

Together we have the energy to transform our communities

# Our Stakeholder Engagement and Consumer Vulnerability Strategies

## Part One

Ofgem Stakeholder Engagement and Consumer Vulnerability Incentive 2021/22



Electricity North West Limited  
Registered number 02366949

**electricity**  
**north west**  
Bringing energy to your door

# Welcome to our Part One submission to Ofgem's Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive for the year 2021/22.

Electricity North West is one of **14 distribution network operators (DNOs)** in Great Britain regulated by Ofgem. As the only single licence DNO group (out of six groups) we are proud to champion our **2.4 million customers**.

Our purpose – "Together we have the energy to transform our communities" – reflects the essential role we play in changing the lives of our stakeholders in the North West.



Bringing energy to your door

**What we do**  
Manage energy to meet the needs of our customers and communities

**PURPOSE**

**OUR WORLD**  
What the North West needs  
Cleaner, greener energy to enable and enhance 21st century life in the North West

**REASON FOR BEING**

2021/22 is the seventh year of the eight-year regulatory framework set by Ofgem which drives network companies to engage proactively with stakeholders to anticipate their needs and deliver a consumer-focused, socially-responsible and sustainable energy service.

## Our 2021/22 submission

Part 1: Our stakeholder engagement and consumer vulnerability strategies. This outlines our strategic approach to engaging and working with stakeholders and supporting those in vulnerable circumstances.

Part 2: Our stakeholder engagement activity and the outcomes we have delivered.

Part 3: Our consumer vulnerability activity and the outcomes we have delivered.

## Our region



In response to 2020/21 Panel feedback we have made a concerted effort to improve the presentation of our submission this year, with enhanced font size; readability; minimal capitalisation; appropriate colour contrast; and greater contextualisation of statistics. Our focus has been demonstrating quality and impact rather than quantity.

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## Case study key

The following symbols found throughout our report highlight important aspects of our 2021/22 activities.



### New

Initiatives which were introduced this year



### Enhanced

Examples of where we have improved our approach since last year



### Embedded

Successful initiatives entrenched in our business



### Hard-to-reach

Initiatives which best serve the specific interests of under-represented stakeholders



### Innovative

Novel or leading practice, based on benchmarking, for industry replication



### Scaling-up

Initiatives that will soon or are already reaching significantly more consumers than before

## Glossary

The table below includes a list of acronyms used widely throughout part 1 of the report:

Acronym	Meaning
DNO	Distribution Network Operator
ED1	Electricity Distribution 1 (2015-2023)
ED2	Electricity Distribution 2 (2023-2028)
ELT	Executive Leadership Team
ESO	Electricity System Operator
LCT	Low Carbon Technology
PSR	Priority Services Register
SECV	Stakeholder Engagement & Consumer Vulnerability
SROI	Social Return on Investment





## 2021/22 Engagement highlights

63,178 stakeholders engaged through 28 inclusive mechanisms

82% overall stakeholder satisfaction

Thriving Utilities Together forum enhances regional coordination

Social value of 110 investments quantified

Knowledge sharing leads to global replication of CLASS

### At Electricity North West we strive to be the best performing DNO.

Since the start of the SECV incentive our approach to stakeholder engagement has evolved considerably. **Our wholehearted commitment stems from the proven value and insight that stakeholder relationships bring to our decision-making, risk management and reputation.**

Stakeholders have had a profound impact on our performance across every aspect of our business, and this has only been possible by listening and responding to their needs. We are the only DNO group to achieve green ratings (performance on or exceeding target) in every Ofgem category for the last six years running, and we are the most innovative DNO in ED1 according to Ofgem's innovation rewards. Without question, our use and integration of stakeholder engagement will continue to expand beyond the incentive and underpins our **forward-looking strategy**.

**This year our thriving engagement culture has enabled us to adapt to key influences shaping our business.** These include net zero ambition, major storm events, changing stakeholder expectations, supply chain issues, increase in energy prices, and the continued threat of the pandemic.

### Net zero ambition

**The fundamental challenge that the country faces is delivering net zero at a price people can afford.** The North West's ambition requires huge commitments across many sectors in a coordinated way. However, it is impossible to ignore the macro factors at play, not least the energy market being squeezed by rocketing gas prices. We have ensured customers' bills are lower than they otherwise would have been by **scaling-up** innovation projects such as **Customer Load Active System Services (CLASS)**. We have complemented this action with leading the development of Local Area Energy Plans (LAEP) for all 10 councils in Greater Manchester to ensure the right amount of investment is taking place at the right time in the right areas.

