



**SGN**

Your gas. Our network.

# Stakeholder Engagement Submission 2017/18

Dedicated to keeping our  
customers safe and warm





“We are very proud of the culture we continue to build which puts customers at the heart of our operations, listening to their feedback, acting on any concerns and improving our performance.”





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Welcome by John Morea, CEO

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### SGN management statement

This document fairly presents SGN's stakeholder engagement activities for the period 1 April 2017 to 31 March 2018, which we are responsible for designing and implementing. The criteria used for making this assessment, we believe, are suitable for evaluating our reporting. This document:

- was prepared to appropriately describe our stakeholder engagement strategy, the way in which we keep stakeholders informed, the means by which we enable timely input and feedback to inform decision-making and the variety of mechanisms we use to engage, tailored to stakeholder needs
- includes relevant details of changes to SGN's stakeholder engagement management activities in the period 1 April 2017 to 31 March 2018, and
- does not omit or distort information relevant to the scope of the stakeholder engagement management and activities being described.



John Morea, Chief Executive Officer



# Welcome

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**Our vision for the future is to keep our customers safe and warm by leading the way in energy delivery, and I value the contributions our stakeholders make as we move towards that future.**

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We believe we make better decisions in the interests of customers and all our stakeholders when we understand their requirements, needs and priorities. A good programme of engagement, with lively dialogue, opportunities for challenge, review and iteration will help us to work collaboratively with external partners to improve our plans and activities. We can then deliver real benefits which are valued by our customers and stakeholders.

We know that customers and stakeholders want to make sure we control costs and keep energy prices down. During the year, we listened carefully to concerns raised by stakeholders about fair value for customers and in November 2017, we returned a voluntary contribution of £145m to consumers in response to those concerns.

We are very proud of the culture we continue to build which puts customers at the heart of our operations, listening to their feedback, acting on any concerns and improving our performance. Our standards of service, safety and operational excellence will continue to improve as we challenge ourselves to keep pace with stakeholder expectations and innovative technologies.

Over the last year, we have continued to build on our established initiatives, while piloting new ideas, learning from others and working in partnership to extend our reach and impact. In the pages that follow, we provide an update about what we've been working on and share the outcomes we have delivered to our stakeholders as a result.

I hope you enjoy reading our report and invite your views about how we can become even better at listening to, understanding and responding to your needs.

A handwritten signature in blue ink, appearing to read 'John', with a long horizontal flourish underneath.

**John Morea**  
Chief Executive Officer

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"Over the last year we have made some important changes to the way the panel works, reflecting SGN's commitment to stakeholder engagement.

First the panel is now attended by John Morea and a number of executive directors which allows them to hear directly from the panel and for us to talk about operational issues, such as the smart meter roll-out, providing a valuable stakeholder perspective on ongoing challenges. We have also provided some time for the stakeholder members to talk privately should there be issues they want to raise.

Secondly, we have broadened the membership of the panel, building on the strong vulnerable customer focus SGN has always had, to include representatives from academia, local government and the energy industry. We are continuing to explore how we can bring the business consumer voice more effectively.

Finally, SGN has introduced the use of specialist panels - starting with a focus on vulnerable customers. These smaller, highly focused, expert groups have allowed for real co-creation around specific issues such as how best to distribute the funding SGN has made available to help with in-home work needed to enable fuel poor gas network extensions.

Overall, I've been really impressed with SGN's readiness to take on board the views of the panel whether in thinking about the best approach to engagement for RIIO2 or more practical challenges, including the array of initiatives set out in this report."

**Maxine Frerk**  
Chair of the Stakeholder Advisory Panel

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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, and
- how the network company enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision-making

## 1. 1 Our stakeholder engagement strategy

We refreshed our long-standing stakeholder engagement strategy this year in tandem with our five year corporate strategy review. We updated our key principles of engagement, discussing them with our Stakeholder Advisory Panel and sharing them with Ofgem before finalising and publishing our strategy on our website.

Below is an extract from our stakeholder engagement strategy showing our key principles and approach:

### Principles of engagement

#### 1. Delivering measurable benefits

We will engage directly with customers and stakeholders to embed their interests in our decision-making and deliver valued, measurable benefits.

#### 2. Focusing on material issues

Customers and stakeholders should have a say in the issues they care about and that have the most impact on them

#### 3. Driving inclusivity and diversity

Engagement with customers and stakeholders should be broad and inclusive; we will seek out the diverse perspectives of challenging and hard to reach groups

#### 4. Providing ongoing opportunities for challenge

Engagement will be tailored to the needs of stakeholders to ensure that genuine opportunities for ongoing dialogue, challenge, review and collaboration are created

#### 5. Being responsive and transparent

SGN will be responsive and transparent, explaining how the views and priorities of stakeholders have influenced decision-making and how we have balanced the needs of different stakeholders

#### 6. Continually improving

SGN will continuously improve its engagement with customers and shareholders, finding new and better ways to respond to their changing needs

Our stakeholder engagement strategy explains the steps we take to ensure our stakeholders are engaged in reviewing and refining our priorities and plans, collaboratively developing initiatives which will help us achieve valued outcomes.



A summary of our **six** stages of engagement is presented opposite.

1. For each of our key businesses priorities and processes we **identify** the stakeholders that are impacted or interested in our activities
2. We **tailor** our methods of engagement with our stakeholders depending on their preferences and their levels of knowledge and interest
3. We engage with a **purpose** and **listen** to our stakeholders
4. We **respond** to the views of stakeholders across our business
5. We **measure** the **benefits** of our engagement and its **effectiveness**
6. We review and **refine** our strategy and engagement plans

### 1.1.1 Tailored two-way engagement mechanisms to inform and listen to our stakeholders

We tailor our methods of engagement with our stakeholders depending on their preferences and their levels of knowledge and interest

- For experts who have built significant knowledge about our industry, we engage through our Stakeholder Advisory Panel, through bilateral conversations, and through specialist panels focusing on specific topics
- For interested stakeholders who have some knowledge about our business, we engage through national Moving Forward Together (MFT) workshops, local workshops, bilateral meetings, specialist panels, surveys and digital communication
- For those stakeholders who have low levels of awareness and knowledge of our industry, we engage them in deliberative conversations and digital communication



## 1.1.2 Informing our decision-making with stakeholder input

Through our evolving programme of engagement, we engage with a broad range of stakeholders to understand their needs and priorities. We take the insight and views that stakeholders share with us and feed it into our decision making processes at both strategic and operational levels.

### Stakeholder Advisory Panel members make a direct contribution to our leadership

Last year, in 2016/17, we highlighted the amalgamation of our Internal Steering group and External Advisory Panel to form our new combined Stakeholder Advisory Panel (SAP). The rationale was to bring the external members of our Stakeholder Advisory Panel closer to our Executive team and provide direct access to our CEO. We have been able to bring to bear the broad skills and expertise of all our panel members in order to provide advice directly to the Executive team on key business issues during the year. These business topics have included the five-year corporate strategy, building the customer voice into our approach to the next price control period and the implications of smart meter implementation for customers. External SAP members also contribute their advice and expertise to improve the planning and delivery of our ongoing programme of stakeholder engagement, to help to ensure that a broader range of stakeholder views contribute to our decision-making.

For example, this year we added specialist expertise to the SAP to advise us on engaging on energy issues with hard to reach customer groups in London and to help to strengthen our knowledge of local authorities. Matthew Pencharz brings a wealth of experience as former Deputy Mayor for Environment & Energy, where he led for the Greater London Authority (GLA) on environment, energy and smart cities policy.

#### External members



Maxine Frerk,  
Chair



Audrey Gallacher,  
Energy UK



Matthew Pencharz,  
MSP Strategies



Lucy McTernan,  
Scottish Council for  
Voluntary Organisations



John Morea,  
CEO



Helen Bray,  
Director of  
Stakeholder Relations



Paul Denniff,  
Network Director



Ollie Pendered,  
Communities Matter



Maria Wardrobe,  
National Energy Action



Richard Lowes,  
Exeter University



Christine Tate,  
Social Citizenship  
Consultancy



Andrew Quail,  
Director of IT and  
Innovation



John Lobban,  
Managing Director, Scotland  
and Northern Ireland



Glenn Norman,  
Director of Operations  
(Southern)

#### Executive team members

### Stakeholders influence our five-year corporate strategic priorities

At our annual MFT workshops we share the progress we have made in the year and we ask for stakeholders' input to help us to determine forthcoming priorities.

The feedback we received from stakeholders at our Moving Forward Together workshops in March 2017 was used by our Executive team to inform the development of our five year corporate strategic priorities and the creation of supporting roadmaps to achieve them. Further feedback that we received from stakeholders at the Moving Forward Together workshops this year, in March 2018, helped the Executive to rationalise the number of strategic priorities to the six shown below.

Preparing for the longer term future by

1. Pushing the frontiers of the decarbonisation of gas and heat
2. Accelerating new opportunities in competitive (unregulated) energy markets

At the same time strengthening our core expertise by

3. Creating a low-maintenance, smart, cost efficient network
4. Driving operational excellence through technology and innovation

### 5. Transforming our support processes and enabling functions

### 6. Keeping pace with increasing customer and stakeholder expectations

In the initial development of our five year strategic priorities, the Executive team had included a seventh priority to 'extend the network in our footprint'. Feedback from stakeholders suggested any decisions about extending the network should be part of an integrated, whole energy system approach to decarbonisation, rather than being a stand-alone activity. We have acted on this advice and removed the specific priority to extend the network, and will review any potential initiatives in the light of the wider decarbonisation context.

Our corporate strategy is explicit about the importance of meeting our stakeholders' evolving expectations as one of our six corporate priorities. Our stakeholder engagement strategy describes how we will achieve this by keeping stakeholders well informed, enabling timely feedback through a range of mechanisms and using their views to inform our decision-making.

