

STAKEHOLDER ENGAGEMENT APPROACH, INITIATIVES AND OUTCOMES

2016/17





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Welcome by Deborah Jenkins MBE

“Having led change in complex organisations within very different sectors, I was delighted to be asked by Northern Powergrid to review its Stakeholder Engagement practices and gather views on how they could develop their partnership approach to further meet business and social objectives.

I met with and interviewed a cross-section of staff members and external partners to gain an understanding of their values, skills and ambitions in relation to stakeholders. From the outset, I was very much struck by people’s interest in, and commitment to, change. I was greatly impressed by the intellect and creativity of many of the team members, and by the calibre and enthusiasm of external partners.

As an outsider to the industry, it was extremely interesting to see mastery of the technical complexities of the business combined with genuine compassion for the social problems encountered by some stakeholders. I saw a real eagerness to develop more sophisticated relationships both internally and externally in order to share expertise and thinking in an increasingly complex business and social environment. In my view, such relationships would unlock internal improvement, and could add substantial value to national debates in areas such as behaviour change, social engagement, and cross-sector collaboration.

I am pleased to see how Northern Powergrid has embraced feedback from last year’s submission with great energy and taken the opportunity to refocus engagement activity, firmly embedding it in the delivery of business priorities. Their new

‘Make Every Contact Count’ engagement campaign – ensuring there is continuity of message throughout the business – is a tribute to their determination to learn from customers and improve. I am looking forward to seeing the benefits this approach brings to Northern Powergrid stakeholders in the coming year.”

“With some 30 years experience in third sector projects and with major care providers, Deborah has a lot to offer. Her recommendations have been considered alongside extensive consumer research and stakeholder feedback. Together, they refocused Stakeholder Engagement activities, and helped us more clearly align and embed them within our business plans and our people’s day-to-day activities.”

– PATRICK ERWIN, POLICY AND MARKETS DIRECTOR

Introduction

In Part 1, we showcased how we’d built on the foundations of our established Stakeholder Engagement and Consumer Vulnerability Strategies by embedding them further in our business through our **Make Every Contact Count** engagement campaign and associated development of our Stakeholder Engagement Strategy and toolkit. We also highlighted our approach to using insights to further segment and enhance our tailored engagement programmes.

Here in Part 2, we demonstrate those engagement programmes in action, and how they support the achievement of our eight-year Well Justified Business Plan (2015-23), in which we committed to do more for less across our services.

Stakeholder insight and understanding

Our engagement programmes are underpinned with research, insight and market intelligence. As introduced in Part 1, we commissioned research to better understand our stakeholder and customer needs across our nine operational zones to inform our priorities in our 2016/17 Business Plan. We asked customers about their priorities, and their willingness to pay for extra services.

Despite clear differences in zonal characteristics (e.g. urban/rural) we found that customer priorities and willingness to pay were broadly similar, with Reliability and availability, Affordability, and Innovation and the future being the highest priorities. The results can be seen on Page 2. This insight fed into our annual business planning process.

Stakeholder Engagement approach

In Part 1, we described our Stakeholder Engagement Strategy. At the heart of this is a robust engagement approach which starts with understanding and mapping stakeholders with particular care given to hard to reach stakeholders, and their needs across our region.

Any new engagement programmes or activities are cross-checked to ensure they contribute to our Business Plan and are co-ordinated with our nine operational zones to maximise their efficiency and benefits.

We distill insights and learnings to inform, validate or even reformulate engagement programmes and activities. This year, we have strengthened our monitoring and reporting structures, utilising existing business and management performance reporting channels and processes to more firmly embed activities and outcomes. This is supported through our Engagement Leads. This process allows a thorough analysis of impact, themes and gaps; where issues are identified, discussed and acted upon.

Following engagement, we continue to build trust by seeking feedback and letting them know if and how this has been acted upon.

STAKEHOLDER ENGAGEMENT STRATEGY

TARGETED - INCLUSIVE - MUTUALLY BENEFICIAL - MORE FOR LESS



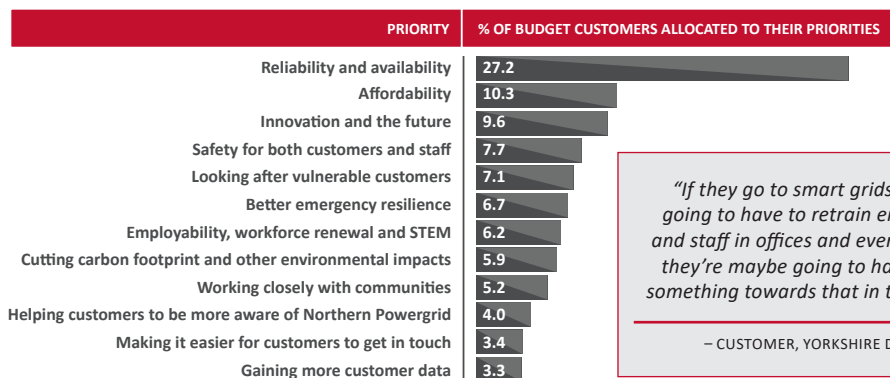
Our Business Plan

Our Business Plan is underpinned by comprehensive stakeholder input, engagement and participation to maximise its effectiveness and deliver successful results. In support of the submission, we have highlighted the scale, outcomes and achievements from these activities as articulated in the core areas of our Business Plan.

