

Report

2022-23 Stakeholder Engagement (and Consumer Vulnerability) Incentives 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 in order to deliver better outcomes for the business and for their customers and to address consumer vulnerability issues.

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

This 2022-23 Stakeholder Engagement (and Consumer Vulnerability) Incentives 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. As this is the final year of the incentive, the report also includes some broader reflections from the Panel.

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 2022-23. Under the assessment process¹ for the SECV, the Panel of independent experts assesses the quality of network companies' submissions against predetermined criteria once certain Minimum Requirements have been met. The Panel award an Overall Panel Score to each network company and provide detailed feedback on each network company's performance.

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

The Panel Members were:

- Ashleyle Gunn,
- Angela Love,
- Claire Whyley,
- Mark Copley.

Purpose of the incentive

The need for energy network companies to undertake effective engagement with stakeholders is a core element of the RII01³ framework, which was first implemented in 2013⁴.

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

² See paragraph 4.15 of the Guidance:

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

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

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

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

The SECV aims to encourage network companies to engage proactively with stakeholders in order to anticipate their needs and to deliver a consumer-focused, socially responsible and sustainable energy service. In addition, the SECV incentivises 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’ performance under the SECV in 2022/23⁵.

Company submissions

Each year, network companies are invited to submit applications to Ofgem on their engagement activities and the resulting outcomes during the past Regulatory Year⁶. For 2022/2023 the incentive was only applicable to electricity DNOs. Each DNO is required to make a submission in three parts:

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

Panel Session

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

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

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

Companies that meet the Minimum Requirements are invited to a Panel Session. The Panel session lasts approximately 40 minutes, in which companies deliver a 10-minute presentation in response to two supplementary questions from the Panel which they have been provided with in advance. This is followed by approximately 10 minutes of follow up questions on the presentation and 20 minutes of questions and answers on any aspect of the submission. This year all companies chose to attend Panel meetings in person; which the Panel appreciated. All 4 Panel members, and the Ofgem team, attended in person.

The Panel assess the companies against the Panel Assessment Criteria⁸ and award 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 supplementary questions ("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. Immediately after each Panel Session, the Panel reviewed the assessment. Following the completion of all Sessions, the Panel considered the companies' performances compared to one another, and then decided on the scores and rankings of all companies.

Companies assessed in 2022-2023

The following DNOs were assessed under the SECV Incentive:

- Electricity North West Limited ("ENWL")

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

- National Grid Electricity Distribution ("NGED")
- Northern Powergrid ("NPg")
- Scottish and Southern Electricity Networks ("SSEN")
- SP Energy Networks ("SPEN")
- UK Power Networks ("UKPN")

General Feedback

Context and overall views

This is the eighth year for which electricity DNOs have provided SECV submissions – and therefore had the opportunity to be rewarded financially for their efforts. After 8 years, and 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 be able to clearly demonstrate that their stakeholder engagement strategies have matured , and that the implementation of these strategies has led to meaningful results for the company and for customers.

The Panel is acutely aware that it is a difficult time for many customers – with an energy and broader cost of living crisis creating pressures for an increasing number of customers. At the same time, the challenge of decarbonising the economy, and the power sector in particular, remains huge. It considers that these circumstances heighten the importance of effective engagement with stakeholders and reinforce the need for effective collaboration within and beyond the sector. In particular the Panel notes the following:

- Rises in wholesale energy prices have seen a larger number of customers than ever before struggling to pay their bills. The number of customers requiring help and experiencing fuel poverty continues to rise. As it said last year, the Panel expects that a robust and mature strategy can respond to the challenges this environment 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 the rapid scaling up of support for those who most need it, when they need it. The Panel was particularly looking for: evidence that those in fuel poverty were being identified and reached, that large numbers of customers were benefitting directly from the help available and that the scale of that help was as significant as possible.
- Extreme weather events have been a growing issue for many networks and their customers over the past few years. In addition, this year security of supply issues, with the potential threat of rota disconnections were an additional concern for many customers. The Panel expected to see clear evidence that stakeholder engagement had meant companies are now better prepared to either avoid disconnections or to more effectively manage situations where customers are impacted by storm damage to the network. The Panel also expected to see evidence regarding the way companies had engaged with customers around the risk of disconnection.

- Ofgem has made it clear that DNOs have an important role in both leading and facilitating decarbonisation. The Panel therefore expects to see evidence that:
 - o At a time when the lead times for connecting to networks are, in many cases, extremely long it is important that DNOs are using network assets as efficiently as possible, facilitating flexibility to the fullest extent possible and finding ways to work with stakeholders to find innovative ways to avoid lengthy connection delays.
 - o DNOs are working effectively with local authorities, many of whom have high ambitions but relatively more modest capabilities, to help make these ambitions a reality.
 - o Continuing to drive carbon savings and promote greater sustainability within their own supply chains.
- While for many life has returned to “normal” following the COVID-19 pandemic, this is certainly not true for all. Many customers continue to struggle with isolation, the effects of long-COVID and mental health challenges. The Panel continues to expect submissions to display an understanding of the ongoing impacts of the pandemic on vulnerability (and an understanding of vulnerability more widely⁹).

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 the outcomes for customers, stakeholders and indeed the DNO itself. ENW stood out for the convincing evidence it provided of a step change in the quality of stakeholder engagement and the use the business is making of the resulting insights.

⁹ 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.

- Other companies were able to demonstrate that they are continuing to progress and are on a positive overall trajectory. However, there is a distance between these companies and the best performing DNOs.
- Finally some companies were unable to evidence to the same extent that they have an embedded strategy or to point to ways in which engagement had shaped the decisions taken by the business.

Features of better scoring submissions and examples of best practice

This section provides an insight into the features of submissions which led Panel members to award relatively 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.

1. *Broad PSR reach and impactful fuel poverty action* – As noted earlier, a higher number of customers than ever before are experiencing fuel poverty. This is why the Panel chose to use several questions to understand company's actions and impacts regarding fuel poverty. Part 3 submissions were likely to lead to higher scores where:
 - a. A relatively higher proportion of eligible PSR customers were being reached.
 - b. A company could unpack that headline PSR reach figure, show that they understood how it differed across their licensed area(s) and show they were taking action to close the gap where the figures were lowest.
 - c. Relatively larger numbers of fuel poor customers were receiving support.
 - d. The direct financial benefits per customer were sizeable and those figures were clearly differentiated from estimated SROI benefits

To be clear, this is not a mechanistic exercise, though these numbers tend to help Panel members understand the ambition, scale and impact of a company's consumer vulnerability strategy.

