



# 2016/17 Stakeholder Engagement Incentive Scheme



# Part 1 - Our Engagement

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## 1. Putting people at the heart of everything we do

**Our culture** of building strong relationships through listening, learning and making decisions together is truly special. 2016/17 was a busy and productive year for our stakeholder engagement programme. We matured existing relationships, forged innovative partnerships, gained fresh insights into stakeholders' needs and launched new initiatives in response to feedback.

**Our leadership** of stakeholder engagement remains a company-wide commitment. I see it as a key part of my role and along with the senior management team, I attend every meeting of our Stakeholder Panel to listen and provide updates. Over the last year, I have been involved in more than 50 meetings involving key stakeholders.

**Our partnerships**, both new and existing, have been instrumental in helping us to deliver our social objectives. Working with some fantastic organisations in the Third sector, we helped improve quality of life for thousands of vulnerable customers in 2016/17. With the guidance of these expert partners, we consolidated our strategic approach by launching a dedicated vulnerability strategy and a new community fund to support grassroots schemes (pages 17 and 18).

We were delighted to be once again ranked by Ofgem among the top performers for customer service. We achieved this by listening closely, especially to customer groups whose voices are not always heard – and then adapted our services in response.

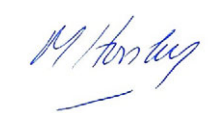
The challenge of keeping bills affordable, while meeting climate change targets, requires new and imaginative approaches. Effective collaboration has never been more important to the UK energy sector. In 2016/17, we teamed up with a wide range of stakeholders to develop trailblazing projects, from our new multi-vector test site near Newcastle to the H21 Citygate project in Leeds (pages 19 and 20).

**Our feedback**, annual consultation and ongoing engagement, indicates that our stakeholders' priorities have remained largely the same over the past few years, aligning with those set out in our existing eight-year business plan. We are now drilling down beneath these headlines with focus groups, to understand how our stakeholders would like us to prioritise and get involved in what we deliver from now until 2021 and beyond.

2016/17 saw us begin the process of involving our stakeholders in planning for the next review period (page 4). By engaging stakeholders in this process from the outset, we will deliver a value for money business plan that reflects local and regional priorities.

Our independent audit also took place throughout the year, rather than in a sustained burst, giving the auditors an authentic view of our approach in action – from a high profile House of Commons launch to a local Stakeholder Panel meeting. Feedback from the audit was positive with our strategic approach highlighted as a key strength.

I continue to be extremely proud of what we are achieving together.



**Mark Horsley**  
Chief Executive Officer



### At a glance: our approach to stakeholder engagement

- ✓ Comprehensive engagement strategy, reviewed each year
- ✓ Independently audited and underpinned by the best practice principles of inclusivity, materiality and responsiveness – positive audit feedback
- ✓ Owned and driven by the CEO and senior managers
- ✓ Tools and training to help all colleagues understand the importance of engagement, and how to do it effectively
- ✓ Commitment to research and evaluation – ensuring decisions are data driven
- ✓ Collaboration with like-minded organisations to achieve more for our customers

#### Five shared priorities

- reviewed and reaffirmed with stakeholders this year:



**Keeping costs down**



**Delivering a reliable and safe service**  
Whilst mitigating the impact of our works



**Delivering excellent customer experience**



**Community involvement and social responsibility**



**Gearing up for the future**

“ **NGN makes a clear commitment to the AA1000 Principles in its Stakeholder Strategy and its Stakeholder Submission to Ofgem** ”

- AA1000 SES Evaluation of Stakeholder Engagement, March 2017

#### Key highlights:

**1,024**  
customers referred to Northern Powergrid's Priority Services Register

**18%**  
increase in business customers' satisfaction with our disconnections service

**40**  
key stakeholders attended our 'Energising the North' launch

**15**  
strong future energies teams established

**£1m**  
invested in smart technology to better service our customers

**#1**  
for efficiency (cumulatively since 2008/9)

**60%**  
of our workforce are on modern Terms and Conditions

**6,300**  
vulnerable people directly being supported by NGN

**£50,000**  
annual Community Promises Fund established

**69%**  
average cost reduction by using smart technology

**47**  
National awards for our sites



# 2. Our strategies: Stakeholder engagement | Dedicated strategies

## Overarching stakeholder engagement strategy

Our comprehensive stakeholder strategy has been established since 2005. It is reviewed and updated every year with increased checks to ensure it is robust. Our framework allows colleagues at all levels to engage stakeholders effectively; it provides the flexibility to tailor engagement methods to the interests and capacity of our stakeholders, whilst ensuring our approach aligns to the AA1000 Stakeholder Engagement Standards (SES) best practice principles below:

- Inclusivity** – our holistic approach to stakeholder engagement reflects the needs of our diverse range of stakeholders, including those who are hard to reach.
- Materiality** – through tailored engagement with stakeholders we identify and understand those issues which are most important to them (all stakeholders and specific groups).
- Responsiveness** – we regularly feed back to stakeholders, showing how their views have influenced the decisions made and actions taken to drive improved services and performance.

OUR VISION

Stakeholder engagement will underpin everything we do so that we are inclusive, responsive and recognised as a trustworthy, reliable and innovative organisation delivering excellent customer service.

Identify and understand

- Annual review of stakeholder strategy incorporating emerging themes, new and future stakeholder groups, self-reflection and external feedback
- Annual stakeholder issues and risk mapping with senior management team and departments
- Enhancing our database of circa 7,000 contacts (stakeholders such as MP, LEs, businesses, partners) to map relationships with and between stakeholders
- Tailored stakeholder engagement plans for key projects and activities such as our community and social work

Measure and improve

- Activity recorded, measured and improved e.g. stakeholder satisfaction feedback (p.10)
- Process reviewed and improved – through feedback, accreditation and annual audit
- Outcomes measured and scaled up, or learning feeds into future improvements



Engage

- Open and transparent engagement to identify priority issues
- Range of engagement methods tailored to stakeholder interests and capacity, for example stakeholder panel, workshops, research and online
- Engagement with a purpose to influence decision-making, such as our activity in relation to energy futures (p.19-20)

Act and feedback

- Feedback into the business through established channels (p.9)
- Emerging themes identified
- Actions and improvements agreed and delivered – to 2021 and beyond
- Outcomes fed back to stakeholders via appropriate channels e.g. e-bulletin and website

## Roadmap to 2021 and beyond

Last year we introduced you to our roadmap to 2021 and beyond, which sets out how stakeholder engagement is helping us to plan:

Period to influence	Short term – 2016 to 2018	Medium term – 2018 to 2021	Long term – 2021 and beyond
Engagement focus	Deliver improvements to our day to day services  Meet our targets and stakeholder expectations in delivery of our RIIO GD1 business plan  Start to develop RIIO GD2 business plan	Ensure that the RIIO GD1 outputs and our priorities remain current  Deliver business change which supports a long term future for NGN, our colleagues and our stakeholders  Develop RIIO GD2 business plan	Deliver a well justified business plan, reflecting views of and supported by our stakeholders  Influence the future of gas  Support national and regional infrastructure plans
Engagement Examples 2016/17	Innovation depot days (p.5+14)  Community Promises Fund (p.17)  Shipper and supplier research (p.5)  Vulnerable customers strategy finalised (p.3+15)	Stakeholder Mid-point review and priorities research (p.6)  Stakeholder panel (p.4)	Energy Futures Strategy finalised (p.3+19)  Stakeholder panel introduction to GD2 (p.4)  Energising the North report (p.20)

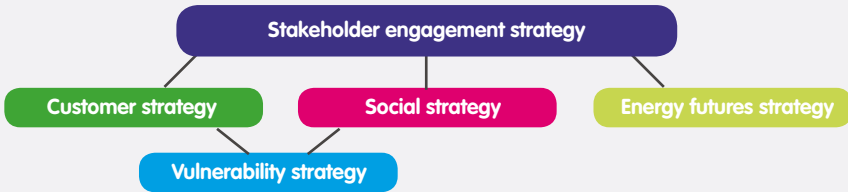
This year, by building on the maturity of our existing relationships and our established stakeholder engagement framework, we have continued to deliver immediate benefits for our customers whilst preparing for the considerable challenges and opportunities of the future.

“The strengths of the company's approach are its business culture, the strategic nature of the response to stakeholder needs, and the provision of resources to deliver engagement and respond to stakeholder inputs”

- AA1000 SES Evaluation of Stakeholder Engagement, March 2017

## Dedicated strategies

We recognise the need to develop engagement strategies within key areas of the business:



Customer strategy

Informed by independent research and feedback from colleagues and customers, it reflects the 11 NGN customer personas identified through research and provides the framework for how we best engage and serve these stakeholders.

Social strategy

As part of our established social strategy we routinely co-deliver projects and share resources with partners, allowing us to achieve even more for our customers. We continue to support a secondment to National Energy Action (NEA) and upon her return the first secondee was successfully appointed as NGN's Social Strategy Project Manager. Projects managed include Warm Hubs and the Community Promises Fund (p.17-18, and right).

The strategy incorporates our community promises which were agreed with stakeholders in 2015. It sets out our social commitments to support community led programmes, around Carbon Monoxide awareness, fuel poverty, energy efficiency and STEM.

“Working in partnership for over five years, we have successfully delivered a range of programmes helping the most vulnerable”

- Jenny Saunders, Chief Executive, National Energy Action

Vulnerability strategy

2016/17 saw us finalise our dedicated vulnerability strategy. Co-created with our stakeholders and colleagues, it describes our approach to supporting customers in vulnerable situations, and our key areas of focus:

Understanding our customers' needs: Working in partnership with individuals and specialist support services in the local area, we do all we can to minimise the impact of our work on our customers' daily lives in respect of physical challenges, mental wellbeing, temporary vulnerability, rural vulnerability and financial hardship.

Communicating clearly and consistently: Our 2015 vulnerable customer research told us that it's really important that our messages and methods of communication are accessible, relevant, clear, simple and easy to understand so we work with partners to ensure that the approach is always fit for purpose (p.15-18).

Community Promises Fund - 2016/17 highlight

Engagement driver – Smarter delivery of our social and education programmes to extend reach and increase sustainable impact

Engagement objective – Establish and manage a £50,000 grant-making fund

Engagement method – partnered with Leeds Community Foundation, a trusted intermediary, to engage Third sector and community organisations via established channels and relationships

Outcomes: - 70 completed applications received  
- Funded 11 projects, directly benefiting more than 2,700 people  
- Helping to raise awareness of CO with more than 1.5 million people across our region.

Sharing to grow: Sharing our plans and services and learning from others.

The strategy was directly informed by

- Our Third sector partners, Stakeholder Panel, Ofgem, Northern Powergrid, Northumbrian Water, Engie and others.
- It was further informed by the findings of a vulnerability gap analysis project conducted by BSI against the BS 18477 standard, and consequently reviewed for inclusivity by a panel of vulnerable customers representatives, managed by an independent specialist at the Royal National Institute of Blind People (RNIB).

The Vulnerability Strategy complements our customer strategy and community promises (launched in 2015) – resulting in a comprehensive framework to guide all customer and community-focused activity.

Developing and supporting our team: Providing training to help colleagues to identify and understand vulnerability so that they can treat everyone as individuals and understand how we can best meet their needs.

Energy futures strategy

Our innovative energy futures strategy sets out how we plan to meet our customers' needs for low cost, low carbon energy now and in the future. Our approach includes working with our partners to develop customer-centric energy solutions, influencing policy makers, making the case for decarbonised gas as an essential fuel for the future and generating interest and excitement through flagship projects that will bring significant economic and value added benefits to the regions. It aims to set out the role that GDNs are able to play in achieving this as part of an integrated energy future.

To meet the challenging targets of the Climate Change Act and our stakeholders' expectation that customers should pay the least amount possible for clean energy in the years to come, we continue to work with partners to demonstrate the potential of decarbonised gas and multi-vector energy networks.

Development of the Energy Futures strategy demonstrates good practice in integrating stakeholder mapping, engagement and feedback into strategy development

- AA1000 SES Evaluation of Stakeholder Engagement, March 2017

# 3. 2016/17 Engagement

## Digging deeper with our stakeholder panel

We worked collaboratively with our 20 stakeholder panel members throughout 2016/17 in meetings and on an individual basis to deepen their understanding of NGN, sharpen the focus and obtain new insights. While the panel told us that their overarching priorities for our business remain unchanged, they shared some ideas, as set out below which we acted on:

