

Our strategies for stakeholder engagement and consumer vulnerability

2018/19 Stakeholder Engagement and Consumer Vulnerability Incentive



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Chief Executive's introduction

UK Power Networks has a clear public purpose, which is to deliver electricity to London, the east and south east of England. We have a clear objective to be regarded as the UK's best performing network operator, supported by our vision to be an employer of choice, a respected corporate citizen and to be sustainably cost efficient. Since the formation of UK Power Networks in 2010, we have been seeking and acting on the views of our stakeholders. In 2018/19 we continued to engage, adding new commitments relating to our role in enabling the energy transition, as well as our social and environmental role in society – ensuring our vision reflects the needs of our customers.



As our sector continues to undergo rapid change, the way in which we interact with energy and live our lives will be redefined. Stakeholder engagement is the critical guide to how we adapt our business and the services we provide to customers, including those for the most vulnerable in our communities. That is why engagement is a vital part of everyone's job at UK Power Networks, including mine. It is ingrained in our culture to always listen and explore ways to do better for our customers.

Throughout this report you will see many personal stories of our staff leading by example and delivering real changes for the benefit of our customers and the communities we serve. Our submission this year is structured to reflect these engagements and we have distilled them into four strategic focus areas informed by the views of our stakeholders:

1. How we are **meeting our customers' evolving needs** by improving existing services and shaping new ones;

- 2. Being clear on our role in **caring about the environment** by reducing the environmental impact of our operations and enabling our country's low carbon transition;
- 3. Demonstrating how we **go above and beyond for our communities**, such as our industry-leading public safety campaign that reached over 470,000 people this year alone; and
- 4. Highlighting how we support our **customers in vulnerable circumstances** and ensure they are not left behind during the complex energy transition. Our progress and outcomes around vulnerability are covered in Part 3 of this submission.

Part 1 of our submission explains our overall stakeholder and consumer vulnerability engagement strategies, including how over 20 tailored engagement mechanisms have helped deliver 270 outcomes this year. Our actions are not a reaction to whoever shouts loudest, but are based on a comprehensive and rigorous approach whereby we prioritise improvement based on the value assigned by our customers and the cost to deliver.

We include testimony from our front line staff, highlighting how engagement has helped us to learn and to deliver service improvements to our customers. We also show how we have sought external, independent assessment of our strategies to ensure we continue to improve.

We have provided examples of collaboration and sharing to deliver better services, ranging from working with Transport for London to help electrify their bus routes, to engaging with 30,000 schoolchildren on the importance of safety around electricity.

I hope when you read through our response, you will agree that stakeholder engagement is ingrained in everything we do at UK Power Networks, enriching our thinking and enabling us to provide an improving service for every one of the 8.3 million homes and businesses that we serve.

Basil Scarsella
Chief Executive Officer

Stakeholders shape our strategic direction

Our vision and values guide our business

Our vision is clear to everyone at UK Power Networks. It is informed by the world we live in, reflecting the priorities of all our stakeholders and drives the basis for how we do business. It acts as a consistent beacon and guides the direction and decisions we take.

Our three pillars are consistent by design, although the detail that underpins them is dynamic, with our employees and stakeholders having the opportunity to scrutinise, comment and suggest changes to ensure it reflects who we are and the company we aspire to be. Through this process, we added 'to be the leading UK Distribution System Operator' to reflect the changes that we are making to our business in support of the energy transition.

Stakeholders recognised the great lengths we go to in order to care for the environment. However, through our CEO panel, they challenged us to go further. In response we took two significant actions:

- 1. We added it prominently to our vision: *to be the most socially and environmentally responsible DNO*; and
- 2. We launched our Green Action Plan, prescribing ambitious environmental targets for us to realise our vision.

Our vision: To be consistently the best-performing Distribution Network Operator

An employer of choice

- > The safest – with an exemplary safety record
- > A place where people love to come to work
- > A diverse workforce
- > An appropriately skilled workforce for both today and the long term

A respected corporate citizen

- > The most reliable networks
- > The most satisfied customers
- > The most innovative
- > Deliver on our commitments
- > The most socially and environmentally responsible
- > The leading UK Distribution System Operator

Sustainably cost-efficient

- > The lowest-cost electricity distributor
- > Deliver profitable growth in our unregulated business

Performance focused within a set of values:

Integrity – Respect – Continuous Improvement – Responsibility – Unity – Diversity and Inclusiveness

We believe this plan offers best-in-class environmental credentials, going above and beyond not only our ED1 business plan commitments, but also those of our peers. This plan could only be created through direct customer engagement. It was initially presented in draft to our Critical Friends Panels (CFPs) to invite challenge and to help shape it.

They added new ideas and informed stringent targets on air quality and biodiversity, helping to make it a better strategy.

Furthermore, the plan includes commitments to achieving recognition from stretching external accreditations, such as through the Carbon Trust. We also adopted the UN Global Sustainable Development Goals to demonstrate and reaffirm our commitment to enabling social progress and clean growth whilst caring about the environment.

Our performance against our stakeholders' priorities

Extensive stakeholder engagement has informed our strategic focus areas:



We have demonstrated strong performance in these areas throughout 2018/19 and will continue striving to improve.

Meeting our customers' evolving needs

The energy sector is undergoing unprecedented change, and as part of that, customers' requirements are inevitably changing too. To ensure we are always at the forefront and keeping pace with their evolving needs we look across the horizon to anticipate the next developments and we innovate to offer new services and deliver the best service we can.

