

# 2014 Stakeholder Engagement Incentive Scheme



# Part One

## About this section

In Part 1 of this submission, we start by summarising our strategic approach to stakeholder engagement, and the processes or 'building blocks' which underpin it.

We then bring the theory to life, by describing some of the practical ways in which stakeholder engagement has been embedded across our business, and how we continue to refine our approach in response to stakeholder feedback.

Although, of necessity, Part 1 is rather process-driven, we have tried to keep it readable and engaging.

The appendices contain lots of supporting information, which is highlighted at relevant points in the narrative.



# Digging deeper for the communities we serve

We are a gas distribution company which prides itself on being as much about people as we are about pipes.

Our core business will always be to provide a safe and reliable distribution service to the 2.7 million homes and businesses in the North East, Yorkshire and Northern Cumbria who rely on us every day.



But we are also uniquely placed to deliver additional social and economic benefits to the region, especially in communities where household incomes are low, homes are poorly heated and employment and training opportunities are scarce.

I firmly believe that utility companies must make it an increasingly prominent part of their role to help struggling communities, especially at a time of stretched local government budgets, the recent reforms to social welfare, and the comparatively slow economic recovery of our region compared to others.

## Well placed to help

We are certainly in a position to help. Our engineers work in local communities, 24 hours a day, giving us a great opportunity to provide added value. We have an investment budget of approximately £200 million each year, which can be spent in a strategic way, fulfilling our statutory obligations, while supporting local jobs and keeping investment in the region. And we have a large, skilled workforce, which needs to be continually refreshed with new talent as experienced colleagues retire.

Going the extra mile also makes sound business sense, helping to improve our reputation in local communities, and providing a smoother passage for disruptive mains replacement programmes.

## Working with stakeholders

To maximise opportunities for local communities, and to make sure we are focusing our energies on those things that really matter, we work with a wide range of stakeholders, from local authorities to charities, community groups to emergency service providers.

We are building closer relationships with these stakeholders all the time, while also sharing our experiences and knowledge more widely, by sitting on national forums, and collaborating with our fellow utility companies, helping to influence the national agenda and raise the performance bar.

Internally, the way we govern stakeholder engagement is more robust than ever before, with clear processes embedded across the business and independent assessment to ensure we are heading in the right direction.

## More to do, but proud of what we've accomplished

There's still lots more we can do to make our business truly collaborative, and we'd never claim to be the finished article. However, I'm still very proud of what we, and our stakeholders, have accomplished together in recent years: helping to protect the region from the dangers of Carbon Monoxide (CO); playing a part in lifting our poorest communities out of fuel poverty; delivering training and employment opportunities in deprived communities; paving the way for wider use of sustainable biogas, and keeping our network flowing in a way that minimises disruption to businesses and residents.

I hope you enjoy reading our submission.

If you have any questions ahead of the panel review, please don't hesitate to get in touch.

**Mark Horsley**

Chief Executive Officer, Northern Gas Networks

# 1. Why stakeholder engagement?

We are an ambitious company. We strive to be a 'best-in-class' gas distributor and a responsible corporate citizen, with a culture of high performance and continuous improvement.

Stakeholder engagement is integral to helping us achieve this. Through collaboration with like-minded organisations, we can:

- ✓ **Maximise the impact of our interventions**, by making limited budgets stretch further, by learning from others with specialist knowledge and by helping to tackle complex and deep-rooted social issues which we couldn't hope to solve alone.
- ✓ **Obtain honest, objective feedback**, helping us to continuously improve our performance, and shape our future strategy.
- ✓ **Raise the bar on a national level**, by exploring new ways of doing things, from delivering core services in more effective ways to tackling perennial social issues such as fuel poverty.
- ✓ **Nurture future talent**, by working with partners to equip young people with the vocational skills needed by the engineering sector, and creating employment and training opportunities in communities where these are in short supply.
- ✓ **Improve our standing and reputation in local communities**. This is both an end in itself (every company wants to be well regarded) and also a way of ensuring our engineering programmes, which are often disruptive, are greeted with greater public tolerance.
- ✓ **Improve our commerciality**, as avoidable costs are minimised by defining stakeholder requirements up front.

## 2. The building blocks of our stakeholder engagement programme

**Supporting Material:** See the appendices for full versions of our stakeholder engagement strategy and supporting manual.

The nature of our work is highly collaborative, and we've always liaised closely with our stakeholders.

Over the past three years, however, we've gone further than ever before to make this engagement an integral part of the way we operate. Clear processes and guidelines are now in place, so that all colleagues, from our CEO to our engineers in the field, recognise the importance of engagement, and the NGN way of delivering it.

The key building blocks which underpin our stakeholder engagement programme are as follows:

### Stakeholder engagement strategy

Our stakeholder engagement strategy is a practical, working document which describes our approach to engagement.

It acts as both a road map for our own colleagues, and a statement of intent to our stakeholders and wider customer base. It contains:

- Background on why stakeholder engagement matters, and how it aligns to our wider ambitions for the company.
- Our stakeholder engagement framework – five core processes through which we are taking a thorough and inclusive approach. See table below.
- An issues table, listing key stakeholders and their priorities.
- Our governance structure outlining responsibilities for stakeholder engagement at every level.
- How we report and evaluate the outcomes of stakeholder engagement.

The document is supported by a stakeholder engagement manual – a regularly updated 'how to' guide for employees, packed with practical advice and details about the processes and structures which underpin our efforts.

