

As set out in the SECV Guidance², the Panel is comprised of four voting members and a non-voting Chair (who is an Ofgem employee). This year, the Panel was chaired by Stuart Borland, Deputy Director, Offshore Network Regulation.

The Panel Members for 2021-22 were:

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

Purpose of the incentive

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.

The SECV incentive aims to encourage network companies to engage proactively with stakeholders in order to anticipate their needs and to deliver a consumer-focused, socially

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 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.

responsible and sustainable energy service. In addition, the SECV incentivises distribution network operators (“DNOs”) to play a full role in addressing consumer vulnerability issues.

To be rewarded under the incentive, companies need to deliver high quality stakeholder engagement and outcomes that go beyond their business as usual (“BAU”) activities and which are distinct from activities which may be classed as Corporate Social Responsibility.

Assessment process

This section provides an overview of the process for assessing network companies’ performances under the SECV incentive in 2021/22. The assessment processes for the incentive are set out in the associated Guidance documents.

Company submissions

Each year, electricity DNOs are invited to submit applications to Ofgem on their engagement activities and the resulting outcomes during the Regulatory Year⁵. Each DNO is required to make a submission in three parts, as set out in section 3.1 of the SECV Guidance:

- Part 1 is aimed at demonstrating that the DNO meets the Minimum Requirements set out in the Guidance⁶.
- Part 2 is aimed at demonstrating DNO performance against the Panel Assessment Criteria.
- Part 3 is aimed at demonstrating DNO performance against the Panel Assessment Criteria for Consumer Vulnerability.

⁵ For example, in summer 2022, network companies were assessed on their performances in the 2021-22 Regulatory Year.

⁶ Ofgem checks whether the companies submissions meet the Minimum Requirements (section 4.2 of the SECV guidance) and if so, the submissions proceed to the next stage of the assessment under the incentive, which comprises Panel assessments of Part 2 and 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 approximately 45 minutes, in which companies deliver a 10-minute presentation in response to two supplementary questions ("SQs") from the Panel which they have been provided with in advance. This is followed by approximately 30 minutes of further SQs and answers on any aspect of the submission. These are not provided in advance. This year, four companies chose to attend the Panel meetings in person, while two participated remotely. All four Panel members, and the Ofgem team, attended in person.

The Panel assesses the companies against the Panel Assessment Criteria⁷ and awards each company an Overall Panel Score out of 10 (based on an assessment of scores for each relevant category). 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 SQs.

Decision making process

Whilst the Panel's assessment was focussed on Part 2 and Part 3 of the DNOs' 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. Following the completion of all Sessions, the Panel considered the companies' performances individually and compared to one another. The Panel then decided on the scores and rankings of all companies.

⁷ See paragraph 4.9 in the SECV Guidance documents for the Panel Assessment Criteria.

Companies assessed in 2021-2022

The following DNOs were assessed under the SECV Incentive in 2021-22:

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

General Feedback

Context and overall views

This is the seventh year for which electricity DNOs have provided SECV submissions. Recognising that the concept of 'running to stand still' (i.e. improving year on year) is a fundamental part of the design of this incentive, the Panel expects each company to have a mature, embedded and robustly tested strategy which it is able to clearly demonstrate has shaped company priorities and led to impactful outcomes for stakeholders.

The Panel is also extremely mindful of the wider energy sector context within which the submissions have been made. It considers that these circumstances heighten the importance of effective engagement with stakeholders and show the value of a mature and embedded strategy for both stakeholder engagement and protecting vulnerable consumers. In particular the Panel notes the following:

- As energy bills continue to rise in the UK and beyond, in part due to Russia's invasion of Ukraine, the number of customers requiring help and experiencing fuel poverty is rising sharply to levels never seen before.
- The Panel expects that a robust and mature strategy can respond to the challenges this creates, that accurate data analysis can lead to a clear identification of those most in need and that senior management buy-in and an agile approach can lead to increasingly effective targeting of support to those who most need it when they need it.
- While restrictions have eased, the impacts of the COVID-19 pandemic remain with us. The pandemic created new challenges for many customers in relation to, for example, mental health, the impacts of long COVID, the effects of isolation and loneliness. The Panel expects submissions to display an understanding of the impacts of the pandemic on vulnerability (and an understanding of vulnerability more widely⁸), evidence that company strategies have evolved to respond to new challenges, and demonstration that feedback from or about affected customers has shaped company decisions.

⁸ For example, UKPN's analysis of intersectionality in vulnerabilities based on five social indicators, appeared to deliver new insights which allowed it to more effectively target support to the most vulnerable.

The last year has seen a number of storms, namely, Barra and Arwen, amongst other subsequent extreme weather events that followed, which have hit some UK communities hard. While the Panel recognises that the scale of the storms:

- may have been difficult to entirely predict, it would expect to see evidence that historic stakeholder engagement had provided insights which were valuable in responding during this year. It also expected to see evidence that this historic insight was complemented with learnings from customers' experiences, both positive and negative, during this year's storms, and that lessons learnt meant that as each subsequent storm arose that the companies were in a better position to manage them and their impact on consumers.
- created some regional disruptions, the need to decarbonise at speed remains a huge challenge and one in which DNOs have a vital leadership role – both in directly reducing emissions and in facilitating and enabling others to play their part. The Panel expects to see evidence of significant, substantial engagement with the supply chain, with Local Authorities and with partners to enable effective cross-economy decarbonisation. It also expects to see a real commitment to making data available in an open and easily accessible form and a level of ambition which reflects the scale of the challenge of getting to net zero emissions.
- exposed the weakness in some of the achievements recorded by the companies in past years, many of the savings demonstrated in historic submissions have arisen from educating customers about the benefits of switching supplier or assisting them in doing so. Following a number of energy supplier failures, and as energy costs have risen, it has no longer been possible to realise significant savings for customers through tariff switching over the past year. The Panel expects to see evidence that companies have flexed their approach, for example by placing a greater emphasis on income maximisation and energy efficiency advice, in light of this development.