CORPORATE AND SOCIAL RESPONSIBILITY <ul style="list-style-type: none">1. Enhancing our vulnerable customer support2. Volunteering keeps us moving ahead3. Educating future generations	RELIABILITY AND AVAILABILITY <ul style="list-style-type: none">1. Creating a more reliable network2. Enabling system resilience3. Tailored engagement and communications	ENVIRONMENT <ul style="list-style-type: none">1. Bringing our environmental policy to life2. Innovation and collaboration to deliver environmental improvement	SUSTAINABLE NETWORKS <ul style="list-style-type: none">1. Local energy2. Smart metering3. Collaboration in innovation
CONNECTIONS <ul style="list-style-type: none">1. Putting our customers at the heart of the process2. Promoting competition3. Developing innovative flexible solutions	CUSTOMER SATISFACTION <ul style="list-style-type: none">1. Improving customer journeys2. Maximising customer satisfaction3. A digital response to diverse customer needs	SAFETY <ul style="list-style-type: none">1. Team Powergrid safety2. Stakeholder, partner and public safety3. Leading cyber safety	SHAPING THE FUTURE <ul style="list-style-type: none">1. Affordability2. Influencing national energy policy3. Securing the future of the North4. Future consumers

Ranked stakeholder priorities

To inform prioritisation within our 2016/17 Business Plan, we commissioned 'priorities and willingness to pay' stakeholder research across our nine zones. This research has given us additional insight that – regardless of whether the environment is rural, industrial or urban – stakeholder priorities are broadly similar.



"If they go to smart grids, they're going to have to retrain employees and staff in offices and everything. So they're maybe going to have to put something towards that in the future."

– CUSTOMER, YORKSHIRE DALES

Corporate social responsibility

"Corporate Social Responsibility, in our view, is about us recognising our full responsibility to play to our strengths as an active part of civic society." – Phil Jones, Chief Executive

1. Enhancing our vulnerable customer support

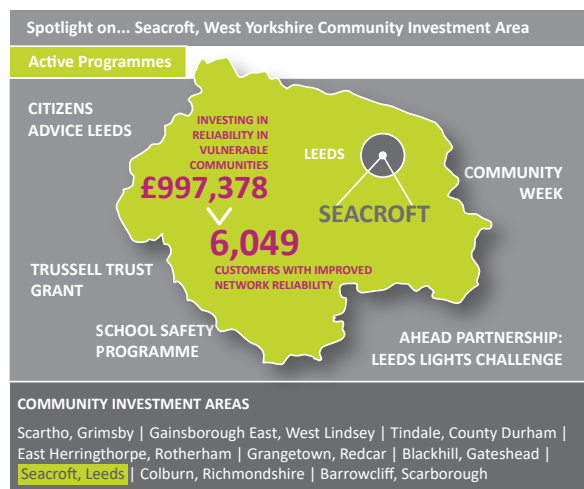
Corporate Social Responsibility is an integral component of our engagement plans, initiatives and day-to-day activities, particularly those targeted towards hard to reach or vulnerable customers. This is explained in more detail throughout our submission.

Our volunteering programme and its initiatives has been developed to support delivery of the social objectives within each of our five Social Pillars. As well as supporting the customers and communities that need us the most, it also gives our people an appreciation of vulnerability and how Team Powergrid can help.

A key development this year has been defining our most vulnerable communities in order to target support particularly for vulnerable customers but also for our wider community, education and volunteering programmes.

Using the Experian data model we aligned our analysis against our nine operational zones, identifying the most vulnerable community in each zone, and then targeting with positive tailored outcome programmes.

Nine areas have been identified as Community Investment Areas (CIAs), one per operational zone. This is something we will review annually to determine what's working well, what we need to do differently, what can be scaled up into other areas and what the impact has been for the communities. To build on previous years learning, we will focus on the most vulnerable community in each zone area as our next priority.



Action in CIAs

We engaged and galvanised the support of our field operational staff, our partners and our stakeholders in these areas. This helped us:

1. Review the effectiveness of existing partnerships
2. Identify gaps in the support we provide
3. Identify opportunities and potential new partnerships to bridge any gaps

► OUTCOMES

In response, we are delivering a holistic programme, which is:

- Scaling up partnerships that are successfully delivering for customers in other areas, e.g. Citizens Advice (see Part 3, Pages 7-9)
- Looking at bringing forward planned investment to improve network reliability, e.g. in Seacroft (see Spotlight above)
- Targeting our existing education and volunteering programmes in the CIAs
- Targeting promotion of the Priority Services Register in each of the CIAs e.g. bus campaigns, roadshows and targeted mailshots (see Part 3, Page 4)

2. Volunteering keeps us moving ahead

Working with Ahead Partnership and through engagement with local schools we provide volunteering opportunities to staff including, presenting and promoting STEM careers, interview practice, employability workshops and science in the work place.

► OUTCOME

Over **11,000** students engaged face-to-face by our staff, inspiring local students.

"On behalf of all involved, love you for making dreams come true."

–TWEET BY PARKLANDS PRIMARY SCHOOL HEAD TEACHER, WINNERS AND VIPS OF THE LIGHT UP LEEDS CHALLENGE

3. Educating future generations

In partnership with Cones Books, the creation and publication of a set of children's books promoting safety around power lines and substations. These are currently being distributed to 330 primary schools in our region, aimed at school years 1 to 3.

► OUTCOME

29,700 children reached and an additional **990** hard to reach families will see the books.

LOOKING AHEAD

Expansion of volunteering programme to support our five Social Pillars.

Rolling out the learning from our promotional campaigns more widely.

Review the data in 2018 to target additional vulnerable communities.

This year we have focused on network resilience and how we can work with partners to reduce the impact of severe weather on homes and businesses. We have then used tailored communications to help our stakeholders and customers build their own resilience contingencies and plans. Some examples are highlighted below.

1. Creating a more reliable network by investment in communications

Local authorities told us they want to understand more about the work we do to 'keep the lights on' across our region. We listened to their feedback and produced a variety of targeted resources for them and their stakeholders.

► OUTCOMES

- A refreshed **Investment Map**, providing details of our planned investment and promoted via our bulletins.
- A standardised information pack to support engagement, mapping local projects and introducing key contacts.
- An **Investment Newsletter**, tailored to our nine zones and sent to bespoke mailing lists.