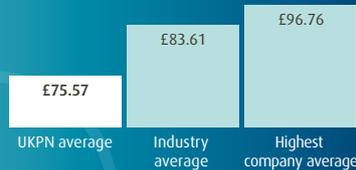


88%

Overall customer satisfaction

Supporting our customers by being the lowest cost DNO

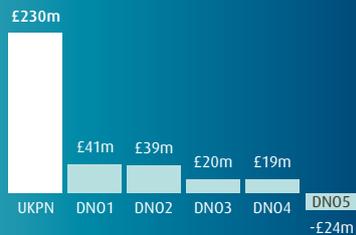
Average domestic distribution costs per year



Lowest complaint rate

84 complaints per 100,000 customers

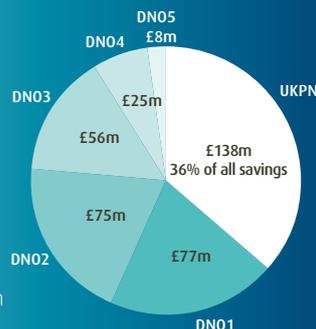
Cumulative customer savings delivered over the first three years of RIIO-ED1



Only DNO

to appear in The Institute of Customer Service's UK Customer Satisfaction Index

Customer savings due to Innovation over the first three years of RIIO-ED1



Ranked No. 9

in The Sunday Times 25 Best Big Companies to Work For and we remain the only DNO to feature in this list

Caring about the environment

As the UK moves towards its greenhouse gas emission reduction targets and with environmental standards rising, this year stakeholders on the CEO panel and our Critical Friends panels challenged us to go further in our commitment to protect the environment.



14,656

This year we generated 14,656 fewer tonnes of carbon than we did four years ago



18.5 million

passenger journeys are made a year from electric bus garages we connected

Going above and beyond for our communities

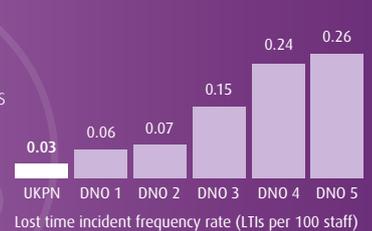
Stakeholders want a safe, reliable and responsible service. We deliver this by striving to go beyond what is dictated by regulation, ultimately aiming to be recognised as a force for good for the diverse communities we serve.

Public Safety

50%

reduction in overall injuries across all targeted high risk groups targeted through our Be Bright, Stay Safe campaign

Employee Safety Incidents



1st DNO

to be assessed by the Cabinet Office for organisational resilience

48%

reduction in number of power cuts since 2010/11

53%

reduction in power cut duration since 2010/11

99.99% reliable network

Our customers have a fundamental expectation of a reliable electricity supply



Providing extra support to those who need it, ensuring they are not left behind through the complex energy transition.



94%

Priority Services Register (PSR) customer satisfaction



£23.8m

Saving our PSR customers overall

Our stakeholder engagement strategy

Our extensive stakeholder engagement programme has continued to mature since the formation of UK Power Networks in 2010. This year we have delivered 270 outcomes, each aligned with our vision and strategic objectives.

Why we engage

Our stakeholder engagement strategy is to deliver better outcomes for our stakeholders. Specifically we engage to:

1

Create new services or improve existing services for customers.

2

Use customer feedback to challenge and shape our projects, strategies and company vision.

3

Understand how we can adapt and apply innovative practices from other businesses.

Guiding principles of our stakeholder engagement strategy

As a respected corporate citizen we want to know what is important to our stakeholders.

We welcome all feedback – good and bad – and assess the trends and issues identified throughout the year to ensure we can meet our commitment to continuously improve our services for customers. Our engagement principles are simple and, ultimately, responding and acting on the feedback we receive is key.

An example of how we tailor events to our stakeholders is that we held a number of personal consultations with customers who were struggling to pay their energy bills this year. Some were happy to talk to us about their energy bill at the event, some wanted a one-to-one consultation and others preferred to take away an information pack they could read at home. This tailored approach ensures we cater for the diverse and individual needs of our customers, helping to maximise everyone's investment. In this case, our efforts saved fuel poor customers £1.1m this year alone.

Our guiding principles to stakeholder engagement



How we have engaged with our stakeholders this year

We have over 20 engagement mechanisms that enable stakeholders from different groups to feed back and challenge our vision, objectives, business plans, projects and procedures, in a way that suits their level of knowledge and interest. We have a specific set of engagement mechanisms to engage with stakeholders, partners and customers on consumer vulnerability issues. You can read about them on page 6.

Stakeholder knowledge of UK Power Networks	Engagement mechanism	Example stakeholders	Interactions in 2018/19	Reach	Example outcomes
High	CEO Panel on business planning	Senior executives and advisors with knowledge of the energy industry	3	15	Developed new DSO KPIs and overhauled our recruitment processes to attract a more diverse pool of candidates
	Critical Friends Panels	Charities, businesses, community energy and consumer bodies	9	30+	Added stringent targets on air quality and biodiversity to our new Green Action Plan.
Moderate	Specialist surgeries and forums	Developers, local authorities, businesses	100+	2000+	Over 200 customers benefited from our new Electric Vehicle (EV) master classes
	Webinars	DER owners and aggregators and vulnerability partners	18	170+	New flexibility customers are able to understand and use Piclo platform
Low	Roadshows	Domestic customers and local stakeholders	3	90+	Smart meter data privacy plan developed and submitted
	Local Government Forums	Local councillors and council officers	3	60	More informed local planning decisions as a result of increased understanding of our Local Development Plans
	Newsletters	MPs, councillors and officers, community energy groups	6	12,300	Elected representatives and local stakeholders understand our business better
	Digital customer panel	Domestic customers	5	30+	Improved disconnections information on website
	Community outreach events	Schools and stakeholders in agriculture, construction and trades	35	44,900+	30,000 school children and 13,500 agricultural workers reached with safety messages
	Real-time customer feedback surveys	All customers	100,000+	100,000	157 improvements for customers resulting in 88% overall customer satisfaction
	Social media and website	All customers	100,400+	3m+	Over 30 website improvements with 91% satisfaction score during a power cut
Market research	Subject specific	15	10,000	Service improvements resulting in 88% customer satisfaction	

Over 200,500 interactions with stakeholders.

Engaged face-to-face with over 54,000 stakeholders.

