



Stakeholder Engagement Incentive Submission 2019-2020

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This submission is our 2019/20 report to Ofgem, in response to the Stakeholder Engagement Incentive. The incentive requirements were set at the start of RIIO-GD1 in 2013, and this is the sixth of seven submissions due for the eight-year regulatory period 2013-2021.

The aim of the incentive is to encourage network companies to engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service.

In this submission we aim to demonstrate our broad engagement with an inclusive range of stakeholders, paying particular attention to the interests of vulnerable customers. We aim to show the actions and outcomes we have delivered as a result of stakeholder feedback are high quality, and go beyond business as usual activities, and that we have made progress year on year.

Part One aims to demonstrate that through our strategic approach we have met the incentive's minimum requirements.

Part Two aims to demonstrate progress in achieving positive actions and outcomes for stakeholders, against the Panel assessment criteria.

Please note, where you see this icon , click for additional information on the digital version.

1 Introduction

Part one



Delivering positive outcomes for stakeholders is at the core of how we run our business.

For us, it's always been about our customers – it's in our DNA. They have been, and will continue to be, our top priority. This year we have:

- Continued enhanced engagement acting on 159 pieces of feedback and delivering 152 outcomes
- Reviewed measurement and evaluation, developing a framework, building on our social return on investment (SROI) tool
- Evolved our culture, keeping pace in a fast-moving world, where standing still isn't enough.
- Listened to stakeholders – sustainability is now central to our business planning

Listening to and acting on customer and other stakeholder feedback is a business-critical activity. Our colleagues are not simply communicating with stakeholders on a daily basis, but engaging in meaningful ways to understand their needs and wants and acting on them to deliver outcomes that really matter.

Our stakeholder engagement, customer services and consumer vulnerability strategies have supported our focus on delivery this year. Our leadership team reviews these annually to ensure focus is on understanding the outcomes we are delivering for our customers.

We've worked extensively over 18 months to understand the complex nature and multiplicity of needs associated with consumer vulnerability – see more in Part two. We have not stood still; our holistic approach to supporting our most vulnerable customers has burgeoned – from our comprehensive targeted training programme to our tailored approaches to delivery and communication, demonstrated through our considerable 175% increase in the number of sign-ups to the Priority Services Register (PSR).

We reviewed a range of measurement tools, appropriate to different business areas. Accreditations are an important measurement and we are proud to be the first gas distribution network (GDN) to achieve the British Standard for

Inclusive Service Provision (BS 18477), back in 2016. Our audit in 2019 confirmed we continue to meet this high standard and building on our high standards of delivery in this area has been a key focus. We have also been granted reaccreditation by the Institute of Customer Service (ICS) to the ICS ServiceMark.

Our ambition, priorities and values define our culture, setting a clear direction for team WWU. We've evolved our ambition and priorities, but our values haven't changed – putting customers first, taking pride in our work, working as a team and bringing energy into shaping our future.

Our ambition is to go above and beyond what people expect of us. We want to help communities, businesses and the economy to thrive by delivering reliable, affordable and sustainable energy long into the future. Our aim is to not simply deliver today, but to lead the way.

Our innovation culture is embedded in the business, demonstrated by our Values at Work training programme; we took learning from the ICS, made it our own and have been rolling this out across the business. We created an innovation portal, taking problems highlighted by customers and pushing them into the business so colleagues can help seek innovative resolutions. This year, we also evolved our innovation strategy (the joint gas distribution network innovation strategy) which complements this approach, putting customers and other stakeholders at the heart of what we do. We've been given a clear steer to focus on sustainability and innovation, to deliver outcomes now and into the future to ensure the wellbeing of all our stakeholders – from an economic, environmental and societal perspective. We've engaged on and embraced the UN Sustainable Development Goals.

The demand for clean power is accelerating faster than ever before, so our business is evolving to make sure we stay ahead. Our customers deserve it.

I am proud of the business that we have built at Wales & West Utilities. Millions of people trust us to deliver outstanding levels of safety, reliability and excellent customer service. It's a huge achievement.

Graham Edwards, Chief Executive

KEY ACCREDITATIONS AND AWARDS 2019/20

Award/Accreditation Body/Standard	Description
Royal Society for the Prevention of Accidents (RoSPA)	<ul style="list-style-type: none"> ● Winner of Gold Award (7th consecutive year) ● Winner of Oil and Gas Sector Award (2nd consecutive year)
Achilles Accreditation	100% score for working to the 'highest standards' in the health and safety arena (6th consecutive year)
Institute of Customer Service	ServiceMark
BS 18477 Accreditation	Inclusive Service Provision
IGEM Awards	<ul style="list-style-type: none"> ● Joint Winner – Customer Service Award ● Project of the Year (H21 Collaboration)
EIC UK Energy Innovation Awards	<ul style="list-style-type: none"> ● Winner Best Social Impact Award – Fuel poor mapping ● Winner Best Collaborative Project for Freedom ● Winner Best Emerging Cross Vector Technology – Freedom Project
ISO 45001	International standard for occupational health and management systems and guidance
ISO 14001	Environmental Management System
Investors in People	Silver accreditation until 2020 for people management standards
ISO 55001	International Certificate of Asset Management
Network Awards (March 2020, postponed to June 2020)	Shortlisted for the following: <ul style="list-style-type: none"> ● Partnership Initiative of the Year: Above and Beyond Project ● Cross Vector Project of the Year: Green City Vision ● Engineering Project of the Year: Live Mains Insertion ● Innovation Project of the Year: Gas Composite Repairs ● Innovation Project of the Year: Gas Bristol Live Mains Insertion
Digital Impact	Silver Award for Best Use Digital from the Energy and Utilities Sector

Sustainability at the centre of our business planning



159

improvement actions



more than
21,000

stakeholders engaged



4

years running meeting the requirements of BS 18477



152

outcomes delivered



9.17

customer satisfaction overall score

2 Our Stakeholder Engagement Strategy

EMBEDDED Our high-level engagement strategy drives our proactive approach and continuous feedback loop. It is annually validated by our senior leadership team to make sure it aligns with our business ambition. It enables us to respond in the most appropriate and proactive way to events such as the early 2020 extensive flooding in the communities we serve. Sitting alongside our Consumer Vulnerability and updated Customer Service Strategies, the three complementary strategies lay out how we will understand and act on the wants, preferences and needs of our customers and stakeholders to drive positive outcomes for them and our business.

Our objective

We are a sustainable business, putting people and communities at the heart of what we do. By engaging in tailored ways, we identify our stakeholders' wants and needs while maximising the value we add for our customers. The informed feedback we gather will result in outcomes our stakeholders want and ultimately shape the way our business operates.

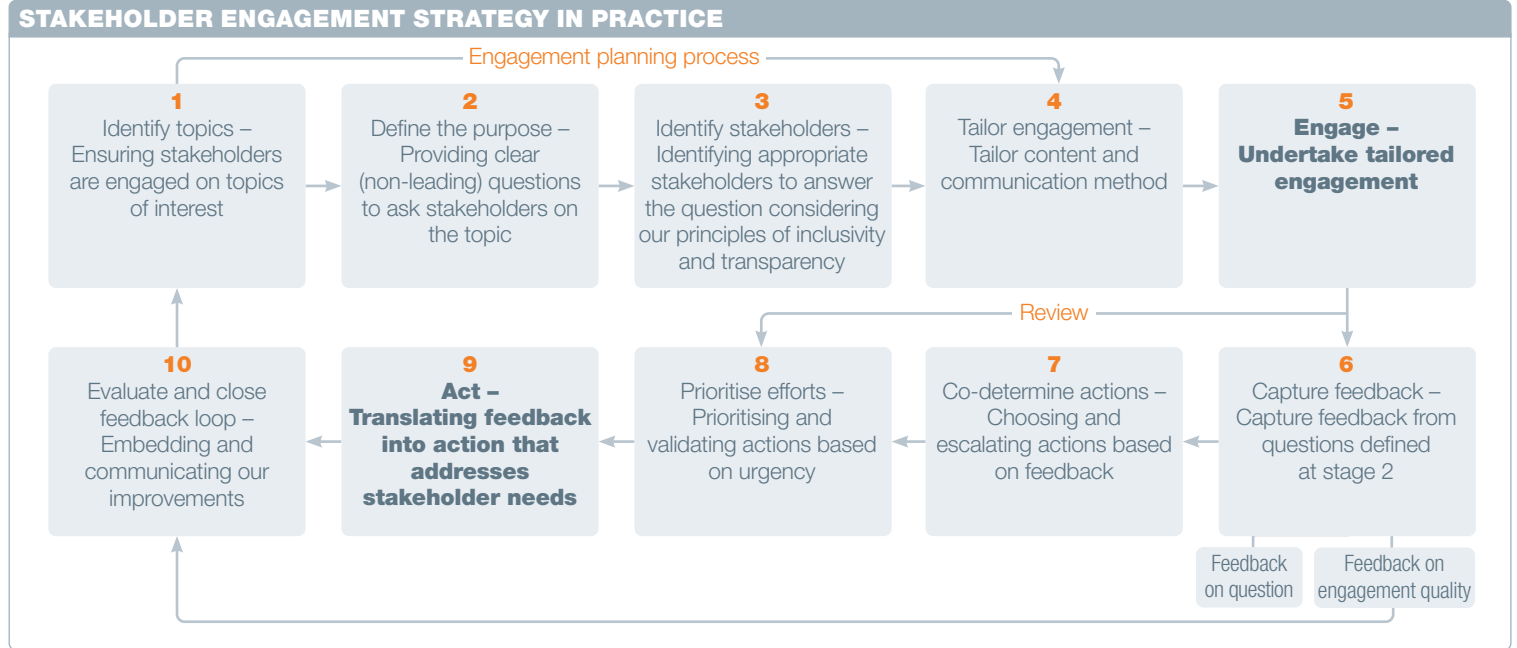
Our guiding principles of engagement

Our objective is supported by three guiding principles based on the AA1000 Stakeholder Engagement Standard that reflect our business values and stakeholder engagement approach. This year, we have updated our continuous improvement principle to include opportunities as well as issues, to be more explicit in our intentions.

Transparency – consistently demonstrate that openness, honesty and accountability guide the organisation's decisions and are embedded within initiatives and outputs.

Inclusivity – encourage a wide range of diverse customers and stakeholders to co-determine priority issues and engagements, as well as voice opinions on business initiatives.

Continuous improvement – aiming to identify key stakeholder issues before they arise



and proactively and effectively resolving them when they do; making the most of and acting on stakeholder opportunities, and communicating all outcomes to stakeholders.

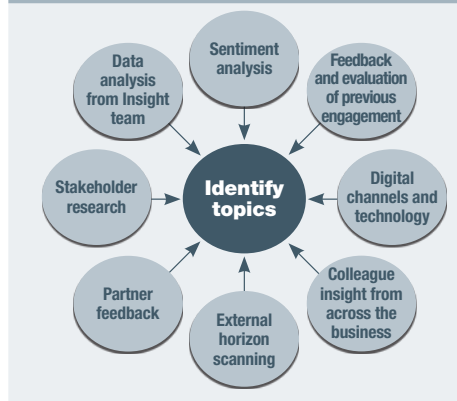
Our engagement planning process

EMBEDDED Our engagement is a continuous cycle with evidence from each piece of engagement feeding into the next.

Identify topics

Our planning process starts with topics, identified through a range of inputs including feedback from previous engagement and research, sentiment analysis, our partners, data analysis, external horizon scanning, colleague insight including from our Customer Support Officers, Young Persons' Network, Engagement Champions and Gas Ambassadors (see 'How we identify topics' diagram; right). The topics do not simply reflect current issues and needs but include wants and aspirations, so we proactively seek to harness opportunities to deliver what our stakeholders want and need now and into the future.

HOW WE IDENTIFY TOPICS



Define the purpose

Each engagement activity has an identified purpose reflected in the question we are seeking to answer. A checklist for colleagues, developed in 2018/19, supports question development, and has proven to be invaluable and effective in assisting in developing the purpose.

Questions should be:

- Insightful
- Specific
- Actionable
- Unbiased

Identifying stakeholders

NEW We've made our engagement programme more flexible, to adapt to stakeholder and business needs and the changing external environment. There are some stakeholders we want to engage with on a regular basis, such as our Critical Friends Panel and regional community representatives, but we do not just hold events to a strict annual timetable.

To maximise engagement efficiency, we now hold meetings, workshops, online surveys, emailed questions, research, one-to-one in-depth interviews by phone and face to face, in line with all requirements. We no longer restrict engagement to stakeholders who are most interested or expert in a specific subject if we believe we need to hear the voices of other stakeholders, like domestic customers – even on complex topics.

“Our strategies and processes to capture, act on, monitor and evaluate our feedback are fundamental to the choices we make and ultimately in making sure that the successful delivery of our services is stakeholder driven.”