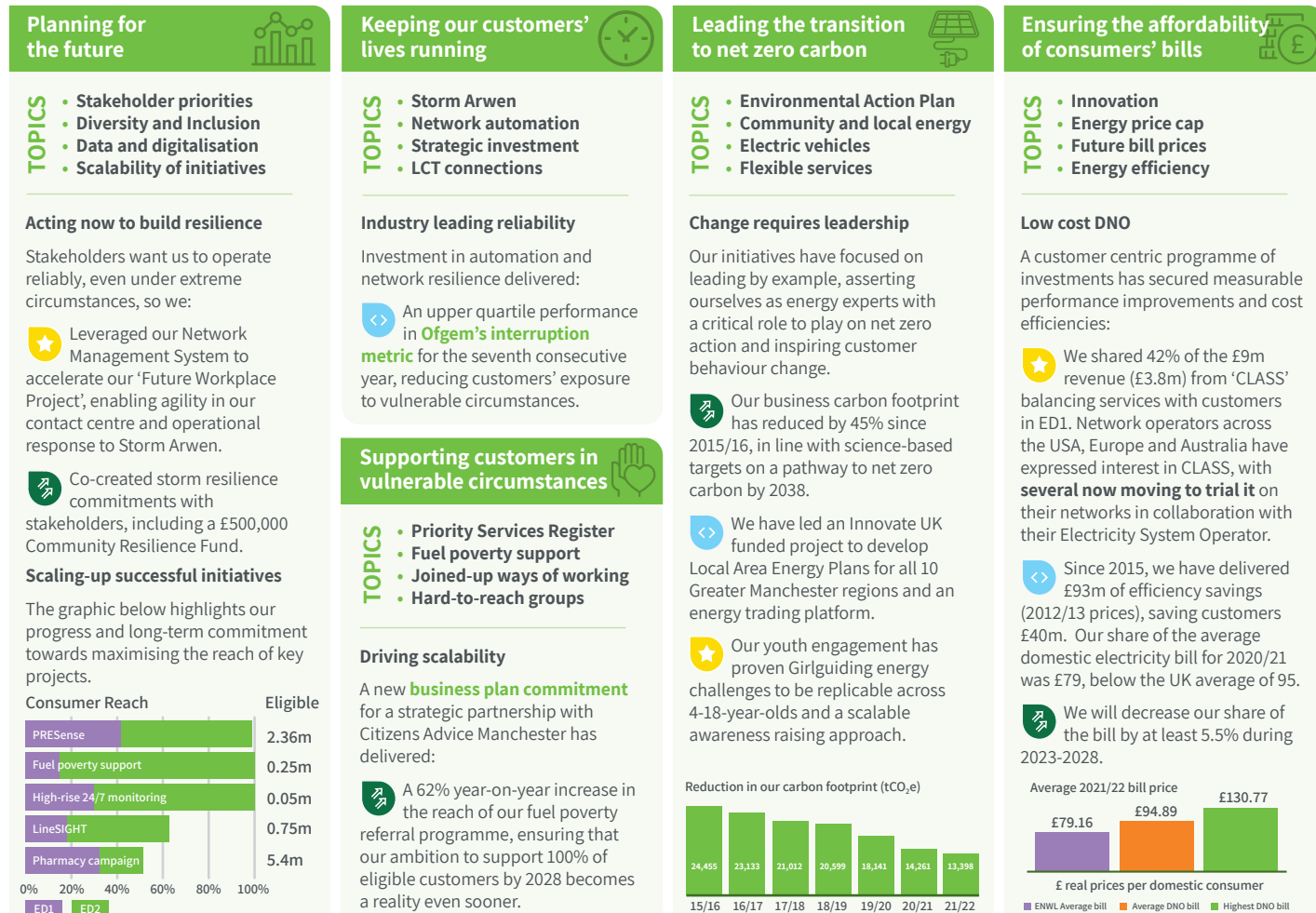
### Major storm events

**Storm Arwen was a great example of the way colleagues at all levels support our customers by rallying together to deliver a whole-company response.** Following the worst ever weather-related damage to our network, colleagues in our local incident centres, contact centre and welfare teams, and volunteers from across the business, came together to provide vital support to our customers and stakeholders on the phone or in person. Stakeholders and partners united to efficiently coordinate our response and apply lessons learned from Storm Arwen to increased preparedness for Storms Dudley, Eunice and Franklin. Following our extensive post-event engagement, we have launched new service commitments further improving resilience to major storm events (see Part Two, page ten).

In our submission you will hear just some of the many initiatives where stakeholder engagement has helped us to successfully deliver change and better performance across every aspect of our business.

## Stakeholders inform our strategic business priorities

A summary of our 2021/22 strategic priorities, engagement topics and a selection of our key achievements



In this section we demonstrate how our mature engagement strategy brings an inclusive approach to engaging with purpose on our stakeholders' most material issues, adapts to the changing environment we operate in, and delivers impact.

## Our Stakeholder Engagement Strategy

**Established in 2016, our comprehensive stakeholder engagement strategy aims to deliver the outcomes our stakeholders prioritise and value.** It enables us to better serve stakeholders by understanding their current and future needs and expectations. It helps us to identify opportunities to improve our services and business performance, manage uncertainty and risk and deliver greater value to our customers.

Our strategy is aligned to the **AA1000 Stakeholder Engagement Standard** (2015), a best practice framework, and the AA1000 AccountAbility Principles (2018) of Inclusivity, Materiality, Responsiveness and Impact. Our stakeholder engagement approach (see below) is purposefully rooted in these principles.

## Why we engage with stakeholders

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In 2019, together with our stakeholders, we developed six engagement principles. They are derived from and reinforce our company purpose and provide a clear statement of what stakeholders can expect from us.

### Company purpose

### Together we have the energy to transform our communities

Guiding principles	We're switched on	We're adaptable	We take pride
	<p>Stakeholder engagement informs our business decision making</p> <p>We engage with a wide range of stakeholders to capture the views of the customers and communities we serve</p>	<p>We understand our stakeholders' preferences and engage with them via their preferred channel</p> <p>We continually grow our understanding and adapt our business as a result of listening to the experiences of our stakeholders</p>	<p>Our feedback to stakeholders is transparent on the issues they've raised and they hold us to account</p> <p>Everyone is empowered to act on what they learn</p>

To ensure that our principles are universally understood and consistently applied by colleagues, this year we ramped-up education and promotion of stakeholder engagement across the company. This included training for all employees, explaining the purpose and scope of stakeholder engagement. The objective of this was to ensure engagement activity is fully embedded and consistent with the organisation's purpose. The initiatives set out in this section influenced **over 90% of stakeholders participating in our 2021/22 stakeholder satisfaction survey to agree that we routinely deliver against these principles – an increase of 8% since last year.**

## Stakeholders are influencing our company's agenda

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In a changing world, we continuously engage with stakeholders to understand their shifting priorities. This helps us update our materiality matrix, a means of charting those issues that matter most to our stakeholders. **Within each priority we identify the topics that stakeholders wish to engage on during the year-ahead.** We achieve this via our annual survey and in-depth consultation with our advisory panel independent chairs and members. Our management team review strategic topics alongside financial impact, alignment to business vision, and wider societal interest.

**In parallel our corporate risk register is updated through strategic input from our Board and Executive Leadership Team (ELT).** This year the Board recognised the strategic need to expand new automation and control approaches (a key engagement topic) to enable the business to respond to the challenges of facilitating the net zero transition and manage associated risks. The decisions made by our ELT and Board are informed by regular updates on stakeholder engagement activity, either through direct involvement or via our established governance approach (see page nine).

Topic prioritisation ensures that our programme is focused and proportionate, and that we return value from the significant investment we make in delivering our activities, paid for from customers' bills.

## Five key steps are the building blocks of our approach

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We have embedded a five-step approach to planning and delivering stakeholder engagement.








## 1 Stakeholder mapping

We split our stakeholder community into 50 segments who are impacted by our activities. To tailor our engagement plans we record and monitor each segment's engagement interests, knowledge and communication preferences. This influences the type of engagement (strategic, consultative, involving, informing or responsive) and mechanisms we use to involve stakeholders (such as expert strategic panels, collaborative industry forums, topic specific workshops, bilateral meetings, market research and newsletters). Each year we avoid the risk of 'echo chambers' by refreshing our database to involve the widest possible range of stakeholders in our engagement, including those who are seldom-heard. A prioritisation tool ensures that for each topic we target attendance from influential and expert stakeholders.

### Evolution of our strategy

MPs were identified as a key stakeholder in our mapping and prioritisation, due to their level of influence and remit in terms of net zero planning. To enhance our approach, we worked with a specialist public affairs agency to **identify the top 50 political stakeholders and secure locally-specific inputs and capture key priorities**. We undertook an initial perceptions survey with MPs in our region during 2020/21 and used this insight to create a forward-looking political engagement plan. Because MPs are typically time poor, we joined the Greater Manchester Westminster Group as sponsors to provide an engagement platform, established a quarterly parliamentary update and organised MP 'drop-ins'.