Stakeholder engagement strategy

Our stakeholder engagement strategy is mature and is signed off by our Executive Management Team each year. We follow this well-rehearsed process to set our engagement for the year:

5. Measurement and reporting:

We are a performance-driven company and will always set Key Performance Indicators (KPIs) to measure performance. For example: we introduced technology to survey customers who required our assistance when having a smart meter installed; we set a target for customers to rate our service at 90%, and we are really proud to have exceeded this target, achieving 93%.

Our tools and processes:

- ✓ Management dashboard reports
- ✓ Stakeholder newsletters
- ✓ Stakeholder communication channels including our engagement mechanisms available to close the feedback loop

4. Deliver improvements:

Once assessed and prioritised, we set to work to deliver improvements. Our engagement this year has led to improvements delivering 270 outcomes ranging from improving our website to introducing a new energy marketplace, similar to eBay, that allows customers to sell their own generated electricity to help manage the system at lower costs.

Our tools and processes:

- ✓ Detailed project planning including milestones and KPIs
- ✓ Monthly strategic stakeholder engagement governance meetings to discuss progress
- ✓ Over 20 engagement mechanisms available to us to engage with a small group of stakeholders to co-create and ask for feedback during project delivery
- ✓ Project plans



3. Assess feedback and prioritise:

We carry out a cycle of activity to prioritise what improvements we should make. We do this by listening to a wide range of qualitative and quantitative feedback from our stakeholders. Each year we also evaluate the perceived net value to customers. A combination of these approaches provides assurance that we are prioritising the right things for our stakeholders.

Our tools and processes:

- ✓ Assessment against our vision and business priorities
- ✓ Annual willingness-to-pay research with over 350 UK Power Networks bill payers
- ✓ Process to submit high level business cases including cost benefit analysis
- ✓ Materiality matrix showing what's important to stakeholders

1. Identify and understand stakeholders:

Our stakeholders are diverse and wide ranging. In an energy world of rapid transformation, ensuring we know who our stakeholders are is as important as the engagement we undertake. During our annual stakeholder mapping exercise we segmented our stakeholder groups further. For example, we were made aware of new groups in temporary situations of vulnerability, specifically people using Baby Banks, with our partners in London informing us of a 90% rise in demand for Baby Banks over the last year. We targeted these groups, providing energy efficiency advice.

Our tools and processes:

- ✓ Annual stakeholder mapping and auditing exercise
- ✓ Annual review of stakeholder database holding 10,000 stakeholder records
- ✓ Tracking the stakeholders we have engaged with
- ✓ Processes and forums in place for employees to raise new ideas they have from listening to feedback
- ✓ Internal quarterly report on market developments

2. Tailored engagement and listening:

This year we have engaged and listened to over 54,000 stakeholders in a variety of ways ranging from online surveys with energy bill payers, focused panel sessions or large events with members. The table on page 3 highlights some of the ways we have engaged this year.

Our tools and processes:

- ✓ 20 engagement mechanisms available to us to engage with stakeholders
- ✓ Stakeholder engagement matrix and ladder to map the appropriate engagement mechanisms to plan engagement
- ✓ Central action log tracker and reporting process to track stakeholder actions
- ✓ Stakeholder feedback forms and surveys
- ✓ Post-event reports

Evolving our engagement this year

We constantly evolve our stakeholder engagement strategy. This year we have received more feedback from our customers than ever before. We changed our processes to receive over 100,000 customer comments in real-time and our employees act on this feedback. They have delivered over 150 improvements to our power cut processes which has resulted in 88% overall customer satisfaction.

We have also seen our customer panels mature this year. For example our vulnerable customer panel, made up of 545 customers, has co-designed and shaped 20 initiatives this year, ensuring the feedback we received is improving the service we offer our customers. Finally, this year, more than ever, all our employees listened carefully to their customers, reacting and flagging feedback with an ambition to make positive changes. An example of how our engagement process works in practice is through our colleague Ian Cameron, Head of Innovation. Ian listened to feedback from customers over a range of engagement mechanisms that we have in place. He noticed a lot more dialogue about the use of plastics and associated impact on the environment, replicating the wider debate in our society. Ian raised this at an internal leadership conference, highlighting the incompatibility in how as a business we distribute thousands of plastic water bottles to operational teams every year, yet customers were calling for us to care for the environment.

As a result, within weeks, our management teams acted and now provide aluminium or durable, reusable plastic bottles. Already we have issued 100,000 fewer single use plastic water bottles than the previous year, equating to 8.3 tonnes of carbon saving.

Assessing feedback and not always acting

As per our stakeholder engagement strategy we always assess and prioritise stakeholder feedback and this can mean we do not always act on everything our stakeholders have said. For example, stakeholders at our roadshow event asked us to consider promotion of our brand, using TV adverts. We considered this and reflected on feedback from previous stakeholder feedback which reiterated our targeted approach is correct and they do not endorse us spending customers' money on brand advertising. Instead, we work with the industry to promote key information that is beneficial and relevant to customers, such as the 105 emergency power cut number. Additionally, a stakeholder at our Electric Vehicle (EV) forum asked us to publish the costs of connecting EV charging infrastructure. Whilst this may seem simple to achieve, infrastructure costs are subject to location and specific network conditions. We decided we wanted to offer tailored costs and did not want to inadvertently mislead our customers, so instead we worked with our customers to publish a range of indicative costs.

Stopping a project that is not delivering

Sometimes the reasons for not doing something are not clear at the start of a project. It is therefore important to assess the appropriateness of initiatives throughout their development.

Calling a project to a halt after it has started is an appropriate strategy to ensure we use customers' money wisely. For example, in January 2019 we identified through customer insight that customers who are time poor, wanted more proactive contact at the outset of a power cut (within the first few minutes) instead of after we have completed an initial assessment. We worked with our customer panel to develop an enhanced initial message with key information to send when the power cut first occurs and launched a three-week pilot. During the pilot we saw customer satisfaction levels fall by 4%. Analysing the data from the pilot, we could see that customers wanted more certainty with the information we provided and they valued this more than a rushed upfront message. As a result we did not progress this pilot any further. It is an important part of innovation to try new things and if our customers tell us it is not working we react, and modify our approach.