Andrew Hopkins Director of Asset Management & HSE

We test more innovative engagement methods to enable us to hear the views of uninformed stakeholders on complex subjects, tailoring our engagement and taking professional advice to help us get it right. In testing times with Coronavirus restrictions, engagement needs to continue, so we evolved engagement methods to keep stakeholders safe. (See customer financeability engagement, [Part two, page 6.](#))

We regularly review our stakeholder segmentation, refining it to reflect feedback on areas of importance, changes in knowledge, interest, organisations and external events, etc.

SCALED UP Using knowledge, interest, geography and sector to segment, we have identified almost 50 stakeholder groups with circa 70 sub-groups and some of these are broken down even further. We continue to refine our segmentation.

We actively engage with all groups through a combination of business as usual (BAU) engagement across the business (HSE, GDNs and all energy network meetings and groups via ENA, etc) and bespoke engagement arranged for groups identified, e.g. customers living in multiple occupancy buildings (MOBs) or people living in cities we may be supplying hydrogen to in the future ([see Understanding risk, page 4.](#))



Overview of high-level stakeholder groups

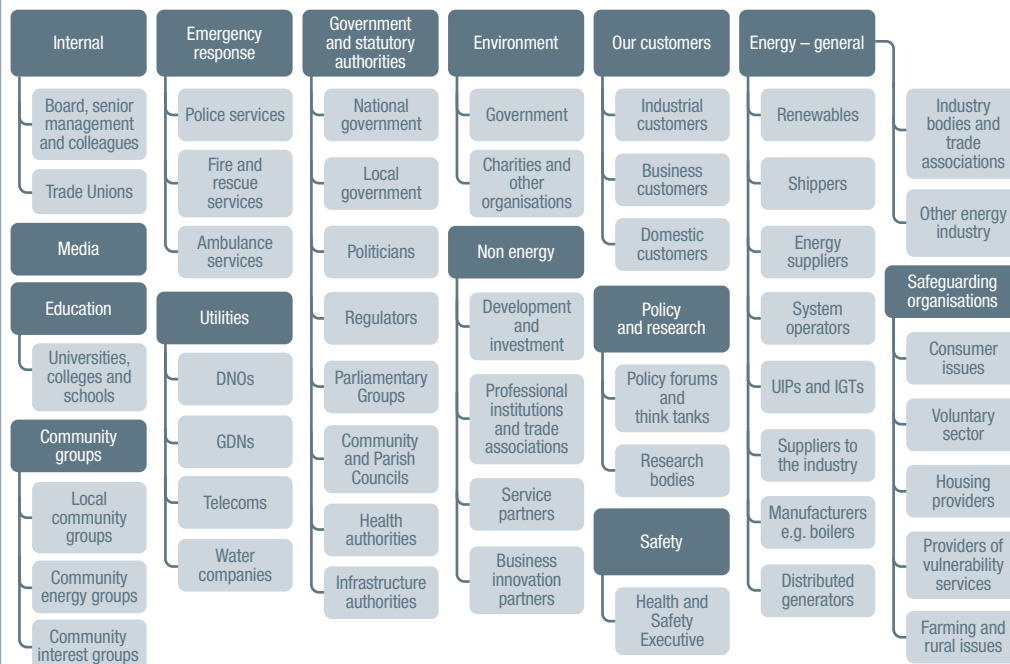
For each subcategory, we identify the general knowledge level in relation to the topic and business sector (informed/uninformed)

and then plan our engagement method accordingly using a ladder of engagement approach (see above).

Our approach is designed to be flexible as we seek to move our engagement up the ladder. Currently much of our engagement is focused in the **involve** and **collaborate** categories.

Our engagement plans for each category are tailored to the audience and priorities established. For each engagement subgroup, we identify the

HIGH-LEVEL STAKEHOLDER SEGMENTS



risks associated with not engaging effectively and any underlying assumptions that the engagement is based upon.

Beyond demographics – using survey findings and intelligence for segmentation

Traditionally, we segmented customers and engaged on the basis of demographics/geo-demographics. In 2018/19, we evolved this approach, due to information from a customer quantitative research project, where we included 27 attitudinal and lifestyle statements to identify characteristics of the customer segments.

NEW In 2019/20, we brought this together with insight from our Customer Support Officers (CSOs) who between them had more than 21,000 customer doorstep conversations this year. The CSOs gathered information about the types of customers they were meeting, their perceptions of our work, how this made them feel and, importantly, how we can improve what we do to meet their needs.

Combining the formal research with the on-the-

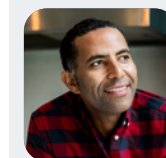
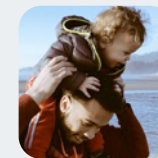
ground feedback and with support from external professionals, we identified the characteristics of the main five different customer personas (see right and [Part two, page 3](#)) our CSOs were likely to encounter in our area day to day.

By associating key customers' values, such as those who value environmental consideration or those who most value reliability and efficient service, alongside different customer demographic types, we gained a more granular understanding of our customer base. With this information we can support our on-the-ground colleagues as well as those based in the office, to more effectively and confidently meet customer preferences.

Customers told us that getting communications right helps to make them feel satisfied that we are doing a good job. So, making sure they are in possession of the facts about work near their homes is one way we look to build customer trust in us that we really do put their best interests at the heart of what we do. Our CSOs aim to provide information and support – bespoke to our customers, as much as possible.

KEY CUSTOMER PERSONAS

Aled, aged 27 – while his wife is at work, he freelances from home and looks after their 6-year-old twins. "I have a set routine with the kids that I need to stick to, so I want to know what's going on."



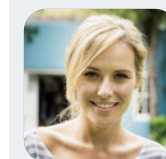
David, aged 35 – has a medical condition that means he needs a bit of extra support.

"I need to know I have a reliable gas supply and that any work is carried out around my needs."

Maureen, aged 72 – moved into a bungalow a few years ago, after developing arthritis.



"I need to know that I can get out of my home when I need to and count on my gas supply when I'm in – particularly during the winter."



Sally, aged 32 – is focused on her career and things are going really well for her right now.

"I'm really busy. While I know these works might be in my best interest, they're a headache if I need to make special arrangements."

(See also [Part two, page 3](#))

Tailor engagement

Understanding regional differences

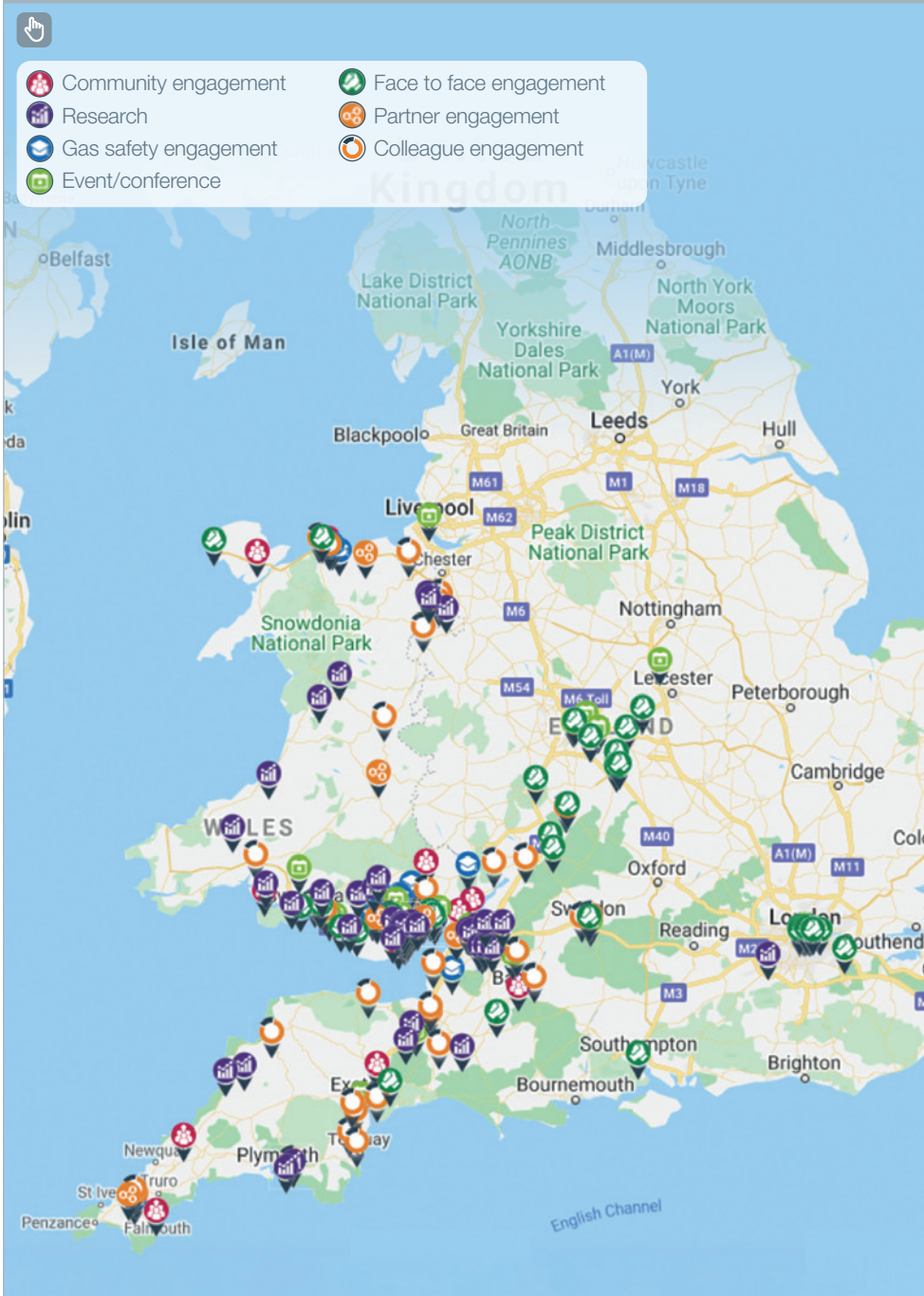
EMBEDDED We map our geographical spread of engagement (see right) to make sure it reflects local priorities, needs and different external environments. For example, when engaging around the UN Sustainable Development Goals (UN SDGs), we are mindful that stakeholders in Wales may be more familiar with the Goals and Principles associated with the Wellbeing of Future Generations (Wales) Act, so we highlight the parallels. Language is also a differentiator and resources such as our online schools' gas safety pack are provided in both English and Welsh.

EMBEDDED Our political engagement varies across regions with notable differences between Wales and the south west. We engage Members of the Senedd on topics such as housing, fuel poverty and sustainability and engage MPs on non-devolved matters such as UK energy policy. We also reflect the priorities in different constituency areas, e.g. in coastal areas and the south Wales valleys, where there are often older populations. In these areas, politicians are interested in services such as the PSR and locking cooker valves (LCVs) to support positive outcomes for their constituents. In areas with new property developments, political stakeholders are typically interested in gas connections. Linked to this, our work to support fuel poor connections focuses on understanding regional differences to maximise effectiveness (see Part two, page 5). We encourage elected members to visit our depots and sites and those of our stakeholders. For example, Wyke Farm shows the role agriculture can play in generating green gas, providing a setting for politicians to see this in action and better understand opportunities for their own constituents.

Capturing and acting on feedback

EMBEDDED **Day After Reports (DARs)**, introduced in 2017/18, capture business engagement and record feedback. Last year our new Engagement Champions tested and piloted a new DAR that links to an action tracker. Colleagues told us it was slow and didn't work well on mobile phones, so we evolved it to include an online version that is being used where appropriate. A new sustainability section

GEOGRAPHICAL SPREAD OF ENGAGEMENT MAP



reflects how engagement contributes to any of our UN Sustainable Development priority goals.

Our action and risk tracker has been reviewed and updated to include more helpful information for colleagues.

Understanding risk

Our approach to engagement risk has broadened substantially with risks associated with circa 70 stakeholder segmentations identified. Risks cover non-engagement as well as appropriateness of method and engagement topics for each group, to meet their needs. Where necessary, we put mitigating measures in place. For example, our quantitative research includes quotas for business and domestic customers located in rural, semi-urban and urban areas, but with most of our qualitative focus groups held in urban areas, we can miss in-depth intelligence from rural dwellers and businesses. **NEW** To address, we partnered with Rural England to learn from their existing insight and are participating in joint research to specifically understand the needs of rural communities.

EMBEDDED To accurately interpret customer and stakeholder feedback, we use best-practice triangulation methodology, supported by independent experts. We have taken legislative guidance from HM Treasury's Magenta Book to make sure our approach is methodologically sound, rigorously gathered and credibly interpreted. We also consulted the Cabinet Office's standards (Green Book) for best practice in quantitative analysis.

This supports us in building a credible evidence base to which we can continually add feedback. Our enduring evidence base from varying customer and stakeholder groups helps shape improved business planning and delivery.

"Excellent customer service comes from seeking out our customers' specific needs and wants and then delivering in ways that work for them. When I take part in customer community discussions, it demonstrates clearly how the needs of our customers vary in different areas and for their situations."



Mark Oliver Business Services Director

Acting on feedback

Once we have captured feedback, we then look at how we can act on this in the most effective way to deliver appropriate outcomes. During 2019/20, we acted on 159 pieces of feedback and delivered 152 outcomes 📱.