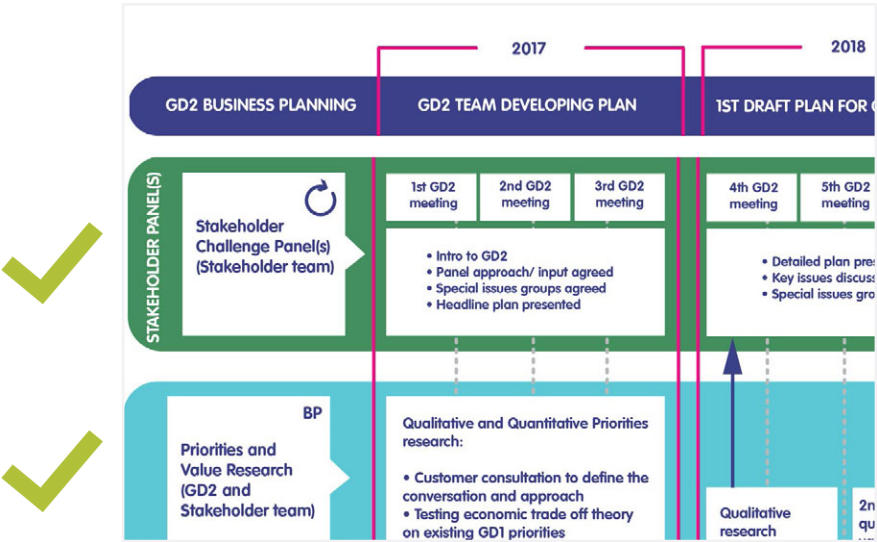
## Stakeholder panel ideas

Priority area	Stakeholders said	Examples of stakeholders we engaged	Example of positive outcomes
Keeping costs down	Make it easier for customers to see the contribution of GDNs to the average customer bill.	<b>Consumer representatives:</b> Citizens Advice, Major Energy Users Council <b>Energy industry:</b> First Utility <b>Trade associations:</b> Energy UK <b>Other GDNs:</b> Cadent, SGN, Wales and the West Utilities	NGN led the other GDNs to develop a new way of reporting network costs to customers. This will help customers to understand the value of the services provided (p.12).
Delivering a reliable and safe service whilst mitigating the impact of works	Work collaboratively to support a smooth rollout of smart meters, sharing expertise and mitigating the impact on customers.	<b>Vulnerable / hard to reach:</b> Community Action Northumberland, Hull Children's University, National Energy Action <b>Energy industry:</b> British Gas, EDF, Energy UK, Engie, First Utility, Ofgem <b>Trade associations:</b> Association of Meter Operators, Energy Networks Association, Major Energy Users Council <b>Education/Training:</b> The National Skills Academy Power	Delivered tailored meetings with suppliers to discuss: <ul style="list-style-type: none"><li>• Opportunities to align their rollout and our replacement plans</li><li>• Support the end to end customer journey and identify risks with hand-offs between multiple organisations</li><li>• Joint training sessions for NGN frontline engineers and installers</li><li>• A common set of targets with installers such as numbers and reasons for aborted visits</li></ul>
Delivering excellent customer experience	Give more direct focus to customer health and wellbeing outcomes when working with customers day-to-day, and planning new services.	<b>Vulnerable / hard to reach:</b> Community Action Northumberland, Groundwork, Hull Children's University, National Energy Action, RNIB <b>Health &amp; Wellbeing:</b> Well North Partnership <b>Energy industry:</b> Eon, Engie, Ofgem <b>Innovation:</b> Energy Innovation Centre, Project Rome <b>Wider utilities:</b> Northern Powergrid	Finalised a new, dedicated vulnerability strategy, which describes our areas of focus. It also helps to prioritise what we are doing and raises the profile.  Mapped GP data against network plans to help inform our fuel poverty work.
Community involvement and social responsibility	Partner with those best placed to support vulnerable customers, where NGN's support adds value.	<b>Consumer representatives:</b> Citizens Advice <b>Innovation:</b> Energy Innovation Centre, Project Rome <b>Education:</b> Newcastle University <b>Third sector:</b> Leeds Community Foundation, Dial (Leeds) Limited, 2168 Yeadon Air Cadets, Fusion Housing Kirklees Limited, North Halifax Partnership, The Dominic Rodgers Trust, Bradford Community Broadcasting, The City of Hull & Humber Environment Forum, Yorkshire Energy Doctor CIC, Woodhouse Close Church Community Centre, Syrian Community of Leeds, Highfield Food Co-op <b>Vulnerable / hard to reach:</b> National Energy Action, Community Action Northumberland	Created an annual £50,000 Community Promises Fund, which offers grants to grass root organisations working with vulnerable / hard to reach customers. 11 projects were delivered (pages 18-19)  Held two Community Promises Fund workshops where we provided training, funding advice and helped attendees build a support network
Gearing up for the future	Develop energy futures projects that are tangible, and bring the theory to life.	<b>Local Authorities and Enterprise Partnerships:</b> Leeds City Region, Newcastle City Council, Tees Valley Unlimited <b>Innovation:</b> Energy Innovation Centre, Project Rome <b>Education:</b> Newcastle University <b>Vulnerable / hard to reach:</b> National Energy Action, Community Action Northumberland <b>Trade associations:</b> Energy Networks Association	Demonstrating feasibility and affordability is integral to our energy futures strategy. <b>Example:</b> Teamed up with partners to launch a new Energy Futures research facility at Low Thornley near Newcastle. This will help stakeholders to understand the range of energy futures solutions available and how they might work together (p.20).

## GD2 engagement

We may only be half-way through the current regulatory period (GD1) but we are now thinking about GD2. In 2017 we developed a comprehensive engagement plan to enable stakeholders to shape what we're doing in the short to medium term and at the same time helps us to test, review and refine the models for engaging on our longer-term plans. In February 2017 we introduced the Stakeholder Panel members to our thinking around GD2 business planning and the opportunities for them, and all stakeholders to get involved.

### Our engagement plan:



“ Stakeholder engagement is understood as both a critical part of both delivering commitments in the current business plan period, and taking the company into GD2 and establishing a leadership position ”

– AA1000 SES Evaluation of Stakeholder Engagement, March 2017

## Engaging the hard to reach

For the past three years, we have made a determined effort to engage emerging stakeholders and those whose voices we rarely hear.

- ✓ Vulnerable customers and commuters - 2014/15 onwards
- ✓ Micro-businesses - 2015/16 onwards
- ✓ Shippers and suppliers - 2016/17 onwards

Whilst we continue to work with previously identified groups, (for example through our vulnerability strategy). In 2016/17, we have focused on engaging shippers and suppliers - important customer groups with whom we have complex relationships. Industry change meant it was the right time to explore our relationships with these stakeholders, to better understand their priorities and identify opportunities for more effective collaboration.

Recognising the time and resourcing constraints of both established players and new market entrants, we mapped all of the touch points that they have with our business before conducting eight independent in-depth interviews.

## Cross-sector stakeholders

At NGN we place the customer at the heart of everything we do, so when we received feedback from stakeholders including the UK Regulators Network (UKRN) about the types of problems encountered when wanting to cross or work near in-situ assets we were ready to listen, learn and act. By taking a broad interpretation we were able to reflect upon our relationships with a range of stakeholder groups (including rail and road operators, land owners, major energy users, local authorities and other utility companies), identifying examples of best practice and a clear plan for continually improving our relationships and services in 2017. As part of the review process, we invited the following key stakeholders to help shape our report: **Durham County, Leeds City Council, Major Energy Users Council, Newcastle City Council, Northern Powergrid, Northumbrian Water, Yorkshire Highways Authorities & Utilities Committee, Yorkshire Water.**

## Tailored engagement

We understand that stakeholders have different motivations and capacities to engage. That's why we tailor our engagement to suit stakeholders' needs, using a range of methods, such as workshops and events.

## Depot days

Building on the success of our 2015/16 depot days, (in which all stakeholder groups were invited to meet NGN teams at their local depots), this year we welcomed eight supply chain partners to nine dedicated 'Innovation Depot Days'. Around 600 operational colleagues engaged with their stakeholders to help identify solutions to everyday challenges.

**As a direct result, NGN has invested £500k in 11 technical solutions to reduce the impact of our works and improve customer experience (p.14).**



## Broadening our reach

We understand that stakeholders provide the most meaningful feedback when we use a range of appropriate and stimulating engagement methods. That's why, in 2016/17 we challenged external partners to make the most of our stakeholder research budget and invited innovative approaches that would help us to gather a broader and inclusive range of stakeholders' views, and test ideas with representative groups. As a result, we co-designed a programme to deliver the insights we need and avoid stakeholder fatigue.

### Summary of Shipper / Supplier engagement

Understanding Shipper / Supplier relationships	What we've done in 2016/17
	In depth interviews with eight shippers/suppliers Independent research agency presented feedback directly to colleagues with responsibility for acting upon it Action plan developed in response to feedback (example below)
Shipper / Supplier feedback	What we're doing as a result
Relationships with one key NGN contact can give perception of under-resourcing and lead to frustration.	Providing 33 shippers and 61 suppliers with clear information to re-introduce them to our team and remind them who to contact for specific enquiries.
Your customers are our customers too. Keep us in the loop.	Identifying opportunities to add value to the complete customer journey such as our disconnections team informing suppliers of gas supply status following Live/Dead checks.
Lack of awareness of role NGN is playing in supporting meter installers and suppliers with smart meter rollouts.	Our agile metering team is looking at ways to keep shippers and suppliers regularly updated with progress. We have a smart metering feature planned for our next all-stakeholder e-bulletin, which is sent to more than 3,500 stakeholders including all shippers and suppliers.

**“This year there has been a focus on strengthening engagement in new areas, for example in engagement with Suppliers and Shippers. This is welcomed as evidencing a broadening of the scope of the management system.”** -AA1000 SES Evaluation of Stakeholder Engagement

## Community Promises Fund events (p.17)

**Engagement driver** – Smarter delivery of our social programme, ensuring our involvement adds value (beyond direct funding).  
**Engagement objective** – facilitate training, best practice sharing and networking opportunities to support sustainable solutions locally.  
**Engagement method** – at the time of application community groups stated any additional support they would benefit from and were subsequently invited (successful or not) to attend events, tailored (location, content, timings etc) to meet their needs .

### Outcomes:

- Established a support network for around 20 community groups
- Provided training, energy efficiency and CO advice to 20 volunteers
- Direct stakeholder feedback to improve the process for 2017/18
- New partnerships formed between stakeholders, such as Yorkshire Energy Doctor and Dial Leeds.

“ It has been a great session that will really help our organisation and the work that we do. We look forward to working in partnership with the other projects too ” Kath Harrison, Manager, Dial Leeds

**Our range of new and improved methods for sourcing feedback include:**

## Stakeholder satisfaction survey - improved

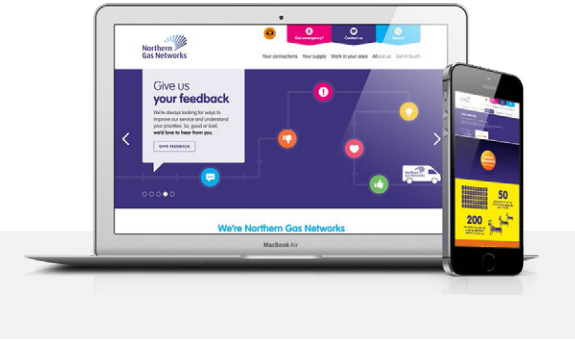
Since 2014/15 we have conducted an annual stakeholder satisfaction survey, comprising phone interviews with approximately 250 stakeholders. In 2016/17 we honed our methodology by making the questions more specific to different groups, and refreshed the timing by interviewing smaller groups each month (see p.10 for our 2016/17 scores).



Test it - new

Directly engaging a broader range of stakeholders in testing and improving our services, for example testing our website design.

Launched in 2014, our online community had limited reach despite our best efforts to encourage a broad range of stakeholders to sign up. Following a best practice sharing visit to UK Power Networks, we have now replaced this forum with the opportunity for our colleagues to test ideas directly with stakeholders. Unlike the online community, which relied on input from the same stakeholders, each time we use ‘Test it’ we’re engaging up to 300 NGN stakeholders from diverse backgrounds and groups.



Engaged customer panels - new

Our stakeholders’ top-line priorities for our business have remained largely unchanged over recent years. Stakeholders, including customers, consistently tell us that they expect NGN to deliver a safe and reliable service at an affordable price, to put customers first, to gear up for future challenges, (such as a decarbonised energy landscape) and to make a positive contribution to local communities, especially by supporting our more vulnerable customers.



While these five overarching priorities remain consistent, we recognise the value of gaining deeper stakeholder insights for each theme. This can help us to provide a more responsive service in the short term, and enable us to plan for GD2 with greater confidence.

2016/17 saw us recruit focus groups, reflective of our broad customer base, to find out what our customers felt was most important under each theme. The groups were asked to rank our improvement plans for each theme, and decide what they felt was essential, important, or nice to have.

Our five priorities: Gaining new insights

Part 2 of our submission reflects these insights by focusing on those activity areas that our stakeholders regard as most important. These are indicated with this ‘essential’ stamp



Next steps 2017/18:

Throughout 2017/18 we will build on this initial customer insight, by interviewing a broad range of stakeholders (shippers, suppliers, local authorities, education, Government, Third-sector etc) to understand any differences in their perspectives to domestic customers.

4. Key outcomes - more than 150 in 2016/17

Possibly the best measures of how effective our engagement is, are the outcomes, improvements and benefits we deliver as a result. This table summarises more than **150** substantial outcomes from our engagement in 2016/17 and Part 2 picks up on some key examples in more detail.

Segments	How	No. of outputs	Example action / outputs	Example benefits	Cost
All stakeholders	Audit	1	AA1000 Stakeholder Engagement Standard - retained for 5th year	External assurance against best practice.	£10,400
	Research	1	Stakeholder Satisfaction survey - 249 Stakeholders	Understand stakeholders’ satisfaction and keep improving.	£6,600
	Research	3	Stakeholder Satisfaction survey - new approach increased frequency and smaller sample size	More insightful, timely feedback throughout the year.	£10,500
	Stakeholder panel	11	Stakeholder Panel - 20 members, representative of our stakeholders. Helped to shape key initiatives and strategies including vulnerable customers and energy futures	Ensuring broad and inclusive range of stakeholders’ views are taken into account.	£15,800
	Accreditation	1	ISO 55000 - International Organization for Standardization - Asset management	Additional assurance demonstrating stakeholder engagement and action across key business area.	£5,100
	Accreditation	1	ISO 14001 - International Organization for Standardization- environmental standard		£10,600
	Research	13	Priorities research - enhanced approach, drilling deeper to understand what's important to our stakeholders	Greater insight as to what stakeholders would like us to deliver in the short, medium and longer term.	£39,500
	Research	1	Online Map users survey - sent to 1,800 regular map users	Scored 8/10 for customer services and quality.	£0
	Bilateral Meetings	9	NGN smart metering project team - working in partnership to support our customers during the rollout of smart meters	Improved end to end customer experience. Clear and consistent customer communications.	£2,400
	Workshop	9	Incident retrospectives - engaged with stakeholders to review off gas incidents and invested in a number of key improvements	New contract established to provide food vouchers that allow customers to choose healthier options.	£6,500
	Communications	1	ebulletin - quarterly to circa 7,000 stakeholders	Stakeholders are kept up to date and feel informed to help shape what we do.	£1,200
	Communications	1	Interactive Stakeholder Report on Website	Stakeholders can understand our performance against all RIIIO output areas.	£3,300
Colleagues and contractors	Colleague engagement	8	Bounce events - 500 colleagues participated across 5 events	Bringing colleagues together on key business topics and agree on practical solutions - T&Cs (hours, rest time, sickness), mentoring, outlook contacts updated, NGN forums chart, customer Kanban board, service recognition .	£17,000
	Suppliers and colleagues	11	Innovation depot days - 9 network wide events and 11 solutions developed	Reduced impact of our works for customers.	£500,000
	Colleague engagement	1	Stakeholder commitment workshops – brought around 50 colleagues together to share improvements under the five priority areas	Led to improved priorities research with stakeholders.	£1,300
	Colleague engagement	1	Mark's monthly brief - open to all 2,171 colleagues, and other business updates	Engage colleagues about NGN business plan commitments and stakeholder engagement activities.	£9,180