2. *Clear evidence that a DNO is committed to, and is driving, cross-DNO collaboration* – Last year the Panel expressed frustration with the effectiveness of collaboration between DNOs. It questioned why it seemed to be easier to work outside the sector than within it. The Panel appreciated the fact that there appeared to have been a real focus on this during the incentive year. The Panel awarded higher scores to

companies which could show that they had driven forward cross-industry collaboration, could clearly show that they had shared learnings with other DNOs or could evidence that they had quickly adopted (“fast followed”) approaches put in place by other DNOs. While there was a significant improvement this year, as we touch on later, the Panel continues to see significant scope for further improvement here.

3. *A sense of action* – The Panel has consistently highlighted that a key indicator of a mature and embedded strategy is an ability to act decisively. The highest performing DNO, UKPN, was able to show in its Part 2 submission that it continually looks at the way it acts through the eyes of its customers, that it is open to improving things where it sees an opportunity to do so, that it tests these ideas with customers and that it can make these changes quickly. It could show that this was part of a mindset which had been adopted across the organisation. By contrast lower scoring submissions tended to focus on relatively small internal governance changes or give the impression that their stakeholder engagement activities consist of a relatively small number of discrete initiatives, undertaken by a small part of the business. Scores tend to be lower if the Panel is unable to understand how stakeholder engagement has influenced business strategy and decision making. This can often create a sense that engagement is a one way process or is being used to justify things which would have been done anyway.
4. *An ability to scale/ a level of ambition* – In a similar vein to the point above, the Panel gives higher scores to companies who can show that they have scaled up initiatives, which have been shaped and refined by stakeholder engagement, when they have proved to be successful. It also appreciates it when companies have the courage to change or even completely halt initiatives if they are not delivering the expected results. ENW’s approach to providing more call handlers during extreme weather events is a good example. Having initially outsourced this, ENW found that customer outcomes had gone down and overheads up. In response they trialled ‘back office’ staff taking inbound calls, scaling up after positive results.
5. *Innovation in avoiding connection delays* – This year the Panel asked questions about the steps that DNOs have taken to overcome connection delays and to work with customers to use existing assets as efficiently as possible. Higher scoring submissions could show that: they had a good understanding of the challenges their network was facing and the consequences for different types of customer; that they had engaged with a broad range of flexibility providers to look at different

propositions; and that they had been innovative and collaborative in finding ways to avoid and reduce delays.

6. *An inclusive and tailored approach to facilitating net zero across their regions* – Most DNOs highlighted the challenges involved in working with local authorities on energy planning. Many authorities have seen a decline in expertise over recent years. This has happened at a time when many have set themselves challenging environmental targets – such as becoming net zero by 2030. The best scoring submissions showed how DNOs were working with local authorities to understand the specific challenges that each was facing and showed how they were creating the tools and knowledge transfer opportunities which helped local authorities build the skills they'll need to deliver on their decarbonisation ambitions.
7. *Being able to show the impact that engagement has had on the business* – The Panel used one question this year to ask which initiative from the eight years of the incentive each company wished it had adopted sooner. The answers were extremely varied and therefore interesting. Companies which scored more highly tended to point to the positive impact on their organisational culture which stakeholder engagement had had and the fact that it had had impacts which they might not necessarily have expected. This appeared to have convinced several companies of the benefit of in depth discussions with different stakeholder groups and working in partnership with stakeholders to solve challenges. Some companies struggled with the question and were not able to point to a particular impact – which may be telling. One DNOs characterisation of the connections delays currently being experienced as the Energy sector's equivalent of river pollution was striking. They emphasised the need for 'pre-mortems' on significant challenge.

Activities that were not considered eligible for a reward

In the interests of clarity, the Panel notes the following:

1. The SECV incentive is designed to reward network companies for undertaking high-quality engagement activities and for using the outputs from this process to inform how they plan and run their business on an ongoing basis. Paragraph 5.2 of the Guidance requires that companies clearly identify where activities are driven by a statutory or license obligation, or incentives that exist elsewhere in the regulatory framework. The Panel only rewards initiatives where it has been clearly demonstrated that the stakeholder engagement or consumer vulnerability activities

go beyond the outcome of what was originally incentivised. It is the companies' responsibility to demonstrate this added value.

2. As SECV is an incentive created as part of RIIO-1, the Panel did not consider activities undertaken as part of RIIO-2 preparations. However, in many cases companies did seek to include their ED2 preparatory activities in their submission.
3. Assessments by external specialists (for example Accountability) or awards which companies have won are not taken into account by the Panel.
4. The Panel is required to review the Part 2 and Part 3 submissions from the companies – with each submissions having a ten page limit. Extra pages and additional information are not considered. Despite this two of the companies provided an Appendix, which was not considered by the Panel.

Areas to reflect on for the future

This is obviously the final year of the incentive. Therefore any feedback included in this report cannot be reflected in future years' submissions. However, the Panel thinks it is important to highlight a number of points which, in its view, if implemented, would deliver greater value for customers, stakeholders and DNOs in future.

1. *Keep doing the good stuff* – Part of the role of a Panel member is to try and be (hopefully) constructively critical and to consistently push for greater ambition, scale and scope. Each member of the current Panel has been involved in the SECV incentive for multiple years. While Panel members believe that the incentive is imperfect, they also believe that it has led to positive outcomes for customers. This year several companies said that they had found win-win outcomes (for themselves and for customers) as a result of stakeholder engagement. Others said they'd received important insights which they wouldn't have got without engagement, while several pointed to the positive impact which engagement had on their organisational culture. The Panel noted that they have read about a large number of impressive initiatives over the past 8 years and have seen a set of strategies that have matured and delivered progressively greater results (albeit at different paces) across companies. Therefore the first piece of feedback from the Panel is to keep going. The Panel would like to see companies continue to challenge themselves and continue to improve – and to benefit as a result.

2. *Collaborate!* – One of the most pleasing features of this year’s submissions was the improvements in collaboration between the DNOs. However, it was also one of the most frustrating for the Panel members given that this is the eighth and final year of the incentive. This obviously led to the Panel to question why it couldn’t have been delivered sooner? It was clear that many of the benefits which collaboration delivered – including a common PSR, a shared approach to SROI and customer messaging and preparation for possible disconnections – were down to the dedication and tenacity of individuals. The Panel heard companies say things like: ‘it is easier to collaborate with companies outside the sector’, ‘collaboration is a real challenge’, and ‘it is not easy to work together’. The Panel also noted that multiple companies said: ‘we are focussed on collaboration not competition’, ‘we don’t have a ‘not made here’ approach’, ‘we are happy to share whatever we do’ etc. It is very hard not to conclude that there is a real problem with cross-DNO collaboration. It is also difficult to see how a challenge as great as the Energy Transition is going to be addressed effectively by DNOs working alone. There may be a set of complicated explanations as to why collaboration has proved so difficult – but the bottom line is this problem is completely within the gift of the companies to solve if they want to. The Panel would love to see the companies choose to collaborate on more areas of common interest and to really build on the steps taken this year. The Panel suggest that ENA, or indeed Ofgem, may wish to reflect on whether they have a role in making this happen?