### Highly integrated tools and processes

-  Research projects to understand stakeholder and customer priorities.
-  Attitudinal and demographic segmentation of over 2,000 North West electricity users.
-  PESTLE (Political, Economic, Socio-cultural, Technological, Legal and Environmental) analysis of macro factors.
-  Annual stakeholder mapping exercise linked to engagement topics.
-  Prioritisation tool to shortlist most important stakeholder groups to speak to.
-  Audit process to identify gaps in representation.
-  Annual data-led refresh of 2,000+ stakeholder database to fill gaps.

## 2 Engagement








In our audit and assurance process AccountAbility recommended providing more centralised tools to colleagues to support the continued expansion of engagement. We held four cross-functional focus groups to understand colleagues' support needs, **shared best practice with Northern Gas** and leveraged engagement with the Chartered Institute of Public Relations to refresh and relaunch a bespoke toolkit. In total this year we held 2,137 engagement events reaching 63,178 stakeholders (see **page nine** for year-on-year comparison) through 28 mechanisms, leading to over 300 outcomes for stakeholders, our highest ever number.

### Evolution of our strategy

In last year's satisfaction survey 78% of our stakeholders named online meetings as their preferred engagement channel. We partnered with Elevate, experts in online engagement, to make sure we are adopting leading digital practices. As the Government announced England's winter 'Plan B' strategy **we rolled-out an online live-streaming format that we had successfully trialled earlier on in the year** (EV event - 86% satisfaction, up 6% on trial use) for our annual stakeholder regional workshops. Each event integrated interactive tools adopted last year such as polling and web chat.

Key relationship management with county councils (another action from last year's survey) strengthened relationships such that **each event was co-presented by a senior leader from each local authority and focused on our shared priorities**. The Cumbria, Greater Manchester and Lancashire events were attended by 100 stakeholders, up from 44 last year. Following its success, we **shared best practice with Northern Powergrid**.

### Highly integrated tools and processes

-  Stakeholder engagement guiding principles.
-  Collaborated with other utilities to **share engagement best practices** (page ten).
-  28 inclusive engagement mechanisms, with five new or enhanced digital channels during the pandemic.
-  'Pulse' survey mechanism rolled-out to rapidly collect feedback from over 500 impacted customers after storm events.
-  10 mechanisms for 2,086 colleagues to provide feedback on how we can better meet customers' needs.
-  How-to guides and checklists for effective planning of five online mechanisms (e.g. hybrid live-streaming)
-  A mandatory colleague e-training module to raise awareness of the purpose, scope and reporting of stakeholder engagement.








## 3 Review and prioritise feedback

Stakeholder feedback is responded to by our central teams and 50 strategic topic owners. A range of tools are used to record, synthesise and prioritise initiatives as part of our decision-making process (see **page nine**).

### Evolution of our strategy

Our internal Stakeholder Engagement Working Group **asked us to improve our centralised stakeholder information database**, to make it easier to record activity and improve the intelligence available to them when reviewing actions required. A cross-functional business change team **leveraged learnings shared by SPEN** to define user requirements for a new solution and consolidated many systems into the one place; including Outlook emails, excel spreadsheets, survey tools, mailshot tools and analytics and reporting tools. Newly automated and tailored data reports give employees improved visibility into feedback received from stakeholders right across our map. Important information on specific stakeholders, that engagement owners should be aware of before engaging, is also provided.

### Highly integrated tools and processes

-  Replaced our Stakeholder Tracker with Tractivity, an automated best practice tool.
-  Over the past year implemented 15 recommendations from our AccountAbility Stakeholder Engagement Healthcheck.
-  Quarterly triangulation of stakeholder insights presented to ELT.
-  Internal knowledge sharing forums to respond to emerging triangulation insights.
-  Engagement teams work closely with 50 subject matter experts to develop actions.
-  New topic areas are identified e.g. the need to engage with housing associations regarding LCT connection requirements.
-  Social value framework used to forecast the financial, social and wellbeing value of over 110 potential projects.
-  Formalisation of a six-step justification process to aid investment prioritisation.
-  Project plans and projected benefits are regularly reviewed by senior managers to ensure engagement is shaping our initiatives.



## 4 Impact measurement

Throughout the duration of projects, we measure the impact and benefits delivered for stakeholders through a range of metrics. We continue to seek stakeholders' feedback once projects have been rolled out to ensure that they deliver enduring benefits.

### Evolution of our strategy

Last year the SECV Panel wanted to see evidence of successful projects from previous submissions being **scaled-up**. In response our internal Challenge Group instigated a formal assessment of the scalability of 25 projects. Our data was normalised to identify the number of people reached overall, as a proportion of the total that could benefit. This process highlighted some initiatives with currently poor year-on-year scalability, that our **planning for the future** engagement demonstrated were important to address (e.g. registrations to our Business Priority Services Register). A business case integrating metrics such as social value and user satisfaction was presented to ELT. Investment to accelerate the scalability of eight eligible initiatives in the remainder of R10-ED1 was approved, making future plans a reality sooner (see Part 2, page three).

### Highly integrated tools and processes

- Standardised range of measurement approaches that assign a monetary value to financial, social and wellbeing outcomes.
- A list of holistic metrics that track satisfaction, take-up of services, customer reach etc.
- Annual review of embedded initiatives to ensure projected outcomes for stakeholders are achieved.

## 5 Action plan

We **share outputs** from our engagement and the impact of our activities with our stakeholders through meeting minutes, action reports and progress updates. We are transparent regarding the feedback that has influenced our actions going forwards and provide clarity as to why other requested actions are not pursued.

### Evolution of our strategy

Last year we refined our forward-looking engagement plans to include specialist topics requested by stakeholders. For example, our live-streamed online event 'Electric Vehicles Explained', attended by 227 interested stakeholders, was the first in a series of topics. In our 2021/22 satisfaction survey the average number of topics stakeholders reported having engaged with us on increased from 5 to 7 and net zero themed topics were successful in expanding audience reach, such as 100% of councils with at least 10% of their population in our area (35) participating. **The survey has evidenced appetite for more 'topic-explained' sessions on LCT connections, and fair and inclusive energy transition which are part of our action plan for 2022/23.** We publish our annual stakeholder satisfaction progress and action plan on our website and publicise via our newsletter. A culture of openness has influenced a 7% improvement (to 80%) in our survey metric 'Electricity North West is open and transparent about its future intentions'.

### Highly integrated tools and processes

- Key relationship management for prioritised strategic stakeholders.
- Investment in engagement capacity building. Six new roles created within our central stakeholder, customer and net zero teams.
- 'You said/ we did' model to communicate action plans for all engagement types and communications channels such as monthly stakeholder newsletters.
- Publish event materials, including the full presentation and video.
- Engagement hub with our response to past consultations.

