



# 2014-15 STAKEHOLDER ENGAGEMENT

SUBMISSION PART I



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## DRIVING IMPROVEMENTS WITHIN OUR BUSINESS

Stakeholder engagement is a continual journey in which we are always seeking to develop and hone our skills to deliver ever more effective engagement and linked outcomes with a broad range of stakeholders. We continually review our structure, our approach and the methods we use to extend our reach and its effectiveness.

Our processes and procedures have been designed so that our stakeholders identify the issues that matter most to them, help us develop solutions that work, including cases where we use engagement to help us find solutions to problems, and to challenge our performance to get the best service for them – now and in the future.

My colleagues and I, as members of the company executive, find this engagement invaluable in setting company priorities. Over the last year, business areas that have particularly benefited from this dialogue include new connections; future network development, including our smart grid project, the Customer-Led Network Revolution (CLNR); and, assisting community energy projects. We have also increased our collaboration with other Distribution Network Operators (DNOs) and other utility companies in the region to share new ideas and best practice, for example, through our pioneering work under the banner of Infrastructure North.

We were delighted that the SGS April 2015 audit against the AA1000 standard verified for the third year running that our compliance remains strong and has consolidated further as our approach has matured. The auditor provided valuable feedback on how well we had developed and recommendations for our next areas of work that we have already committed to. Our annual audit ensures that we continue to develop and improve on our performance,

holding ourselves to account against a robust external benchmark, whilst identifying our positions of strength as well as key areas to focus on in the coming year.

Our annual audit and annual stakeholder report form key elements of our wider stakeholder programme which, in turn, has been aligned to our annual business plan review, encompassing a ten-year planning horizon. The structure ensures that the outcomes from stakeholder engagement feed directly to the company executive with clear linkages to our business strategy and leadership from the top. Appropriate focus, timing and resourcing ensure better informed decisions are taken with stronger outcomes in the short, medium and longer term.

We continue to build strong partnerships with key stakeholder groups, leveraging their influence and expertise to achieve enhanced and more successful engagement. We host structured, formal groups for regular engagement. Our stakeholder panel draws from a broad range of individuals and organisations covering our full range of output areas and enables us to consult on matters where differing opinions and competing tensions lead to a better overall balanced outcome. In particular, our social and customer service propositions for the next ten years have been challenged and significantly strengthened through this input. We understand the direct link between employee engagement and customer satisfaction. We consulted employees on our ten-year

business plan and are working on improvements identified from an employee engagement survey completed in summer 2014. We've recently undertaken employee focus groups to gauge views and understanding about the services and support we provide to vulnerable customers.

The success of our company matters a lot to our customers and to our employees who have tremendous pride in what they do.

I'm delighted with the impact that our collective hard work has had during 2014-15 in delivering better outcomes for our customers and other stakeholders, and am particularly excited by the prospect of how some of our latest initiatives have the potential to scale up to make a big difference into the future.

**John Barnett,**  
**Commercial Director**



“The systems have been found overall to be robust and Northern Powergrid continues to embed stakeholder engagement.” SGS AA1000 Audit report, April 2015

Our Customer Experience  
Improvement Programme  
puts customers at the heart  
of our business



## CLEAR, OPEN AND HONEST COMMUNICATION

Our approach to stakeholder engagement has remained aligned to AA1000 since 2012 – adhering to the principles of inclusivity, materiality and responsiveness. Although we review and refine our approach, this sets the framework for our engagement.

### Our aims are to:

- » Use stakeholder engagement to identify the issues that matter and develop solutions that work
- » Translate stakeholder feedback into improved services for all our customers
- » Develop new engagement techniques and share best practice
- » Research, benchmark, and adopt best practice to support continual improvement
- » Review our performance and planning in the light of feedback
- » Ensure the impacts of our engagement are measurable

We engage with our stakeholders through informed, clear and open discussion and have an ongoing research programme to ensure we have understood their feedback properly.

We clearly link stakeholder comments to our own plans and provide feedback on our response to suggestions – it's important to us that our stakeholders know we are listening and responding to their opinions. This extends to the on-going challenge we encourage from our independently chaired expert groups; together with our work with partner organisations who help us to engage and encourage views from stakeholders that otherwise we might struggle to reach, or those that may not be comfortable feeding back directly.