3. *Scale up!*

- It is easy to debate the extent to which helping vulnerable or fuel poor customers is a ‘core’ role of DNOs. The reality is that DNOs are in a position which allows them to help people who need it. The Panel would love to see an increase in the number of customers in fuel poverty and in vulnerable situations helped by the DNOs. The Panel thinks it is important that DNOs challenge themselves – and show themselves willing to share with and learn from others – to ensure that every pound spent on fuel poverty alleviation delivers maximum direct financial benefit for the customers supported.
- The submissions that the Panel has read over the past 8 years have contained a large number of good ideas and initiatives. However, the Panel has often been frustrated with the apparent timidity or lack of ambition attached to these initiatives. Small scale pilots have often not led to mass roll-outs or to things being adopted across the industry and it has often felt that action stops once an idea has been had. A culture in which good ideas

are tested, scaled-up, shared, improved and then rapidly become best practice would be beneficial for everyone.

4. *Present comparable numbers* – The Panel has struggled over a number of years to find comparable numbers within submissions. We heard this year that the DNOs had established comparable metrics for reporting the number of fuel poor customers they had helped, the value they had delivered and the benefit per customer. This year it was again difficult for the Panel to understand how many customers had been supported to achieve real, direct financial benefits rather than having simply received ‘advice’. It was also difficult to understand the value of the direct financial benefits delivered relative to estimated SROI benefits. It certainly didn’t feel as if a standard cross-industry approach had been implemented.

Panel Feedback for Ofgem

Is stakeholder engagement truly embedded in all DNOs? - Ofgem has decided that the SECV will not continue into RIIO-2. The rationale for this at the start of ED2 planning some years ago was that stakeholder engagement would be embedded within DNOs by the end of ED1. In the Panel’s view, there is evidence from the submissions received this year that stakeholder engagement is not truly embedded across all DNOs, and certainly not to the same standard.

The Panel considers it likely that several DNOs will continue to improve their approaches to engagement, having experienced the business benefits it can bring, and hopes that this will continue to lead to mutual benefits for companies and customers. However, it considers it unlikely that this will happen in all cases. This creates a risk of a postcode lottery. While the Panel recognises: i) that it is right to expect companies to have made big strides forward over the RIIO-1 period; and ii) that continued financial incentives (which are obviously paid for by customers) may be inappropriate, it questions whether a lack of focus and reporting could lead to regression and sub-optimal customer outcomes. Recognising that at least one DNO has documented promises for 2024 and several others have included ambitious future targets in their submissions, the Panel encourages Ofgem to use the opportunities presented by ED2 incentives and reporting to require DNOs to present evidence of stakeholder engagement and its influence on their strategies, decisions and approaches. The Panel also thinks it would be beneficial were the regulator to strongly encourage greater collaboration.

Appendix 1: Criteria and Scores

Panel Assessment Criteria

The Panel assess DNOs against the SECV Panel Assessment Criteria which are shown in table 1 below.

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

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

Scoring

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

Table 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 available¹⁰.

Overall Panel Scores

The Panel's assessment led to 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 2022-23 prices. This adjustment will be applied to the 2023-24 revenues.

Table 3: Overall Panel Scores and rank 2022-23

<i>Company</i>	<i>Score/10</i>	<i>Rank</i>
ENWL	7.00	2
NPg	3.30	6
SPEN	4.30	5
SSEN	6.11	4
UKPN	7.71	1
NGED	6.49	3

¹⁰ As set out in paragraph 6.3 of the Guidance.

¹¹ https://www.ofgem.gov.uk/sites/default/files/docs/2014/07/se_reward_decision.pdf

Appendix 2: Detailed Feedback

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NGED Feedback

Overall Panel Score: 6.4

Overall feedback statement:

The Panel was pleased to see an improvement in NGED's stakeholder engagement and vulnerable consumers activity and outcomes this year. While the overall score still falls within the 'fair' category, and still a fair bit below the stronger scores they were achieving earlier in the incentive, they have increased their score by a full percentage point on last year's score. In particular, the Panel recognised a more comprehensive approach to stakeholder engagement and some well-selected examples used to demonstrate how stakeholder engagement within the business. The Panel would have liked to see more detail on how stakeholder engagement was used to influence thinking and activity within the business and what was different as a result, which would have evidenced a more strategic approach.

The Panel noted a marked improvement in NGED's use of SROI to prioritise investment and evaluate outcomes compared with last year and it's clear that SROI is playing a more strategic role in decision-making than has previously been the case. There is still some way to go, however, and the Panel was not convinced that a rigorous approach to SROI is being used across the business.

NGED has achieved a real step-change in its delivery of initiatives for vulnerable consumers, improving their score from 'fair' last year to 'good' this year, with evidence of real benefits to customers.

Detailed feedback

Criteria	Comments	Score
1 - initiatives are part of a holistic approach embedded in their business	<p>The Panel could see evidence of an evolution in NGED's stakeholder engagement strategy over the last year, in particular more of a focus on collaboration and co-creation with stakeholders. NGED's focus on co-creation with Local Authorities, to provide both central co-ordination and tailored support for local area energy planning is a good example of this. It was disappointing not to see more evidence of collaboration with other DNOs, however.</p> <p>NGED's use of deliberative engagement with its established group of customers, and approaches including asking them to complete 'homework' tasks, focus groups and testing views on specific initiatives is delivering value to the business and providing feedback that is being acted upon. Likewise the Customer Panel also appears to be providing useful and targeted feedback and insight on key issues. It is not yet clear, though, that the approach to stakeholder engagement has fully evolved into a business-wide strategy used both to shape the agenda and tackle some of the bigger, complex and longer-term issues. Some of the outcomes cited were provided without context and reflected activity rather than beneficial outcomes for customers – e.g. numbers of stakeholders engaged with and numbers of</p>	6.5

