

Together we have the energy to transform our communities

Part One

Ofgem Stakeholder
Engagement and
Consumer Vulnerability
Incentive 2019/20

Our Stakeholder Engagement and Consumer Vulnerability Strategies



Electricity North West Limited
Registered number 02366949

electricity
north west
Bringing energy to your door

Welcome to our Part One submission to Ofgem's Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive for the regulatory year 2019/20.

Electricity North West is one of 14 distribution network operators (DNOs) in Great Britain regulated by Ofgem. Although we are the smallest, serving a population of five million and 2.4 million customers, our ambition and performance is impressive.

We champion the region we serve and we're proud that our network keeps our customers' lives running by making sure the electricity flows safely for every minute of every day, whether they're awake – or asleep.

We're responsible for maintaining and upgrading 13,000 km of overhead power lines and more than 44,000 km of underground electricity cables and much more across Cumbria, Lancashire and Greater Manchester. This covers a diverse range of terrain and communities, from isolated farms and villages in rural areas such as the beautiful Lake District, parts of North Yorkshire, Derbyshire and Cheshire; to towns and cities with heavy industry and large urban populations, including the bustling city of Manchester.

2019/20 is the fifth year of the eight-year Business Plan period called RIIO-ED1. This stands for Revenue = Incentives + Innovation + Outputs (Electricity Distribution 1). It is the regulatory framework set by Ofgem which drives network companies to engage proactively with stakeholders to anticipate their needs and deliver a consumer-focused, socially-responsible, and sustainable energy service. Ofgem's SECV Incentive is an annual scheme and our response is divided into three parts:

Part 1: Our stakeholder engagement and consumer vulnerability strategies. This provides the evidence required that we have met Ofgem's minimum requirements.

Part 2: Our stakeholder engagement activity and the outcomes we have delivered.

Part 3: Our consumer vulnerability activity and the outcomes we have delivered.

Our region



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Key

These symbols reflect our 2019/20 activities



New

Initiatives which were introduced in 2019/20.



Enhanced

Examples of where we have improved our approach this year.



Embedded

Holistic approaches embedded in our business.



Hard-to-reach

Initiatives which best serve the specific interests of hard-to-reach stakeholders.



Innovative

Best practice that could be replicated across the industry and/or initiatives which are exemplary when benchmarked against other electricity networks.



Introduction from Peter Emery

Chief Executive Officer of Electricity North West

I'm delighted to introduce our Stakeholder Engagement and Consumer Vulnerability (SECV) Submission.

Electricity North West operates an essential service and is an 'anchor institution' in the North West. Stakeholder engagement is vital to how we run our business. From developing our long-term strategy to enhancing our day-to-day

processes we know that enduring engagement with our customers and wider stakeholders – that builds trust and develops mutually beneficial relationships – delivers tangible and quantifiable socio-economic benefits and improves long-term outcomes for us and our region.

Our company purpose is that 'Together we have the energy to transform our communities'. This, along with our principles of being switched on, adaptable and taking pride, sets out what we do, how we do it, and shapes our strategic goals. From these, we structured our engagement activity in 2019/20 to deliver outcomes that are valued by our stakeholders, which includes all parties that are affected by, or represent those affected by, the decisions we make.

At Electricity North West we do not engage in 'talking shops'. We engage with purpose and, through a variety of channels, ask customers and wider stakeholders to tell us what they want to talk about and how they would like to engage with us. This enables a more fruitful forum for debate and creates

a safe space for us to hear robust challenge and identify divergent stakeholder views.

Whilst our strategies are mature and consistent, I am clear with all my colleagues that we cannot and will not stand still; we do not operate in isolation and so we must continue to adapt to our changing environment. During my bi-annual roadshow, I interacted with 2,439 colleagues face-to-face and reinforced this message, urging them to play their part by taking ownership of and acting on what they hear no matter what level they're at or what department they're employed in.

Unprecedented change lies ahead for our business and industry as we transition to a Distribution System Operator and this brings both opportunities and uncertainty that need to be managed carefully. This means it's more important than ever that we build on the relationships we have with our stakeholders so that together we can deliver the ambitious plans of our dynamic region.

In this Part One submission we demonstrate not only that our embedded approach to engagement is highly effective, but the impact of our efforts. In Part Two we highlight key outcomes from our stakeholder engagement activities, such as how we have established a leadership position on the transition to a net zero economy. In Part Three we evidence key outcomes from our consumer vulnerability activities, explaining how we are tackling the causes of vulnerability and acting to prevent our vulnerable customers being left behind in the transition.

Peter Emery
Chief Executive Officer

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Our performance against our stakeholders' priorities

We integrate our stakeholders' strategic priorities into a materiality matrix and use this to prioritise our engagement to ensure it is delivering outputs that are valued by our stakeholders.

Stakeholder priorities derived from robust quantitative research

New priorities 2019/20

Keeping our customers' lives running



Part Two, page four

Leading the transition to net zero



Part Two, page six

Supporting our vulnerable customers



Part Three

Ensuring the affordability of consumers' bills



Part Two, page ten

Sharing data and maintaining transparency



Part Two, page seven

We have worked closely with our strategic advisory panels to develop our plans and set challenging targets to deliver our stakeholders' strategic priorities in 2019/20 and we will continue striving to improve. A summary of our performance this year is provided below.

Keeping our customers' lives running



★ • Top RIIO-ED1 network company

We are the only DNO to have achieved green ratings from Ofgem for the last three consecutive years for: reliability and availability, connections, social obligations, customer service, environment, and safety.

➤ • 88% overall customer satisfaction

We are the most improved DNO since 2015, recording an 8% improvement. We won 'Best Application of Technology' at the UK Customer Satisfaction Awards for our platform 'Storm'.

➤ • 99.995% reliable network

We have invested £90m per annum in our network and since the beginning of RIIO-ED1 the volume of Customer Interruptions (CIs)¹ have fallen by 11%, resulting in upper quartile performance on this metric.

¹ CIs are the number of customer interruptions per 100 customers on the network.

Leading the transition to net zero carbon



★ • Leading the North West to net zero carbon

We are influencing stakeholders, businesses, our customers and our colleagues to drive down their carbon emissions and are investing £63.5m to support these efforts including rapidly reducing our business carbon footprint.

★ • Innovation to support the adoption of low carbon technology

We have invested in innovation which has enabled customers to provide flexibility through Customer Load Active System Services (CLASS). Our pioneering technology is being utilised up to 14 times a day by National Grid, and as a result, customers in the North West have benefited from over £105,000 per month off their bills.