### Give me five Our stakeholder engagement framework

The following five processes, contained in our stakeholder strategy, underpin our approach to engagement:

- 1. Ambition and strategy:** aligning our stakeholder engagement programme with our wider business strategy and aspiration to be a leading service provider.
- 2. Governance:** ensuring we have director level visibility of our stakeholder engagement programme, and accountability for delivery embedded across the organisation.
- 3. Capacity building:** making sure we provide adequate training for all NGN colleagues involved in stakeholder engagement.
- 4. Engagement procedures:** ensuring we have the right tools and processes in place to identify our stakeholders, engage them in a meaningful way and respond to their feedback.
- 5. Reporting and evaluation:** making sure we have the right tools and processes in place for recording and evaluating feedback and communicating outcomes, and that there is a procedure for independent evaluation in place.

## Assurance and measurement

We have adopted the AA1000 stakeholder engagement standard – the only internationally recognised standard, used by some of the world's most successful companies.

Committing to the standard has helped us to focus our efforts and measure our performance against recognised criteria, so that we can keep on improving.

In 2013, we invited independent auditor, SGS, to evaluate our performance against AA1000. We will be repeating the assessment annually.

The evaluation included:

- Interviews with executive and senior management and employees from across the business.
- Attendance at a stakeholder workshop on fuel poverty and CO awareness in Newcastle.
- Interviews with a sample of external stakeholders.
- Review of strategy documents and process guidance.
- Review of sample stakeholder engagement activity.
- Site visits to recent or active replacement projects.
- Attendance at senior management meetings.

We passed the assessment with some extremely positive feedback. Some recommendations for improvement were highlighted, which we are now working on.

**“A strong foundation of stakeholder engagement across the company in particular senior management commitment, business culture, oversight and monitoring of success, responsiveness to stakeholder needs, the engagement process in place across the business and the resources to help and support engagement.”**

Louise Hawson, Auditor, SGS

## How we fared in our independent assessment

Stakeholder engagement is integrated with governance

✓ YES

Stakeholder engagement is part of organisational culture

✓ YES

“The culture of the organisation has changed fundamentally over the last three years, as a result of establishing customer service and stakeholders as integral to everything the company does.”

There is a clear purpose for engagement

✓ YES

The scope and focus of engagement work is clearly established

✓ YES

Stakeholders are effectively identified and profiled

✓ YES

Suitable levels and methods of engagement are determined

✓ YES

“There is a huge variety of engagement activities in NGN... This variety is a strength, and it demonstrates the depth and breadth of integration and engagement.”

Resources and capacity to engage are in place

✓ YES

Stakeholders are invited to engage

✓ YES

“Stakeholders have been invited to engage in a timely way. For Carbon Monoxide, NGN is leading engagement across the industry.”

Stakeholders are properly briefed

✓ YES

Engagement is monitored and evaluated

✓ YES

There is a determination to learn and improve

✓ YES

“There is significant evidence of NGN seeking to maintain continuous improvement. It has established a learning culture, and where an area or project is struggling, it receives management attention, resource and ideas to do something about it. The company is also looking to learn from outside organisations to get ideas e.g. John Lewis.”

Action points from engagement are followed up

✓ YES

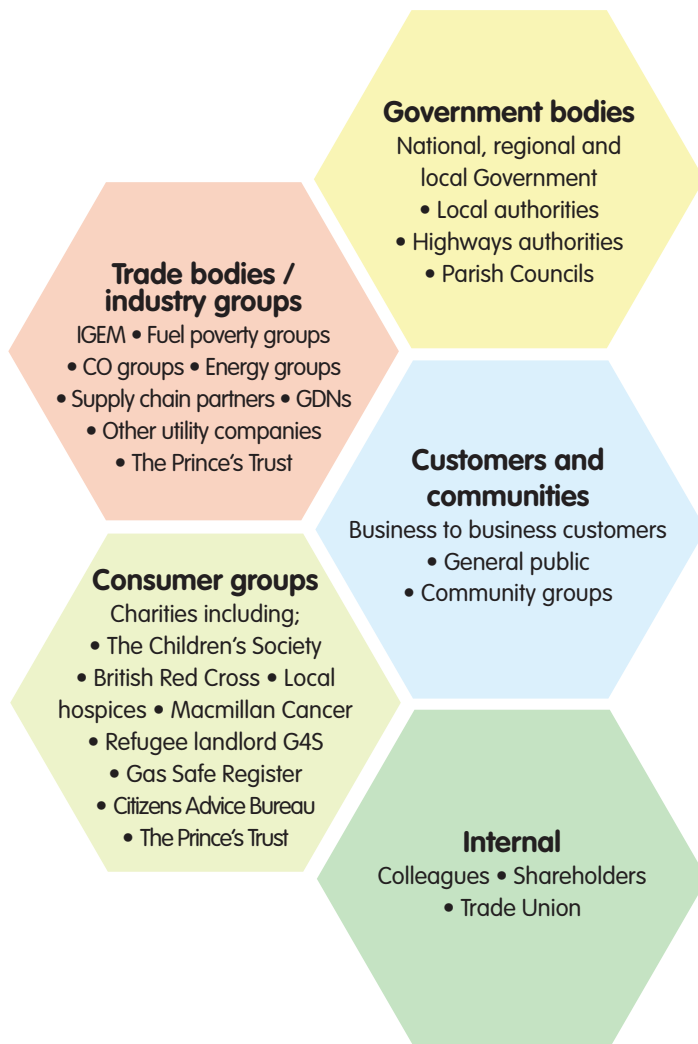
## Areas for development

The assessor identified a number of areas for development, which we are now working on.