	stakeholder events without information on what had been delivered as a result.	
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>NGED provided evidence of some useful innovation over the last year, and it was often clear that stakeholder engagement had played an important and productive role in shaping these initiatives. For example, an API version of the Live Power Cut map was produced in response to a challenge from Local Resilience Forums to provide data in a format that was able to interact with their tools and apps. It was also clear that NGED's LCT Connections Portal was developed and refined in response to feedback from stakeholders.</p> <p>Other innovations, however, such as the LV network visibility project and initiatives around flexibility and biodiversity look interesting and likely to deliver real benefits for customers, but the role that stakeholder engagement has played in developing, testing and refining them is less clear. Claims that an initiative relates to a stakeholder priority are relevant but NGED don't paint a clear enough picture of how a strategic approach to engagement was used to maximise benefits for customers and the business.</p>	5.5
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	<p>NGED achieved a slight improvement in its score for this category this year, but its performance is still viewed as average by the Panel. The work with Local Authorities on local area energy planning looks to be constructive and is making a difference. The work with schools as part of the Social Contract looks interesting but is very small scale and aspects of it look to overlap with CSR activities. The Take Charge Project, with MOTO, resulting in a pre-constructed and pre-packaged solution for charging at motorway service stations without the need for site expansion is positive, but did not appear to have involved any stakeholder engagement over and above what would be expected for a Network Innovation Allowance funded project.</p>	5.75
4 - initiatives result in measurable benefits for stakeholders	<p>NGED gained a higher score in this category than last year, and the panel was pleased to note clearer descriptions of initiatives and what they had delivered including, in most cases, relevant timescales. The panel couldn't, however, see consistent evidence for the claim that SROI was used as a decision-making tool to drive prioritisation, figures weren't cited in all cases and several of the benefits that were cited were activities rather than outcomes.</p>	6.25
5 - the quality of the network company's strategy to address consumer vulnerability	<p>NGED's strategy and engagement to support vulnerable customers was very impressive, reflected in a much higher score than last year and, in fact, the highest score in this category across the DNOs. While the company's PSR reach is good it isn't</p>	8

and the quality of the outcomes delivered	sector-leading which would have resulted in an even higher score. Nevertheless, the Part 3 submission demonstrated a mature strategy, an evolving and nuanced understanding of consumer vulnerability, and the value added from stakeholder input and the triangulation of insights was clearly evident. The additional focus on customers who are 'just about managing' as well as those in immediate crisis appears to be unique among the DNOs. NGED's work on fuel poverty was particularly strong with 24,000 customers receiving support delivering an average of £621 in financial benefits to each customer. The development of new partnerships to tackle pockets of deprivation were successful and scalable, for example a pilot targeting expectant mothers delivering an SROI of £8.92.	
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ENWL Feedback

Overall Panel Score: 7.0

Overall feedback statement:

The Panel were impressed with what they viewed as a marked difference in ENWL's performance this year and believed that there has been a step change in both their stakeholder engagement and their support for vulnerable customers. It was clear to the Panel that ENWL had acted on the feedback that the Panel provided last year to achieve the marked difference in approach.

The Panel were struck by how ENWL were able to bring to life the work that they have done through their presentation and that each of the company representatives had the same understanding of what the company has delivered. The Panel believed that this demonstrated an embedded cross business approach to stakeholder engagement. They also believe that the company was seeking out every opportunity that they could to improve and that it takes seriously the need to demonstrate value for money and how they are delivering benefits to their customers.

There were good examples of ENWL collaborating with the other DNOs, most notably UKPN, where they both shared best practice. The company also considered what was not working well for their customers and stakeholders and took action to resolve issues. The Panel believe that such an approach is in line with good stakeholder engagement.

Detailed feedback

<i>Criteria</i>	<i>Comments</i>	<i>Score</i>
1 - initiatives are part of a holistic approach embedded in their business	<p>Overall the Panel felt that ENWL's approach was holistic, more organised and thought through than in previous years and the stakeholder engagement was thorough and multi-layered. In their report they improved their case study format to show how they made business decisions by identifying the need, what they did in response, why they chose the options that they did, what they learned and what they did next. This approach was demonstrated throughout Parts 2 and 3.</p> <p>From a cultural perspective, ENWL explained how their teams had stepped up for training when the prospect of rota load disconnections was highlighted for last winter and that the company recognise that they have to justify their licence to operate and demonstrate the outputs that they are achieving for customers (given customers fund their work). The company also noted that they had benefited from their new CEO giving them a different perspective, which the Panel thought was evident.</p>	7.25
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>The Panel were of the opinion that innovation is becoming more natural to ENWL and that as a result they were able to demonstrate a high level of innovative projects and initiatives, which could not only be replicated across the industry, but that they have already taken the opportunity to do so. For example, the Girl Guide Programme has been shared and introduced by SSEN and ENWL</p>	6.75

	<p>has built on the original initiative to create a step-by-step implementation guide and has shared the scheme materials with other networks and internationally.</p> <p>The innovation that the company has introduced around powercuts/resilience was also worthy of note, in particular trialling low-latency internet with the Mountain Rescue service and adding to vehicles for use during storms and the introduction of four industrial sized “welfare cubes” that can provide radios, phone charging cubes, lanterns and head lamps within 3 hours and can be replenished within 24 hours. That said there were some things that the Panel viewed as being a bit late, such as flexibility and open data, which was also seen as a bit limited.</p> <p>ENWL has built upon their partnership, Utilities North West, which is a coalition of energy and water utilities sharing best practice. Northern Power Grid and Northumbrian Water have joined the initiative and the group has been collaborating on six initiatives. The Panel believed that this is an approach that could be replicated elsewhere.</p>	
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	<p>The ENWL submission demonstrated a good breadth and depth of initiatives and engagement activity and, whilst there were not any major initiatives, they were taking every opportunity they could to best serve the interests of the customers.</p> <p>In particular the Panel noted the company’s work around hard to reach customers. The mobile advice centre that ENWL introduced with Citizens Advice saw them “going to places that they had never been before”, such as bingo halls, to engage with hard to reach customers in their own environment. This led to them reaching 3k customers. The company also established partnerships to try and extend their reach with these customers through Kidney Care, Scope and the Royal Association for the Deaf.</p>	7.25
4 - initiatives result in measurable benefits for stakeholders	<p>The Panel believes that the benefits and outcomes were clearly articulated and that there was a good mix of qualitative and quantitative benefits set out and that ENWL had followed up to check that action would be taken after advice was received.</p> <p>It was also encouraging to see that the company shared early drafts of performance metrics with their Sustainability Panel, project partners and SROI experts and that a key learning from the exercise is that inspiring action is a lengthy process and therefore the company evaluate SROI over a five year term.</p>	7.0
5 - the quality of the network company’s strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>The Panel noted a marked improvement in the company’s approach to customer vulnerability and Priority Service Registrations (PSR). The company’s PSR reach increased from 58% last year to 73% this year, which the Panel viewed as impressive. ENWL explained that they had focused on data quality rather than on numbers of PSR</p>	7.0