Our consumer vulnerability strategy

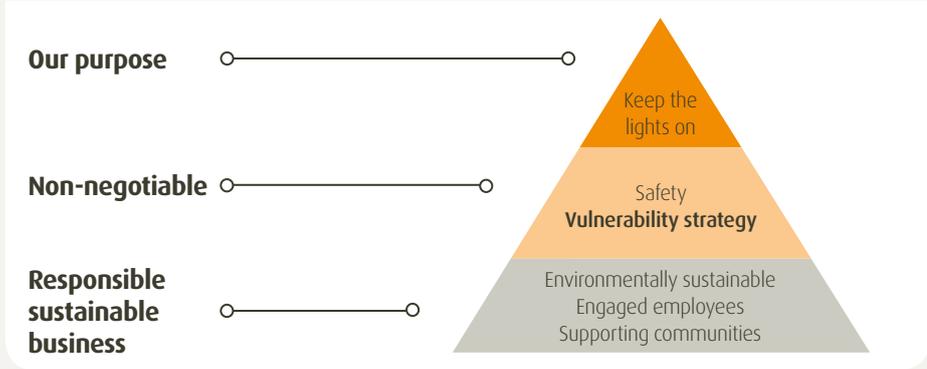
The nature of our business means we have a responsibility to keep the lights on, safely and sustainably, whilst caring for our customers in the most vulnerable circumstances across our communities.

Our social role

A key part of our vision is to be a respected corporate citizen and to achieve this we must fully embrace our social role. We address this on three levels: our purpose, our non-negotiable responsibilities and our wider role in society as a responsible business.

Our stakeholders fully support this as part of our long-standing efforts to support our communities. The CEO and Critical Friends Panels provide continual 'touch-points' for our CEO and senior management to explore and understand first-hand the needs of

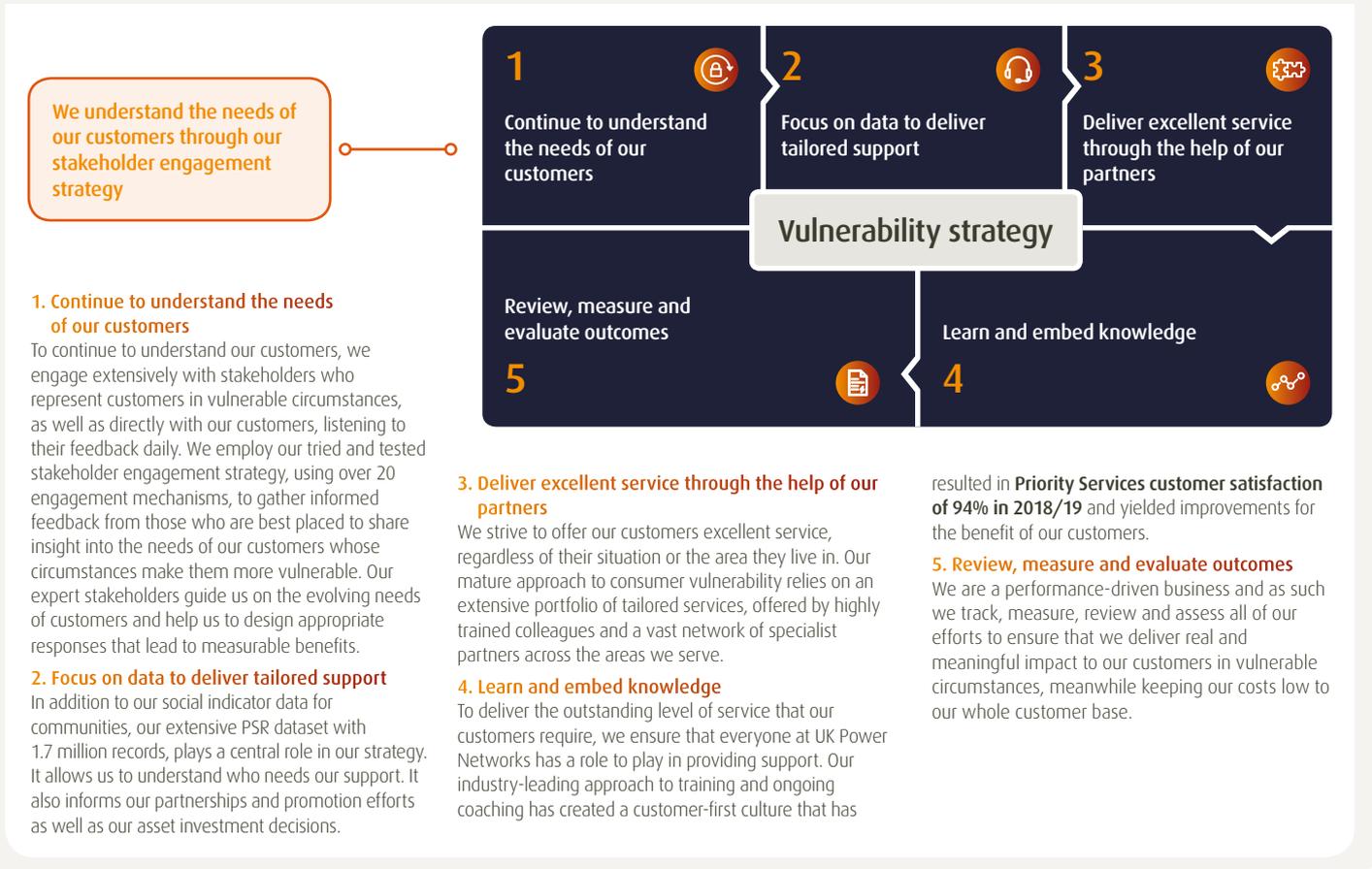
our stakeholders. This ambition to be a respected corporate citizen is deeply ingrained in the fabric of our business and in 2018, following consultation with our stakeholders, we added "to be the most responsible DNO" to our company vision. This reinforces our commitment to go above and beyond for customers in vulnerable circumstances, providing increased visibility and accountability for the support we provide. Last year we measured our performance against Business In The Community's (BITC) Corporate Responsibility Index. This year BITC is changing this assessment to a Responsible Business Tracker. UK Power Networks participated in the trial of this new Tracker and we will continue to measure our performance under this new framework. BITC stated that UK Power Networks is "part of a unique group of leading businesses: one of only 64 pioneering companies", when referencing their trial of the new Responsible Business Tracker.