Segments	How	No. of outputs	Example action / outputs	Example benefits	Cost
Local, regional and national government	Partnerships, Conference and Bi-lateral meetings	12	Institute for Public Policy Research (IPPR) - joint task force and contributed to the IPPR's recent report: "Leading, adopting or drifting – where next for the Northern Energy Sector?"	The potential role of gas in future energy networks is now being recognised and reflected in regional and national policy.	£20,000
			Northern Powerhouse Partnerships		£0
			Energising the North - report published and launched in front of 40 key stakeholders		£70,000
			Pagefields - supporting us to engage key stakeholders	Ensuring key policy makers are engaged on the issue that matter most to all of our stakeholders.	£93,300
		1	280 meetings with MPs and LEPs around energy futures	Ensuring our plans align with future development plans.	£0
Education and community bodies	Workshops	1	93 Play safe, stay safe sessions were delivered in Primary Schools	Keeping circa 25900 children safe around our work sites (40% increase from 2015 /2016).	£0
	Local schools	1	"2021 in your hands" - 16 colleagues trained to deliver our sustainability programme	From April 2017, this can now be offered to secondary schools when we're working in the area.	£3,800
	Best practice	1	Safety Seymour - adopted National Grid's Year 2 primary school programme	Visited 9 classes to raise awareness of CO with 255 children .	£4,000
	Partnership	1	Hull University - 8 NGN trained mentors provided unique learning experiences	Helped to raise the aspirations of 651 young people in Hull.	£12,000
	Partnership	1	Ahead partnership - 25 colleagues helped to raise the aspirations of 9455 young people through 'Make the Grade' programme	Improved confidence and self-belief in 92% of participants about the world of work.	£28,000
	Conference and events	1	Crucial Crew - interactive sessions delivered in partnership for several years	More than 9300 children were educated in gas safety.	£0
	Partnership	1	CO poster competition - delivered collaboratively with GDNs	943 entries nationwide (156 in our network area).	£1,900
	Conference and events	1	Direct school engagement	Helped to raise knowledge of STEM related careers and future aspirations of 5,810 students.	£0
UKPLC	Best Practice, Conferences and events - outside industry		Participated in over 40 best practice sharing meetings, conferences and events such as: McLaren - The role of data, technology and expertise in smart decision making. Nationwide Building Society - People Strategy.		£5,900
Major energy users	Membership / Meeting	1	Major energy users council (MEUC) - two day conference attended by 344 major energy users and wider utilities	Face to face engagement with key stakeholders.	£3,370
	Meeting / membership	1	Sponsorship of major energy users community calendar - 'Things I like about me!' themed	Raised awareness of NGN and promoted the National Gas Emergency helpline to 20,000 customers. Helped to raise self-esteem among participating primary school children.	£750
Shippers / Suppliers	Research	4	Shippers and Suppliers - conducted 8 in-depth interviews with key stakeholders	Plans to strengthen relationships.	£12,295
Energy industries and wider utilities	Community involvement	1	Charitable donations - to local good causes	Raising awareness of NGN social programme and making a positive impact on the communities we serve.	£6,000
	Workshop	2	Environment workshop - projects identified including alternative fuel vehicles and climate change adaptation	Commitment to environmental issues.	£1,080
	Conference	3	CKI conferences - presented and shared best practice in areas of Health & Safety and Innovation & technology	Shared health & safety videos developed by UKPN with our colleagues. Monthly best-practice sharing telephone conferences with Australia Gas Networks' Innovation team.	£3,500
	Industry working groups		We participate in over 50 formal industry working groups often leading on key initiatives. There are a number of significant outcomes we deliver through these groups: - UNC Modifications to facilitate CMA order to provide access to price comparison website to improve customer switching process.		£19,500
	Infrastructure North and sub groups	4	Through our electricity and water partnership we continue to sponsor the APPG for North Yorkshire and Lincolnshire, launched a new group to deliver shared social priorities, refreshed the website – infrastrucutrenorth.co.uk in response to feedback from third-sector organisations and revised our 'Energy at Home' booklet to include information about smart meters.		£5,600
Domestic, business connections customers and their representatives	Customer contact	1	Replacement works communication trial - surveyed customers across 12 projects	Customers receive clearer communications and advance notice of planned works.	£5,250
	Customer contact	2	End to end disconnections - changed the end to end process and streamlined our call tree	Easier for customers to understand and access our services. Improved scores from 8.61 to 8.79 domestic customers and 7.9 to 9.3 business customers.	£0
	Audit	1	ICS - institute Customer Service, Service Mark achieved a score 85.6	Benchmarking ourselves amongst the highest ranking companies in UK and identified to improve even further.	£0
	Accreditation	1	CCS - 77 sites registered	47 national awards including our highest ever score 45/50. Rolled out best practice principles to the network.	£30,000
	Partnership	1	CCS client partner - Considerate Constructor's Scheme	Sharing best practice - within and outside industry.	£0
	Customer contact	1	Door knocks - keeping customers informed before, during and after our works	34,617 customers and 5,193 business engaged.	£0
	Customer contact	1	More than 9,500 fan or oil filled heaters - handed out by Customer Care Officers and Partners	Practical support for vulnerable customers in their time of need.	£76,500
	Customer contact	2	Bi-lingual Customer Care Officers - being recruited in response to feedback	Ability to communicate with customers in their preferred / first language.	£100
	Customer contact	2	Roadworks.org - enhanced to include traffic management maps and local customer literature	179,000 clicks on the interactive map and two-thirds responded to poll saying the additional information was useful.	£22,500
	Research	2	Website tailored to customers' needs - testing improvement with vulnerable customers	Clearer and simpler for vulnerable customers to use. Site has also been optimised for mobile users (50% of all users).	£35,700
Vulnerable customers, hard to reach Third sector and resilience	Customer contact	2	Customer Interface Centre - rolled out across network and app developed to support customer conversations including raising awareness of CO and PSR	7,670 in-home CO briefings delivered and 1,024 PSR referrals made.	£411,000
	Accreditation	5	BSI Vulnerability standard (BS 18477) - gap analysis	Identified improvements to ensure our services are accessible for all customers.	£4,000
	Partnership	11	BSI Vulnerability standard (BS 18477) - gap analysis	Directly supporting more than 2,700 people and raising awareness with over 1.5m.	£55,800
	Workshop	4	Community Promise Events - created a network of 20 community groups	Increased awareness of CO, energy efficiency and fuel poverty and support network established. Extended reach, including 'hard to reach' groups.	£5,515
	Third sector meetings and partnerships	6	More than 6,300 vulnerable individuals supported - scaling up and rolling out our 2015/16 social outreach programmes. Social Strategy Project Manager role created	Practical support for vulnerable customers. Greater understanding and supporting delivery of National Energy Action projects.	£143,000
	Stakeholder Panel, Third-sector meetings and partnerships	4	Vulnerability strategy - created in consultation with stakeholders and 12 colleagues being trained as Dementia Friends Champions	Understand contributing factors to better support customers in vulnerable situations.	£0
	Partnership	1	Benefits advice - trialling different referral routes with Auriga and National Energy Action	Comparing approaches to providing benefits advice to understand what works best for our customers.	£30,000

Total outputs = 158

Total cost = £1.75m

## 6. Our culture and capability

### A network-wide approach to stakeholder engagement

Effective stakeholder engagement is embedded at every level of our business. Colleagues, both operational and office-based, are given the training, tools and motivation to make stakeholder engagement part of their day-to-day roles.

#### 2016/17 improvements:

**Leadership programme:** all 23 colleagues on NGN's leadership programme undertake a stakeholder engagement module.

**Online toolkit:** an updated, simplified version of our stakeholder engagement toolkit is part of our new intranet site. Our interactive tool will enable colleagues to find relevant information and engagement resources quickly and easily.

**Stakeholder Relationship Management System (SRMS):** an enhanced stakeholder database that allows us to map our relationships with and between NGN stakeholders, plus their interests and priorities. It also helps us to tailor engagement and close the feedback loop.

**SRMS app:** currently being developed with colleagues, the app will enable them to record their engagement activities and keep track of emerging issues on the go.

**Stand-up sessions:** short, sharp engagement review meetings – regular catch ups with the core stakeholder team and open to all interested colleagues.

**Bounce events:** company-wide engagement events bringing colleagues together to bounce around ideas on key business topics, and agree practical solutions. More than 500 colleagues have taken part since June 2016.

**Commitments workshops:** brought around 50 colleagues together from across the business to share what they are doing to improve services under each of the five stakeholder priority areas.

**GD2 planning team:** started to build our core GD2 business planning team; mapping individual and collective skill sets with a view to addressing any stakeholder engagement skills gaps over the next six to twelve months.

**Induction programme:** stakeholder engagement remains an integral part of our induction programme for new starters.

**Role profiles:** stakeholder engagement continues to be included in all new role profiles. Meaning that colleagues know from day one that our stakeholder work is a priority.

### Senior leaders - Setting the standard

Our culture of empowering people to do the right thing for our stakeholders and customers is recognised by NGN's owners, Cheung Kong Industries (CKI), as best practice and our senior managers lead by example.

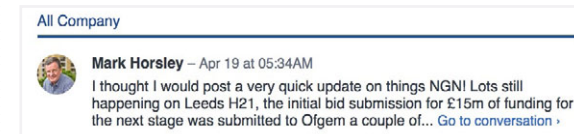
Stakeholder engagement is embedded in senior managers' personal objectives and the outcome of the stakeholder engagement incentive scheme is considered a key performance measure.

Mark Horsley, CEO, provides business and industry updates at every stakeholder panel meeting, supported by those managers best placed to discuss specific agenda items. In addition to continuous engagement with panel members and hearing their views first-hand, our senior leaders regularly meet with key stakeholders within and outside industry.

#### In action

In 2016/17 NGN's **senior leaders directly engaged more than 280 stakeholders** on key issues including energy futures, consumer vulnerability and cultural transformation.

Mark continues to update colleagues around stakeholder engagement through his monthly telephone briefing and regular posts on our internal Yammer site, launched in 2016/17.



#### Agile teams and robust project management

NGN has consciously adopted an agile project management approach. The key stakeholder benefits include; self-managed teams structured around a shared issue or objective, increased opportunities for collaboration and stakeholder feedback, increased project control and reduced risk. Here is an example of how it is currently working in practice:

##### Our agile smart metering team:

- Head of Customer Experience,
- Regulation and Industry Codes Manager,
- Head of Insight,
- Customer Operations Manager

From conversations with customers, industry meetings and our stakeholder panel, we identified smart metering as an emerging issue for a range of stakeholders. In response we formed an agile team of senior leaders across NGN to proactively work with suppliers ensuring that data integrity, industry, customer and operational perspectives are taken into account. In 2016/17, the team held tailored meetings with three suppliers to explore opportunities to work collaboratively and set the service standards for our customers (p.16).

“ A fundamental strength of NGN's approach to stakeholder engagement continues to be that employees have a mandate for engaging with stakeholders on those issues where they have responsibility and where they can see potential benefits from that engagement. This is within the overall culture of the company which seeks to empower employees to act to address issues where they find them ”

- AA1000 SES Evaluation of Stakeholder Engagement, March 2017

### Integrating stakeholder engagement into everything we do

At NGN, stakeholder feedback informs smart investment decisions by the right people, at the right place and in the right time, from the front line to senior management. As part of our investment decision making process we identify any stakeholders who may need to be involved in or made aware of a project as part of the business case. For example, as part of our gas holder demolition programme we identify and engage with local schools and businesses, about the impact of our works so they know what was happening and can ask any questions.

At the same time, our internal audit, wider governance and reporting structure ensures we have a comprehensive view and can consistently respond to, measure and improve our stakeholder engagement.

#### Key decision groups:

**NGN Board:** Comprises key stakeholders from within the CKI Group (the global business group of which NGN is a part) and receives quarterly updates from our CEO, Mark Horsley.

**Business Review Group:** Monthly director-level review group chaired by our CEO, Mark Horsley. Receives regular reports on stakeholder activity and feedback to inform decision-making. Members engage directly with stakeholders at strategic level.

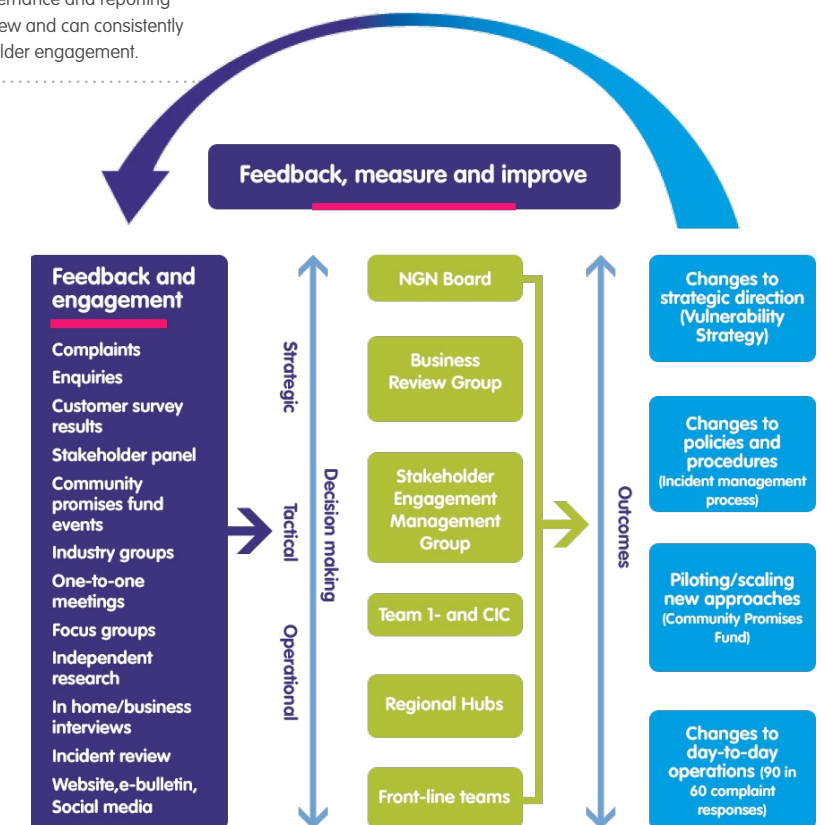
**Stakeholder Engagement Management Group:** A monthly forum for sharing learnings, outcomes and forming agile teams in response to stakeholder engagement. Composed of senior managers and heads of department from across NGN.

#### Team 10 and Customer Interface Centre (cic)

Colleagues across the network meet regularly to identify themes and share best practice from customer feedback and local engagement activities.

“ Stakeholder engagement continues to be integrated into policies and processes across the business. The drive for integration into decision making continues to come from Board level and is a critical factor in the strategic direction of the business ”

- AA1000 SES Evaluation of Stakeholder Engagement, March 2017



#### Colleagues in action:

**03 Central stakeholder team:** Through daily stand up sessions and ongoing internal engagement the team provides oversight of business-wide stakeholder engagement activity, monitors emerging themes and drives best practice.

**12 Community Care Officers (CCOs):** Ensuring local stakeholders are looked after before, during and after our replacement and gas holder works.

**09 Regional hubs:** Colleagues responsible for overseeing emergency and planned work in each geographical patch meet in weekly 'hubs', to discuss planned and ongoing projects, and associated stakeholder engagement activities.

**02 Frontline stakeholder managers:** Help to ensure stakeholders are appropriately engaged in planning and throughout streetworks, major projects and community initiatives.

**2,171 Frontline workforce:** Colleagues engaging and responding to customer and stakeholder needs, resolving any day-to-day issues.

#### Community Care Officer highlights

**1,848** Site walks completed

**34,617** Customers engaged face-to-face

**5,193** Businesses engaged face-to-face

**57** External engagement meetings

**26,382** Pieces of hand delivered communication

“ Engagement is driven from different levels in the organisation – from the Board to Site Managers and CCOs ”

- AA1000 SES Evaluation of Stakeholder Engagement, March 2017



# 7. Accreditation and independent evaluation



**AA1000 Stakeholder Engagement Standard (SES)**  
For the fifth year in a row our engagement has been externally assured against the internationally recognised AA1000 Stakeholder Engagement Standard (SES). During a 10 day independent audit, conducted over the course of 2016/17, the assessor interviewed those managers responsible for specific areas of engagement, observed a variety of stakeholder engagement activities and carried out a comprehensive document review.



**Considerate Constructors Scheme**  
We continue to register our high and medium impact work schemes under the Considerate Constructors Scheme (CCS) and have rolled the principles out across all of our replacement works. In 2016, we extended CCS to include our connections process and became a client partner, ensuring we are not only learning from our own audit reports but are actively sharing best practice with other scheme members.