| Recommendation  | Our response  |
|---|---|
| <ul style="list-style-type: none"> <li>• Introduce indicators to monitor the quality of engagement with stakeholders, beyond those required under our regulatory framework.</li> </ul>      | <ul style="list-style-type: none"> <li>• We will establish key indicators to measure the effectiveness of our stakeholder engagement throughout our 2014/15 consultations. Our online stakeholder engagement hub, launching later this year, will also help us to measure the quality of our engagement more effectively.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Develop fresh and innovative approaches to engagement, including social media and other alternatives to traditional meetings/workshops.</li> </ul> | <ul style="list-style-type: none"> <li>• We have begun to make greater use of social media to engage stakeholders and our wider customer base, and support campaigns. <b>See Part 2 for more detail.</b></li> </ul>   |
| <ul style="list-style-type: none"> <li>• Introduce an internal review of stakeholder engagement processes to ensure consistency and highlight any issues.</li> </ul>                        | <ul style="list-style-type: none"> <li>• We're establishing new processes to enable us to improve the way that we measure stakeholder engagement at all levels. One of the ways that we will be doing this is through an account leadership approach.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Share stakeholder engagement successes and challenges throughout the business to aid learning and development.</li> </ul>                          | <ul style="list-style-type: none"> <li>• Our stakeholder engagement performance will be reported on a monthly basis to our senior management team and shared regularly with our board. Colleagues will be kept informed through our existing internal communications channels such as our monthly magazine, inspire. Colleagues will also receive updates via our quarterly stakeholder e-bulletins.</li> </ul> |
| <ul style="list-style-type: none"> <li>• Maximise the opportunity that our website presents to share stakeholder engagement activity and outcomes.</li> </ul>                               | <ul style="list-style-type: none"> <li>• We have completely overhauled our website, which now includes a dedicated section for stakeholders.</li> </ul>   |

## Our stakeholders

We segment our stakeholders into groups based on their profile which includes their concerns and priorities and how this impacts on our business.



1,296

Stakeholder engagement events in 2013/14, from one to one meetings, to workshops and community forums

30,000

Over 30,000 individuals and stakeholder groups engaged

100%

At our 2013 and 2014 workshops 100% of respondents found the content to be 'useful' or 'very useful'

100%

At our 2013 stakeholder workshop 100% of attendees said they had chance to express how they felt

33%

Agreed that **workshops** were the best way of engaging

11%

Would prefer to be engaged with through **customer panels**

5%

said they would like to be contacted via **telephone**

48%

said their preferred method of engagement was **online**

50%

said they favoured consultation through **workshops and customer panels**

64%

said we should take a more frequent 'newsletter approach'

50%

said we should provide 'more regular email and web updates'

35%

said they would like to be **consulted more** and wanted to receive regular updates about the local and national activity.

## Methods of engagement

We use a wide variety of means to engage stakeholders, from dedicated engagement workshops to daily conversations on the doorstep.

Over the past year, we've taken every opportunity to ask stakeholders if they felt they were being consulted effectively, so we can refine the way we do things.

Stakeholders told us they were generally happy with our approach, but said we could improve the frequency of our updates and make better use of digital channels.

Our auditor echoed these themes in our recent assessment, recommending use of a variety of channels to reach different audiences and avoid 'consultation fatigue' among high profile stakeholders who often receive multiple requests for input from companies.



## Our engagement channels include:

**Stakeholder engagement workshops** We hold annual engagement workshops with our key stakeholders. We use these to share our progress and agree future priorities. At our most recent workshops in January 2014, attendance doubled compared to 2013 with more than 100 stakeholders attending, including housing associations, charities, MPs, community groups, elected members and local authorities.

NEW

**External advisory panel** Set up specifically to support our efforts in tackling fuel poverty the panel includes Teresa Perchard, a former director with Citizens' Advice and Vice Chair of the Government's Fuel Poverty Advisory Group and Jenny Saunders, Chief Executive of National Energy Action.

**Surveys** We conduct regular surveys with a range of stakeholders, via email, post and online to understand their opinions on key issues such as Carbon Monoxide as well as what they think about the way that we carry out our day to day activities. Some examples include our online CO quiz linked to our iCop app, a survey about our customer experience and a recent Highways Authorities email poll.



**Website** Our new website [www.northerngasnetworks.co.uk](http://www.northerngasnetworks.co.uk) features a dedicated stakeholder section, containing feedback from our engagement workshops and updates on what we are doing in response. It also provides the opportunity to comment on our

outputs or get in touch, as well as publicise our latest news and events. The website has been optimised for mobile devices.

**Social media** We're using social media much more proactively than we were a year ago. We use it as a means of engaging stakeholders and customers about key issues such as Carbon Monoxide and fuel poverty (see Part 2 for examples), and as another channel to inform people about capital projects. We also monitor Twitter reactively and engage proactively, seven days a week. We know there is scope to do lots more, but are keen to make changes in a manageable way, supported by adequate staff training.



COMING SOON

We are in the process of developing an **online stakeholder engagement hub**, to obtain and share information. It will feature opinion surveys, polls and latest stakeholder news. A monthly e-newsletter for stakeholders is due to launch later this year.

Run proactive **media relations campaigns** to publicise our work and achievements.



**Community forums** We held more than 50 community forums for stakeholders and the general public in 2013/14, ahead of mains replacement work starting in local neighbourhoods. These events are used to share plans and discuss issues and concerns.

**Face to face meetings** We held 1,000 face to face meetings with MPs and local councils in 2013/14. These meetings provide a valuable opportunity to get feedback from key influencers in the communities where we operate and understand their constituent's needs.

**Conferences and events** We run a busy calendar of conferences, seminars and training events to engage and inform specific stakeholder groups on a broad range of topics.