### Specialist help to inform our decisions

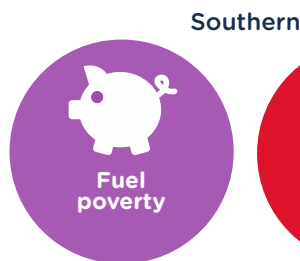
Our Stakeholder Advisory Panel recommended in February 2017 that we introduce specialist panels to support the development of our plans to tackle fuel poverty and to support those in vulnerable circumstances. This proposal was discussed with a broader group of stakeholders at the MFT workshops in March 2017, and 86% of participants agreed that establishing specialist panels was the right approach.

The panels were designed to bring together experts in the subject area to work collaboratively to address key issues, which panel members helped to select. Each panel ran from November 2017 to February 2018. Two meetings were held of each panel, with a final third review of progress built-into our national MFT workshops in March 2018 and published on our website.

## Specialist panels



This specialist panel of **39** members such as Scottish Government, Energy Saving Trust and Royal Voluntary Service, focused on supporting communities, including those in fuel poverty.



We ran a dedicated fuel poverty specialist panel of **41** members, such as National Energy Action (NEA) and NHS. This was in addition to a broader specialist panel of **35** members, such as Citizens Advice and London Fire Brigade, focused on supporting those at risk.



Panel members provided a wealth of advice, suggestions and contacts that we have followed up to improve our ongoing activities. For example, we made contact with **31** new individuals or organisations to discuss opportunities for collaboration. We have provided below an extract of the recommendations made by the panel that we subsequently acted on and adopted.

ADVICE FROM PANEL MEMBERS	DECISIONS AND ACTION UNDERTAKEN
To build understanding of vulnerability by asking frontline engineers about the situations they find most difficult to walk away from	We completed a survey of our engineers and used the information to review and extend the initiatives we already had in place and begin additional initiatives where we identified gaps in the support we provide. We took the top four situations identified by our engineers and extended our existing plans to provide additional support in three of the situations. The fourth situation our engineers do not want to walk away from was vulnerable customers whose appliances are disconnected due to safety concerns. We had no provision in place to provide support in this circumstance, but taking on board further feedback from our specialist panel members we have since trialed a new financial support scheme to respond to this. More details are in Part 2, page 08.
At our request, panel members created clear criteria against which they would judge our performance during an emergency incident	Panel members developed a list of <b>15</b> criteria and rated our performance as <b>4</b> out of <b>5</b> . SGN's Incident Review group (led by the Director of Operations for the south) subsequently adopted the criteria as the standard against which we review our performance and learn lessons following an emergency incident.
To invest in improved access to data (collaboration and data sharing) to help SGN and partners to identify households in fuel poverty	We scoped a project to identify datasets and build a tool to map fuel poor households. We issued a request for proposals to specialist agencies and are just beginning work on the project with Energy Saving Trust who were the successful bidder.
To expand links with resilience organisations and use the Resilience Direct™ platform as a means of increasing engagement	We have driven local connections between resilience organisations and our operational depots. All depots are now registered with Resilience Direct™. More details are in Part 2, page 06.

### 1.1.3 Assessment of stakeholder value informs decision-making

#### Stakeholder concerns are embedded in investment and operational decisions

The Director of Stakeholder Relations is a member of the Executive team and our formal Investment Committee which ensures the concerns of stakeholders and any impact on them is considered when we make investment decisions. The template for assessing projects proposals for investment in the replacement of pipes now includes explicit consideration of the impact on stakeholders.

Subsequently, once a project is approved for investment, our operational teams have adopted a Tailored Project Delivery process for all our mains replacement and major works projects. For each project, we map local stakeholders and assess the likely impact on the community. We then engage with those affected and tailor our operational plans to meet local needs. In Part 2, page 04 you can read more about the difference this approach is making.

#### Assessing the value of new initiatives

We continue to use our decision-making tool to assess ideas and new engagement initiatives proposed by colleagues or designed in consultation with stakeholders. The tool provides us with a cost-benefit analysis helping us to determine the overall value that new initiatives will bring to the customer if implemented. We reviewed and refreshed the tool this year to make sure that it remains in line with stakeholders' priorities.

We improved the tool this year to increase the focus on a wider range of measurable outputs and outcomes, for example:

- Reduction in cost or time and disruption to customers
- Reduced need for customer to contact us
- Reduced number of complaints
- Increased customer satisfaction
- Reduction in damage to our network
- Increased awareness of dangers of CO
- Reduction in CO<sub>2</sub> emissions
- Number of households supported or referred for extra help

Initiatives are assessed and scored against the five criteria below

- 1 What measurable benefits would the initiative deliver to stakeholders?
- 2 How innovative is the thinking behind this initiative?
- 3 What is the potential for embedding this initiative in processes within SGN?
- 4 What is the potential for replicating this initiative across industry? Or is this initiative as a result of learning from others?
- 5 How much of a strategic fit is this activity?



This year our stakeholder leadership team has assessed 19 initiatives and ideas, approving 16 and rejecting three. Here is a snapshot of a few of the larger initiatives we evaluated and the rationale for approval or rejection.

PROPOSED INITIATIVE	Benefits score	RATIONALE FOR APPROVAL OR REJECTION
Warm Hub	39 Approved	<ul style="list-style-type: none"> <li>• Meets our stakeholder commitment to develop our vulnerable customer package</li> <li>• Learning from others – initial concept pilot by NGN, amended to suit our requirements</li> <li>• Collaboration with SSE Networks and Community Action to maximise impact</li> </ul>
Dementia Friends printed training packs	28 Rejected	<ul style="list-style-type: none"> <li>• Dementia Friends training already rolled out to staff via digital channels and SGN app</li> <li>• Higher impact possible if we embed training into wider vulnerable customer awareness</li> </ul>
Establishment and management of specialist panels	41 Approved	<ul style="list-style-type: none"> <li>• Direct result of feedback from stakeholders last year</li> <li>• Meets our stakeholder commitment</li> <li>• Involves stakeholders in strategy development of our services and measures to support people in fuel poverty and other vulnerable circumstances</li> </ul>
Scottish Hydrogen and Fuel Cell Association - Future of Energy event	11 Rejected	<ul style="list-style-type: none"> <li>• No clear link to value for our stakeholders and customers</li> <li>• No strategic fit</li> </ul>
Extension of Locking Cooker Valve (LCV) campaign	42 Approved	<ul style="list-style-type: none"> <li>• Meets our stakeholder commitment to develop our vulnerable customer package</li> <li>• Increases awareness of the locking cooker valve (LCV) amongst care workers and benefits vulnerable customers</li> <li>• Supports other GDNs in their commitment to undertake LCV referrals</li> </ul>
Voucher scheme for appliance repairs for vulnerable customers	42 Approved	<ul style="list-style-type: none"> <li>• Meets our stakeholder commitment to develop our vulnerable customer package</li> <li>• Supports specialist panel recommendation following our survey of frontline engineers</li> </ul>
Safety Seymour campaign	38 Approved	<ul style="list-style-type: none"> <li>• Meets our stakeholder commitment to actively promote awareness of the dangers of CO</li> <li>• Joint project in collaboration with other networks</li> <li>• Engaging future customers via schools</li> </ul>

### 1.1.4 Continuously evaluating and evolving our approach

We listened to feedback from last year's Ofgem panel which echoed some of the advice we had received from our stakeholders at our MFT workshops in March 2017 about making sure we drive our initiatives through to maturity, rather than initiating large numbers of new projects.

We have therefore focused this year on accelerating our impact by putting in place mechanisms and resources (outlined overleaf) to move our plans and ideas through the pilot phase to become fully embedded in the business, while still maintaining a strong pipeline of new initiatives.



We call this our maturity pipeline of initiatives.

## Stakeholder expectations



This process is underpinned by the decision-making tool described in the previous section. During the year we added to the suite of tools and systems that we use in order to move successful initiatives through this maturity pipeline. The additions we have made include:

- The introduction of a new digital stakeholder relationship management system in March 2018 designed to support the movement of initiatives from the initial planning phase right along the pipeline. The software system allows us to connect stakeholder feedback to specific initiatives and projects and gives us easily accessible data to support teams right across our business as they embed effective national and local engagement.
- We introduced specialist panels to support the earlier stages of the pipeline, asking stakeholders for early input to help us to plan our approach to key topics and to contribute ideas.
- We've aligned our stakeholder team geographically to our local depots in order to focus on the end of the pipeline and move ideas from the pilot stage to fully embed them in all locations
- Throughout the year we've also increased employee involvement along the full length of the pipeline. At the start of the pipeline we have asked for help from employees in generating ideas, for example asking our

frontline engineers about the vulnerable circumstances they see when they visit customers. And of course we need the support of our operational teams to embed initiatives and engagement at the end of the pipeline, for example driving local connections with resilience partners.

Throughout Part 2 of this submission, as we describe the initiatives that are underway we've identified which stage of the pipeline they are at using the icons above.

### External benchmarking and accreditation

For the fifth successive year PwC has provided independent assurance on Part 1 of our submission, demonstrating our continued commitment to open and honest reporting.

We use accreditation to support the delivery of our company's strategy and seek out new opportunities for accreditation to support our ongoing priorities. We have achieved accreditation by CCA (Customer Contact Association) to their global standard through an independent audit of our customer contact operation against industry-developed and approved requirements.

We benchmarked our engagement strategy and activities in December 2017 against AA1000 Stakeholder Engagement Standard 2015 and are eager to pursue accreditation once the associated assurance standard is available.

## 1.2 A broad and inclusive range of stakeholders has been engaged

We engage with a diverse range of individuals, groups and organisations reflecting the nature of our operations and the geographic spread of our networks.