2. Enabling system resilience through partnership working

We allocate significant resources to national working groups, committees and task groups, and have an established track record in shaping strategic energy sector development. Our healthy on-going relationship with the Department for Business, Energy and Industrial Strategy (BEIS) means we have open dialogue and assist each other with learning opportunities to improve sector resilience.

We chair the regional Category 2 Responders Forum, which promotes and shares best practice for emergency responders and multi-agency partners. We attended **52** Local Resilience Forum (LRF) meetings across the **7** LRFs in our region.

With the Met Office, we have developed network-specific trigger levels to enhance our incident response. The introduction of a flexible 'forward look' forecast highlights potential hazards and extra forecasts during severe weather risk periods.

We are supporting Newcastle University research, Project Strain, designed to better understand the localised impact of strong winds on our network.

Emergency Planning College, the UK's national authority on resilience and crisis management, delivered emergency response training to **23** staff across our contact centre and communication teams.

► OUTCOMES

- National electricity shutdown (Black Start) exercise delivered with Yorkshire Water and West Yorkshire Police, with attendance from **120** multi-agency emergency responder colleagues.
- LRF participation supports improvements in emergency planning, sharing best practice and development of improved guidance materials.
- Our ability to predict severe weather impact to our network is more accurate, helping us and our customers to better prepare.
- We are better able to target investment and incident response that minimises the impact of power cuts caused by strong winds.
- Our teams provide coordinated and professional support to customers and stakeholders during a major incident, building on the national electricity shutdown (Black Start) learning.



3. Tailored engagement and communications

Helping Small and Medium-Sized Enterprises (SMEs)

Following the Storm Desmond and Eva flooding, with input from our stakeholder panel members, we sought views about business resilience and the impact of extreme events on SMEs. We surveyed **100** SMEs and found they were in need of more information and advice. We then gained additional insights from emergency responders, our online community and the Federation of Small Businesses to develop and test relevant guidance.

Following ongoing dialogue with local authorities, we have developed and distributed a tailored information pack about our business to **1,600** local authority and MP contacts. To further develop these contacts, we have sought to progress key contacts from 'awareness' through to 'dialogue' and then 'influence', by offering future contact and advice, and guidance where appropriate.

► OUTCOMES

- The publication of emergency response partners' guidance, 'Getting Prepared' resilience guidance for SMEs, updated flood guidance leaflet, all with over **1,500** downloads since published in November 2016.
- Through our Infrastructure North partnership, we organised a co-ordinated cross-utility resilience themed **Community Week** of advice and events.
- Invited by the Chief Executive at Hull City Council to help shape their flood risk infrastructure plans by attending a flood resilience stakeholder session. Meetings with three more local authorities were organised as a direct result of the packs, focusing on long-term economic planning, innovation and community investment.



Helping customers be prepared

With seven out of ten people in the UK saying they don't know who to call if they have a power cut, we know it's vital to raise the industry profile. Chairing the 105 Consumer Awareness group and building upon our 'Don't be left in the dark' digital campaign by improving its reach by using Google Ads, was a key priority for us. Our own 105 awareness campaign included re-branding our support vehicles, regional press releases, a radio and social media campaign, newsletters, and employee communications.

► OUTCOMES

- 34%** and rising - customer power cut calls being received through 105 (see Appendix 1).
- Online awareness raising campaign seen **3.5m** times.
- Campaign heard **3.8m** times by radio listeners.
- Our 105 Thunderclap gained promotional support from multiple stakeholders including LRFs, local authorities, parish councils and vulnerable customer and health support organisations.



4. Supporting other DNOs to get their customers' power back on

By providing support to other DNOs we continue to build on already strong working relationships. As part of the national response to Storm Doris, two network operators requested linesmen and engineers. We dispatched 35 staff to restore power to their customers.

► OUTCOME

- In recognition of our staff's dedication, the travelling team was nominated for the Utility Week Stars Hero Award. The team have been short listed for their dedication and the real difference made to customers through working together effectively.



LOOKING AHEAD

- Build on current national partnerships – extending Black Start workshops and learning programme for local emergency responders.
- Expand current local, multi-agency partnerships for flood events; enhanced information and additional zone-based response plans.

Environment

Our Environmental Policy, shared across Berkshire Hathaway companies, reflects the RESPECT (Responsibility, Efficiency, Stewardship, Performance, Evaluation, Communication, and Training) principles that guide our company commitment to the environment. This year we have continued to broaden our environmental impact by increasing the capacity and capability of our people and supply chain, as well as helping to shape the wider Environmental Policy in our region.

1. Bringing our environmental policy to life

Previously, plans have been formed through the core environment team acting on stakeholder feedback. This year we have increased our robustness by recruiting an 'Environmental Champion' at each of our sites.

We actively engage with stakeholders to help bring our Environmental Policy and annual improvement plans to life.

► OUTCOME

We have appointed **Environmental Champions**, who are instrumental in the delivery of our environmental objectives, shaping of our improvement plans and communicating with stakeholders across our sites.

 **Investors in Zero Waste**



Case Study: Collaborating for our beautiful countryside

Overhead power lines can have a visual impact on the landscape and affect local wildlife. With four National Parks in our region, we are impacted more than most. We partner with a stakeholder organisation from each National Park Authority and Area of Outstanding Natural Beauty (AONB).

We strive to go above and beyond our obligations and make it easy for stakeholders to access the information and expertise they need in order to make informed choices.

We host regular undergrounding programme steering group meetings with key stakeholders to discuss priorities, projects, progress, policy developments and publicity. We support this with a dedicated programme manager.

We know many of the stakeholder organisations are under financial and resource pressure so we provide support by providing maps, assisting with external communications and project management.

► OUTCOMES

In 2016/17 we have undergrounded **16.5km** of network across the National Parks and Areas of Outstanding Natural Beauty, more than any other network operator. We achieved this success with the active participation of stakeholders from each Designated Area.