**Education workshops** We visited 62 schools in 2013/14 to educate young people. These sessions cover everything from environment and sustainability to gas safety and career development (see Part 2 for more information).

NEW



**Down to earth literature** We've overhauled much of our literature over the past year, including information leaflets and customer calling cards, and have created a dedicated stakeholder brochure. Across the piece, the tone is warm and friendly, and the language simple and jargon free.

**On the doorstep** We recently introduced two dedicated Stakeholder Officers and a team of 11 Customer Care Officers, responsible for carrying out grass roots engagement work with businesses, schools, local residents, community groups and individuals such as MPs and councillors, prior to capital work starting. Our emergency engineers also carry out face to face customer briefings about CO followed by a short survey to check their understanding.

NEW

## Principles for more effective engagement

Based on stakeholder feedback, we've developed a number of principles for effective engagement, which we've shared with colleagues through our stakeholder engagement manual. **They are:**

- Time the engagement appropriately, and build in adequate time for stakeholders to respond
- Present information clearly and encourage informed opinion
- Be transparent about the process
- Provide feedback

## Areas of priority

In last year's submission, we outlined five core themes or priorities for our stakeholder work: community involvement and social responsibility; environment and sustainability; network safety and reliability; business improvement and customer service.

Through our engagement process in 2013/14, we've gained a wealth of feedback and insights, which have allowed us to further understand those issues that matter most to our stakeholders, and that align most closely with our wider business objectives.

Our revised areas of focus retain several of our original priorities, but also include some important revisions, in response to stakeholder feedback. Most notably, fuel poverty and CO awareness are now treated as stand alone priorities, in light of their complexity, and stakeholder requests for us to do even more.

Business improvement and customer service, meanwhile, are no longer defined as stand-alone themes, as they effectively sit across all areas, and are integral to everything we do.

We describe these priorities, the process of engagement, and resulting initiatives, **in more detail in Part 2.**



| Priority   | What stakeholders said  | Organisations  |
|--|---|--|
|  <b>Carbon Monoxide awareness</b>                        | Stakeholders asked us to do even more to protect and educate the public about the dangers of CO.  | Local authorities, charities including The Dominic Rodgers Trust, Gas Safe Charity, CO Gas Safety, Gas Safe Register, Carbon Monoxide Safety, healthcare professionals, Parish councillors, All Party Parliamentary Group on CO. |
|  <b>Fuel Poverty</b>                                    | Stakeholders called for us to play a greater role in tackling fuel poverty, through partnerships, employee training, and raising public awareness of our support offer.   | Charities, including National Energy Action and Age UK, housing associations, local authorities, Community Energy Solutions, All Party Parliamentary Group on Fuel Poverty, healthcare professionals, Parish councillors.        |
|  <b>Community involvement and social responsibility</b> | Stakeholders agreed that we have a responsibility to give back to the communities in which we work, in particular to support hard to reach or vulnerable customers such as those not in education or employment and people living with a long term illness or disability. | Local authorities, MPs, schools and colleges, Lord Baker Trust, The Prince's Trust, Business in the Community, The Ahead Partnership, The Percy Hedley Foundation, Public Health England, residents associations.                |
|  <b>Network safety and reliability</b>                  | Stakeholders expect us to deliver our core services in a way that minimises disruption.   | Highways authorities, local businesses, schools, residents and local authorities, supply chain.  |
|  <b>Environment and sustainability</b>                  | Stakeholders expect us to manage our network in an environmentally responsible way and play our part in the move to a low carbon economy.   | Business in the Community, Highways authorities, wildlife trusts, conservation groups, supply chain, HSE, Environment Agency.  |



## Case Study Fuel poverty: engagement in action

Our region has one of the highest levels of fuel poverty in the country, with nearly 400,000 households, that's 15% of all of the fuel poor households in the UK, in our region. Lifting customers out of fuel poverty is a complex process, dependent on collaboration between a range of organisations.

In response, we set up an external fuel poverty advisory panel, featuring Teresa Perchard, Vice-Chair of the Government's Fuel Poverty Advisory Group, and Jenny Saunders, Chief Executive of National Energy Action. The panel has helped us create a dedicated fuel poverty strategy, to guide our efforts.



## Through our engagement process, stakeholders asked us to:

- Work more closely with experts to direct our efforts.
- Do more to raise public awareness of who we are, and the support we offer.
- Educate our employees, so that they are better placed to help those in fuel poverty.
- Integrate fuel poverty more closely into our day-to-day activities.

## Our fuel poor strategy

### Key provisions within our fuel poverty strategy include:

Establishing an independent panel of experts to help guide our approach.

**ACHIEVED ✓**

Appointing a Head of Social Strategy, responsible for delivering our fuel poverty strategy and more.

**ACHIEVED ✓**

An emphasis on partnership building and collaborative projects – especially with social landlords and local authorities.

**ONGOING...**

A focus on whole house heating solutions – not just free connections.

**ONGOING...**

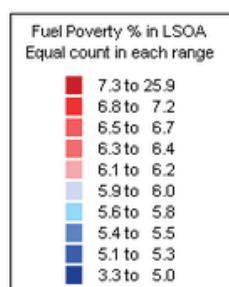
Playing a greater part in the national conversation about fuel poverty, and ways of tackling it.