Our consumer vulnerability strategy

Our consumer vulnerability strategy has been in place since 2014 and is at the core of our social role. Experience tells us that vulnerability is complex, multidimensional and ever-changing, and addressing it requires a sophisticated and mature approach that we have developed over many years. The strategy clearly lays out our approach to deliver tangible support for our customers in vulnerable circumstances, and we have worked tirelessly to develop and expand our level of assistance. Driven by our ambition to be the most socially responsible DNO and, guided by our stakeholders through extensive engagement, we have improved our understanding of vulnerability and refined how we address the needs of those who find themselves in difficult circumstances. In 2018/19, as we do every year, we reviewed and gained support for our consumer vulnerability strategy from our expert partners and Critical Friends. In part 3 of this submission, we show how we follow our embedded consumer vulnerability strategy to support our customers in meaningful ways and demonstrate the value of the outcomes we have delivered over 2018/19.

This year we have streamlined our strategy to make it even clearer on how these elements fit together, from concept to measurement. This is set out below:



How we engage on consumer vulnerability

Our engagement with stakeholders and customers in vulnerable circumstances is provided through a specific subset of our 20 wider stakeholder engagement mechanisms (see page 3). This approach ensures our customers in these circumstances have appropriate, targeted and tailored engagement channels. Examples are provided below:

Stakeholder knowledge	Engagement mechanism	Example stakeholders	Interactions in 2018/19	Reach	Example outcomes
High	CEO Panel on Vulnerability	Senior executives, CEOs and vulnerability experts	2	15	Set 40% PSR target for under-represented areas
	Utilities Forum	Vulnerability leads representing utility companies	3	10+	Data sharing agreements with 60% of utilities in place
	Partners Forum	Organisations supporting vulnerable people	3	80+	Identified Baby Banks resulting in savings of £251,522 for customers
	Specialist Focus Group	Organisations supporting vulnerable people and customers	4	300+	Mental Health Awareness and First Aid training to 100 champions
Low/ Moderate	Customer Vulnerability Panel	Domestic customers, including those in vulnerable circumstances	60+	540+	20 co-designed services
	Research	Hard-to-reach domestic customers	2	390+	Two new languages added to our literature and communications channels e.g. Nepali and Somali

Held over 75 events with stakeholders on consumer vulnerability.

Engaged face-to-face with over 1,200 stakeholders on consumer vulnerability.

Our strategies are externally assessed

We have sought an independent review of our efforts and are proud to have achieved both AccountAbility's stakeholder engagement standard (for the fifth year running) and the BS18477 standard for inclusive provision (for the fourth year running).

"Stakeholder engagement is embedded across many UKPN business units. This is evidenced through building stakeholder engagement into the business planning cycle, including in the RII0-T2, Customer Vulnerability, and Future Smart strategy development processes. The Stakeholder Engagement team systematically filters information heard at ground-level engagements, to distil comments and actions information upwards to senior management. UKPN has procedures in place to determine the relevance and significance of issues for stakeholders and develops appropriate responses to stakeholder concerns, utilising resources to respond in a way that addresses the needs of stakeholders. UKPN communicates outputs, actions and progress to stakeholders through a variety of communication channels."

"The organisation's consumer vulnerability strategy considers the constantly evolving nature of consumer vulnerability and addresses issues specific to both the energy sector and the services that the company provides. In 2018/19 UKPN worked to identify and reach a more diverse range of vulnerable stakeholders, utilising partnerships to guide and inform this process. UKPN has maintained its partnership strategy, with a wide range of partners utilised to guide and inform strategic decision-making and provide solutions for relevant services to vulnerable groups."



"We're delighted that UK Power Networks has achieved verification certification to BS18477 for the fourth year running. This will help provide its customers with the confidence that it is providing fair, flexible service to all, regardless of their health, age or personal circumstances. By achieving verification certification to this standard, the team has demonstrated that it has the relevant policies and procedures, training plans and fair and accessible practices embedded within its organisation."

Heather Nowak, Scheme Manager at BSI

Our certificate can be found here:
<https://verifiedirectory.bsigroup.com>



This is the gold standard for inclusive service provision. The assurance mark ensures we make excellence a habit by focusing on continual improvement, best practice and delivering value to customers.

Delivering value for money for our customers

Every year we use customer valuation research alongside deliberative research, horizon scanning and stakeholder feedback from our wide ranging engagement activity to prioritise and inform our plans and investments.

We used 2017/18 customer valuation figures from our joint research with Western Power Distribution to inform our plans and resourcing decisions to deliver maximum value to customers. The table below provides examples of initiatives valued most highly by customers; how much we spent to deliver outcomes; and the net benefit generated for customers. You can find the net value generated for some individual initiatives throughout parts 2 and 3.

Note: In 2018/19 a new category of sustainability related outcomes was tested with customers and we have used this to evaluate our environmental initiatives.