## Our Consumer Vulnerability Strategy

This section explains our strategic goal and the continuously evolving strategy we have in place to achieve it. The strategy is supported by stakeholder-led 'pillars', clear success measures and a targeted approach to reaching those in greatest need.

### Why we engage with electricity users in vulnerable circumstances

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**Refreshed in 2021/22, our strategic goal is to provide an inclusive and supportive service for all users of electricity in a rapidly changing world - recognising the need to maximise the reach of our services through collaborative, innovative working with a community of trusted partners across our region.**

Our strategy is rooted in stakeholder engagement and partnership working. The building blocks of our strategy are five pillars which guide our engagement topics and activities:

Pillars	1	2	3	4	5
	<b>Build and maintain a resilient network</b>	<b>Use data to understand vulnerability challenges</b>	<b>Continuously improve customer contact data</b>	<b>Deliver tailored support to our PSR customers</b>	<b>Work with partners to tackle fuel poverty</b>
Part Three 2021/22 initiatives	Ensuring none of our customers are worst-served	PSR research and improved offering	Single PSR trial and data sharing	Pharmacy PSR awareness campaign	Strategic referral partnerships

We engage to ensure our services and provision of electricity are sustainable for everyone and do not leave people behind through lack of knowledge, lack of tailored support, lack of engagement or assumed knowledge.

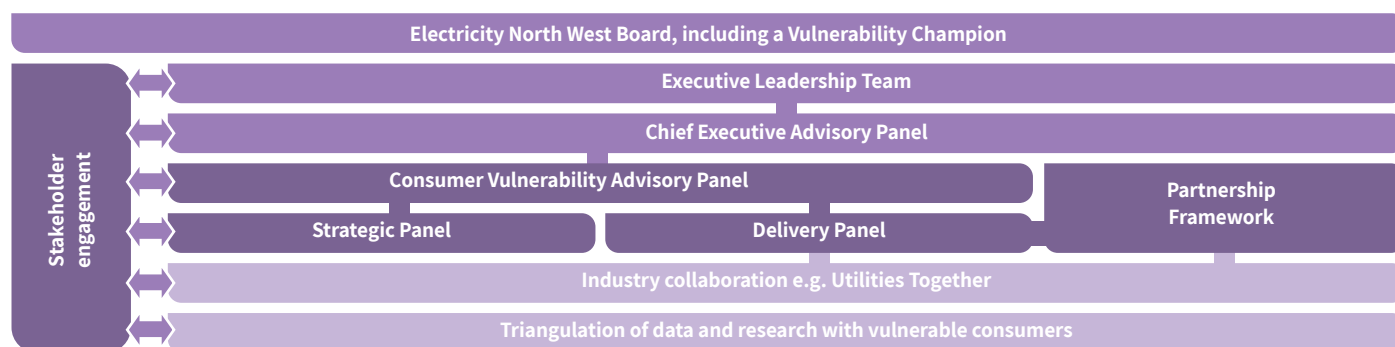
As a local institution and socially responsible business, we want to provide the right support to minimise these situations and build resilience in our communities in the short and longer term.

## How we engage on consumer vulnerability

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Our Board and ELT have made it a priority to champion our consumer vulnerability strategy through their ongoing involvement in engagement activities. During 2021, we appointed board member Anne Baldock as a Vulnerability Champion to work alongside our senior managers.



This structure supports our agility and responsiveness to the changing world we operate within. This year our Strategic Panel advised us to maintain the five pillars supporting our strategic goal, as they provide a robust foundation to focus our efforts. However, a horizon scan undertaken by the Panel revealed deep concerns regarding the surge in world energy prices, and consequent effects on energy bills. Combined with the ongoing risk factors, our Delivery Panel anticipated their caseloads will increase exponentially in future years. This heightened the appetite of stakeholders to focus discussions on investment allocation as part of our strategic priority **planning for the future**.

## A changing world requires urgent action now on fuel poverty

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### What we heard

We engaged more than 18,000 different customers and wider stakeholders on our future priorities. In addition to further developing our PSR offering, we heard a call for a step-change in ambition to support all 250,000 fuel-poor customers in our region. Based on current levels of fuel poverty in our region, this is the scale of the challenge to be solved. We held searching and objective discussions about whether we are best placed to deliver the required support.

Our approach evolved with a 40-strong group of electricity users, selected using our new segmentation model to represent the diversity of our region. Over the course of ten weekend meetings the deliberative Public Panel took time to consider vulnerability issues in depth and ask questions to subject matter experts before they came to a

considered view. This approach involved customers in decision-making, without expecting them to take on the role of 'policy makers' and resolve opposing views, such as large energy users perceiving fuel poverty support as a Government responsibility. The Public Panel were clear that we should be positioned as an "honest broker" of support services – a role they felt we are likely to be trusted to fulfil. Our insight synthesis also referenced our stakeholders' view that central and local government funding remains constrained in the short term and uncertain in the long term. Our Delivery Panel said that, without certainty over funding, resources would be more likely to fluctuate, creating further risk to support services.

### What we did

We created a **forward-looking electricity users in vulnerable circumstances strategy**

including stretch levels of ambition on fuel poverty support. **To deliver the long-term outcome our stakeholders value, we focused on ramping up activity now.**

Many of the wider factors that create vulnerability are addressed by a range of organisations, and we believe that we have a role to play in ensuring different organisations and sectors work together to simplify the access to support that will benefit end users and minimise the impact on their daily lives. To achieve this, we:

- ✓ **Shared our 'fuel poverty mindsets' research** with 252 organisations.
- ✓ Used a 'six-month on' update to our COVID-19 study to target investment.
- ✓ Formed 43 new partnerships to enable scalability in our network.
- ✓ Increased investment in fuel poverty referral partnerships by 63% to £342,500.
- ✓ Supported 11,163 fuel poor customers with 36,487 referrals, an increase of 180%.
- ✓ Worked on **10 shared projects** with other utility providers in the north west.
- ✓ Led the creation of the North West Energy Forum, chaired by Citizens Advice.

In line with our fuel poverty principles we also expanded support through initiatives that require no action on behalf of the customer. Examples include:

- ✓ Upskilling the workforce to recognise vulnerability to make every contact count.
- ✓ Proactively identifying customers before they become 'worst-served'.
- ✓ Targeting existing community biodiversity programmes in areas of fuel poverty.
- ✓ **Replication of innovation projects** Smart Street and CLASS around the world.

## Fuel poverty guiding principles



### Outcome

Our collaborative approach has increased data sharing, pooling of resources and best practice which has reduced organisational silos and created synergies to maximise reach.

