



Part 1

Our stakeholder and consumer vulnerability strategies

2019 - 2020 | Stakeholder Engagement and Consumer Vulnerability Incentive

Welcome

We are Northern Powergrid. Day and night, we maintain the infrastructure that's keeping the lights on, heating homes, powering businesses and helping to improve the overall quality of life for more than eight million people.

8m⁺

customers

42,300

miles of underground
distribution lines

2,688

colleagues

17,400

miles of overhead
distribution lines

Our regional structure enables our teams to best service the local needs of our customers



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This is Part 1 of our submission to Ofgem's Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive for the regulatory year 2019/20. Our SECV submission comprises three parts:

Part 1

An overview of the way Northern Powergrid works, describing how our business strategy meets and exceeds Ofgem's minimum requirements.

Part 2

More details of our activities this year, what we've learned, and how we're continuously improving the way we engage with stakeholders.

Part 3

A report that explores our consumer vulnerability strategy and our development of a new social inclusion plan to ensure nobody is left behind during the transition to renewable energy.

1 Introduction

It is our privilege to be a vital part of the communities we serve. All of us at Northern Powergrid take this personal responsibility very seriously - from the executive through to the frontline.

Seeking to deliver the best possible service for our customers is never more important than when our communities face challenging times: I am proud that we have adapted to continue serving our customers amid the coronavirus pandemic – typified by our work in supporting the set-up of Nightingale field hospitals in our region.

Everything we do, from protecting the most vulnerable in a time of crisis to enabling the transition to net-zero, benefits from collaboration and partnership. We continually seek feedback from customers and adapt our plans in response to ensure that we fulfil our primary purpose - meeting the needs of our stakeholders.

We continuously look for ways to improve the way we engage with our stakeholders, which in turn enables us to keep identifying opportunities to deliver a better service. Top-quality engagement is essential to achieving our ambition of being the best in class.

Our recently-formed Customer Engagement Group is already having an impact. It reinforces the principle that our RII0-ED2 business planning is driven first and foremost by stakeholder needs.

Their challenge and expertise will help us to find the best balance of outcomes for our customers in the next investment cycle. We realise that an essential part of this is to help people understand the motivation behind our plans so that they can robustly challenge our work - experts and customers alike.

As the UK's energy system continues its exciting journey to a low carbon future, we want to ensure that we hear the voices that represent the full spectrum of our customers loudly enough to shape our plans. Our innovative Social Inclusivity Framework will ensure that this is possible as we transition to a Distribution System Operator – a platform which optimises the energy system in its evolution to flexible, low carbon power.

A vital part of this transition involves being smarter about how we harness and capitalise on our data. The potential benefits to customers are significant: by collecting energy efficiency and fuel poverty data, we can better target and support vulnerable customers, while on our pathway to net-zero, data sharing with stakeholders, including the Open Data Institute, will assist us in developing our future energy scenarios forecasts.

We are excited about the prospect of being part of a transformation in the energy sector. We want our stakeholders to play a very active role in that journey, supporting us in creating a lasting social legacy.



Phil Jones
CEO – Northern
Powergrid

Stakeholders and customers shape our priorities

In order to increase and update our understanding of what is important to our customers - nationally and regionally - we collaborate with other DNOs each year on 'Willingness to Pay' (WTP) research, canvassing 1,200 households across the UK. Understanding this national picture is important but we also want to understand if our region has any particular variances that should shape our engagement approach, so we've also run a regional satisfaction and customer prioritisation exercise with **1,000+** of our domestic customers and we've broken down the national research to regional level - so we know we have the best picture of the area we serve.

Improvements in our approach this year include:

- ✓ Widening our sample to be inclusive and representative with more emphasis on SMEs (engaging **1,006** domestic customers, **208** SMEs, **86** stakeholders).
- ✓ Increasing the scope of our questions to inform horizon scanning and explore the future interests of our customers - particularly around the future energy mix and decarbonisation.
- ✓ Validating our results by engaging with customers post-research - by sharing the results through accessible video content, we can confirm their accuracy and any changing views directly with our customers.

2019/20 headlines:

- We have engaged with over **450,000** stakeholders and customers in our region.
- Overall, customers and stakeholders are pleased with the service they receive, and we've seen a **2.2%** increase in satisfaction from customers to 89% overall.
- Current and future focus for our stakeholders is on having an opportunity to be involved in four key themes (which provide the key focus for the outcomes in this submission), which we've validated with our Consumer Panels and Future Youth Councils. Those themes are:



Caring for our environment –
Enabling decarbonisation and working towards a sustainable energy future



Delivering a social legacy –
Putting people's needs first means delivering far more than just "keeping the lights on"



Meeting and exceeding our customers' needs –
Delivering a regionally-sensitive, responsive service that turns innovation into Business As Usual



Preparing for the energy transition –
Ensuring that everyone benefits from cleaner energy, without leaving anyone behind