Initiatives tested with customers (2018)	Value (per customer)	UK Power Networks initiatives delivered (2018/19)	Cost to deliver (per customer)	Net benefit
18 initiatives tested with customers	£14.61 (per customer)	11 initiatives featured in parts 2 and 3.	£14,198,801 (total) £1.71 (per customer)	£107,064,199 (total) £12.90 (per customer)
Increase the capacity of the existing network in anticipation of electric vehicle uptake	£2.46 (per customer)	Our EV strategy is delivering for customers. See page 4 in part 2.	£1,754,850 (total) £0.21 (per customer)	£18,675,000 (total) £2.25 (per customer)
Outreach support for vulnerable customers who are impacted by fuel poverty	£2.20 (per customer)	Working with partners to deliver support for fuel poor customers. See page 9 in part 3.	£150,000 (total) 2p (per customer)	£18,094,000 (total) £2.18 (per customer)
Educate school children on safety, energy efficiency and energy use and bills	£1.86 (per customer)	Keeping our communities safe – Be Bright Stay Safe campaign. See page 11 in part 2.	£315,000 (total) 4p (per customer)	£15,106,000 (total) £1.82 (per customer)

Stakeholder engagement is embedded in our culture

Always learning to improve performance for our customers

Every objective we set and every action we take is monitored and measured against our vision. Stakeholder engagement created this vision and it is ingrained in everything we do. It is in our annual business plans, it is in every one of our 6,000 employees' performance objectives. We even reflect on our performance against it at the start of every monthly team meeting. From the boardroom to the local depot, stakeholders' input can be found in all our systems and processes, and can be tracked through to every part of our business.

For example, every day, in real time, over 300 employees hear what customers think of the service they received that day. They then act on it. This year we rolled out technology so that our smart meter customers can provide feedback on our service straight after our visit. We are the only DNO to do this, going above and beyond the requirements set by our regulator. We do this simply because it is the right thing to do. The teams can then meet weekly to review customers' feedback and identify trends and where lessons can be learnt. For instance, we found an increase in the number of customers not receiving an appointment confirmation phone call. An investigation found that part of the process had broken down. Our teams were able to address the issue, correct it and ensure that this problem did not re-emerge.

All of this happens in real-time and any individuals who receive poor feedback from customers will be given appropriate training so they can reflect on their service and make necessary changes. We do this because we are determined to track the satisfaction of our customers and continually improve it. This attention to detail and drive to do the right thing for our customers has enabled us to achieve a satisfaction score of 90% for this service.

An example of feedback received from a customer



“Hearing directly from my customers is fantastic. Their feedback is extremely valuable which enables my team to make improvements immediately. Very quickly we start seeing positive comments flood in! It’s brilliant to see!”

Michelle Le-Grys, Team Leader, London



We put ourselves in our customers' shoes

All of our 6,000 employees and contractors are encouraged to picture themselves in a customer's position and are empowered to do what is necessary to put things right. What we call stakeholder engagement is, for many of our employees, simply talking to our customers, listening to what they have to say about our service and, when there is a problem, making sure something is done about it.

Our mature training programme for customer-facing teams, including contract partners, is called 'Through our customers' eyes' and is accredited by the Institute of Customer Service. This programme goes beyond the average one-off training day. We are investing in our people by providing ongoing coaching and so far employees have spent over 6,200 hours developing and learning from those around them on how to deliver 10/10 service. This ensures good service is not just a rigid, tick-box exercise; it enables our staff to deliver a personal, tailored service that can flex to the needs of our customers.

Customers quite rightly want a safe network and our performance in this area in the past was not as good as it should have been. Now, there is zero tolerance and we constantly re-evaluate our processes and procedures to keep our staff and customers safe. We do not wait for the next incident to learn, instead we aim to put in the correct measures to help pre-empt accidents before they occur. As a result, we are now regarded as the safest DNO, reflected in our 87% reduction in lost time incidents since 2010.

Every new employee is briefed on our Vision and Values. Putting ourselves in the shoes of our customers is encouraged at UK Power Networks. New recruits quickly learn that it is all right – in fact it is encouraged – to use their initiative in ways that will help our customers. For example, during a power cut, Laura Tidy, a Customer Coordinator in London, visited the home of a housebound customer with a stair lift. Recognising that the customer was bipolar and was afraid of the dark, Laura decided to stay with her until the power returned and in the meantime contacted the stair lift company to find and activate the back-up battery-pack. Laura's actions are not stipulated in a handbook or a set of guidelines, but her training meant that she was empowered to use her initiative to go above and beyond in meeting a customer's need. At UK Power Networks, we acknowledge and thank our staff every time they go that extra mile for our customers through our 'living our values' recognition scheme. This year, over 4,000 employees received recognition from their managers and their peers.

Focus group to build our understanding of faith communities in London on 26 February 2019



Leading by example

Our culture and processes encourage our senior people to lead by example and our CEO responds personally to every complaint he receives. Furthermore, we have a strategic service review meeting each month which is attended by directors and senior managers to learn from insights gained from complaint data and the real-time customer feedback we receive.

Each of the eight directors undertakes their own stakeholder engagement, holding numerous meetings with stakeholders; from presentations to hundreds of stakeholders, to visiting a customer's home to resolve an issue where a customer's property had been damaged whilst our staff carried out work. They bring what they learn back into the business and channel it to the relevant local teams. Basil Scarsella, our CEO, is the driving force behind our CEO Panel, which is in its third year. The panel brings together CEOs and their equivalents from a range of organisations and charities such as Citizens Advice to get their insight which we use to shape our strategy in a far-reaching way. Our renewed focus on stretching environmental targets, for example, is a result of the outputs from the CEO Panel last year.

Barry Hatton, Director of Asset Management, at a Local Government Forum with councillors from Norwich and the area of Norfolk



Last year we held nine Critical Friends Panels, with a UK Power Networks Director at each one and welcoming stakeholders from a variety of industries, charities, community energy groups and businesses. We also held roadshows and forums for members of the public and specialist groups such as local government and those interested in Electric Vehicles. Senior management is well represented at these events, as are the operational staff and specialists who devise and deliver our services.

Furthermore, over 20 senior managers across the business, ranging from operations to innovation leaders, meet monthly at the Stakeholder Engagement Strategic Committee at which detailed progress is reported and monitored. Decisions are made in these meetings with funding granted for projects that have been endorsed and shaped by our stakeholders, with insight and expertise shared with industry, regulator, government and opinion formers.