We have begun to record our engagement with stakeholders in our new digital stakeholder relationship management tool. This enables us to systematically map stakeholders across business streams and geographic areas and so allow us to focus on the hard to reach stakeholders or areas with under representation.

We continue to review our stakeholder mapping and categorise stakeholders on their areas of interest/influence and whether they are interested in national and/or local issues.

Here is an extract from our stakeholder mapping

Government and regulators	Local interests	Consumers	Employees and investors	NGOs and charities	Business to business	Energy peers and partners
Central government European government Politician Regulation body	Community energy group Emergency and health service Highways agency Local authority Local politician Media Parish council Public transport Registered social landlord	Domestic gas user Fuel poor customer Industrial/commercial user New gas customer Road user Vulnerable customer Consumer group	SGN agency employee SGN board of directors SGN employee SGN executive team Financial institution Investment agency SGN shareholder Trade union SGN working group	Charity: • Age • Children • Disability • Environmental • Fuel poverty • Health • Housing • Income • Safety	Appliance manufacturer Construction company Engineering company Equipment provider Haulage company Service provider Surveyor Consultancy	DNO GDN IGT/UIP Engineering institution Industry group Renewable energy developer Research partner Shipper Supplier

### 1.2.1 Extending our reach

Last year we identified the need to widen the net beyond our known stakeholders and look to those who may have different drivers and views from our own. We have continued this approach this year, strengthening our systematic approach to engagement through the introduction of the stakeholder relationship management system and Tailored Project Delivery which increases our knowledge about local stakeholders in all the areas in which we carry out planned works.

Over the last 12 months we have also worked to extend our reach with specific audiences, including those who are harder to reach, building on the advice of stakeholders at our MFT workshops in March 2017. We commissioned a research report from Impact Utilities to better understand the hard to reach communities within our areas. The report was discussed by our Stakeholder Advisory Panel who provided additional insights. Examples of our work to extend our reach are given below.



#### Engaging hard to reach communities

The partnership we created with London Sustainability Exchange (LSx) is now in its second year reaching out to communities where, for instance, English may not be a first language and who may not be aware of services and advice we can provide. This year we extended the scope of the partnership to provide even more support by inviting other utilities, UKPN, Thames Water and SSEN to participate by providing help and advice from their sectors. The joint project is called Faith & Utilities and will run for **two** years. For an update on this work see Part 2, page 08.

#### Extending and targeting our support through data sharing

Members of our specialist panel on fuel poverty recommended we use more datasets to target our activities and find households most in need of support. We also discussed the topic of data sharing with a broader range of stakeholders at this year's MFT workshops.

We have embarked on several collaborative projects with electricity networks, pooling data from their Priority Service Register and vulnerability mapping and overlaying our fuel poverty and gas availability maps in order to target priority areas. One project we have recently initiated, is to map where our network overlaps with Western Power Distribution's (WPD)'s electricity network in Milton Keynes. We wanted to learn from WPD's approach in a discrete area in our southern footprint. Together we have partnered with the National Energy Foundation to provide energy advice and support to at least **400** households over a one year period starting in May 2018.

#### Increasing proactive engagement with policymakers

Our customers told us in deliberative workshops held in February 2018 that they believe we should be working more closely with the government on energy solutions for the future, and they felt we should work with government to develop options to help meet the decarbonisation challenge.

We have proactive engagement with politicians and government officials in the UK and Scotland to contribute our insight and evidence about how SGN can support UK and devolved governments fulfil their energy decarbonisation objectives.

Since September 2017, our CEO and Managing Director for Scotland have met with **11** MPs as well as key civil servants from the Department for Business, Energy and Industrial Strategy (BEIS), the Scottish Government and the Greater London Authority (GLA). The Scottish Government's energy strategy specifically stated its support for an SGN hydrogen demonstration project in Scotland.

"The Scottish Government has met with the UK Government and other partners to develop the 2017 hydrogen and fuel cells roadmap. We remain committed to support further research and development in this area, including proposals by SGN to assess working of construction and operating the first hydrogen distribution network in Scotland."

In Autumn 2017, we were approached by the Scottish Government to provide direct input to its strategy and help to inform a whole system approach. We agreed to provide a chartered engineer on a long-term secondment to work alongside the Scottish Government energy team and an academic expert in the electricity network seconded from Strathclyde University. Part 2, page 10 details the value this has delivered.

**3. The network company has used a variety of appropriate mechanisms to inform and engage with 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 perspective**

### 1.3 Expanding and tailoring our engagement mechanisms

We tailor our engagement mechanisms depending on the level of interest and knowledge that stakeholders have in our industry and our business. Our stakeholder engagement strategy describes three levels of interest and knowledge – expert, interested and low awareness.

We learn from others, inside and outside our industry, finding new, innovative ways to engage and communicate. And we measure the effectiveness of our various mechanisms, always trying to deliver outcomes from our engagement that are valued by stakeholders.

Our comprehensive programme of engagement includes the examples overleaf which are tailored to the different levels of interest and knowledge that our stakeholders have.



ENGAGEMENT MECHANISM	RATIONALE	EFFECTIVENESS
Stakeholder Advisory Panel for expert stakeholders	A small, regular forum at which members act as a critical friend and provide challenge and advice to SGN's Executive team, informed by their prior experience, stakeholder engagement expertise and knowledge. We tailored this to the needs of our stakeholders this year by holding more virtual meetings by video or teleconference.	At each meeting the external panel members make up to <b>three</b> specific recommendations. This year the company has acted on <b>four</b> of the <b>six</b> recommendations made by the panel. One of the two remaining recommendations was to carry out more detailed analysis on hard to reach groups which is planned for later in 2018. The final recommendation suggested a particular route to increase citizen participation and was not adopted because independent customer research was commissioned.
Specialist panels for expert and interested stakeholders	<b>New in 2017/18.</b> To bring together experts in the subject area to work collaboratively to address key questions and produce improvements in our service offering for vulnerable customers including those in fuel poverty	Feedback from our specialist panels indicated that <b>100%</b> of those attending agreed or tend to agree they were satisfied with the panels and all support the idea of a specialist stakeholder panel
National Moving Forward Together workshops for expert and interested stakeholders	To bring together a broad range of stakeholders annually to report back on how we have acted on their previous feedback and to ask for their help to prioritise our efforts for the coming year. We generate discussion between stakeholders with different perspectives and priorities. By holding dedicated events in Scotland and the south, we can understand any regional differences in the priorities of our stakeholders.	All participants stated they were confident SGN will listen and act on the discussion held at the event (mean score <b>8.6</b> out of <b>10</b> ). <b>"Confident that SGN will listen and act on the discussion."</b> Stakeholder, Edinburgh MFT Workshop
Local workshops for interested stakeholders and local meetings for interested or low awareness stakeholders	Events held at our depots for local stakeholders to build local relationships, to share best practice with partner organisations and to build awareness of our support services We go to where local people are, holding drop-in events and public meetings at local centres before starting large projects as part of our Tailored Project Delivery process	Stakeholder quote: <b>"SGN's proactive response to recent projects undertaken within South Lanarkshire has allowed us to work together to ensure the project information was made available to as wide an audience as possible."</b> Feedback from our local depot events has been very positive. <b>Ninety-one per cent</b> of participants attending the southern events scored the event as <b>5</b> out of <b>5</b> for being 'very interesting'. Formal post-event surveys were not issued to participants in Scotland.
A market study of potential customers with low awareness of SGN	<b>New in 2017/18.</b> We instigated a gas demand study in a remote Scottish town, overcoming the low awareness of SGN by working with trusted partners such as Highlands and Islands Enterprise and Scottish Government. The study, facilitated by an independent research agency will help us to understand the views of people currently off the gas network but within our licence area. An online community will be developed for ongoing engagement.	This novel engagement is still underway and has not yet been evaluated
Deliberative customer workshops for customers with low awareness of SGN	<b>New in 2017/18.</b> We brought together customers across a wide range of demographics to understand what their expectations of us are and what is important to them. Activities included an online pre-task to build knowledge and awareness. A significant investment to build our direct understanding of customer needs, facilitated by an independent research agency. (See overleaf)	In the post workshop surveys, <b>67%</b> rated the day <b>5</b> out of <b>5</b> , with the remaining <b>33%</b> rating the day <b>4</b> out of <b>5</b>

## Building a strong understanding of customer priorities

SGN partnered with an external organisation, Impact Utilities to gather the customer voice, analyse customers' behaviour relating to energy and to fully understand customers' priorities for the future. This involved in-depth workshops with **160** individuals representing stakeholders from small and medium businesses, customers from harder to reach groups such as young millennials, urban and rural customers from Scotland and the south.

The workshops included **19** small and medium businesses in London and **17** in Edinburgh from a range of industries. Participants were engaged online using WhatsApp or text messaging before the workshop and were provided with pre-reading and a task to complete. The process of informing and questioning participants in advance allowed us to design the workshops in line with the interests of participants who were asked to choose the topics they wanted to cover in the workshop. After four hours of facilitated discussion and deliberation, customers were asked to choose the priorities that they would most like us to focus our efforts and investment on.



