

## STAKEHOLDER ENGAGEMENT INCENTIVE SCHEME



Making a positive difference  
for energy consumers

### STAKEHOLDER ENGAGEMENT – PART 1 SUBMISSION ENTRY FORM

#### COMPANY DETAILS: (please complete)

Company: Northern Gas Networks Ltd  
Licensee(s): Northern Gas Networks Ltd  
Address: 1100 Century Way  
Thorpe Park Business Park  
Colton  
Postcode: LS15 8TU

#### CONTACT DETAILS: (please complete)

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#### THE RULES:

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

MINIMUM REQUIREMENTS		
Please provide supporting evidence and high level overview of how your company has met the minimum requirements set out below:	Evidence submitted within application (i.e., evaluation, assurance report, survey, etc.)	Overview of your arguments demonstrating compliance with requirement. Clearly signpost as to additional relevant evidence/information within submission
<p>The network company has a comprehensive and up to date stakeholder engagement strategy, which sets out:</p> <ul style="list-style-type: none"> <li>- how the network company keeps stakeholders informed about relevant issues, business activities, decision-making and other developments;</li> <li>- how the network company enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision making.</li> </ul>	<p>Putting people at the heart of everything we do and An independent view p.1  <i>"[T]he CEO and his senior management team never shy away from discussing and dealing with difficult issues."</i>  <b>Eddie Proffitt, Major Energy Users' Council</b></p> <p>Our stakeholder vision and strategy,  Decision making: from feedback to outcomes and Our integrated strategies pp.2-3  <i>"Stakeholder engagement continues to be integrated into strategy, policies and procedures across the business. This year, the company has sought to clearly articulate the links, interactions and synergies between the stakeholder strategy and other core engagement strategies. Stakeholder engagement is recognised as critical to maintaining the company's position as a 'frontier business' in all these areas."</i>  <b>AA1000 SES Evaluation of Stakeholder Engagement, March 2018</b></p> <p>Our engagement and feedback pp.4-6 - we've matured relationships, scaled up, rolled out and introduced new opportunities for stakeholders to have timely input</p> <p>On the doorstep p.6  Our Culture and Capability p.7</p> <p>Accreditation and independent evaluation p.10  <i>"This year has seen consolidation and maturing of NGN's commitment to stakeholder engagement within its governance and decision-making processes. Stakeholder engagement and stakeholder experience have been confirmed as critical factors in the strategic direction of the business."</i>  <b>AA1000 SES Evaluation of Stakeholder Engagement, March 2018</b></p>	<p><b>Strategic approach</b>  Our stakeholder engagement is not an isolated activity, it informs and is delivered as an integral element of a set of interrelated strategies, flowing from our Business Strategy.</p> <p>The stakeholder strategy is reviewed annually to reflect feedback from stakeholders throughout the year including external audits. Our framework shows how we engage and act on feedback, adhering to the AA1000SES best practice principles. It takes account of stakeholders' knowledge of the gas industry. It includes a range of ways to keep stakeholders informed and ensures timely input including stakeholder panel meetings and conference, targeting hard to reach groups such as night workers, tailored engagement e.g. workshops in-home interviews and broadening our reach by improving surveys, using online research and focus groups.</p> <p><b>From the doorstep to the boardroom</b>  Our decision making model supports our culture of empowering colleagues to do the right thing for stakeholders and customers. From the doorstep to the boardroom, our colleagues are given the tools and training to effectively engage stakeholders and respond to feedback</p> <p>Stakeholder engagement is a key part of the CEO and senior management team's roles. Mark attends every stakeholder panel meeting to provide updates and listen to views. Being open about the challenges customers and the industry face has created more opportunities for collaboration such as our dedicated energy futures stakeholder group.</p> <p>'On the doorstep' section shows how we work with stakeholders and respond to their needs. For example, how our Community Care Officers look after local stakeholders before during and after our replacement and gas holder works.</p> <p>At the same time, our governance and reporting enables us to consistently respond to, measure and improve our stakeholder engagement.</p>