As is evident from the broad range of scores awarded, the Panel considered that there were marked differences in the level of maturity, ambition and quality of the submissions and accompanying presentations:

- Some companies were able to clearly evidence that stakeholder engagement is thoroughly embedded within their organisational culture and that this is having a demonstrable effect on decision making and on the outcomes experienced by customers.

- Others continue to be in the process of maturing their strategies and scaling their initiatives - while being on a positive overall trajectory.
- Finally, some companies appear to have a significant distance to travel to reach the level of some of their peers and/or do not appear to have chosen to make stakeholder engagement a central part of their strategies (which does not mean that they are undertaking no valuable work or that the colleagues directly involved are not committed to delivering positive outcomes for the customers they serve). This suggests that some companies seem to have departed from their existing strategies, changing approach and/or starting afresh, which doesn't demonstrate those strategies were mature or embedded.

As noted previously, the Panel's expectations rise each year and, in year seven of the incentive for DNOs, we need to see clear evidence of how stakeholder engagement is improving delivery if a reward is to be earned.

Features of better scoring and examples of best practice

This section provides an insight into the features of submissions which led Panel members to award higher scores. In each case we provide an explanation of what higher scoring submissions contained and seek to illustrate this with examples from this year's submission. We note that there is some commonality with points made in previous years; this reflects the fact that not all submissions contain these features.

1. ***An ability to clearly explain consumer vulnerability and fuel poverty numbers, actions and benefits*** – The Panel used several of its questions this year to ensure it had a clear understanding of companies' approaches to defining vulnerability and identifying and helping customers in or at risk of fuel poverty. This included probing the scale and nature of interventions designed to address these issues and, in particular, investigating the ratio of in-depth bespoke help given to fuel poor customers relative to the provision of information and advice. The Panel was keen to ensure that DNOs are accurately calculating direct cost savings to customers who take action as a result of the help they receive. As we note later, this is an area where further work by all DNOs would be beneficial. Companies which received higher scores were able to provide a clear breakdown of figures – both in terms of types of actions taken and benefits delivered – and to demonstrate scale and impact of their actions.
2. ***Ambition and accuracy in Priority Service Register (PSR) data*** – This year efforts were made to adopt a standard definition of the number of customers eligible

to be on a PSR. The range of eligible customers signed up to DNOs' PSRs varies between circa 45% and circa 70%. While a single figure can never be the sole basis for scoring under this incentive⁹, this is a highly significant range which suggests that the likelihood of a customer who needs, and is entitled to get, support varies widely by location. The Panel sought to probe the extent to which companies were setting ambitious goals in this area. Higher scoring submissions could evidence that a higher number of eligible customers were on the PSR, there were processes and partnerships to ensure eligible customers are added to the PSR, that robust processes were in place to ensure accurate and cleansed data is in the PSR and that plans were in place to further close the gap.

3. ***Evidence that good ideas have been shared and have become best practice*** -

When reading the submissions each year, the Panel comes across a large number of good ideas. The Panel finds it frustrating when those ideas are not rapidly shared between DNOs, and indeed beyond, such that the ideas are scaled up, become established industry practice and are shared outside the sector with relevant organisations. The Panel appreciated seeing projects, such as UKPN providing telephony support to worse affected DNOs during storms, which had been shared and scaled – however, it felt this was often the exception rather than the rule. It would encourage DNOs to see information sharing as the rule, rather than the exception, such that it can benefit customers' experiences to the fullest extent possible.

4. ***A willingness to share data in a useable form*** – In last year's report, the Panel noted the ever increasing importance to the future development of the energy system of making data freely available, in a format which reflects stakeholders' needs. The Panel noted that in some submissions this year there was clear evidence that data was being made available in various user-friendly forms and that this was facilitating better decision making by a range of stakeholders. In other cases, there was limited reference to making data available and at least one DNO requires application via the Energy Networks Association before data is made available.

5. ***Proactively driving progress towards net zero, including through work with local authorities and via supply chains*** – The Panel touched on this point in the general feedback section. All DNOs were asked an SQ about the action they were

⁹ The Panel recognises, for example, that sign up rates of 100% would be unrealistic as customers must elect to join the PSR. The Panel would also see efforts to minimise the size of the PSR gap as counterproductive if they were to come because of, say, less robust data cleansing or a reduced focus on those with the greatest needs.

taking to work with their supply chains, and other partners, on decarbonisation. It was notable that on the Panel assessment day at least half the DNOs weighted their presentation towards the Vulnerability question, leaving themselves little time to answer this question and therefore may not have done their activities justice. Better performers could show, across their submission and presentation, that they were going beyond 'not being a blocker to reaching net-zero' and were embracing a proactive role. Many were collaborating closely with local authorities and had put in place clear policies to drive emissions reductions across their supply chains.

6. ***Clearly showing the impact that stakeholder engagement had on business decisions*** – It can be difficult to read company submissions. Despite previous guidance from the Panel, several submissions continue to be full of big numbers which are designed to be eye-catching and with news of awards which seem intended to imply endorsement of a company's activities. However, the Panel's role is to work out the contribution of stakeholder engagement to delivering the benefits cited in the submissions, and to evaluate how effective the DNO's approach to stakeholder engagement is. This means discounting things which solely relate to Corporate Social Responsibility with no evidence of stakeholder engagement, being mindful of things which have been funded elsewhere (eg via RIIO-2 preparations, Innovation Funding or Green Recovery Funding) and focussing on evidence in submissions as opposed to, testimonies, awards or recognition from third parties. The best submissions can explain and evidence: how a need was identified; what a DNO did to tackle that need, including why it chose the option it did; what was learnt from that process; and what happened next. The Panel observes that submissions which contain sweeping statements and assertions, as opposed to evidence, and fewer justifications for actions and learnings tend to receive lower scores. This is particularly the case where there is an indication that stakeholder engagement is being used to reinforce a company's desired course of action. The Panel found that the way UKPN differentiated between 'tactical' and 'strategic' initiatives throughout its submission was useful in showing the role of stakeholder engagement in shaping and delivering projects and in demonstrating a continual feedback loop.
7. ***Governance, senior buy-in and clearly embedded strategies*** – The Panel has highlighted the importance of senior buy-in and embedded strategies over a number of years. In year seven of the incentive, the Panel would expect to see strategies being optimised and adjusted in light of experience, but would expect the core elements of a strategy to be well-established. Several submissions included evidence that suggested this was not the case and this led to lower overall scores. Other submissions made broad statements – such as 'stakeholder engagement is at the

heart of everything we do' or is 'broadly embedded' (without necessarily evidencing that this is the case) or pointing out that senior managers received certain reports or papers. It is worth stressing that the Panel would like to see how senior buy-in has influenced outcomes in practice and companies may wish to consider how this can be more clearly illustrated.