The priorities chosen by customers for us to focus our efforts on are shown below:

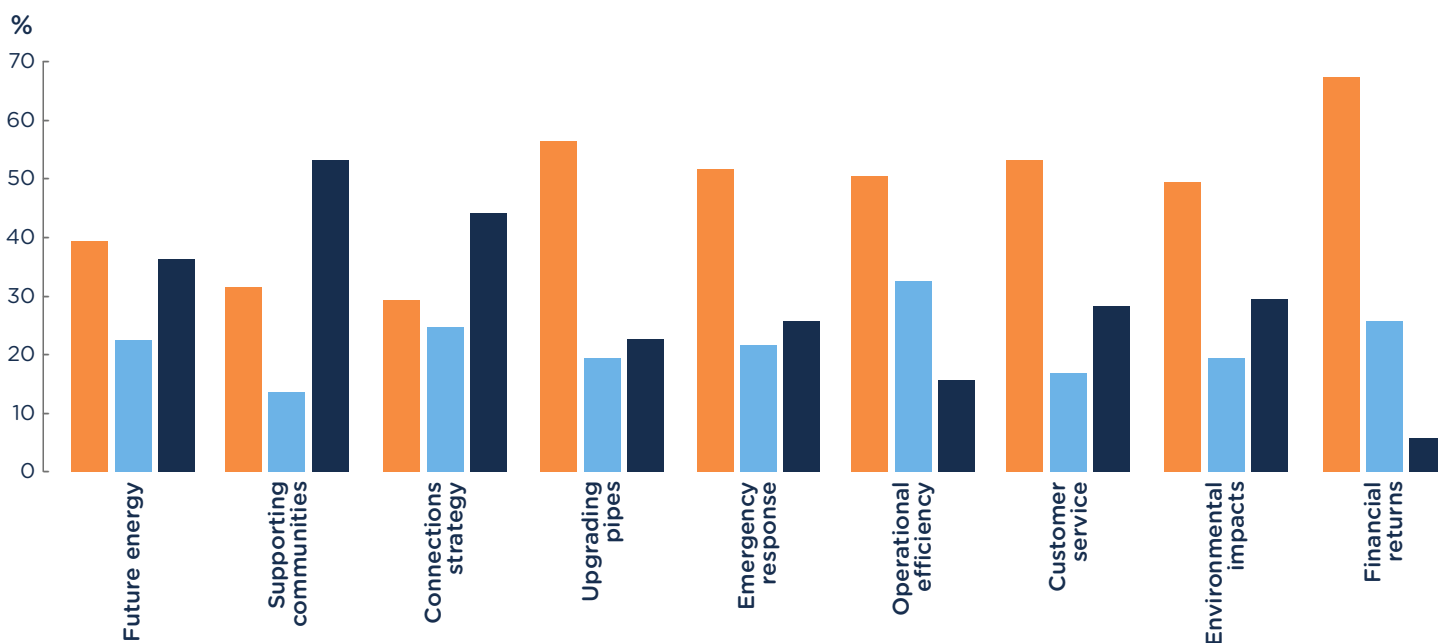
- Keeping costs down
- Providing excellent service
- Keeping the gas flowing and acting safely
- Supporting communities
- Future energy solutions and minimising environmental impact

We have used our customers' priorities above to structure Part 2 of our submission, to ensure we are focusing our efforts towards the goals that our customers think we should pursue.

## A broader stakeholder perspective

We know that stakeholders who we may classify as expert or interested are unlikely to be equally interested in all topics. Some subjects may not be of material interest to them, whereas they may wish to contribute very actively in other topics.

Therefore, in order to design our engagement plan for the forthcoming year, we asked our stakeholders what level of engagement they would like on specific subjects. The results of the survey which we carried out at our March 2018 MFT workshops are shown below.



We are ensuring that our engagement plan for 2018/19 reflects these stakeholder preferences with appropriate mechanisms to inform, consult or actively involve our stakeholders on the topics above.

### Key

- Informed
- Consulted
- Actively Involved

## 1.3.1 Choosing the right communication methods

We know our communication is more effective when we work with partners to increase our reach, particularly our online reach. We have worked hard this year to engage with partners and make best use of all digital communication channels in order to amplify our message and provide information in the way that people want it.



### Linking into local channels

As part of our Tailored Project Delivery (TPD) process we map all stakeholders in the affected communities and look for existing communication channels to reach members of the local community through their usual trusted routes. We build relationships with local partners and incorporate their channels, for example local council newsletters, into our overall project communication plans.

One of many examples of this approach is our active engagement with Highland Council has resulted in it posting out information on our behalf via its website and social media channels. For example, information on our recent mains replacement in the Old Perth Road area of Inverness was uploaded to the Highland Council website as well as our post re-tweeted which had a reach of **5,256** twitter impressions.



## Enhanced digital experience for our customers

We continue to expand our digital communication for stakeholders, with all our materials published and promoted online. We have provided innovative digital solutions for customers to engage with us, giving them a wide choice channels through which they can access support and services.

Customers who are applying for a gas connection online are now able to chat online with our customer experience team, messaging in real time without the need for a phone call. Where additional support is needed the customer experience team are able to work online alongside the customer, co-browsing and helping them to navigate through the site.

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

### 1.4 Acting on our stakeholders' feedback

Throughout the year we have been acting on the feedback that our stakeholders give us.

Below is a summary of the priority areas that our customers identified, some examples of the feedback we received from stakeholders, what we did about it and the outcomes achieved. More detail on all of these can be found in Part 2.



## Keeping costs down

### They said

Delegates at our MFT in 2017 said: "Make sure we use all available funding in the south of England to meet our fuel poverty targets" and members of our fuel poverty specialist panels said: "many ideas would only work if partnerships were in place"

### We did

In our southern network, we have allocated **£10m** as enabler to link with other funding providing central heating systems to extend the reach of the Fuel Poor Network extension scheme (FPNES).

Based on advice from our Fuel Poverty Specialist Panel we set up SGN's Central heating grant scheme. We changed our initial idea of running a competition for the funding on the advice of our specialist panel. Instead, we developed a less formal application process with flexible criteria around timescale and percentage of grant provided but encouraging matching with other available funds such as the Warm Homes fund.

### Outcome

So far, we have committed **£2m** to partners including local authorities and housing associations, helping **1,158** households out of fuel poverty.

## Providing excellent service

### They said

Delegates at our MFT event in March 2017 said: "We should work harder to promote the good work we do when informing residents about mains replacement work."

### We did

Over the year, we have worked to embed our enhanced approach to project planning throughout our business. As part of the roll-out we aligned our stakeholder and community managers to geographical areas and aligned our communications to local needs, creating bespoke communications for various channels.

### Outcome

Embedded planned project assessment across our footprint with **988** projects assessed this year

Overall reduced complaints by 3.7%. Customer satisfaction scores for our southern network have increased for planned work from 8.63 to 8.70 in the past year and our network in Scotland has retained its leading position overall for customer satisfaction.

Positive stakeholder feedback eg "It is refreshing to work with an undertaker who recognises the importance of communication for minimising road user disruption and who are committed to working alongside their stakeholders." Clare Gordon, Traffic Officer, Transerv



## Keeping the gas flowing safely

### They said

Stakeholders at our MFT workshop said we should improve partnerships with local resilience forums

### We did

We continue to host local depot events for resilience partners; **five** this year. We have made better use of the online resource Resilience Direct™, providing improved information on our pages and signing up all our local frontline operational staff. See Part 2, page 06 for more information.

### Outcome

Endorsement from resilience co-ordinator of our approach to promoting the use of the Resilience Direct™ online resource.

We surveyed our resilience partners following a gas outage to understand their perception of our performance, the overall rating was **4.4** out of **5**.

## Supporting communities

### They said

At our MFT workshop in March 2017 an academic representative agreed SGN is focusing on the right areas but would like to see a bigger focus on the importance of periodic appliance servicing as there is a concern some consumers may believe having a CO alarm negates the need for proper appliance servicing

### We did

We collected and analysed data from our inspections of appliance health and CO alarm use in **four** remote Scottish towns, compared it with historic information already gathered in the UK to inform the publication of our report. We shared the draft report with our specialist panels and incorporated their comments in the final version.

### Outcome

Our report 'Driving awareness of CO; a data-driven strategy' was launched at our Scottish Parliamentary reception in November and also shared with the other GDNs.

The report now forms the basis of our refreshed CO awareness strategy.

It also supports our approach to the provision of CO alarms. This year, we have donated **884** alarms to partners such as Fire and Rescue divisions to be fitted for vulnerable customers at home safety visits.

## Future energy solutions

### They said

Attendees at our MFT workshops in March 2017 thought we should "Develop an energy strategy with partners"

### We did

We have established data sharing agreements with local authorities to inform their local plans and our demand planning, including current and anticipated capacity requirements

### Outcome

This has led to us establishing partnerships with **30** out of **32** Scottish local authority areas and all **82** southern district councils.



# Part 2

In Part 1, we explained the significant influence stakeholders have had in refining our corporate strategic priorities, influencing our plans and helping to improve the initiatives we've implemented this year. One of our six corporate priorities is to keep pace with increasing customer and stakeholder expectations. We've therefore researched those expectations and worked with stakeholders to deliver outputs and outcomes of value to them.

We described in Part 1 the deliberative research we carried out to understand the topics our domestic and business customers would like us to focus on. We've structured the following pages to reflect those customer priorities.

Keeping costs down

Providing excellent service

Keeping the gas flowing safely

Supporting communities

Future energy solutions

We have enhanced our structured approach to engagement this year, putting in place mechanisms, monitoring and resources to ensure that over time we drive successful initiatives from an initial idea, to pilot, to full adoption by the business. This focus on managing our pipeline of initiatives is designed to accelerate and amplify our impact and deliver concrete outcomes.

It also helps us to identify and focus on taking forward innovative ideas that come from within our business or very often from our discussions with stakeholders. As we describe our initiatives in the following pages, we have highlighted our new ideas **I** for this year, our pilot projects **P** and the initiatives that we have embedded **E** in our business practice.

## Keeping costs down

We know from customer research we carried out this year, that keeping costs down is the priority customers would most like us to focus on. We also listened to concerns raised by stakeholders during the year about delivering fair value for customers during the price control period. We responded in November 2017 by making a **voluntary contribution of £145m to consumers**.