47

National Awards

In 2016/17, we received 47 national awards for our CCS sites – including our highest ever score of 45/50



**Moody's - Annual Credit Ratings Opinion**  
For the first time in this independent report, NGN has been differentiated from the other GDNs. In particular, our work around 'Energy Futures' is rated Credit Positive. As a direct result, Moody's has asked Mark Horsley to present our work on hydrogen at their European Network Investment Conference in London in June.



**British standard for inclusive service provision**  
This year we invited bsi to conduct an initial gap analysis to benchmark us against the BS: 18477 vulnerability standard. Over two days, the independent assessor worked with eight champions responsible for implementing the requirements and processes for the standard to review NGN's vulnerable customer activities. Our first full audit against this standard is planned for June and we look forward to reporting the outcome in next year's submission.



**Institute in Customer Service (ICS)**  
We achieved a ServiceMark from the Institute in Customer Service (ICS) in 2014. In 2016, we conducted our mid-point review with ICS, achieving an enhanced customer score of 85.6. In preparation for our reassessment in June 2017, we continue to work hard to maintain our position as one of the highest-ranking companies in the UK.



**UK complaint handling awards**  
We're proud to have been crowned Utilities Complaints Team of the Year in the 2017 UK Complaints Handling Awards. We were recognised for our dedication to resolving 90% of all complaints within 60 minutes and our pursuit of achieving a perfect 10 for overall customer satisfaction.

“NGN is able to demonstrate good practice in engagement in a number of areas. The company has a strong culture of collaboration and of listening to and responding to key stakeholders, in particular customers, but including other stakeholder groups.”

- AA1000 SES Evaluation of Stakeholder Engagement, March 2017

# 8. Engage, measure, improve

## 2016/17 feedback

We use a range of research methods to measure the impact of our activities and satisfaction with the way we engage, ensuring we are continuously improving for our customers and stakeholders. We have surveyed 15,000 customers and stakeholders in 2016/17.

**Overall Stakeholder satisfaction**  
In 2016, we conducted an independent survey of circa 250 stakeholders to measure their levels of satisfaction with our approach to engagement. Scores were similar to those in previous years:

Satisfaction with our methods of engagement = 8.0/10  
Satisfaction with the frequency of engagement = 7.6/10

15,000

customers and stakeholders surveyed in 2016/17

Q3 YTD 2016/17 overall customer	
Network	Score
Scotland	9.27
Northern Gas Networks	9.17
Wales & West	9.16
Southern	9.01
East of England	8.67
North West	8.51
West Midlands	8.25
London	8.15

**Overall customer satisfaction**  
In 2016/17 we maintained our Ofgem customer satisfaction scores in every area. Having shared our best practice with the other GDNs, the field has narrowed and we moved into second place at the end of Q3. Feedback from 5,176 customers contributed to this result.



**Monthly surveys:** We always want to understand more to help us improve

As described on page 5, we have now changed our approach and are conducting monthly stakeholder surveys, targeting a smaller sample size. The first month's survey is already providing valuable insights including:

- Frequency of communication has the greatest influence on satisfaction
- A difference in scores between those stakeholders with whom we have mature relationships and those who 'know NGN less well' suggests opportunities to deepen some relationships.

We will continue to monitor this monthly feedback to establish any trends and then take action to better understand them.

81%

of stakeholders are satisfied with their relationship with NGN - Feb 2017

## Tailored measures

**Third sector partners**  
We hold a number of events throughout the year and survey attendees to understand levels of satisfaction and improvements for future engagement. A good example of this was our 2016/17 Community Promises Fund workshops. Whilst 100% of respondents would be likely to attend a similar event, many would have preferred weekend dates. For our 2017/18 events we will offer invitees a choice of dates, including weekends.

**Online map users**  
Having identified this 'hidden group' in 2016, we surveyed more than 1,800 regular users of our online map service and have committed to doing so each year.

**We averaged 8 out of 10 for both customer service and quality**

Feedback highlighted the importance of accessibility so in 2017/18 we'll be considering ways to make our online map service even better.

# Part 2 - Meeting our stakeholders' priorities

Page	Content
11	<b>Part 2 introduction: Meeting our stakeholders' priorities</b>
11-12	<b>Keeping costs down</b>  Using digital technology to save money and improve service delivery Re-tendering our mains renewal contracts Giving customers greater transparency about their bills Outsourcing our pipeline maintenance contract Progress from 2015/16 In the pipeline
13-14	<b>Delivering a reliable and safe service</b>  Speeding up roadworks by working more smartly Driving best practice on every site Keeping colleagues and the public safe CO and work site awareness Progress from 2015/16 In the pipeline
15-16	<b>Delivering excellent customer experience</b>  Evolving our customer strategy to support tailored service delivery Clear, timely and targeted communication Supporting our customers during loss of gas supply incidents Smart metering collaboration Progress from 2015/16 In the pipeline
17-18	<b>Community involvement and social responsibilities</b>  Community Promises Fund Benefits: Support that goes further for less Educating and inspiring our region's young people Expanding our fuel poor partnership Children's Society partnership: Next phase Progress from 2015/16 In the pipeline
19-20	<b>Gearing up for the future</b>  A collaborative approach to the UK's future energy challenge Educating, collaborating and influencing Influencing the national and regional agenda Bringing the theory to life through collaborative projects Progress from 2015/16 In the pipeline



# Meeting our stakeholders’ priorities

Delivering a safe, value for money service that puts customers first, while supporting the most vulnerable in society and preparing for future challenges such as decarbonised energy networks, requires a truly collaborative approach. Over the past year, we have continued to forge solid, long-term partnerships with a wide range of stakeholders, to deliver for our customers today, while preparing for a rapidly changing energy market. To ensure our work continues to reflect stakeholder priorities, we widened our engagement programme in 2016/17, to hear from new voices, and deepen our level of understanding. Dedicated focus groups, sessions with our Stakeholder Panel, customer phone surveys, strategic meetings with MPs, local government, businesses and academia, and regular liaison with other utilities and wider industry, all helped to focus our efforts and guide our methods of delivery.

In the pages that follow, we have showcased collaborative projects that reflect stakeholders’ priorities and demonstrate that we are an agile, imaginative business with a determination to deliver the best possible service for our customers.

Highlights



## Keeping costs down

£1m

invested in smart technology

- to better service our customers

#1

for efficiency (cumulatively since 2008/9)

24

local companies delivering cost savings on replacement work

You said:

- It's about working smarter to give customers value for money.
- Keep the bill as low as possible but not at the expense of safety.

Based on feedback from all stakeholders, domestic customers, stakeholder panel, Ofgem, industry groups and consumer groups.

Our commitments

Remaining the most efficient Gas Distribution Network (GDN) – keeping costs down for our customers while maintaining safety and continuing to improve our services.

**We will do this by:**

- Using latest technology to deliver smart, efficient services.
- Making smart purchasing decisions.
- Continually reviewing our processes to improve efficiency and reduce expenditure.
- Being open and transparent with stakeholders in reporting our performance and future plans.

## Using digital technology to save money and improve service delivery

Our smarter work management programme marries reviews of our processes with new innovations and technologies to deliver excellent service in the most efficient way. Moving a number of paper-based processes on-line in 2016/17 has helped to save money and reduce admin time across the business, and ultimately helps to keep customers’ bills low.

**Highlights include:**

### Mains replacement app

Our Construction Services Colleagues (CSCs) are local SMEs who work with us to deliver our mains replacement programme. One of these companies, MA Utilities, developed an app which issues electronic job packs and captures service records in near real-time – giving front line teams information at their fingertips and promoting compliance and consistent working methodology across all jobs.

Having worked with NGN for five years, Simon Maughan, Director of MA Utilities, understands NGN's culture of innovation and brought the Ctrl Hub app to us as a potential way of streamlining key processes. From a robust business case, we adopted this management tool, rolling it out across our CSC teams and agreeing to fund it for the first year. CSC colleagues have agreed to fund it themselves in future years.

NGN Investment = £208,000

“ Northern Gas Networks saw the potential of the app at a very early stage. They have demonstrated a clear and genuine commitment to innovation in terms of analysing their entire operation, addressing areas where technology can improve performance and embracing that technology ”

- Mark Lisgo, Ctrl Hub

Benefits

- Information at the fingertips for front line teams, which can be shared with local stakeholders
- Reduces the time and cost of paper project packs
- Improved accuracy and speed of recording safety information, mains and service transfers and gas off/on times.
- Information is stored centrally and provides real-time visibility of HSE and compliance data
- CSC colleagues feel part of the NGN family
- Supporting a local business, MA Utilities, to grow

### Intelligent Data Hub - phase 2

Our Intelligent Data Hub (described in last year's submission) enables front-line operational colleagues to send photos and information from site back to a central hub – documenting all key stages of a job and enabling real-time review.

The app was trialed with teams in 2016 and expanded from its original safety focus to cover quality assurance of our end to end works on site. By managing projects like this in an agile (bite-size) way, the technology can be adapted and enhanced in response to developing needs. Following feedback from colleagues about usability, we worked with them to redesign these elements and improve user satisfaction.

The hub itself has also been expanded and we now have two teams of expert colleagues assessing the images and data as it's submitted. Our team of site managers can then provide prompt coaching and training where a need is identified.

In 2017/18 we will roll the app out across our Emergency & Repair and connections teams.

NGN Investment in 16/17 = £28,000  
Savings to 2021 remain = £2,549,900

## NRSA (New Road and Streetworks Act) app

Designed in consultation with our colleagues, this app allows back-office processes to be carried out in the field, such as reinstatement requests and registering reinstatement completion. The cloud-based system also automatically updates our insight system and notifies Highways Authorities of any streetworks activity, providing the business with near real-time information and helping us to avoid fines. **NGN Investment = £420,000**

It's anticipated that this app, coupled with the restructure of our NRSA team in 2016/17, will lead to **£1,086,000 of savings by 2021.**

## Re-tendering our mains replacement contracts

Five years ago, we took the industry-leading step of employing small, locally run engineering firms, known as Construction Services Colleagues (CSCs), to deliver our mains replacement programme instead of large, tier one contractors.

The move has been hugely successful, and in 2016/17, we gave existing and new CSCs the opportunity to tender for new, four-year contracts – underlining our commitment to this model. All interested CSCs were invited to a number of workshops to learn more about the opportunity. The tender process was also designed with multiple negotiation stages to support those bidding and allow for commercial challenge. By taking into account feedback from our CSCs we have moved away from an agreed rate card and have organised the work into quarterly packages.

## Giving customers greater transparency about their bills

Following feedback from our Stakeholder Panel and Citizens Advice, we led our fellow GDNs (via the GDN Stakeholder Engagement Group) to agree an industry standard model for showing the breakdown of an average customer gas bill.

The model is now in the process of being finalised, in consultation with Ofgem and Citizens Advice for inclusion in all four GDNs 2017 stakeholder reports. This will provide greater transparency around the contribution of GDNs to the overall bill.

Category	Amount
Distribution	£12
Gas	£20
Standing Charge	£24
Standing Charge	£24
Gas	£24
Distribution	£16

## Progress from 2015/16

### Multi-skilling our workforce

In 2016/17, we continued to look at alternative contracts and multiskilling our workforce to provide even more flexible, cost-effective services – especially during the busy winter season. (p.20)

Year	2014/15	2015/16	2016/17
Cumulative overtime savings (since 2013)	£791,180	£1,982,588	£3,276,141

This approach has been recognised by Moody's credit opinion as contributing to a 18% opex outperformance in 2015/16.

## In the pipeline

**Digital Operations Room:** we are in the process of developing a fully-automated Digital Operations Room which will provide real-time information on our performance against all RIIO targets. This will allow us to identify potential areas of weakness ahead of time, so we can make the necessary improvements. Our annual RIIO performance reporting process will also be sped up dramatically, saving hundreds of staff hours. There is also scope to provide the data feed to Ofgem, providing up-to-the-minute performance data throughout the year. KPMG and the McLaren Formula 1 racing team – with whom we have a partnership – are mentoring us in the process. McLaren is a master at using real-time information to drive performance decisions, and we will be tapping into this expertise to utilise our data in the most effective ways.

## myWORK app

Built in-house, this app supports real-life conversations between our colleagues and customers and allows quick and comprehensive data capture.

The app contains a number of data capture forms such as our Customer Interface Centre surveys (p.16), Priority Service Register referrals and CO awareness questionnaires. What's more colleagues can pass the customer the device to allow them to read and complete a survey at their own pace.

**NGN Investment = £411,000**

As a result, a total of 24 local companies were awarded contracts to 2021, bringing financial certainty to them and continued cost savings and improved performance for NGN.

The benefits of our agile strategy continues to be recognised within and outside industry. For example, this year we were invited to share our experience of working with CSCs with more than 30 stakeholders at the Market Force Infrastructure New Build Conference.

### Replacement savings

Measure	2014/15 (actual)	2015/16 (actual)	2016/17 (provisional)
£ per meter	£138.45	£150.75	£143.05
£ cumulative savings	£7,289,709	£7,340,017	£11,446,735

## Outsourcing our pipeline maintenance contract

In last year's submission, we described how we'd become the first gas network to outsource the maintenance of our mechanical equipment – delivering 10% efficiency savings, and addressing a skills shortage within NGN.

Having seen these benefits, in 2016/17 we outsourced the maintenance of our pipelines, electrical, instrumentation and gas quality contract, with 13 NGN colleagues transferred to the contractor, Penspen. We expect to see a similar level of savings to those previously reported.

### Tackling theft of gas

Theft of gas increases costs for customers and has potentially serious safety implications. Our full time Supply Point Compliance Officer continues to identify illegal connections and takes a proactive approach to prevent abuse of the network. In 2016, she visited SGN to learn more about its management of unregistered sites. As a result we have reviewed our own end to end process, and have identified opportunities to prevent duplication of effort between GDNs, shippers and suppliers.

Year	2014/15	2015/16	2016/17
Recoverable income	£25,000	£100,000	£180,000

620% increase in recoverable income since 2014/15

11

Part 2

12





# Delivering a reliable and safe service whilst mitigating the impact of our works

69%

average cost reduction by using smart technology

47

National awards for our sites

17,290

people kept safe from the dangers of CO

## You said:

- Minimise the impact of your works on local communities
- You have a duty of care to keep colleagues and the public safe
- Do more to raise awareness of Carbon Monoxide

Based on feedback from local authorities, Department for Transport, domestic and business customers, motorists and commuters, Third-sector and education.

## Our commitments:

We are committed to delivering a safe and reliable service to our customers whilst mitigating the impact of our works through:

- Ensuring the care and safety of our colleagues and the public
- Minimising the impact of our work on communities, customers and the environment
- Improving the way we communicate and the time taken to carry out reinstatement following our works
- Educating our communities around gas safety and the dangers associated with our works

## Speeding up roadworks by working more smartly



Customers, commuters, highways agencies and local authorities continually tell us that the speed and quality of streetworks is of paramount importance. This includes reinstatement – seen by our customers and stakeholders as indistinguishable from the core work. New reinstatement targets from April 2017 have placed an increasing onus on GDNs to speed up this element of a job. In response, we have:

- Re-negotiated our reinstatement contract with our suppliers to move from **three days to two days** for work in public and private land, 7 days a week.

- Launched a **regular reinstatement meeting** with all relevant local authorities to review performance, share best practice and address opportunities for improvement.