8. **Clarity on the way Social Return on Investment (SROI) is used** – It is positive to see that SROI has become established across the DNOs and that a proxy bank of values has been created. The Panel appreciates the work of DNOs such as SPEN in driving this work. That being said, it is still sometimes difficult to understand how it influenced decisions to take projects forward. For example, some companies said they would do any project with a positive SROI (which would seem entirely appropriate were budget is unlimited, but may raise questions of prioritisation if it isn't) and some companies went ahead with projects with a negative SROI. Other submissions included a mix of 1, 5 and 10-year SROI figures – without always clearly explaining why different time periods were used. This feedback is not intended to say pursuing a project with a low or negative SROI is a 'wrong' decision, but that robust evidence is needed to explain the rationale. It is also interesting that many companies say they have moved beyond SROI and are using it as one of a number of inputs into their assessment progress. Where this is the case, the Panel would like to be able to visualise how these processes led to more robust decision making.
9. **Creativity in partnerships, particularly beyond the energy sector** - As we move through the RIIO period, the Panel is expecting to see evidence of wider and more developed networks of partnerships. It is also hoping to see those partnerships expanding beyond the sector – both into other utility sectors and elsewhere. It is then looking for evidence that those partnerships were being used to co-create and refine solutions. There were a number of interesting examples in the submissions, with several companies, for example, partnering with suppliers on initiatives related to the energy transition; initiatives the Panel would like to see scaled up and extended. Other collaborations, such as ENWL's with a broad range of utility providers, including water, waste water and mobile telephony services, appear to reflect the ever more integrated nature of the energy system.
10. **Scale** - At the most fundamental level, the Panel wants to see evidence that customers who need help are getting it and that good ideas are being scaled up so they can deliver as large a set of benefits as possible. The Panel is more likely to award higher scores where there is evidence of ambition and of benefitting a substantial number of customers.

Areas for improvement

This section seeks to identify some general pieces of feedback which would, in the Panel's view, enhance the quality of all submissions.

1. **Best practice in delivering fuel poverty advice** - Given the seriousness of the cost of living crisis, the Panel asks that all DNOs work together to share and understand best practice in delivering fuel poverty advice at scale, and in providing in depth fuel poverty support to as many customers in need as is practical. The Panel also asks that the DNOs work together to agree appropriate and consistent methods of assessing take up and benefits of general fuel poverty advice and of measuring the direct financial benefits to those customers receiving in depth fuel poverty support. The Panel looks forward to hearing about what has been achieved in next year's SECV submissions, and to seeing the consistent reporting metrics in use.
2. **Comparability and contextualisation of numbers** – The Panel often finds it difficult to identify the context in which numbers in submissions are presented. For example, it is sometimes unclear how an initiative has been scaled up from year to year, and therefore to determine what qualifies for consideration under the current year's incentive. Similarly, it can be challenging to work out whether an SROI figure is for 1, 5 or 10 years. Companies which do not provide clear evidence of benefits and a clear rationale for the evaluation approach taken and/or fail to demonstrate how an initiative qualifies for the current year's incentive risk initiatives not being considered for reward. The Panel particularly welcomes submissions which are clear about the proportion of customers which has been reached by a company's initiative – which is why the Panel appreciated efforts to provide greater comparability of PSR numbers this year and recommends that DNOs consider whether there are other areas where a similar approach can be taken.
3. **Best practice sharing as a default** – As stated in the introduction, the Panel is of the view that DNOs are not in competition with one another and would therefore like to see best practice sharing and collaboration as the default. The Panel thinks that more could be done to learn from each others' experiences and that this may have the potential to unlock greater benefits for companies and their customers and stakeholders or lead to initiatives being scaled up or rolled out more quickly.
4. **Readability** – It remains difficult to read and process all the submissions in a relatively limited time. The Panel urges companies to focus more on explaining their stakeholder engagement activities and consequent benefits. Companies should avoid

quoting awards/ recognitions and making sweeping statements and to have regard for the choice of font size. Information in very small type is difficult to decipher and risks evidence being missed (a point that the Panel has had to make over a number of years). The Panel would also highlight that the submissions have to be no more than 10 pages in length, as set out in Section 5.1 of the SECV Guidance. The Guidance provides that information on additional pages will not be read.

Activities that were not considered eligible for a reward

The Panel notes that the extent to which feedback from last year (and indeed years previous to that) was reflected in submissions was very varied. The Panel therefore again feels the need to reiterate the following:

1. The SECV incentive is designed to reward DNOs 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 incentive encourages 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 licence 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 envisaged for the obligation or other incentive. It is the companies' responsibility to demonstrate this added value.
2. As highlighted in previous Reports¹⁰, 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.
3. It is worth stressing that assessments by external specialists (for example AccountAbility) or awards which companies have won are not taken into account by the Panel. Given our ongoing concerns about the size of fonts and the readability of some submissions, removing these may provide an opportunity to create space.