<p>A broad and inclusive range of stakeholders have been engaged.</p>	<p>Putting people at the heart of everything we do and Engagement highlights p.1</p> <p>This year we have engaged more than <b>64,600</b> stakeholders, covering an <b>even broader range</b> of stakeholder groups. Feedback scores from a range of stakeholder groups and tailored activity (stakeholder panel, domestic customers, Utility Infrastructure Providers), leading to <b>79%</b> of stakeholders being <b>satisfied</b> with their relationship with NGN.</p> <p>Our stakeholder vision and strategy p.2</p> <p>Our interrelated strategies pp.3</p> <p><b>500</b> colleagues and stakeholders informed our environment strategy.</p> <p>Our engagement and feedback pp.4-6</p> <p>Priorities research scaled up, stakeholder panel has evolved, Test IT research rolled out, engaging new hard to reach groups and new mechanisms such as our stakeholder and customer conference and gas detection dog, Midge.</p> <p><i>"Northern Gas Networks is really proactive in their relationship with their customers and relevant stakeholders. They obviously want to understand what their customers need and expect and if they're on the right track, so they're keeping their ear to the ground by really involving customers in an event like this. I think it's brilliant."</i></p> <p><b>Natasha Barley, Hull Children's University</b></p> <p>Our culture and capability p.7</p> <p>Key outcomes pp.8-9</p> <p>Our interrelated strategies pp.3 and p.17</p> <p>"Community Promises is a great way of allowing NGN to fulfil its social objectives, while supporting grassroots initiatives. It's about tapping into the expertise and links that already exist in communities." <b>Pip Goff, Leeds Community Foundation</b></p> <p>Accreditation and independent evaluation P10</p> <p><i>"Stakeholder engagement and stakeholder experience have been confirmed as critical factors in the strategic direction of the business."</i> <b>AA1000 SES Evaluation of Stakeholder Engagement, March 2018</b></p> <p>Customers gave us an Industry leading score of <b>90.4 for service and rated us 9.1/10 for trust</b> in the Institute of Customer Service survey.</p>	<p><b>Engaging a broad range of stakeholders</b></p> <p>Our key outcomes summarises the <b>13 high-level stakeholder groups engaged</b>, which have been expanded this year to include more hard to reach groups, trade unions, and the international reach of our energy futures engagement.</p> <p><b>By engaging 45,800 stakeholders from the doorstep to the boardroom and surveying more than 18,600 current and future customers, we've delivered 161 outputs leading to real benefits for stakeholders.</b></p> <p>Stakeholder mapping is reviewed yearly with specific stakeholder risks, opportunities and engagement mapped through dedicated strategies. Engagement at operational, tactical and strategic levels means emerging themes and groups are identified and incorporated into our plans.</p> <p><b>Ensuring inclusivity</b></p> <p>We tailor our approach (see next question) and communications to reflect the needs of our diverse range of stakeholders.</p> <p>Our customer strategy places an emphasis on gaining a more sophisticated understanding of our different types of customers and their priorities in a tailored way. Over the past four years we have made a determined effort to engage emerging stakeholders and those whose voices we rarely hear including commuters and those off the gas grid. <b>This year we have engaged even more hard to reach groups, deepening our understanding of night workers, stay at home parents, Utility Infrastructure Providers and future customers.</b></p> <p>We have provided <b>enhanced customer and vulnerability training to 550 frontline colleagues</b> and have engaged our construction services partners to capture the needs of customers in vulnerable circumstances in advance of our works starting so we can tailor our engagement and services appropriately. Partnering with Leeds Community Foundation, a trusted intermediary, we engage community groups through our Community Promises fund. In turn, the Community Promises fund allows engagement with hard to reach customers through supporting community projects.</p> <p><b>Best practice</b></p> <p>Our approach has been assured against the AA1000SES best practice principles, confirming a broad and inclusive range of stakeholders have been engaged. Evidence includes:</p> <p><i>"The Stakeholder Panel has also changed in style, with the aim of being more engaging and bringing more people into the meetings and enabling those who are not at meetings to contribute to important discussions and consultations."</i></p> <p>Through Considerate Constructors and Institute of Customer Service schemes, we actively measure ourselves against the best of UK businesses, not just our own sector.</p>