★ • First carbon literate DNO

We are the first bronze level carbon literate DNO, and this year we went a substantial way towards delivering carbon literacy training to 100% of our management team in order to achieve silver; we will complete this post-COVID-19.

Supporting our vulnerable customers



★ • 89% Priority Services Register (PSR) Customer Satisfaction

We have provided tailored support, proactively contacting 597,671 of our priority customers to check the data we hold, and being the first (and currently only) DNO to offer a dedicated PSR to business customers.

★ • £18.2m customer bill savings

We delivered cost efficiencies so that a typical domestic customer in our region paid £87 from their total electricity bill for the services we provided, compared to a UK average of £93.

Smart Street, an innovative approach that controls voltage on our low voltage network, will further reduce electricity bills by up to £60 a year, for 64,000 customers clustered in fuel poor areas.

Our Stakeholder Engagement Strategy

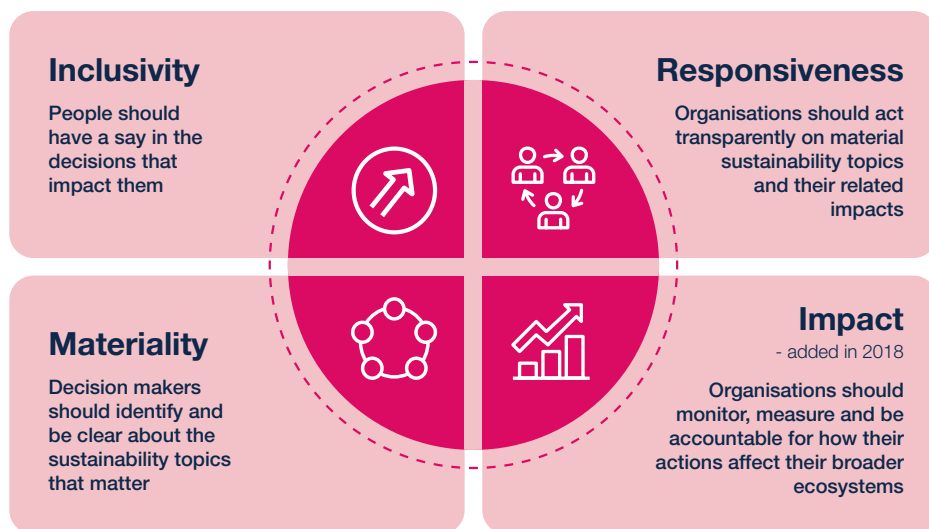
In this section we demonstrate that we have a best practice strategy. We explain how it delivers an inclusive approach to engaging with purpose on the most important issues to our stakeholders, and how it responds to the changing environment we are operating within to deliver impact.

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Strategic alignment to best practice

Our stakeholder engagement strategy is to deliver the outcomes our stakeholders prioritise and value. Specifically, we engage to better serve stakeholders by understanding their current and future needs and expectations, identify opportunities to continuously improve our services, manage uncertainty and risk and return greater value to our customers; our strategy is mature but also evolving. Established in 2016, it supports our internal teams in developing improvement plans informed by input from our stakeholders and from external benchmarking. It reflects the embedding of changes to our processes and activities that drive successful outcomes. The strategy is aligned to the AA1000 Stakeholder Engagement Standard (SES), a best practice framework, and informs the structure for the engagement activity we deliver. We also align to the updated AA1000 AccountAbility Principles (AP) which now includes 'impact', combining the ways in which we monitor, measure and are accountable for how our actions affect the broader ecosystem.



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Material and responsive

Our ambition is to cast the net further to involve the widest possible range of stakeholders who have an interest in our business, our region, and our sector, including those who are **hard-to-reach**. We balance this ambition with the depth of insight that comes from more targeted engagement. Our understanding that not all stakeholder needs are equal informs the stakeholder materiality methodology we use to prioritise our engagement effort in the right places at the right time. Our programme is topic-led; we engage with stakeholders about issues that are important to them, to substantially influence our decision making, and markedly impact performance. We no longer adopt the traditional approach of defining the agenda, we also proactively ask stakeholders to tell us what topics they want to talk about and how they would like to engage with us. This ensures that we are **responsive** to our internal and external environment.

Our prioritisation is iterative because stakeholder needs are not static. In last year's SECV we reported our **materiality** matrix and key thematic priorities, which are summarised on page one. Our meaningful approach to engagement includes scanning the horizon for emerging priorities, which this year has highlighted the increasing importance to customers of bill affordability, environmental concerns and to wider stakeholders of data transparency. Our approach ensures that our engagement programme is focused and proportionate, and that we return value from the significant investment we make in delivering our activities, paid for from customers' bills.

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Inclusivity is central to our engagement strategy

Every year we conduct a stakeholder mapping exercise based on the AccountAbility model shown on the right, along with opportunities and risks assessment, to understand our operating environment and identify emerging stakeholders. We consider this important because, whilst we have a comprehensive understanding of who our stakeholder groups are, their composition, interests and influence continue to evolve.

Stakeholder mapping

We serve a large population of stakeholders who are impacted by our activities and have varying interests and power to influence our services. This population is split into 50 segments which cut across our geographically diverse region.

This year we refined our matrix and made flexibility service providers a unique segment. Flexibility services will play a big part in avoiding the need for traditional reinforcement to accommodate the growth in low carbon technologies, helping to keep costs down for customers. Therefore, identifying stakeholders, ahead of need, from existing (or potential) flexibility providers who control assets that

could provide solutions will allow us to better assess opportunities to purchase flexibility and react more quickly as the need arises. We use a proportionate, iterative and **inclusive** engagement programme to reach our stakeholders. In total, we have heard from over **22,800 people this year**, representing every segment of our stakeholder community.



Leveraging new opportunities

As part of our annual review we identify gaps in our database to inform where we need to develop our stakeholder network and partnership framework (Part Three, page eight). This year we identified and acted on three key opportunities linked to strategic areas of importance:

1. We identified 800 new stakeholders with a strategic interest and/or influence in the transition to net zero and formulated a bespoke engagement plan to reach them (Part Two, page six)

2. We used our social data mapping tool as part of a targeted approach to identify stakeholders who represent **hard-to-reach** and challenging groups, of which we formed 42 new partnerships

3. We built on our outstanding engagement outputs with Greater Manchester Combined Authority to identify and engage with Local Authorities and Local Enterprise Partnerships representing other key geographies in our region (Part Two, page six).