2019/20 highlights

289

meaningful outcomes for our stakeholders and customers

450,000+

stakeholders engaged

160,191

new PSR registrations

129,245

vulnerable customers directly supported

500+

stakeholders attended online events in the last 12 months

60

member Consumer Panel established

New

5

engagement principles embedded in our strategy

Future Consumer Panel and Student Ambassadors programmes launched



2 Core engagement strategy

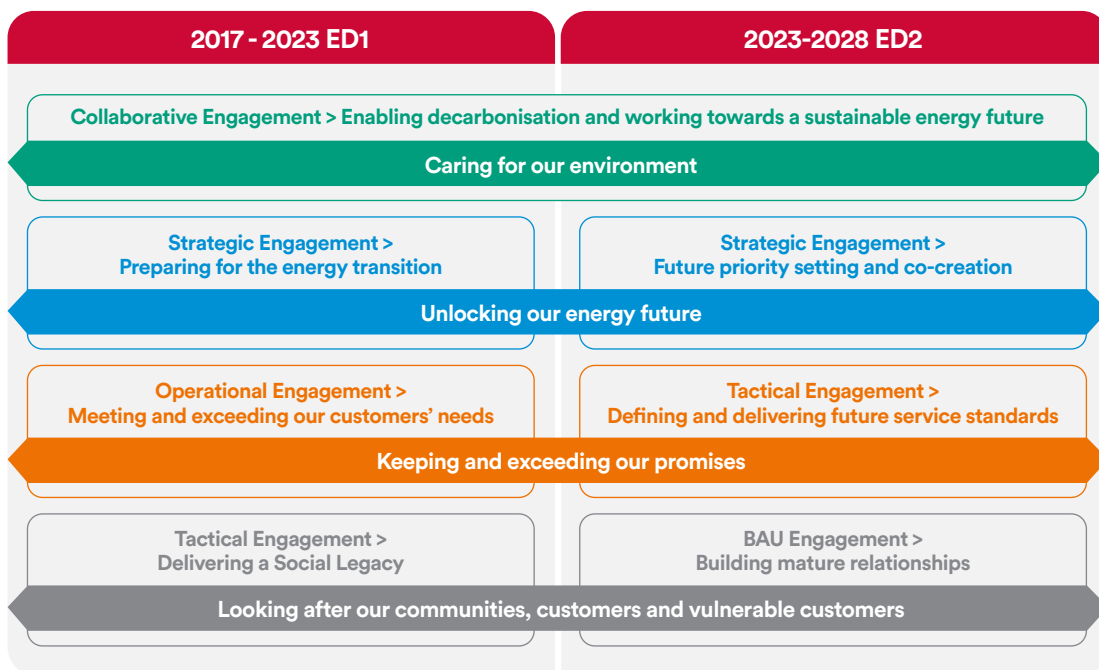
Our vision is *"To be the best energy company in serving our customers while delivering sustainable energy solutions"*, but to achieve this, our engagement must be multi-faceted. Two-way dialogue is essential to find out what works, what doesn't, what customers need, and how to collaborate with our stakeholders most effectively. So, we've been finding ways to amplify the voices around us this year, in particular, those from hard to reach, time poor groups or those at the periphery of our work. The holistic purpose of engagement is to deliver much better, far-reaching outcomes that help us achieve our vision and deliver measurable benefits for our customers – such as:

- **Challenging our own projects and plans** – creating a world-class Social Inclusion Framework that's now a formative influence on our evolving Distribution System Operator (DSO) strategy.
- **Prioritising changes to our strategy** – doing so in a way that supports the transition and leaves no-one behind; taking care to validate those intentions via Future Consumer Panels.
- **Sharing news about our role and work** – broadcasting project updates on Asian-language local radio in Bradford, for example, and connecting with Local Authorities on their Electric Vehicle strategies.
- **Learning from others** – extensive engagement with industry experts in events like our 120+-delegate Stakeholder Summit – listening to our customers and our Customer Engagement Group.
- **Responding to real-world needs in our community** – helping charity partners reach out to vulnerable older residents who are isolated due to COVID-19 and liaising 1-to-1 with a local MP on women's needs in a socially deprived area.

Our enduring strategy

We have reflected on the main areas of our engagement strategy and the three areas that we outlined last year remain relevant. However, our engagement with stakeholders shows that there is a much greater need to focus on environmental issues and concerns.

For 2019/20 we have added **a fourth theme – Caring for our environment** – to explore and deliver decarbonisation within our own business and in support of the wider region.



Our engagement principles

New

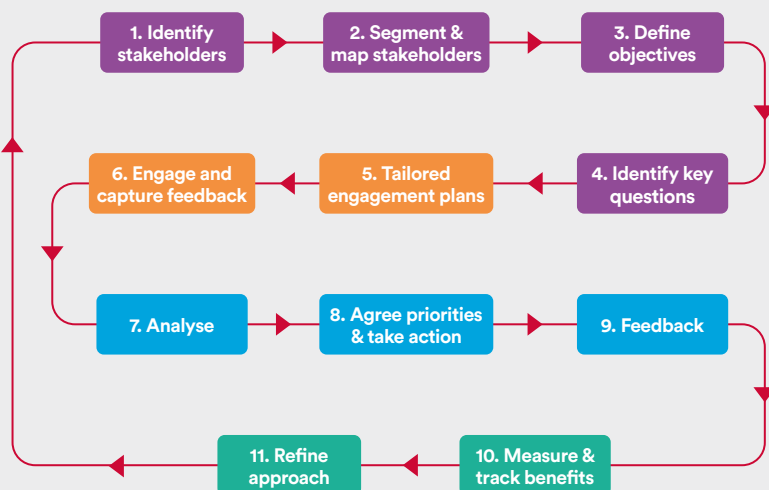
Our strategy is underpinned by our core engagement principles, introduced this year and validated by our Stakeholder Panel and Social Issues Expert Group (SIEG).

- Stakeholder-led** – we are flexible, proactive, and responsive. Early deliberative engagement informs our plans and allows for testing with stakeholders.
- Representative & inclusive** – we will not leave anyone behind. All voices are heard from across the diverse region we serve.
- Open & transparent** – explaining what, why, and how we work. Encouraging active participation from customers and stakeholders to aid planning and decision making.
- Accessible** – employing a range of engagement methods designed to engage all ages and capabilities. Educating stakeholders so they can understand our business, make better informed decisions and provide richer input.
- Responsive & adaptive** – best practice leads us, experience shapes us. Our programme is continuously evolving as we learn more about the needs of others.

Our embedded engagement process

Our engagement process is underpinned by our engagement principles and supported by extensive assurance and governance including the AA1000 annual audit process.

