

STAKEHOLDER ENGAGEMENT INCENTIVE SCHEME



Making a positive difference
for energy consumers

STAKEHOLDER ENGAGEMENT – PART 1 SUBMISSION ENTRY FORM

COMPANY DETAILS: (please complete)

Company: Wales & West Utilities
Licensee(s): Wales & West Utilities
Address: Wales & West House,
Spooners Close,
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THE RULES:

1. Refer to the accompanying guidance notes for your Stakeholder Engagement Incentive Scheme.
2. Fill out this entry form and attach it to your overview of evidence. The overview of evidence and all supplementary information should be referenced to this entry form.
3. Entry form should not exceed four A4 pages in total. Overview of evidence should not exceed ten A4 pages.
4. Complete applications must be received at Ofgem by **no later than 5pm on the final Friday in May, the year following the regulatory year in question**. They should be sent to connections@ofgem.gov.uk electronically, with a hard copy sent to:
Distribution Policy Team, Ofgem, 9 Millbank, London SW1P 3GE

MINIMUM REQUIREMENTS

Please provide supporting evidence and high level overview of how your company has met the minimum requirements set out below:

Evidence submitted within application (ie, evaluation, assurance report, survey, etc.)

Overview of your arguments demonstrating compliance with requirement. Clearly signpost as to additional relevant evidence/information within submission

The network company has a comprehensive and up to date stakeholder engagement strategy, which sets out:

- how the network company keeps stakeholders informed about relevant issues, business activities, decision-making and other developments;
- how the network company enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision making.

Page	Ref	Section
CEO intro		The challenge continues
P1	1.1	Overview of our engagement strategy
P5	1.2	Supporting frameworks of engagement
P7	1.4.1	The quality of our engagement strategy
P9	1.5	Communication of our performance
P10	1.6	Business engagement and intelligence
Supplementary Evidence		Stakeholder Strategy
Supplementary Evidence		Critical Friends' and Vulnerable Customer Panel reports

Our vision for better engagement is “**working with you**” to shape the future of our business.

Central to our success, both past present and future, is making sure the needs of our varied stakeholders are central to our business planning, delivery and performance. The process we follow is shown on the right – and ensures our stakeholders remain informed, engaged and empowered to support us on our journey.



Our engagement strategy covers the following areas:

Purpose Vision & Goals

- **Clear vision & purpose** – refocus and adjusted strategic objectives based on stakeholder feedback - Demonstrates **commitment to continuous improvement**.
- **Alignment of goals with business strategy** - Solid expectations from stakeholder engagement process, supported by **relevant strategic frameworks**
- **Short, medium and long-term goals** – demonstration of evolvment through time and follow-up on KPIs - **a measurable plan of action** over the remaining price control period.

		<ul style="list-style-type: none"> • Engagement vision is consistent with relevant accreditation schemes: <ul style="list-style-type: none"> ○ AA1000 Stakeholder Engagement Standard ○ The quality of our engagement strategy has been audited by AccountAbility, custodians of AA1000 Stakeholder Engagement Standard <p><u>Governance & Strategy</u></p> <ul style="list-style-type: none"> • Solid oversight and accountability – our CEO, Graham Edwards, personally chairs Critical Friends’ Panels - demonstrating our strong top-level focus on quality responsive engagement • Stakeholder engagement activity is reviewed by senior management regularly • Cross functional inclusion of executives due to broad business reach of stakeholder engagement activity • Integration across our business in decision-making - investment papers cite key stakeholders affected how they were consulted and have influenced the paper to ensure we deliver outputs stakeholders’ value. • Engagement strategy links to existing internal controls and processes: <ul style="list-style-type: none"> ○ Our business risk register is designed around the delivery of the outcomes which our stakeholders value ○ Our business requirements manual clearly articulates the importance of effective engagement to achieving our operating model • Roles responsibilities and resources – Performance linked bonus for all staff directly links to delivering the outputs which our stakeholders value • Stakeholder and corporate strategies align to leverage greater value from our engagement
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		<p><u>Capacity Building</u> Staff are crucial in all of our touch points with stakeholders</p> <ul style="list-style-type: none"> • Skills and capabilities – activity of listening, capturing feedback and training staff on effective communications and engagement • Regular training through communication and culture skills development at all levels of the organisation: <ul style="list-style-type: none"> ○ Communications toolkit ○ Stakeholder engagement manual developed to ensure consistency of message and approach. ○ Plain English campaign training to improve communication accessibility. ○ Vulnerable customer centric training – to improve emotional intelligence and provide a caring service. • Knowledge sharing mechanisms (both internal and external) – partnerships with fellow industry leaders to share best practice around stakeholder issues • Building stakeholder capacity to engage – emphasis on; corporate culture, brand refresh, marketing communications all improve approachability motivate staff and attract talent and ensure that when engaging externally with stakeholders we live and breathe our engagement strategies. • Independent assessment audit and verification of key areas: <ul style="list-style-type: none"> ○ Quality of our engagement strategy (AA1000SES) ○ How we serve our stakeholders (ISO55001, ICS, Gas Industry Award, ROSPA Gold Award) ○ How we speak to our stakeholders (Plain English Campaign) ○ The outcomes from our engagement (BITC Awards)
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		<p>It is the completeness of this strategy which enables us to:</p> <ul style="list-style-type: none"> - Keep our stakeholders informed about relevant issues, business activities, decision-making and other developments; - incorporate timely input and feedback from stakeholders into our decision making. 																		
A broad and inclusive range of stakeholders have been engaged.	<table border="1"> <thead> <tr> <th>Pafe</th><th>Ref</th><th>Section</th></tr> </thead> <tbody> <tr> <td>p.1</td><td>1.1</td><td>Overview of our engagement strategy</td></tr> <tr> <td>p.4</td><td>1.2</td><td>Broad and inclusive engagement</td></tr> <tr> <td>p.11, 13, 16, 17, 19</td><td>2.1.1 2.1.2 2.1.3 2.1.4 2.1.5</td><td> Delivering outcomes against our key priorities of; <ul style="list-style-type: none"> • Demanding safety always • Driving outstanding service • Delivering value for money • Doing all we can to promote sustainability • Designing our future </td></tr> <tr> <td>p.7</td><td>1.4.2</td><td>How we serve our stakeholders</td></tr> <tr> <td>p.20</td><td>2.2</td><td>Focussing on the future</td></tr> </tbody> </table>	Pafe	Ref	Section	p.1	1.1	Overview of our engagement strategy	p.4	1.2	Broad and inclusive engagement	p.11, 13, 16, 17, 19	2.1.1 2.1.2 2.1.3 2.1.4 2.1.5	Delivering outcomes against our key priorities of; <ul style="list-style-type: none"> • Demanding safety always • Driving outstanding service • Delivering value for money • Doing all we can to promote sustainability • Designing our future 	p.7	1.4.2	How we serve our stakeholders	p.20	2.2	Focussing on the future	<p>Transparency and inclusivity are two of our four guiding principles for engagement.</p> <p>In order to encourage engagement with a broad and inclusive range of stakeholders, the planning and implementation of our activities is supported by:</p> <ul style="list-style-type: none"> • stakeholder segmentation and insight • appropriate internal resource and external support • supporting frameworks of engagement • partnerships and collaboration <p>In order to ensure we engage with our full range of stakeholders, identify the issues that are material to them and respond – tailoring our message appropriately - while keeping track of emerging issues and groups, we:</p> <ul style="list-style-type: none"> • Map stakeholders – initially mapped by executive and senior management team. Recognising this will evolve over time, the stakeholder steering group members (directors and senior managers) own each of our segmented stakeholder groups. • Identify material issues – the stakeholder steering group used business plan engagement as a baseline to inform our internal decision-making. We developed a materiality matrix and consult our Critical Friends’ Panel on our emerging material issues. • Part 2 of our submission details how we engage each different stakeholder group in specific ways to ensure our messaging is targeted both to their demographic and to their specific requirements. • We also look to the future and work to connect with emerging stakeholder groups – understanding and anticipating their needs where possible; responding as appropriate.
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The network company has used variety of appropriate mechanisms to inform and engage their stakeholders – these have been tailored to meet the needs of various stakeholder groups, and are fit for purpose in allowing a detailed analysis of a breadth of stakeholder perspectives