¹⁰ 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

4. The Panel will not consider initiatives which are solely related to Corporate Social Responsibility unless clear evidence of the role that stakeholder engagement has played in them is provided.
5. The Panel is required to assess performance for the year in question. Figures for benefits achieved for periods longer than the current incentive year, without making clear what has been achieved in the current year, will not be considered valid evidence and may therefore be detrimental to a company's score.
6. The Panel does not consider measures that purportedly 'keep bills down' when evaluating DNOs' achievements in addressing vulnerability. As the Panel has said more than once before, companies have other drivers to keep costs low, and compelling evidence that addressing vulnerability is the primary driver for such initiatives has never yet been presented.
7. Sweeping statements about the importance of stakeholder engagement to the business will not be given credence unless the submission contains credible evidence of how this works in practice and how it is improving decision-making and delivery within the DNO.

Appendix 1: Criteria and Scores

Panel Assessment Criteria

The Panel assesses DNOs against the Panel Assessment Criteria, as set out in paragraph 4.9 of the SECV Guidance.

Table 1: 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 uses the Consumer Vulnerability Sub-Criteria for guidance purposes in its assessment of the DNOs under the guidance. 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 2: 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 available¹¹.

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 methodology¹¹, the financial reward for each DNO is shown in 2021-22 prices. This adjustment will be applied to the 2021-22 revenues.

Table 3: Overall Panel Scores and rank for 2021-2022

<i>Company</i>	<i>Score/10</i>	<i>Rank</i>
ENWL	4.31	5
NPg	3.7	6
SPEN	5.29	4
SSEN	5.88	2
UKPN	8.54	1
WPD	5.35	3

¹¹ As set out in paragraph 6.3 of the Guidance.

Appendix 2: Detailed Feedback

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ENWL Feedback

Overall Panel Score: 4.31

Overall feedback statement

The Panel concluded that ENWL's submission was weaker than would be expected in this seventh year of the incentive. While there was evidence that ENWL has listened to stakeholders in some of the initiatives described, including local ones, some of the engagement input cited was very broad brush, such as 'don't be a blocker' to Net Zero. At this stage of the incentive, the Panel would expect to see clear articulations of exactly how stakeholder engagement is helping the company improve delivery, with benefits for customers and stakeholders.

Where this was attempted, the extent of performance improvement and outcomes was often not clear due to ambiguous reporting, particularly with regard to time periods. When figures include periods prior to the incentive year, for example 'in ED1', it is difficult for the Panel to see how the initiative relates to the current year's incentive unless figures for the current year are also provided.

Having explained in more than one previous SECV Incentive report that disjointed lists and tables of claims do not provide sufficient context or evidence of impact, the Panel was disappointed to see ENWL using these approaches. The table was also in very small type, something the Panel has previously asked DNOs not to use as it makes information difficult to decipher and risks evidence being missed.

Detailed feedback

Criteria	Comments	Score
1 - initiatives are part of a holistic approach embedded in their business	<p>ENWL claims that stakeholder engagement is 'deeply embedded' but the descriptions of initiatives provided in the submission did not enable the Panel to understand how the processes and influence on company decision-making work in practice. In one case, an example was given of the stakeholder engagement strategy in action, explaining how stakeholders were targeted in the launch of ENWL's EV strategy. What wasn't explained was how stakeholders had contributed to the development of the strategy.</p> <p>Some potentially relevant initiatives, such as the Public Panel, were mentioned, often several times, but their purpose and contributions</p>	4.5

	were not described in sufficient detail for the Panel to understand their impact on the business.	
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>The Inclusion & Vulnerability Impact Assessment is a tangible, well thought through and robust initiative developed in response to stakeholder feedback. However, the Panel was able to identify only a limited list of other examples. These seemed to be more 'business as usual' and included iterations of previously included initiatives, such as PREsense, and others such as LINEsight where the extent of ENWL's involvement in the innovation was not clear.</p> <p>The descriptions of the initiatives often did not make clear the scale of deployment, or the benefits being delivered. For example, it was not clear how much of a performance improvement ENWL's use of 'the most advanced digital network management system in Europe' is delivering for customers.</p>	4
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	<p>Some of the initiatives were at a level the Panel regards as 'business as usual' (BAU) for this stage of the incentive. These included the work with local authorities on decarbonisation approaches, and the Panel noted that all DNOs will replicate ENWL's 'best view scenario' in distribution future electricity scenarios (DFES). Also, ENWL contributing learnings from its website to the Zero Carbon Business partnership, and staff engagement on mental health support and improved customer service processes.</p> <p>Other examples were either at an earlier stage than would be expected at this stage of the incentive, such as the work on Low carbon Technology (LCT) connections and flexibility, or did not provide clear evidence of outcomes. For example, the education programme, including the Girlguiding Association partnership, and the work with community and local energy groups.</p>	4.5
4 - initiatives result in measurable benefits for stakeholders	<p>Outcomes were reported over a variety of time periods, making it difficult for the Panel to understand what related to 2021/22.</p> <p>Lots of Social Value figures were quoted, and 110 investments had been evaluated using SROI. However, on their own these do not provide sufficient evidence of impact, and the other metrics reported didn't always seem relevant or were vague, for example the scale and expected impact of this year's Community Energy projects.</p>	4.25

5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>The PSR registration level is the second lowest of the DNOs and the work to share data with the water company seems to be at an earlier stage than that of other DNOs. Training staff to spot vulnerability is happening later than would have been expected, but the ongoing evaluation of which teams are and are not making referrals is a positive step that should ensure enduring benefits in this important area.</p> <p>Analysis and mapping of future vulnerability patterns and improving website accessibility is the kind of solid 'BAU' work the Panel would expect to see at this stage of the incentive. ENWL did not provide clear explanations of the impact of the fuel poverty support, in either the submission or the presentation, to enable the Panel to understand the level of financial benefits actually delivered to fuel poor customers.</p> <p>The Panel was surprised to see the inclusion of measures to keep bills down in Part 3, e.g. the rollout of CLASS, having made clear in previous SECV incentive reports that these do not qualify as addressing vulnerability as companies have other reasons for undertaking such initiatives.</p>	4.5
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NPg Feedback

Overall Panel Score: 3.7

Overall feedback statement:

The Panel was disappointed this year in the submission by NPg, in particular as NPg's score last year went down substantially and the message given by the Panel to all companies was that the companies need to show year on year improvement to be successful in the scheme. The Panel did not see any evidence that NPg was running to stand still or improving year on year.