What we stopped doing

Feedback is a vital component of all our evaluation. We consider progress against target/projected outputs and the difference our activities are making (outcomes). We also take time to consider lessons learnt as part of our evaluation, maintaining a lessons learnt log and acting to change or halt activities that are not effective, e.g. posting carbon monoxide (CO) alarms to customers signed up to one of our support measures improved our reach, but we did not know if the alarm recipient was able to set it up or indeed already had one. Following evaluation, we stopped this approach and focused on delivering alarms via partners who can discuss the dangers of CO with a customer and assemble the alarm for them (see Part two, page 10).

We also considered our approach to engagement. We recognised that when engaging stakeholders on complex topics, we focused on those with high levels of knowledge. While this had many benefits in terms of insight and efficiency, it was not inclusive. So, we broadened our engagement using two-stage focus groups. Stage 1 educates through non-biased information delivered by independent research moderators. Stage 2 includes engagement on more complex issues, such as finance. Further honing of this approach involves checking stakeholder understanding of the subject engaged, through questionnaires and one-to-one interviews.

“Scrutiny of our enhanced GD2 engagement by our Customer Engagement Group challenged us to make sure stakeholder feedback is critical to key business decision-making. We’ve incorporated this into GD1 engagement and we’re focused on innovative and cost-effective engagement across the broadest segmentation of our customers and stakeholders.”



Sarah Hopkins People & Engagement Director

Listening to what stakeholders say and acting in cost-effective ways

NEW We are always looking to improve our communications in cost-effective ways and, following research feedback to consider using a newsletter, we developed a monthly e-newsletter to keep stakeholders up to date. This includes news items, details of up and coming events, research findings and information on how we have acted on feedback, while providing opportunities for stakeholders to have their say.



We recently evaluated the newsletter and the review highlighted that while many of the subscribers open and scan the main newsletter, ‘click-throughs’ to longer stories, reports or press releases are limited. This demonstrates the importance of providing succinct information (typically around 50 words) and making sure that any key messages are in the main copy. We now try to limit the click-throughs and make sure the key details are in the main text.







Ofgem feedback	Acting on feedback (examples)
WWU appears to have a comprehensive strategy	<ul style="list-style-type: none"> ● We embedded our comprehensive strategy and evolved a flexible, tactical approach, engaging a wider range of stakeholders on complex topics using innovative methods
While the breadth of engagement was good, some appeared tokenistic	<ul style="list-style-type: none"> ● We focused on our engagement links with reporting on the depth and breadth, e.g. multiple sources of consumer vulnerability feedback includes three phases of research and 20 actions identified, with 12 outcomes to be delivered within a year and longer-term outcomes recognised ● We undertook comprehensive stakeholder mapping exercise against our activities ensures maximum awareness of stakeholders impacted/could be impacted by our activities – actively seek out their feedback, e.g. customers living in potential future hydrogen-fuelled cities
Appears to be good processes in place, notably around local engagement	<ul style="list-style-type: none"> ● Our processes provide insight from local BAU engagement, acting on feedback immediately with frequent direct positive outcomes – a strength we’re proud of and driven by our executive-team-led Customer Service Steering Group
Need to demonstrate more initiatives that show innovative thinking	<ul style="list-style-type: none"> ● Our innovative thinking includes leading partnership flood mapping work, protecting utility assets, commenced in 2011, and supporting preparation for Storms Ciara, Dennis and Jorge ● Our Pathfinder model gained more strength and has been shared with all gas networks and wider ● Our innovative, bespoke social media campaign contributed significantly to the sign up of a record 11,600+ people to the Priority Services Register (PSR) in response to customer and stakeholder feedback
Limited detail on value for money initiatives	<ul style="list-style-type: none"> ● We expanded the areas measured through SROI tool and developed a measurement framework ● We focused on directly meeting stakeholder needs resulting in positive outcomes ● We reviewed and evaluated initiatives as part of annual budgetary planning, and proceed with those delivering appropriate positive outcomes in value for money ways ● We shared best practice and collaborated where appropriate to avoid duplication
Not convinced that WWU had considerable senior level buy-in	<ul style="list-style-type: none"> ● We reflected on our reporting to ensure inclusion of practical examples of senior management day-to-day involvement ● We included more detail of use of stakeholder feedback as a key component of investment papers used for key Board decision-making
Day-to-day monitoring of outputs was well evidenced	<ul style="list-style-type: none"> ● We continued maintenance of existing processes, monitoring outputs and bringing together with risk and lessons learned monitoring
Little evidence of scale and impact and driving projects forward under our own initiative	<ul style="list-style-type: none"> ● We focused on sharing best practice and working collaboratively to drive forward projects such as work with academia, statutory bodies, SMEs, other utilities and community groups ● We led on innovative projects such as: Freedom, Pathfinder and Pathfinder Plus, Strategic Infrastructure Strategy Group and work alleviating fuel poverty
There did not appear to be any evidence of sharing best practice	<ul style="list-style-type: none"> ● We have provided more examples of areas we have shared best practice, e.g. our Pathfinder Model and SROI tool (see Part two, pages 7, 8 and 9)

3 Engagement approach

The table below provides examples of some of our engagement in 2019/20. A full and more detailed table can be found here ([link](#))

Engagement purpose	Stakeholders and knowledge levels e.g (high)	Engagement topics	No. engaged	Engagement approach	Actions/outputs	Indicated outcomes
How can we best assess the appropriateness and effectiveness of our key strategies, processes and activities and gain an external perspective?	Critical Friends Panel (CFP) (high) includes representatives from: housing providers, business innovation partners, voluntary sector, providers of vulnerability services, suppliers to the industry, major users, education, consumer issues, community energy groups, charities	<ul style="list-style-type: none"> Benchmarking and aligning our Consumer Vulnerability Strategy Alignment with the Sustainable Development Goals, our plans for now and the future and associated commitments 	16 + 10	Primarily workshop 	Maintain our ICS accreditation and BS for Inclusive Service Provision Review of key strategies and approaches	Stakeholders can feel more confident that WWU will provide a high level of customer service and a service that is inclusive for everyone
How can we learn from challenge and incorporate lessons learnt into current practices?	Customer Engagement Group (CEG) (high)	CEG provided challenge and scrutiny of business plan but at the same time lessons learned as a result of challenge have been incorporated into current processes	8	Scrutiny panel	Broadened stakeholder segmentation to circa 70 segments with subgroups and attributes	Identification of a broader range of segments means stakeholders are able to receive tailored engagement and services to more effectively meet their needs
How can we effectively work together with regional stakeholders to understand their needs and improve the delivery of our services?	Representatives from business (medium) , statutory authorities, utilities, voluntary sector, providers of vulnerability services, emergency services, supply chain and housing 	Stakeholder priorities: <ul style="list-style-type: none"> Value for money Mains replacement and theft of gas Future energy solutions Sustainability Streetworks Social obligations 	52	Regional workshops – Enabled groups to come together, network, learn and share with each other and debate the relative strengths and weaknesses of different options	Do more to encourage green gas to enter the network (but funded by a combination of developers, gas consumers and Government) Sustainability – Focus on initiatives that improve staff wellbeing, stimulate employment opportunities in rural areas and promote workplace equality	<ul style="list-style-type: none"> Enhanced sharing of best practice and collaborative working to encourage green gas (see Part two, pages 2, 7 and 8) Enhanced relationship with organisations representing rural areas resulting in CFP representation, co-funded research into rural challenges
How can we make sure that energy forecasting scenarios accurately reflect regional differences?	Regen regional FES workshops (high specialist) Includes representatives from: Government/statutory sector, utilities, professional services, academia and research organisations, supply chain, green gas project and generation developers, sustainability/campaign/advice companies, energy consultancy companies, community energy groups	Network forecasting Regional scenario methodologies for heat and gas. Domestic heating demand and supply. Gas power capacity growth and generation. Green gas injection development potential. Commercial and industrial gas usage	165	Regional workshops in Exeter, Bristol, Cardiff and Llandudno 	Feedback to adjust the analysis and/or approach in some areas, e.g: <ul style="list-style-type: none"> Awareness of Welsh energy efficiency programmes affecting domestic heat demand Potential for hydrogen cluster in south Wales Background and reasoning for limited uptake in biomethane injection in Wales 	Direct adjustments to the analysis means that the approach is more representative of what is happening on the ground and thereby more accurate

Engagement purpose	Stakeholders and knowledge levels e.g (high)	Engagement topics	No. engaged	Engagement approach	Actions/outputs	Indicated outcomes
How can we work together to keep up to date with market conditions to maintain network reliability?	<ul style="list-style-type: none"> ● Distributed Power Generators ● GDNs ● Other utilities (high specialist)	Market situation in relation to distributed power generation and the sharing of knowledge and best practice	64	WWU set up first such workshop in 2018/19 and following its success, a follow-up workshop was held and hosted by another GDN in rotation with WWU leading the session on sharing best practice and exchange of information	Completed questions around improving planning through knowledge and communication	Improved knowledge sharing and communication between control centres enables better forecasting of demand and thereby network reliability
How can we most effectively support vulnerable customers in tailored ways?	Vulnerable customers, carers, case workers and general customers (low) 	Consumer vulnerability research to understand relative importance, acceptability and expectations of service, value for money, the barriers faced and particular service needs	287	<ul style="list-style-type: none"> ● One-to-one in-depth interviews ● Online survey ● Focus groups ● Telephone interviews 	Reports on research conducted over 18 months up to Sept 2019 presented at interactive colleague workshop resulting in 20 actions	Colleagues are better able to understand the specific needs of vulnerable customers and tailor communications and services appropriately (See Part two, page 3)
How can we deliver safe, reliable and sustainable services in a way that takes into account local needs?	<ul style="list-style-type: none"> ● Local domestic and business customers in vicinity of streetworks ● Community groups ● Local statutory stakeholders (low medium)	Repex Engagement 	More than 21,100	<ul style="list-style-type: none"> ● Doorstep conversations ● Drop-ins ● Local key stakeholder engagement ● Schools ● Social media (Twitter/Facebook) 	Independent report of regional event stated: "There was a good deal of praise for how WWU currently engages with stakeholders including local authorities, ahead of street works."	Disruption during 'works' is minimised for the local community and their gas is more reliable with reduced carbon emissions
How can we effectively learn and share best practice around decarbonisation and sustainable practices?	<ul style="list-style-type: none"> ● Academia and research bodies ● Statutory organisations ● Utility sector ● Supply chain ● SMEs ● Regulator (low specialist and mixed)	Sustainability and decarbonisation 	Circa 4,690	<ul style="list-style-type: none"> ● Events, e.g. circa 220 attendees at Pathways regional event ● Community workshops – linked to Pathfinder ● Advisory groups/panels ● Conferences ● Meetings/webinars 	Adapted Pathfinder simulator model (Pathfinder Plus) to reflect new insight and shared with more groups (see Part two, pages 7 and 8)	Stakeholders are better able to more accurately evaluate the benefits of different decarbonisation options and take action leading to faster and cheaper decarbonisation of communities
How can we raise awareness of gas safety? How can we support schools in raising awareness of mindfulness and coping with stress?	Education – schools Careers Wales/Social Housing/DNO/Newport Dragons (low) 	Gas safety (including CO safety and site safety) Supporting wellbeing	Face-to-face: 2,739 pupils + circa 70 at Wellbeing Day	Interactive lessons, online resources, competitions, Fun Radio – a mix of age-appropriate methods to engage with young people around gas safety Community area workshop around wellbeing to bring together young people in an informal and relaxed setting	Circa 50 school CO safety sessions delivered directly to approximately 2,700 pupils and many more accessing online resources Wellbeing workshop and break-out sessions delivered to more than 60 secondary pupils from six schools	School pupils are more aware of how to stay safe Jaydee-Lee won Pride of Britain Award for her actions to save the life of her brother from CO poisoning Students and teachers have a wider range of techniques to help support their wellbeing (See Part two, page 4)

4 Embedded engagement

Understanding and acting on the needs of our stakeholders to deliver positive outcomes is central to what we do and part of everyone's role as indicated in our values – demonstrated by our leadership team and colleagues. It starts with colleague induction and continues throughout their learning and development journey.



Rob Long
Chief Operating Officer

Effective engagement with all sectors of the communities we support is fundamental to providing sustainable, safe and reliable services to meet their energy needs... and we make sure our engagement is consistent before, during and after our work is done, frequently co-designing or acting on community-proposed solutions to meet local needs.



Neil Henson
Finance Director

Customer feedback is fundamentally important to our business and we don't shy away from discussing some really complex financing issues with customers, in innovative ways. Being part of these discussions with customers shows me how interested they are in having their say.



Chris Clarke
Energy Strategy Director

Stakeholders' views are critical in designing a future decarbonised whole energy system, and I take an active role in engagement in this area. Sector expert stakeholders' feedback helps me reflect their views in supporting the shaping of new government energy policy.