- Worked with local authorities on **innovative joint trials**. For example, we are offering a rate card to highways agencies to fill in potholes during our reinstatement work, and are working with South Tyneside and East Riding Councils to extend the warranty by two years on any air voiding failures.

- **Adopted cutting edge technology** to reduce the time we spend in the highway. For example, following successful trials, we invested in two 'Core & Vac' vehicles in July 2016. These take a small, circular sliver from the road - avoiding the disruption of large excavations and reducing reinstatement costs.

### Core & Vac: Saving time and money

#### Benefits:

- ✓ Reinstatement costs reduced by an average of 69%.
- ✓ Spoil to landfill/virgin aggregate use virtually eliminated.
- ✓ Traffic management usually removed same day, instead of 4-5 days later.
- ✓ Duration of works reduced by 50%.
- ✓ Success shared with the wider industry.

- **Met with North Yorkshire and Cumbria County Councils** to discuss areas for improvement.

- Due to our **improved engagement** we have no improvement notices in place with local authorities. This is a really positive result.

## Driving best practice on every site



We have been involved in the Considerate Constructors Scheme (CCS) for the past three years, which sees work sites independently assessed against industry best practice for safety, appearance, respect for the community, environment and colleague welfare.

This year we rolled out the best practice principles of the scheme across all our sites, including connections jobs. Previously, participation was restricted to the most impactful or largest streetworks sites.

Feedback from the scheme's independent audits have led to a number of site improvements, now standard across our network.

This year we also became a CCS client partner, which sees us actively shape CCS best practice with a further 50 organisations from a variety of sectors. We also actively promoted the benefits of participation to other utilities, by hosting Northern Powergrid on a best practice sharing visit and holding a telephone conference for 18 utility stakeholders on the topic. Northern Powergrid has since signed up to the scheme as a client partner.

Our sites scored a CCS average of 39.89 in 2016/17, against a national average of 35.51.

We received 47 national awards for our sites in 2016/17.

The Monitor noted the deliberate targeting of the highest standards throughout, recognising that a well-respected workforce is vital to achieving a positive outcome

- CCS "Most Considerate Runners Up" award certificate. Issued on Thurs 23rd March 2017



## Keeping colleagues and the public safe

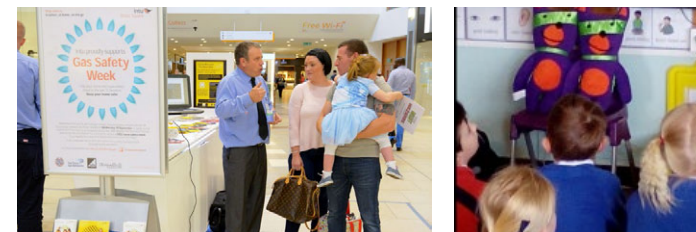


Our owners CKI hold an annual Health and Safety conference for their companies to share best practice. Outcomes of the event in July 2016 included further networking with Northumbrian Water on a regular basis to share communication ideas and best practice around site safety issues such as avoiding cable damages. We also used UKPN's safety videos to remind colleagues about the importance of staying focused and the impact an incident could have on their family and friends.

We continue to work closely with key stakeholders such as HSE to drive safety standards. Examples of other safety initiatives in 2016/17 include a daily safety call to discuss incidents and safety roadshows where the senior managers listened to the views of colleagues. One of their concerns was the impact that tooling had on their joints. As a result colleagues formulated proposals to change a suite of digging tools.

The children had very little understanding of Carbon Monoxide at the beginning of the day, but now they have an appropriate level of understanding for their age. Thank you for a positive and memorable hands-on day

- Feedback about Safety Seymour from a Yr2 Teacher at Biggin Hill Primary School



## CO and work site awareness

Like us, our stakeholders feel that safety is the number 1 priority, so in 2016/17 we continued to roll out a wide range of activities to protect the region from the dangers of Carbon Monoxide (CO) and keep young people safe near our work sites:

- Our emergency engineers carried out 7,670 CO awareness briefings in customers' homes, following emergency call-outs.
- We trained representatives from eight community groups in CO awareness to BPEC standard, so they can roll messages out to their customer groups.
- We reached circa 9,300 primary school children with CO messages, through safety initiatives such as Crucial Crew (delivered with the emergency services and other stakeholders).
- We adopted National Grid's (now Cadent) Safety Seymour teddy bear character and associated activity programme to raise awareness of CO. So far, we have rolled it out to around 255 pupils across 9 classes.
- Circa 25,000 children were taught about the dangers of playing near our work sites, through our Play Safe, Stay Safe school sessions.
- We trained 17 colleagues, including all our Customer Care Officers, to deliver our bespoke environmental, CO awareness and gas safety programme. '2021 in your hands' is aimed at 11-14 year olds and from April 2017 we are offering workshops to secondary schools in the vicinity of our replacement works.

## Progress from 2015/16

### Depot days

Building on the success of our 2015/16 depot days (in which residents and businesses were invited to meet NGN teams at their local depots) we held a series of innovation depot days in 2016/17. Supply chain partners worked with NGN colleagues to come up with solutions to perennial problems which impact safety and reliability, and waste money.

As a direct result, we have invested £500k in 11 new projects to improve service and safety, including a service camera, acoustic barriers, anaconda tees, fence feet, green rhino pump socks and spill mat, ECV exchange kits, vented walkboards, overland bypass, plus:

- Repurposing a hand tool traditionally used to cut windows to tackle problematic ductile gas mains, which are notoriously difficult to cut using traditional methods. We expect to halve the time spent on these jobs using the new method. **NGN investment: £146,000**
- Use of new hand-held excavation and jet wash kit to avoid mud and mess on streets and driveways following mains replacement, reducing customer complaints and risk of slips and falls. **NGN investment: £191,000**
- Specialist kit to extract water from gas mains (e.g due to a water mains burst). The specialist equipment will speed up the process of locating and extracting water - reducing duration of supply interruptions and keeping our customers safe. **NGN investment: £153,000**

### Control point

Control Point is an industry-leading system to externally quality assure all of the joints we use to link our pipes during replacement works - avoiding the expense and public disruption of having to make unnecessary future repairs. Engineers send photos and accompanying information to a specialist partner organisation before each pipe is buried, so that joints can be independently assured. Where workmanship falls below standard, we intervene to provide additional training as necessary. The system was launched in 2015/16, following successful trials. **In 2016/17, the system reduced instances of joint failures by 172 - saving approximately £516,000 per annum.**



## In the pipeline

- **Electrifying the Trans Pennine rail line:** we're supporting Network Rail's project to electrify the Manchester to York Trans Pennine line – which requires diversion of two NGN high pressure gas pipelines. We'll be working with stakeholders to look at the most beneficial way of facilitating the project and will consider alternatives to a traditional pipe diversion, such as investing in a pressure reduction station instead.
- **CCS** - We will be trialing the CCS recognised social value report for a number of our future sites. This will provide stakeholders with additional opportunities to feedback and give us further measures around our stakeholder satisfaction.





Highlights

# Delivering excellent customer experience

1,024

customers referred to Northern Powergrid's Priority Services Register

9%

improvement in our customer satisfaction scores in Bradford

18%

increase in business customers' satisfaction with our disconnections service

### You said:

- Be flexible and adapt your work plans in response to stakeholder feedback / needs.
- Minimise the customer impact of your essential work
- Be there when we need you, by being proactive and acting quickly when things go wrong.

Based on feedback from all stakeholders, domestic customers, stakeholder panel, Ofgem, industry groups and consumer groups.

### Our commitments

We are committed to putting our customers at the centre of everything we do by:

- Recognising that there is no 'one size fits all.' Services need to be tailored in response to our customers' varying needs and feedback.
- Planning our work in conjunction with key partners to minimise the impact on our customers and stakeholders.
- Leveraging our unique position in the local community to provide tailored support for customers in vulnerable situations.

## Evolving our customer strategy to support tailored service delivery

Our customer strategy, introduced in 2015, places an emphasis on gaining a more sophisticated understanding of our different types of customer and their priorities, so that we tailor our services more effectively. We have spent the past year tailoring our services, testing our approach with specific customer groups before reviewing and adapting in line with their feedback. This has included thinking specifically about how we support vulnerable customers, activity supported by the development of our Vulnerability Strategy.

## Clear, timely and targeted communication

Since 2015, when we conducted our first research with vulnerable customers, stakeholders have told us that our customers want tailored, targeted support and relevant, clear communication. Based on stakeholder feedback in 2016/17, we have continued to improve our communication materials:

### A website tailored to customers' needs

We overhauled our website to make it clearer and simpler for vulnerable customers to use. Navigation, terminology and headings have been simplified and key information such as contact details made easier to find. The site has also been optimised for mobile users – 50% of all browsers. Improvements were tested via in-depth interviews with 12 vulnerable customers from a range of backgrounds, with further improvements made to functionality in response to feedback. We will continue to ask for views.



#### Old website



"There is so much going on here, it feels a bit scattered" (Homepage)



"The old site looks and feels very corporate and is a bit bland"

#### New website



"It doesn't feel as fiddly, there are three clear options to choose from"



"I like the bright colours and it feels easier to find stuff"



### Simplified our printed materials

Including leaflets, letters and maps and have made them available in large print, Braille and seven additional languages.

### Designed a series of proactive communications

Notifying customers about streetworks 12 months, 3 months and ten days before planned work.

### Breaking down the language barrier

We are advertising opportunities for multi-lingual Community Care Officers in our Bradford and Pennines areas, where we have the highest proliferation of non-English language speaking customers.

### Enhanced Roadworks.org in 2016/17

On our website, enabling our customers to search for gas works, traffic management maps and customer literature in real time. 179,000 clicks on the interactive map since launch.

### What stakeholders think of these changes

"[NGN] keeps customers well informed"

"Size of writing was helpful. Most letters are small and hard to read."

"I felt confident that they were going to do a good job, and they did."

66% of those responding to the sentiment analysis poll in Roadworks.org found the additional information useful.

## Supporting our customers during loss of gas supply incidents



In our 2015/16 submission we reported on our response to supply loss incidents and how we are evolving our investment plans in response to modern weather patterns and climate change. Following a review of our 2015/16 incident response and feedback from stakeholders and customers we have made further improvements:

### Learning lessons from Withernsea

In January 2017 we had our largest off-gas incident for a decade, when a tidal surge left around 3,000 homes and businesses without gas in Withernsea – a deprived coastal town in East Riding. The community was restored through a self-isolation and restoration process – the first time this has been attempted in the UK. Community feedback was extremely positive; we received a lot of praise from the local community. We were also keen to see if there were areas where we could improve. Two months later we returned to the town to hold a focus group with around 30 stakeholders and customers impacted by the events.

#### What we've done:

Customer / stakeholder feedback	What we've done in 2016/17
It was difficult to find the community drop in centre. (Customer loss of supply Withernsea).	Designed branded bus stop signage to signpost customers to the incident community drop in centre and pull up banners with messaging about the help and support available.
Can we have some healthier food options please - we can't eat takeaway and fish and chips all week (Customer, water ingress incident, Consett).	Put a contract in place with Edenred to supply free food vouchers that customers can exchange for hot food at a range of food outlets throughout our region.
You need to explain to customers in simple terms why it takes so long to restore gas supplies after water enters the gas main. A film would be good. (BBC Look North, Water ingress incident, Hull).	Developed a short subtitled animated film to explain the restoration process and additional help and support available.

#### What we're planning to do:

Customer / stakeholder feedback	Planning to do 2017/18
Your communication could have been clearer (reference the semi-isolation and restoration letter).	Work with HSE and industry to organise a review of communications with a view to simplifying and improving accessibility
Use channels that are trusted and respected to communicate your message.	Appoint a guardian in the town to help relay incident updates on the ground, in particular to help reach vulnerable customers and NGN communication ambassadors to wear branded t-shirts.
Digitise the way that you record customer information to make the process more efficient.	Design an incident app to capture customer data.
You worked really well with British Red Cross, but relied on their goodwill.	Formalise agreement with British Red Cross to provide additional support during incidents.



Stakeholders engaged: **Withernsea Town Council, Humber Local Resilience Forum, schools, businesses, British Red Cross, Withernsea AFC, Northern Powergrid, Highways Authority, domestic customers, Humberside Police, local media.**

We will be using the feedback to evolve our incident response process and sharing the learnings with the other GDNs.

We have also been working on wider innovation and collaboration projects to support customers when their gas is off:

**Winter preparedness:** Joint regional utilities campaign to raise awareness of winter preparedness with our customers, reaching out to 12 community - based organisations.

**Coordinated support during flooding:** National joint utilities project to explain the role of utilities and the order of what we do in the case of flooding to customers.

“ On behalf of the people of Withernsea and the Town Council, I would like to thank the personnel at Northern Gas Networks who worked tirelessly over the weekend to assist our residents and restore the gas supply. It was a massive undertaking, expertly managed with total communication throughout. The networking and team effort between all the agencies and helpers involved was great to see and people were kept in the loop at all times. All your staff in attendance were polite, calm, caring and very professional under difficult circumstances at times, and they are a credit to your company ”

- Jayne Moxon MILCM, Town Clerk, Withernsea Town Council

## Smart metering collaboration



Although the UK's smart meter roll-out is supplier led, it has major implications for our customers. Our stakeholders have raised concerns about the anticipated increase in gas escapes due to new meter installations and thousands of additional interventions from our teams to provide support around Emergency Control Valve issues. 2016/17 saw us work closely with suppliers (e.g. British Gas and EDF), our fellow GDNs, the Energy Networks Association and smart meter specific bodies and training providers to help minimise customer impact.

#### Activity included:

- Working with meter operator training providers to inform their processes.
- Launching an in-house training guide for our engineers to inform best practice.
- Establishing pilot programmes with suppliers to assess impact and potential solutions.
- On-going monitoring and intervention during the regional roll-out.

## Progress from 2015/16

### Our Customer Interface Centre (CIC)

Our Customer Interface Centre (CIC) is helping us to respond in real time to customers' issues. Through adding some key satisfaction questions to our current interactions with customers, we can judge immediately if there is more we can do and respond; either on site or through our CIC team offering an instant customer call back.

Services have been expanded to include PSR referrals (1,024 in 2016/17) and Carbon Monoxide safety briefings (7,670 in 2016/17) and we have seen a **9% improvement in our Ofgem customer satisfaction scores in Bradford** (where CIC was first introduced) since February 2016, with scores soaring from 8.57 to 9.37/10 in February 2017.

Following the successful paper based trial an app has been developed and CIC was rolled out across the network throughout 2016/17, with the final patches going live April 2017.

### In the pipeline

- Implement key lessons from Withernsea gas loss incident.
- Continue to review and simplify all written customer communications in line with vulnerable customer feedback.
- Act upon the feedback from our Shippers and Suppliers (as outlined on p.5).

### Improving our service in response to feedback

Customer research in 2016 highlighted some weaknesses with our disconnections service and 'live/dead' service checks, including waiting times, poor communication and a disjointed process. These issues were particularly prevalent amongst business customers.

#### As a result, we improved the customer experience by:

- Changing the disconnection end to end process to improve the customer journey and satisfaction.
- Simplifying our call tree from seven options to five, to reduce call waiting times from April 2017 and make it easier for customers.