- Identify & understand
- Engage
- Analyse, act & feedback
- Measure & improve



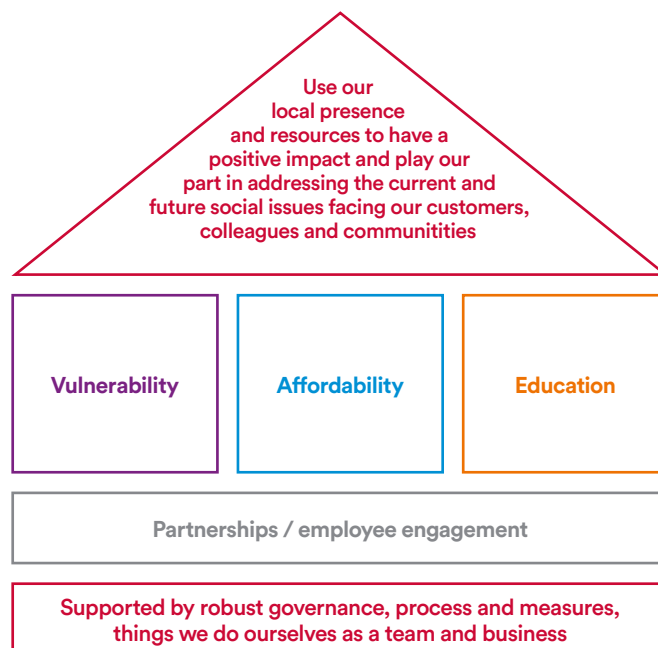
3 Core consumer vulnerability strategy

Our Social Responsibility strategy and social pillars are reviewed annually to ensure we continue to reflect the needs of our customers, and in partnership with the Social Issues Expert Group (SIEG) complements our stakeholder strategy and enables us to take a targeted approach to our investments for vulnerable customers and broader social issues like affordability, skills and employability.

This year, in consultation with our stakeholders, we have updated our consumer vulnerability priorities to refocus more support on customers experiencing fuel poverty. We've integrated our social legacy programme in deprived areas, where we are improving network infrastructure, and, through our social inclusivity framework, we've incorporated direct actions to ensure no one gets left behind during the energy transition.

This year as part of our regular reviews process with the SIEG and our Executive Leadership team, we have set stretch targets to future proof our approach in line with emerging stakeholder needs.

We have strengthened our understanding of vulnerability through data acquisition, research and regional profiling, and aligned our vulnerability and social programmes to our investment plans. This is helping us to understand and tailor the support we offer to our communities before we impact them and during our works. We are focusing on minimising disruption and maximising the positive impact we can have.



| Social pillar | Principle aims | Objectives 2019/20 |
|---------------|---|--|
| Vulnerability | Provide the best possible support and assistance for vulnerable customers, informed by a detailed understanding of their needs. | <ul style="list-style-type: none"> ✓ We will expand our understanding. ✓ We will improve access for the hard to reach. ✓ We will improve our services and tailor them to customer needs. ✓ We will ensure a socially inclusive, fair and equitable energy transition. |
| Affordability | To help improve the homes and lives of our customers by providing far reaching and innovative solutions to energy affordability challenges. | <ul style="list-style-type: none"> ✓ We will use our social mapping tool and research data to target our support at the highest areas of vulnerability. ✓ We will develop partnerships to offer comprehensive debt and energy efficiency advice and support for individuals most in need. ✓ We will keep our promise to keep costs down – delivering more for less. ✓ We will educate children and their families to keep energy costs under control. |
| Education | To help develop skills and improve the lives of our communities through our education and employability programme. | <ul style="list-style-type: none"> ✓ We will develop the right people with the right skills to become part of our future workforce, which reflects the diversity of communities we live and work in. ✓ We will support the development of STEM as a consideration for pupils who have excluded themselves from this area of study for a variety of reasons. ✓ We will work with regional and national partners to enable a positive industry wide workforce transition to a low carbon energy industry. |

Already, we're seeing the following results from our tailored approach and priorities this year:

PSR data cleanse response rates up from 24% to **38%**.

160,191 new registrations onto the PSR.

Revised PSR welcome pack distributed to over **300,000** PSR customers following customer research and feedback.

Expansion of individual programmes from 6 to **15** partners across the region.

129,245 vulnerable customers receiving direct support in 2019/20.

Funded advice on fuel poverty to **1,109** vulnerable customers.

Cost of supporting vulnerable individuals reduced by **£35** per head in our fuel poverty programmes.

39% of clients requested energy related advice compared to 30% in 2018/19, leading us to launch a fuel poverty campaign promoting energy saving measures via social media channels.

24% reduction in overhead line strikes by vehicles through improved outreach.

- Three pieces of research shaped our CV communications' strategy. These focused on behavioural barriers and challenges to signing up to our PSR and utilising service provision; communication needs now and in the future and fuel poverty holistic service provision.
- Improved services for our customers with hearing difficulties including; embedded British Sign Language in our communications, and introducing BSL live interpreters.
- Our Social Legacy programme in Bradford led to a **22.5%** increase in PSR registrations since launch. We also developed an animation, overdubbed with British Sign Language, to help non-English speakers understand the investment work taking place.

Further examples of the outcomes and stakeholder benefits we are delivering within these strategy areas are illustrated throughout Part 2 and Part 3 of this submission.

4 Key engagement methods

Led by stakeholder feedback and targeted research, we have amplified the voices of hard to reach and time poor customers, working with expert stakeholders, and those with a defined interest and limited understanding of our work.

To achieve this expansion in reach, we've increased the number of engagement pathways to **26**, encompassing over **100** engagement programmes. A summary of this work is below, demonstrating how we have responded to our stakeholders' level of knowledge, availability and interests.