Mitigating risks

We know that for many of our key stakeholders, nothing beats a named contact and regular, face-to-face meetings. Alongside this, our risk assessment highlighted the specific needs of stakeholders, such as Local Authorities, that are time poor but whose input and robust challenge is essential. We addressed these needs by refining our sub-regional stakeholder panels which have markedly improved our ability to engage a diverse range of stakeholders by going beyond the 'usual suspects'. A greater focus on local needs and issues has made our engagement more relevant to local stakeholders as well as providing more accessible locations for participation. We've also assigned the management of these stakeholders to senior stakeholder managers who proactively 'account manage' these relationships through one-to-ones, bilateral meetings, and attendance at our stakeholder panels, providing them with a clearly identified single point of contact.

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Creating impact by acting on what we hear

Working 'together' is core to our purpose – engaging with others and taking ownership of and acting on what we hear is vital. One of the tools we use to track the scale and actions derived from our engagement is a stakeholder tracker. Through this tool we have reported 22,800 interactions this year delivered by colleagues at all levels of the organisation, providing strong evidence of embedded engagement and a mechanism for sharing, learning and acting on our engagement activity.

These interactions are brought to life through our case studies on page eight. We acknowledge, understand, measure, manage and evaluate the **impact** of our initiatives on the environment, society, stakeholders and the performance of our organisation itself. One of the many ways in which we achieve this is through assessing the social return on investment of our outcomes (see page seven for more detail).



Our Consumer Vulnerability Advisory Panel – February 2020

Our engagement through social media

23,500

TWITTER FOLLOWERS

↑ 17% INCREASE



MOST RETWEETED POST THIS YEAR
RESPONSE TO NATIONAL GRID POWER CUT >

15,203

FACEBOOK FOLLOWERS

↑ 13% INCREASE



MOST LIKED POST THIS YEAR
RESPONSE TO COVID-19 >

15,108

LINKEDIN FOLLOWERS

↑ 30% INCREASE



MOST LIKED POST THIS YEAR
FLEXIBLE POWER CAPACITY IN HAYDOCK >

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The scale of our engagement this year

We have gained a greater understanding of stakeholders' expectations than ever before through our comprehensive and structured engagement programme. Our dynamic, multifaceted approach has sought continuous feedback across a wide range of open, two-way channels which our working groups assimilate and act upon quickly. The mechanisms we have used to engage with our stakeholders, the frequency with which we have activated them, their total reach and indicative outputs are summarised in the table below.

Engagement	Mechanism	Key	Units	Total reach	Example outputs included in this year's SECV
Strategic Expert strategic input	Chief Executive Panel	↔	2	36	First ever Digital Strategy Consultation
	Sustainability Advisory Panel	↔	5	62	Leading the North West to Zero Carbon Plan and the creation of three sub-working groups
	Consumer Vulnerability Advisory Panel	↔	2	39	Application of a social data mapping tool
	Incentive on Connections Engagement (ICE) expert panels	↔	12	60	New Distributed Generation Low Voltage expert panel convened
	Industry working groups	↔	41	587	A Cost Benefit Analysis (CBA) for whole systems decision making
	Customer Engagement Group	☀	12	108	Customer Priorities and Segmentation Research
Consultative Focused consultation to inform decision-making	Regional Stakeholder Workshops	↔	3	84	Fund and guidance materials to support the connection of low carbon technologies
	Incentive on Connections Engagement (ICE) roundtable events	↔	23	309	Improved heat map tool which enables stakeholders to assess the level of capacity that might be available for new connections
	Community and local energy events	↔	3	33	Powering Our Communities Fund
	Innovation dissemination	↔	1	22	VoLL workshop attended by Ofgem and all DNOs
Involving Understanding stakeholders' priorities and preferences	Ofgem Open Letter Consultation	📈	1	193	A response co-created with stakeholders
	Customer Priorities Survey	☀	1	590	Planned Supply Interruptions Quality Manual supports the use of generation to keep customers' lives running
	Broad Measure of Customer Satisfaction Survey	↔	12	5,076	32 improvements to our power cut processes
	Real-time customer feedback	☀	365	7,824	24/7 call quality sentiment monitoring
	Customer Voice feedback panel	↔	5	544	Power-cut pages on our website re-launched
	Willingness-to-Pay Survey	↔	1	408	Values incorporated into Social Return on Investment (SROI) benefits tracker
	Customer Segmentation Survey	☀	2	2,006	Bespoke customer communications
	Other bespoke market research	📈	4	544	Energy efficiency materials and advice provided to domestic customers
	Webinars	↔	8	149	The Network Management System Update (Incentive on Connections)
Informing Communicating our intentions and updating stakeholders	Newsletters	📈	171	84,440	Stakeholders kept informed of flexibility tenders
	Community outreach events	↔	122	3,663	Children engaged in our 'Bright Sparks' programme and given careers advice
	Social media and website	↔	597,027	1,164,874	Safety awareness campaign
	Internal Chief Executive roadshows	↔	36	2,439	Reduced use/ recycling of plastic and Carbon Literacy programme
	All interactions captured on our stakeholder tracker	↔	706	8,554	Improved spoil removal and correction of third party damages during streetworks
Operational Day-to-day					
Responsive Supporting events and consultations organised by our stakeholders	Events include:				
	<ul style="list-style-type: none"> Youth Focus North West Local Resilience Forums The Greater Manchester Green Summit 	📈	27	645	A new ongoing engagement mechanism to include younger voices in our plans.

Our Consumer Vulnerability Strategy

We have a responsibility to keep power flowing, safely and sustainably whilst caring for our customers in vulnerable circumstances. This section explains our strategic goal and the mature strategy we have in place to achieve it, supported by stakeholder-led 'pillars', clear success measures and a targeted approach to reaching customers in greatest need through effective partnerships.

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Our strategy is mature and delivering significant benefit to our communities

Established in 2016, our definition of vulnerability is, **a customer or community which feels they may be left vulnerable by real or perceived barriers to the service Electricity North West and their trusted partners provide during a loss of electricity now or in the future.** Our definition includes future customers because we understand the importance of acting proactively and decisively to ensure all customers can benefit and no one is left behind. This is amplified as the UK becomes increasingly dependent on electricity with the electrification of heat and transport.

Providing effective support to the customers on our network who find themselves in vulnerable circumstances means having systems, services, and partnerships in place which provide customers with protection from the risk of harm during power cuts and which help to build their energy resilience on a sustained basis. Examples of these are included in Part Three of our submission.