### Pillar 5: Work with partners to tackle fuel poverty (Part 3, page eight)

#### What outcomes do we measure?

- Satisfaction levels
- Frequency and duration of power cuts
- Registration of customers to the PSR
- Uptake of PSR services
- Uptake of low carbon technologies
- Participation in energy efficiency

#### How do we quantify changes?

- Benefit of our 2021/22 activity:
- Customer satisfaction - 90%
  - Customer financial benefits - £2.9m
  - Social value benefits - £2.1m
  - Net Present Value (NPV) - £4.6m

## Stakeholders are influencing strategic decisions

In this section we highlight the governance structure we are using to engage with customers and wider stakeholders to drive meaningful engagement, activity and outcomes that drive benefit.

### Senior leadership commitment

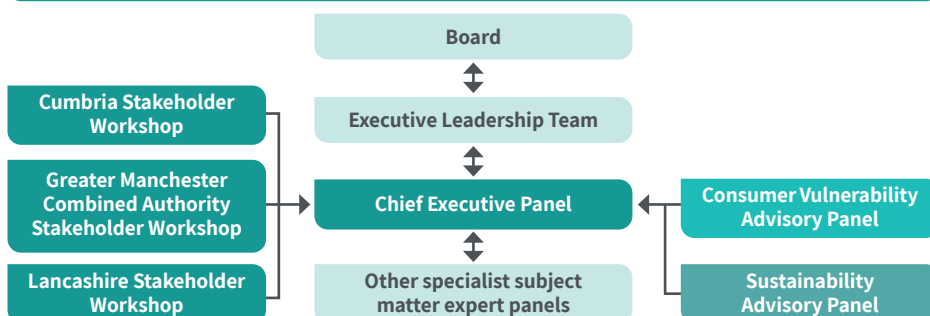
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Alistair Buchanan CBE became our Chairman in 2020 and due to its strategic importance, retained ownership of stakeholder engagement from his prior non-executive director role. This year the Board invested nine hours discussing stakeholder engagement across eight occasions, with a focus on **planning for the future** and Storm Arwen. Board members attended 18 different engagement events to hear the voice of our customers.

This year we embedded dedicated monthly meetings with our ELT on stakeholder engagement strategy and quarterly stakeholder insight triangulation papers. **This informed the introduction of stakeholder engagement to our company scorecard. The metric reflects senior commitment to expanding delivery and reporting of engagement across the organisation.** Progress is reported monthly in our company-wide Team Brief.

#### Our Advisory Panel Governance Structure



Our Chief Executive Peter Emery chairs his own stakeholder panel which is attended by the independent chairs of our Sustainability and Consumer Vulnerability Advisory Panels, sub-groups of the Chief Executive Panel. This structure allows for sharing of expert insight.

#### Paul Bircham

Director of Engagement and Regulatory Strategy said:



“Although my area of responsibility has always included stakeholder engagement, this year my job title changed to communicate its importance internally and externally. This year the ELT reviewed the scalability of successful initiatives developed as part of SECV and challenged operational teams to draft business cases for expansion. Our governance required a range of inputs to be triangulated, including the Social Return on Investment (SROI). Subsequently, we agreed to increase our ambition in eight outputs, including expanding the roll-out of innovative high-rise building monitoring technologies. We also inputted into plans to engage with housing associations to ensure a joined up strategic approach.”

### Continuing influence of our Advisory Panels and Regional Workshops

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#### Chief Executive Panel

Stakeholder Segments		Examples	
Senior executives and advisors with specialist knowledge to shape policy		Arup, Bruntwood, CBI, Citizens Advice, County Councils, National Farmers Union, Regional LEPs, TfGM	
Total members	Meetings	Hours engaged	Stakeholder satisfaction*
35	3	6	90%
2021/22 topics: Business performance, connection of LCTs, data and digitalisation, Distribution System Operation, new consumer vulnerability business plan commitment, planning for the future, stakeholder satisfaction action plan.			

#### Cumbria, Greater Manchester and Lancashire Workshops

Stakeholder Segments		Examples	
Wider consultation with regional, social, economic and environment stakeholders		Academia, Auto Trader, Citizens Advice, BEIS, Business Growth Hub, County Councils, Energy Suppliers, One Manchester, Procure Plus, PwC, United Utilities	
Total members	Meetings	Hours engaged	Stakeholder satisfaction*
100	3	9	91%
2021/22 topics: Business performance, COVID-19 and green recovery, regional priorities, net zero and <b>planning for the future.</b>			

#### Peter Emery

Chief Executive of Electricity North West, said:



“The Chief Executive Panel challenged us fervently to ensure there is sufficient investment in developing our network so that it can continue to meet the evolving needs of our customers, enabling them to connect to LCTs without barriers. We responded by committing £5m of discretionary investment in ED1 to **scale-up** the deployment of innovative networking monitoring projects like PREsense to maximise the visibility of our low voltage network to gather information about emerging constraints and detect the presence of LCTs.”

#### Helen Norris

Stakeholder Engagement Manager, said:



“Regional leaders asked us to support their decarbonisation pathways with strategic investment projects that unlock network capacity, stimulate economic development and promote sustainable tourism. We have brought forward over £20 million of strategic investment to fund 11 projects, including upgrading our network to enable the replacement of the existing ageing diesel Windermere ferry with a new environmental friendly electric ferry.”

### What senior leaders representing the three North West County Councils say about us:

#### Angela Jones

Cumbria County Council



“Electricity North West are very much part of our shared ambition and are a key partner.”

#### Mark Atherton

Greater Manchester Combined Authority



“Without their expert support or data, we would struggle to understand future supply and demand or bring forward local area energy plans.”

#### Chris Dyson

Lancashire County Council



“We feel embedded in their organisational thinking and they are always open to conversations about new strategic projects.”

\*Stakeholder Satisfaction Survey December 2021, 126 participants



## Sustainability Advisory Panel

Stakeholder Segments		Examples	
Senior representatives with strategic expertise relevant to sustainability activities		Community Energy England, Environment Agency, Carbon Co-op, County Councils, University of Manchester	
Total members	Meetings	Hours engaged	Stakeholder satisfaction*
28	6	9	<b>83%</b>
2021/22 topics: Biodiversity, community and local energy, Environmental Action Plan (planning for the future), flexibility services, innovation projects, Science Based Targets initiative.			

### Todd Holden

Independent Sustainability Advisory Panel Chair, said:



“Throughout 2021/22 the Panel continued to meet virtually, both in response to members wishes and to support input from a diverse pool of stakeholders. **Stakeholders have benefited from specific ‘teach-in’ presentations on emerging themes** such as load forecasting, flexibility services and innovation projects. This deeper level of knowledge has enabled Panel members to more effectively scrutinise, challenge and provide more nuanced direction to the company in the delivery of their ED1 goals.