There was a general feeling that the company's response to Storm Arwen was poor and that the initiatives that the company was doing as a result of the storms were things that should have already been in place, e.g. the work on the website, customer welfare and the new telephony system. This led the Panel to question how seriously NPg takes its role of managing its customers' experience and meeting their expectations (relative to the other networks) and whether its lack of preparedness exacerbated the customer impacts during the storms.

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 continues to have the overall impression that stakeholder engagement is still not driving NPg's business. Although there were some instances of "you said, we did", there was insufficient detail to suggest that stakeholders are having much, if any, real impact on decision-making,</p> <p>The submission sets out a table of claims, which appear disjointed, without context and show no evidence of the impact for customers.</p>	4.25
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>The Panel felt that there was very little evidence of innovation provided in the submission. The Panel did consider the example of opening up data but was concerned at the number of steps in the process for users to access the data and that the report suggested that the Energy Networks Association was involved in the process and therefore the Panel felt that it could be seen as some kind of "gate-keeper". This was in contrast to some of the other network companies who were providing tools and access to full data sets and letting users choose what they needed without justification.</p>	2.75

	<p>Other elements that the Panel picked up in relation to innovation were seen as having been done by others some time ago; at an early stage or small scale. For example, the Experian work to target vulnerable customers seems late and there was no detail on what the benefits of this are, the work on improved restoration times also seems late relative to other networks and using the Tesla batteries for medically dependent customers, while good, was small scale with only 30 customers.</p> <p>Added to this, the innovation that was carried out appeared to have mainly been done by others, with NPg not having a big role. In addition, there was no real focus on carbon footprint or science-based targets, and the Panel did not see much by way of customer improvements. This is all reflected in the low score for innovation.</p>	
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	<p>The Panel felt that there were many things that were listed in the submission that would fall into the category of Corporate Social Responsibility, i.e. which in a well-run business would be covered without the need for an incentive. For example, engaging young people with STEM, supporting the National Apprenticeship Scheme and political stakeholder mapping. The Panel was also concerned about how NPg was identifying communities and groups to engage with, noting that NPg is focusing mainly on rural communities, when there will be many former industrial towns in its area where support is needed and could be provided.</p> <p>The Panel also had a general feeling that NPg is providing money as a means of addressing issues, as opposed to seeking stakeholder feedback, determining appropriate partnerships, and trying to leverage complimentary skills and resources for maximum impact. For example, providing £100k in partnership with Northern Gas Networks to 12 organisations – seems to be a small amount of money (and does not explain what benefits were derived) and the numbers of people who were provided with support were really small (60 members with energy literacy and STEM careers for 35 black and ethnic minority women).</p> <p>In respect of the DFES, the in-depth work on this appeared to be late and there was no explanation of what customers thought about it or how it helped them.</p>	3.75

4 - initiatives result in measurable benefits for stakeholders	<p>The Panel believed that many of the examples provided were things that would be delivered in the future and there was a feeling that this is because NPg is not putting in resources (e.g. the work highlighted with Utilita is for 2027 and work with Barnardo's to help low-income families in 2023). The Panel also questioned the robustness of the SROI calculations, in particular as the example provided for the off-grid farms failed to explain what account had been taken of the electricity that would be used through the new connection.</p>	3.5
5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>The Panel believes that there is confusion between direct and indirect savings for the fuel poor and, during the presentation session, the company was unable to explain this. The Panel felt that the data cleanse exercise that was mentioned was an Ofgem requirement and not something that the company was proactively doing. NPg's take up of the PSR is low and the company did not provide a good rationale for why this is.</p> <p>The Panel was keen on the idea that the PSR was rebadged as a "membership" scheme by the company last year, rather than "register", and had hoped the company would explain what difference this change had made and if signing up customers had become easier. The Panel was therefore left with the feeling that the company is not making the most of the "membership" idea. The Panel was interested that NPg had identified that customers liked the idea of getting compensation earlier, if they were part of the PSR.</p> <p>In respect of aiding vulnerable customers during the storms, the Panel believed that the company talked about providing support this year, which other companies have had in place for many years, for example contacting PSR customers.</p>	4.5

SSEN Feedback

Overall Panel Score: 5.88

Overall feedback statement:

The Panel feels that SSEN is on a generally positive overall trajectory (though it remains a substantial distance from the highest scoring DNO). The Panel saw evidence that SSEN has continued to embed stakeholder engagement throughout the business and is reaping benefits from the learnings that it is providing. The Panel observed a willingness to enter into meaningful partnerships and learn from within and from outside the sector. However, several initiatives, while beneficial, come at a later stage than has been the case for other DNOs.

The SSEN submission would have benefitted from greater clarity about how decisions are made, including the role of SROI, and from a greater focus on explaining the added value (or the 'so what') of each change in governance structures or engagement strategy to allow the Panel to more thoroughly assess their effectiveness. Finally, SSEN may wish to remain mindful of ensuring a balance between Scottish and Southern examples in its submission and presentation.

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 SSEN's overall strategy was relatively well-developed and what one would expect to see at this stage of the incentive. There appears to be a culture of co-creation and it is pleasing to see this appears to be delivering results. The Panel was positive that SSEN is open to adopting developments from within the electricity sector and, increasingly, from beyond the sector.</p> <p>The submission referred to greater Board level visibility – which we suspect is a positive move. However relatively little information was provided on how this was influencing strategy and decision making. Similarly, it wasn't clear how engagement metrics and Exco dashboards or embedding stakeholder engagement in every committee's Terms of Reference were translating into tangible outcomes and improving the pre-existing approach.</p>	6.25