Our engagement programme is used iteratively to test and refine the pillars that support our strategic goal to ensure they remain appropriate, relevant, and able to meet the needs of vulnerable consumers. Last year we reported that we had acted on the recommendation of our Consumer Vulnerability Advisory Panel to refine one of these pillars (signposted below) to ensure that collectively they remain acceptable to at least 80% of our stakeholders. This year with this updated strategy embedded we have focused on delivery of outputs linked to these pillars, with our decision making informed by our enhanced benefits identification and measurement model (see page seven for more detail).

Consumer vulnerability strategic goal

To ensure no customer or community is left vulnerable by barriers to the service Electricity North West and our trusted partners provide during a loss of electricity now and in the future.

Consumer vulnerability pillars

UPDATED

1

Use data to ensure we understand the vulnerability challenges of the North West

2

Continuously improve and refresh customer contact data through accessible channels

3

Manage trusted services that deliver tailored support to our Priority Services Register customers

4

Build and maintain a resilient network across the North West supporting vulnerable communities

5

Tackle poverty by working in partnership with various referral and fuel poverty schemes

Key success measures for each pillar

Overall satisfaction of Priority Services Register (PSR) customers

Contact 100% of high vulnerability and 1/3 of low-medium vulnerability PSR customers every year

Social benefit derived from investment

100% of high vulnerability PSR customers contacted in planned and unplanned interruptions

Social benefit derived from investment

Application of social data mapping to target areas of greatest need

Scale of PSR data sharing in place with other utilities

Volume of referrals

Provide tailored and enhanced support during an interruption

Volume of fuel poor customers supported through schemes

Decrease the gap between current PSR membership and eligibility in targeted areas

Growth in PSR awareness and registrations via partnerships

Partnerships target areas of greatest need identified by social data mapping

Building network resilience in areas of relatively high vulnerability

Reach of schemes including hard-to-reach communities

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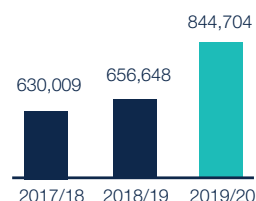
Stretching targets from our Advisory Panel to ensure an up-to-date and accurate PSR

The services we can provide are only as good as the data we hold. Our Consumer Vulnerability Advisory Panel, which provides oversight and scrutiny of our activity to support vulnerable customers, set us a stretching target in 2018 to contact 100% of our high-priority PSR customers and to contact one third of medium/low-priority PSR customers every year. We have exceeded the ambitious target set this year by using targeted campaigns and making these contacts through customers' preferred channels.

In addition to our proactive contact strategy we have provided information on the range of initiatives we have in place to ensure that the information we hold about customers on the PSR is accurate and up to date in Part Three, page six. These include, but are not limited to, investment in virtual workers ('bots') to cleanse our database and widescale data sharing arrangements with other utilities companies.

PSR customers contacted

Total registered on PSR year commencing:



28%
year-on-year increase

High vulnerability contacted

2017/18	2018/19	2019/20	% contacted
97,006	115,615	282,746	100%

Medium vulnerability contacted

2017/18	2018/19	2019/20	% contacted
65,859	98,625	174,594	62%

Low vulnerability contacted

2017/18	2018/19	2019/20	% contacted
111,808	168,760	140,332	38%

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A targeted approach to reaching vulnerable customers

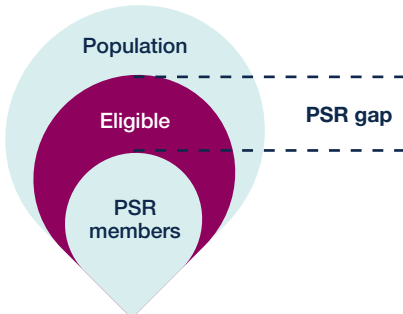
What we heard

Our Consumer Vulnerability Advisory Panel were concerned that we had an 'inside-out' approach to understanding vulnerability based on a dependence on our own PSR data. They encouraged us to take a more strategic 'outside-in' approach to recruiting further customers onto the PSR, informed by an enhanced understanding of the vulnerability challenges of the North West and the communities we serve.

What we did

To develop a richer understanding of the nature, scale and distribution of different types of households in vulnerable circumstances across our region we commissioned the Centre for Sustainable Energy to conduct an in-depth social mapping exercise. This was used to develop our social data mapping tool and produce a heat map of the North West Indices of Deprivation within 3,112 Lower Super Output Areas (LSOAs), all designed to be a similar population size (1,500). This has provided far greater insight into the types of vulnerability present across our region and a more granular understanding of where they exist at a local level.

A review of our data indicated that circa 1.6 million customers in the North West were eligible for registration to the PSR in April 2019 and 870,000 were registered. The tool enabled us to identify areas where membership was relatively low compared to the eligible population (referred to as the **PSR 'gap'**).



In addition to the PSR gap we engaged with our Customer Vulnerability Advisory Panel to expand the range of vulnerability criteria being used to prioritise our awareness campaigns in specific localities. The criteria used to bridge the gap

between the volume of customers eligible and registered to the PSR included areas with a high prevalence of:

Low income

Fuel poverty

Over 65

Power cut incidence

Physical disability

PSR gap (see diagram)

We ranked all 34 Local Authorities in our region according to these criteria. This analysis identified nine Local Authorities which had a relatively high prevalence of these criteria relative to other areas: **Blackburn and Darwen, Blackpool, Burnley, Hyndburn, Oldham, Pendle, Preston, Rochdale and Salford.**

Outcome

The output of this exercise challenged our earlier thinking that rural areas had the greatest need, which had been informed by customer satisfaction feedback, complaints and network data. Our agile approach has enabled us to change course, focusing our efforts to engage with purpose, and target support in the right areas at the right time. **This has helped us to successfully reduce the PSR gap in our membership by an average of 15% this year, in all nine priority areas.** See Part Three, page five for more detail on one of these localities.

HARD-TO-REACH



Enhancing our understanding of hard-to-reach customers

What we heard

It is important to not conflate the notion of being **hard-to-reach** with **vulnerable circumstances** and to be able to understand and differentiate between the two.

What we did

We recognise the need to conduct in-depth research to provide actionable insight into the complex drivers and sometimes transitory nature of what makes a customer **'hard-to-reach'**. This year, we conducted a comprehensive literature review which informed our definition of **hard-to-reach**:

We define hard-to-reach as, customers or customer groups who our business impacts in some way, and for whom the lack of engagement could be to their or our detriment. Lack of engagement could be through limited capacity, awareness or appetite, or a belief that their participation will not make a difference.