**In a 2017 survey, satisfaction scores rose by 2% to 8.79 for domestic customers and 18% to 9.3 for business customers.**

This survey will be repeated annually to ensure continual improvement.





# Community involvement and social responsibilities

6,300

vulnerable people directly being supported by NGN

£50,000

annual Community Promises Fund established

11,600

children educated and inspired

## You said:

- Work with key partners to support customers who find themselves in vulnerable circumstances.
- Explore collaborative and innovative approaches to reduce fuel poverty.
- Have a clear strategy to protect and empower customers in vulnerable situations.

Based on feedback from all stakeholders, domestic customers, stakeholder panel, Ofgem, industry groups and consumer groups.

## Our commitments:

We are committed to making a positive impact on the communities we work in by:

- Working with key partners to ensure 14,500 more households have access to gas central heating by 2021.
- Working with community organisations to offer support and referrals for customers in vulnerable situations.
- Develop employability skills for young people by stimulating interest in the gas industry and providing workplace experience.



Our vulnerability strategy provides a focus for all our outreach work, ensuring we understand our vulnerable customers' varying needs, work and learn with others, communicate clearly and consistently and provide training for our team. See page 3 for further details on the strategy.

## Community Promises Fund: Developing new partnerships and pilot schemes to support vulnerable customers

2016/17 saw us launch our Community Promises Fund – a new strategic annual fund which offers small grants (£1,000 to £10,000) to community groups working with hard to reach and vulnerable people.

The fund helps us to identify innovative projects and organisations that share our social objectives, particularly around fuel poverty, Carbon Monoxide (CO), energy efficiency and STEM (Science, Technology, Engineers and Maths) subjects, with potential to 'fast track' projects into longer-term initiatives if they prove successful.

The approach comes on the back of feedback from stakeholders that we should continue to tap into the expertise of community organisations and charities to broaden our reach and meet our social objectives in the most cost effective ways.

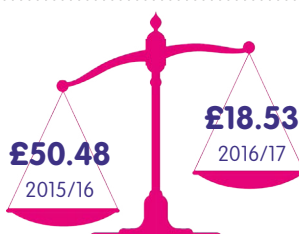
In 2016/17 (the scheme's first year), we received 70 applications for funding, which were assessed by a panel of subject experts, comprising external stakeholders and NGN colleagues. The successful projects are now live. Our Social Strategy Project Manager is working with our partner, Leeds Community Foundation to monitor progress and measure their impact, before deciding which ones we could scale up in the future. The fund will continue to run until the end of GDI.

## Benefits: Support that goes further for less

- ✓ Community Promises Fund allocated (£50,000) is directly benefiting more than 2,700 individuals in 2016/17, and indirectly reach a further 1.5 million people across the region.
- ✓ The new programme has helped us to empower the communities that we are supporting to do more to help themselves and the cost of engagement has reduced as a result, saving over £30 per individual, compared to our 2015/16 outreach programme.
- ✓ NGN's Community Promises Fund model provided the framework for the GDN CO Community Fund (see joint GDN appendix).

“ It's very exciting and one of the most over-subscribed funds we have ever had ”

- Sally-Anne Greenfield, Chief Executive, Leeds Community Foundation.



Reduced cost of engagement

## 2016/17 projects

### 11 successful projects were chosen, including:

#### 2168 Yeaton Air Cadets

A STEM skills development project, in which cadets will be taught to develop prototype CO detectors. Run by volunteers, the specialist sessions involve the cadets learning about CO and the detection technology before writing a computer programme that can detect CO.

The project is helping the young air cadets to take proactive steps to protect themselves and their friends and families from the dangers of Carbon Monoxide, whilst learning about digital programming. For the adult volunteers it is also proving to be a valuable learning opportunity, which they can take forward to educate future generations of air cadets. So far five sessions have taken place with 20 young people and the Air Commandant has promoted the programme via her blog, reaching thousands of young air cadets across the UK.

**Bradford Community Broadcasting:** creation of community radio programmes based around STEM subjects, including writing radio jingles.

**Yorkshire Energy Doctor:** a community interest company which tackles fuel poverty. Funding is supporting a 'heating for health' project to help residents make their homes warmer and healthier.

**Syrian Community of Leeds:** supports refugees fleeing from war. The project is providing money-saving advice to families around energy bills and tariffs.

**The Dominic Rodgers Trust, Huddersfield:** funding has supported this CO charity's project to offer reduced price CO alarms, with the promotion displayed on 1,495,000 bus tickets, which have been distributed in the Huddersfield area.

**North Halifax Partnership:** a resident-led organisation working to regenerate local communities. Funding is supporting an energy and money-saving campaign for local families, and fund training for local 'energy champions.'

## Educating and inspiring our region's young people



In 2016/17, we worked with specialist partners to engage thousands of students, from primary school age through to school leavers around STEM subjects.

### Key partnerships included:

**Developing a pipeline of future talent:** We have provided 1,274 hours of development opportunities to young people aged 14-18 across our network through 24 office based and engineering work experience placements. As well as providing vital skills and helping to build confidence, the programme is stimulating an interest in future careers in the gas industry and helping to develop a pipeline of future talent.

**Ahead Partnership:** We're now in our third year of working with this not-for-profit organisation that supports disadvantaged young people by uniting business and academia in joint vocational programmes. Through our engagement in 2016/17 we have reached around 9,500 young people throughout our region. We've developed our successful Outstanding Presenter programme, working alongside six local schools and colleges to provide ongoing training and mentoring to help develop students' presentation skills and build confidence in public speaking.

**Hull Children's University:** A charity providing disadvantaged 8-11 year-olds with life changing learning experiences. Hull is one of the most deprived cities in our network where job opportunities are scarce. We've supported the charity by providing volunteers to accompany students on educational trips as well as providing mentoring and work placement opportunities, supporting over 900 young people in 2016/17.

## Progress from 2015/16

### Providing warm and welcoming places for vulnerable customers

In 2015/16 working with Community Action Northumberland, we launched Warm Hubs – places in which vulnerable customers can meet, socialise, have a hot meal and receive advice around issues such as energy efficiency and budgeting.

The rural scheme now has 13 self-sustaining sites, which have supported more than 2,000 people in the last nine months alone.

Following this success, and in recognition that the issues faced by rural communities can also be present in urban areas, our Social Strategy Project Manager is working with Together Newcastle and in February launched an urban Warm Hub at St. Paul's Centre in Newcastle - the first of seven we

plan for the city, where an estimated 13% of households live in fuel poor conditions.

### Benefits:

- ✓ 20 Warm Hubs
- ✓ 3 dementia friendly centres
- ✓ 9 volunteers received dementia awareness training
- ✓ 3 safeguarding sessions delivered
- ✓ 12 volunteers trained in food hygiene
- ✓ 45 volunteers received Carbon Monoxide awareness training
- ✓ £750,000+ secured to develop and support the venues.

“ Warm Hubs are a simple and effective way of bringing people together who otherwise may become isolated and lonely, and struggling a bit with heating their homes; they also provide a great opportunity for community groups and churches to make use of their buildings ”

- Steve Forster, Development Worker for Together Newcastle

## In the pipeline

- **Our Community Promises Fund** will run again in 2017, with a further £50,000 available for local projects.
- **Dementia Friends:** In April 2017 we will train 12 Dementia Friends Champions to encourage others to learn a little bit about dementia. These individuals will hold information sessions for their colleagues with the aim of all employees becoming a dementia friend by the end of the year.
- **Warm Hubs:** Expanding the programme in the North East in partnership with Durham Community Action and Scottish Borders Community Action.
- **New approach to targeting our fuel poverty schemes:** we are working with GP surgeries in the North East to map instances of cold-related ill health against proximity to our gas network. In 2016/17 we will be working with NEA to identify communities that would benefit from a physical trial.

## Expanding our fuel poor partnership



In addition to our commitment to connect 14,500 fuel poor households to the network by 2021, we continue to provide holistic support for those experiencing fuel poverty.

Since 2015/16, we have been working with environmental charity Groundwork and Northern Powergrid to increase energy affordability, warmth and wellbeing among vulnerable households in Bradford and Leeds.

The Green Doctor service provides home visits to install energy and water saving devices; offer advice around grants, rebates and utility switching; and promotes behaviour change around energy and water use.

We continued to grow the partnership in 2016/17, delivering a wide range of benefits:

### Benefits:

- ✓ 302 homes visited
- ✓ 763 people helped
- ✓ 1621 efficiency measures installed
- ✓ Lifetime savings through energy efficiency measures worth in excess of £70,000
- ✓ 70 applications for warm home discounts total around £10,000
- ✓ Over £12,000 saved through switching energy supplier
- ✓ 260 CO alarms installed
- ✓ 445 Priority Service Register referrals made
- ✓ 7 smart meter applications made
- ✓ 22 NGN and Northern Powergrid colleagues volunteered with the Green Doctors to provide around 176 hours of support to 66 vulnerable households.



## Children's Society partnership: Next phase

In 2015/16, we completed a 12-month pilot in Bradford with The Children's Society to support vulnerable and fuel poor families.

The Bradford pilot demonstrated that those living in fuel poverty were also impacted by complex and profound underlying social issues, and our intervention was most successful when we targeted some of those root causes.

As a consequence, we launched a two year programme this year with The Children's Society, launching initiatives in Newcastle and Durham:

• **Learning to live independently:** a programme targeting 900 teenagers who are about to live independently for the first time. The programme provides these young people with money management skills as well as advice and support about maintaining a healthy lifestyle.

• **A colleague safeguarding awareness scheme,** in which network colleagues are trained to spot signs of potential child sexual exploitation during their day-to-day working lives, so they can escalate concerns appropriately. What's more, we've invited Northumbrian Water and Northern Powergrid to take part in the training.



# Gearing up for the future

Highlights

15 strong future energies team established

40 key stakeholders attended our 'Energising the North' launch

60% of our workforce are on modern terms and conditions

## You said:

- Gas can play a key role in delivering clean, affordable energy in the decades to come – but the industry needs a strong voice in the national discussion about future energy.
  - There is no 'magic bullet'. Meeting future energy challenges is complex and requires a multi-vector approach (a mix of gas, electricity, and alternative fuels).
  - Businesses, academia and the public sector are delivering pioneering work in this arena – presenting opportunities for exciting, collaborative projects.
  - The North of England is well positioned to take a national lead in developing the energy technologies of the future, generating jobs and economic growth.
  - Gas has a future so you need to make sure your business is fit for the future too.
- Based on feedback from all stakeholders, domestic customers, stakeholder panel, MPs, LEPs, Ofgem, industry groups and consumer groups.

## Our commitments:

- Meeting our customers' needs for low cost, low carbon energy now and in the future by:
- Working with our partners to develop customer-centric energy solutions.
  - Influencing policy makers, by making the case for decarbonised gas as an essential fuel for the future.
  - Generating interest and excitement through flagship projects which show what is possible.
  - Taking an energy-neutral approach, by recognising that gas is only one part of the solution.
  - Promoting the North of England as a UK leader in energy futures.
  - Investing in our people to ensure we can meet our customers' needs now and in the future.

## A collaborative approach to the UK's future energy challenge

Meeting the challenging targets of the Climate Change Act, while ensuring that customer bills remain affordable, requires imaginative approaches to energy generation and distribution.

For the past three years, we have been working with our partners to make the case for 'green' decarbonised gas as part of a multi-energy solution, and have challenged old assumptions that an all-electric future is the only viable direction of travel.

**It is important for stakeholders to understand what the best options for the future might be.** This will also provide us with good evidence for our business plan.

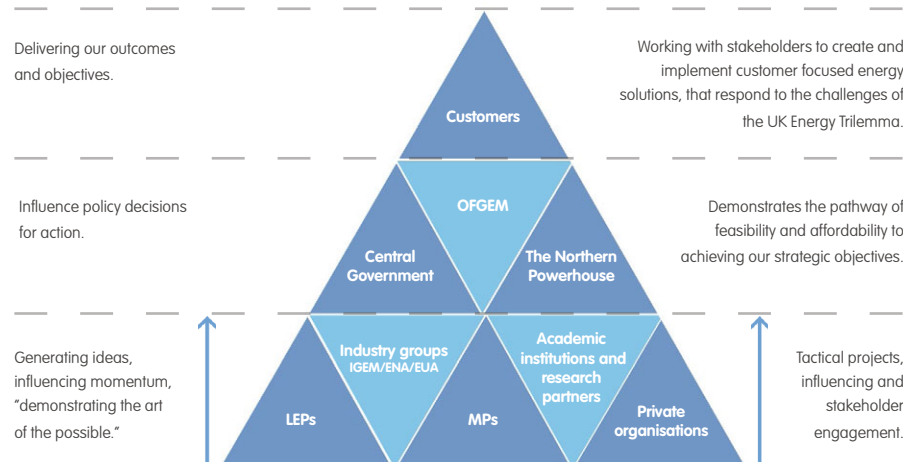
2016/17 saw us step up these efforts, though lobbying and thought leadership, combined with inspiring collaborative projects which demonstrate 'the art of the possible.' We established a 15 strong future energies team from across the business, to co-ordinate these efforts.

A comprehensive stakeholder plan underpins our work. This is a live document which includes a target list of regional and national stakeholders whom we are seeking to influence; an events and speaking calendar; potential funding routes, and stakeholder action plans for each key energy project.

## Educating, collaborating and influencing

Through our energy futures stakeholder strategy we aim to influence key national decision makers and collaborate with regional partners across business, academia and the public sector, all the while ensuring a strong customer focus.

### Energy Futures engagement:



## Influencing the national and regional agenda

NGN is passionate about shaping the future UK energy mix. As part of our leadership and drive, over the past 12 months, we have used lobbying, speaking opportunities, relationship building and strategic partnerships to make the case for decarbonised gas as an essential fuel of the future.

### Key activity/partners include:

- Department of Business, Energy and Industrial Strategy (BEIS):** Our energy futures specialist, Dan Sadler, spent the majority of 2016/17 seconded to BEIS, to advise the department on the potential role of gas in future energy networks. This year, Dan and the wider NGN team continued to nurture these relationships through regular meetings with BEIS in Westminster and briefings with Government.
- Institute of Public Policy Research (IPPR):** We worked closely with the highly influential think-tank IPPR, to inform its recommendations around future energy. Prior to our involvement, gas played little, if any role, in the think-tank's work on this topic. The potential role of gas is now referenced prominently in the IPPR's recent report: "Leading, adopting or drifting – where next for the Northern Energy Sector?"
- Carbon Connect:** An independent, cross-party forum that facilitates discussion between business and Government on low carbon energy solutions. We have been influential in helping to shape the Future of Gas project to investigate the opportunities offered by low carbon gas to reduce the UK's greenhouse gas emissions and the policy developments which are required to enable its deployment as a source of energy, influencing and providing expert guidance on alternative forms of gas, costs and opportunities for adoption.
- National Infrastructure Commission:** We hosted a visit from the commission to increase its knowledge of alternative gas solutions, so that this understanding can be incorporated into its national infrastructure assessment, due in 2018.
- Northern Powerhouse:** As part of our contribution to the Northern Powerhouse agenda, we commissioned an independent report, 'Energising the North', which

details the current economic value of the northern energy sector and its potential for growth. The report, which was launched in the House of Commons in front of over 40 key stakeholders, including, Labour Shadow Ministers, Ofgem Chairman David Gray and BEIS representatives, found that conversion to hydrogen could:

- Create up to 20,000 new jobs and £2.3 billion per year for the north's economy by 2050.
- Foster greater collaboration and innovation between those with an interest in the future of energy.
- Spur the rollout of carbon capture and storage technology to enable the decarbonisation of gas.
- Create new jobs and skills which can be easily exported to other countries, positioning the north of England as a global energy leader.