Concern about energy costs is particularly acute for those living in **fuel poverty**, and we have committed significant effort and resource to supplement our established fuel poor connections scheme this year. We committed **£20m** (of our voluntary contribution to consumers) to tackle fuel poverty and created a dedicated team to drive our additional initiatives forward.

We've also worked in collaboration with a range of partners to help households in fuel poverty to increase the **energy efficiency** of their homes, providing routes to advice and practical measures to reduce their energy bills.

### Extra help for households in fuel poverty

#### Stakeholder input

At our Moving Forward Together (MFT) workshops in March 2017 last year, **85%** of stakeholders agreed we should support those living in fuel poverty. Many stakeholders at the workshop volunteered their expertise to work collaboratively with us as members of specialist fuel poverty panels.

Recognising the different policy contexts in Scotland and the south, we responded by establishing a specialist fuel poverty panel in the south, and a panel to support communities (including those in fuel poverty) in Scotland.

#### **E** Help to heat scheme

Our Help to Heat scheme helps to tackle fuel poverty by delivering free or assisted gas connections. In 2015 we increased our targets based on feedback by **35%** overall increasing our target to **27,497** connections by 2021 of which we have completed **22,118**.

But it is still a very different story in our Scotland and southern networks. **This year we have reached 98% of our 2021 target in Scotland and so far, we have delivered 52% of target in our southern network.**

#### **P** £10m returned to customers in Scotland

Recognising the importance of continuing our Help to Heat scheme in Scotland to support Scottish Government initiatives and funding to tackle fuel poverty, we have allocated **£10m** of our voluntary contribution to customers to enable us to continue the scheme beyond the agreed target we've been funded for.



## **P** £10m returned to customers in our southern network

### **Stakeholder input**

Our specialist fuel poverty panel members agreed we should go over and above our established Help to Heat scheme and provide additional funding to enable installation of central heating systems for eligible households in the south. The panel also advised us to use the money as seed funding to ensure funds reach as many fuel poor households as possible.

The availability of funding for central heating systems continues to be a significant obstacle for fuel poor households in our southern network. We established a **£10m** SGN Central Heating Grant Fund in April 2017 to provide extra funding for gas central heating systems and enable eligible households to benefit from existing schemes. So far, **we've committed £2m to partners** including local authorities and housing associations, helping **1,158 households** out of fuel poverty with a contribution to the cost of their central heating. We have also offered a further **£2.1m of central heating support funding** to assist another 1,000 fuel poor households.

## Working with partners to increase reach of funding

Building on feedback from our specialist stakeholder panels we have trialled a number of new ways to extend the reach of our Help to Heat scheme. Listed below are some of the successful initiatives we have instigated.

### **P** Local authorities

Supporting **12** local authorities to secure funding from the Warm Homes Fund towards **1,407** central heating systems, leveraging our own grant fund in many cases. Additionally, simplifying the referral route for eligible customers to benefit from a Help to Heat connection by registering local authorities as qualifying partners with Ofgem - **five** registered this year.

### **P** Private landlords

To extend our reach to private renters we initially promoted the scheme in Dover offering private landlords **£1,500** towards the cost of central heating for qualifying households. This has generated **18** new connections.

### **P** UIP (Utility Infrastructure Provider)

Reaching out to off-grid households in London by partnering with a housing association and UIP delivering **39** new fuel poor connections with a further **80** planned.



## Reducing costs by increasing energy efficiency

### **Stakeholder input**

Expert members of our panels said we should extend our reach by partnering with other organisations and trusted delivery agencies, using data to prioritise areas in which our support would deliver the most valuable outcomes.

### **P** Groundworks Green Doctor project

We worked with Green Doctor to develop a pilot project in our southern network, partnering with SSE Networks to use its demographic mapping system to target customers in the most vulnerable circumstances.

The project in Selsey, Chichester ran during February and March 2018 and exceeded targets with **68** home visits and eight carbon cafes providing **130** people with energy and home safety advice, eight referrals for ECO energy efficiency measures, **15** households helped with switching advice, **369** energy efficiency measures installed by Green Doctor, eight new referrals to Priority Services Register (PSR), **48** carbon monoxide (CO) alarms installed, saving **195,000kg CO<sub>2</sub>** and **£46,500**.

### **P** Enabling fund - Warmworks

Warmworks delivers energy saving measures for the Scottish Government and was seeking funding to support vulnerable customers to have lofts cleared or remedial work to allow them to benefit from funded energy saving measures.

In August 2017, we donated **£10,000**. So far, **£3,000** has been spent and **17** households in southern Scotland have benefitted from **127** energy measures to enable lifetime savings of **£3,200** per property.





## Providing excellent service

We regularly review the experience we provide for our customers to find **innovative ways of improving our communication and service**. Together, our people have created a culture that puts our customers' concerns at the heart of what we do, **working collaboratively to continually improve**. We have focused this year on **embedding local engagement with stakeholders** across our business, building their needs into our work plans.

### Innovation in customer communication

#### **E** Innovative support for customers

We've introduced new digital support tools for customers this year who can now chat online with us in real time, without needing to make a telephone call. We considered extending the technology to introduce automated chatbots using machine learning to provide responses, however customers told us they want to be able to engage online with a member of the team rather than receive an automated response. Since we embedded live-chat, **968** customers have used the service, with an average satisfaction score of **4.75** out of **5**.

To increase the customer support we offer, we've also introduced co-browsing technology. This is in response to feedback from some of our customers wanting a new gas connection who told us they would like more help to fill in the application form. Co-browsing allows us to provide immediate support while the customer is online, guiding them through the entire application process.

We've continued to embed our use of video. Last year, after learning from the car industry, we trialled two different video methods to send customers visual updates of the work we were doing at their property. Following positive feedback, we have fully embedded the CitNow video updates into our connections process in Scotland and plan a full roll-out in our southern network from May 2018. Since implementation **105** jobs have been recorded.

"The video was brilliant, and I was able to see exactly what was done without being there and I thought it was a fantastic touch."

#### **E** Customer satisfaction app

In 2017, we introduced a new app for customers providing a digital method to report satisfaction. Over the past year, we have focused on embedding the app and using the information to give live customer feedback on dashboard screens in our depots, enabling us to react quickly to any issues and monitor trends. There is also an option for customers to receive a call back from a manager regarding any issues. The app allows customers to refer themselves to the Priority Services Register (PSR), which is actively promoted by our staff. **Since going live we've received feedback from 29,894 customers and 99.33% of customers were 'happy' or 'very happy' with our work; 2,923 customers have requested to join the PSR.**

#### **P** Innovation increases efficiency for commercial customers

Shippers, suppliers and companies providing new connections have told us the number of requests they need to make for network pressure information is increasing. Recognising this, we changed the current process to accommodate the additional requests. To enable information to be provided quickly and easily, we developed a **Network pressure identification tool**. The tool was initially issued to shippers to test and has now been rolled-out for wider use. **200 companies are using the tool, and over 1,000 network enquiries have been diverted to the tool in one year, increasing our and our commercial customers' efficiency.**

### Continual improvement through collaboration

#### **E** Collaborating and learning from others

We have retained our leading customer satisfaction scores in Scotland for the second year running, and have hosted visits from Cadent, Northern Gas Networks and other companies outside our sector to share what we have learned. We compare our performance with other industries to make sure that we continue to improve and innovate using an independent benchmarking survey carried out by the research agency TTI across a range of industries.

We were awarded accreditation for the Customer Contact Association global standard in April 2017, a cross-industry, independent standard. TTI's cross-industry benchmarking survey showed customers' satisfaction with our services to be industry-leading. We were the highest rated utility company overall, also scoring higher than companies such as Amazon and Marks & Spencer.

"It is refreshing to see such excellent practice in organisation, wide customer service commitment and practice."  
CCA Global Standard Assessment  
Report 2017



## E Fast assessment drives efficient response to gas safety concerns

We continue to lead the way in supporting the delivery of the smart meter roll-out with customer safety as a top priority. We introduced an innovative triage process for customers in October 2017. The triage process filters customers' calls for help to understand their issues and respond appropriately ensuring customers' safety and continuity of our emergency service. The triage desk has, so far, handled **8,769** calls. We've provided direct help with **6,007** calls, the remainder being referred or signposted to the right organisation for further help. Members of our Stakeholder Advisory Panel visited the triage desk in November and reviewed our work on smart metering with the Executive lead in January 2018.

To further ensure customers' safety, we analysed the reasons why gas escapes were being reported to us following a smart meter install and used this data to create a guidance document for smart meter installers identifying the top five reasons for escapes and how to avoid them. This has been shared with the other gas networks and published by the Energy Networks Association.

Additionally, an advice leaflet produced to help our own staff identify reportable safety situations following smart meter installs has been approved by the HSE and Gas Safe. It is now being used by other gas networks and promoted by Energy UK for use by its network of suppliers. Since October, defects from installs have reduced from **4% to 2.2%** and the number of interventions is down **67%**.

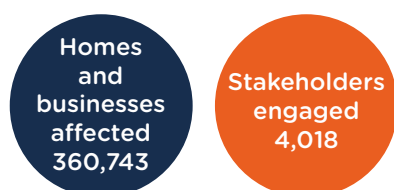
## Embedding stakeholder needs in our work plans

### E Tailoring our projects to meet local needs

We continue to build on our innovative approach to project planning, identifying everyone who should be engaged, particularly hard to reach groups, when they should be engaged and by what channel.

Last year we explained how we used our project assessment tool to categorise **87** of our planned work projects into gold, silver or bronze depending on the impact on local stakeholders. We use the tool to tailor our plans to the needs of local stakeholders.