In response to feedback this year we have made our monthly project updates available via our website. This work has also given us the opportunity to promote the undergrounding work to broader stakeholder groups.

We promoted completed work across social media and on our 'Your Powergrid' web page with photos that convey our respect for the local environment with a clean and tidy site, free from overhead lines.



After



2. Innovation and collaboration to deliver environmental improvement

Technology collaborations with environmental impact

In partnership with UK Power Networks and technology innovation company GnoSys Global, we are investing in ground-breaking new technology that uses self-repairing polymers and resins to minimise leakage from damaged fluid-filled cables.

► OUTCOMES

Minimising leakage from damaged fluid-filled cables could result in millions of pounds of annual savings, whilst reducing our environmental impact.

Through engaging with SMEs, as we have in this project, we can together discover smarter solutions to their business challenges.



Embedding MUM (Make-Use-Make) across our business

We continue to collect our waste wood via the National Community Wood Recycling Project, and have expanded the project this year to add two further reclamation depots, bringing the total to four.

► OUTCOME

Supporting our role as a responsible employer, through this project we are enabling training and volunteering opportunities for local people, especially those who might find it difficult to find employment or those recently released from prison.



Infrastructure North

Infrastructure North started as a strategic group that is now tackling specific shared issues. It brings together Northern Powergrid, Northern Gas Networks, Yorkshire Water and Northumbrian Water. Originally, we jointly carried out research into the positive effects of our investment in the North of England, which we continue to promote. For more on our broader Infrastructure North work, see Part 3, Page 7.

► OUTCOMES

We are now active in three sub-groups – Innovation (which includes a project around the social impact of Streetworks), Social and Environmental. Workshops have been held to explore how we work together around climate change, legislation, de-carbonisation, resources, land management and air quality.

We have also advocated our common social agendas through customer events and advisory publications.



LOOKING AHEAD

Engagement with fellow DNOs, with a focus on understanding, measurement, modelling and management of electricity losses.

Increasing the capacity and capability of our people through the continued expansion of the 'Environment Champions' group, promoting environmental volunteering opportunities.

Explore with Nissan and Newcastle University the potential for utilising used batteries from electric vehicles to have a second life providing grid services.

Further reduction of carbon impact through telematics with reduced mileage and fuel efficient driving.



In recent research, stakeholders told us “Innovation and the future” is their third highest priority for our business. This reinforced our long-term strategy for strengthening collaboration in innovation; finding ways to provide network access by actively managing the network rather than simply reinforcing our network. We are also proactively responding to new challenges like smart metering and community energy and looking to maximise the benefit of smart technology to avoid network costs.

1. Local energy

Our 2016 research showed how local energy develops, strengthens, and educates a local community. We have built on our existing support for this, especially for hard to reach stakeholders, as a result.

We support local, community and rural energy initiatives by filling capacity and capability gaps.

We sponsored the Community Energy Awards and funded an upgrade for the Community Energy Hub. The Hub is a one-stop-shop for information.

We worked again with Community Energy England, along with Regen SW, Energy Networks Association (ENA) and other network operators, to deliver two community network events. At these events we reviewed how we (a) work with community energy groups and network operators on innovation projects; and (b) adapt to the changing way in which we generate, use and supply power. We will deliver two further collaborative events to encourage debate and education around community energy.

To learn and broaden our own understanding of local authority involvement in local energy supply, we co-sponsored an industry report, The Local Supply Communities research project (published in January 2017 by Pixie Energy).

► OUTCOMES

Improved our access to community energy stakeholders to raise awareness of the support available.

The investment resulted in an uptake of **15%** in Hub visits, thereby helping fill the capability gap.

In collaboration with other network operators we published:

- A storage guide for communities and independent developers
- A guide to engaging communities in network innovation

The industry report amplified the voice of local energy stakeholders, and laid out the challenge for policy makers to address. A final report was submitted to the Government with the help of our financial support and industry expertise.



Case Study: 2016 project winner – Yorkshire Energy Doctor for the Greenmoor Community Energy Saving Advice

Some 19% of households in the Lidget Green and Scholemoor areas of Bradford were reported to be in fuel poverty, which has adverse impacts on physical and mental health. Yorkshire Energy Doctor (YED) offer practical and accessible help to local residents, supporting them to switch to cheaper energy tariffs. This enables residents to heat their homes in a more affordable way, whilst also allowing YED to review effective engagement with different community groups and residents.

This takes a proven project and targets it in a new area. New data is being collected, such as the evidence of need, impact and learning as well as the role of community anchors in tackling fuel poverty.

► OUTCOMES

£10,851 estimated savings

352 beneficiaries

21 volunteers/frontline staff involved

25 household visits

8 outreach events held

Our Community Energy Seed Fund

For its third successive year our Community Energy Seed Fund offered applicants access to a potential fund pot of £50K limited to £10k per award. Building on the feedback from previous years we have developed its scope to include our own expert guidance for the winners.

Two regional events follow contract awards for all seed fund applicants to share good practice and provide guidance for future applications to encourage project success.

► OUTCOMES

Sharing best practice between communities – generating and publishing case studies from the entries resulted in **1,200** downloads from our website and additional publicity for entrants and their innovative ideas.

The fund enables us to support emerging community energy schemes, identify potential future network demand early and support delivery of some of our social priorities e.g. delivering shared messages around energy efficiency through a trusted partner.



2. Smart metering

The Government’s target to install around 30 million electricity smart meters in UK homes and businesses by the end of 2020 is set to change the way customers manage their energy consumption. We carried out research with customers to understand their views on how they will affect their energy use. Results suggested there is a lack of understanding about smart meters and how they will affect the customer.

We engaged with over 300 staff through 15 dedicated workshops to provide information, guidance and debate about our role in the smart meter programme and how we are preparing for this in the future. We are committed to promoting smart metering information and guidance to customers and staff throughout 2017; therefore we will run these workshops again.