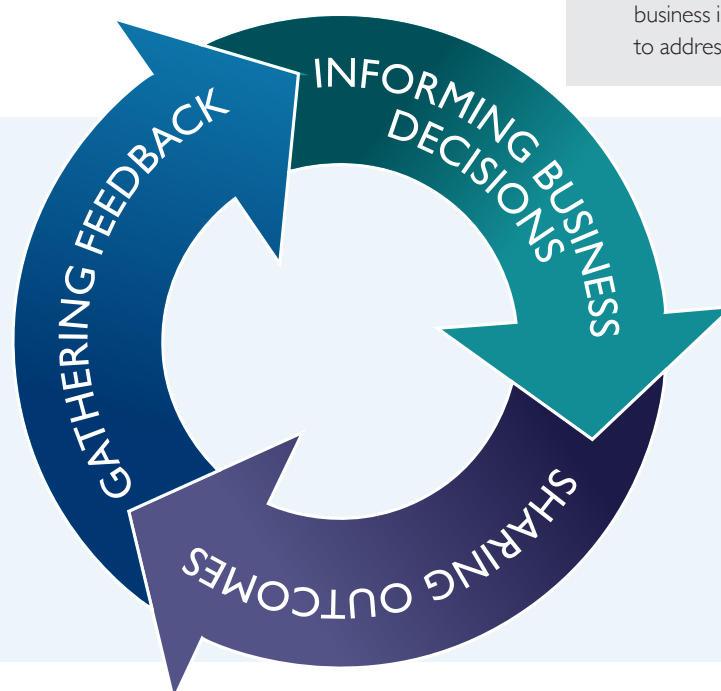
Our annual plan sets out an overarching framework to ensure that we deliver our strategy and align our engagement with our annual business planning cycle.

### STRATEGY IN ACTION

Our stakeholder engagement is clearly linked to our annual business planning cycle that looks at a ten-year horizon. In our plan we commit to:

- » Reviewing priorities annually to ensure they remain appropriate
- » Identifying the issues that matter most to, and solutions that could work best for, our stakeholders
- » Checking for new priorities, issues and groups
- » Feeding these priorities into our annual business planning
- » Consult with stakeholders on business issues we would like to address

DIALOGUE LETS US ALIGN OUR DECISIONS WITH OUR STAKEHOLDERS' PRIORITIES




## CASE STUDY: The role of our stakeholder panel

Our stakeholder panel meets four times a year and has a membership drawn from the public, private and voluntary sectors – from organisations as diverse as British Gas, South Yorkshire Police, Northumberland National Park and Redrow Homes. We update members on our progress and on major projects from across the business, and take their advice on where our priorities should lie. The importance of our stakeholder panel and how its outcomes are valued on all sides is shown by the continued high level of attendance and the enthusiastic, yet frank and challenging nature of the discussions.

For example, in July 2014, we discussed our geographical reorganisation and held a workshop on the use of big data in our industry.

In October, we reviewed the effectiveness of the panel itself, discussed our customer service plan focussing on vulnerable customers and held a skills and training requirements workshop.

In January 2015, the panel helped us shape our communication plan for our major investment in Doncaster and, at the suggestion of a panel member, had a useful discussion about our involvement in smart metering. And in April, the panel had substantive discussions on developing our customer communication methods, including our website and social media strategy. Our Customer-Led Network Revolution project was also discussed, and the opportunities for the future of customer service and the networks.

 **Jane Hustwit @Jane Hustwit**  
Apr 22

@powergridnews: @northpowergrid  
t'day showed how \*stakeholder engagement\* can work; left + sense of a different, co-operative, smart future

 Reply  Retweet  Favourite

*Jane Hustwit, Chief Executive of Involve, Yorkshire and Humber voluntary sector body, on her first meeting as a member of our stakeholder panel*



*Professor Phil Taylor, of Newcastle University, explains the domestic customer load shift achieved by our Customer-Led Network Revolution Project to our stakeholder panel*



## OUR STAKEHOLDERS: EVERYONE AND ANYONE

We've made it our business to raise our profile and start conversations with our customers, communities and wider stakeholders so that our vital role in the region is more widely understood and stakeholders have an important voice on what we do next.

**A**s we have such a large number of customers and other stakeholders, it's important to know who they are, and to feel confident that we can meet their needs. We target our stakeholders accurately and with purpose – not a one size fits all approach on every issue.