Robust governance and engagement culture

Our governance structure sets compliance that ensures senior management buy-in to engagement at every level, through strategy, co-ordination and delivery. Evidence of our embedded engagement culture is demonstrated by:

- **EMBEDDED** Colleague values-based pin badge awards – a quarterly focus on each value, with colleagues nominated for living our values and delivering positive outcomes for customers and stakeholders. Last year, we awarded 851 pin badges, including 336 silver and gold badges, to colleagues living our values – putting customers first, taking pride in our work, working as a team and bringing energy into shaping our future
- Investment papers submitted for Board approval have for some years included a section demonstrating customer/stakeholder evidence. **NEW** This has now been extended to post-investment appraisal reports, which must evidence the outcomes delivered for customers/stakeholders
- **SCALED UP** We maintain a risk register, spanning the business, considering the engagement risks around our circa 70 stakeholder segmented groups
- **EMBEDDED** Engagement Champions at all levels across the business are integral to our centrally facilitated, locally delivered stakeholder engagement model
- **NEW** We've invested significantly in engagement support training activities – see right
- Our approach to Stakeholder Engagement was independently reviewed against AccountAbility's AA1000 SES 2015 standard by Sia Partners – 21 of 26 criteria rated green, five rated amber



Sarah Gillard
Environment Manager

Protecting the environment is increasingly a priority for both our external stakeholders and colleagues and we are working together across a number of projects to understand how we can best deliver on this.



Danielle Thomas
Technical Assistant

Being an Engagement Champion and a Gas Safety Ambassador has been invaluable, meaning that I am able to support my colleagues both locally and through the networks that I am a part of. This has enabled me to engage effectively and act on feedback. It has given me confidence from a personal development perspective and given me added purpose within my role. I am proud to represent the business and my department within these areas.

Learning and development embeds our engagement and innovation culture

Our innovative approach to learning and development is supporting our engagement and innovation culture.

NEW In 2019, we started to develop workforce competencies to support engagement outcomes, focusing on helping colleagues translate learning about their own wellbeing into delivering great customer service. Combining internal suggestions with insight from experts, such as South West Business Council, Cardiff & Vale College and Energy & Utility Skills, we've taken new steps to develop skills supporting great service and innovation. Our GD2 Workforce Resilience Plan stretches to 2036 and our future plan started in earnest in 2019/20.

It includes:

- **NEW** A workstream developing new training to support green energy skills
- An internal innovation competition, developed and run by our Young Person's Network, generating 23 entries last year
- **NEW** A skills-building development programme supporting effective stakeholder engagement, including building rapport, collaboration, communication skills and emotional intelligence
- Emotional intelligence training was developed in response to consumer vulnerability research insight. (see Part two, page 3) so colleagues better understand customers and stakeholders to deliver better outcomes
- Building Rapport sessions ask learners to think about all their stakeholders and assess their current level of relationship. This enables better understanding of the breadth of stakeholder relationships, the importance of each stakeholder and where relationships need to focus and improve. 68 colleagues have participated in this course with more planned for 2020/21.

Meeting the stakeholder needs of the future

NEW Stakeholders tell us sustainable practices and protecting the environment are important to them. Our ambition for our sustainable business is to play our role in decarbonisation. We have partnered with a local college to look at the skills development associated with decarbonisation. To develop appropriate training, we are engaging across academic, energy and statutory sectors to refine learning and development needs. This project is still in its infancy, but represents an exciting opportunity to respond to the challenge from our stakeholders to create a resilient workforce with the skills required for an energy network in the future that will have a lasting impact.

Additionally, there will be a need for new roles, some of which are currently unknown.

5 Customer and Consumer Vulnerability Strategies

EMBEDDED Company ambition, priorities and values drive our leading customer service performance.

Our company ambition, priorities and values are at the core of our business, setting our direction and enabling us to excel in delivering for our customers. First launched in 2014, and developed in collaboration with our whole workforce, we now have an embedded, people-first culture that puts the wellbeing of our colleagues and customers at the fore of business planning and delivery.

We made the provision of excellent customer service a key priority from the very start of our existence as a standalone business and this has been recognised in the most recent audit report as part of our **Institute of Customer Service ICS ServiceMark reaccreditation**. The assessor commented on our embedded customer service culture, saying that it was clear from the start of the audit that Wales & West Utilities lives and breathes customer service – both for external and internal customers.

Gas networks are largely unknown as customers have a remote chance of needing to contact us. For this reason, in our 2019 customer research they told us they valued our ICS ServiceMark accreditation, as it enabled them to benchmark the quality of our customer service when they saw us favourably ranked in relation to well-known and trusted consumer brands.

EMBEDDED We have again achieved a ICS ServiceMark accreditation with a business benchmarking score of 93 out of 100.

ICS accreditation is set against 11 criteria: commitment, credibility, capability, continuity, consistency, creativity, professionalism, quality and efficiency, ease of doing business, problem solving and timeliness.

ICS assessor's comments:

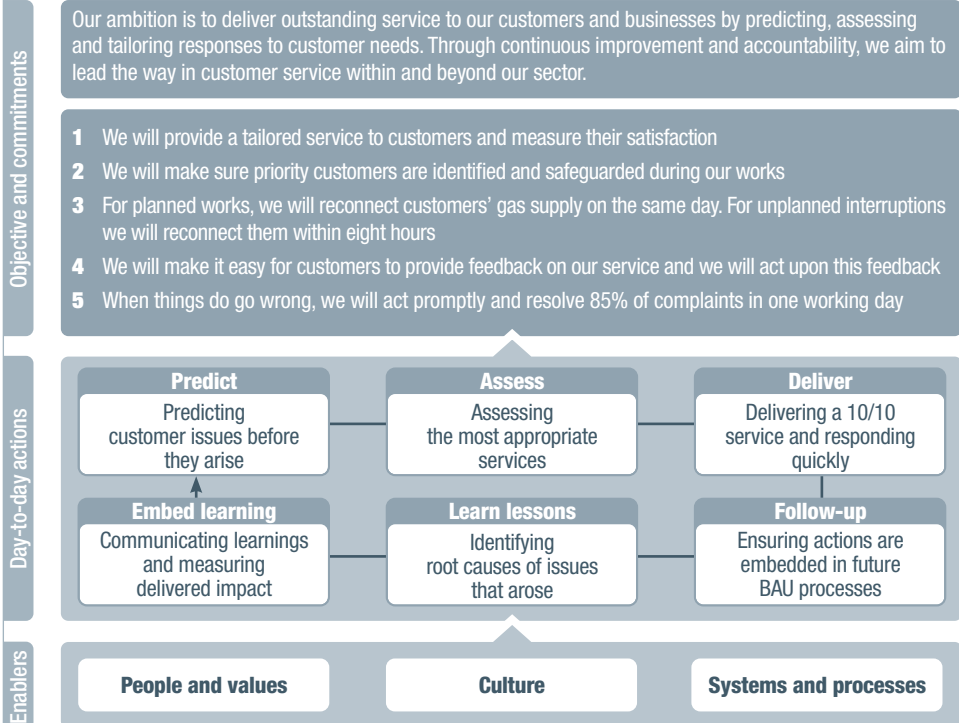
"I have seen plenty of evidence to support this ethos of focusing on the people and doing the right thing for all stakeholders. It was also clear that this is consistently driven from the top of the organisation – not just from discussions with the senior leadership team but also from my conversations with 'front line' employees. Those I spoke with talked about feeling involved and well connected to the business strategy, trusted to make decisions and empowered to bring forward and follow up on any suggestions for improvement."

Customer Service Strategy

SCALED UP Our Customer Service Strategy and Stakeholder Engagement Strategy evolved together due to their close interaction. Our Stakeholder Engagement Strategy identifies key issues that affect our company and our communities so we can cost-effectively engage on these. The feedback we gather informs the business of the wants and needs of stakeholders and leads to actions to enable us to deliver outcomes our customers will value. Our Consumer Vulnerability Strategy is a discrete addition to our Customer Services Strategy, describing what we will do to identify and support vulnerable customers with the services they want and need in a cost-efficient and effective way.

Our Customer Service Strategy is summarised in the diagram above, where our ambition and customer commitments are delivered by our day-to-day actions, enabled by the people and values we hold, and our culture, systems and processes underpin delivery. Our executive team drives our strategy and focus, leading our Customer Service Steering Group, which holds its meetings at depots across our patch to

OVERVIEW OF OUR CUSTOMER SERVICES STRATEGY



demonstrate their commitment to continuing excellent customer service. Our executive team also leads our Customer Service Championship Cup, where teams of colleagues review and resolve recurring customer issues in a friendly but competitive environment, with an annual winning team.

Consumer Vulnerability Strategy

EMBEDDED Using our own data and English and Welsh Government available statistics, we gained a high-level view of vulnerability in our operational area. As customers in vulnerable situations are more difficult to access and addressing their wants and needs requires bespoke delivery plans, we have a discrete Consumer Vulnerability Strategy (see also Part two, page 2).

The objective of our Consumer Vulnerability Strategy is to:

Safeguard all vulnerable customers by proactively identifying stakeholders' needs to deliver innovative and tailored support that goes above and beyond our obligations. Working with diverse partners, we will continually monitor and annually review the success of our safeguards to ensure they regularly evolve to deliver ongoing value.

The capabilities which lie underneath this objective are set to make sure we are able to deliver our objective and these are underpinned by our day-to-day actions which are supported by bespoke tools and processes that have been designed to enable us to support our customers' wants and needs in value for money ways.

6 Using data and research feedback

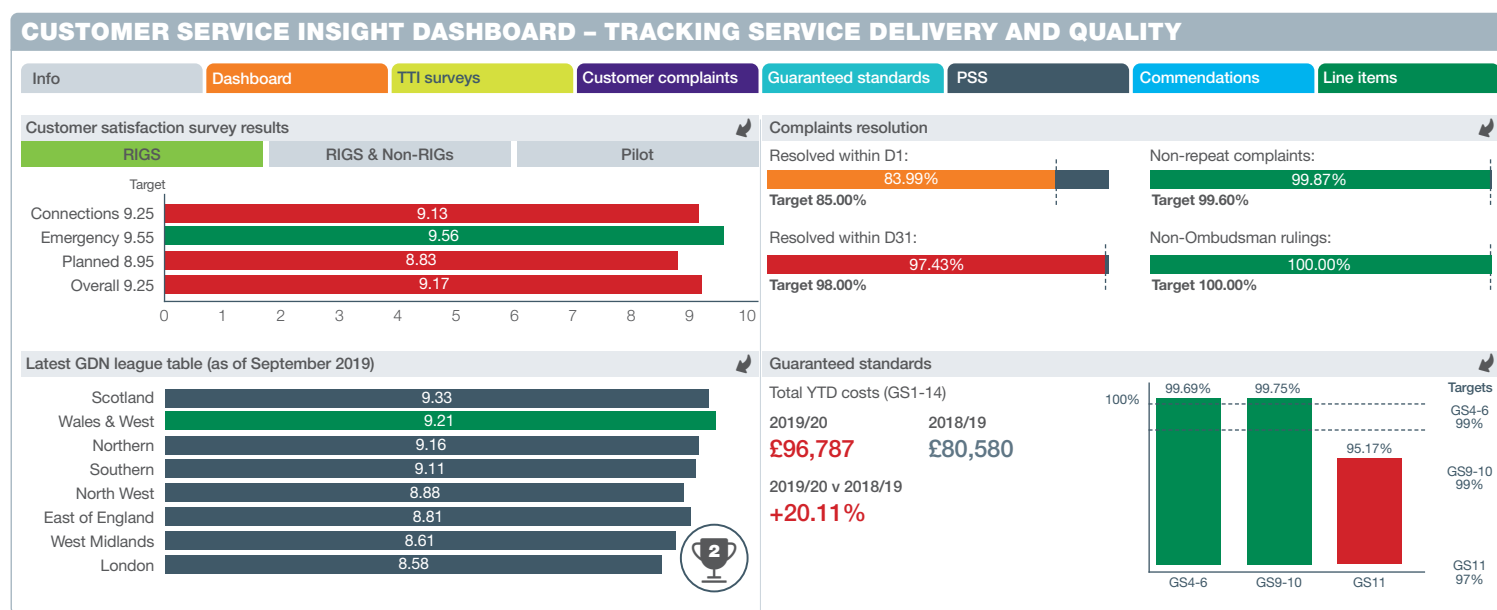
Insight from customers and stakeholders is invaluable in shaping our business planning and delivery. We use publicly available data, such as ONS information sources, Alva sentiment analysis of our online profile, started in 2014, as well as our own internal data, such as customer service survey statistics.

EMBEDDED Our real-time business intelligence tool, Insight, introduced in 2015, helps us analyse circa 1.5 million pieces of customer data across 140,000 jobs every year. This helps us measure our business performance and looks at work streams, teams and individual engineers so we understand how we are performing and can take appropriate action as required to improve and maintain excellent levels of customer service. This data is then displayed on our dashboards (see right) showing how we are doing against our exacting internal targets.