	<p>customers and had used their partnerships to focus on more hard to reach customers to improve registrations. The company also used relationships with the NHS, the Mayor of Manchester and Local Authorities to drive up registrations and used the relationships that they established during Storm Arwin to identify eligible customers.</p> <p>The company explained that they believe the rebranding of the PSR to the Extra Care Register also helped in their engagement with customers and allowed customers to understand that the scheme was there to support them. The Panel thought that this was a good idea.</p> <p>In respect of the companies vulnerability support the Panel was impressed to see that the proportion of vulnerable customers supported with income maximisation increased from 34% to 69% year on year. In addition the savings that the company achieved were also impressive up 76%, which was driven by focusing not only on energy savings (where there is limited opportunities to save at present) to focusing on broadband and mobile network charges. The Panel would encourage ENWL to continue on the current trajectory and do more to support their customers who are in need.</p>	
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NPg Feedback

Overall Panel Score: 3.303

Overall feedback statement:

The Panel was again disappointed in the submission from NPg this year, in particular as parts of the report appeared to be muddled and not well explained (with some elements not explained at all e.g. BPEG). A lot of what was described by NPg looked like it related to ED2 and was reactive, rather than being proactive engagement. That said there was a feeling that there were green shoots in the NPg submission and the Panel hope that the company is starting to understand the benefits of engaging with stakeholders and customers. There were signs of engaging constructively with customers and stakeholders and responding to their feedback, for example to improve the Connections processes. There also appeared to be greater collaboration with other utilities in NPg's region, and NPg had benefitted from learning from other DNOs' best practice as well as sharing (somewhat less of) its own.

With this in mind the Panel would like to encourage NPg to continue to reach out for help from the other DNOs, in particular those who do well under this incentive, to ensure that they, and their customers and stakeholders can reap the benefits of good stakeholder engagement in ED2. The 'net benefits' financial calculations shown in addition to SROI figures demonstrated that NPg is benefitting from stakeholder engagement, even at the current relatively underdeveloped stage.

The Panel concluded that the initiatives that NPg has put in place are massively late, given that this is the final and 8th year of the SECV scheme. The Panel also believed that the company has suffered poor scores in the incentive for a number of years, as they have continually been playing catch up and have not dedicated cross business and senior leadership time to enact the cultural change necessary to do well under the incentive.

Detailed feedback

Criteria	Comments	Score
1 - initiatives are part of a holistic approach embedded in their business	<p>There was no demonstration of the process used for stakeholder engagement or how the work that the company is doing fits together. When asked at the presentation session about how the company had changed their approach to stakeholder engagement, given NPg was the lowest scoring DNO last year, the company advised that their approach was the same as last year. It troubled the Panel that the company felt that they could continue with their existing approach to engagement and expect a different outcome for their customers and stakeholders.</p> <p>The presenters on the day also seemed unfamiliar with some of the detail contained within the submission, which gave the Panel the impression that stakeholder engagement is not embedded across the business and is not given a lot of focus.</p>	3.75
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and	<p>The Panel felt that there was very little evidence of innovation provided in the submission, as was the case last year. For the elements that were described in the report that could have been classed as innovation these were not well explained. For example</p>	3.0

<p>could be replicated across the industry</p>	<p>the perfluocarbon tracer initiative was said to have achieved outcomes and reduced costs, having a benefit of £1.87m. There was no explanation of how costs were reduced or who the benefits would accrue to. In addition it could be assumed that the BEET project was innovative, but there was no detail on what BEET was, how many customers had been helped or if it could be seen as best practice which could be shared with other networks.</p> <p>All other aspects of innovation appeared to be late, however the Panel were somewhat encouraged that NPg seemed to have been speaking to UKPN and taken forward some of their best practice initiatives.</p>	
<p>3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders</p>	<p>The Panel was concerned that NPg included the NPg Foundation in their submission to evidence work that they were doing to support customers. However NPg had not explained in the submission that the Foundation had been set up in response to the company's poor storm performance in the previous year. The Panel was however encouraged that NPg were using the Foundation to identify suitable causes and initiatives to fund, rather than providing all the money to a small number of big charities. The Panel would however encourage NPg to step up their ability to distribute this funding, given only £400k of the £7.69m set aside has been assigned so far.</p> <p>A lack of detail made it difficult for the Panel to assess what had been done or allow them to determine impact e.g. for Storm Larissa getting 33k customer back on supply after day one – the Panel questioned if this is reasonable or above and beyond what would be expected. From what the Panel could decipher the initiatives seemed small scale and late.</p> <p>The Panel was also concerned that NPg engaged with care homes about what additional needs that they may have in power outages, but did not then take any action to ensure that they would be helped in such an event.</p>	<p>3.5</p>
<p>4 - initiatives result in measurable benefits for stakeholders</p>	<p>NPg seem to be relying purely on SROI, but do not explain inputs and there is no consistency of providing these. It is not clear that SROI is being used to drive prioritisation and decision-making and the presenters were unable to explain why some initiatives had been pursued despite delivering very low SROI even after five years.</p> <p>The Panel felt that the output sections for initiatives was good, but that these were not always clear.</p> <p>The Panel was concerned that there was limited senior level buy-in or evidence provided of it.</p>	<p>2.5</p>

5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>The Panel was really disappointed with NPg's performance in this category and note that their score has gone down. Whilst NPg set out their vulnerability strategy in principle terms, the company did not go on to explain how or what this meant in terms of execution. Again the Panel found that this part of the submission was vague on detail or provided no explanation for initiatives that were mentioned e.g. the submission talks about leveraging other data sets to paint a better picture of vulnerability dynamics, but does not say what data sources they used or how they were used.</p> <p>Similarly the NPg explained that they have an initiative in place where vulnerable customers will reach the same telephony operator if they call the company more than once, but they did not explain how this is achieved.</p> <p>The Panel had been impressed a few years ago when the company explained that they had re-branded the Priority Service Register to a Membership. However, as with last year the Panel was disappointed that there was no explanation of what this meant in terms of ease of signing up customers. Again the Panel would encourage NPg to look at how they could make more of this initiative.</p> <p>NPg said that they are using data to put vulnerable customers at the core of their operations, but there was no evidence to back up this claim.</p>	4.0
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SPEN Feedback

Overall Panel Score: 4.5

Overall feedback statement:

SPEN's overall score has fallen for the second consecutive year. Despite feedback from the Panel on the previous three submissions about the need to demonstrate the influence of stakeholder engagement, the submission again lacked practical examples of how stakeholder engagement has, in practice, influenced business strategy and decision-making. Such examples are essential for higher scores, but the stakeholder engagement examples that were included in the submission and in the Panel interview and presentation were mostly either very broad brush or appeared to endorse projects that SPEN was already planning to undertake. This meant that the influence of stakeholders on the initiatives was not clear.