| Level of knowledge | Engagement Pathway | Audience | Reach | Times a year | Tailored approach | Outcomes and benefits summary |
|--------------------|--------------------------------------|---|----------|--------------|--|--|
| Expert | Expert Panels | Businesses, LAs, Utilities, Academics, Comm Energy | 200 | 4 | Stakeholder Panel and Social Issues Expert Group NEW – Community Energy Advisory Group | Scrutiny of 20+ programmes. 50+ actions including resilience and preparedness plans for COVID-19. |
| | Bi-lateral meetings | LEPs, LAs, MPs, Utilities, SMEs, NHS | 400 | 6 | LEP panels NEW - Industry working groups (British Glass and FSB) LRF planning sessions | First DNO to launch LA decarbonisation resource pack. Supported Catalyst Energy Innovation Challenge alongside North East LEP – with funding for 10 SME projects . |
| | Industry round tables | Utilities, Civil Service, LAs, ENA | 50 | 4 | Infrastructure North Engagement Group | 30,000 energy efficiency leaflets distributed. New “shared” vulnerability framework. |
| Interested | Deliberative workshops | LAs, Utilities, CV Reps, Suppliers, SMEs, Comm Energy, Charities, Academics | 700 | 4 | NEW - EV readiness workshop and webinar Annual round table sessions NEW - Local Government Forum | 21 action points from round table sessions fed into business planning. 50 new stakeholders attending Local Government Forum. Critique and sign off on DSO plans and EV Readiness Guide. |
| | Conferences | LAs, Utilities, CV Reps, Suppliers, SMEs, Comm Energy, Charities, HSE, NPg Colleagues | 1,000 | 4 | Annual stakeholder conference NEW - Internal and external CV conference Health and Safety Conference | 50% increase in delegates in 2019/20. 100% positive feedback on new conference app. 50% reduction in CO2 emissions from our events. 50 environment “pledges” from delegates. Over 500 stakeholders attended online webinars and workshops over the last 12 months. |
| | Co-creation workshops | LAs, EV Suppliers, ODI, CV Reps, Comm Energy | 100 | 6 | NEW – Future Energy Scenarios and AutoDesign groups NEW – Social inclusion group | Tested and validated DFES tool – an industry first achievement. Co-designed and tested our AutoDesign tool. Recommended new Social Inclusivity Framework. |
| Limited | External awareness raising campaigns | NFU, CV Reps, Schools, Community Groups, LAs, Charities | 300,000+ | 12 | Vulnerable customer campaigns School and farm safety communications and training packages | 6.5% reduction in Farm Safety incidents over the last year and a 24% drop in overall overhead line strikes. 30% growth in PSR registrations where we have targeted recruitment. Electrical safety messaging delivered to 53,000+ school children. |
| | Investment scheme engagement | Community Groups, MPs, LAs, CV Reps, SMEs | 2,000+ | 6 | NEW – Large investment works programmes Tower blocks campaign | 48,000 trees planned for Bradford and funding for 6 STEM-focused teachers. 26.3% increase in PSR registrations since projects began and 30% reduction in appointment cancellations. |
| | Research projects and surveys | Customers and Vulnerable Customers, Stakeholders | 5,000+ | 3 | Barriers to engagement survey PSR customer support needs survey | Introduction of BSL for online video content. Development of dedicated DSO and engagement website . Re-affirmation of stakeholder priorities. |
| | Newsletters and digital engagement | All Stakeholders plus Comm Energy Groups and Emergency Partners | 6,000 | 12 | Monthly stakeholder newsletter + ad hoc MIMP/emergency newsletter Bi-annual community energy newsletter | Community Energy Newsletter for 50 specialist stakeholders. Expansion of stakeholder database by 100% to 5,000 relevant contacts. 174 conference app downloads, 124 online networking discussions. |

Enduring engagement channels

Our mature engagement groups and expert panels provide invaluable input, insight and challenge to our business. Acting as critical friends, they challenge our work, ensuring we consider what it's like to be in our stakeholders' shoes as we plan our engagement and align our work with their priorities.

Stakeholder panel and embedded social issues expert group (SIEG) Embedded

This year, two-way feedback characterised our vibrant, representative Stakeholder Panel of 44 members (established in 2012), who meet quarterly. We've aligned our work to include their feedback on:

- ✓ An e-auction process for procuring flexibility services (**a market-first**);
- ✓ The Boston Spa Community Energy project, potentially delivering in the region of **£40 to £50 savings per year, per household**;
- ✓ Rebalancing events to include more time for discussion and networking;
- ✓ Better promotion of our PSR and Community Partnering Fund to Parish Councils; and
- ✓ The development of two iterations of our DSO and Electric Vehicle (EV) readiness documents and the engagement and communications plans for our community energy strategy and ED2 planning.

Our SIEG (also established in 2012) is instrumental in shaping our work for vulnerable customers. This year its challenges, advice, and feedback touched a wide range of issues:

- ✓ Testing our new EV connections AutoDesign tool, providing insights that improved the user experience;
- ✓ Acting as a catalyst for improvements to social mapping data that will impact our whole business;
- ✓ Testing social inclusivity material for our DSO strategy documents; and
- ✓ Bringing our social programmes to life for our senior managers and frontline colleagues.

Business priority roundtables Enhanced

Building on last year's feedback, we held six executive-led roundtables with over **200** stakeholders and customers from across our region. The topics informed our annual business plan, resulting in **21** specific, measurable actions delivering benefits for stakeholders. Agreed topics, driven by stakeholder feedback, included:

- The energy transition;
- Clean air zones and low emission vehicles;
- DSO and energy retailers;
- The interdependencies of decarbonising heat;
- Climate Change: the impact on regions and organisations; and
- How we build a customer-centric smart energy system.

Annual stakeholder summit Enhanced

Our 2019 **Stakeholder Summit focused on sustainability and decarbonisation**: tackling the challenges of climate change. All **123 delegates (up 50% on 2018)** were encouraged to hold us to account in this 'how can we help each other the most?' event. With 12 expert speakers from a variety of backgrounds, including Dr Gabrielle Walker giving the keynote address and a bespoke mobile app which ran polls, encouraging networking and collaboration as we showcased innovation supporting the decarbonisation agenda.

The Summit also included our "Beyond Visual Line of Sight" drones project, an emerging (and we believe best practice) innovation for remotely monitoring networks, our new EV planning tool, reducing connection enquiries from 10 working days to 10 minutes and our SilentPower vehicles, which help ensure medically-dependent customers on our PSR have the battery access they need in a power cut, without the need to use diesel generators.

The Summit's enhanced format resulted in **35** direct actions and stakeholder pledges in support of enabling decarbonisation.

Insights are informing business improvement and ED2 plan development now but, surprisingly, one of the most useful takeaways was that stakeholders see us as a dynamic locus for change, helping protagonists to align their plans and combat climate change together.

Bringing together internal and external stakeholders to review our embedded consumer vulnerability strategy Embedded New

Our annual internal CV conference hosted **70** managers this year, training them on new and best practice approaches to engaging vulnerable customers. This was supported by our SIEG, who recommended that we also establish an externally focused CV conference to further share learning and foster collaboration.

We responded in March 2020 with our **Future Fairness Conference**, hosted jointly with our SIEG. We welcomed almost **100** delegates from over **60** organisations including the NHS and Care Trusts, the third sector and regional government bodies, exploring the challenges that vulnerable customers may face as a result of the energy transition, and hosted dedicated sessions to collect views on:

- What the transition means (focusing on heat and transport);
- Challenges for the vulnerable during the transition to a low carbon future; and
- How we can work more collaboratively to effect change.