Panel members are clear that the challenges being addressed require multi-year solutions, with discussion flowing seamlessly between business plan periods. The Panel continues to shape the company’s approach, notably the scope and deliverables in the Environmental Action Plan, including when the baseline year for the Science Based Targets should be set. Considerable input has also been given to the **community energy support undertaken and how this should evolve as it grows in scale** moving forwards.

Engagement on the ED2 business plan has highlighted a need for further engagement with stakeholders to inform ongoing updates to forecasted uptake of heat pumps. **The Panel is clearly valued by the Company** both through the resources it dedicates, the recommendations it adopts, and how future discussions are shaped. Likewise, members demonstrate through their continued engagement the value they get, and the opportunity it provides them.”

## Consumer Vulnerability Advisory Panel

Stakeholder Segments		Examples	
Senior representatives with strategic expertise relevant to consumer vulnerability		Auriga, Cadent, Citizens Advice Manchester, County Councils, Energy Savings Trust, One Manchester, RNIB, Scope, United Utilities	
Total members	Meetings	Hours engaged	Stakeholder satisfaction*
85	10	18	<b>91%</b>
2021/22 topics: COVID-19 report, affordability of energy bills, fuel poverty research, panel terms of reference, planning for the future, PSR services and reach, smart meters.			

### Jenny Willis

Independent Consumer Vulnerability Advisory Panel Chair, said:



“The past year has seen continuing impacts of COVID-19 and unavoidable increased costs for households. **This has compounded vulnerabilities and been of acute concern to the company and its partners.** I would like to use this opportunity to highlight three areas of focus for the Panel:

#### 1. Research and insight

One Manchester’s longitudinal study with marginalised urban communities has continued to provide valuable insights. Key learning about messages on wellbeing and household comfort being more likely to engage than a direct focus on energy has been keenly discussed with the Advisory Panel. Interest has been shown in widening equivalent research to rural areas and focusing on specific characteristics (e.g. youth). The updated COVID-19 research was also welcomed as a useful way to focus delivery efforts and planning.

#### 2. Fostering greater collaboration

Challenges for organisations as well as those they support have created an ever growing need for collaboration. Sharing information about services provided across the membership of the panel enables wider referrals to trusted contacts by those in ‘first contact’ with consumers. This has been supported by ‘spotlight’ presentations at panel meetings enabling a network of links to be developed.

#### 3. Increased levels of support to prepare for delivery of ambitious future targets

Finally, but crucially partners have been focussed on delivery of targeted support on an increasing trajectory to ensure a smooth transition into ED2 and ensuring future commitments can be realised.”

## Stakeholder Satisfaction Survey

EMBEDDED <>

### What we heard

Our Chief Executive Advisory Panel urged us to retain a regular stakeholder satisfaction survey in our forward-looking strategy to help identify areas for improvement and ensure that we are meeting stakeholders’ needs. They challenged us to sustain the 81% baseline satisfaction level achieved during 2020/21, a busy period of strategic engagement.

### What we did

Having delivered last year’s action plan, we embedded the survey and **shared best practise** with three other utilities companies. We maintained a consistent methodology and seized the opportunity to add a ‘hot topics’ section, which this year focused on our response to Storm Arwen. The results (**published on our website**) indicated that 82% of stakeholders are satisfied with the relationship they have with us and highlighted three key areas of improvement:

Stakeholder message	Electricity North West action
1. Continue digital engagement, but also prepare for a return to face-to-face formats	<ul style="list-style-type: none"> <li>• Rolled out a toolkit and training to 50 stakeholder managers for effective delivery of online engagement events.</li> <li>• Delivered a series of live-streamed events which can be migrated to a hybrid online/offline model in the future.</li> </ul>
2. Plan more engagement on specialist topics of interest	<ul style="list-style-type: none"> <li>• Following our ‘EVs Explained’ event, planned follow-up events on LCT connections and fair and inclusive energy transition.</li> </ul>
3. Expand net zero general engagement for less familiar stakeholders	<ul style="list-style-type: none"> <li>• Look for opportunities with our local stakeholders to co-deliver general net zero awareness campaigns which sit alongside targeted engagement already undertaken.</li> </ul>

Social Return on Investment (SROI) is one of several tools we use as part of our impact measurement. In this section we articulate how we have embedded assessment of the full societal impact of our initiatives and triangulated this with other inputs to inform and prioritise our plans.

### Why we measure impact

EMBEDDED &lt;&gt;

As a high-performing business that embraces wider social and environmental objectives, we measure the impact of our investments to target our resources towards initiatives that deliver maximum value and scale for our customers. This year we continued to analyse stakeholder feedback, operational data and used robust market research techniques (including willingness-to-pay and an innovative

'Maximum-Difference' preference sorting technique) to understand relative priorities and develop new proposals. Measurement is a requirement for all investment cases (not limited to SECV) and enables our Finance Business Partners to forecast, compare investment scenarios, track progress and validate whether an action has delivered the impact expected.

### How we measure impact

EMBEDDED &lt;&gt;

We quantify the potential benefits of an investment by using proxies to assign a monetary value to outcomes. These include where customers achieve a **direct financial saving** (e.g. tariff switching), **social outcomes**

where there is an avoided cost to society (e.g. reduced CO<sub>2</sub> emissions), and **wellbeing outcomes** where there is a positive impact on someone's physical, mental and emotional wellbeing (e.g. reducing loneliness).

### The improvements we made this year

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#### What we heard

Ofgem's SECV Panel recommended greater collaboration between companies to develop a standardised approach to improve robustness and comparability.

#### What we did

This year we improved our measurement approach through practical experience and **DNO collaboration**:

- Aligning to the national framework.** Following the same template as other DNOs has provided visibility of the quality of the proxy values that are used to calculate each benefit, and any adjustments that are made to the value. This makes it easier to compare projects.
- Updating embedded projects to incorporate national 'Proxy Bank' values.** Wherever possible, we updated our ongoing suite of projects in line with the national framework. Where our expert partner Economic Insight enhanced the

proxy bank, we published the source of the proxy value we have used, as well as the exact methodology required to arrive at the value being fed into the national framework.

- Further embedded measurement in our decision-making processes.** Our new Impact Measurement Oversight Group sought opportunities to expand the application of SROI. For this year's Community and Local Energy '**Powering Our Communities' Fund**, we forecasted SROI for 15 applicants. We integrated SROI into the assessment criteria to determine which projects received funding. Explicitly setting out the benefits helped to draw attention to projects that otherwise might have been overlooked.
- Improved our presentation of SROI.** We adopted UKPN's leading practice of measuring SROI over varied periods of up to 10 years and reported a breakdown of financial, social and wellbeing impacts.

### How we make investment decisions

INNOVATIVE ★ ENHANCED ↗

#### What we heard

Our Customer Engagement Group challenged us to provide greater clarity as to why ED1 projects and those planned for ED2 have been selected to go ahead, particularly where the social value is relatively low.