Whatever stakeholder engagement is undertaken, all of it is captured and reported monthly in Executive Management meetings as well as quarterly reporting to the company's board. This ensures stakeholder engagement is visible right across the business, with every employee capable of learning, shaping and acting on those interactions.

"Our Stakeholder Engagement Strategic Committee meetings provide us with the opportunity to share what is important to our partners and industry experts. This enables us to explore how this fits with our role so we can plan, shape and test the right services that deliver value for our customers."

Kerry Potter, Vulnerability Manager



Internal and external engagement

Our employees are the eyes and ears of our business, and whilst the leadership work hard to engage with our stakeholders, it is our front-line staff who interact with customers every day. These interactions provide valuable feedback to help us really understand the views of our stakeholders. We know there is a strong link between employee engagement and stakeholder engagement which is why we focus so strongly on being an employer of choice. As well as many face-to-face channels, we provide a range of other ways for our leadership to hear from staff and vice versa. Extensive surveys, internal social media channels and the CEO's and directors' monthly 'Yam Jam' Q&A all provide a healthy, creative flow of ideas throughout the business, always focused on doing better for our customers.

Every fortnight, our CEO and members of the Executive Management Team visit a new location in our region to host a town hall meeting with around 100 of our front-line employees in the local area. We talk about what we as an organisation can do better to support them to deliver for their customers. These meetings are lively and open, and they result in positive change. For example, staff raised problems with their mobile devices that meant customers weren't receiving updates during their power cut quickly enough. With field staff sending over thousands of updates a year to keep customers informed, problems with this capability impact our ability to provide a great service. The same week, our leaders established a focused team to investigate and deliver rapid improvements to the mobile devices. Fixing the problem enabled employees to provide customers with faster and more frequent updates about their power cut and as a result we saw our power cut customer satisfaction scores rise to 90.2% in 2019.

This level of engagement undoubtedly contributes positively to business performance and to UK Power Networks being the only utility company in the top ten of the Sunday Times' Best Big Companies to Work For. This is testament to our engaged, motivated workforce. Achieving the two-star status not only positions us as a more attractive workplace for our current and prospective employees (we have had 53,000 external job applications for just over 3,000 vacancies since 2014) it also helps us achieve our goal of being the best-performing DNO group. Furthermore, we have seen double-digit percentage increases in all core company performance measures since 2014.

Our CEO talking to our front line engineers at Bury St Edmunds



"The meetings with Basil are really great, they aren't formal. They are a great way to get to know the leadership team on a personal level and they really listen and sort issues out, which makes such a difference to our customers at the end of the day"

Ashley Webb, Small Services Surveyor



A diverse workforce serving diverse customers

Stakeholders, through our CEO Panel, reinforced the link between diversity and company performance. A workforce that reflects the community it serves is able to provide a better level of service. To demonstrate our commitment to this, we targeted the National Equality Standard (NES), the top UK standard of best practice on equality, diversity and inclusion, and in 2018 we became the first DNO in the UK to be awarded this.

We made changes to our recruitment process, reworded job descriptions, worked to close our gender pay gap and improved the apprentice opportunities for disadvantaged groups. This award is a reflection of our efforts and demonstrates who we are as a business. With a diverse, inclusive workforce, we are better able to understand and meet the needs of the immensely diverse communities and customers we serve, from time-poor commuters, to those whose voices are seldom heard across all three of our networks.

64% of graduates hired this year are from black, Asian and ethnic minority backgrounds



"I've been hugely impressed with the commitment shown by UK Power Networks, which has translated into real progress and I'm therefore delighted that they are the first electricity distributor to be NES certified."

Arun Batra, NES chief executive



Ranked No. 9

in The Sunday Times 25 Best Big Companies to Work For and we remain the only DNO to feature in this list.

Key outcomes delivered

This year our stakeholder engagement has resulted in 270 outcomes, providing tangible benefits for stakeholders. The table below provides examples of some of the outcomes we have delivered this year, with more detail provided in Parts 2 and 3.