The conference resulted in **20** meaningful recommendations for development which have been fed back into our business planning and publicised to stakeholders. **90%** of those who have replied have agreed that our new approach is correct.

"The Future Fairness conference brought a wide variety of stakeholders together to discuss fuel poverty, and the mix of presentations from current community partners, Northern Powergrid staff and external partners alongside plenty of opportunity for discussion and debate will enable NPG to develop their plans and strategies for this important area of work."

Carol Botten - CEO Voluntary Organisations' Network North East (VONNE)

2019/20 highlights

New co-creation workshops launched

50%

growth in Annual Stakeholder Summit delegates

26

engagement pathways expanded

100+

engagement programmes delivered

200+

stakeholders attending roundtables, resulting in 21 actions

100%

growth in our dedicated stakeholder database

40+

expert stakeholders attending our Local Government Forum

20+

regional stakeholders working with New Community Energy Advisory Group

60+

organisations working to deliver a socially inclusive energy transition through a dedicated Future Fairness Conference

BSL captions introduced for online videos - an industry first

68

mental health first aiders trained

50+

sustainability pledges from stakeholders and partners

700

colleagues and contractors trained on new Customer First approach

250

mental health champions

34

Local Authorities engaged directly through co-creation workshops

“

In Kirklees we have invested in introducing up to an additional 100 electric vehicle charging points over the next few years. To have the opportunity to come and test the new Northern Powergrid AutoDesign tool alongside my local authority peers and hear about their plans was really valuable. I was delighted to be able to set the context for the day about the need for action against the backdrop of the escalating climate breakdown.”

Cllr Naheed Mather
Cabinet Member for Greener Kirklees
(the first local authority in Yorkshire to declare a climate emergency)

Engagement innovations this year

New

Innovative

As part of our continuous improvement approach, with feedback from stakeholders we've introduced a range of new engagement pathways to ensure that we can meet the emerging needs of stakeholders and those who have previously faced barriers, such as those who are hard to reach, vulnerable, or time-poor.

As a result, we have seen:

- ✓ Significant increases in digital engagement – **1,200** views of our digital engagement events.
- ✓ **+100** stakeholders taking part in our 'Heat Maps' webinars.
- ✓ Webinar training sessions on our new AutoDesign and Future Energy Scenarios tools, with over **150** stakeholders taking part.
- ✓ Interactive Zoom sessions with Local Authorities to talk through our decarbonisation plans.

- ✓ Published digital recordings of our engagement sessions for time poor stakeholders.
- ✓ BSL captions introduced to our online videos.
- ✓ Rural telephone interviews with our Consumer Panel members to ensure all voices are heard.
- ✓ An online engagement platform that collates our reports, discussions and published actions for our stakeholders.
- ✓ Targeted forums and co-creation workshops with over **100** stakeholders and partners.

Improving our regional mapping tool and expanding its use

Enhanced

Our region has its own demographic characteristics, and unique social constraints and at our Stakeholder Summit, the importance of 'regionality is key' came through loud and clear. We've enhanced the data in our mapping tool to better reflect localised differences, by drawing in new data sets from Experian and our own asset data so we can now see:

- ✓ Anonymised, individual residents' needs data.
- ✓ Business data – size, sector, turnover, employees.
- ✓ Demographic flags aligning to transition factors.

- ✓ Households included on the PSR, and the houses 'in-between'.
- ✓ In-depth fuel poverty analysis and homes with low energy efficiency ratings.

This has helped to highlight trends, reveal opportunities and let us deliver a far-more localised response to the specific needs of our communities. We have expanded its use applying it to asset planning decisions in order to support better long-term decision making.

Future consumer panels

Our new Future Consumer Panel, (**60** 14-15 year olds), was developed to empower young people by providing a platform to share views, become involved in our work and challenge our ambition for the environment, sustainability, vulnerable customers and technology. Together, our panellists have:

- ✓ Co-created our new **Visual Education Tool**.
- ✓ Supported the re-shaping of our school-focused safety materials.
- ✓ Delivered intelligence on future customer behaviours and expectations around data and service delivery.

Student consumer insight ambassadors

To enable us to learn more about future customers, we have a **University Insight Ambassador Panel**, (18-22 year olds) meeting quarterly to co-create and help shape our plans. The group provides invaluable insight into the lifestyle, interests and needs and priorities of this future focused group, who provide challenge and clear expectations particularly in respect to Net Zero. We are expanding the model to other Universities and Further Education colleges.

Unique social representation and inclusion tool

Our new engagement and research representation and inclusion tool provides granular insights about stakeholders and customers in our region, and models who we should be engaging with to secure a fair and responsible sample, when any engagement or research takes place.

Including both internal and external datasets, it lets us understand the make-up of our region and who is best placed to deliver the insights we need.

It delivers transparency and underpins the credibility of our outcomes, throughout the business, by checking that research and results are always fit for purpose.

Strengthening consumer voice – our new consumer panels

We now have two domestic Consumer Panels, meeting quarterly, with 30-50 panellists exploring our engagement priorities and planning in year, and looking ahead to RII0-ED2.

Key learnings tell us that we need to be less assumptive and there's a level of misunderstanding about our role and our costs.

This feedback is essential. We've already delivered a digital education tool and new materials for:

- ✓ Communicating data privacy, potential data use and the value of Smart Meters.
- ✓ Promoting PSR support for health and mental health via digital campaigns.
- ✓ Developing materials for customers experiencing communication issues.



5 Embedding stakeholder engagement in our culture

We want to be the best energy company in serving our customers and understanding their needs – keeping our promises, helping our customers to understand, keeping them informed and providing a high-quality personal service are essential everyday commitments.

This means that engagement needs to be embedded widely and deeply within our business, and while it is easy to 'cover' in business strategy, it is much harder to embed philosophy and practice to deliver long-term, sustainable best practice engagement for the benefit of our customers.

We've made progress in this area and support and encourage all our frontline teams to embed, ever-improving behaviours in their work routines. And, at a higher level, to drive a leadership mindset – cascading naturally – to enable engagement and support for our customers at a time of change, ensuring we continue to deliver exceptional services to meet the challenges of the future without leaving anyone behind.