In last year's Panel report the Panel asked DNOs to improve their collaboration, given the potential to unlock greater benefits for companies and their customers and stakeholders. DNOs were then invited to present, at the Panel interview, the changes they had made to their approach to collaborating with other DNOs, and what this had yielded for customers. The Panel was disappointed that SPEN presented little evidence of a change in approach to DNO collaboration, either in the submission or the presentation. Many of the examples cited appeared to be standard aspects of ED2 preparation or existing projects, and not all of the remaining collaboration examples provided involved DNO collaboration. Neither the nature of SPEN's contribution to the collaboration nor the benefits for customers were clear as the examples were presented in list form and insufficiently elaborated on in the presentation. This was despite the Panel 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 to enable the Panel to fully assess what has been achieved.

Detailed feedback

Criteria	Comments	Score
1 - initiatives are part of a holistic approach embedded in their business	<p>The submission was strong on assertions of the importance of stakeholder engagement for the business. Unfortunately there was limited evidence of this in the case studies presented, especially regarding what SPEN had learned from stakeholder engagement and how the insights had influenced business planning and decision making. For example, the Coalition of Partners case study does not mention stakeholders having an influence on SPEN developing the concept. It goes on to describe challenges with setting up partners in the Coalition trial, but not what was learned from these experiences and how the learning will be applied during the rollout.</p> <p>There was little sense of an evolving strategy that is adapting to the need for greater direct engagement with customers and new stakeholders who are less familiar with the sector as the energy transition gets underway. Instead the approach seems reliant on formal events and panels and many of the insights presented were broad brush rather than reflecting an in depth understanding of the stakeholders' concerns and demonstrating SPEN's response to these. For example, the engagement insight for the Energy Storage case study was that 'key strategic stakeholders' had recommended</p>	4.5

	<p>that SPEN 'develop an evidence base to support investment in natural renewable energy sources in anticipation of future requirements'. This is a very broad point that provides little insight into who the stakeholders were,, why they made this recommendation, the particular kinds of evidence they thought were needed or the benefits they and SPEN expected to result from developing the evidence base.</p> <p>There was little evidence of SPEN acting on the Panel's request in last year's report to improve DNO collaboration. The examples of collaboration were of the kind that would be expected, such as supporting the creation of the single PSR website, or continuing previous work, for example developing the use of SROI further, without demonstrating a step change or new approaches.</p>	
<p>2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry</p>	<p>Most of the initiatives seemed to be either 'business as usual' or part of expected ED2 preparations, for example the Open Data Portal and LV network monitoring.</p> <p>The case studies lacked evidence about the nature of the stakeholder engagement and the specific insights gained, with the result that the Panel could not be confident that there had been 'novel thinking' that took 'into account changing nature of knowledge, technology and stakeholder needs'. For example, the ConnectMore tool case study identified that customers were finding they could not complete their applications using the tool, needing to speak to a SPEN colleague. However, their specific concerns were summarised rather than set out, and it was not clear how many had been addressed nor whether there had been a subsequent increase in online applications and reduction in calls to the SPEN team.</p> <p>The 'Outcomes' sections often focused on actions SPEN had taken, for example the work to improve SPEN's responses to extreme weather, or on future potential benefits, such as what could happen once all contractors are trained on a waste reporting tool. These approaches made it difficult for the Panel to understand what benefits had actually been delivered for customers, stakeholders and SPEN, which in turn made it difficult to judge whether the initiatives were in fact best practice with replication potential.</p>	4.5
<p>3 - initiatives which best serve specific interests of challenging groups or hard to reach (H2R) stakeholders</p>	<p>DNOs are expected to work with local authorities on their energy plans so including SPEN's work on this was not unexpected. Nevertheless, the case study on guiding local authorities to reach their low carbon ambitions was well written, providing insight into the support needed and how SPEN is addressing this. The approach of learning through trials and then building frameworks seems to be bearing fruit, and the creation of new Strategic Optimiser teams appears to be a well-targeted response to the issue of local authorities being at different stages with their plans.</p> <p>Unfortunately, the other case studies again lacked evidence about the nature of the stakeholder engagement, the specific insights</p>	4.5

	gained, and their influence on the initiatives. This meant that the Panel could not be confident that the specific interests of 'challenging groups' such as those with above average heating costs, those in the connections queue and new home developers, were being 'best served'.	
4 - initiatives result in measurable benefits for stakeholders	<p>Although an 'Outcomes' section was provided for each case study, measurable benefits for customers or stakeholders from this year were often not clear. Instead, as noted above, these were often weighted towards actions SPEN had taken or potential future benefits.</p> <p>SPEN has continued to lead on the development of a common SROI tool, though at least some of this work appeared to have been part of the preparations for the ED2 Vulnerability incentive, which would not be relevant for this ED1 incentive. The Panel has previously been impressed by SPEN's leadership of the DNOs' work on SROI so was surprised to learn that SPEN has only recently developed SROI support guides and forms to support SPEN staff with SROI calculations 'with the aim of further embedding SROI into project delivery'.</p> <p>SPEN's Green Recovery Investment comprises 40 projects. A figure of £2.81 of net benefit for every £1 invested is quoted 'over and above the cost in the first five years'. However, in small print underneath SPEN explains that only three projects have been used in the estimate. The Panel was surprised that such a small proportion of the 40 projects had been used to calculate what is presented as a broad 'green investment' benefit. This risks being misleading.</p>	4.5
5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered	<p>The Panel was surprised that SPEN chose not to include a figure for the percentage of eligible customers registered on the PSR, despite the Panel previously emphasising in presentation questions and Panel reports its importance for comparison across DNOs. The omission meant the Panel couldn't judge the impact of the initiatives to register more customers to the PSR nor the overall progress on registrations.</p> <p>SPEN said it has expanded its fuel poverty support, 'both in volume and in reach' in response to the increase in fuel poverty. The extent of the expansion was not clear in the submission as a comparative figure for the previous year was not provided. A percentage increase figure was later provided in the presentation. The Panel found that different figures were given on different pages of Part 3 regarding the number of customers supported, and was left uncertain as to the number of customers who had received advice vs the number who had received support to act on the advice and gained actual financial benefits as a result.</p> <p>The mapping and modelling work to build a platform that provides a unified view of vulnerability across the risk of being left behind, fuel</p>	4.5

	poverty and PSR situations seems to have good potential. The ability to provide a 'vulnerability score' for each of the 7,000 communities served as well as describing the key issues in each area suggests it will have multiple uses, enabling SPEN to target future initiatives with increasing precision and thus maximise the effectiveness of its spend.	
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SSEN Feedback

Overall Panel Score: 6.1

Overall feedback statement:

The Panel felt that SSEN continued the positive overall trajectory of recent years. Over the course of the incentive SSEN does seem to have become committed to genuinely engaging with communities and listening to customers, something that will be ever more important as the Energy Transition really gets underway. SSEN demonstrated that they do learn from and act on the insights gained from engagement, with benefits for both customers and SSEN. The Panel was also pleased to see that SSEN had acted on our request to improve collaboration with other DNOs, as well as continuing to collaborate with other organisations.