**ONGOING...**

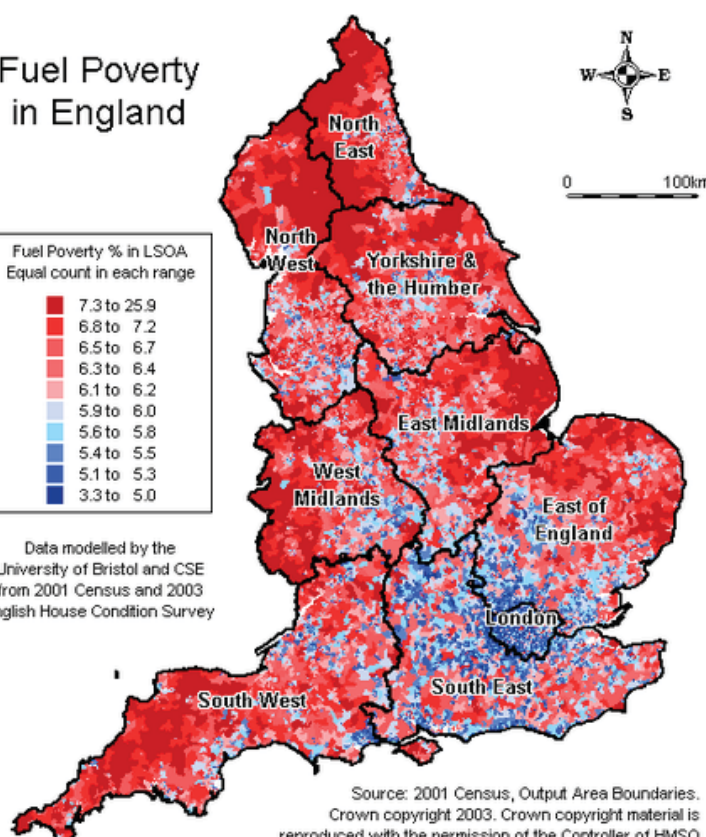
Training customer service staff to take a lead on fuel poverty.

**ACHIEVED ✓**

## Fuel Poverty in England



Data modelled by the University of Bristol and CSE from 2001 Census and 2003 English House Condition Survey



Source: 2001 Census, Output Area Boundaries. Crown copyright 2003. Crown copyright material is reproduced with the permission of the Controller of HMSO

You can read more about what we're doing to help tackle fuel poverty in Part 2.

**Supporting Material:** a full report from our stakeholder workshops, including feedback on fuel poverty, is included with our submission, as is our fuel poverty strategy.

# 3. Embedding stakeholder engagement across our business

Over the past 12 months, we've made some big changes within our business, to ensure that stakeholder engagement is embedded across the organisation.

## Governance

### Leading from the top

Stakeholder engagement activity is a standing item at our weekly Business Review Group, led by our CEO, Mark Horsley, and attended by the senior management team. We have a dedicated Stakeholder Engagement Working Group, chaired by our Director of Stakeholder Relations and attended by a cross-section of colleagues. Regional operational meetings and monthly asset management meetings often now have a stakeholder engagement element, and are attended by our Head of Stakeholder Relations.

### Head of Social Strategy

We created a new role in Spring of 2014: Head of Social Strategy. Reporting to our Director of Stakeholder Relations, this role is responsible for overseeing our work in CO and fuel poverty, as well as tackling the wider social challenges facing our communities. Working with stakeholders to achieve shared objectives is a key part of the role.

### Customer Care Officers

We created a brand new role within our organisation in December 2013 – Customer Care Officers. The 11 strong team is responsible for face-to-face liaison with key stakeholders, ahead of engineering schemes starting on site. Everything from how a local business will receive its daily deliveries to concerns expressed by a local school are captured in mitigation plans, unique to each project.

The Customer Care Officers are supplemented by two new Regional Stakeholder Officers, who are responsible for liaising with large organisations (e.g. supermarkets) and influential individuals, such as local councillors and MPs.



## Capacity building

### Employee training

We made stakeholder awareness training part of our induction process in 2013. More than 100 new starters have already been through the training, which helps develop core skills such as communication, influencing and relationship building.

Our Customer Operations Regional and Area Managers, who are tasked with overseeing delivery of emergency and planned mains replacement work across the network, have all been through comprehensive stakeholder engagement training.

### Part of the job description

Basic stakeholder and customer engagement skills have become a standard part of our recruitment criteria, regardless of the specific role we are seeking to fill.



### Fuel poor training

Around 130 of our employees have been trained to give fuel poor advice to customers, in response to stakeholder requests for our staff to play a more active role.

**See Part 2 for further details.**

### Collaboration with other utility companies

We helped to set up a new Stakeholder Relations Regional Forum in 2013, comprising of ourselves, Northern Powergrid, Yorkshire Water and Northumbrian Water.

The group meets every other month to share best practice, with a particular focus on engagement around vulnerable customers and recent issues, challenges and opportunities encountered by members during their engagement work.

We also benefit from being one of four UK based utility companies in the Cheung Kong Infrastructure group, which makes us well placed to share best practice, through a group culture of collaboration, and regular meetings with our sister companies.



### Right tools for the job

Our stakeholder engagement manual contains a number of easy to use templates, and accompanying guidance, to help colleagues identify and engage with stakeholders. There are templates to help determine and map stakeholders; profile stakeholders; develop an engagement plan and report on engagement. This is helping to ensure stakeholder engagement becomes an embedded, accessible and non-intimidating practice across a wide range of job roles.