Neil Applebee
Director of People and Customer Service

Real-world engagement is invaluable

Our ambition is to be the leading, low-carbon energy region by 2050. We should have an energy economy worth £15 billion per annum, and 100,000 green jobs providing affordable, clean energy across the region. To achieve this equitably, we must take personal ownership for our actions. Our managers have been doing even more hands-on 'see for yourselves' activities to prompt meaningful change throughout the business.

Led by our CEO Phil Jones, **550** managers and senior executives went out into the field to experience frontline roles, talk to customers, build relationships and identify areas where they need additional support. Phil has also visited worksites across each region, getting to know each regional manager and their newest team members.

Our Technical Engineering staff have also gone into the field, notching up another **1,200** engagements with frontline colleagues. To complement our new General Manager role, we've also introduced six new regional Customer Service Managers, and a Business Improvement team to support our wider field operations function. Change starts with people, not processes.

“Our teams take genuine pride in delivering an amazing customer experience, and our new regional structure is enhancing our already fantastic service.”

Andy Bilclough - Director of Field Operations

Putting training into practice

Jack Wren and Chad Dickinson are jointers in our North Yorkshire Region. They were working on a fault in Scarborough when a young woman walked past, unsteady on her feet and clearly upset. Observing discreetly, they found the young woman sitting on the harbour wall in a vulnerable situation. Gently approaching her and using their mental health crisis training, Chad and Jack managed to keep her in conversation long enough to arrange help from the Police, who took the young woman to find specialist care. We're incredibly proud. Jack and Chad's actions could have averted a very serious incident, and certainly may have saved this person's life.



“Promoting Mental Wellbeing is essential. If people know the services and support they can get, they're more likely to help someone get the support they really need.”

Rachael Thomas - Trainee Control Engineer

Giving our people the tools they need

Embedded

Across our business, as more and more of our colleagues engage with stakeholders, it is important they have the skills and capabilities to meet our customers' needs.

Having refreshed it, evolved it, and rolled it out across the company, our 'Customer First' training is now embedded firmly within our business. It brings our customer pledges to life. Starting with colleagues on the frontline, we've extended this training across the organisation and to contractors who deliver services on our behalf – delivering it to **700** individuals in all by the end of this year.

And, following on from our work reaching out to customers who were experiencing mental health issues or emotional challenges in 2018, this year we've trained **250** mental health champions, and seen **68** mental health First Aiders achieve accreditation through a two-day course.

With teams across the business developing broader engagement plans for both RIIO-ED1 and RIIO-ED2, we've invested in further engagement training for **60** senior colleagues across two workshops to:

- ✓ Embed a shared understanding of the purpose of stakeholder engagement and its value to Northern Powergrid.
- ✓ Discuss and share good practice examples from within and outside of Northern Powergrid.
- ✓ Improve understanding of innovative engagement approaches.
- ✓ Identify next steps in developing our outcomes-focused approach to stakeholder engagement.

6 Key outcomes delivered

| Key Embedded New Innovative Hard to reach | | |
|---|---|--|
| Example initiative | Initiative category | Outcomes and benefits |
| Stakeholder-led workshops | New Innovative Hard to reach | <ul style="list-style-type: none"> 21 shared solutions developed across six workshops – all outcomes and feedback fed back into Northern Powergrid's business planning. |
| Stakeholder Summit | New Innovative | <ul style="list-style-type: none"> 50% increase in delegates in 2019/20 – 9.5/10 satisfaction rating of "very good". 50 environment "pledges" from delegates. 35 actions arising incorporated into ED2 planning. |
| Enduring expert panels | New Hard to reach | <ul style="list-style-type: none"> Review and scrutiny of 20+ programmes and projects. 50+ actions for delivery including changes to EV readiness approach. |
| Consumer Youth Panels | New Innovative Hard to reach | <ul style="list-style-type: none"> Supported development of new Education Tool. Helped to re-shape and improve messaging for school-focused collateral. |
| SME decarbonisation portal | New Innovative Hard to reach | <ul style="list-style-type: none"> Scoped decarbonisation portal for 160,000+ SMEs and micro-businesses. 10 clear actions and targets articulated to support SME decarbonisation plans. |
| Co-creation forums | New | <ul style="list-style-type: none"> 40+ expert stakeholders engaged and 20 new actions. New Local Government Forum created – co-creation of new EV connections processes. |
| Digital engagement programme | New Innovative | <ul style="list-style-type: none"> 174 downloads of new conference app, facilitating 125 networking conversations. 20 digital engagement events accessed over 1,200 times. 10/10 satisfaction rating of "very good." 12% increase in Twitter followers, 20% increase in Facebook impressions, 68% increase in LinkedIn interactions. |
| EV readiness engagement programme | New Innovative | <ul style="list-style-type: none"> Creation of new electricity market model for rural councils. 22 new EV chargers at Northern Powergrid sites, saving 5 tCO₂. 5 new EV pool cars and 3 new EV vans. EV readiness guide co-created for Local Authorities – enabling regional transport decarbonisation. |
| Climate change adaptation work | New | <ul style="list-style-type: none"> Flood mitigation work completed 12 months ahead of schedule, with £200,000 in further investment for Calderdale. Substations relocated in Hebden Bridge to protect houses from outages as a result of flooding. |
| Business decarbonisation programme | New Innovative | <ul style="list-style-type: none"> Reduced asset down time by 166 days annually and improved network resilience. A reduction in raw material usage of one third. |
| Environmental improvement initiatives | New Innovative Hard to reach | <ul style="list-style-type: none"> Improved usability and air quality due to renewable, silent nature of batteries in Silent Power vehicles. Once fully deployed, could remove up to 2,500 diesel generators from our asset library. |
| EV readiness tool | New Innovative | <ul style="list-style-type: none"> Cuts quotation times from a wait of up to 10 working days to an average of 10 minutes with new AutoDesign tool. Enables stakeholders to visualise locations of cheapest connection points. |
| Social Legacy programme | Innovative Hard to reach | <ul style="list-style-type: none"> 3,200 tCO₂ saved and funding secured for 6 STEM-focused teachers. Shared Ground Penetration Radar Surveys with utility partners including Northern Gas Networks. 22.5% increase in PSR registrations in the local community. |
| Enhanced community engagement | Hard to reach | <ul style="list-style-type: none"> 30% increase in PSR registrations in areas directly inspected by our engagement teams. 30% fewer cancellations for this kind of investment programme. |
| Customer First training programme | New | <ul style="list-style-type: none"> 700 Northern Powergrid staff trained, and 500 contractors will be trained in 2020. 2.2% increase in general customer satisfaction rates. |
| Real-time customer feedback initiative | New Innovative | <ul style="list-style-type: none"> 15.1% increase in satisfaction rates following feedback calls. 40 service improvements incorporated into Customer Service plans and future ED2 planning. |
| DSO transition plan | New | <ul style="list-style-type: none"> Points of feedback taken from over 100 stakeholders and incorporated into DSO plans. Creation of a socially inclusive framework, following extensive feedback from stakeholders. |
| Future Energy Scenarios initiative | New Innovative | <ul style="list-style-type: none"> Future energy scenario models reflected visually – for the first time – with over 14 variables available across 4 different scenarios. 200+ expert stakeholders engaged in the planning and design of DFES. All data made available publicly for the first time, with a commitment to future data transparency. Over 100+ stakeholders engaged in early adoption. |
| Socially inclusive framework | New Innovative Hard to reach | <ul style="list-style-type: none"> Production of a social inclusion model with engagement timeline set in collaboration with our stakeholders. 6 key questions/actions from stakeholders fed back into the development of our social inclusion action plan. |
| Community Energy outreach programme | New Innovative Hard to reach | <ul style="list-style-type: none"> Establishment of Community Energy Advisory Group. Engagement with 25+ community energy groups across the region, contributing to the delivery of our strategy. Energy Strategy with 18 actions for the business to deliver over the next 12 months. Launch of the Boston Spa Energy Project (BEET), exploring ways to save customers £40-£50 per year on energy bills. |
| Rural and agricultural safety engagement campaign | New Innovative Hard to reach | <ul style="list-style-type: none"> 200+ agricultural students and 80+ farm workers trained on electrical farm safety protocols. 30,000+ farm workers targeted with safety messaging at livestock shows and markets. Safety messaging advertised through online trading portals for the first time – in partnership with Hectare Agritech. 20,000+ safety leaflets and information packs given to agricultural workers across our region. |