The approaches to engagement were 'solid' rather than best practice or new. It was not always clear what role stakeholder engagement had played in the case studies for initiatives which best serve specific interests of challenging groups or hard to reach stakeholders, and some of the Positive Impact Delivered sections focused more on SSEN actions than the outcomes or impacts for customers and SSEN. The Panel noted that the case studies often featured projects that were in the early stages, being small scale, pilots or research, even in this final year of the incentive.

Nevertheless, SSEN has made perhaps the most positive DNO journey over the course of this incentive. The early submissions that suggested a lack of engagement with the incentive, as well as with stakeholders and customers, have been replaced more recently by submissions that showed SSEN discovering the benefits of stakeholder engagement and utilising it to improve delivery in projects throughout the business.

Detailed feedback

Criteria	Comments	Score
1 - initiatives are part of a holistic approach embedded in their business	<p>The Panel concluded that SSEN demonstrated that an understanding of the benefits of purposeful stakeholder engagement is starting to materialise. The title of Part 2, 'Collaborating with Impact' was promising, as were the claims to a culture of 'continual improvement' and retaining agility within the strategy to respond to live issues for stakeholders.</p> <p>However, the examples included were not quite as impactful, often being fairly typical examples of DNO projects and ways of engaging with stakeholders. There was evidence that engaging with communities and listening to customers and stakeholders is now embedded, even if there were limited signs of evolving the engagement approach to address the new challenges presented by the energy transition and Net Zero targets.</p> <p>There was also evidence that SSEN had acted on the Panel's request to improve collaboration, with examples included of mutual sharing of learnings with other DNOs and extending invitations to events such as the mental health webinars for staff of Consumer vulnerability partners. In addition, formal collaboration agreements have been signed with ENW and UKPN.</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 collaboration with a range of stakeholders to deliver bespoke solutions in the face of Transmission constraints in West London was well presented, and the Panel was pleased to see that SSEN has made the resulting phasing product available to all DNOs. The work on Estimated Restoration Times seemed to be a good response to an area of frustration for customers. 'Nudge' theory is not new, but trialling its use to improve the customer experience is a positive step forward for SSEN, and the Panel encourages further work in this area given the potential to deliver customer benefits.</p> <p>Once again the Panel did not identify a sufficient range of initiatives that might be termed smart/best practice to merit a higher score, with many appearing to be part of preparations for ED2. However, the Panel did find that there is now evidence that SSEN is consistently using stakeholder engagement across different types of project and finding benefits in doing so.</p>	6.5
3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders	<p>Again, many of the projects seemed to be preparations for ED2, and the role stakeholder engagement played was not always clear. For example, the 'Just Transition' project sounded interesting but the write up was insufficiently detailed for the Panel to understand what insights had been gained from customer research and the trial, or how they had influenced SSEN's commitments and recommendations. In the project targeting microbusinesses with energy efficiency measures it was not clear what role SSEN had played beyond funding.</p> <p>The co-working with local authorities and smaller communities such as on the Isle of Wight and Osney Island seemed appropriate, but not exceptional for this stage of the incentive, as did the work to support DER customers.</p>	5.5
4 - initiatives result in measurable benefits for stakeholders	<p>The Panel appreciated the addition of indicators of the source of SROI value, although some of these were too topline to be very informative e.g. 'efficiency savings'. There was an appropriate mix of qualitative descriptions and quantitative metrics in the 'positive impact delivered' outcomes sections, although these sections frequently included SSEN actions and interim steps rather than actual outcomes or 'impact'. In contrast, the metrics for the Estimated Time of Restoration project did demonstrate the impact delivered.</p> <p>Where 'advice' or 'referrals' were involved, e.g. the Winter campaign, energy efficiency for microbusinesses, it was not clear how SSEN translates these into benefits. It is important to recognise in these assessments that receiving advice often does not result in customer action. There also appeared to be some, likely inadvertent, overclaim. For example, the Panel was not convinced that 'salaries for young workers' truly qualifies as a 'societal benefit'.</p>	5.25

	<p>The Panel was disappointed that in this final year of the incentive the case studies often featured projects that were in the early stages, being small scale, pilots or research. However, the Estimated Time of Restoration project did demonstrate that SSEN is able to implement and scale initiatives that benefit customers.</p>	
<p>5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered</p>	<p>SSEN had the highest level of PSR registration and provided evidence of targeted work to reduce the 'gaps' in registration for certain needs codes. SSEN's leadership of 'thePSR' website project was also well explained with clear descriptions of what SSEN did to get other companies on board, test design options with stakeholders, deliver the website quickly, and communicate to the audience. The work to enhance data sharing with water companies was clearly explained.</p> <p>The Panel did wonder why it is only in the eighth year of this incentive that SSEN is running its first Partner Shared Learnings Workshop, and hopes that SSEN will continue with these having clearly acted on the learning. The response of running mental health webinars for partner organisations' staff was a positive and constructive response to feedback that the mental health of frontline staff of partner organisations was being adversely impacted by the change in scale and shape of demand due to the cost of living crisis. The Panel was also pleased to see evidence of collaboration here, with the invitation extended to ENW partners.</p> <p>SSEN did provide evidence of both increasing the level of support for fuel poor customers in England and Scotland, and investigating new ways of providing effective support. New approaches were added to existing schemes and appear to have provided useful learnings. For example the 'tiered support' provided with YES Energy Solutions and the outreach service to rural communities in Scotland suggested potential for these relatively small scale initiatives to be scaled up. However, the variations in the way the outcome figures were provided across the different case studies made it difficult for the Panel to be confident that we had understood how many customers had received in depth support that resulted in real savings and how many received advice only.</p>	6.75

UKPN Feedback

Overall Panel Score: 7.71

Overall feedback statement:

Yet again this year the Panel was extremely impressed with UKPN's Part 2 submission which detailed an extremely mature, agile, embedded stakeholder engagement strategy that has resulted in a culture of outreach, learning, innovation and problem solving, focussed on tackling sector-wide issues and achieving benefits at scale. UKPN collaborates widely, both within and outside the sector, and delivers both as a leader and a 'fast follower'. The Panel considers UKPN's stakeholder engagement strategy to be sector leading, an example of what can be achieved with determination and focus, and this is reflected in some strong scores relating to the Part 2 submission. The Panel was disappointed and somewhat frustrated however in UKPN's Part 3 submission which lacked the ambition and drive that are clearly apparent in other areas of the business, reflected in a much lower score in this category and a lower score overall than in previous years.