Our stakeholder-mapping model reflects:

- » Our definition of vulnerable customers and their referral networks
- » 'Hard to reach' stakeholders with customised engagement
- » Comprehensive engagement across the connections markets
- » The value of our employees in delivering initiatives & service improvements

We work with a diverse range of stakeholders: customers, community groups, local and central government, environmental agencies & groups, energy suppliers, meter operators and installers, local businesses (we started work this year on a new initiative with the Federation of Small Businesses, including scoping a research study with them on managing pre-planned power outages), employees, (see page 9 of part 2) large energy users, connections customers and Ofgem, our regulator.

We pay particular attention to stakeholders with particular needs – for example: vulnerable customers who need specially tailored services, community energy groups who need guidance on their connections, or Local Enterprise Partnerships who play a strategic role in the economy of our region.



Our customer care van offers support for vulnerable customers in adverse weather conditions

### HOW WE PRIORITISE STAKEHOLDERS



### ADDING DEPTH TO OUR UNDERSTANDING

In addition to traditional stakeholder mapping, we use socio-economic and geographic data to help us add another layer of information to mapping our stakeholders and directing our engagement.

We use this data to inform our engagement, ensuring that we have a representative view on our larger stakeholder research projects, and also have the means to target hard-to reach groups through referral and support networks.



We regularly conduct targeted market research to gather feedback from our stakeholders

## DESIGNING DIFFERENT LEVELS OF ENGAGEMENT

Using our strategy and stakeholder mapping as a guide, we design our engagement activity with the understanding that our stakeholders have varying levels of knowledge, interest and capacity to engage.

To address these issues we engage through multiple channels, share our information, and design our discussions and questions around stakeholder needs. This ensures that our activities are designed to reflect those differing needs, and identify the most appropriate types of engagement to use, from social media through workshops to telephone research.

We engage with all our stakeholders openly, systematically and regularly and

build on this so that we can provide more targeted engagement.

Our activity is extensive right across our organisation, and on any topic; this ranges from regular meetings and workshops with key individuals and groups, through to specialist sessions on key issues across each of our business directorates.

Since we first launched **Your Powergrid\*** in 2012 we have continued to use the site to help our stakeholders identify our communications and engagement channels.

The brand reinforces that these channels belong to our stakeholders and the importance of their input.

With almost 8,000 followers on Twitter and over 1,600 Facebook likes we are using social media to engage our stakeholders even more actively. We use twitter before, during and after events to get people involved, and tailor our social media channels specifically to engage with our stakeholders.

### KEEPING IN TOUCH

Our digital, print and face-to-face channels help stakeholders to interact with us in a way that suits them.

#### MONTHLY E-BULLETINS

REACHES OVER  
**7,000**  
STAKEHOLDERS

#### STAKEHOLDER REPORT/ BUSINESS PLAN WEBSITE

YOUR POWERGRID  
REGULAR UPDATES

#### SOCIAL MEDIA

**1,600**  
FACEBOOK FOLLOWERS

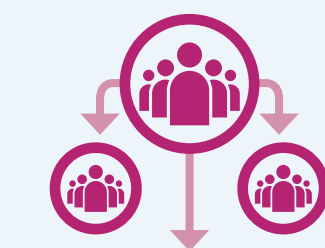
#### ONLINE COMMUNITY

OVER  
**1,560**  
MEMBERS

#### TARGETED E-BULLETINS

MAJOR  
EVENTS AND  
MILESTONES

#### CASCADING INFORMATION THROUGH GROUPS



#### SOCIAL MEDIA

**8,000**  
TWITTER FOLLOWERS

\* [www.northernpowergrid.com/your-powergrid](http://www.northernpowergrid.com/your-powergrid)

## STAKEHOLDER ENGAGEMENT EVENTS



### ENGAGEMENT & COLLABORATION

Our stakeholder panel and external expert groups continue to meet quarterly and prove invaluable in generating improvements and solutions and challenging our thinking. Our stakeholder engagement has made significant progress in the quality of collaboration with other key organisations over the past year. We are increasingly taking the learning from key projects such as our Customer-Led Network Revolution Project (where stakeholder engagement workshops provided reviews of our emerging findings) to develop and engage our stakeholders, and plan and deliver comprehensive programmes of work with measurable outcomes and benefits.

Through Infrastructure North (IN), our pioneering partnership with Northern Gas Networks, Yorkshire Water and Northumbrian Water, we have delivered joint initiatives on our education services, measured the regional economic impact of our combined

work and sought to collaboratively improve our priority services register for vulnerable customers. We are also working on a project across all three utility sectors to come closer to care providers across our region.