Andrew Percy MP, Northern Powerhouse Minister, endorsed the report. We subsequently presented the findings at the Northern Powerhouse conference in February 2017 in front of 1,200 delegates.

- MPs and Ministers:** We provided face-to-face briefings for key MPs (including Government and shadow Ministers) who have a particular interest in future energy solutions. These included Kevin Hollinrake MP, Chair of the All Party Parliamentary Group on Alternative Gases and Dr Alan Whitehead MP, Shadow Energy Minister and Baroness Neville Rolfe, former Minister of State for Energy and Intellectual Property.
- Local Enterprise Partnerships (LEPs):** We continued to work with LEPs to access funding for collaborative projects, and to ensure our plans align with local development plans.
- Industry forums and events:** We engaged key stakeholders around our future energy programme at events throughout the year, including the Northern Powerhouse Conference in February 2017, and the Utility Week Future Networks Conference in March 2017.

## Bringing the theory to life through collaborative projects

2016/17 saw us work with the private sector, academia, local authorities and other utility companies to develop trailblazing collaborative projects which demonstrate the potential of decarbonised gas as part of a multi-vector approach to energy generation and distribution.



### Making the case for hydrogen:

Our flagship H21 City Gate project with Leeds City Council, which involves

repurposing existing gas networks to transport both natural gas and hydrogen, progressed well. We launched the extremely positive findings of the NIA funded feasibility study to 200 stakeholders at an event in Westminster, followed by a regional launch event in Leeds in the Autumn. Our CEO Mark Horsley also met with Ofgem Chairman David Gray in December 2016 to discuss the project. We have also begun to explore the practical implications of converting existing networks to hydrogen, including a partnership with National Grid Gas Distribution (now Cadent) and Keele University which led to another successful NIC bid to see how blended hydrogen behaves when injected into part of the campus gas network.



### Developing multi-vector energy solutions:

An affordable low carbon future relies on collaborative, multi-energy projects. While there is an abundance of desktop studies, there is currently a lack of opportunities for businesses to test concepts in real-world scenarios.

To address this need, we have partnered with Northern Powergrid and the Newcastle University-led National Centre for Energy Systems Integration, to develop a £30 million research facility. Based at a 15 acre working gas and electricity distribution site at Low Thornley near Newcastle, it will enable SMEs, large businesses and government organisations to test concepts at scale, and accelerate the route to market.

**Gas powered transport:** Transport currently accounts for more than a third (40%) of UK energy use. Cleaner forms of fuel are essential to help the UK meet its carbon reduction targets, and there is potential for gas to play a major role.

2016/17 saw us continue to work with Leeds City Council to develop the UK's biggest compressed natural gas (CNG) refueling station. CNG virtually eliminates harmful particulate matter, and dramatically curbs nitrogen oxide and carbon dioxide emissions. We're also working with Leeds First Bus to develop plans for two CNG stations at their Hunslet and Pudsey depots.

**Biomethane:** This year we connected an additional biomethane plant to our network in Humberside, bringing our total number of live sites to 11. When operating at 100% capacity these sites could generate circa 2508 MW per day – enough to meet the average demand of 11,400 domestic properties.

## Progress from 2015/16



### Upskilling our workforce

With more than 60% of our workforce on modern Terms and Conditions, we're building the foundations upon which we can offer customers a sustainable 24/7 365 service. Key to this, is ensuring our people have the right skills to meet our customers' evolving needs, in the right way and at the right time - without ever compromising safety.

Last year we developed a bespoke training course with our partners Lomax Training. Building on their existing skills and experience, 12 of our General Operatives became qualified Gas Safe Registered Engineers in 36 weeks, giving our operations much more flexibility. This BPEC accredited course is the first of its kind and was delivered in line with the Energy and Utility Skills format.

By upskilling our operational workforce we're developing their careers and opening up entry-level roles within our organisation.



## In the pipeline

### Apprenticeships:

We are currently recruiting 16 operational and 9 office-based apprentices to start from September 2017.

### Going live at Low Thornley:

The first projects are expected to commence at our new research facility later this year and Dr Sam Neill from Newcastle University will join NGN on a six-month secondment from May 2017.

**Progressing our hydrogen programme:** Our H21 hydrogen project office will deliver innovation projects, focused on providing compelling evidence to support UK gas grid conversion from methane to hydrogen.

Work will continue to examine customer perceptions of hydrogen as a domestic fuel, so we can identify any misconceptions that may act as future barriers to adoption.

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# Appendix 1 Gas Distribution Networks Collaboration

## Joint GDN Stakeholder Submission Appendix 2016/17

As Gas Distribution Networks we continue to actively collaborate to deliver valuable outcomes for our stakeholders. Our collaborative Discretionary Reward Scheme (DRS) submission to Ofgem will be published in May 2018 and highlights the benefits of working collaboratively as four GDNs, building on the work from the [2015 DRS submission](#) and the collaborative appendix issued with our Stakeholder Engagement Incentive (SEI) submissions last year. This document provides an annual update on the collaborative working undertaken during 2016/17.

We remain committed to working together to find solutions that benefit customers and stakeholders and ensure leading performance within the industry, where exceptional outcomes are achieved and can be regarded as best practice and replicated across the industry. Much of our work is co-ordinated and supported by the Energy Networks Association (ENA). ENA provides us with a conduit for effective collaboration, information sharing and political and technical policy development between all networks and industry stakeholders.

Our collaboration and joint commitment is focussed on:

- Supporting and protecting the communities we live and work in, and minimising our wider impact on the environment;
- Going beyond what is expected of us, exceeding both our social and moral responsibilities and collaborations that extend to expert organisations and other sectors.

Our ongoing collaborative work on various topics means we are able to achieve so much more than working independently. This has contributed to:

- Effectiveness.** Effectively communicating consistent messages to national, regional and local audiences, whether that is lobbying for policy change or becoming more accessible to our stakeholders through our partnerships.
- Efficiency.** Sharing the costs of activities and lobbying, developing joint communications and activities, ultimately delivering outcomes efficiently for customers.
- Best practice.** Sharing experiences to understand the best approaches. This prevents us from repeating mistakes and enables far more efficient ways of working.

We've been working collaboratively since network sales in 2005, delivering great outcomes and benefits from our work for our stakeholders, across a range of issues. The tables in this document provide some key collaborative outcomes and benefits in the following three areas:

- Social:** alleviating fuel poverty and supporting vulnerable customers.
- Carbon Monoxide Safety:** Promoting awareness and prevention of Carbon Monoxide (CO) poisoning.
- Ensuring a sustainable future:** Working together to tackle the energy trilemma; sharing environmental best practice; research and demonstration projects for the challenge of the decarbonisation of heat; delivering and sharing innovation, providing current and future benefits for customers. To comply with the requirements of the Climate Change Act, the UK must reduce its carbon emissions by 80% by 2050. In addition, the energy requirements of the country must be met at an affordable cost for energy consumers.

The requirements of ensuring security of energy supply at an affordable cost, while ensuring a low carbon energy future, the so-called energy trilemma, are being investigated on a collaborative basis by the gas networks, and also in collaboration with electricity networks, as the two energy networks continue to become ever more interdependent.

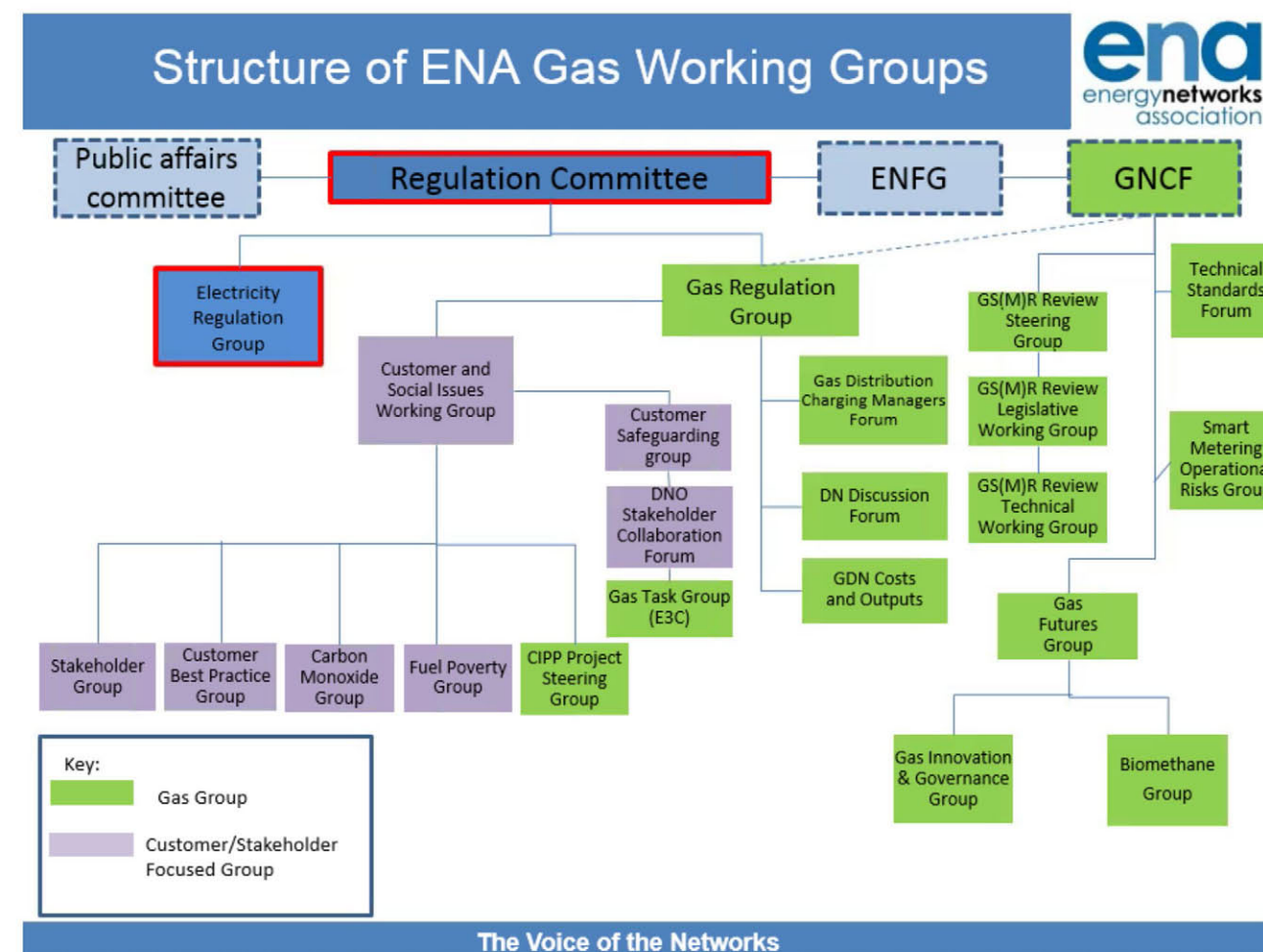


Figure 1: Diagram showing the structure of ENA gas working groups

## Our collaboration highlights

Helped secure £25m for Local Authorities to support house measures, resulting in 4,000 new heating installations.

Joint winners of the Heating & Ventilation News Safety Initiative of the Year Award for 2016 with CO-Gas Safety.

Launched the CO Charity Fund, offering grants of up to £2,000.

535 additional customers referred to the Fuel Poor Network Extension Scheme since May 2015.

943 entries in 2017 to the CO schools poster competition.

Current connected capacity of biomethane has the ability to power over 277,000 homes.



# 1. Social: Alleviating Fuel Poverty and Protecting Vulnerable Customers

## GROUPS – ENA co-ordinated GDN Fuel Poverty Best Practice Working Group, Off Gas Grid Group and Fuel Poverty Action Sub-Group

The GDNs recognise that we have an important role to play in helping to alleviate fuel poverty in the UK. The Fuel Poverty Network Extension Scheme (FPNES) allows us to install first-time gas connections into the homes of those living in fuel poverty. However, our activities extend beyond this scheme to also help raise awareness and support those who are affected by this issue.

Key areas of focus	2016/17 Outcomes and Benefits
<p>To engage with BEIS to raise concerns over the lack of financial assistance to pay for central heating systems available to those living in fuel poverty; and effectively communicate that this is having a detrimental effect on meeting GDN fuel poverty targets.</p> <p>Having previously helped ensure the successful roll-out of the DECC Central Heating Fund by requesting alignment of qualification for this scheme with the Fuel Poverty Network Extension Scheme (FPNES), the GDNs continue to campaign on the issue of lack of funding for in-house heating measures available to low income households.</p>	<p>A fund of £25m made available to local authorities in England and Wales was used to fund whole-house solutions for fuel poor customers, which resulted in 4,000 new heating installations.</p> <p>In December 2016 the GDN's commissioned the NEA to provide a research report into the success of the FPNES under different funding conditions for central heating systems. The report cost £12,524.40.</p> <p>The NEA report 'In from the cold' was submitted to BEIS in February 2017, along with supporting letter from the GDNs requesting £37.5m in funding to be allocated in March 2017 spring budget. This proposal was for the GDNs to utilise this funding over the 18 month ECO transition period for central heating systems in homes qualifying under the FPNES. The application was unsuccessful, however BEIS have intimated that re-application should be submitted in advance of the autumn budget.</p>
<p>To engagement with BEIS and the Energy Saving Trust to provide a referral scheme for customers who do not automatically qualify for the Warm Homes Scheme but where they may benefit from the Fuel Poor Network Extension Scheme (FPNES), assisted by regular dialogue and monthly meetings.</p>	<p>535 additional customers referred to FPNES since the launch of the scheme in May 2015, resulting in 161 extra fuel poor gas connections, 51 of which were installed in 2016/17.</p> <p>More joined up services for fuel poor customers, coordinated by partner organisation YES Energy Solutions on behalf of all GDNs.</p>
<p>GDN main sponsor of NEA's quarterly Focus magazine, a publication aimed directly at those communities who can benefit most from schemes including the FPNES.</p>	<p>Sponsorship has given stability to the magazine and allowed for its development and expansion. The GDNs have used this publication to publish a prominent full page advert for the fuel poverty connections scheme. In addition, a full page editorial on each GDN's fuel poverty activities has featured in the magazine. Further development will entail rotating responsibility among the GDNs to create individual full page stories on this topic.</p> <p>NEA's Focus magazine has also been used by the GDNs to periodically advertise additional initiatives available to customers in vulnerable situations, such as the Locking Cooker Value.</p>