7 Partnerships, collaborations and best practice sharing

Our network of trusted partners includes industry experts, agencies, academics, organisations and customers who can keep us on track and grounded in our work. Having the right partnerships is crucial, if we're to work through emerging issues together and improve our services.

Better partner mapping

Enhanced

Our partnerships must reflect demographics accurately. If they don't, we run the risk of not helping those who need our support the most. Some relationships (such as Citizens Advice) act as referrals; others help us share information and promote the benefits of inclusion on our PSR. We've done extensive mapping and cleansing of our data to ensure we work with the right partners, the right way, in the right place.

Taking our overall stakeholder database from 2,500 entries to **5,000 higher quality entries**, has allowed us to improve our stakeholder mapping and the breadth of partners we work with, ensuring effective coverage across our region – with a specific focus on under-represented areas and groups.

As a result, we've extended fuel poverty services by partnering with key agencies. New community partners' feedback shaped our Energy Heroes lessons, and our Citizens Advice hubs in Newcastle and Leeds now take more referrals thanks to new partnerships with other local groups, charities, Local Authorities and the NHS.

Collaboration with other utilities

'Infrastructure North' is our collaboration with Northern Gas Networks, Yorkshire Water and Northumbrian Water – established in 2013. This year, we distributed **30,000** cross-utility energy efficiency leaflets and a new joint-vulnerability framework so that employees can cross-promote the support available for fuel poor or vulnerable customers. We believe this epitomises consumer-centric efficiency.

Other notable collaborations

- Working together with Community Energy England, REGEN, community energy organisations, our Stakeholder Panel, Local Authorities, LEPs and the Rural Energy Fund, **we have developed and shared our refreshed Community and Local Energy approach** and action plan (see Part 2 page 8).
- **We're also partnering with the Federation of Small Businesses** and other utilities to better support small and micro businesses to begin their decarbonisation steps through a decarbonisation resources portal with practical guidance on actions to take and where to go for support (see Part 2 page 5).
- As the environment is changing so rapidly, **we're working with expert academics from the Universities of Durham, Newcastle, Sheffield, Hull, Strathclyde, Bath and the Centre for Energy Systems Integration** to develop our thinking and test solutions that could benefit customers and stakeholders.
- Our innovation projects benefit hugely from the expertise of our collaborative partners. On our **Silent Power** project (See Part 2, page 5) for example we're working with specialist SMEs Hyper Drive and Offgrid Energy and sharing learnings from the project with all DNOs.
- Our support for vulnerable customers is improved and enhanced through our partnerships with NHS Trusts in the North East, support and guidance from National Energy Action, the Money Saving Trust, VONNE and our enduring referral partners, Citizens Advice.

Extending our reach through collaboration with elected leaders

Enhanced

We have **84** MPs, **34** local authorities and **1,000s** of elected Councillors in our area. Further afield, we engage with council leaders, portfolio holders for energy and transport, Mayors, Special Advisers and Ministers at BEIS and DfT, select committees and APPG members. Everyone we speak to has a role to play in informing our work and helping to communicate our actions to customers in constituencies across our region. To support this, we have:

- ✓ Briefed MPs and Councillors on upgrades.
- ✓ Invited MPs on site to see work in action, and update them on our communications strategy.
- ✓ Briefed MPs who have investment work going on in their constituencies.
- ✓ Engaged our Executive in a one-to-one basis with local MPs to surface issues and share updates.
- ✓ Made post-election contact with new MPs, introducing our services for the vulnerable.
- ✓ Provided bespoke briefings in engaging, plain language, to explain potential impacts for communities.

Decarbonisation: leading the way with collaboration and practice sharing

The North is facing the very real challenge of reducing carbon emissions to prevent irreversible climate change. Our stakeholders look to us as a coordinating hand in discussions on how to deliver decarbonisation.