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<p>The network company has used a variety of appropriate mechanisms to inform and engage their stakeholders – these have been tailored to meet the needs of various stakeholder groups, and are fit for purpose in allowing a detailed analysis of a breadth of stakeholder perspectives</p>	<p>Our stakeholder vision and strategy and Our integrated strategies pp. 2-3</p> <p>Our engagement &amp; feedback p.4-6 <i>Survey results</i> <b>81% of stakeholders are satisfied with relevance of communication</b> <b>83% of stakeholders are satisfied with frequency of communication</b> Online map users <b>satisfaction = 8.04/10</b></p> <p><b>Tailored approach in practice</b> Priorities research with 815 stakeholders gathered through focus groups, telephone calls and online. This feedback helped to shape the content for our Stakeholder and Customer Conference, which in turn informed the topics for further discussion at Stakeholder Panel meetings.</p> <p>Engaging future customers p.5 <i>"This is another example of good practice in the right forum for engagement with a specific group."</i> <b>AA1000 SES Evaluation of Stakeholder Engagement, March 2018</b></p> <p>Our culture and capability p.7 <b>500 colleagues have received enhanced customer and vulnerability training</b> to tailor engagement to customers' needs</p> <p>Our integrated strategies – Stakeholder strategy p.3 and Providing a safe, reliable and affordable service p 11-13 Our integrated strategies – Customer strategy, Social Strategy and Community Promises and Providing outstanding customer experience pp.14-18</p> <p>Introduction of microsites and postcode targeted Facebook ads in response to research with commuters (2014/15), night workers and stay at home parents (2017/18).</p> <p>Our integrated strategies – Energy futures strategy p.3 and Creating lasting energy solutions</p>	<p><b>Tailoring our approach</b> Our stakeholder strategy recognises stakeholders' varying knowledge of the gas industry and colleagues are trained to adapt their approach to meet the needs of their stakeholders.</p> <p>This year we have rolled-out, scaled-up and created new engagement opportunities, offering a variety of methods:</p> <ul style="list-style-type: none"> <li>- Stakeholder and customer conference brought together attendees from our stakeholder panel, domestic customers (transport provided by us), third-sector partners and Ofgem.</li> <li>- Tailored the location, timings and duration of events to meet the needs of hard to reach groups such as stay at home parents, Utility Infrastructure Providers and night workers.</li> <li>- Engaged future customers jointly with other utilities to avoid stakeholder fatigue and tailored our approach, using an app and discussing priorities in the context of their lifestyle goals.</li> <li>- Supplemented face-to-face engagement with live electronic voting, video interviews and e-workshops, to sustain the conversation and involve those who weren't present.</li> </ul> <p>We use a range of mechanisms to engage colleagues and contractors, ensuring the engagement activity itself doesn't impact and the outputs add value for wider stakeholders e.g.</p> <ul style="list-style-type: none"> <li>- colleagues post questions online for our CEO's briefing calls and the calls are recorded for those unable to dial in.</li> <li>- Yammer and interactive polls are available anywhere that colleagues have an internet connection.</li> <li>- senior managers provide monthly business updates in depots and offices at the times most colleagues will be there</li> <li>- 'Bounce events' bring colleagues from across the business together to deliver improvements in response to stakeholder feedback e.g. improved customer letters and leaflets</li> <li>- Innovation depot days helped to embed 10 innovations across our worksites to benefit customers and stakeholders</li> <li>- Our initial H21 bid and ongoing stakeholder engagement have put 100% hydrogen conversion on the national agenda and paved the way for multiple partnership projects.</li> </ul> <p><b>Best practice</b> Our approach has been assured against the AA1000SES best practice principles, confirming we have used a variety of appropriate mechanisms to inform and engage their stakeholders. Evidence includes: <i>"NGN has redesigned its website...making information easier to read and more accessible and focusing on the things stakeholders want to know, based on research and feedback. The Stakeholder Report continues to demonstrate good practice in producing clear, readable information in plain English, highlighting key figures and how they compare to targets, regulatory requirements or previous performance."</i></p>