#### What we did

When customers and stakeholders tell us that they want a service, and are willing to pay for it, we take further steps to consider if we are best placed or should deliver it. We openly communicate the decisions we make in a transparent manner to our stakeholders. Using triangulation analysis, we take our responsibility for efficiency and value for money seriously, ensuring that the details in our plans are well evidenced and the overall decision-making is well justified. This year we have assessed 110 plans against the most

appropriate of the following methods to ensure that they are fully justified:

- Stakeholder evidence base
- Cost Benefit Analysis (CBA)
- Engineering Justification Papers (EJP)
- Total net economic benefit per £ spent (SROI)
- Direct customer financial benefit
- A final assessment of whether we are the best placed organisation to deliver the commitment

To provide an indication of whether the SROI of our initiatives are 'good', we assigned a RAG status based on the performance of similar activities achieved in ED1. The categories we use are negative, low, average and good and we intend to benchmark our data externally and continuously calibrate these bands.

### Our benefit measurement framework in practice

We have provided some examples below of how our impact measurement has informed how our initiatives evolve; whether to scale-up, change course, or even stop altogether.

#### Pharmacy bags – scaled-up

In 2019/20 we co-funded a campaign with United Utilities to promote the PSR and energy efficiency on 400,000 prescription bags across a network of 200 independent pharmacies. In 2020/21 Cadent joined the project and safety messaging was included, increasing the net SROI from x26 to x30. This informed our decision to scale-up to 350 pharmacies and 700,000 pharmacy bags in 2021/22. Embedding this successful initiative has extended its reach to 1.5m North West consumers.

#### Smart Street – scaled-up

Where justification exists, we opt to proceed with investments with a relatively low net economic benefit per £ spent multiplier. This includes **Smart Street** which reduces cost and carbon for customers and from a SROI perspective breaks even after 10 years. We applied the options set out within the EJP to Ofgem's CBA model, which measures the costs and benefits accruing over a longer period (45 years) than the social value framework (up to 10 years). This supported a roll-out of Smart Street to 64,000 customers in ED1 and the evaluation of various upsizing options to determine the most ambitious cost-justified proposal. The direct customer benefit for the 250,000 customers who will have Smart Street rolled out on their network by 2028 is estimated to be £39.11 per year on average.

#### Bio-diverse spaces – changed course

In 2019/20 we observed an 85% success rate in transforming substation sites into low maintenance, bio-diverse, attractive spaces and achieved a net SROI of x18. In 2020/21 we built on this success by integrating a new tree planting partnership which increased the net SROI to x19. In 2021/22 we targeted our programme in areas with relatively high levels of fuel poverty. By 2023 we will have deployed at 51 sites reaching 39,000 customers and this will rise to 151 sites and 115,256 customers (20% of the total that could benefit) by 2028. Through a more targeted approach the net SROI is x32.

### The value delivered by our outcomes

In the table below, we have provided a breakdown of the Net Present Value (customer benefits of our initiatives, minus the sum of costs) of our new 2021/22 SECV case studies, and the NPV of our complete portfolio of initiatives, over one, five, and ten years.

Net value delivered	All 2021/22 SECV case studies	All 2021/22 initiatives
2021/22 Average SROI	£8.58	£3.96
2021/22 Net present value (NPV)	£50.3m	£101.9m
NPV over 5 years	£320.7m	£974.1m
NPV over 10 years	£619.6m	£2.7bn

### Continual learning

We are evolving our approach through collaboration. In partnership with SPEN, we are working with relevant practitioners and academia to enhance the national framework. This aims to achieve a shared objective of capturing and reporting on more of the important non-economic benefits attributable to community energy.

## Enhancing our culture of stakeholder engagement and consumer vulnerability

We recognise that colleagues are empowered to fully execute their responsibilities when they receive consistent messaging about what is important. Our ELT provides proactive leadership and commitment on stakeholder engagement and lets our colleagues know how valued and important their contributions are. We have worked hard to enhance and embed a culture of engagement within our business and the initiatives described in this section show just some of the many ways in which this has paid off.

### 2021/22 – The ‘Year of Engagement’

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This year as we continued to embed new ways of agile working to shape our future workplace, our 2021/22 Business Plan having a heightened focus on engagement was more important than ever. Our entire leadership team (n=263) each identified an objective this year, which supported colleague engagement within their teams.

Training and a toolkit of resources helped colleagues understand how stakeholder engagement ties into their roles. We also published a map of how different teams feed into each other and formalised 50 engagement topic owners to help staff better understand the scope, mandate, and ownership of stakeholder engagement. Our varied feedback loops provided a platform for 2,086 colleagues to share their ideas on how we can meet our consumers' changing now and in the future. Our ‘Voice of the Customer’ online community is one of the mechanisms we use. Some of the ideas

generated in 2021/22, such as home welfare visits for vulnerable consumers experiencing long-duration power cuts, feature in our improvement plans.

In 2021/22 we expanded senior leadership participation and visibility in stakeholder engagement activities. This is evidenced by our management population, 13% of our workforce, representing more than a third of the entries made in our stakeholder activity tracker.

Our Director of Engagement and Regulatory Strategy delivered new monthly briefings to our leadership team on what ‘good stakeholder engagement’ looks like, hosting these jointly with our Customer and Operations Directors. The cascading of best practice case studies to all colleagues supported a year of stakeholder engagement education and promotion within the company and ultimately reinforced our new scorecard performance metrics (below).

Stakeholder engagement business scorecard metric	Number of external events	Number of external attendees	Total people investment (£)
Total for period 2020/21	1,990	58,434	£1.6m
Total for period 2021/22	2,137	63,178	£1.4m
% change compared to 2020/21	7%	8%	-14%

### The examples below are just some of the ways in which colleagues have lived and breathed our principles

#### Senior-led engagement – we are switched on



#### Peter Emery

Chief Executive of Electricity North West, said:

“Tim Farron, Member of Parliament for Westmorland and Lonsdale, raised a complaint on behalf of one of his constituents about the cost of connecting to our network. I was made aware of this and met with Tim personally. I explained how our regulated business works and the improvements we are making to our connections processes (see Part Two, page four). **I replicated this engagement with wider MPs and observed the benefit of shared understanding first-hand during Storm Arwen.** We maintained close contact with MPs who relayed updates to constituents and vital intelligence back to us. MPs like Tim have become a critical friend, inputting into our lessons-learned exercise and even recruiting constituents to participate in our post-event ‘Pulse’ engagement.”