Page	Ref	Section
p.1	1.1	Overview of our engagement strategy
p.6	1.3	Tailored tools and techniques
p.8	1.4.3	How we speak to our stakeholders
p.10	1.6	Online presence
Supplementary Evince		Vulnerable customer strategy
Supplementary Evidence		Aberystwyth Case Study – details how this works in practice

Materiality is our third guiding principle for engagement.

- **We developed both internal and external stakeholder strategies and communication systems** that work to: inform, consult, involve, collaborate and empower on material issues. **We empower both our internal and external stakeholders to share in our decision-making.**
- Recognising there is no single most effective method to involve stakeholders in any given decision, our **toolkits and training help tailor our approach to specific stakeholder groups** in relation to the issue on which we engage.
- Our **consultative frameworks** including: Critical Friends', Domestic, and Vulnerable stakeholder panels continue to allow for regular interaction, **undertaking 'deep dives' into material issues.**
- **Empathy training** – to improve emotional intelligence, recognise and respond to vulnerability providing a caring service.
- **We have both qualitative and quantitative performance measures in place** to monitor the success of our engagement. These **link to our investment decision making** to ensure that we focus our investment on successful campaigns.
- Part 2 of our submission details the different ways **we engage with each of these groups when delivering our engagement priorities**, demonstrating the breadth of perspectives received and acted upon.
- Review practices are in place and **our approach is regularly updated to reflect emerging concerns of stakeholders over time**

The network company can demonstrate it is acting on input / feedback from stakeholders.

Page	Ref	Section
p.1	1.1	Overview of our engagement strategy
p.8	1.4.4	The outcomes of our engagement
p.8-9	1.5	Acting on feedback
p.11-20	Part 2	Delivering Outcomes
Supplementary Evidence		Aberystwyth Case Study – details how this works in practice

Responsiveness is the fourth of our guiding principles for engagement.

Reporting & Evaluation

- **We have a wide range of tools, metrics and systems in place to record feedback.** We continue to invest in and improve these, for example our customer service app now allows us to **record and respond to customer feedback in real time**
- **We continue to integrate feedback into our organisation, strategy and culture across our business priorities**
- **Utilisation of feedback in reporting procedures and transparency of reporting communications** both internally via KPIs and externally through our stakeholder website
- Evaluating quality of engagement through both qualitative and quantitative measures **we ensure our engagement adds value to those involved whilst achieving its goal**
- **Outcomes are communicated and reported in a timely manner** - internally, through our stakeholder governance and control processes and externally through independent reports to those involved which are then made publically available on our website.
- We **work closely with corporate communications to ensure our media strategies support our external engagement**
- **Extensive engagement of independent assessors and auditors around procedures:**
 - Gap analysis completed against AA1000SES
 - First distribution network to achieve ISO55001 which specifically assesses quality of engagement
- Part 2 of our submission details how we respond to the specific concerns of our stakeholders and deliver valuable outcomes to meet their needs.