## 4. Engagement procedures

### Putting stakeholders at the heart of our investment decisions

We've changed our planning process, so that every potential capital project now includes an assessment of expected stakeholder impact, as part of the initial business case (called a 'Business Strategy Record'). Previously, network engineering requirements dominated this stage of decision making. In some instances, projects have been put on hold, or accelerated, as a direct response to stakeholder issues identified at this early stage. A recent gas holder demolition project, for example, was brought forward by 12 months at stakeholders' request, to avoid disruption to planned local events. **You can read more in Part 2.**

**Supporting Material:** more details about our Gold, Silver, Bronze process has been supplied with this submission

### Going for gold

In 2013, we began to classify our planned mains replacement programmes as gold, silver or bronze, according to the level of potential disruption to stakeholders and the community. These classifications are derived from early engagement with stakeholders such as businesses, local authorities, residents and schools, and an assessment of potential impact on traffic. The move has helped to focus efforts across our network, ensuring that comprehensive mitigation plans are in place, long before the first barriers go up.

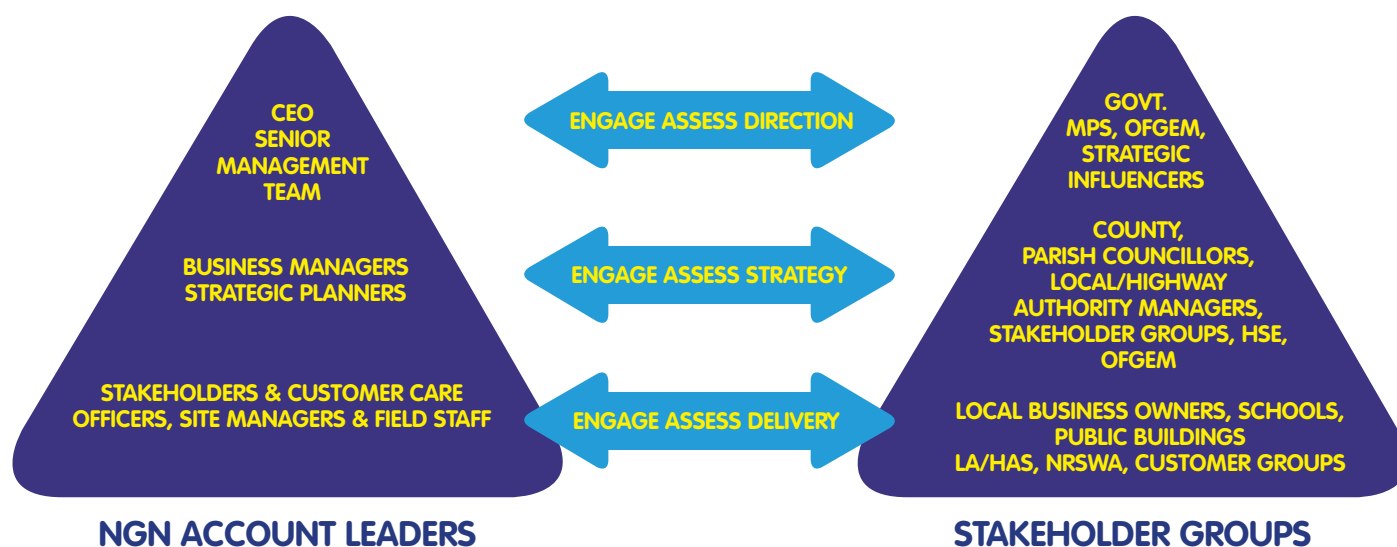
In 2013, we held 50 community forums for 'gold' projects, attended by around 850 stakeholders and customers and our Customer Care Officers carried out 39 'Playsafe, Staysafe' workshops at local schools educating 10,800 pupils about gas safety and the dangers of playing near roadworks.

### The personal touch

We are introducing a new way of managing our stakeholders to establish a consistent point of contact and ensure that good relationships are built early on. Each stakeholder is treated as an individual and assigned a dedicated contact from NGN, based on their personal credentials such as existing relationship, local knowledge and expertise.

We currently have around 100 colleagues across the business who are responsible for maintaining an ongoing and open dialogue through regular phone conversations, site visits as well as more formal meetings.

Stakeholders find that having a consistent point of contact helps to ensure that their feedback is listened to and changes are implemented quickly. For example while visiting a gas mains replacement site, a housing manager from a local council suggested to his NGN contact that we arrange for a school crossing patrol officer to help children to cross a road near to their school. We acted on this feedback immediately and the local school praised our quick response. We now consider the potential need for a school crossing patrol officer whenever our works are taking place near schools.



## 5. Reporting and evaluation

### Stakeholder database

In 2013, we introduced a stakeholder management database to capture, manage and report stakeholder engagement activity across the business. It currently contains a wealth of contacts as a result of stakeholder engagement activity.

The database allows us to call up a full history of our engagement with every stakeholder and identify emerging themes and trends across the region.

### Mobile platform

We recently began a trial of a new mobile platform to help field based colleagues capture every engagement they have with their stakeholders, quickly and conveniently. The mobile platform, which is linked to our stakeholder engagement database, enables operational colleagues to easily share information about their interactions with stakeholders in real time, ensuring this vital data is not lost.

## 6. What's next?

The past three years have seen us make major progress in embedding stakeholder engagement across the organisation.

We have gone from a company that has always worked closely with our stakeholders, but in an relatively ad hoc fashion, to one which has a robust strategy in place to focus our activity, supported by formal processes to guide delivery, data capture and evaluation.

Going forward, we will address the areas for improvement identified by our independent assessors and respond to the direct feedback from our stakeholders, as we continue with our essential work to deliver added value to the communities we serve.









# Part Two

## About this section

This section describes key stakeholder driven initiatives from the past year. We have focused on case studies which illustrate close stakeholder engagement leading to wider benefits for the region, and often, cultural and procedural change within our business.