This definition is distinctive relative to our definition of vulnerability (page four) and the understanding it brings is now informing how we engage with our stakeholders. Through mapping our hard-to-reach stakeholders and identifying their unique engagement needs we are acting to reduce the barriers that prevent engagement through the development of a suitable and effective range of outreach strategies. This includes, but is not limited to: accessing 11-18 year-olds and members of ethnic minorities through schools and community groups; working to eliminate language-based barriers; identifying representative community champions, with an in-depth knowledge of the specific group characteristics and needs, to serve as links between service providers and communities (see Part Three, page ten to hear about our 'Eco Warriors' in Burnley).

Our improved understanding has been complimented by the appointment of a dedicated Engagement and Partnership Manager who applied our social data mapping tool to identify and select new partnerships based on their capability to deliver valuable support into targeted **hard-to-reach** geographical areas.

Outcome

By using a targeted and sensitive approach, we've improved accessibility and reached 17 traditionally **hard-to-reach** and seldom heard customer groups (out of 21 identified) this year. The 17 groups span various domestic consumer segments, vulnerable segments, businesses and housing and developer representatives. Our improved reach has helped us achieve a bigger impact from single interactions through joined up partnerships, making every contact count.

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Creating effective partnerships

We use our PSR data alongside our social data mapping tool to identify and enhance our established partnership framework in targeted areas. This year we have added 42 partners to our framework, expanding our collaboration with local organisations who are closest to, and trusted by, our vulnerable and **hard-to-reach** customers and bringing partners together to achieve 'stackable' benefits (cost efficient delivery of services to a wider reach of customers). We also removed organisations from our partnership framework that we no longer work with and this has been reflected in the volumes reported in the diagram opposite. More detail about our partnership framework and case studies of our joint work can be found in Part Three, page eight.

Level one Support agency specialists	
21	+9 this year
Level two Local authorities, housing associations, shelters and community groups	
10	+3 this year
Level three Referral schemes	
35	+28 this year
Level four Feedback groups	
6	+2 this year
Plus the organisations they partner with	

Stakeholders are influencing strategic decisions


In this section we explain the key mechanisms we are using to engage with customers and wider stakeholders to drive meaningful engagement, activity and outcomes that drive benefit.

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Strategic decision-making arrangements informed by our Advisory Panels

Our Chief Executive Panel is chaired by our Chief Executive, Peter Emery, and attended by Todd Holden and Jenny Willis, who were appointed last year as independent chairs of our Sustainability and Consumer Vulnerability Advisory Panels, sub-panels of the Chief Executive Panel. This structure allows for sharing of expert insight. Each of our Stakeholder Advisory Panels, Regional Workshops, and our other engagement events are attended by a members of our Executive Leadership Team (ELT). Our ELT and Board of Directors are updated monthly on stakeholder engagement activity enabling an ongoing feedback loop that influences decision making.

Engagement mechanism	Membership	Strategic direction
Chief Executive Panel Policy shaping	A group of 24 experts representing a range of stakeholders, providing advice, guidance, and oversight of our business who help us to identify and respond to emerging issues and inform decision trade-offs. It has members from business, political, regulatory and public sector, supply chain, charity, NGOs and lobbying organisations.	 <p>"The Panel have been influential in the development of our first Digital Strategy. It describes the technology and direction that may be needed to help our business deliver on its business plan goals" Peter Emery, Chief Executive Officer</p>
Sustainability Advisory Panel Expert insights	Participation is by invitation. This year we enhanced panel membership to ensure it reflected the breadth of insight required to shape the company's sustainability activities. The panel has 19 active participants with academia, charities, community energy groups, environmental groups, lobbying organisations, and Local Authorities among those represented.	 <p>"A key output has been the iterative development of the 'Leading the North West to Zero Carbon' plan. The panel have been challenging the company to act on these ideas since its inception. They signed off and agreed the Plan ahead of publication in March 2019. It commits the company to reaching net zero emissions by 2038" Todd Holden, Independent Chair</p>
Consumer Vulnerability Advisory Panel Expert insights	Participation is by invitation. This year we reviewed panel membership against our key vulnerability criteria (Part One, page four) to ensure appropriate representation across vital vulnerability sectors. The panel has 18 active participants with customer community groups, consumer representatives, fuel poverty experts, Local Authorities, and other utilities among those represented.	 <p>"A key output has been the use of social data mapping to understand and respond to the vulnerability challenges of the North West. The panel informed vulnerability criteria which is now used to determine localities prioritised with targeted interventions and support" Jenny Willis, Independent Chair</p>
Greater Manchester, Lancashire and Cumbria Stakeholder Workshops Consultation	Following stakeholder feedback, we introduced Regional Stakeholder Workshops instead of a single event. They are open invitation and provide an opportunity for wider consultation and focused regional and community insight.	 <p>"Stakeholders told us that the transition to net zero is important, but information is often confusing. A key output was the publication of a guide to low carbon technologies on our website" Helen Norris, Stakeholder Engagement Manager</p>

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What we have learned from triangulation

What we heard

Stakeholders place great value on providing reliable and uninterrupted supplies and want our focus to be on minimising disruption to their normal daily activities.

What we did

We conducted a comprehensive data triangulation to widen our understanding of the value stakeholders place on delivering a reliable network. This captured the different dimensions of this priority, drawing on stakeholder engagement (including results and feedback from stakeholder engagement surveys), operational feedback (such as customer complaints) and the strategies, priorities and intelligence shared by our stakeholders. Stakeholder engagement demonstrated that keeping our customers' lives running through exemplary network reliability is stakeholders' top priority. Analysis of operational feedback indicated that the highest levels of complaints received are associated with disruption caused by power cuts, appliance damage, and roadworks.

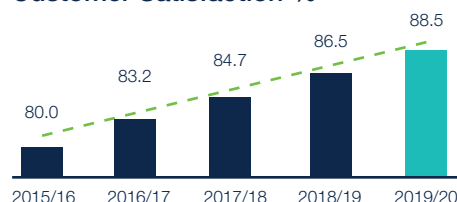
We have used our understanding of stakeholder priorities and the root causes of customer complaints to target our initiatives this year. The following table demonstrates the root causes of customer complaints and the activities we have undertaken this year to address them.

Root cause of complaints	Volume FY19/20	% FY19/20	Golden thread to initiatives
Loss of power supply	2,122	28%	(Part Two, page four)
Multiple interruptions	512	6%	(Part Three, page nine)
No update/inaccurate information	457	6%	(Part Two, page four)
Appliance damage	446	6%	(Part Two, page four)
Roadworks/access issues	348	4%	See below

Outcome

We have listened and applied what we have heard to enhance our customer service to become the **most improved DNO**. In 2019/20 we surveyed 4,921 customers, implemented 10 key improvement actions, and were delighted that our customer satisfaction (CSAT) score improved by a further 2%. Since 2015/16 we have improved our overall satisfaction score by 8% and are outperforming the utilities industry in the UK Customer Satisfaction Index.