In support of the smart meter roll out we are engaging with a variety of stakeholders, each to meet specific needs:

- We attended industry conferences and jointly created a user group with two other DNOs
- We are working with energy suppliers to test a web-hosted appointments calendar. This allows meter operators to book a Northern Powergrid appointment while at the customer’s home if a smart meter installation fails
- We recognised that customers can sometimes find themselves without power due to a fault with their supplier-provided smart meters. Usually this would result in the customer being referred to their supplier in order for the meter to be fixed, extending the time that they are left without power. As part of our commitment to putting the customer first, we introduced an urgent metering process to fix the meter while we’re at a customer’s property then charged the cost direct to their suppliers

As one of the leading DNOs, we are sharing our experiences and learning from best practice – with an emphasis on IT hardware and software linking smart meters and DNOs. The Department for Business, Energy and Industrial Strategy (BEIS) has commented favourably on this development.

► OUTCOMES

Promoting smart metering through our website, social media and stakeholder newsletter.

Providing an improved customer experience.

We are sharing the web-hosted appointments calendar process with the industry for implementation nationwide, due to its success in improving appointment booking efficiency.

Worked with all suppliers to ensure there is a 24/7 service support, set within a legal framework, for our vulnerable customers should their smart meter fail.



3. Collaboration in innovation

We currently have 16 innovation projects underway. Over half of these are collaborative projects, partnering with at least one other network operator as well as a third party. We are also involved in other projects as advisors, and as energy consultants providing insight into network capability. Through collaborations with local and regional partners we can identify learning opportunities and maximise the impact of our shared innovations.

Affordable energy innovation

One of the challenges posed by the introduction of new technologies is that less advantaged communities do not benefit.

Where local authorities have an appetite for energy innovation, we actively support them. We have worked with Barnsley Council, supporting them to install over 18MW of solar power. Feedback from their social housing provider is that this makes it one of the largest local authority led roll-outs in the country.

Understanding their ambitions to bring high-tech community energy to their tenants, we have found common ground in the use of domestic batteries. This has resulted in the Distributed Storage and Solar Study innovation project; studying how the combination of batteries and solar panels can benefit communities and the electricity network.

Our audiences have diverse levels of expertise and interests, so our stakeholder approach is targeted and we provide information on topics they are interested in.

We also discuss sustainable networks at all stakeholder panel meetings. We plan to work with our panel to identify how we can further collaborate on innovation and sustainable energy projects in the future.

► OUTCOMES



Maximising the opportunities for connecting renewables to our network.

Potential for network operators to save millions for customers by reducing the need to upgrade infrastructure.

We have increased the number of publications that describe our work on sustainable networks, such as:

- Our inaugural Environment and Innovation report, which included inputs from our stakeholder panel
- Five low carbon Northern Powergrid newsletter articles, sent to over **3,295** recipients

Case study: improving multi-storey housing in Newcastle-upon-Tyne

The Future Energy Systems Hub (FRESH) is a multi-party initiative between Newcastle University, Newcastle City Council, Siemens, Northern Powergrid, Northern Gas Networks, National Energy Action and the City Council's proposed public/private energy services company, Re-Generate Newcastle. The Multi-Storey Communities Innovation project combined interdisciplinary research to examine options, barriers and issues in making improvements to the sustainability of residential tower blocks.

► OUTCOME

The research gave a better understanding of the challenges individuals face living in often cold, damp conditions and how utility partners working together can provide reliable, sustainable and affordable solutions for residents working within the constraints of the tower block infrastructure.

LOOKING AHEAD

Involve third parties to take a more active role in shaping our innovation portfolio.

Increase the reach of our communication on innovation.

Continue to explore the local energy trend with investors, the regulator and policy makers.

PRIORITY

2

FOR STAKEHOLDERS

Affordability

As highlighted on Page 2, our customers identified Affordability as their second highest priority. We are proud to have one of the lowest charges per domestic customer, despite having a challenging distribution territory to serve with long runs of lines to many customers in remote rural areas. For examples of our fuel poverty and energy efficiency work on Affordability with individual customers and customer groups, see our Part 3 submission. A further example, designed to improve flexible, faster payments for customers can be found on Page 8 (Customer Satisfaction section).

1. Customer affordability

We make sure we deliver the most benefits for our customers for the least possible investment (cost) by constantly looking for more efficient ways to maintain and future-proof our network assets. We have introduced innovative practices, new products and reprioritised our work programme to deliver on our commitment to do more for less.

► OUTCOME



We have transformed our sub-station rebuilding process; reducing disruption for communities by building off-site, saving time and money by shortening on-site build from 16 to three weeks.

2. Financial sustainability

It benefits us, our supply chain, and the economic growth and sustainability of our region, for our procurement and payment processes to be fair and timely. Following contractor feedback, we have improved our procurement approach, and put this into practice with our new cable engineering services contracts.

We have moved away from a resource-heavy process of tender / pricing / negotiation, to holding detailed discussions with contractors during procurement processes, to identify up-front any potential issues and challenges. We are now better able to work together to solve, overcome or manage them.

► OUTCOME



Our contractors are encouraged to identify up-front any potential issues and challenges. Together we ensure there is no unnecessary strain on our supply chain's working capital requirements, which is especially important to the many smaller businesses we work with.

3. Facilitating cross-industry collaboration

We proactively share affordability and energy saving advice with stakeholders; we offer to facilitate bi-lateral meetings with local authorities, suppliers and procurement agencies.

Through successful engagement with Electralink, we have helped them understand the challenges DNOs face and the context of how their role as Distribution Connection and Use of System Agreement (DCUSA) code administrator fits with it.

The energy market has changed in recent years, and new entrants often need additional support and resources. We actively contribute to the ENA's quarterly Distribution Charging Methodology Forum and the ENA's monthly Methodology Issues Group. Charging methodologies are constantly reviewed and our contribution is cognisant of both non-DCUSA positions and our own views.