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<p>The network company can demonstrate it is acting on input / feedback from stakeholders.</p>	<p>Our stakeholder vision and strategy p.2 includes our decision making framework</p> <p>Our Culture and Capability p.7</p> <p><i>"The new Totex model, with a Business Operations Lead (BOL) as the single person responsible for all business activities in an area, provides a structure in which operational engagement can be better coordinated, and resources allocated across business activities in response to local stakeholder and customer priorities. There is clear evidence that this allows the BOL to innovate in collaboration with key stakeholders."</i> <b>AA1000 SES Evaluation of Stakeholder Engagement, March 2018</b></p> <p>Our engagement &amp; feedback p.4-6</p> <p>Our integrated strategies –Stakeholder strategy, p.3 and Providing a safer, reliable and affordable service pp.11-13</p> <p>"The work undertaken by Northern Gas Networks shows the benefits of having a good and close working relationship between a Utility and a Highway Authority, that not only benefits both parties but all of our stakeholders."</p> <p><b>Gary Maxwell, Streetworks, Cumbria County Council</b></p> <p>Our integrated strategies – customer strategy p.3 and Providing outstanding customer experience pp.14 -18</p> <p><i>"We need the support of gas distributors such as NGN to make sure the smart meter installation process goes as smoothly as possible. The aim is to get the job done first time, so the customer isn't inconvenienced."</i></p> <p><b>Dave Wright, Association of Meter Operators</b></p> <p>Key outcomes table pp. 8-9 and all of part 2</p> <p>Engage, measure, improve – P10</p> <p><b>Satisfaction survey results, Feb 2017</b></p> <p>81% of stakeholders are satisfied with their relationship with NGN.</p> <p>Accreditation and independent evaluation p10</p> <p>"NGN is able to demonstrate good practice in engagement in a number of areas. The company has a strong culture of collaboration and listening to and responding to key stakeholders, in particular customers but including other stakeholder groups."</p> <p><b>SGS AA1000SES Audit Management Report, March 2017</b></p> <p>Part 2 provides a number of case studies highlighting how we have acted on input/feedback from stakeholders</p>	<p>Building on our established partnerships and lessons learnt from previous years, <b>in 2017/18 we invested almost £1M to deliver more than 160 substantial outputs.</b></p> <p>Our tailored engagement activity has led to positive outcomes for stakeholders and has allowed us to deliver more for less, in support of our commitment to deliver best value for money.</p> <p>Our decision making framework includes real examples of how stakeholder feedback has driven outcomes from the front-line to the board during the last year:</p> <ul style="list-style-type: none"> <li>- Changes to strategic direction (doubling the amount we pay payments if we fall short of a Guaranteed Standard of Service)</li> <li>- Changes to policies and procedures (using a water-based alternative when painting gas pipes)</li> <li>- Rolling out of new approaches (Considerate Constructors Scheme)</li> <li>- Changes to day-to-day operations (the new Totex model)</li> </ul> <p>We routinely co-deliver projects and share resources with partners, allowing us to achieve more for our customers. Our engagement and feedback section, Key outcomes and initiatives showcased in Part 2 demonstrate how our <b>engagement has led to real action.</b></p> <p><b>By partnering with more than 50 organisations we have supported over 36,250 customers.</b> Examples of scalable, replicable and sustainable initiatives include:</p> <ul style="list-style-type: none"> <li>- Our 'Pothole partnership' with Cumbria County Council has saved the local community inconvenience and £3,000 in costs.</li> <li>- Midge, our gas detection dog put customers in Leeds at ease and helped our engineers to find the root cause of the gas leak in record time, avoiding £36,000 of costs.</li> <li>- Our dedicated energy futures stakeholder group, theft of gas workshop and smart metering team were formed in response to emerging themes from industry and customer feedback. Bringing colleagues and stakeholders together in this way is helping to improve the end-to-end customer journey.</li> <li>- Introduction of microsites and postcode targeted Facebook ads in response to research with commuters (2014/15), night workers and stay at home parents (2017/18). Utilising local resources and communication channels during an incident in Silsden as suggested by stakeholders during a prior incident focus group.</li> <li>- Through our Community Promises Fund we have delivered tangible benefits for 3,940 hard to reach customers and identified new partners and approaches to develop for the longer term. By empowering communities to do more, the cost of engagement has been reduced by 72% since 2015/16.</li> <li>- Our award-winning Warm Hubs are continue to evolve in response to the needs of the specific communities they support.</li> </ul>
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