We have organised the initiatives according to the areas of priority outlined in our stakeholder engagement strategy (and described in Part 1 of this submission), namely:



**Carbon Monoxide: education and prevention**



**Helping to tackle fuel poverty**



**Community involvement and social responsibility**



**Delivering a safe, reliable network**



**Environment and sustainability**

Customer experience, the remaining priority area in our strategy, hasn't been given a section in its own right, as the vast majority of the initiatives we describe already have customer service at their heart.

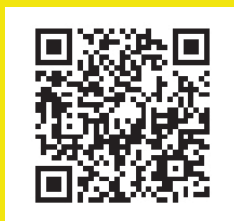


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2014 Stakeholder Engagement Incentive Scheme



# 1. Carbon Monoxide: helping to protect the public from the silent killer

**“Do you think it is the responsibility of companies like Northern Gas Networks to provide services to tackle CO or help raise awareness?”**

**80%** yes **20%** no

Carbon Monoxide (CO) poisoning continues to claim around fifty lives each year in the UK. In January 2014, there were two CO related fatalities in our region.

One to one interviews with 1,000 NGN customers in 2010 found that younger generations (teenagers and those in their twenties) and the over 60s, have the lowest awareness of the dangers of CO. Stakeholders agreed that our efforts should be focused primarily on these groups.

At our engagement workshops in 2013 and 2014, local authorities, housing associations and charities identified a number of priorities for protecting the region, including making homes safer; greater education for the public; closer collaboration and more training for our delivery partners.

## You said, we did

**“Improve communication and awareness about CO, create more effective partnerships to tackle [the issue], raise awareness with students and build on your strengths.”**

Feedback from our 2013 stakeholder workshops

**What our stakeholders said:** in our annual engagement workshops, stakeholders called for a shared approach to making homes safer; educating the public and training partners.

**What we did:** improved our detection capabilities by adopting new technology; launched customer safety briefings; developed an innovative mobile app; forged new partnerships.

**How this aligns with our strategy:** reflects our commitment to do more to educate and protect the region about CO, and supports our ambition to take a national lead and share best practice.

Scratch and sniff to find the silent killer



## Our schools CO programme: the stats

- **22 interactive workshops** have been delivered in schools.
- **485 students** have been engaged.
- Following the workshops **87% of students** said they had an in-depth understanding of the dangers of CO, compared to around 1 in 4 before.
- On average students scored their general knowledge of CO at 3.16/10 before the workshop. It increased to 7.62/10 after.
- We are aiming to reach **900 students** by the end of the 2014 academic year.



## CO education in the classroom

**“Engaging with school children is good as children will tell their parents what they have learnt.”** (Feedback from 2013 stakeholder workshops)



**Our survey discovered that teenagers are one of the groups most at risk of CO poisoning, due to lack of awareness.**

In response, in 2012/13 we launched a new education programme aimed at Key Stage 3 pupils (11-14), to promote CO awareness and nurture an appreciation of the importance of carbon reduction, recycling and sustainable living.

Developed specifically for NGN in partnership with local schools, the ‘2021’ programme is linked closely to the National Curriculum. The strong focus on CO, its risks and symptoms, means that thousands of children in our region are growing up with a lifelong understanding of the dangers.

## Gascoseekers: life-saving technology in our hands

In 2012, we trialled pioneering handheld devices called Gascoseekers, which not only detect levels of gas (methane) in the air, but also CO. This was a UK industry first.

Instead of relying on visual clues, our emergency engineers were able to determine categorically whether or not CO was present in a customer’s home, the amount, poisonous gas in the atmosphere, and where the CO was coming from - so the gas could be turned off at the source, rather than switching off the home entirely.

The trial was a big success, with stakeholders at our 2013 engagement workshop praising the technology’s effectiveness in keeping customers safe, and supporting our plans for a permanent roll out.

As a result, we have committed £2 million to equip all our emergency engineers with new Gascoseekers by September 2014. More than 1,000 devices are already in permanent use, with a remaining 200 being rolled out shortly.

The initiative has been hailed as industry best practice by the All Party Parliamentary Group on CO.

**We are now:**

- Sharing this best practice with other GDNs, to encourage them to invest in this life-saving technology.
- Sharing detection data nationally with charities and interested groups, including Gas Safe Register, who are compiling a mapping tool of CO hotspots.
- Using detection data to inform and develop our own CO strategy and influence our approach, in particular in vulnerable communities, to help prevent CO incidents occurring.

## Leaving CO with nowhere to hide

In 2013/14, Gascoseekers helped identify 139 suspected or confirmed instances of CO in customers’ properties. In many of these cases, the customer had no idea they were potentially being exposed to CO.

This compared with 85 CO reports during the whole of 2012 – highlighting the life-saving potential of the new technology.

## Customer CO briefings

### “Giving advice is more effective than distributing alarms.” (Feedback from 2013 stakeholder workshops)

In 2013 we became the first GDN to deliver CO awareness briefings to customers in their homes, following emergency call outs.

Aimed at the elderly and other vulnerable customers such as those living with disabilities or long term illness (identified by our 2010 survey as being a key ‘at risk’ group), the briefings see engineers explain the key facts about CO (e.g. telltale signs and symptoms) using specially developed materials.

Our stakeholders asked us to give away free CO alarms but we rightly argued that this provides no guarantee that households will become CO aware, or even install the alarms. The briefings go further than that.

#### To date, we have:

- Delivered 1,600 CO briefings. Results have been encouraging - but we are continually seeking to refine the model to make it even more effective.
- Shared project data with other GDNs, and other involved parties such as councillors, MPs, health organisations, charities and the Gas Safe Register.
- Supported National Grid in its adoption of the model for some of its customer base, following our success.
- Committed to extending the programme, by putting all our customer-facing engineers through the training (not just emergency engineers).
- Extended the offer of training to local authority housing officers (at the suggestion of our stakeholders). Newcastle City Council is the first to take part.