► OUTCOMES

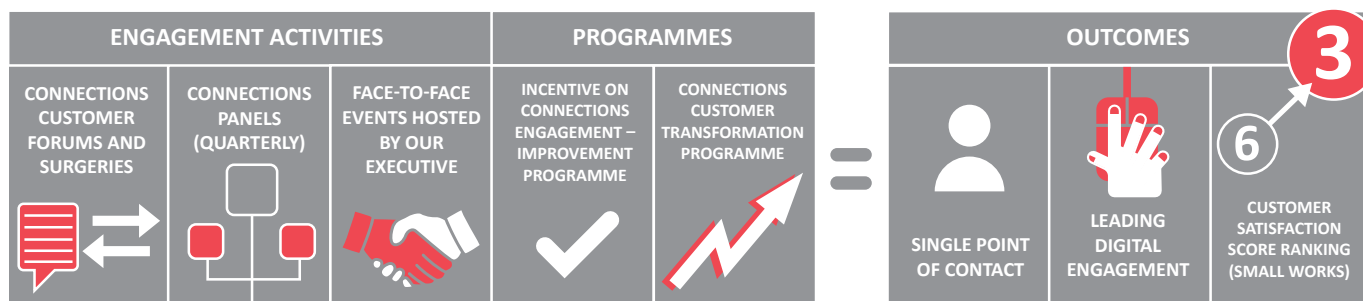


This successful bi-lateral approach helps our knowledge-sharing and has strengthened good working relationships with partners supporting their information needs and industry understanding.

We are able to represent the views of non-DCUSA stakeholders who are affected by charging methodology changes but are not able to submit into the open governance process.

Engagement within our connections business has been the norm for several years, and yet we strive to continually make improvements on our approach. This year we have provided connections customers with tailored communications and personalised customer support to provide them with hassle-free access to the electricity network and enable them and their customers to get connected.

1. Putting our customers at the heart of the process



Single point of contact for connections customers

Based on our customer journey mapping (Page 8), we developed the Connections Transformation Programme. This introduced a single point of contact for connections customers in both applications and delivery. This was piloted across two of our operational zones before fully rolling it out across all nine zones. Extensive engagement with our people involved and surveying every customer during the pilot phase, directly shaped the service which was subsequently implemented.

► OUTCOME

84.8% AUGUST

87.8% OCTOBER

Sustained uplift in Customer Satisfaction within 2 months.

These scores are the most improved in the industry due to the continual feedback of our customers.

Leading digital engagement

We continuously improve the information we provide on our heat maps, both generation and demand, in order that our customers can make informed decisions about the viability of their projects; updated monthly to give the latest view.

In direct response to customer feedback we have rebuilt our online service alterations process to enable customers to get a quote either online or via a site visit, appropriate to their needs.

► OUTCOMES

Web content hits increased by 39% over the six months since the launch of the digital resources, improving from 24,360 hits to 39,620.

Improved customer choice for receiving a service alteration quotation – now 75% online and 25% site meeting.

2. Promoting competition

We continue to facilitate competition and extend our service to Independent Connections Providers (ICPs). We hosted 46 ICP representatives at our regular surgeries, and introduced workshops that addressed specific topics they identified – one specifically focused on the access to records, and two on up-skilling ICPs on how to self-serve, thereby supporting self-determination. Our Director of Safety, Health and Environment continues to take a leading interest in this area to ensure our safe working practices are shared with ICPs and this is monitored through our Health and Safety Improvement Plan.

► OUTCOME

Our engagement continues to ensure a fair choice is presented to our customers when they are connecting to our network. It also ensures our number one priority of safety is shared with our industry colleagues.

Introduced a process to allow ICPs to carry out reinforcement work on our behalf at a cost to us. This further removes us from the ICP process and provides the opportunity for a quicker connections delivery for the customer.

3. Developing flexible solutions

Flexible connections, shaped by our stakeholders, are a critical component in our preparations for changes in the way the network is run. We invited stakeholders to contribute and shape our response to Ofgem consultations to gain a broader representation of views, as well as publishing and promoting our responses online.

To give new customers more network connections opportunities, we have worked to release existing network capacity by proactively contacting 179 customers to either release unused connection capacity or to cancel previously accepted connection offers not utilised.

► OUTCOMES

To gain additional insights into how we can improve our flexible solutions, we created our own consultation on our region's constrained networks and approached stakeholders, including our stakeholder panel, for feedback.

To save customers on the cost of network reinforcement, we are promoting the option for flexible connections. These are connections where load management is adopted that avoids breaching a constraint on the network.

LOOKING AHEAD

Continue to actively engage connections stakeholders at every opportunity through new channels and use their feedback to further drive improvements in customer service.

Hold additional Stakeholder Engagement events:

- Connections Stakeholder Engagement forums to discuss industry issues and progress against improvement plans
- Workshops on emerging connections topics including storage, flexible connections, contract milestone implementation and heat map demo days

Customer satisfaction

Our improvement work this year has purposefully centred on increasing understanding of 'omni-channel' journeys our customers take when interacting with us. As our examples here show, we have used these valuable insights to make significant improvements to our customer experience journeys – whether that's on our website, through social media, when speaking with one of our contact centre agents, or meeting us face-to-face.

"Amazing service from start to finish. Your call centre agent was really helpful and reassuring."

— CUSTOMER TWEET

1. Improving customer journeys

Based on a review of our power cut customer satisfaction survey feedback, we undertook a comprehensive, transformational exercise to map the end-to-end journey of our customers in a power cut situation. This was supported by thorough research with vulnerable customers into their needs during a power cut as highlighted in our Part 3 submission.

► OUTCOME

Our customers who have a power cut now have a significantly improved experience. This is supported by detailed power cut journey maps for different scenarios and different customer types. Supported by research, we understand key service needs and priorities of our customers. These improvements have contributed to the uplift in levels of satisfaction in a power cut.