EMBEDDED Our Customer Support Officers have more than 21,000 doorstep conversations with customers every year, and through analysis of this data, insight data, complaints data and customer research and focus group feedback, we are able to understand customer concerns.

EMBEDDED Our executive-led Customer Services Steering Group examines key areas of customer dissatisfaction and through our Customer Service Championship Cup, introduced in 2015, asks colleagues to help find resolutions to improve our service. Also introduced in 2015, we hold an annual Customer Conference, an opportunity for representatives across the business to come together and discuss customer service improvements. The Customer Services Steering Group meets monthly in depots around our patch, meeting different Championship Cup teams who present their ideas to help resolve customer issues. Ideas from the workforce are discussed and can be worked into trials, which if successful are then rolled out to the wider business.

Analysis of customer data and customer and stakeholder feedback and research has shown that:



- Bespoke communications, especially when we are working in communities, is hugely important to customers. Different customer groups expect different frequencies and channels of engagement
- Environmental awareness and concern are of increasing importance – 54% of customers in our 1002 base research study rated themselves as environmentally considerate or engaged
- Knowing about and being signed up to the PSR is of key importance to enable support services to be provided – agreed by all of the carers surveyed as part of our three-phase consumer vulnerability project
- Of increasing importance during gas interruptions is access to hot water – particularly a challenge for young families and people with complex health conditions. The challenge of coping without it can affect physical and mental wellbeing

Actions in response to customer and stakeholder feedback include:

- Focus on training to aid engagement and communications to support communities

during gas pipe replacement schemes

- **EMBEDDED** Renewed approach to PSR sign-ups to gain significant increase in growth year on year
- Waterless bathing priority support measure
- **NEW** Environmental Action Plan in place and focus on measuring activities to UN Sustainable Development Goals (SDGs). More information in Part two.

Customer and stakeholder feedback is sought from the business and qualitative and quantitative research studies. Our Engagement Champions support colleagues' compilation of Day after Reports, detailing their engagement activities. The views of hard-to-reach customers and stakeholders are sought via partners and others, such as charities and other representative groups/stakeholders.

Customer and stakeholder evidence, together

with other internal and external insight, including on best practice, helps us develop action plans options to deliver real customer and stakeholder outcomes. Examples of this are shown in Part two of this submission.

We use a range of measurement tools to support and evaluate our engagement, action planning, achievements and for customer, stakeholder and business outcomes.

Our measurement framework includes willingness to pay, stated preference, satisfaction surveys with non-domestic customers, hard wellbeing measures such as sickness, impact on wider community – SROI, measures/key performance indicators linked to the UN SDGs, soft outcome measures that can include distance travelled, story-telling and sensitivity analysis. We are in the process of updating our measurement framework and have engaged with colleagues, other energy networks and external organisations. [See more in Part two, pages 9 and 10.](#)

“Understanding and measuring the impact of our engagement, including the wider social return on investment, is an important part of our work to ensure that we prioritise those activities that make the most difference.”

Nigel Winnan Customer and Social Obligations Manager



Contents

PART TWO

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This submission is our 2019/20 report to Ofgem, in response to the Stakeholder Engagement Incentive. The incentive requirements were set at the start of RII0-GD1 in 2013, and this is the sixth of seven submissions due for the eight-year regulatory period 2013-2021.

The aim of the incentive is to encourage network companies to engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service.

In this submission we aim to demonstrate our broad engagement with an inclusive range of stakeholders, paying particular attention to the interests of vulnerable customers. We aim to show the actions and outcomes we have delivered as a result of stakeholder feedback are high quality, and go beyond business as usual activities, and that we have made progress year on year.

Part One aims to demonstrate that through our strategic approach we have met the incentive's minimum requirements.

Part Two aims to demonstrate progress in achieving positive actions and outcomes for stakeholders, against the Panel assessment criteria.

Please note, where you see this icon , click for additional information on the digital version.  This symbol represents innovation or best in class.



1 Introduction Part two

In Part one, I said that delivering positive outcomes for customers is at the core of how we run our business. In Part two, we focus on what we have achieved. This year, we have:

- Continued to build and embed enhanced and collaborative engagement
- Developed our measurement framework. This will continue in 2020/21, working collaboratively
- Made sure our culture continues to support innovation, wellbeing and resilience – equipping colleagues to provide improved, bespoke service that supports customer wellbeing
- Driven forward our sustainability agenda and focused on clean energy

We challenged our engagement approach to ensure real inclusivity, so we can hear the voices of the more than 70 groups in our stakeholder map, in new and more efficient ways. At our suggestion, an ENA all-gas network engagement group has been set up to continue collaborative engagement.

We discussed our approach to evaluation across the business and have sought to articulate this in our measurement framework, which we will continue to develop this year, working with other networks on how we can jointly measure benefits consistently.

Our colleague training programmes, supported by our embedded wellbeing strategy and action plans, demonstrate how we are preparing our workforce for an evolving energy industry – we believe we are on the front foot in this area, leading the way. Colleague training also focused on skills to support customer wellbeing. We believe our PSR sign-ups social media campaign made us the lead GDN in new sign-ups achieved. We saw a huge increase from families with children under five, and we now have a better understanding of conditions such as autism.

Our commitment to align with the UN Sustainable Development Goals underpins our approach to meeting stakeholder sustainability needs.

With heat and transport accounting for two-thirds of energy emissions, focusing on decarbonising the gas grid is critical. We have embarked on our pathway to create a net zero network in response to stakeholder calls to mitigate the threat of climate change. It's ambitious, but credible and achievable – and we have moved forward significantly this year in evidencing positive stakeholder outcomes.

A priority is to help decision makers, nationally and locally, identify energy solutions that are affordable, sustainable and provide reliability for customers.

We're part of the wider energy debate, and making it inclusive for all customers and stakeholders is our key concern. We don't shy away from the views of detractors, seeking to understand the nature of their evidence. Our evidence base is transparent, peer reviewed and founded on research and live trial. We reflect the views from wider research and opinion formers, showing there is no one solution to decarbonisation. A variety of solutions applied on a regional basis will offer customers and stakeholders the bespoke decarbonisation outcomes they need and want – we are playing a significant role in this area and demonstrate this in this report.

Graham Edwards, Chief Executive

Our Stakeholder Engagement Strategy

Our stakeholder engagement is underpinned by our strategy (see [Part one](#) and diagram below) and our approach informed by our principles of inclusivity, transparency and continuous improvement.

Our objective

We are a sustainable business, putting people and communities at the heart of what we do. By engaging in tailored ways, we identify our stakeholders' wants and needs while maximising the value we add for our customers. The informed feedback we gather will result in outcomes our stakeholders want and ultimately shape the way our business operates.

Our engagement planning process is critical to effective engagement – so we understand the

purpose of our engagement, making sure we are engaging the right stakeholders in the most appropriate ways. Working collaboratively and capturing feedback, not simply on the question we are seeking to answer but also the quality of the engagement, is equally fundamental. To support this, we have evolved our Day After Report (DAR) format and action tracker based on colleague feedback. DARs enable us to capture feedback across the business following engagement activities. Our executive team takes the lead on this approach and it is supported by our Engagement Champions. This year 183 DARs were completed and shared across the business, with workshops held to disseminate, analyse and determine actions from feedback – including research. Acting on the feedback, communicating back our actions and evaluating them to understand the resulting outcomes is the next stage of the process, with results being fed back to inform further or new engagement.



more than
500
engagement
activities



159
actions completed
following feedback

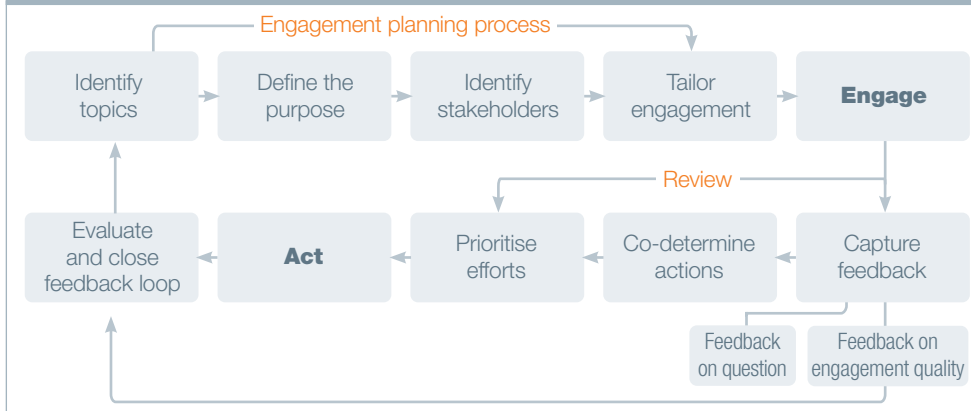


228
new innovation
ideas



152
positive outcomes

STAKEHOLDER ENGAGEMENT STRATEGY IN PRACTICE



2 Continuous improvement

Our stakeholder engagement strategy is underpinned by three principles (as outlined in [Part one, page 2](#)). In line with these principles, we regularly review our strategies in a transparent way to make sure that they are inclusive and that we continuously improve.

In Part one, we outlined our three interlinking strategies that support the delivery of positive outcomes for stakeholders, including customers.

In June 2019, Ofgem issued a consultation on its Consumer Vulnerability Strategy, which it set to “ensure fair and positive outcomes for consumers in vulnerable situations”. We decided to adjust the review of our Consumer Vulnerability Strategy to coincide with this.

An overview of our Consumer Vulnerability Strategy is shown below (See also [Part one, page 9](#))

We aligned our Consumer Vulnerability Strategy deliverables to Ofgem’s five strategic criteria, further discussing this with our expert stakeholders’ Critical Friends Panel. Members made suggestions to support our delivery, to maximise our identification of and support for customers in vulnerable situations, ensuring a consistent and appropriate approach to meet their needs.

Consumer Vulnerability Strategy

OBJECTIVE

- Analyse and identify** Knowing who needs support, when and how
- Partner** Working with third parties to deliver services we are not best placed to offer
- Deliver** Providing a cost-effective suite of tailored services that addresses vulnerability
- Engage** Understanding what support our communities want and need
- Facilitate** Giving colleagues the skills to identify and manage support for vulnerable customers
- Evaluate** Ensuring the services have the intended impact and remain the most suitable approach

Aligning with Ofgem’s five strategic criteria

Improving identification of vulnerability and smart use of data

- Use Priority Services Register (PSR) and public data to segment customers
- Colleague and partner vulnerability training
- PSR promotion
- Evaluation tools to measure benefits

Supporting those struggling with bills

- Partner to address fuel poverty causes
- Fuel Poor Network Extension Scheme (FPNES) home gas connections
- PSR promotion
- Hardship fund for low-cost appliance and pipework repairs

Driving significant improvements in customer service for vulnerable groups

- Bespoke accessible communications
- Customer Support Officer investment continues
- Annual vulnerability report and showcase events
- Exceed and proactively pay all GSoPs, including alternative heating and cooking and notice of planned work

Encouraging positive and inclusive innovation

- NIA innovation funding
- BAU innovation, best practice and proven products and services
- New Citizens Panel
- Continued development of hybrid heating systems

Working with others to solve issues that cut across multiple sectors

- Third sector and other utility partnerships
- Where appropriate, work closer with local authority resilience teams
- New Community Project Fund planned
- CO monitors and gas safety advice for most vulnerable
- Promote service provision to third sector
- Promote CO and gas safety to schools, also life skills, CV and interviews

3 Working together

Working together with others to share best practice, engage collaboratively or co-design solutions, is a key part of our daily business activities. Working with others can achieve better outcomes for our stakeholders – and our innovation approach is testament to this. During GD1, we have worked with more than 360 partners, including SMEs, other utilities and Government. To encourage new and fresh ideas, we linked with organisations such as the Alacrity Foundation, which combines graduate entrepreneurs with mentors to create the next

generation of hi-tech companies. We have worked with gas and electricity networks to publish our refreshed National Gas Network Innovation Strategy, developed after significant engagement activities. This details both principles and themes for the challenges we want to resolve. In 2019/20, our innovation team received 228 ideas and in GD1 has achieved the rollout of 100 projects to a business-as-usual (BAU) status.

 This symbol represents innovation or best in class.

The table below provides an overview of areas where we have worked collaboratively.

Sharing best practice and collaborative engagement	Government and elected members															
	Local authorities	Regulators	Gas networks	DNOs	Other energy companies e.g. suppliers, Nat Grid	Telecomms industry	Other utilities	Voluntary sector	Academia	SMEs	Transport sector	Major users incl power generators	Emergency services	Industry bodies	Domestic customers	Colleagues
Decarbonisation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Safety	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
PSR and data sharing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fuel poverty	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Power generation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community energy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Network reliability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer service	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Consumer vulnerability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sustainable development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Recruitment and training	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Innovation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Connections	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Carbon monoxide	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engagement best practice	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

4 Meeting the needs of customers – how our approach to engagement and acting on insight makes a difference in the community

Our Customer Service Strategy along with our Consumer Vulnerability and Stakeholder Engagement Strategies enable us to deliver improved customer outcomes. In practice, this helps us support customer and community wellbeing in its broadest sense – a key focus for us and part of building a sustainable future.