Customer Satisfaction %



Continual learning

Earlier this year, Bolton Council raised concerns about third party damages to utility services, particularly prolonged disruption associated with repairs, and the impact on traffic management in busy locations. We triangulated this feedback with willingness-to-pay research that revealed the importance consumers place on minimising disruption from road works. In response, we enhanced existing processes, exceeding our obligations, for the repair of duct damage to Virgin Media and BT assets, to prevent delays. We have also enhanced our service for removing spoil quickly from our excavations. Now rolled out across the region, we are working collaboratively with other Local Authorities to co-ordinate streetworks to prioritise minimising congestion and keep traffic flowing.

EMBEDDED



Delegate feedback at events

We survey delegates at many of our engagement events and ask for feedback so that we can consistently improve on the quality of our delivery. This year we have influenced a 4% improvement in overall satisfaction, a testament to us listening to our colleagues and empowering them to act on what they have heard so that our stakeholders feel valued.

	Total number of events	Total number of delegates	Satisfaction score
2018/19	25	408	81%
2019/20	16	361	85%

Embedding a process that drives good decision-making

In this section we articulate how we have embedded an enhanced process to measure Social Return on Investment (SROI) to comprehensively assess the social impact of our initiatives and demonstrate how this is informing and prioritising our plans that drive value and scale for customers.



ENHANCED



Using SROI in conjunction with other valuation methods

What we heard

Last year our stakeholders affirmed the SECV Independent Panel's view that we needed to go further in demonstrating the outcomes and impact of our initiatives. We heard that we needed to complement our use of willingness-to-pay (WTP) research to measure direct benefits to individual customers with a broader evaluation of societal benefits (both concepts are described below).

Willingness-to-pay

The monetary value that a customer is hypothetically willing to pay for a network to deliver a given initiative.

Social Return on Investment

The monetary value associated with positive outcomes received, and costs avoided by society because of a given initiative.

SROI and WTP are not interchangeable, they play a complementary role in assessing the full scope of benefits.

Our four-step SROI process



What we did

This year we collaborated with industry experts Economic Insight to develop a comprehensive SROI approach that has drawn on a diverse range of 76 independently-sourced benefit values. To achieve this, we enacted a four-step process:

1 Identification of anticipated outcomes

In the first stage we identified the likely 'outcomes' of our projects, rather than just the 'outputs'. In other words, we focused on the real-world changes that occurred as a consequence of these initiatives. This allows us to monitor the changes that our projects lead to, and their consequent benefits, as well as tracking our own activities.

2 Collecting benefits evidence

The SROI methodology we employed uses financial proxies to estimate the value delivered to society. We took into consideration whether there were any market prices for the outcomes, what proxies or existing research was available, and parameters that may affect the benefit values such as the scale of the project, location, and engagement activities. The evidence collected included our own data, academic research, and reputable information from public bodies such as the Health and Safety Executive, Office for National Statistics, and Department for Business, Energy and Industrial Strategy. This enabled us to measure value that is not commonly reflected in traditional cost-benefit analyses including:



Environmental benefits

e.g. a reduction in CO₂ emissions



Health benefits

e.g. a reduction in GP appointments



Financial benefits to customers

e.g. reduction in future household utility bills

3 Developing the SROI quantification

We collected gross benefits, costs, and net social benefit values for each individual project and for our overall programme. This approach has enabled us to articulate the social benefit returned for every £1 invested as a multiplier – **an accessible and comparable metric used throughout this year's submission**. The output of this step was a benefits tracker model and accompanying user guide.

Our SROI approach complements the use of WTP valuation data. This year we were one of five DNOs who collectively commissioned Accent, an independent market research company, and PJM economics to design and implement a quantitative WTP research study to obtain an industry-wide set of values for relevant SECV service initiatives. We commissioned Accent to undertake 300 additional interviews with customers on our behalf to improve the statistical robustness of the analysis and enable more granular analysis to understand the preferences of our vulnerable customers.

4 Decision-making

Embedding a process that drives good decision-making has enabled us to make data-driven decisions about which of our 2019/20 initiatives delivered the most value to our customers. This process is informing how our initiatives evolve; whether to scale up, change course, or even stop altogether. We identified that one of our partnerships aimed at delivering energy efficiency advice and referrals to customers was only delivering a modest benefit compared to similar activities. We identified that 25% of customers who had expressed an interest in receiving energy efficiency advice couldn't be contacted after three attempts. In response we sent non-responders information by post, introduced a more flexible appointment service and decreased the delivery cost, instead linking the costs of the programme to successful referrals, rather than contact.

Outcome

Transparent and comparable SROI values have provided a clear yardstick for measurable social impact, driving socially focused initiatives that deliver greater value and scale for our customers.

Continual learning

We are continuing to build on the model's capabilities to deliver accurate forecasting. We have identified additional benefit values, which we will obtain through primary research, and we will conduct an annual review to ensure the ongoing validity of our data and assumptions.

Enhancing our culture of stakeholder engagement and consumer vulnerability

The success of our stakeholder engagement is dependent on our workforce. We let our colleagues know how valued and important they are to our success – in actions as well as in words – and this is reflected in how they feel about stakeholder engagement and their contribution towards it. We've worked hard to enhance and embed this culture within our business and the initiatives described in this section demonstrate just some of the many ways in which this has paid off.

ENHANCED



Our whole company takes part

Our Stakeholder Engagement Team supports our colleagues with the knowledge and confidence in developing the core skills needed for participating and facilitating stakeholder engagement consistently and effectively. The guiding principle is that everyone is empowered to act on what they hear.

Over the past year we have continued to develop and grow senior leadership participation and visibility in stakeholder engagement activities. This is evidenced by our management population, who are 13% of our workforce, representing 28% of the entries made in our stakeholder activity tracker.

Eddie Smith - Strategic Director for Development at Manchester City Council said:

"Peter has thrown open the doors for communication and made the organisation accessible. I feel like I could pick up the phone and talk to managers without a problem."