We work with Involve and VONNE, the umbrella organisations for the community, voluntary and charity sectors in our region – helping them build their networks and helping us reach people we would otherwise struggle to reach, achieving far more effective and value for money engagement.

For example our recent two community energy events attracted 170 people to attend over two days at Newcastle and Wakefield; high attendance at low cost – something we would struggle to achieve in-house.

### TAILORED ACTIVITY

Through the plans we design for each of our stakeholders' priority areas we deliver a range of tailored activities to meet the specific needs. Our connections workshops and surgeries

### OUR ANNUAL RESEARCH PROGRAMME

Through the year we check the relevance and effectiveness of our engagement using a series of surveys:

- » Regular: specific stakeholder groups are approached to ensure we close the loop by checking that new services and developments have met their original expectations
- » Monthly benchmarking: a cross-section of 50 stakeholders provide feedback on their engagement with us and identify any issues or areas for improvement
- » Annual priority services: 1,000 of our Priority Services Register customers assess our services and identify areas for improvement
- » Dedicated stakeholder report website reporting on performance and annual consultation on report content with our stakeholder panel & other key stakeholders

remain popular and we fine tune their approach from feedback.

We attend established meetings and groups of stakeholders such as the Local Government Yorkshire and Humber Chief Executives and the Association of North East Councils group, Major Energy Users' Council conferences and more. We hold regular face-to-face meetings with key stakeholders and play a leading role in key organisations where we can share our experience and learn from best practice across sectors – for example our:

- » Chief Executive, Phil Jones, is President of the Yorkshire & Humber CBI
- » Commercial Director, John Barnett, is a Vice-President of the Institute of Customer Service
- » Head of Regulation, Jim Cardwell, is Chair of the North East Chamber of Commerce Energy committee.



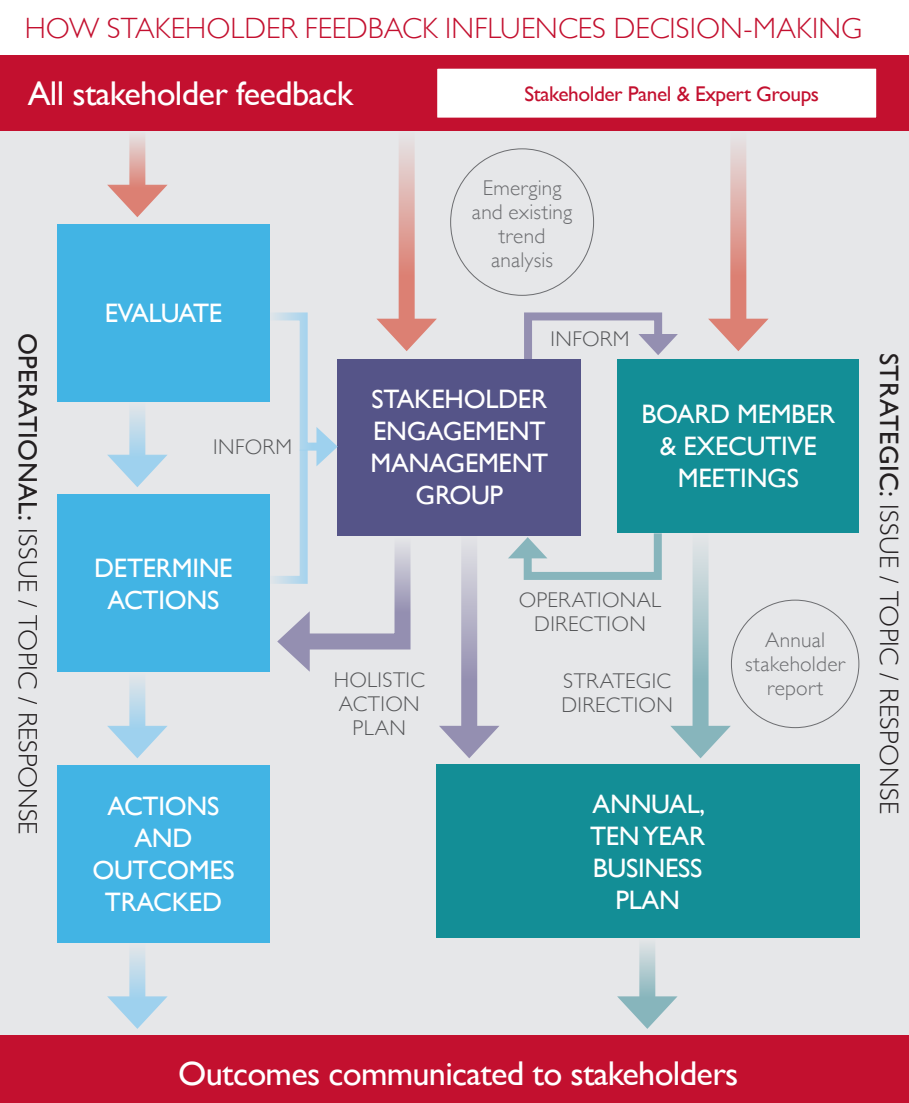
## ENSURING FEEDBACK INFLUENCES DECISION MAKING