We report our outcomes and progress against targets at our executive-led monthly Social Obligations and Customer Service Steering Groups – the latter being held in a different location each month, providing an opportunity to directly hear locally gathered feedback and ideas as well as sense checking any initiatives to see how they will work in practice.

Understanding more about our customers' lifestyle traits and communication preferences means that we can more effectively meet their specific needs and expectations.

Our research and 'on the ground' intelligence (see Part one, page 3) was used to develop customer persona types and these can be used for colleague training, to instill more confidence in their doorstep customer conversations.

An example of one of our customer persona types is shown below. For more examples



Meet Faraz – aged 41

Faraz runs a popular, busy café in a large town. He's worked really hard to grow his business over the

last four years and he's knocked through to the unit next door to expand his kitchen and squeeze in more tables. "My business depends on its gas supply. On a cold day, people want hot food! It's as simple as that."

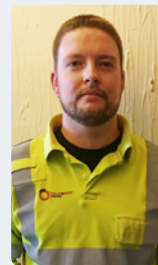
CASE STUDY Customer communication and insight goes from strength to strength

Analysis of our planned work satisfaction scores and complaints showed customer communications needed to improve. Following two trials in 2017, four Customer Support Officers (CSOs) were introduced across our region, to build community relationships, recognising and addressing issues and providing information and reassurance to customers.

Three years on, we've scaled up this invaluable resource to nine CSOs. Their local insight has helped identify customers in vulnerable situations and their specific needs. Bespoke and timely communications was highlighted as a specific need in our consumer vulnerability research project, and in 2019/20 we have seen a 19% drop in complaints about communication associated with pipe replacement work. In May 2019, we and our partners won the IGEN Customer Service Award for significant improvement in customer experience for planned work.

Outcome: Improved communication with customers and stakeholders around planned work enabled their needs to be met.

Measurement: In 2019/20, CSAT scores for planned work regularly scored 9/10 for advance notice and 8.8 for communication during works. Our social return on investment tool considered the cost:benefit ratio of investing in CSOs and the wider social value. Projected over five years, there is a **net benefit of £3.62 for every £1 invested in our CSOs**.



Customer Support Officer (CSO) David Carter was a finalist in the 2019 IGEN Young Person's paper competition. His paper and presentation Improving communication during mains replacement work covered the evolution of the CSO role.

"Our customers and the communities that we serve are at the heart of what we do. It's vital that we understand our customers' needs and expectations, not just meeting them but always going above and beyond to exceed them. Providing a 10/10 platinum service for our customers is something that we always work extremely hard to do and this is recognised in the many compliments that we receive back."

Innovative consumer vulnerability research enables better support

An 18-month research project started in 2018, hailed as taking an innovative approach by Mindset Research partners, has resulted in a better understanding of the circumstances and

associated needs of customers living in vulnerable situations. Taking a phased approach enabled action to improve outcomes after each phase – for example, building increasing awareness and sign-ups to the PSR (see page 4).

We gained insight from:

- Individuals in vulnerable situations
- Vulnerability case workers
- Carers
- General customers

"We believe that the approach has been innovative in the extent to which it has sought to engage in a meaningful way with a wide cross-section of individuals in vulnerable situations as well as those who care for them."
Mindset Research

We used qualitative and quantitative engagement methods including 132 in-depth one-to-one interviews, three focus groups, an online survey and 100 telephone interviews. The research highlighted that vulnerability is almost always binary, with emotional vulnerability emerging as a key issue in almost all circumstances. We discussed the results with a cross section of colleagues who, in different ways, had their own experiences of engaging with vulnerable groups – some working closely with our vulnerability support partners. Our research presentation included voice recordings from some in-depth

interviews to provide real life experiences, and this was followed by an interactive workshop. Some clear conclusions emerged from the research, analysis, insight and workshop:

- Awareness of our brand, services and the industry PSR is low, although once people become aware of these, perceptions are positive
- Building awareness of the PSR among vulnerable customers is a priority
- Consideration of emotional vulnerability is important – effective communication and minimal disruption to routines to reduce anxiety is essential
- Affordability and awareness of the cost of running alternative heating and cooking equipment is particularly important
- Working with third parties such as carers, family and healthcare workers to support people living in vulnerable situations is critical
- Using appropriate communication methods tailored to individuals is particularly important and ongoing telephone support can play an important role

To address these findings, 20 actions were identified across the short, medium and long term to improve customer outcomes, with 12 set for completion within a year and good progress has been made on these.

Example:

Recommendation: Colleague training to recognise and understand the needs of people living in vulnerable situations, including consideration of emotional intelligence.

Action: New training modules developed on emotional intelligence and other soft skills in a range of formats to support wider access (see Part one, page 8).

Outcome: Colleagues are more sensitive to the needs of customers' different physical and mental circumstances and feel more confident to communicate in appropriate ways.

"I found it interesting learning about how having emotional intelligence can be utilised both in work and at home. Going forward I feel like I will try to apply this skill more into every aspect of my life and my interactions with others."

WWU colleague

Customer and community wellbeing

Actions to reduce anxiety

Increasingly our approach to understanding the needs of customers living in vulnerable situations has been to use research data and analysis as a starting point, highlighting areas needing more in-depth insight to enable us to better understand how we can improve outcomes.

Our research highlighted that anxiety about gas pipe replacement work can be common. With some domestic and business customers asking for as much notice as possible in advance of planned work in order to plan ahead, understanding different needs and how to tailor our approach and communication is very important. We made this an integral part of our **NEW** colleague training to help operational colleagues communicate and deliver services in more bespoke ways to minimise anxiety.

Getting communication right

Our engineer attended a gas escape call at the home of a customer with hearing problems. The elderly customer pointed out the source of the smell, but struggled to communicate through written messages.

The engineer called the 'Sign Video app' **NEW** to allow a three-way call with a British Sign Language expert and they put the customer at ease. The customer said they were lonely, had no local friends who understood signing and felt isolated at home. Our engineer gained permission to help through the app, made the appliances safe then contacted our priority services team who liaised with social services to visit the customer and provide support.

"...how understanding and extremely co-operative the workmen were with regards to my autistic son. He cannot cope with change or noise... Most importantly when he was collected for school and brought home they stopped any drilling or excessive noise..."

Survey response

Community support

NEW Building on colleagues' Dementia Friends training, we decided to attend Dementia Cafes to actively meet people living with dementia and

their carers to gain deeper insight. This provided an opportunity in a supportive and relaxed setting to talk to customers and carers about their needs and how our services and products such as locking cooker valves can support these and improve outcomes.

NEW Our focus on wellbeing is consistent across our business both internally and in the community. In December 2019 we organised an event hosted at a rugby ground local to our head office. Co-ordinating support from Careers Wales and four other businesses, the event was aimed at supporting Key Stage 3 pupils identified as vulnerable from six schools. The event theme was wellbeing and included an inspirational talk and tour of the Dragons' professional rugby team venue, followed by workshop sessions on mindfulness and reducing stress and the development of an action plan for each school. 99% of students personally benefitted from a learning outcome, with 71% saying they would pass on something they had learnt from the day.

Individual learning outcomes cited included:

"How to handle emotions in a difficult situation."

"The most important thing that I've learnt was some of the methods that I could use to cope with stress."

Making the PSR a priority

Feedback from vulnerable customers, carers and partners organisations highlighted the importance placed on getting people on to the PSR. We've previously generated a steady flow of sign-ups, but now wanted to broaden our approach to scale up. **NEW** Our strategy was not just to reach out directly to our target audience, but to extend reach to their families, friends and carers – the people our customers trust to support them in signing up to the register. We decided to trial a social media campaign to promote PSR sign-up (see right). The result has been a huge uptake, with an increase from 4,233 in 2018/19 to 11,652 in 2019/20 as shown on our social obligations dashboard, right.

Customer engagement feedback showed huge support for getting more customers registered on to the PSR. However, preference is for a single utility register – and customers have asked us to play a role in influencing this. Alongside Cadent, Ofgem and Ofwat, we have led gas distribution network (GDN) work to align Priority Service

Register codes across energy and water – completed in February. This group will also review how the secure sharing of PSR data with energy suppliers and other utilities – carried out over the last three years – can be done more efficiently, to lead to a virtual common water and energy PSR.

Covid-19 stalls vulnerability collaboration

A north Wales event, jointly organised with Welsh Water, has been postponed, with plans to reorganise later in the year. Its purpose is to encourage more collaboration to support consumer vulnerability, with participants invited from a range of sectors to share knowledge, best practice and build relationships, focusing on the specific regional needs of the Flint and Rhyl areas.

FACEBOOK NEWSFEED ADS

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If you have a child under 5...
Or know someone who does...
Sign up to the Priority Services Register to get support from your gas, water and electricity companies.



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Priority Services Register

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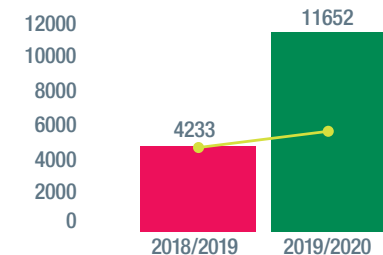
If you're living with a long term health condition...
Or know someone who is...
Sign up to the Priority Services Register to get support from your gas, water and electricity companies.



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PSR REFERRALS FROM SOCIAL OBLIGATIONS DASHBOARD

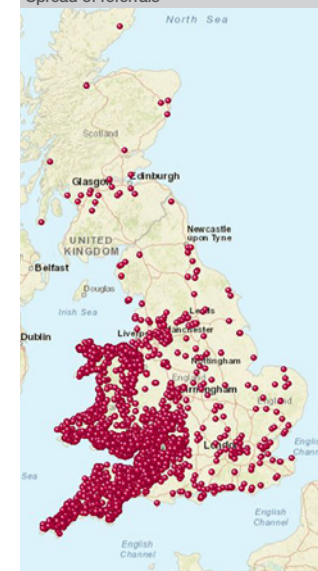
Volume referred



Amount referred by source

WWU online referral form	6259
PSR App	4823
Fire & Rescue Service Devon & Somerset	951
Warm Wales South Wales	728
Care & Repair Cwm Taf	506
PSR Leaflet	459
Warm Wales North Wales	302
Warm Wales Cornwall	222
Care & Repair Western Bay	217
Care & Repair Monmouthshire & Torf...	195
Fire & Rescue Service North Wales	167
Care & Repair Bridgend County	150

Spread of referrals



Taking action to support people in fuel poverty

When acting to improve financial and wellbeing outcomes for some of our hardest to reach customers, we are aware that tackling fuel poverty is only one part of the equation. We know from experience and engagement feedback that many people in fuel poverty have lower incomes and struggle with day-to-day necessities – this in turn impacts their health.

Healthy Homes, Healthy People

EMBEDDED Our fuel poverty support programme, renamed Healthy Homes, Healthy People in 2019, takes a holistic approach and our partnerships with Warm Wales and the Centre for Sustainable Energy are central to helping us engage and meet the needs of hard to reach groups.

To identify and focus our fuel poor support activities, in 2017, we began co-designing an approach with voluntary, innovation and academic sectors. This includes a Foundation data for Robust Energy Strategies for Housing (FRESH) vulnerability mapping tool. It identifies 'street clusters' of fuel poor homes using property datasets, mass energy performance analysis and Experian data. This helps us to prioritise with the Local Authority which areas to target and is then brought together with local knowledge and referrals to cross check, e.g. from GPs, health professionals and local groups.  This approach was recognised as best practice in the UK Energy Innovation Awards in 2019, winning the Best Social Impact Award category.

Once target areas are identified, local partner advisors engage with people in their homes to provide whole house and person surveys, including energy efficiency and benefits checks. The results are monitored and analysed by source, geography and demographics and the savings calculated (see right).

We can continuously monitor the effectiveness of our fuel poverty support through our social obligations dashboard.

NEW We calculated the wider social return on investment (SROI) of our Healthy Homes, Healthy People programme (this is in addition to the work

Healthy Homes, Healthy People Assistance			
2019/20	Savings	Households assisted	Average saving per household
S Wales	£278,899	369	£756
N Wales	£151,640	186	£815
Cornwall	£121,400	233	£521
Severn Wye	£14,384	69	£208
Total	£566,323	857	£661

undertaken in 2018/19 to measure the wider social benefits of our Fuel Poor Network Extension Scheme). It showed that for every £1 spent, a wider net benefit of £8.66 was achieved.

NEW This approach to understanding the wider benefits has been shared with partners in the voluntary sector and we have worked with Care & Repair to use the SROI tool to understand the wider social benefits of its home decluttering Attic Project.

NEW In March, to maintain safe practices during the Covid-19 outbreak, the service was altered from face-to-face to telephone, and referral pathways have been set up. The approach has been proactive, not simply relying on referrals, but contacting prioritised historical cases to make sure that customers are safe and well and to check if assistance is needed.