Category	Number of outcomes	Examples of what we have delivered this year:		
		Stakeholders said	What we did	Outcomes
 <p>Meeting our customers' evolving needs</p>	85	Customers told us the current industry customer satisfaction survey was not wide enough nor agile enough.	We implemented a new technology that allowed us to receive feedback from an extra 2,000 customers per week, with feedback being reviewed within 48 hours. This improved our service to customers.	<ul style="list-style-type: none"> ✔ 88% overall customer satisfaction because service improvements have made us more responsive to customers' needs ✔ 157 customer improvements to power cut processes
		Through our surveys and Roadshow events, customers told us they wanted their smart meter fitting to be coordinated, quick and easy for them.	We went above and beyond regulation to build strong relationships with energy suppliers – strategically and operationally – to provide a streamlined service that minimises inconvenience for our customers.	<ul style="list-style-type: none"> ✔ Approximately 8,000 unnecessary appointments avoided ✔ 93% customer satisfaction for smart meter related work
		We partnered with Community Energy England to understand the needs of community energy groups in our region and launched our Power Partners community grant fund.	We presented in Parliament the first 'State of the Sector' report and supported five community energy projects get off the ground through our Power Partners community grant fund.	<ul style="list-style-type: none"> ✔ More than £90,000 contributed to community energy groups ✔ Helped Local Authorities understand the importance of local community energy groups
 <p>Caring about the environment</p>	43	Stakeholders from our CEO Panel recognised the great lengths we were going to in order to care about the environment, but they challenged us to go further and explicitly capture this in our vision.	We added it prominently to our vision: to be the most socially and environmentally responsible DNO. We launched our co-designed Green Action Plan with ambitious targets and governance to ensure we deliver and communicate progress transparently.	<ul style="list-style-type: none"> ✔ CO2 reduction of 18.9% ✔ 8 industry leading environmental targets on which we will report on to stakeholders each year
		Stakeholders on our CEO Panel suggested we should do more to reduce and reuse plastic in our business. Our employees told us that customers say the same.	We launched an internal campaign, engaging our staff to identify and prioritise the plastic materials we use that we should first focus on reducing.	<ul style="list-style-type: none"> ✔ Saved 12,500 litres of oil that would have been used in producing plastic bottles for our staff
		Transport for London (TfL) has the ambition to have all 9,300 buses zero emission by 2037. We needed to understand what power requirements this would need.	Designed a strategic approach to assess all bus garages holistically rather than the business-as-usual connections process which would have looked at each garage one at a time.	<ul style="list-style-type: none"> ✔ 67% power reduction to electrify 9,300 buses ✔ 150 buses in London fully electrified, enabling 18.5 million carbon emission-free passenger journeys/year
 <p>Going above and beyond for our communities</p>	61	Stakeholders reiterate regularly through all our engagement mechanisms that safety should always remain a priority.	We co-designed a public safety campaign, 'Be Bright, Be Safe'. It reached over 470,000 people including more audiences than ever before, such as farmers, children, haulage contractors, electricians and scaffolders.	<ul style="list-style-type: none"> ✔ 50% reduction in overall injuries across all targeted high risk groups ✔ 80% reduction in injuries to Local Authority contractors this year ✔ 64% reduction in electrician injuries
		Stakeholders told us that link box failures are not only alarming to witness but potentially dangerous to the public.	We developed an innovative three-stage solution to reduce the impact of disruptive link box failures and are the only DNO to apply it across our entire network.	<ul style="list-style-type: none"> ✔ 94% of link boxes improved in terms of safety and 66% reduction of disruptive link box events
		MPs and stakeholders had concluded that the industry's response to the 2013 winter storms was not as good as it should have been.	Since 2014 we have looked to enhance the resilience of our assets and in 2016, we became the first DNO to be annually assessed on organisational resilience.	<ul style="list-style-type: none"> ✔ First DNO and utility to be assessed by the Cabinet Office for Organisational Resilience, scoring 4 out of 5
 <p>Supporting our vulnerable customers</p>	81	Critical Friends Panel attendees told us those with critical medical health needs would benefit from Priority Services Register (PSR) information.	We worked with NHS and hospices to promote PSR across 278 separate premises from GPs, hospitals, renal units to hospices.	<ul style="list-style-type: none"> ✔ 76,044 new registrations in 2018/19, improving access to support for customers in vulnerable circumstances.
		Our Partners Forum challenged us to review our measurement and impact on energy efficiency and Fuel Poverty.	We worked with partners to agree a consistent approach in measurement and impact of our fuel poverty programme in the community. We introduced a partner feedback loop on 'wellbeing' and the sharing of case studies for all partners to learn from each other.	<ul style="list-style-type: none"> ✔ Helped over 3,000 customers through personalised face-to-face consultations saving them £1,176,122 from their energy bills
		Attendees from Utility Networks said we should develop a cross-sector approach to provide support to each other's customers during major events.	We worked with our utility partners to develop our approach to major service disruption and how we provide support to each other during large water, electricity or gas outages for example.	<ul style="list-style-type: none"> ✔ Approach to cross-company support agreed, with customers benefiting from cross company working and shared delivery of partners' resources

We have listed details of all 270 outcomes delivered to ensure transparency of our performance. Click here <https://www.ukpowernetworks.co.uk/UKPNengagement2019> to access it.

Collaboration, sharing and best practice

The table below provides examples of our collaboration with partners to provide service improvements to our customers in 2018/19.

Companies	Efficiency	Reliability	Safety	Service	Vulnerable Customers	DSO / Future Networks	Innovation
Rant & Rave	✓			✓	✓		✓
EDF Energy	✓			✓	✓		✓
British Gas	✓			✓	✓		✓
Ofgem	✓	✓	✓	✓	✓	✓	✓
BEIS	✓			✓	✓	✓	✓
General Electric	✓	✓	✓	✓	✓	✓	✓
Cabinet Office EPC		✓	✓	✓	✓		✓
Octopus Energy	✓			✓	✓	✓	✓
Greater London Authority	✓			✓	✓	✓	✓
Community Energy England	✓			✓	✓	✓	✓
Improbable				✓		✓	✓
Piclo	✓	✓		✓	✓	✓	✓
Con Edison			✓	✓			✓
SP Group				✓		✓	✓
NHS			✓	✓	✓		
Thames Water	✓		✓	✓	✓		
National Energy Action	✓			✓	✓		

Accreditations

In addition to our AccountAbility and BSI assessments of our strategies we have achieved the following this year:

The Institute for Customer Service

We are the only DNO to appear in The Institute of Customer Service's UK Customer Satisfaction Index.

"UKPN has demonstrated that the customer is at the heart of their organisation. At a time of even greater uncertainty, a sustained approach to delivering an exceptional customer experience has never been more important."

Jo Causon, CEO, Institute of Customer Service



88%

overall customer satisfaction

from 76% in 2012 to 88% in 2018/19



External recognition

We're proud to have won 18 first place industry awards including Utility Week's Best Customer Care, Environment and Team of the Year public safety campaign; as well as The Big Bang Award for Innovation: Electric Avenue project, Constellation Award for Utilities Collaboration: The Alliance team, Constellation Award for Collaboration with Customers: The Smart Grid team and the Health and Safety Champion Award.



We are the Sunday Times 9th Best Big Company to work for in the UK and the only DNO to feature in this list.



Highest standard in the UK of best practice on equality, diversity and inclusion. First DNO to be awarded the National Equality Standard.



We retained our Action on Hearing Loss accreditation "Louder than Words™". This shows that we are striving to offer excellent levels of service and accessibility for customers and employees who suffer from hearing impairment.



Retained our Gold Investors in People award.



Maintained our ISO14001 environmental standard – international standard that specifies requirements for an effective environmental management system.



Highest level of organisational resilience deemed appropriate for a DNO against all areas of BS65000 as assessed by the Cabinet Office's Emergency Planning College. We are the only DNO to have achieved this.



Over 4,000 employees to date have completed Dementia awareness training.



www.ukpowernetworks.co.uk