Based on very positive stakeholder feedback, we have taken this approach even further this year and from Autumn 2017, we moved all our mains replacement projects and major engineering works to this model, a total of **988** projects. To embed it across the business we have restructured our stakeholder engagement team, joining with the community support team to create seven geographically aligned stakeholder and community manager roles to support local project managers.



#### Projects assessed this year

High Impact (Gold)	Medium Impact (Silver)	Low Impact (Bronze)	Total assessed
115	210	663	988

### E London West evaluation

To measure the value of our methodology we carried out a detailed evaluation of **20** high or medium projects in our London depots. As a result of their engagement with stakeholders, and increased understanding, the project teams made changes to their plans in **11 (55%)** of the projects in the evaluation period to better meet for local needs. We also tracked the impact the system has had on the volume of complaints and enquiries, this showed a reduction of **71.9%** from the period before tailored project delivery was introduced.

## E Extending our customer-based culture

We explained last year the significant efforts we were making to work with our planned work contractors in our southern network to build a common culture and approach to customer service. We have continued to ensure all our people are equipped with the right knowledge, tools and behavioural training to deliver the service our customers expect. **Over the past year we have carried out bespoke training sessions for 2,341 colleagues from our operational depots, contractors and customer service centres. Customer satisfaction scores for planned works in our southern network increased from 8.63 to 8.70 in the last year. Overall, the volume of calls we received and the number of complaints both reduced by almost 4%.**

### P Brixton Road

Using TfL data and both companies' communication channels we measured the value of working in partnership to drive future improvements. As well as our own existing communication channels including leaflets, webpage, drop in centres, tweets, press releases and radio bulletin information, working with TfL additional enhancements included:

- Extending the reach of the leaflet drop (from approximately **6,500** properties to **41,000** properties).
- Using TfL's Select Link Analysis data, we extended reach to a further **700** businesses
- Information provided on TfL's Freight bulletin reached a further **10,000** recipients
- TfL's metro page reached **1,470,715** newspapers readers
- TfL re-tweeting increased impressions from **2,500** to **30,000**

The results of the collaboration were: Zero complaints and only **13** enquiries. Eight per cent reduction in traffic on Brixton Road during works, 19 positive comments from a wide range of stakeholders including the MP, councillors, Metropolitan Police, Guy's and St Thomas's Hospital, and London Fire Brigade.

### I Croydon in collaboration

We are a partner in an initiative led by the Greater London Authority (GLA) to coordinate utility works in three pilot areas, one of which is in our southern network. The Croydon in Collaboration group is about minimising the impact of streetworks, particularly due to the amount of regeneration going on in the area and the impact on households and businesses. Our partners in the group include: TfL, Croydon Council, Thames Water, SES Water, BT Openreach, and UKPN. We've identified a potential site in Epsom Road, scoping a joint project with Thames Water. The next step is to appoint contractors and pilot this innovative approach.



## Keeping the gas flowing safely

Feedback from our stakeholders continues to support our emphasis on protecting our network and **preventing all forms of damage**, both physical and cyber. **Improving our response to emergency incidents** when they do occur will help to minimise any impact on our customers. To further reduce this impact, we are finding new, **smarter ways of working**, innovating to reduce disruption and supply interruptions.

### Stakeholder input

Stakeholders told us preventing damage to our network is an important objective for our focus. They also want us to communicate and partner better with other utilities.

Information and data sharing are very important to our stakeholders. They told us they would like to be able to access data about our network more easily.

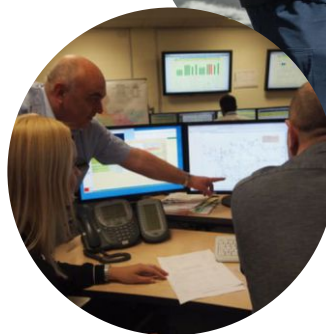
### Preventing damage to our network

We've continued with our cross-business Damage Prevention Group to introduce and co-ordinate activities and initiatives to support reduction of damages to our network.

#### **P** Partnership with Scotland's Rural Colleges (SRUC)

Through our partnership with SRUC we continue to focus on helping the farming and rural community with advice on what to do when working near our pipelines. The training we developed is now being delivered across all six rural colleges. **We have delivered training to 69 agriculture students, 10 lecturers and four Regional Health and Safety Advisors. We also surveyed the students who completed the module and 100% agreed the information provided had enhanced their knowledge, protecting them and the gas pipelines.**

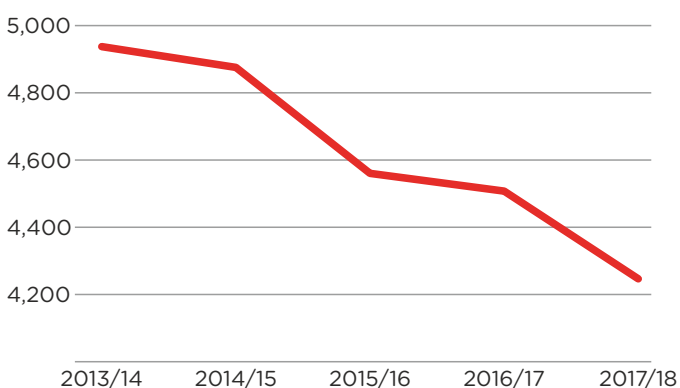
"SRUC are very pleased to be able to work with SGN in developing and delivering the Pipeline Damage Prevention Module."



#### **E** Online visibility of our pipes

We've now been using Line Search Before You Dig (LSBUD) for over a year and have been promoting its use with our stakeholders including agricultural colleges, local authorities, National Association of Agricultural Contractors and the National Farmers Union Scotland (NFUS). **Enquiries have increased from 2,500 a month to 47,300 and response time reduced from 15 days to two minutes. We have seen a corresponding decrease in damage caused to our network as shown below.**

#### Continual downward trend in damage to our network



#### **E** Cyber security

Our stakeholders have told us ensuring security of their gas supply is very important to them and this includes protection from the possibility of cyber attack.

We highlighted last year we were making significant investment in cyber security to reduce the risk of disruption of the gas supply to our customers. Recognising the vital role we play in maintaining a safe and reliable network we've increased this investment further this year, agreeing in November to spend an additional **£10m**, as part of the **£145m** voluntary contribution returned to consumers.

We've partnered with the National Cyber Security Centre (NCSC) and the Department for Business, Energy & Industrial Strategy (BEIS) in our approach to security. This includes a new security operation centre to improve our ability to protect, detect and respond to cyber incidents. **Over the past year, we've achieved ISO27001 security framework accreditation for our Gas Control Centre and SGN Smart business. We've detected 6,170 malicious web traffic issues and managed 36 security incidents. Our security programme has been recognised as an industry leader. In 2017, we achieved, Winner of the Cyber Security Project of the Year at the UK IT Industry Awards. We're also one of the first UK utility companies to achieve Cyber Essentials accreditation.**

## Improving response to incidents

### Stakeholder input

We asked our specialist panel members in Scotland and southern to review our performance in managing emergency incidents. They devised a list of **15** criteria against which they assessed the current practices described to them by our operational team, and scored us **4** out of **5**. SGN's Incident Review Group (led by our Director of Operations, Southern) subsequently adopted the criteria as the standard against which we review our performance and learn lessons following an emergency incident.

### E Improving relationships with resilience partners

Frontline staff at all our depots have built relationships with local resilience partners and, following previous feedback, now make early contact in the event of a potential or actual network incident. This means there is a better co-ordinated approach to support local communities. This year we held local events at our Edinburgh, Hampshire, Surrey, West Kent and Elgin depots to build relationships with our partners, discuss our role in loss of supply incidents and gain insight from their perspectives.

**Feedback: Police Scotland, Sergeant David Blackwood**

"I personally found it very helpful and believe that just knowing names and faces in the local area makes a real difference."

Our improved relationship was demonstrated when the village of Torphichen suffered a loss of supply to **250** customers, we received an email from Councillor, Andrew McGuire.

"Can I just say well done at the communications and manner with which this has been handled it's nothing short of excellent and I know people in the village appreciate it."

We also surveyed our resilience partners to understand their perception of our performance, the overall rating was **4.4** out of **5**. This showed an improvement from our survey of partners in Scone last year which gave an overall rating of **3.5** out of **5**.

### E Sharing learning with water companies

We have collaborated with water companies in our footprint to share learning from previous incidents. One example was the arrangement we have with Scottish Water when water enters the gas network from a burst water main and affects customers' appliances. Via a Memorandum of Understanding Scottish Water will arrange for appliance repairs to be done quickly and free of charge. We are now making arrangements to put this in place with Southern Water and Thames Water.

### P Priority Services Register (PSR) sign up at incidents

Members of our specialist panels suggested we should promote the PSR, when dealing with a loss of supply incident. When we meet customers, we should raise awareness of the benefits of PSR to those who could qualify. At a recent incident in Dunfermline we trialled this approach, contacting customers who our frontline engineers identified. **As a result, 30 customers were referred.** We now plan to add the referral option to our 'incident app', so our engineers can refer the customer when they are talking to them on the doorstep. We also provided Careline cards to the local community centres to raise awareness of the service.

### P Proactive digital communication

After reviewing evidence from various resilience forums our internal Incident Review Group agreed we needed to improve the information we make available on Resilience Direct™ and to make better use of this online resource.

As a result, we promoted Resilience Direct™ in our business, putting a plan in place to embed its use and enabling us to be part of the UK resilience network supporting customers in a crisis.

**Feedback: John Beresford, Regional Resilience Co-ordinator**

"This is highlighting an excellent piece of work SGN has undertaken in explaining and promoting Resilience Direct™ in its organisation."

We have now updated and improved our Resilience Direct™ information pages including depot maps, links to our website, Facebook and Twitter feeds. So far, **145** key operational and support staff are registered and linked into the online community.