2. Maximising customer satisfaction

Recognising great quality conversations

Customers calling a DNO can be a once in a generation event, and can well be triggered as the result of a power cut. This can make for a difficult call, but we have an ambitious target for frontline Team Powergrid to have 10/10 quality conversations with our customers. To support our colleagues, we developed a quality framework based on industry best practice. The framework is intentionally simple and flexible, to enable consistent application with a personalised polite, friendly and helpful service for each customer. It provides guidance, which enables the conversation to be quality assessed. Individual colleagues are then recognised and rewarded for having consistently great conversations with our customers.

► OUTCOMES



Since introducing the quality framework, our unplanned agent BMCS score has improved by 2%.

87.8%

27 of 70 contact centre colleagues internally recognised and rewarded for having consistently great conversations with our customers.

36%

Improvements in colleagues saying "I am empowered to do the right thing for my customers" (based on employee survey results 2014 vs 2016).

Effectively communicating about power cuts

As well as great work on effective verbal communications, we also evolved our written communications. We reviewed our customer feedback about how we communicate with customers in power cut situations – whether planned or unplanned.

► OUTCOMES

We developed Customer Tone of Voice Guidelines, which we introduced to around 1,500 colleagues to support customer communications and improve the clarity of our communications in all forms online and offline to be more friendly and inclusive.

Following a successful pilot, all customer communication materials and messages have been refreshed this year in line with the Tone of Voice approach and supported by an improved Flesch reading ease (a standard measure of readability).



Improving our speed through process improvements

Through listening to our customers, we learned that there was a lengthy process to receive payments from us if something goes wrong. We introduced a payment processing module to our Customer Relationship Management system, meaning our team can immediately process refunds, approve goodwill or guaranteed standards payments.

► OUTCOME

Payment processes are now automated with payments raised and sent within one day, meaning customers get their payment when they need it most. The system improvements have helped our Customer Care team with improved visibility of ownership of remedial actions, resulting in improvements in the speed of complaint resolution. Day +1 complaint resolution improved by 12% during the last year.



3. A digital response to diverse customer needs

Distinguishing our customers' ways and needs of using our website has been the driver to develop different desktop and application functionalities that better serve our customers - rather than a 'one size fits all' approach. Based on customer feedback and web analytics, we enhanced our homepage and mobile site, and made key information more easily accessible to provide a seamless website user journey and experience.

We also commissioned a review to understand the future differing digital needs of rural and urban communities, business customers and colleagues. Some 450 stakeholders and 250 staff were engaged face-to-face and through group workshops, surveys and online feedback.

► OUTCOMES

85,000 power cut enquires were made on the improved online power cut map.

New bespoke customer messages at a local geographic level were introduced during major incidents and difficult fault restorations to supplement routine messaging.

Introduced BrowseAloud website tool to support customers with language, literacy or sight difficulties. We now have 23,000 active users.

Engagement resulted in the definition of the long-term role of the website, and the development of our digital experience position within our overall customer experience proposition, including framework, requirements and principles.



LOOKING AHEAD

Full independent review of our telephone voice recording messages to improve customer experience.

Deploy our Customer Relationship Management System into power cuts to improve speed and consistency of service delivery.

Explore introduction of new channels of choice for customers.

Safety is always our number one priority. This year we have evolved and further tailored our safety messages to hard to reach groups and colleagues as our executive have led 560 field engagement visits across our business, championing safety messages. Globally, cyber security is a particular focus as we work together with other Berkshire Hathaway Energy companies to share good practice as we recruit some of the UK's first cyber apprentices.

"Our goal is to achieve a continuous reduction in accident frequency rates, lessen the severity of the outcomes of incidents on our customers, employees and contractors."

— GEOFF EARL, DIRECTOR OF SAFETY, HEALTH AND ENVIRONMENT

1. Team Powergrid safety

Safe and Secure is a priority throughout the Berkshire Hathaway Energy group, as the daily safety messages every employee receives illustrate. We are proud to say that we are on target in our long-term plans, underpinned by our RIIO-ED1 commitment to reduce accident frequency rates by **50%** by 2023.



2. Stakeholder, partner and public safety

We have undertaken a co-ordinated engagement campaign of activities to successfully promote our safety messages with the rural community who come into potential contact with our network or equipment.

Look Up, Stay Safe campaign

For a second year running, we have continued our 'Look Up, Stay Safe' digital campaign. This is heavily promoted in the run up to, and during, the harvest season, a time traditionally of higher safety risk.

To support this, we expanded our attendance to eight key agricultural shows throughout our region, offering essential safety guidance, backed with social media and targeted press releases. We also identified hauliers as an additional group susceptible to overhead line strikes and are set to deliver a new campaign to raise awareness of these dangers.

OUTCOMES

Campaign reached **280,000** people, leading to over **8,000** interactions. We are pleased to see a continued trend for lower strike rates on overhead cables.

Engaged with and provided safety guidance to **80** young farmers at agricultural colleges.

We joined the annual Road Haulage Association conference, advising about safety around our assets to over **50** attendees.

Safety in leisure

We need to guide our leisure stakeholders to 'Stay Safe' when near our equipment. This is exemplified by fishing, one of the country's most popular sports and leisure activities, and which data shows is particularly popular in our region.

We launched a social media campaign prior to and during National Fishing Month, and also created an Angling Safety Guide. The guide is available to download on our website, and we promoted it through PR and on social media.

OUTCOME

Our angling safety article was our most read news article last year and our angling safety guide received **7,800** downloads. There were over **8,000** direct engagements with our social media campaign; the press campaign received regional media attention.

Child safety

We have scaled up our public safety campaign to educate on the dangers of electricity. A key aspect of this is a focus on child safety, giving children the skills they need to take responsibility for their own safety and wellbeing as they grow. This is delivered through our 'Light Up' community programme.