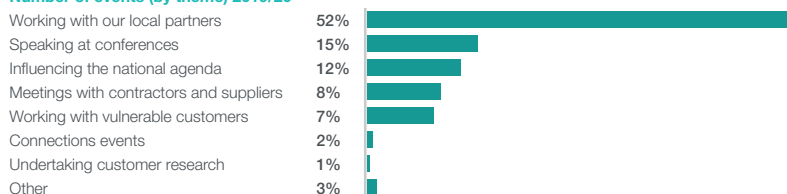


This table below demonstrates the increased scale of our stakeholder engagement since 2018/19:

Year	Number of events	Number of internal attendees	Number of external attendees	Cost of engagement (£)
2017/18	886	2,833	16,054	740,000
2018/19	985	2,238	17,259	790,775
2019/20	1073	2,515	22,800	890,943
% increase	9%	12%	32%	13%

The chart below indicates that the greatest proportion of our 2019/20 stakeholder engagement was with local stakeholders:

Number of events (by theme) 2019/20



EXECUTIVE-LED ENGAGEMENT - WE ARE SWITCHED ON



EMBEDDING STAKEHOLDER ENGAGEMENT - WE ARE ADAPTABLE



STRONG PRINCIPLES GUIDING OUR APPROACH - WE TAKE PRIDE



Steve Cox, Engineering and Technical Director, said:

"I was delighted to be appointed to the pro-Manchester board this year. The North West's journey in transitioning to a net zero carbon future is under way and we at Electricity North West are leading the charge. In my role I offer expertise and support as businesses across the region look at how they adopt low carbon technologies to meet the region's ambitious decarbonisation targets. The key to our success is being switched on to the views of the customers and communities we serve and using what we hear to inform our decision making. We have listened carefully and in partnership with the Tyndall Centre and Impact Research have developed a range of tools to provide support to customers so that they act now. The advice we give is tailored to the needs of our stakeholders such as the provision of Carbon Balance Sheets to local authorities or the top five things businesses need to do now to decarbonise, segmented by industry sector. We are enjoying great momentum in our programme owing to enduring engagement with stakeholders. We present at the monthly meeting of the Local Enterprise Partnership in the Greater Manchester area and our relationship with local authorities across the region goes from strength to strength – with data sharing improving forecasts, influencing investment plans, and accelerating the connection of local renewable generation."

Graham Dent, Customer Relationship Manager, said:




"The key thing I have learned through delivering the rising lateral mains (RLM) programme in tower blocks and being on the frontline of community engagement is the importance of understanding our customers' preferences and engaging with them in a way that suits them. Our license obligation is to notify residents in advance of planned works, but we couldn't have achieved the level of trust and satisfaction observed without more extensive engagement to build a rapport with the communities we serve. This means overcoming challenging barriers to engagement; building trust through visits to residents' meetings before, during and after our on-site works; providing a drop-in centre where customers can see a visual mock-up of an installation and ask questions. This dialogue gave us a better understanding of our customer needs and allowed us to go the extra mile, such as sourcing tailored trunking that is in keeping with customers' homes. 97% of customers and 100% of building owners have been satisfied with our embedded approach and this has enabled us to obtain access and deliver the necessary interventions that de-risk high rise tower blocks and keep people safe. I am proud that through the RLM programme we are continually growing our understanding and adapting our business through listening to the experiences of our stakeholders."

Emma Bingham, Human Resources Business Partner, said:

"Sometimes the best ideas come from our colleagues who live in our region and represent our communities. Two colleagues who attend mosques in Blackburn and Oldham suggested that we engaged with their Elders to reach out to the wider community about career opportunities. Utilities are one of the least diverse sectors in the UK, and job applications from the Black, Asian and Minority Ethnic community are low. I feel passionate about the role of Diversity and Inclusion in building the next generation of engineers and employees and I felt empowered to act on what I had heard. The mosques were in areas with a relatively high concentration of ethnic minorities and through interaction with their Elders we heard misconceptions about what is required to work in our industry that we were then able to dispel during open evenings attended by 300 customers at the mosques. I'm proud that we have inspired a significant increase in applications to our apprentice scheme from the BAME community which is helping to reflect the diversity of our communities in our recruitment. We are already expanding our relationship with the same communities by aiding with CV writing and interview skills, through our colleague volunteering scheme."

Key outcomes delivered

In focusing on our strategic purpose and objectives we have identified the Social Return on Investment of our initiatives, and traded these off against stakeholder priorities and customers' willingness to pay, to deliver outcomes that are truly valued by our stakeholders. This table summarises the action we took in response to input and feedback we heard from stakeholders this year and the 216 positive outcomes and benefits these actions led to. More detail is provided on these outcomes in Parts Two and Three of our SECV submission.

Our priorities	Number of outcomes	Examples of what we heard	Examples of what we did	Outcomes
 Keeping our customers' lives running	76	Customers' propensity to feel vulnerable increases significantly when network faults cause appliance damage.	We exceeded our license obligations by deploying our partner, Haste, who went door-to-door fixing appliances to keep customers' lives running.	89% Overall satisfaction social benefit for every £1 invested. x10
		We heard that our domestic connections customers found our website application process difficult to use, resulting in fewer than expected web applications.	We launched an online quotation tool allowing customers to apply 24/7, receive a fully costed quotation for a new connection within 20 minutes, and pay without having to call us or send in paper documents.	89% Overall customer satisfaction social benefit for every £1 invested. x4
		Residents told us that trust is now a significant barrier to work in multi-occupancy properties, which had the potential to hinder the progression Rising and Lateral mains (RLM) upgrade schemes.	We built a rapport with the local community through sustained engagement and invested £675,000 to deploy innovative WEEZAP circuit breakers to de-risk 2,259 of the highest-risk homes.	99% Overall satisfaction and 1 major fault was avoided social benefit for every £1 invested. x2
 Leading the transition to net zero	67	Prospective flexibility service providers revealed that the most significant barrier to entry is location.	We reduced the minimum kVA requirements to participate, introduced an online flexibility map, allowed customers to register their assets and made proactive contact to alert stakeholders to opportunities.	78% increase in applications Improved access
		Our targeted engagement with Local Authorities in Manchester, Lancashire and Cumbria uncovered significant variations in carbon ambition, knowledge and resources.	We produced Carbon Balance Sheets for each of the ten Greater Manchester Combined Authority (GMCA) councils which informed an understanding of the scale of local renewable generation such as solar panels that must be connected to achieve net zero by 2038. We challenged other Local Authorities in our region to articulate a carbon ambition for their localities.	39.42 GWh of renewable generation to be connected 8,475 CO₂te carbon reduction
		Our colleagues told us that they wanted to be shown how to reduce their own carbon footprint.	We became the first bronze level carbon literate DNO and went a substantial way towards delivering carbon literacy training to 100% of our management team and have committed to scale this to our wider workforce.	10% reduction in emissions per person social benefit for every £1 invested. x4
 Supporting our vulnerable customers	73	Power cuts have a relatively high impact on the 590,000 businesses in our region, some of which consider that they would be vulnerable to adverse financial, social and sometimes reputational impacts.	We launched a free Business Priority Services Register which provides a tailored service, including 30 days' notice of a planned power cut. Business continuity advice is now provided to customers, including information on how to assess risk and how to procure a generator.	32% of members have proactively improved their resilience social benefit for every £1 invested. x22
		Smart Street, an innovative voltage optimisation technique, was endorsed by our Stakeholder Advisory Panels on the basis it can reduce customer energy consumption by up to 8% and reduce annual energy bills by £60.	We secured £18.03m funding (2019/20 prices) to enable 180 installations which will provide long term value to circa 64,000 customers. We used data provided by Citizens Advice in conjunction with our social data mapping tool to target our site selection towards areas of high fuel poverty.	£37.9m of carbon and bill savings (RIIO-ED2) social benefit for every £1 invested. x2
		Stakeholders want us to deliver support and key messages through effective and trusted collaboration with other partners, taking care to avoid duplication with other utilities or social services.	This year we partnered with United Utilities and included key PSR and energy efficiency messaging on 400,000 pharmacy prescription bags and distributed 60,000 PSR leaflets across 200 independent pharmacies in the North West.	More customers connected to vital support at a lower cost. social benefit for every £1 invested. x26