### E SGN Neighbourhood Alert

The SGN Neighbourhood Alert system enables us to participate in the use of digital technology to keep communities safe, focusing on social media integration to communicate with customers. We are members of the Neighbourhood Alert group, promoting the scheme externally with a link on our website. We use the alert system to provide targeted local information on gas supply outages and general safety advice. **Currently there are 150,108 people registered and 1832 community groups. No of alerts 328.** Recently, we used the service to send an alert to users giving advice about frozen boiler pipes during the spell of severe weather. This reached **15,609** direct recipients on our database also reaching **61,248** through partner organisations.

### P Careline support for severe weather events

During the severe weather in early February, our engineers recognised some of our customers were struggling. We quickly set up a Careline number our engineers could call, to get extra help for these customers. **Twenty customers were identified by our engineers as requiring further help. Through our own Careline we arranged help via various organisations including social adult care and Gas Safe services. In addition, a follow up process was established to ensure customers were safe and had the correct support.** Moving forward, we're embedding this learning into our customer experience process.

## Smarter ways of working

### Stakeholder input

Customers rated acting safely as of the highest importance. They asked us to reduce the time their gas supply is turned off during repairs, but in our research they also said they wanted us to keep upgrading the pipes to ensure they were future-proofed and emergency repairs were reduced. Stakeholders also tell us they want us to use and explore the latest technology and innovations, particularly robotics.

### E CISBOT robotics

In last year's report, we mentioned the introduction of our innovative CISBOT robot, able to seal leaking joints in cast iron gas mains without interrupting the flow of gas. This year we've continued to embed the use of CISBOT into our business, with three robots now regularly employed and a dedicated project team. The table shows the reduction in cost and disruption compared to conventional methods.

CISBOT projects 2017/18	Reduction in cost	Reduction in duration	Reduction in excavations
15.9 km of main	£4.4m	56%	531

### P Reducing supply interruptions in flats

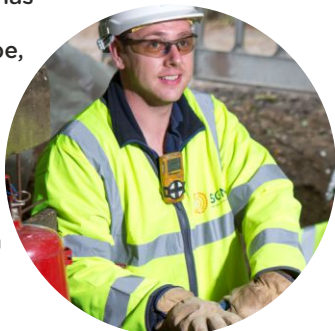
Customers living in flats tell us providing access and interruptions to their gas supply when we replace pipes in their building causes significant inconvenience.

Last year, we had **890** enquiries about appointment times for work in flats. To address the issue, we sourced a solution, called Microstop, which enables engineers to isolate a section of the pipe, without turning off the gas to the individual flats. This also removes the need for customers to be at home before and after the supply is switched off. **This technique was trialled in 40 blocks of flats in the west end of Glasgow benefitting 320 customers and decreasing the time on site from an average of three weeks to just one day. Next year, the technology will be expanded to the rest of our footprint.**

### E Avoiding disruption when we replace pipes

This year, we've replaced **1,023km** of metallic gas mains to future-proof gas supplies to customers. We delivered this with minimum disruption to customers by using insertion techniques.

**This year 88% of our work has been done by inserting the new pipe within the old pipe, reducing time off gas for customers. Thirty-five percent of the work was done by live insertion (while the gas is still flowing) further reducing time off gas and disruption for customers.**



### P Innovative ways of protecting the environment

Our customers have told us minimising our environmental impact is important to them.

We have an ongoing programme to dismantle disused gas holders and we work with expert partners to reduce the impact of this work on the environment. During the dismantling of our gas holder in Alloa, we worked with Acumen Waste Services to develop innovative methods of dealing efficiently with oil, contaminated water and sludge. **As a result 86% of materials on site were able to be re-used, 77,000 litres of filtering oil were recovered and refined for re-use, 400,000 litres of treated water were discharged under Scottish Environment Protection Agency (SEPA) consent into the local water system, hazardous sludge was compressed, reducing volume by 50%, before being taken to landfill, and 1,143 tonnes of steel were removed and recycled.** We are able to use the innovative methods developed at Alloa on the remaining **55** holders that we will dismantle.

## Supporting communities

We take expert advice about the best ways to adapt our services and support customers **who may need extra help** in our communities. To make a real difference to those in vulnerable circumstances we recognise the need to extend our reach, working in partnership with local and national groups, many of which are represented on our specialist panels. This year we have extended existing **community partnerships** to produce valuable outcomes for more customers as well as initiating new collaborations.

### Stakeholder input

Stakeholders told us at our MFT workshops in March 2017 we should work collaboratively with partners to reach more vulnerable people. Our specialist panel members provided significant advice to support this work. Concern about CO was expressed and participants asked us to work collaboratively to raise awareness through education.



## Extra help for those in vulnerable circumstances

To build our understanding of the challenges customers face when dealing with us, through our specialist panels, we engaged experts who support customers in various vulnerable situations to help us prioritise the support and help we should provide. Taking their advice we surveyed our frontline engineers to understand the circumstances they least like to walk away from. By focusing on the top **four** we have been able to make a real difference for these customers. On page 1 of Part 2 we explain what we are doing to support customers in fuel poverty and below we describe support we are providing in the other three areas.

1. **Customers suffering from dementia, or learning difficulties who may not have understood**
2. **Witnessing a customer living in a cold home, fuel poverty, evidence of damp and condensation**
3. **Lack of funds to undertake a repair or service following a disconnection/isolation**
4. **A customer who has left an unlit cooker on**

We describe below the work we have carried out as a result of their feedback.

### **E** Customers suffering from dementia or learning difficulties

In 2015/16 we trained **357** of our frontline staff on dementia awareness through the Care Commission e-learning package. In 2017 we extended our programme and signed up with the Alzheimer's Society to become a Dementia Friendly organisation, updating our training package and rolling out a second phase encouraging our staff to become 'dementia friends', **with 453 being signed up in the first month** towards our initial target of **1,500** out of our **4,000** staff by September 2018.

One of our frontline engineers from Dunfermline explains how he used his dementia training and put it to good use. When calling to investigate a reported 'smell of gas', the strong smell of gas was because the elderly customer had left the gas cooker on unlit and it hadn't been the first time. The cooker was quickly turned off. Following this up he provided information on our locking cooker valve, which was later fitted at the property.

"I was really happy to be able to put my dementia training into practice and help ensure the safety of this nice gentleman and his neighbours."

Frontline engineer - Dunfermline

We have also engaged with the mental health charity MIND to enable our telephone advisors to interact better with customers who may have mental health issues. **To date we've held two training sessions in our Customer Experience centres with a trainer from MIND taking 20 advisors through the training course. The next step is for our own trainers to adapt the material for our frontline engineers.**

### **P** Lack of funds for repair or service

We piloted a new scheme for customers who our engineers recognise as being vulnerable to being left in a cold home and could benefit from a bit of extra help when we disconnect their appliance on safety grounds. We ran an initial trial in February 2018 with the support of East and West Sussex County Councils targeted at vulnerable owner-occupiers. The seven week trial gave our frontline engineers the ability to refer a customer they believe may be vulnerable to a trusted third-party organisation to be assessed and provided with a **£200** repair voucher. If the cost of repairing the disconnected appliance exceeded £200 additional funding would be provided by SGN, the local council or from ECO funding. Customers could also be referred to the local Royal Voluntary Service (RVS) for any other support needs.

**Trial results: Seven customers were referred and repairs or replacements made quickly to cookers, fires and boilers.** One customer, newly discharged from hospital and suffering from dementia was living in her kitchen and wearing gloves at home to keep warm.

Miss B said: "it made a huge difference to me, to know that something as worrying as a gas leak could be investigated and resolved quickly without having to wait until I had some funds."

### **E** Preventing the danger of leaving cookers on or unlit

We continue to promote the award-winning, free, UK-wide locking cooker valve service to all potential users to avoid fires, gas leaks and explosions and providing reassurance to carers. We're fully committed to our campaign to promote the service to all organisations and individuals who could benefit, including promotion at events such as Countryfile Live, Rise4Disability South East, and advertising panels on Southern Railway trains. **Additionally, the Alzheimer's Society welcomes us at its events and we have developed 20 new partnerships to promote the service this year, though, Fire and Rescue divisions, Sussex NHS Partnership, CAB Yateley, and British Red Cross, reaching over one million people through partner publications. In total 565 valves have been fitted within the UK, with 241 in our footprint and 24 planned.**

## Extra help in our communities

### **E** Increasing our support for hard to reach communities

To continue to engage harder to reach communities in London, we're extending our partnership with London Sustainability Exchange (LSx) working with trusted partners to engage in culturally diverse communities where English may not be spoken as a first language helping to promote information and services they might not have been aware of.

Following the success of our initial project we described last year, we've extended our partnership to include advice and services from UKPN, Thames Water and SSEN on a two-year 'Faith and Utilities' project.

**LSx has led a team of 22 energy champions and 16 volunteers from 13 charitable organisations and mosques reaching 23,950 people, providing 533 households with support including: 243 referrals to PSR, 47 referrals for Help to Heat gas connections, 170 households were provided with information on power loss or water disruption, 252 were given information on Warm Homes Discount or ECO, 73 households were given information about smart meters, 80 people given energy tariff advice and payment methods with a further 961 behavioural change pledges that could collectively save £20,584 in annual fuel bills.**

"We were overwhelmed by the response, the useful tips, hints and advice were received positively and will bring about changes for many years to come within the Masjid and at home."

Bashir, SECCA

## I Project Inspire

We were invited to be the gas network representative on Sustainability First's Project Inspire. The project started in October 2016 with the aim of sharing and seeking out national and international innovation and technologies which help the most vulnerable customers. We shared two of our own projects, locking cooker valve and SGN Neighbourhood Alert, and went on to win gold and bronze awards respectively in the safety and peace of mind categories, judged by independent consumer and disability innovation judges. Also, learning from others we are trialling an innovative, cheap to run, electric blanket which fits over a chair to keep less mobile customers warm in the event of a loss of supply incident.