Detailed feedback

Criteria	Comments	Score
1 - initiatives are part of a holistic approach embedded in their business	<p>It is evident that UKPN's stakeholder engagement strategy has matured steadily during the course of the incentive and is well-embedded within the business and with active Executive-level commitment. This has resulted in a clearly articulated approach, a well evidenced and nuanced understanding of the challenges and an ambition to respond to stakeholder insights in a way that tackles the root causes of these challenges as well as their impacts. UKPN consistently views problems and barriers from a customer perspective, reframing the conversation from 'it's never been done before' to 'what if we could?' and building meaningful collaborations both within and outside the sector to deliver benefits for customers regionally and nationally. For example UKPN shared their Regional Development Plan approach with National Grid, which has delivered 400MW of capacity in UKPN's regions in 2022.</p> <p>As a result, stakeholder engagement has delivered some significant benefits to both customers and the business, clearly illustrated with well-selected case studies. A systematic approach to trialling and feedback has resulted in a faster scaling-up of successful initiatives.</p>	9.25
2 - initiatives reflect innovative thinking that may be recognised as smart/best practice and could be replicated across the industry	<p>As in previous years UKPN was the highest scoring DNO in this category by quite some margin as a result of demonstrable commitment to seeking insights from multiple sources, including different sectors, to address things that are important to customers. An embedded approach involving engagement, testing and refining has delivered some key successes that have been scaled rapidly.</p>	8.5

	<p>Learning from the banking sector, UKPN applied natural language processing technology to address feedback that the interactive phone system was too complex. Following a 29% reduction in customer call hand-offs the model was scaled to other areas of the business. The Panel was particularly impressed that a number of initiatives were developed and targeted specifically to ease the pressure on customers. Notable examples include developing a secure digital payment option to enable faster reimbursement to customers of costs incurred during power outages, reducing payment times from weeks to hours; and bringing forward winter working restrictions (of a maximum of six hours) and re-introducing mobile wifi units in recognition that power cuts have a bigger impact now more people are working from home; and rescheduling non-essential work during the World Cup.</p>	
<p>3 - initiatives which best serve specific interests of challenging groups or hard to reach stakeholders</p>	<p>UKPN also achieved the highest score across the sector in relation to initiatives aimed reaching challenging or hard-to-reach stakeholder groups. Again UKPN was able to demonstrate targeted engagement with stakeholders to develop a full understanding of the issues and a collaborative approach to building solutions.</p> <p>For example, modelling techniques developed in relation to LCTs were adapted to develop a 'whole household' approach to domestic solar and battery connections enabling quicker and easier installations. The key here was UKPN's work to understand how these technologies are used in <i>reality</i> rather than theoretically, which provided the evidence base for an increase in the individual connection threshold. Likewise, offering tailored support to individual Local Authorities to help them meet net zero targets, with ongoing stakeholder engagement as a central theme, provided much-needed resource and expertise for Local Area Energy Planning and saved UKPN in network reinforcement costs as a result of more accurate insights on the location, timing and amount of assets that will be required.</p>	8.25
<p>4 - initiatives result in measurable benefits for stakeholders</p>	<p>UKPN's submissions provided clear evidence of wide-ranging benefits including qualitative and quantitative measures and identifying outcomes that are meaningful to customers. It is clear to see how the approach to demonstrating the impact and value of outcomes resulting from stakeholder engagement has evolved during the incentive. There was a clear focus on outcomes that have been delivered in-year, with additional detail of where initiatives have been scaled up provided where relevant.</p> <p>Getting payments totalling £82,618 to 994 customers within hours via an early roll-out of a secure digital payments portal will have made a marked difference to customers, especially in the context of the cost of living crisis. It is extremely heartening, therefore, to hear that 86% of customers have now signed up to receive digital payments. UKPN's substantial focus on flexibility</p>	7.75

	<p>on connections secured record flexibility capacity in-year, procuring a 400MW demand turn-up across 24 zones. This work has led to a 61% increase in bidders and a new record of 1.1 GW of flexibility bids submitted compared with 2022, with wind and solar participating for the first time.</p> <p>In a few cases, for example in relation to sharing and embedding learning from the self-serve site planning tool for depot-based fleet electrification and smart fleet charging a lack of clarity around what had actually been delivered in-year made it difficult to fully assess the benefits achieved in this year of the incentive. This is reflected in the score for this category which, while still the highest across the sector, has not improved on last year.</p>	
<p>5 - the quality of the network company's strategy to address consumer vulnerability and the quality of the outcomes delivered</p>	<p>The Panel was disappointed in UKPN's performance in relation to consumer vulnerability this year, and somewhat frustrated that the energy and ambition that has clearly transformed other areas of the business was not matched in this category.</p> <p>UKPN's Part 3 submission focussed more on outlining the strategy with less emphasis on providing evidence of impact. The Panel noted some welcome achievements including increased data-sharing with water companies and leading sector collaboration on automated PSR data-sharing, scaling-up fuel poverty support and the inclusion by design approach. Nevertheless, the Panel felt that what had been delivered to customers was relatively small scale and lacked ambition, given UKPN's size and the amount of financial reward it has received from this incentive.</p> <p>While PSR registrations have increased 11% on last year, and 13% in London, the target of registering 60% of eligible customers in all districts was not achieved. The Panel accepts the premise that UKPN has been focussing on increasing its reach in some of the most challenging areas and customer groups to avoid a big gap between areas with the highest and lowest registrations but felt that, with effort and innovation, more could have been achieved. In a similar vein, while UKPN has doubled the amount of customers supported via fuel poverty initiatives this year, the 31,000 who have received help represents a small proportion of UKPN customers who are estimated to be in fuel poverty and the in-pocket savings delivered from these initiatives, averaging £50.18 per customers, is considerably lower than has been achieved other DNOs.</p>	5.75

Appendix 3: Historic Scores (to be checked and completed)

	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	Rank this year
UKPN	7.15	6.55	5.85	7.53	7.53	7.25	7.95	8.3	8.05	8.54	1
SPEN	n/a	6.65	6.5	6.78	6.28	6.35	6.71	6.85	7.08	5.29	5
ENWL	7.9	6.45	6.1	6.9	6.38	5.75	4.54	6.03	6.61	4.31	2
SSEN	6.85	5.5	5	5.73	5.23	5.5	3.95	5.54	6.2	5.88	4
NPg	7.85	7.65	7.65	6.5	6.5	7.5	7.01	6.71	5.01	3.7	6
WPD (now NGED)	8.4	8.05	8.75	8.75	8.53	8.75	8.35	n/a	n/a	5.35	3