2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>The Panel was pleased to see an increasing level of apparently meaningful partnership working (for example with the Electricity System Operator (ESO) and Octopus within the sector and with external organisations, for example in the transport sector). However, the Panel did not identify a sufficient range of initiatives that might be termed smart/best practice.</p> <p>When assessing partnership working, the Panel sometimes struggled to identify clear information on purpose, scale, or outcomes. For example:</p> <ul style="list-style-type: none"> i) The Panel was interested by work with SPEN on an Electric Vehicle (EV) guide for fleet operators, but would have liked to see more information on scale. ii) The Panel was not entirely clear that the 'Powering Net Zero' website involved consumer testing and was not clear what it was intended to achieve. iii) The Panel wasn't clear what the Global Smart Grid partnership, and the international collaboration in particular, had delivered. 	6.5
3 – initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	<p>Overall, the Panel felt that there was a reasonable range of initiatives evidenced; albeit in some cases things which several other DNOs had put in place sooner. For example, the 'Empowered to Care Training' program. The Panel felt that SSEN was seeking to put community stakeholders at the heart of projects – for example via its biodiversity work on future cable installation. It also noted efforts to work with supply chain partners via a 'Procurement Code' and felt a proactive approach was being taken to facilitate net zero. In some cases, such as the Shetland Waste Heat project, more evidence on the role stakeholder engagement played would have been beneficial.</p>	6.25
4 - initiatives result in measurable benefits for stakeholders	<p>The Panel felt this was one of the weaker aspects of the submission. The Panel wasn't able to understand what the 'sophisticated evidence weighting process' added, and why and how it was chosen. In some places there didn't appear to be clear evidence of the outcomes which were delivered. In several cases there were large differences between forecast and achieved SROI – with little explanation of why this was the case. SROI also</p>	5

	appeared to be used relatively selectively throughout the submission.	
5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>While headline numbers on PSR registrations are positive, the Panel would have liked to have seen more evidence that direct support (rather than advice) was being provided to those in fuel poverty and would have liked clearer figures in this area. As the cost of living crisis creates real issues for customers, the Panel hopes that SSEN will maximise efforts in this area. Responses to the Panel's questions confirmed that PSR registrations appear to be underpinned by a clear strategy – including a focus on hard-to-reach stakeholders via initiatives such as outreach to Hindu Temples and focusing on hospital leavers.</p> <p>It was difficult to disentangle figures in the part 3 submission to identify the specific outcomes and direct financial benefits as well as SROI benefits which were created and to understand why decisions were made. For example, a £24.03 SROI is quoted for one partnership – though only 1,149 customers were helped through it. With this sort of return, one might expect the case for scaling up to be strong.</p> <p>There seemed to be improved collaboration with partners and the work to optimise partnerships for the cost of living crisis and the focus on, for example, income maximisation was positive.</p> <p>Providing support to 24 refugees via the Empowered Energy is the type of work which may catch the Panel's eye. This feels like a very low number for a positive initiative and the Panel wondered why this wasn't greater. Equally, providing funding to organisations like the Fuel Bank Foundation isn't something which the Panel considers to be engagement (unless there is evidence of why that decision was made and a clear understanding of the benefits delivered).</p>	5.75

SPEN Feedback

Overall Panel Score: 5.29

Overall feedback statement:

SPEN's overall score has fallen, for the first time in several years, and the Panel felt that the energy and commitment to stakeholder engagement has slipped a little this year resulting in a weaker score. While the submissions and presentation indicated a good understanding of the demands and challenges to be met, there were fewer hard examples of how stakeholder engagement has, in practice, shaped the agenda and driven customer benefits than in previous years.

We noted the assertion that stakeholder engagement is at the heart of everything that SPEN does, and it is clear that engagement is taking place. However, the central role of this engagement in business planning and decision-making was not clear, which resulted in lower scores than in previous years.

Detailed feedback

Criteria	Comments	Score
1 - initiatives are part of a holistic approach embedded in their business	<p>It is clear that SPEN has worked hard over the years to develop its approach to stakeholder engagement. There is evidence of a range of activities with a broad mix of stakeholders, and an analytical approach to synthesising and triangulating the data this generates. The Panel felt a disconnect, however, in both the written submissions and the presentation, between the claim that 'stakeholder engagement is at the heart of everything we do' and the evidence that engagement is used systematically and strategically to drive, shape and challenge decision-making across the business.</p> <p>The Panel felt the submissions provided a lot of 'scene-setting' and repetition, at the expense of hard evidence of impact and improvement. Where examples of engagement and analysis were provided it was often without supporting information on what this work had delivered in terms of insights and how the business had responded. The Panel requires practical examples to illustrate a clear two-way relationship between business need and stakeholder</p>	4.5

	engagement, and evidence of how this has shaped the outcomes for customers and the business.	
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>The Panel was disappointed in the level of innovation demonstrated by SPEN this year. Several of the examples included in the submission would have been funded elsewhere, e.g. under Green Recovery, which is not considered under this incentive, and/or were not related to stakeholder engagement.</p> <p>There are some examples of good practice with potential for replication, including the ConnectMore interactive EV charging map, the Net Zero Book of Knowledge, Heat Up and the NAVI system. Some of the initiatives cited in the submissions, however, appear to be at an early stage, such as the Whole system hydrogen Village, and some are small-scale.</p> <p>More disappointingly, however, it was not clear whether or how stakeholder engagement had played a role either in driving or shaping much of this innovation. SPEN does not explain how the £6m investment into a new substation to provide additional capacity for electric is innovative or the role that stakeholder engagement played. Similarly, there is little detail on how the '1,000 pieces of analysis' produced on optioneering was shaped by stakeholder engagement.</p>	4.5
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	<p>SPEN's submission provided fairly limited detail on initiatives aimed at addressing the needs of challenging or hard-to-reach groups. We noted the Flexible Tower trial, aimed at customers using storage heaters; the whole systems local energy planning delivered in partnership with Cadent; and the provision of useful analysis by SPEN in support of community energy groups.</p> <p>The Panel would have welcomed more detail on how this work is making a difference, in practice. For example, it's not clear what the Flexible Tower trial actually delivers, and there is little detail on what stage the trial is at. Some of the initiatives cited under this category were not considered to go beyond business as usual, for example, the new customer relationship management (CRM) system being implemented post-Storm Arwen and upskilling the workforce.</p>	4.25