The project culminated in the report 'Project Inspire Energy for all – Innovate for all' and the 'Energy for All Innovation Day' in January 2018.

## P Shared utility leaflet trial

As members of the Utility Network Group we've helped develop a shared utility leaflet with UKPN and Thames Water. The leaflet trial included 1,000 customers in London, providing tips for customers to keep them safe and save them money, including, what to do in a power/gas/water outage and energy saving suggestions to reduce bills. **Customers in the trial area were surveyed to gain insight on the value of the leaflet and 94% said after reading the leaflet they now know who to contact in an electricity, gas or water emergency and 77% were not aware of the PSR prior to reading the leaflet.**

## Building awareness of the dangers of CO

### I A data-driven strategy

Last year we collected data on appliance health and CO alarm use in four remote Scottish towns. We've now compiled information into a report 'Driving awareness of CO; a data-driven strategy'. The draft report was shared with specialist panels and updated with their feedback. The report has informed the development of our refreshed CO awareness strategy and was launched at a Scottish Parliament reception by Clare Adamson MSP, Chair of the Cross-Party Safety Group. It has also been shared with other gas networks and industry colleagues at collaborative forums with the recommendation the focus should be on preventative and protective measures. Communication and campaigning regarding CO should be clear; having a CO alarm is no substitute for regular maintenance and servicing of appliances.

**The report informs our strategy to focus on appliance health and how CO alarms are installed and used. It supports our ongoing partnerships with Fire and Rescue divisions and other partners through which we have donated 884 CO alarms for vulnerable customers to be fitted during Home Safety visits. Additionally, following feedback from London Fire Brigade at our specialist panel we are working with the Fire Brigade and the other gas networks to develop a single collaborative CO leaflet to be used across the UK.**

## Future energy solutions

The UK needs a future energy system which is not only clean, but also affordable for customers and one which provides a continuous and secure supply. We take a **collaborative** whole energy system approach, considering how our **future energy innovation projects** and expertise can **contribute to an evidence base** for the policy decisions that must be made.

## Collaborating on future solutions

### Stakeholder input

At our MFT workshops in March 2017 **98%** of delegates thought it was important that we address the energy trilemma. At our 2018 MFT workshops stakeholders suggested we pursue a joined-up approach to support local communities in finding the right energy solutions for their local area. A key part of this collaboration is sharing data and plans, understanding the demand for future use of the gas network and working with local councils and other utilities to deliver in local communities, a key priority for a broad range of our stakeholders and customers.

## P Impact of climate on infrastructure

We are part of a focus group run by Edinburgh University which is conducting a study on behalf of the Natural Environment Council (NERC). The group includes other infrastructure providers, Scottish Water and Transport Scotland. The research group has developed the concept of an infrastructure gameboard – to encourage providers to consider how potential future climate change events may impact our networks which is being trialled in Inverclyde.

## P Scottish Climate Adaption Strategy

We provided the Climate Ready Clyde initiative with an appreciation of the extent of our infrastructure in the Glasgow City and Clyde Valley areas including information on annual customer consumption. **As a result, we've been offered a seat on the Climate Ready Board enabling us to work with other organisations to shape the Scottish Climate Adaption Strategy and Action Plan.**

## E Local authorities – local plans – participation

We have established data-sharing agreements with local authorities to inform their local plans and our demand planning, including current and anticipated capacity requirements. **This has led to us establishing a clear strategic plan with 30 out of 32 Scottish local authority areas and all 82 southern district councils.**



### I Regional Local Enterprise Partnerships (LEPs)

Following up on a suggestion from our Stakeholder Advisory Panel, we've engaged with LEPs in the south east, (Coast to Coast, M3 Enterprise and Oxfordshire) to support their work to produce the local energy strategies they have been tasked by BEIS with developing by summer 2018.

### P Growth and Infrastructure Forum (GLA)

We are members of the GLA Growth and Infrastructure Forum which considers how London's growth could be sustained by investment in the city's infrastructure. Our CEO is part of the London Mayor's high-level infrastructure group and members of our network planning team sit on GLA's Infrastructure Mapping Application senior user group. **We now have improved relationships and communications between key partners in London leading to shared plans, collaborative projects and a view of long term strategic requirements.**

## Future energy innovation

### Stakeholder input

Stakeholders including politicians and policy makers across both our networks have expressed interest in exploring 100% hydrogen as an alternative to natural gas to provide energy for heat. In our research with customers, investment in future energy solutions was the second highest priority

### P Hydrogen 100

We started work on our project to demonstrate hydrogen can be distributed safely through a piped network to people's homes. So far, we have identified three potential sites in Scotland for our feasibility study and, as part of our overall engagement plan we've produced publicity materials including a leaflet, web-page and a short film.

"I am particularly interested in how hydrogen can be used and linked to that of how other trials are going."

**John Mason,**  
MSP Glasgow Shettleston

### P Support for NGN H21 strategic modelling

We are collaborating with the other gas networks to consider potential future conversion of natural gas networks in major urban centres to hydrogen.

We provided the project with information on reinforcement requirements, costs and detailed plans to facilitate future conversion of our network in Edinburgh and Bournemouth. **As a result, we have produced detailed conversion plans for Edinburgh and Bournemouth to be included in the final report in June 2018.**

### E Biomethane update

Our stakeholders continue to support our commitment to supplying the equivalent of **250,000** homes with biomethane by 2020. We have **33** biomethane plants, currently supplying the equivalent of **177,754** homes.

## Contributing our expertise

### E Scottish Government support

At the request of the Scottish Government our Investment Strategy Manager, Colin Thomson, has been seconded since October 2017 to its energy team to inform the Scottish Government Energy Strategy on the role of the gas network.

"Colin has brought a wealth of experience and technical knowledge to the Scottish Government. As part of the roll-out of our Local Heat and Energy Efficiency Strategies, Colin also has a significant role in supporting knowledge sharing and engagement between government, local authorities and networks. From the Scottish Government's perspective Colin's secondment will continue to have legacy benefits in terms of our knowledge, capacity and stakeholder connections."

**Andy Hogg, Scottish Government,**  
Energy Industries Division

### E Providing insight

We've used a variety of channels and mechanisms to inform UK, Scottish and local government strategies. We began a programme of engagement with MPs this year to discuss the energy challenges facing the UK and sharing our learning from our innovative projects to open up the gas market in Oban, to build data and understanding of real-time networks and to work towards a hydrogen network demonstration. We continue to build on these innovative initiatives and lead the way on biomethane.

Our CEO presented our insight at the Utility Week energy summit and at the Future of Utilities Conference to a broad range of policymakers and other stakeholders.

We also promote awareness of future energy opportunities through regular annual events at the Scottish Parliament, sponsored by Clare Adamson MSP, Convenor of the Cross-Party Accident Prevention and Safety Group. These daytime and evening events were attended by a wide variety of stakeholders including MSPs, Ofgem, public sector organisations such as Scottish Fire and Rescue, third sector including Energy Saving Trust and representatives of large Scottish businesses.



# Forward look



Keeping costs down

## I Fuel poverty data analysis

Taking the advice of our specialist panel on fuel poverty, we are beginning a project to analyse the available datasets that will help us to better target our fuel poverty support to those most in need.



Providing excellent service

## P Save the date

Following customer feedback on workshops organised to explore how we could improve our connections application process, we've developed an online booking calendar - which will be deployed in April 2018 in Solent and Dunfermline depots. Customers told us an online planner helped them organise the connection with other works they were undertaking.



Keeping the gas flowing safely

## I Our robotics journey

We're developing a new Robotic Roadworks and Excavation System (RRES) which has been awarded **£6.3m** in Network Innovation Competition funding, building on our past robotics successes. We describe this as being the equivalent of autonomous cars, with significant environmental and financial benefits to gas consumers by reducing the time needed for street works.



Future energy solutions

## P Hydrogen 100

We will progress our engagement and feasibility study to demonstrate hydrogen can be distributed safely through a piped network to people's homes.

## E Achieving our Biomethane target

We will continue our progress towards our target of supplying the equivalent of **250,000** homes with biomethane by 2020.



Supporting communities

## P Warm Hubs with SSE Networks (SSEN)

We're partnering SSEN within our southern network on community activities within Hampshire to deliver two pilot Warm Hub projects. The project brings together local organisations and groups to set up community facilities where they don't already exist. At the new Warm Hubs, residents will meet on a weekly basis, have something warm to eat and be given advice on home energy, keeping warm, gas and electric safety, referral to PSR, locking cooker valve and CO awareness.

We've used SSEN's unique mapping system on customer demographics to target the best areas to trial the hubs. Initially we met with **45** key local stakeholders from **33** organisations to agree next steps. As a result, we plan to extend the Warm Hub trial from **two** to **six** hubs across Hampshire in April and May 2018.



# Contact us

If you'd like to be part of the conversation to ensure your views count or if you have any questions on our stakeholder engagement activities please get in touch.



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A photograph of two male workers in a ship's engine room. They are both wearing white hard hats, safety glasses, and high-visibility yellow-green long-sleeved shirts with reflective silver stripes. The worker on the left is standing and adjusting a surveying instrument mounted on a tripod. The worker on the right is kneeling, holding a pink flexible hose that is connected to the instrument. The instrument is positioned over a circular opening in the floor, which is covered with a metal grate. The background shows various pipes, electrical conduits, and equipment typical of a ship's interior.

“Our standards of service, safety and operational excellence will continue to improve as we challenge ourselves to keep pace with stakeholder expectations and innovative technologies.”