5 Safety and wellbeing


Industry leading innovative approach continues to achieve first class safety recognition

Safety continues to be a key priority for stakeholders and our colleagues – and we haven't stood still. Engagement and insight gained from innovation and external best practice shapes our approach. We pride ourselves on having robust processes to keep people both safe and well. For seven consecutive years, we've

achieved 100% in the Achilles external audit, an accreditation standard recognised by many of our stakeholders, so they can be assured that our management systems and processes are of a high standard. Also, externally verified ISO 55001 for asset management, 14001 for environmental management and 45001 for occupational health and safety require us to demonstrate continuous improvement.

For example, our health surveillance assessment includes an enhanced focus on wellbeing.

Delivering safe outcomes

EMBEDDED  We are so proud to have won the overall worldwide RoSPA Oil & Gas Sector award in 2020 for the second successive year. This is recognition at the highest level for our dedication to safety and we were also awarded our seventh consecutive Gold Award. This was exemplified when Jaydee-Lee received a Pride of Britain Award for saving the lives of her younger brother and mum by recognising the signs of carbon monoxide (CO) poisoning, after attending our gas safety session at her primary school.



RoSPA Gold Award 2020

RoSPA Winner of the Oil and Gas Sector Award 2020

Second consecutive year

Acting on feedback and insight to better safeguard against CO

Regional community representatives said we should raise awareness of CO. Using our SROI tool, we measured both the wider social net benefit of providing CO alarms alongside advice and raising CO awareness over GD1. We need to reach almost 10 times as many people with quality awareness to achieve the same return as issuing CO alarms to the most 'at risk' homes. So, we are focusing on low-cost CO awareness raising initiatives like digital downloads for primary school aged children.

SCALED UP This year we delivered circa 50 face-to-face CO gas safety sessions to more than 2,700 primary school pupils, using the all-GDN backed Safety Seymour programme. We also took part in social media campaigning in Gas Safety Week in 2019. We collaborated with the

other GDNs on a FunKids Radio gas safety awareness initiative, a safety billboard campaign, designing ours bilingually for north Wales, and an initiative with Bounty to provide CO advice in packs provided to new mothers. We made our online schools' gas safety resource available in Welsh too. **NEW** In March, due to Covid-19, we suspended school visits and updated our online educational activity resources (linked to the Science curriculum) to support home-schooling. We developed a joint GDN Safety Seymour website with additional educational materials with a fun twist, including safety yoga, which we have promoted extensively with a social media campaign. The deadline for the GDN schools' CO competition has been extended to September.

NEW  We are supporting the All Party Parliamentary CO Group's new research into how carers and health workers can be protected from CO during home visits, using the experiences of our partner organisations and we anticipate the findings will help deliver safer practices.

EMBEDDED Our partners – Fire & Rescue Services, Care & Repair and Warm Wales distribute most of our CO alarms and associated advice provision. Having direct contact with customers living in vulnerable situations on a daily basis enables them to assess needs, position CO alarms and provide advice. Partner feedback demonstrates the value of this service.

"Great update about services offered."

Of 26 participants surveyed, awareness of our support measures increased from 6.9 out of 10 to 9.5 out of 10 on average.

NEW We've extended our schools' engagement programme to visit schools in the communities where we are working to explain about gas pipe replacement schemes and deliver participative site safety sessions in a fun way with pupils.

Stakeholder priority engagement

SCALED UP Public safety concerns are a key priority. In light of the Grenfell Tower tragedy, which raised the profile of safety and risk in relation to high-rise multiple occupancy buildings (MOBs), we have engaged all local authorities and high-rise MOB owners, to find out about

their energy and building work plans while at the same time sharing information about our network investment plans. In addition, we are engaged with the wider gas, fire and building industries to help form suitable and effective regulation and controls in high-rise MOBs to keep residents safe.

Delivering faster responses through innovation

NEW In 2019, we launched a new easy to use business app, developed in a cross-business approach, that provides a new way for colleagues to create an incident, assign work, report on it and gain valuable learning from it afterwards. It enables fast, effective and safe responses to local gas supply emergency incidents.

PREVENTION IS BETTER THAN CURE

Our approach to wellbeing is proactive and we lead in this area, chairing a GDN Occupational Health Forum. Regular engagement with the Health and Safety Executive (HSE) helps us improve processes and identify risks earlier. We also look at external trends and seek out best practice via our Wellbeing Forum which involves HR, occupational health, line managers and trade unions.

For a long time, we have recognised the importance of operational colleagues getting enough sleep, as fatigue at work is a risk when colleagues are working 'on-call' to respond to emergencies. Fatigue has been a bigger focus for the HSE in 2020 and our wellbeing forum has developed policies to raise awareness and reduce this risk – not only to address the impact of work on sleep but also new parents and health conditions. We've shared this approach with other networks and HSE, as an example of good practice in responding to stakeholder needs.

Each year we run a colleague 'Be Winter Safe' Campaign focusing on relevant topics based on internal and external insight. During 2019/20 fatigue avoidance was a key feature and our colleague communications included a film sent to colleagues via a text, an information card, articles in our colleague magazine plus intranet and roadshow briefings.

6 A sustainable future

Engagement shows protecting the environment and the wellbeing of communities are key stakeholder priorities. Our commitment to align with the UN Sustainable Development Goals underpins our approach to meeting stakeholder needs. We contribute to all 17 goals, but have identified seven priority goals – through stakeholder and colleague engagement. These are:

- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Responsible consumption and production
- Climate action
- Life on land
- Partnerships for the goals



Our Critical Friends Panel (CFP) told us where we should most focus as key ways of contributing to the seven goals. They also indicated the areas they'd like to be further engaged in – this engagement is ongoing. The CFP scrutinised our contribution to two specific goals:

- Partnerships for the goals – focusing on how a Citizens Panel might include engaging customers on complex topics
- Decent work and economic growth, including financeability of the business

We further discussed with our Customer Engagement Group engaging an educated customer panel on financeability, and subsequently ran workshops including one-to-one interviews, moving to telephone interviews when Covid-19 became an issue. We used flexible methods to check customer understanding, to make sure the research is robust and valid.

Whole Systems Charter

To demonstrate our commitment to net zero, we are developing a Charter that underpins our approach. It commits us to work with stakeholders to create customer-focused, lowest cost and joined-up solutions. The Charter elements include:

- Engaging stakeholders inclusively
- Data and information sharing and innovative solution proposals
- Developing whole system Local Area Energy Plans
- Considering customer value and business case
- Opening proposals to competition, including market solutions

Protecting the environment

To articulate our understanding of the importance of environmental protection to our stakeholders and for our sustainable future, we published our Environmental Action Plan in 2019. Shaped by stakeholder and colleague feedback, the plan considers a range of legislative drivers, including Defra's 25-year Environment Plan, UK Net Zero by 2050, Environment (Wales) Act 2016, Wellbeing of Future Generations (Wales) Act 2015, and the UK's draft National Energy and Climate Plan.

Example: Local authority feedback told us that tree planting is very important. We used our SROI tool to measure wider social net benefits including carbon sequestration and others such as amenity value and shade. The voluntary sector helped us shape the best approach to this and we further engaged with mental health charity *Growing Spaces* to better understand the associated benefits to mental wellbeing of environmental protection.

While implementation of the plan is in the early stages, we have undertaken extensive work to baseline our activities initially through use of the Defra metric for Biodiversity and the SROI tool. Information is also updated on our 'aspects and impacts' register – part of our ISO 14001 accredited Environment Management System. Details can be found in our Environmental Action Plan. In seeking best practice, we have engaged with Welsh Water to understand their approach to measuring benefits which includes carbon modelling/natural capital accounting and the ENA group, particularly in relation to waste and we will embrace models as appropriate following further evaluation.

A constructed otter holt



Adapting to current impacts of climate change

EMBEDDED Responding to Government concerns on climate change, in 2011 we took a leading role in developing an innovative tool to help utilities take action to protect their assets from increased flood risks, working in partnership with Landmark and Ambiental Risk Analytics. Following four years of mapping in the pilot, the mapping product was launched to the market in 2018, as Britain's first national flood map incorporating current and future predictive flood scenarios for 2020 and far beyond.

🔗 We became the first utility in the UK to use the data as part of its UK Climate Change Adaptation Risk Assessment, Reporting and Investment requirements. The mapping tool was used to demonstrate to a recent joint HSE and Environment Agency visit to our high pressure bullet site that it would not flood and cause the storage vessels to become buoyant even during a one-in-100 years weather event.

An above ground crossing was identified at risk by the mapping tool and the river bank was remediated and protection worked very well – although some issues with upstream flooding were caused this year by Storm Dennis, which could not be predicted.

During storms Ciara, Dennis and Jorge, a reliable gas supply was important for customers and stakeholders. With significant flooding in Monmouthshire, we joined the rapidly established Recovery Co-ordination Group with local and national services and Government, emergency services and Natural Resources Wales, together identifying, quantifying impact and resolving problems from third, voluntary and private sectors.

Innovating to mitigate our contribution to further climate change

Energy harvesting is one of the ways that we have responded to stakeholder feedback to do more to protect the environment.

SCALED UP **🔗** Our operations rely on our fleet of vans. Following research in 2017, we introduced

V2G technology to harvest the energy our vehicle engines create to power electrical equipment. This technology is similar to that seen in Formula 1, where waste energy from cars' braking is converted to provide a power boost. Using V2G means we can store energy created on journeys to power equipment on site – this saves on cost, reduces emissions and is also quieter, reducing disruption for our stakeholders. We've fitted 20 units with the entire fleet being upgraded over the next four years. Reducing idling for two hours a day across 10 vehicles saves 192 tonnes of CO₂ and £90,000 in fuel over the life of the vehicles.

Cost-effective decarbonisation

Reducing greenhouse gas emissions is important to stakeholders. In focus groups and quantitative research studies, customers made this a clear focus – so decarbonising our network cost effectively is of critical importance.

During 2019/20 we engaged with circa 4,690 industry experts and other stakeholders including customers, to gain feedback to support the shaping of our strategic approach, defining our role in and delivery plans for decarbonising heat, power and transport.

Engaging and working collaboratively with the whole energy sector is important to maintaining a clear focus and avoiding duplication – we are taking a leading role in this effort.

Our strategic approach is complementary to that of the joint mission of the ENA-led gas networks', whose intention is to work together across defined work streams aiming at making sure that homes and businesses across the UK are connected to the world's first net zero gas network.

Gas Goes Green, designed in 2019/20 and launched in April 2020, is the gas networks delivery plan, following the high-level pathways to net zero emissions for buildings, industry, transport and power, set out in the *Pathways to net zero* report. Pathways is a collaborative gas network project led by Guidehouse – formerly Navigant – and co-ordinated by ENA, designed to meet stakeholders' desire for a low-cost, low-carbon network. The outputs included a detailed plan to deliver a zero-carbon gas system with the



clear regulatory, technical and operational actions needed to achieve it. The project concluded that in our regions we should plan for significant use of biomethane and hybrid heating systems, with hydrogen being used in specific areas, such as an industrial cluster in south Wales and large cities along the M4 corridor.

In January 2020, we hosted a regional Pathways launch event to share, discuss and gather feedback on the report's findings with key stakeholders, including Welsh Government's Minister for Environment, Energy and Rural Affairs. The event feedback was positive and specific feedback highlighted the report's provision of a viable pathway for decarbonised gas which can help deliver the Government's net zero emissions ambition.



SCALED UP Following this launch, we proposed a new Dragon Pathways project for Wales to the Welsh Government, which would involve jointly pursuing a whole system framework and programme of actions across Wales, with an independent, balanced and low-cost approach. This is alongside our existing projects/programmes of work that link with Welsh Government, such as Freedom.


We continue to lead and be involved in a number of projects with diverse approaches – including modelling and live trials, to understand customer views on how they might use our network in the future. Stakeholder engagement and collaboration has shaped our approach and understanding of their desired outcomes.

Pathfinder Plus **🔗**

EMBEDDED We remain the only network to develop a whole system model (Pathfinder) which we have shared with others. It assesses the viability of any decarbonisation approach providing metrics for impact on reliability, cost and carbon emissions. Our experience of using this model with stakeholders shows that people outside our industry are able to understand the implications of different decarbonisation options they may be proposing. This is evidenced through our work with community groups such as Zero West in Bristol and the Institute of Welsh Affairs. Both organisations are using the simulation model and now better understand their net zero options, seeing what they mean in

terms of cost, reliability and reduction in carbon emissions for their communities.

Pathfinder has also been used for the Green City Vision venture in Swindon – a unique collaborative project with SSEN assessing low-cost, technically feasible decarbonisation solutions for the whole city. Following its use in Swindon, stakeholders told us they would like to see some further functionality in the model.

SCALED UP So, we developed an enhanced model, **Pathfinder Plus** , incorporating significant new economic modelling to enable robust comparison of customer costs for each energy scenario, along with other functionality refinements. The new model has also been requested by Energy Systems Catapult, and has been offered to local authorities to support Local Area Energy Plans. Our modelling is being used to deliver the Milford Haven: Energy Kingdom project in partnership with Pembrokeshire County Council, aiming to accelerate transition to an integrated hydrogen and renewable energy system. It will trial new technology with the intended outcome being a blueprint for greener local energy generation, contributing to the Welsh and UK Governments' goals of achieving net zero emissions by 2050.