	<p>In addition, there were several references to analysis having been undertaken and contributed to projects without detail on how this relates to stakeholder engagement and what changed as a result.</p> <p>The Panel remains disappointed that, despite being the only DNO to cover Scotland, Wales and England, there appears to be far more work in Scotland. The Panel was also concerned that, in commissioning an independent report on lessons to be learnt from the winter storms, SPEN risked being slower to learn these lessons than it might have been, and the submissions did not outline the lessons that were actually learnt. Although we do note evidence of an improved response to subsequent storms, we would have liked to have seen examples of how an embedded approach to stakeholder engagement enabled an agile and targeted response.</p>	
4 - initiatives result in measurable benefits for stakeholders	<p>The Panel noted SPEN's continued leadership on SROI among DNOs, which was rewarded in last year's incentive, and was pleased to see that SPEN continues to drive this work forward with a focus on improving the data quality of inputs and outputs.</p> <p>The submissions provided some useful and interesting examples of how SROI is used to prioritise decisions, evaluate results and outcomes; and refine forecasting and impact measurement. For example, on EVs, Customer Improvement Projects, the outcomes data is feeding into improved forecasting. SPEN has also built a structured database of outcomes for use by external partners to ensure consistency and provides outcome reports for partners to use in support of their own work.</p> <p>Overall, however, the Panel would have liked to see more evidence of how stakeholder engagement influences this process. This, along with the small scale/early stages nature of several of the initiatives meant that the Panel could not be fully confident that resources were being committed at an appropriate level, and that there is genuine senior buy in.</p>	6.25
5 - the quality of the network company's strategy to address	<p>SPEN's Part 3 submission indicated a well-developed strategy to address vulnerable consumers, linked to meaningful outcomes. The percentage of eligible customers registered to the PSR is within the higher range among the DNOs and SPEN demonstrated a good understanding of the barriers to increasing registrations and closing</p>	6

consumer vulnerability and the quality of the outcomes delivered	<p>the gap among particular groups of customers. Likewise, SPEN showed a nuanced understanding of the issues facing customers in fuel poverty, particularly in the context of the current cost of living crisis, and has built a network of partners to extend its reach to customers who may not typically seek help.</p> <p>In particular we noted, the partnerships with Energy Action Scotland, with the Fuel Bank Foundation and with LEAP. SPEN has also developed simple guides for sixteen new energy technologies and commissioned a study on barriers to EVs for disabled drivers. The staff training sessions on vulnerable consumers, however, we consider to be business as usual. The balance of activity around fuel poverty support between generic advice and information and direct, bespoke intervention looks to be in the right place but we would like to see SPEN routinely presenting the direct financial benefits to customers as a result of this work.</p>	
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UKPN Feedback

Overall Panel Score: 8.54

Overall feedback statement:

UKPN presented a strong submission, with clear evidence of engagement influencing the business and achieving impact, again achieving the highest score in this year's incentive. It is clear that the strategy is firmly embedded within the business and that UKPN continues to challenge itself to improve year on year, identifying new initiatives and partnerships and seeking ways to tackle some of the difficult issues facing the business and the sector more widely. Its submissions and presentation comprised many examples, bringing the work to life, and it is evident that a robust approach to prioritising activities and measuring impact is central to UKPN's approach.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - initiatives are part of a holistic approach embedded in their business	UKPN has, again, shown evidence of a strong, embedded, comprehensive and evolving consumer engagement strategy, demonstrating how stakeholders shape the agenda, challenge decisions, and remain engaged throughout delivery, monitoring and evaluation of initiatives. UKPN has built and maintained a diverse range of partnerships and can demonstrate how the insight gained is applied. The projects presented were clearly aimed at addressing challenges for both the business and the wider sector. The Panel liked the presentation of 'tactical' and 'strategic' initiatives throughout. The role of stakeholder engagement in shaping and delivering projects was consistently illustrated, with clear evidence of a feedback loop that enables UKPN to improve its approach.	9
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be	UKPN shows continued commitment to develop, scale and share innovation to the benefit of customers, the business and the sector. Numerous examples of substantial innovation projects were provided with clear illustrations of the role stakeholder engagement had played and how the business had responded. UKPN showed how extending its partnership network had resulted in the adoption and application of learnings from outside	9

replicated across the industry	the sector. Most of the initiatives included in the submission have been scaled up and rolled out, and there is evidence of an ongoing commitment to sharing solutions that deliver good results.	
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	UKPN's submission indicates a breadth and depth of engagement resulting in a number of substantial initiatives to address the needs of challenging or hard-to-reach groups. The benefits of these initiatives were well evidenced. It is clear that the insights gained have been used to determine what really matters to stakeholders and to design and prioritise projects accordingly. Examples of good practice here include the Barcombe off-grid trial; a new Citizen's Panel; the SmartSTEP trial with Trojan Energy. There is also evidence that UKPN has shared learnings from these initiatives appropriately. Further information regarding the expert stakeholders that are referred to in the submissions, along with detail of how they were selected and the role they played would have increased the score.	8.75
4 - initiatives result in measurable benefits for stakeholders	UKPN has extended its use of the SROI model to embed new proxies and refine their application of social value. This enables it to select the most appropriate measurement tool rather than applying a 'one size fits all' approach. The submissions clearly set out how impact is measured. UKPN was also able to provide evidence to illustrate the way that social and environmental benefits are factored in to drive decision-making and prioritization, engaging external expertise to validate its approach. Specific examples of where a sophisticated and evolving methodology has been used to improve the methodology for evaluating and measuring benefits include the approach to low carbon solutions and fleet transition. Clearer presentation of benefits between trial activities and the full roll-out would have improved the score and occasionally there was a lack of distinction in the presentation of actions and outcomes. More information on the external expertise that was brought in to validate the SROI process would also be welcome.	7.75
5 - the quality of the network company's	It is clear that UKPN has a clear and embedded approach to consumer vulnerability, involving stakeholders in shaping	8.5

strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>initiatives and prioritizing what needs to be done. As a result, it has been able refine its approach accordingly. It shows commitment to embedding an 'inclusion by design' approach, resulting in a consistent approach without siloes. It is also clear that it has been sharing both within and outside the sector. PSR registrations remain 'mid-table' for the sector, however, and an acceleration of effort is required to address that.</p> <p>On fuel poverty, UKPN responded to a strong message from stakeholders that enduring support was required to enable people to secure a meaningful improvement in their circumstances.</p>	
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WPD Feedback