<p>To engage with landlords to highlight the opportunities for assisted connections to reduce the energy bills of their tenants by converting to gas.</p>	<p>Advertising in the National Landlords Association magazine where key messages reach a circulation of more than 20,000 private landlords in the UK.</p>
<p>To collaboratively sponsor, support and attend events on alleviating fuel poverty and protecting vulnerable customers.</p>	<p>Sponsoring and exhibiting at the Fuel Poverty and Energy Efficiency Group (FPEEG) dinner, which was attended by 81 delegates, including 11 MPs and 2 Peers. A representative from the GDNs provided the key note speech at the FPEEG dinner calling, for government to provide funding for central heating systems in fuel poor households and set timescales for eradication of fuel poverty. This event further raised awareness of our collaboration and the potential to deliver benefits to customers locally and support the national target to eradicate fuel poverty.</p> <p>Joint exhibition stand at the national NEA conference.</p>
<p>To engage with NEA to conduct controlled trial of two energy savings devices: Tadpole and Chop Cloc. Funding costs of these trials met collaboratively by the GDNs, who are reviewing the next stage of support for energy saving devices in anticipation of positive trial outcome.</p>	<p>Trials of both devices underway. Completion and results will be available summer 2017.</p> <ul style="list-style-type: none"> <li>- Tadpole device is designed to make central heating more efficient by removing air from the pressurised system.</li> <li>- Chop Cloc reduces energy usage by allowing the user to have better control of the heating thermostat.</li> </ul> <p>The next phase of this project will involve GDNs identifying potential projects for installing low cost devices in fuel poor and off gas grid households, working collaboratively with local authorities and/or housing associations directly where fuel poor customers will benefit from lower energy bills.</p>
<p>To continue to support District Heating Schemes (DHS), where appropriate, to help lift customers out of fuel poverty.</p>	<p>District Heating Scheme currently being installed in two tower blocks containing a total of 172 flats. The project is due to be completed by August 2017.</p> <p>A further tower block containing 50 flats has undergone the planning stage in 2016/17, and is due to commence in May 2017.</p> <p>Experience of District Heating Systems has subsequently been shared between all GDNs.</p>
<p>To engage with stakeholders in the healthcare sector to raise awareness of the opportunity to use the FPNES to assist in lifting people and families out of fuel poverty, which potentially brings multiple health benefits.</p>	<p>Attended Faculty of Medical Health annual conference in Brighton to engage with stakeholders from the healthcare sector.</p> <p>Engagement with prominent members of NHS Scotland and England.</p> <p>Full page advert promoting FPNES in annual awards dinner schedule (the only featured advert), and provided sponsorship for listing of awards ceremony.</p>



**b. Social: Safeguarding customers in vulnerable situations**  
**GROUPS – Safeguarding Customers Working Group via the ENA**

As an industry, we can work together to plan and respond to the needs of our customers to keep them safe and warm, no matter what their circumstances. Throughout the past twelve months, there have been numerous outputs progressed through GDN collaboration supporting wider industry work.

Key areas of focus	Outcomes and Benefits for 2016/17
To create a standard set of verbal principles to ensure all GDNs and the industry is consistent in how explicit informed consent is gained from customers at the point of their registration.	<p>Connecting customers to our services in a fair and equal way is something we are all passionate about. The creation and implementation of these easy to use principles provides best practice and consistency. It was through the pulling together of the discussions and outputs of the Safeguarding Customers WG that GDN members were able to group the building blocks that have since become the verbal principles.</p> <p>The use of principles rather than scripts allows for cultural and regional differences in terminology to be incorporated, allowing for a more meaningful use across our businesses. We are working together to share examples of good practice to support individual training programmes.</p>
To create a Priority Services Register (PSR) that supports the Information Commissioner Officer's eight principles of privacy law and is based upon the idea of the direct debit guarantee which is recognised worldwide.	We have created a plain English PSR promise which allows customers to understand easily how their information will be used when they sign up to the PSR and gives them confidence and reassurance from the beginning of the process. Having a single version of the promise also allows the energy industry to have a consistent approach, so customers receive the same experience regardless of the company.
A commitment to implement the Locking Cooker Valve programme across all GDN's.	<p>All of our Networks now offer this service and are working hard to promote it. The feedback from this simple device has been very positive and is without question making our customer's homes safer.</p> <p>This initiative will continue over the next year, with a view to ensuring that all appropriate organisations and charities are aware of this crucial service.</p>
To do more to support customers in vulnerable situations with a focus on ensuring our services are accessible for our deaf customers.	Working with the Royal Association for Deaf People (RAD), we have jointly commissioned the creation of three films which helps those who are deaf understand what to do if they smell gas, are without power or want to register upon the PSR. These films are now readily accessible through our individual websites, and we are in the process of tracking the number of views/hits so we can assess their effectiveness before discussing our next steps.
Continue to support the SMART metering roll-out across the UK.	We have worked together and shared our approaches to managing our business as usual processes during Smart Metering roll out, ensuring that there is no impact to safety or the customer experience

**2. Carbon Monoxide (CO) Awareness**  
**GROUPS – GDN CO Awareness Best Practice Working Group via the ENA**

Carbon Monoxide (CO) is an odourless, colourless and tasteless gas, which on average results in 200 people being hospitalised and 40 fatalities in the UK each year. The GDNs continue to raise awareness on the dangers of CO and do this through employing a range of initiatives.

Key areas of focus	Outcomes and Benefits 2016/17
To raise awareness on the dangers of CO to primary school children. We have launched an education campaign with our super hero, Safety Seymour. Targeted at key stage 1 school children, the daylong session take place in schools and aims to educate on the dangers of CO whilst having fun.	<p>We have delivered the session in over 48 schools which fall into CO hot spot areas, where there is a high number of reported carbon monoxide incidents, and in 56 individual classes which has reached in the region of 1700 children. We are supporting each other with training and the implementation and will continue the roll out of Safety Seymour into 17/18.</p> <p>Carbon monoxide (CO) poisoning awareness charity CO-Gas Safety together with the GDNs across the UK, have won the Heating &amp; Ventilation (H&amp;V) News Safety Initiative of the Year Award for 2016.</p>
<p>We want to inspire change in behaviour and as a result have launched our CO schools poster competition. It remains targeted at key stage 1 and 2 school children and complements our Safety Seymour campaign</p> <p>Children can submit their pictures, poems, and videos to regional judging panels which then go to a national final to decide on the overall winner.</p>	<p>Through collaboration with ENA and ourselves we have used social and traditional media to raise awareness of the national competition and reach a higher number of entries than ever before. Last year we saw a total of 350 entries, with an award ceremony at the Palace of Westminster in June 2016, which will take place again in June 2017. This year we have received 943 entries.</p> <p>This year's award ceremony will take place in June 2017 at the Palace of Westminster in London.</p>
We are always looking for innovative ways in which we can raise awareness and promote further key messaging around the detection of CO across our Networks. This year have launched a Carbon Monoxide (CO) Charity Fund to further support this.	<p>The Carbon Monoxide (CO) Charity Fund invites UK charities and organisations to apply for funding to support their CO related initiatives. We are currently considering the applications received for this year and will potentially award one-off grants up to the value of £2,000 from the fund of £10,000.</p> <p>We have had 4 responses from RoSPA, Angus Care and Repair, CO Gas safety and Dominic trust which are currently being considered.</p>
We believe in the creation of consistent messages. Working together helps us reach more people, trial more innovative ideas, measure them in a consistent and meaningful way to enable best practice and, through doing this, change behaviour.	<p>In 2016/17 our schemes delivered:</p> <ul style="list-style-type: none"> <li>• 113, 256 survey responses</li> <li>• 26,346 CO alarms given to vulnerable customers;</li> <li>• 8.99 average rating of CO awareness following our Interaction (on a scale of 1-10)</li> <li>• 24.6% increase in CO awareness as a result of our interaction</li> </ul>



<p>We are aware of the importance of awareness of CO with political decision makers and have continued our membership of the All Party Parliamentary Carbon Monoxide Group to support this.</p>	<p>We have liaised with Members of Parliament (MPs), Members of Scottish Parliament (MSPs) and Assembly Members of the Welsh Government (AMs) to raise awareness and we also look to develop measures to reduce the risks of accidental harm caused by exposure to CO, totalling 13 events, meetings and panel discussions held in Westminster under the banner of either the CO All Fuels Action Forum and the All-Party Parliamentary Carbon Monoxide Group. 13 mentions in House of Lords and House of Commons debates &amp; written questions submitted to relevant departments on the subject of CO following our interactions with them. Two new MPs recruited as APPCOG Co-chairs – Margaret Ferrier and Margaret Ritchie</p>
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### 3. Ensuring a sustainable future GROUPS – ENA co-ordinated Gas Futures Group (GFG); Gas Innovation and Governance Group (GIGG) and Environmental Working Group

Sustaining our future is a strong theme for all of the networks. We focus on sharing environment best practice, decarbonisation of heat gas and meeting the challenge of the energy trilemma in line with the needs of our customers. Collaborative emphasis for sustaining our future has also focused on environmental best practice, and reducing the environmental footprint of the networks.

Key areas of focus	Outcomes and Benefits 2016/17
<p>To commission an independent study on the role of the gas networks in Britain's energy future, alongside an analysis of potential alternative scenarios and potential energy solutions which could offer a solution to the energy trilemma.</p>	<p>We, along with National Grid Gas Transmission (NGGT), Brookfield Utilities and Gas Networks Ireland, have commissioned KPMG to carry out the study. This was an investment of £146,956.40. In July 2016, KPMG published: 2050 Energy Scenarios: <i>The UK Gas Networks role in a 2050 whole energy system</i></p> <p>The report evaluated a full range of scenarios to represent how the energy system may develop to 2050, and will identified policy initiatives to realise the benefits emerging from this analysis. The report finds that evolution of the gas networks, injecting green gas such as hydrogen into the grid, offers significant cost savings against alternative low carbon heating sources. Gas is least expensive option for customers to achieve 2050 CO2 carbon reduction targets.</p> <p>It also says that transport decarbonisation policy needs to be integrated with power and heat decarbonisation policy.</p>
<p>To engage with stakeholders to share information regarding our energy futures messages.</p>	<p>We have carried out several events this year to engage with key stakeholders to share information regarding our energy futures messages, these have included:</p> <ul style="list-style-type: none"> <li>A joint event with the All Party Parliamentary Renewable and Sustainable Energy Group (PRASEG), focussing on gas delivering for customers and supporting the low carbon economy.</li> <li>Future of Gas Awareness showcase in July. The purpose of this event was to raise awareness amongst Ofgem staff of the gas networks and their future important contribution to the UK economy.</li> <li>In April 2016, ENA and Geode (a European Trade association that represents distribution system operators from most member states) held an event in the European Parliament to launch a report on green gas that all members of the GFG contributed to. The event brought together industry representatives and key policy makers from across Europe to discuss the 'energy renaissance' which gas is undergoing, and the long term role that green gas can play in meeting demand in an affordable, secure and sustainable energy future.</li> </ul>



	<ul style="list-style-type: none"> <li>An ENA and Utility Week roundtable on the future of heat in the House of Commons on 2<sup>nd</sup> March.</li> <li>Energy Utility Alliance National Conference – brought the gas industry and other influential stakeholders together with supply chain representatives. Issues discussed included key themes of the energy trilemma and how it is being tackled, together with expert opinion from leading think tank academics.</li> </ul> <p>Reached and influenced more than 60 MPs, advisors and other key stakeholders.</p> <p>Asked to help the Shadow Energy Team in developing a “Green Gas Book”. This is a publication dealing with policy and practical aspects of the development of green gas, particularly Biomethane and Hydrogen, as a key element of the energy mix over the coming years.</p> <p>Participating in these events allow us to present our key innovation projects and the case for the gas networks to play a central role in our energy future to a select group of policy makers and influencers.</p>
To engage and build relationships with key policy makers and raise awareness of the innovation and research being carried out by GDNs.	The GFG uses its monthly meetings to host key guest speakers, raising awareness of the innovative projects and research being carried out by the GDNs, building relationships with key policy makers to influence the UK's energy strategy. Greater understanding of other organisations' priorities, innovation and work to help us to make the links and share best practice. These have included: Hydrogen Fuel Cells Association; BEIS; Carbon Connect; Buro Happold; Leeds University.
Carbon Connect, sponsored by IGEM, is working on a research project to investigate the opportunities offered by low carbon gas to reduce the UK's greenhouse gas emissions and the policy developments which are required to enable its deployment as a source of energy. The gas networks are all on the steering group.	<p>This important project is examining the three areas of:</p> <ul style="list-style-type: none"> <li>Issues related to the gas distribution network and local storage</li> <li>Issues related to the production and bulk storage of low carbon gas</li> <li>Issues related to consumers and the development of compatible appliances</li> </ul> <p>The project sponsors are James Heap MP, Callum McCaig MP and Alan Whitehead MP and the project is being formally launched in June, as part of Carbon Connect's Heat Series.</p>
The GIGG group publish a quarterly newsletter which details all the activities in relation to new innovation projects, the annual LCNI Conference, ENA news and forthcoming events	<p>This is an extremely beneficial forum where each GDN has a platform to share information and learning from innovation projects that are currently underway or that are in the pipeline.</p> <p>This is shared with a wide list of more than 60 stakeholders, including SMEs, DNOs and Ofgem and has been very well received.</p>

<p>To share learning from innovation project findings which look at the future use of our network. As GDNs, we have taken the lead in different areas of innovation, to build evidence on how the energy trilemma can best be resolved, sharing learning from project findings.</p> <p>Key projects include:</p> <ul style="list-style-type: none"> <li>hydrogen – WWU &amp; NGN</li> <li>bioSNG – Cadent</li> <li>Oban – SGN</li> <li>CNG (transport) – Cadent</li> <li>Freedom project – WWU &amp; WPD</li> <li>Biomethane – all</li> </ul>	<p>CEO meetings and various other forums have taken place to share learning over future options for our gas networks.</p> <p>NGN and WWU are investigating how we might best face the challenges of using zero-carbon hydrogen in the gas network; Cadent is focusing attention on the use of bioSNG and also on how low-carbon gas could be used to decarbonise transport.</p> <p>SGN's Oban project is using this standalone gas network to investigate the possibilities of adding different, non-traditional composition gasses to this gas network. All the networks are investigating adding biomethane to the gas networks with current connected capacity standing at the ability to power 277,957 homes and business from this low-carbon gas across the networks.</p> <p>WWU has commissioned a model that can predict how different mixes of renewables will perform in different geographical regions, across the seasons and across demand, helping match the demand and supply possibilities. A second WWU study has researched the ability and aptitude of different energy consumers and investors to pay for changes to their energy systems.</p> <p>Collaboration between gas and electricity networks is also being pursued; project Freedom is a collaboration between WWU and Western Power Distribution, investigating the best way to power and heat homes using the most cost effective and low-carbon fuel available at any given time of the day or night, be that – electricity or gas, at different times of day, using smart technology.</p>
To facilitating green gas entry. Through the Distributed Gas Entry Group, we have looked at the impact of renewable gas on our networks and explore how we can harmonise our connection and commissioning arrangements, and to identify learning from the development of distributed renewables on the electricity network.	<p>In order to support the use of biogas generally and the entry of biomethane into the network, we worked with IGEM to develop standards for biomethane network entry and biogas entry.</p> <p>We've introduced consistent Voluntary Standards of Service (VSOS) for Biomethane connections. This means wherever the connection is happening in the country, there is a consistent service and sharing of connection performance and that we, in turn, are making sure the standards are working for our customers.</p>