Collaboration, sharing and best practice

In this section we set out how we are developing close working relationships with other utilities and network operators to tackle industry-wide issues collaboratively and sharing best practices so that we can avoid duplication and respond to challenges in a joined-up efficient way.

EMBEDDED



Independent evaluation and audit



To build stakeholder confidence that we have adopted a best practice and rigorous approach, we follow the AA1000 Stakeholder Engagement Standard developed by AccountAbility (See page two). AccountAbility have provided independent assurance of our stakeholder engagement

activity for the fourth year in succession. This year additional scrutiny of our stakeholder engagement strategy, outputs and outcomes was provided through two rounds of strategic review and eight in-depth interviews with a range of stakeholders.

"Electricity North West uses a range of methods to gather a variety of stakeholder inputs and insights from different stakeholder groups, which inform decision-making and drive change and improvements across the business. The organisation's inclusion of "top-down" and "bottom-up" approaches to ensuring stakeholder insights are heard and acted on at every level."

Extract from AccountAbility assurance review, 2019

Delivering collaborative outcomes

For many years we have committed significant resource to active ongoing participation in industry forums and have been transparent with others, sharing our ideas, plans, and outputs. This year we played an active role in the ENA's Open Networks Work Stream Four, the only working group where all GB energy network companies actively discuss interactions between gas and electricity networks. We recognised that a Whole System Cost-Benefit Analysis (CBA) was required to enable effective Whole System decision making; which we are now co-creating with national stakeholders.

At a regional level we have also collaborated on the development of Whole System Energy Plans. Building on our pioneering work with Energy Systems Catapult to develop the first Local Area Energy Plan (LAEP) for Bury we worked closely with Cadent to produce an energy master plan for the GMCA region. This plan is informing the development of a LAEP for each of the 10 GMCA Local Authorities. The table below summarises the collaboration and best practice sharing we have undertaken in 2019/20 by key engagement themes:

Stakeholder	Safety and reliability	Supporting vulnerable customers	Distribution System Operator (DSO)	Transition to net zero	Caring for the environment	Emergency Planning	Network resilience	Innovation	Joint research	Governance and regulation	Data and transparency
DNOs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Energy suppliers	✓	✓	✓	✓	✓	✓	✓	✓			✓
National Grid Transmission	✓	✓	✓	✓	✓	✓	✓	✓			✓
Gas Distribution	✓	✓	✓			✓	✓	✓	✓	✓	✓
Water		✓	✓			✓	✓		✓	✓	
UK Regulators	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Members of Parliament		✓		✓	✓	✓					
Local Authorities		✓	✓	✓	✓	✓		✓	✓	✓	✓
Universities			✓	✓	✓		✓	✓	✓	✓	
Citizens Advice	✓	✓	✓			✓	✓				✓
Sustainability First		✓	✓								✓
National Energy Action		✓	✓	✓	✓					✓	
Community energy groups			✓	✓	✓		✓		✓	✓	✓
Business and industry	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓

Accreditations and benchmarking

We continue to provide assurance to our customers and colleagues by benchmarking our activities against other leading organisations including GRESB and Business in the Community and achieving appropriate third party accreditations:



We're proud that our Customer Contact Centre training has been

awarded the ServiceMark and TrainingMark accreditation by the Institute of Customer Service. ServiceMark is a national standard recognising an organisation's achievement in customer service. ServiceMark is awarded based on customer satisfaction feedback and an assessment of employee engagement with our organisation's customer service strategy.



We have embedded our 'Time to Change' mental health awareness pledge

by delivering a clear wellbeing vision for our colleagues, supported by executive-led engagement and an increase the scale and ambition of our outputs. This year we have also enhanced our benchmarking with a range of new accreditations and commitments.



We were accredited as a Living Wage Employer. This means we pay a fair and reasonable salary to all our colleagues and we've also made the

commitment to only work with contractors who are either already accredited, recognised service providers or are working towards this accreditation.



We achieved a Bronze Carbon Literacy Accreditation this year. We also went a substantial way towards achieving Silver by ensuring our management team are carbon literate, promotion of our organisation's programme, and through embedding carbon literacy into our performance management systems. See Part Two, page nine for more detail.



We became a founding signatory of the Greater Manchester Good Employment Charter.



We became a Forces Friendly Employer.

OUR 2019/20 ENGAGEMENT IN ACTION



Our Chief Executive Panel scanned the horizon for new priorities in its bi-annual meeting



Our Sustainability Advisory Panel developed our 'Leading the North West to Zero Carbon' plan



Our Consumer Vulnerability Advisory Panel reviewed our strategic priorities for the year ahead



Our Customer Engagement Group had oversight of our Customer Priorities and Segmentation Research



Stakeholders attending our Regional Stakeholder Workshops mapped out emerging local issues



Community and local energy groups such as Burnley Boys and Girls Club took part in a Powering our Communities event



A large number of children were engaged in our 'Bright Sparks' community outreach programme



Our Engagement and Partnership Manager worked tirelessly with our Community Energy Manager to increase the scale of our local engagement



Our first Youth Focus North West Youthforia event took place with 11-18 year olds

OUR KEY PUBLICATIONS

The publications previewed opposite are available to download from our [webpage](#).