#### Showing leadership – we are adaptable



#### Jill Hendry

Engagement & Partnership Business Lead said:

“Although energy bills is a topic that our Consumer Vulnerability Advisory Panel debate, I felt the urgency of the situation warranted even deeper focus and a multi-agency cross-sector response. With ELT support, I led the creation of a North West Energy Forum which is chaired by Citizens Advice. It brings together 12 members, including leading energy saving providers, support groups and charities. **The forum will benefit those in fuel poverty by sharing best practice, innovating new solutions, understanding the impact of net zero on consumers in vulnerable situations, informing and normalising the net zero conversation and lobbying for change.**”

#### Strong principles guiding our approach – we take pride



#### Adam Brunskill

Streetworks Manager said:

“This year I was honoured to be elected to the North West Streetworks Committees NWAUC (joint chair) and NWJUG (chair). These bodies are responsible for consultation on national policy, performance initiatives and resolving regional utility disputes. **To demonstrate leading practice, I worked with O’Connor Utilities to successfully trial recycled Non-Flowable Structural Material for our Reinstatements (NFSMR).** Key among the carbon benefits is avoiding the use of virgin aggregates and minimising waste to landfill. Following discussions with HAUC England and Highways Authorities within the Greater Manchester Permitting Scheme, this product has received both praise and approval.”



In this section we show how we are developing close working relationships with consumer representatives to overcome engagement barriers, and sharing best practice with stakeholders to avoid duplication and respond to challenges in a joined-up, efficient way.

### Breaking down barriers for hard-to-reach groups

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#### What we heard

Our Consumer Vulnerability Advisory Panel recognised efforts we have recently made to measure and manage the risk of stakeholder engagement fatigue and ‘teach-ins’ to expand their knowledge. This year they challenged us to mitigate other barriers that prevent inclusion and participation.

#### What we did

We leveraged our improved understanding and pioneering partnerships in three key areas, measuring SROI over varied periods of up to 10 years and reported a breakdown of financial, social and wellbeing impacts.

Barrier	Challenge	2021/22 initiatives
<b>Increased social anxiety during COVID-19</b>	The most important thing is to ask people what they need and to try to customise engagement plans based on individual preferences.	As part of a new partnership with Scope, reasonable adjustments were made to our research approach which minimised social anxiety. This included rephrasing, rewording and explaining instructions, using the chat function to type a question to allow more processing time and sharing the researcher’s biography in advance to reduce anxiety related to speaking to a stranger. The research delivered invaluable feedback on our Planned Supply Interruption notification cards, leading to an improved format.
<b>Constrained resources</b>	Local Authorities and the third sector do not have the people, data and expertise to turn net zero ambitions into reality.	Based on an understanding of local authorities’ needs we developed a new online data portal to make our data easier to access. EV, heat pump and distributed generation volumes and electrical parameters were integrated into our <b>interactive DFES</b> workbook – an input to LAEPs. This year we also provided a low voltage heatmap which improves visibility of the available capacity at local substations relevant to new connections of EV chargers.
<b>Awareness and trust levels</b>	Limited appetite for engagement can stem from low awareness and trust in energy companies.	This year we observed Healthwatch delivering remarkable engagement with seldom-heard groups as part of the <b>Lancashire and South Cumbria New Hospitals Programme</b> . We formed a new partnership with Healthwatch to leverage their expertise and unparalleled access in their capacity as health and social care consumer champions. A literature review informed an enhanced mapping of 50 seldom heard groups. Our Consumer Vulnerability Advisory Panel enriched this further and helped us prioritise future engagement plans.

#### Outcome



Healthwatch’s mission is to improve and support NHS services by ensuring decision-makers hear the voices of those seldom-heard. It is a well-known and trusted institution among the public with established and deep-rooted connections into communities. Our partnership is a **first for them and our industry**. In 2022/23 it will open a pathway to reach up to 50 new seldom-heard groups and enhance access to our support services. We intend to **share any successes and lessons learnt** with other DNOs and proactively seek out opportunity for replication.


### Collaborating and sharing best practice

Every year we commit significant resource to strategic regional engagement (e.g. innovation and Green City Region Boards) and complement this with active participation in a range of industry national forums including the Energy Networks Association, Open Networks and Ofgem Working Groups. Collaborative outputs have included a British Chamber of Commerce Net Zero Portal for SMEs. This year we stepped up the breadth of our knowledge sharing and observed our **innovation projects being replicated** – across the USA, Europe and Australia.

In a year in which we set up completely new knowledge exchange forums with Jersey Electricity and Northern Ireland Electric and led the creation of the North West Energy Forum, we also adopted others’ good ideas:

Initiatives we proactively shared	Shared with	Year shared	Leading practices we adopted this year	By whom
<b>Smart Street</b> - innovative voltage optimisation to enable appliances to perform more efficiently	GB DNOs	2019/20	<b>Project Doorstop</b> – fraud prevention technology	Northern Gas
<b>CLASS</b> - voltage control to reduce demand for electricity, without any adverse customer impact	Networks in Europe, USA and Australia	2020/21	<b>Tractivity</b> – stakeholder engagement platform	SP Energy Networks
<b>Stakeholder Satisfaction Survey</b> – how to measure, monitor and strengthen stakeholder relationships	Northern Gas, Northern Powergrid	2020/21	<b>Tripsaver</b> – fault detection and repair	Western Power Distribution
<b>Utilities Together</b> – a model for regional cross-utility knowledge sharing, innovation and shared investment	Wales and West Utilities	2021/22		

#### Independent evaluation and audit

 AccountAbility has provided independent assessment of our stakeholder engagement strategy and processes for the sixth year in succession.

**Daniel Metzger** Associate Director, said:

“This year, Electricity North West has demonstrated an enhanced stakeholder engagement ‘culture’ within the organisation and greater involvement from senior and executive management, with the noteworthy addition of a stakeholder engagement performance metric into its business scorecard.”

Extract from AccountAbility Stakeholder Engagement Healthcheck, 2021/22

This year we are proud to report a **Stakeholder Engagement Healthcheck score of 68%, an increase of 7%**, indicating the accomplished status of our programme.

# The leading DNO

## Most innovative

DNO in ED1  
according to Ofgem  
innovation rewards

## Consistently outstanding performance

Only DNO Group rated green in every Ofgem category for last five years running

- ✓ Reliability and availability
- ✓ Connections
- ✓ Social obligations
- ✓ Customer service
- ✓ Environment
- ✓ Safety

## Most efficient

DNO in ED1  
according to Ofgem  
assessment

## Most reliable

network outside  
London

## Globally recognised innovation through CLASS

Only DNO to commit  
to and deliver  
**no worst-served  
customers**  
in ED1

**Most advanced**  
digital Network  
Management System  
in Europe

## 2021/22 – Awards and Recognition

The Carbon Literacy Project  
**'Silver Accreditation'** (2022)



The Institute of Customer Service  
**'Best Use of Customer Insight Award'** (2021)



The Greater Manchester Good Employment Charter  
**'Best in Supporting Mental Wellbeing Award'** (2022)



The North West the National Apprenticeship  
**'Recruitment Excellence Award'** (2021)