We have adopted a clear process for the governance and reporting of stakeholder activity, which ensures we have a system in place to deliver engagement activity, and feedback outcomes in a comprehensive manner.

The process set out in the adjacent diagram depicts how stakeholder feedback influences the entire business and ensures that decisions are made at the right place by the right people at the right time.

Although there is a small central stakeholder team to co-ordinate our engagement, ownership of stakeholder activity and actions resulting from feedback sit firmly within the respective functional teams and their leadership across the business. Our Stakeholder Engagement Management Group (SEMG) meets monthly. This group of senior managers is responsible for the co-ordination and delivery of stakeholder engagement across the business. The SEMG produces a monthly report to the company executive, informed by the stakeholder action plans.

The report includes detail of activity, summaries of feedback and any new actions in response to feedback. The report tracks all actions in response to stakeholder feedback, including leads, dates and progress and, for those suggestions we cannot wholly support, ensures the stakeholder concerned understands why not and identifies other ways of dealing with their concern. This process helps to embed prioritisation, professionalism, urgency and business-wide involvement.



*“Brilliant, everyone I have spoken to is always so happy to help and find solutions to problems. Seeing NPg putting so much time, money and effort by all to improve the customer experience is brilliant.” Dan Talbot, Story Homes*

## REVIEWING AND IMPROVING

We continually review and seek to improve our engagement; and actively measure and seek feedback to ensure that stakeholders inform our short, medium and long term plans.

We are open minded to new approaches and innovative thinking, recognising that not all solutions will be right the first time.

We continue to measure our engagement with stakeholders and have set out these measures explicitly in our strategy. We are investigating how we might consistently measure the impact of the improvements and initiatives we deliver as a result of stakeholder feedback; we already do this to some degree but as we expand further into the area of social responsibility we acknowledge that impacts are harder to quantify.

We carried out a thorough review of both our Stakeholder Panel (membership and ways of working) and Annual Stakeholder Report (contents and approach) – with independently conducted focus groups, interviews and consultations to inform our judgement as to how each would most effectively inform both the business and our stakeholders.

### USING OUR STAKEHOLDERS TO SHAPE THE FUTURE OF THE GRID

At the end of 2014 Northern Powergrid completed its major smart grid project, the Customer-Led Network Revolution (CLNR).

The four year CLNR project brought together key energy stakeholders – customers, energy suppliers, technology providers and ourselves as the electricity network operator to develop innovative technologies and new commercial arrangements. One of the most significant trials ever undertaken in this country, it combined people, processes and technology, and revealed new important findings about customer energy practices and attitudes.

The learnings from the CLNR will act as a springboard for Northern Powergrid, its partners and other industry stakeholders to drive forward with the development of a smarter powergrid. We estimate that this could result in net benefits in the range of £5bn to £26bn in the period 2020 to 2050. Following a comprehensive consultation process, where key industry stakeholders were

invited to review, comment upon and if necessary challenge our findings, we have published our final results on our project website [www.networkrevolution.co.uk](http://www.networkrevolution.co.uk). CLNR represents a major exercise and success in partnership working.

### CLNR IN FIGURES

- » £31m investment
- » Five partner organisations
- » 13,000 domestic, SME, industrial & commercial (I&C) and distributed generation customers participating
- » 16 I&C customers provided a total of 17MW of demand side response (DSR)
- » 1,250 surveys and 250 face-to-face domestic customer interviews completed creating one of the largest studies of customer energy practices ever recorded



Geoff Earl, Northern Powergrid, Director of Safety, Health and Environment, tells the stakeholder panel about the Northern Powergrid metal theft campaign