Overall Panel Score: 5.35

Overall feedback statement:

The Panel concluded that WPD's submission met the 'average' standard for this stage of the incentive. While there were some substantial initiatives and examples of good practice, there were also various broad claims, such as 'high quality, frequent and challenging engagement with stakeholders is crucial', which were not underpinned by clear evidence of what happens in practice and how this leads to improved outcomes. The submission lacked detail of the actual engagement processes and their contribution to solving challenges for the business. The Panel was disappointed that this approach persisted into the interview, for example when answering the question about how WPD achieves the exceptionally high financial benefits cited for its fuel poverty work.

The evidence of 'measurable benefits' did not always include the 2021/22 evaluation period specifically, e.g., citing Social Contract benefits over a ten-year period. Some claims, such as having 'the most comprehensive' EV strategy, were not convincingly evidenced, and in other cases the evidence was of process rather than outcomes, e.g., Community Energy. In this seventh year of the incentive, the Panel expects submissions to be weighted towards initiatives that are delivering real impact for both customers and stakeholders, with relevant evidence of the extent of the size of the benefits.

The Panel gives credit for evidence of sharing good practice with other DNOs in sufficient depth as to enable them to implement it. With the cost of living crisis ongoing, the Panel strongly encourages WPD to share its approach to addressing fuel poverty with all the other DNOs and hopes to hear about this in next year's submissions.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - initiatives are part of a holistic approach embedded in their business	There were several claims about how seriously WPD takes stakeholder engagement, including that 'key decisions are always shaped by stakeholder insights' and that WPD works with stakeholders to 'co-create' action plans. However, such claims must be accompanied by compelling evidence of how the DNO is working with stakeholders in practice to solve significant challenges for the business, and even the wider sector, and deliver meaningful benefits for customers and stakeholders.	5.5

	<p>WPD's submission provided limited evidence of what working with stakeholders actually involves or how it improves delivery. There were some examples that could potentially have contributed to a higher score had more detailed evidence been provided, for example the Customer Panel 'buddy' scheme. Similarly, the five published synthesis reports summarising stakeholder feedback sound interesting but little detail was provided and Panel Members could not find them on the website.</p> <p>The Social Contract was a flagship initiative of the submission, but it was not clear what stakeholders had contributed to its 'co-creation' and there was little evidence of the impact of initiatives, with relevant numbers either small or not included.</p>	
<p>2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry</p>	<p>The work with local authorities and on open data seemed substantial and solid, and WPD seems to be taking the potential of flexibility services seriously. Other projects often seemed to be smaller scale and/or at early stages.</p> <p>It was difficult for the Panel to evaluate the impact of the ConnectLite platform trial as there was insufficient results data. The Panel also found it difficult to understand which aspects of the Whole Systems collaboration related to 2021/22 as various reporting periods were cited. The Customer Panel could prove very useful, but the insights described are not exceptional for the sector.</p>	5.5
<p>3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders</p>	<p>Panel Members found the descriptions of initiatives difficult to navigate, and clear evidence of impact was often missing. The work to support the Welsh Government on Net Zero Wales and the streamlined Connections process seemed to be the kind of useful work that would be expected at this stage of the incentive. Leading cross-DNO work on solving challenges regarding leases for on-street EV charging is welcome but not exceptional.</p> <p>The section on Community Energy contained many elements but lacked evidence of impact. The Zero Carbon Business website has many partners; when such projects are included the DNO's particular contribution needs to be made clear for significant credit to be given, as do the outcomes of the initiative. Sufficient evidence of these was not provided.</p>	5.25

4 - initiatives result in measurable benefits for stakeholders	<p>The lack of clarity in descriptions of initiatives, and regular omission of relevant evidence of their outcomes and impact made it difficult for the Panel to be entirely confident that resources are committed at a level that would be expected at this stage of the incentive. The social value framework had been applied to 17 projects. This seemed to be on the low side, but the rationale was not provided.</p> <p>Some decisions made given the expected benefits of the projects were not always fully explained, and some data was contradictory. For example, an apprenticeship programme with estimated social value of £0.06 over 5 years (possibly 10 years – both were cited) had only brief justification of ‘strong stakeholder support and alignment with our social contract’ and a claim that WPD’s experience means there will be ‘significant positive impact’.</p>	4.25
5 - the quality of the network company’s strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>Overall, the Panel thought WPD’s work to address vulnerability was of a ‘fair’ standard. Some of the initiatives, such as proactively contacting PSR customers ahead of a storm, were what would be expected at this stage of the incentive. While many statistics were included these did not always include data to enable the Panel to understand the size and outcomes of schemes, e.g., several projects in the Smart Energy Transition section. Good practice included the extent of the sharing of PSR records with water companies, and the level of in depth help for fuel poor customers, even if the Panel would have appreciated a clear articulation of how the exceptionally high financial benefits are being achieved.</p>	6.25

Appendix 3: Historic Scores

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Rank this year
UKPN	5.85	7.53	7.53	7.25	7.95	8.3	8.05	8.54	1
SPEN	6.5	6.78	6.28	6.35	6.71	6.85	7.08	5.29	4
ENWL	6.1	6.9	6.38	5.75	4.54	6.03	6.61	4.31	5
SSEN	5	5.73	5.23	5.5	3.95	5.54	6.2	5.88	2
NPg	7.65	6.5	6.5	7.5	7.01	6.71	5.01	3.7	6
WPD	8.75	8.75	8.53	8.75	8.35	n/a	n/a	5.35	3