We also shared our model with other gas networks who have used it in their localities e.g. SGN has used the simulation model in Brighton and Edinburgh.

We measured the social return on investment benefits of sharing our whole systems data and Pathfinder model. The projection (over 10 years) is that for every £1 invested, there is £40 of wider value to consumers and society.

Focus on hydrogen

SCALED UP A key area of focus in 2019/20 has been the completion of HyHy, a model-based feasibility study to assess Cardiff's combined energy demands to understand how the deployment of hybrid heating technology, in combination with bulk hydrogen supply, can achieve national carbon targets. We've engaged on this project with Ofgem, BEIS and the UK Committee on Climate Change, and are building in a generous off-shore wind energy generation scenario into the project, at their request. 2019/20 also saw the launch of the **Wales Hydrogen Trade Association**; we are one of the core supporting organisations. It was held in the Wales National Assembly Senedd in Cardiff, on the same day as a debate on hydrogen decarbonisation, enabling engagement with knowledgeable stakeholders on this topic. Our Director of Regulation and Commercial, Steve Edwards, presented at the event, assuring attendees of our commitment to affordable, sustainable energy for the future.

The organisation will be advocates and capacity-builders to advance the hydrogen economy in Wales. Objectives include representing fuel cell and hydrogen-related industries at government level, to public and private sector organisations and communities in Wales. Also, gathering and discussing insight and market intelligence, sharing rapid innovation and knowledge, and developing partnerships with and learning from UK and international developments to share best practice, which can influence developments in Wales.

We will also be raising public awareness of hydrogen, which is important to gas consumers in understanding how they might use hydrogen in the future – customers attending energy deep-dive focus groups in 2019 told us they would be

accepting of hydrogen but needed to understand and be assured of safety implications. National expert energy stakeholders have told us that we must take part in public awareness raising of new energy systems and not leave anyone behind.

The South Wales Industrial Cluster (SWIC)

won funding to identify process options to reduce carbon emissions, options for Carbon Capture Usage and Storage (CCUS) and for an infrastructure backbone to enable large scale CO₂ emission reduction across Wales and beyond. As part of SWIC, we are working collaboratively on a project led by Tata Steel on the south Wales hydrogen vision – zero carbon gas. Our role has been to share best practice in modelling whole energy system approaches and to work with stakeholders to support the zero carbon vision.

Regional Future Energy Scenarios (FESs)

EMBEDDED The original National Grid whole country FES led to the development of four regional scenarios for gas and heat. To this, we added a fifth Hybrid Accelerator scenario that we developed with regional stakeholders.

The purpose of the regional FES has been to develop and trial a new gas forecasting methodology and create a set of regional and sub-regional growth scenarios. Our approach has been to use a 'bottom-up' process of data-gathering, energy system analysis and stakeholder engagement.

This took place during 2019 in three phases covering our entire operating area. An important part of the methodology was engagement with regional and local stakeholders through workshops in Exeter, Bristol, Cardiff and Llandudno.



In total, 165 stakeholders were engaged, spanning a wide range of sectors ([See Part one, page 6](#)). Feedback from these workshops influenced the model assumptions, e.g. the projections for hydrogen use were higher than initially assumed. Once we gathered the regional data, we worked up our adaptation and engaged with National Grid to look together at how local strategies feed into national strategies and how, in some cases, a localised approach is more appropriate and will result in better outcomes for communities. National Grid is now developing updated scenarios that recognise both community and nationally led approaches.

Biomethane enabler

EMBEDDED We have regular engagement with our 19 biomethane sites, and this year we have supported a number of our developers to maximise their agreed injection volumes, making physical changes to our network to enable that, in some cases.

Covid-19 constraints mean we are anticipating our 20th connection will not now be made until early 2021.

Evaluating and reporting outcomes

EMBEDDED Our executive-led Innovation and Future of Energy Steering Groups are central to our focus on sustainability and innovation. These groups meet regularly to review outcomes delivered and future plans, and receive progress updates. Earlier this year, the Future of Energy Steering Group reviewed and updated its stakeholder engagement plan to make sure that our approach is inclusive and each stakeholder group is engaged in the most appropriate way with a focus on capturing feedback and delivering desired outcomes. The revised approach has been approved by our Chief Executive and has resulted in an updated strategic communications plan.

7 Measuring and evaluating outcomes and benefits

We continuously evaluate and update how we measure, monitor and review the effectiveness of our engagement, associated actions and the difference it makes (the outcomes – for stakeholders and the business). In 2018/19, we introduced a SROI tool to measure the wider societal benefits of a few initiatives and expanded this during 2019/20 to include numerous business-wide activities. This uses financial proxies to quantify social benefits that are not generally monetised. The diagram, right, shows how the outputs are determined. However, we have not solely relied on use of the SROI tool.

During 2019/20, we worked with colleagues across the business, researching and engaging with external experts to better understand how

OUR SOCIAL RETURN ON INVESTMENT (SROI) APPROACH TO MEASURING BENEFITS

INPUTS

- Projected cost of initiatives being assessed
- Direct financial benefits provided to customers as a result of an initiative
- Financial proxies and detailed probability assumptions for social benefits delivered by initiatives, supported by extensive literature review of respected governmental and institutional sources

PROCESS

- Cost benefit analysis based on the SROI methodology backed by the UK Cabinet Office

OUTPUTS

- A Net Present Value of any initiative and its comparable options which takes into account financial and quantified social benefits to customers, stakeholders and society
- A clear comparison of the benefits offered by comparable options across key metrics – **this allows us to pick the option that maximises value to society**

we can use appropriate measures for different activities. This included engagement with Sia Partners and other GDNs, as well as others outside our industry. We engaged with the National Lottery Community Fund to better understand how the voluntary sector measures

outcomes, particularly ‘soft’ outcomes. We then identified the strengths and weaknesses of each measurement tool to enable us to determine applicability. Finally, we considered how each tool might fit with our activities, to make sure we can use our measurement framework to select the

most appropriate for each activity as well as measuring the outcomes of our actions resulting from our initial engagement.

Our measurement framework includes: SROI; cost:benefit analysis; stated preference and willingness to pay studies; quantitative surveys (with a low margin of error); general evaluation surveys, qualitative research techniques (including advisory and focus group feedback); analysis of complaints and Customer Satisfaction Surveys; analysis of outcomes in relation to the Sustainable Development Goals (this can link to the Thriving Places Index); awards and accreditations; storytelling; both hard and soft (including distance travelled) outcome measures; impact on the wider economy, sentiment analysis; peer review, lessons learned, industry and academic research studies.

The table below provides examples of how we have used different tools for different activities.

Measurement tool/technique identified	Programme/activities	Frequency	Evidence/outputs	Outcomes/benefits
<ul style="list-style-type: none"> ● Social return on investment (SROI) ● Cost:benefit analysis (CBA) ● Net Present Value (NPV) 	<ul style="list-style-type: none"> ● Pathfinder model and data-sharing ● Enhanced GSoP payments ● Theft of gas ● FPES scheme ● Healthy Homes, Healthy People ● Carbon monoxide (CO) monitors and awareness 	Annual review to update volumes and proxies. Development of new models	<ul style="list-style-type: none"> ● SROI models ● An NPV (direct financial and social) of the initiative ● Net benefits (financial and social) per £ spent ● Comparable options 	<p>Example: For every £1 invested in sharing whole systems data and Pathfinder model, there is £40 of value to consumers. Further examples in Part two</p> <ul style="list-style-type: none"> ● Business able to use tools to evaluate investment options and which has the best net benefit
<ul style="list-style-type: none"> ● Sentiment analysis – drawing on millions of sources of public data (traditional media, social media, analyst reports, broadcast, public surveys) using a blend of sophisticated algorithmic analysis and sector consultants 	<ul style="list-style-type: none"> ● Community engagement ● Community investment ● Safety ● Skills 	Monthly reports. 24/7 monitoring	Insight reports (monthly) including key findings, sentiment trend, issues impact, key themes sentiment and sources of issues	<ul style="list-style-type: none"> ● Business benefits from immediate understanding of situations as they arise and customer sentiment ● Customers benefit from our ability to react to any implications efficiently to harness opportunities and resolve issues
<ul style="list-style-type: none"> ● Quantitative surveys and qualitative feedback (including Customer Satisfaction Surveys and Complaints) ● Monitored through internal ‘Insight’ system ● Willingness to pay (WTP) ● Awards/accreditations 	<ul style="list-style-type: none"> ● Customer service ● Social obligations 	<ul style="list-style-type: none"> ● Continuous internal insight, monitoring and feedback ● Monthly, annual and adhoc surveys ● Annual awards and accreditations 	<ul style="list-style-type: none"> ● ‘Insight’ dashboard for planned and unplanned services ● Results from quantitative surveys ● Documented recommendations from qualitative research ● Analysis of complaints and Customer Satisfaction Surveys ● WTP for verification of standards ● BS 18477 and ICS ServiceMark 	<ul style="list-style-type: none"> ● Customers can be more confident that excellent service is delivered and business benefits from efficient work planning ● Business is better able to react quickly to trends in data to address issues or make sure best practice is used consistently across our area

Measurement tool/technique identified	Programme/activities	Frequency	Evidence/outputs	Outcomes/benefits
<ul style="list-style-type: none"> Soft outcome measures to look at distance travelled (before and after) Monitoring CO incidents, alarms issued Use of SROI tool 	CO provision and awareness including schools' education	Monthly reporting	Analysis of awareness improvements Social obligations dashboard	<ul style="list-style-type: none"> More people are aware of the dangers of CO poisoning and know how to take avoiding action to stay safe For every £1 spent – £1.20 net benefit The business benefits by being able to plan its role in CO awareness raising in the most cost-effective way
Peer review, lessons learned	Strategies	Annually or more frequently if changes	<ul style="list-style-type: none"> Updated strategy CFP review of our Consumer Vulnerability Strategy and alignment to Ofgem's Consumer Vulnerability Strategy 2025 	<ul style="list-style-type: none"> Strategy and associated processes make sure that stakeholder needs are captured and acted upon, resulting in outcomes that meet stakeholders' needs in value for money ways through the avoidance of ineffective measures.
<ul style="list-style-type: none"> Industry and academic stakeholder research/studies and reports Various hard outcomes measures such as reduction in tonnes CO₂, waste to landfill and costs 	Decarbonisation	Ongoing	<ul style="list-style-type: none"> Flexis reports Pathways (across GDNs) Green City Vision report KESS project (results of tests to improve biomethane production) Regional FES stakeholder workshop and data analysis findings 	<ul style="list-style-type: none"> See Part two, pages 7 and 8 Better understanding of net zero options and what they mean in terms of cost, reliability and reduction in carbon emissions to enable stakeholders to make informed decisions Stakeholders are better able to understand the value of different decarbonisation activities
<ul style="list-style-type: none"> Qualitative and quantitative research Accreditations General evaluation surveys Story telling General monitoring 	Vulnerable customer support	<ul style="list-style-type: none"> Wide ranging research over 18 months BS 18477 accreditation Adhoc 	<ul style="list-style-type: none"> More than 11,000 PSR referrals and awareness Outputs recorded on social obligations dashboard Partner feedback Case studies 	<ul style="list-style-type: none"> More people living in vulnerable situations are able to benefit from tailored support through increased PSR sign-ups More customers are benefiting financially from tailored support (Healthy Homes, Healthy People)
Defra metric for biodiversity SROI tool	Capital investment and environmental impact	Tools used to provide baseline and then subsequently measured (typically annually)	<ul style="list-style-type: none"> Defra biodiversity metric applied over 13 of our sites. Ecometric applied across sites to understand options to protect biodiversity SROI tool applied to measures such as tree planting 	<ul style="list-style-type: none"> Biodiversity in localities will be recognised and protected through engagement, measurement and appropriate investment The wider social benefits of environmental actions are better understood and valued
Hard outcome measures including: occupational health stats, interruptions, GSoPs, km of main replaced, £s recovered from theft of gas, savings e.g. from innovation, PSR sign-ups, CO alarms provided	Safety, reliability, value for money, customer service, sustainability, social obligations	Generally monthly	Reports, dashboards	Stakeholders are better able to quantify and understand the difference that is being made in each area over time

8 Next steps

- Continue embedding our culture where sustainability, including wellbeing, innovation and stakeholder engagement, are our core business ethic
- Continue to build, develop and test new methods of engagement to fit with a changing external environment and develop a sophisticated evaluation and measurement framework
- Build on our company-wide bite-sized and extended engagement training, focusing on online learning to fit with remote working
- Build on our experience of customer educated panels to develop a Citizens Panel with regional representation
- Trial and test a new Community Fund – focusing on outcomes and critical success factors
- Engage further on new colleague skill requirements to meet the needs of a changing external environment

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