Actions and collaborations

- ✓ We've worked to **bring together leading national and regional voices** on decarbonisation and climate change.
- ✓ As well as our climate focused Summit we hosted a series of six dedicated "workshop events" for over **200** stakeholders – allowing us to debate and develop cross-region solutions for the decarbonisation of heat, the introduction of EVs and climate change adaptation.
- ✓ Bilaterally, we're supporting the North East Energy Catalyst as a key partner, which helps interested groups and SMEs develop solutions to resolve energy issues affecting the North East. And **we're sharing our expertise** and experiences with Hull City Council to develop their local decarbonisation agenda, with support for the decarbonisation of heat in the city.
- ✓ On EVs, we're working with Leeds City Council and Royal Mail to share best practice about fleet decarbonisation plans through a series of face to face and online discussions and we're also working with the regional BEIS energy hub to **develop a comprehensive regional approach** to energy decarbonisation.
- ✓ Responding to feedback from Major Energy Users, we are doing more work in this area and have collaborated with British Glass to support the development of the Industrial Decarbonisation roadmap for the glass sector.



8 Measuring our impact and outcomes

Prioritising our work

To help us prioritise our investments, we take part in the national Willingness To Pay research with other DNOs. This helps us understand the intrinsic value customers' place on a range of "service bundles" that reflect our collective work through a stated preference customer survey undertaken by Accent research.

To align these results more accurately with our region, the Willingness to Pay values were triangulated with our annual Regional Prioritisation Research, to show overall customer willingness to pay values for the four strategic themes of our plan.

By estimating the cost of our initiatives and dividing these against total number of customers in our region, we're able to calculate the indicative cost benefit to our customers for the four strategic areas of our plan, allowing us to effectively prioritise projects that deliver the maximum benefit to our stakeholders.

Strengthening the way we measure benefits

We continually improve our benefit measurement approach and we commissioned Accent Research and PJM Economics to appraise our processes against best practice within utilities and wider industry so that we can be confident that we are on the right track.

As a result, we have developed - alongside Impact Research - a more comprehensive way of measuring the benefits of our initiatives.

| | Example actions and outputs | Stakeholders | Benefit to stakeholders | Investment | Benefit value |
|---------------------------------------|---|---------------------------------|---|------------|---|
| EV charger installations on NPG sites | <ul style="list-style-type: none"> Installation of 22 EV charging units across 10 locations. 3 new electric vans and 5 electric cars introduced to our fleet. | Staff, Visitors, General Public | <ul style="list-style-type: none"> 385 individual charge sessions at our depot chargers. Increase in colleague use of EVs, from 10 to 22. | £93,756 | 5 tCO ₂ saved: £4,466 Forecast for 100 charge points: £20,300 |

Effective project management delivers better outcomes

Through effective project management we set smarter objectives and measures of success, which we regularly review and report on. Where we've judged that our projects haven't delivered meaningful value for our stakeholders and customers – either as a result of our value assessment, external change or stakeholder feedback – we've made changes and disseminated this learning as part of our commitment to continuous improvement and partnership working.

| Outcomes and benefit assessment | How we reshaped / what we changed |
|--|--|
| We engaged with stakeholders to understand the barriers to uptake of our social mapping tool. We identified that the cost of registration was prohibitive, limiting the number of users who could benefit. | We worked with Experian to remove the cost of the licence fee by developing a workbook that can be used by our stakeholders to help inform their plans, saving our stakeholders an average of £1,500 per organisation. |
| Our stakeholders told us that we should look to support more community venues whilst holding our extensive engagement programme. | We sourced a number of community venues across the region ensuring that any internal or external meetings and events are held in community locations, and have invested £15,000 in community venues across our region in the last year. |
| Our assessment of our Green Dragon decarbonisation project found that while outcomes for individual community groups were good, the benefit v investment results for the project were too high, prohibiting further rollout. | We interviewed groups who have received support from Green Dragon and the learning will be used to review future programmes and uncover ways of achieving the same beneficial outcomes in a more cost-effective way. |

9 Governance, audit and accreditation

External assurance and benchmarking

We renew our accreditation annually against the stakeholder engagement standard, AA1000SES, which we have had continuously since 2012.

Doing the right thing for stakeholders means continually monitoring our progress. We're proud to have achieved measurable growth this year, through these awards and assessments.

- **Accountability** Passing the annual audit against the A1000 standard.
- **ISO55000** Accreditation includes assessment of our stakeholder engagement strategy.
- **BSI** Assessing our approach to Consumer Vulnerability, including an extra audit to ensure our services are fully embedded across the business.
- **Action for Hearing Loss** – maintaining our 'Louder than Words' charter, we are the only DNO offering British Signing Live interpreters. This arose via our funding of Sheffield DEAF Centre),

providing sign for PSR information and energy efficiency advice videos.

- **International CSR Excellence** – in collaboration with NGN, our Green Doctors programme won the Silver CSR Award for Best Practice, supporting hard to reach people in fuel-poor communities.

Outstanding performance at the 'Top Companies for Customer Service' Awards, Jan 2020

- ✓ Best in the Service Providers Sector
- ✓ Best Medium Sized Contact Centre
- ✓ Best Customer Service Agent (Customer Service Advisor, Laura Tumelty)
- ✓ Second place overall in the UK Top Companies list

Combined willingness to pay measurement

| Adjusted WTP | NPg Investment | Investment per customer | Cost benefit (WTP - £ per cust) | Cost value (WTP - £ per cust) |
|--------------|----------------|-------------------------|---------------------------------|-------------------------------|
| £3.73 | £310,408 | £0.08 | £3.65 | £47 |
| £10.36 | £2,970,312 | £0.76 | £9.61 | £14 |
| £4.76 | £1,944,622 | £0.50 | £4.26 | £10 |
| £3.08 | £266,368 | £0.07 | £3.01 | £45 |

Key:

- Caring for our environment
- Delivering a social legacy
- Preparing for the energy transition
- Meeting and exceeding our customers' needs

The model uses and triangulates an extensive mix of quantification measures from respected sources and Willingness to Pay research where financial values are not available. It allows us to define an initiative in terms of savings or other actual monetary benefit (reduction in energy costs), value benefit (environmental improvements) or social benefit (safety improvements) for our customers.

We have applied the model to the initiatives across the submission, and the example below, with an illustrative table in Part 2, page 3.