OUTCOME

Our best ever reach rate of our child safety campaign – **35,000** children face-to-face, as well as **212,000** users of our education website, distribution of Cone Safety books to **330** schools with a reach of **29,700** children and **990** hard-to-reach families, as well as helping to contribute to our ninth year without any incidents of children in danger around our network.

3. Leading the way in cyber safety innovation

We want to keep our business and our people cyber-safe and secure. Moving away from an instructional approach to an innovative one, we have worked with Professor Dil Sidhu from University of Manchester, a recognised expert in behavioural science, to develop an engaging cyber-safety development programme.

Cyber security is a big issue globally. With the Department for Culture, Media and Sport, we have recruited some of the UK's first cyber apprentices. They are being supported through a comprehensive training and development programme to ensure the business and our stakeholders benefit from their expertise.

OUTCOMES

The cyber apprentice programme will help the UK become a world leader in cyber security, developing people with skills to protect key national infrastructure from cyber criminals and at home.

Our cyber-safety programme will support Team Powergrid in their day-to-day digital activities in work.

LOOKING AHEAD

Extend and enhance our agricultural safety campaign to include hauliers alongside those driving agricultural vehicles.

Expand our safety campaign to further address urban safety priorities.

Cyber safety programme with our Team Powergrid colleagues to ensure we keep our networks secure and educate our people to 'Stop and think before you link'.

Shaping the future

“To ensure our network continues to meet our region’s needs now and in the future, we will continue to engage with other key business stakeholders, contribute to policy and regional debate and be part of the movement to improve education and training to create a more highly skilled workforce that makes our region more productive.” – **Phil Jones, Chief Executive**

1. Influencing national energy policy

We’re actively involved in shaping the evolution of energy policy. This is vital to meet the future needs of a more flexible and smarter energy system, manage the rise in local generation, and more electricity set to being used for transport and heating, as the energy system decarbonises.

We are proactive in responding to consultations affecting our sector, and we consult our stakeholders to help us frame and shape these responses to include a broader voice.

► OUTCOMES

We responded to 25 consultations from Ofgem, BEIS and the Office for Low Emissions Vehicles. With input from stakeholder panel members, topics engaged on include vulnerable customers, innovation, low carbon and the future of the energy system.

In response to Ofgem’s Innovation Consultation, our stakeholder panel challenged us to think about partnership models, collaboration, and to review how innovation projects translate into business as usual. This feedback was included in our consultation response, giving Ofgem a broader understanding of our stakeholders’ views as well as our own.



2. Securing the future of the North

We are at the heart of the discussions that help shape the future of the North. Our Chief Executive, Phil Jones, represents Yorkshire and Humber CBI as the Regional Council Chair; and as part of Business North, provides a unified voice for the business community supporting the development of a regional growth agenda, particularly the Northern Powerhouse. Our Head of Trading and Innovation, Jim Cardwell, chairs the energy group of the North East England Chamber of Commerce. We are also actively involved in Infrastructure North (more on Page 4 and in Part 3).

We are sponsoring work by the Institute of Public Policy Research on its Northern Energy Taskforce, a programme to develop an energy strategy for the Northern Powerhouse. As part of the research, the Taskforce is currently running a series of roundtables across the North of England, which we’re actively participating in.

► OUTCOMES

Our strategic leadership and proactive involvement ensures we do our part in helping shape the future growth and potential of our region.

We are sponsoring the development of a robust, holistic and considered energy strategy for the Northern Powerhouse.



3. Shaping the future of our business

Workforce of the future

Our sector requires 221,000 new recruits by 2027 to provide the essential service its customers will seek and the infrastructure the UK will need for economic growth.

Our activities in this area support our long-term workforce renewal programme to provide first class service to our next generation of customers.

- We are part of the Energy & Utilities Skills Partnership, supporting the development and launch this year of the first ever joint Workforce Renewal and Skills Strategy
- We have successfully supported the promotion of National Apprenticeship Week (alongside other DNOs), encouraging nationwide interest in industry careers
- We have recruited our first cyber security apprentices (see Safety Page 9), as part of our ongoing programme to recruit and train 100 apprentices annually

We continue to upskill our employees to ensure they have the skills the industry and our customers need in the future. We developed a HNC in Power Engineering in conjunction with Tyne Metropolitan College which is now in its second year. Employees who have not joined us through a formal apprenticeship or trainee scheme have enrolled on our established Foundation Degree in Power Engineering for the first time.

► OUTCOMES

To encourage future recruitment, we have upped our engagement effort this year. We carried out face-to-face promotion of our career opportunities to over **11,000** students through our People Powered Volunteer Scheme.

Our promotion of national Apprenticeship Week reached **185,000** people and engaged with over **2,200** people.

Previous apprentices who started a HNC in Power Engineering last year will complete their studies this summer.

Two cyber apprentices have been recruited.



4. Future consumers

As well as carrying out priorities research with current consumers we’ve also engaged with the consumers of the future. Research with students showed a keen focus on innovation, with cutting our carbon footprint being their top priority.

► OUTCOME

We will inform our longer-term plans by continuing to work with young consumers, particularly on our environment plans and governance model.



LOOKING AHEAD

Launch the Northern Energy Taskforce report and support its dissemination, particularly with hard to reach groups.

Play our part in making the Industrial Strategy a success for our region by engaging with the national and regional agenda.

Continue our energy policy development work with Ofgem and BEIS with a focus on the transition to more active Distribution System Operators (DSOs).

Develop an annual research programme to shape our future activity.

Through the Skills Partnership and wider industry colleagues, we will work with key stakeholders, interest groups and other sectors to deliver an extensive programme of change and co-operation.

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Contact: yourpowergrid@northernpowergrid.com

Useful links:

Stakeholder webpage - www.northernpowergrid.com/your-powergrid

Business plan website - www.yourpowergridplan.com

Online community - <https://northern-powergrid.explainonline.co.uk>