### CO briefings: a major step forward, but not yet a perfect model

Following our CO customer briefings:

- Awareness of CO rose by nearly half (44%).
- 47% of customers said that they would act as an influencer and talk to family and friends about CO.
- 21% said they would seek medical advice if they experienced the symptoms of CO. We have recently incorporated additional questions into our survey to better understand reasons for such a low figure.

## iCOP: back on the case



In 2012, we launched an innovative smartphone app called iCOP, developed in consultation with students from the Universities of Hull and Newcastle, along with several regional colleges.

Aimed at 18-24 year olds in rented accommodation – one of the most ‘at risk’ age groups according to our own research and national data – the app uses an engaging, film noir style detective game to highlight the dangers of CO.

Delegates at our stakeholder workshops were keen to see us continue to develop iCOP and other GDNs were very supportive of further activity.



### iCOP: the stats

More than **20,000** downloads to date

More than **2,000** students engaged during 2013 Freshers’ Week activity

**85%** said they knew more about CO after playing the game

**91%** said they would call the National Gas Emergency number if they suspected CO was present

**92%** said they thought iCOP was a good way of raising awareness

#### In response, we have:

- Updated the app with an end-of-game quiz to test and understand knowledge of CO signs and symptoms.
- Launched the new-style app at Freshers’ Weeks at Leeds, Huddersfield and Sunderland Universities and a housing fair at the University of Cumbria.
- Run competitions on Facebook and Twitter.
- Actively engaged the other GDNs to collaborate on a third phase of activity, to extend iCOP to cover the risks of CO outdoor (e.g. BBQs, gas powered engines). This is set to become the first ever GDN-wide CO initiative.

## Other successes....in brief

### You said, we did

**They said: “A national co-ordinated campaign between suppliers, networks and Gas Safe Register would be a great use of resources.”**

**Influencing the national debate:** we are a co-founder and regular contributor to the All Party Parliamentary group on gas safety and the CO All Fuels Action Forum. We are working with the other GDNs to plan the first ever national CO conference, and recently spoke about CO detection and education in the House of Lords, on behalf of all GDNs.



**They said: “The fire service is a trusted group that would help deliver the CO message.”**

**Working with West Yorkshire Fire Brigade:** we are exploring joint activity with the fire service, such as opportunities to incorporate a CO element into the fire service’s outreach and educational work.

**Intelligent CO alarms:** following discussions with housing associations, we are working with UK GDNs and the Energy Innovation Centre to develop an ‘intelligent’ CO alarm for vulnerable tenants, which will automatically alert housing staff when activated rather than relying on the tenants to make the call. The trial will see 150 intelligent alarms installed in CO hotspots.

**They said: “Use digging up the road as an opportunity to engage with people”**

**Berwick Youth Project:** we started working with this group, which supports vulnerable young people, following a local gas mains replacement project. We’ve since educated members about CO, and equipped the group with CO alarms for their members.

**Lifeboat links:** we recently teamed up with the Royal National Lifeboat Association in Redcar to look at tackling CO awareness among sea faring communities, where there have been CO related deaths and illnesses caused by butane cookers in vessels.

**They said: “Use hoardings and signs cleverly to communicate about CO and how to get help.”**

**The signs are clear:** we have installed a giant CO awareness sign on the side of our York depot, adjacent to the East Coast rail line. The message is unmissable for rail passengers! We are also launching an outdoor public awareness campaign in CO hotspots targeting our region.

**Animated infographic:** our stakeholders suggested exploring new channels to engage customers with the CO message. In response, we developed an animated CO infographic, and made it available for stakeholder use. Darlington City Council recently added it to their website.



## 2. Fuel poverty: helping to bring affordable warmth to some of our most deprived communities

**"Is fuel poverty relevant to your organisation?"**

**96%** yes **2%** no **2%** no answer

The North of England has one of the highest levels of fuel poverty in the country, with around one in five of the UK's 2.39 million fuel poverty households located in our region.\* \*According to the English Housing Survey July 2011.

We have always recognised that a free gas connection from us is only one part of a complex jigsaw.

Feedback from our stakeholder workshops, attendance at fuel poverty conferences, and our regular meetings with local authorities, reaffirmed that we need to do more to support fuel poor customers, through wider collaboration and involving more of our employees.

In response, we developed a dedicated fuel poverty strategy, setting out our priorities, and established an external advisory panel, to help guide our efforts (see Part 1 for more details).

With this renewed focus, we have made a valued contribution to this challenging issue over the past 12 months, while accepting that there are limits to how much we can achieve.

### You said, we did

**"Improve communication and information awareness, develop internal knowledge and capability, do what you're good at and form more effective partnerships."**

Stakeholder feedback from our 2013 and 2014 workshops

**What our stakeholders said:** in our annual stakeholder workshops, attendees called for greater collaboration, and more active involvement of employees, to improve the effectiveness of our interventions.

**What we did:** developed our existing partnerships and forged vital new ones; trained staff to be fuel poor specialists and publicised our range of support more effectively.

**How this aligns with our strategy:** our dedicated fuel poverty strategy sets out our commitment to fuel poverty, with an emphasis on partnership working.



### Working in partnership to deliver end-to-end solutions

At our 2013 stakeholder workshop

**82%** said NGN should develop more partnerships **18%** no answer

In response to stakeholders' calls for a partnership driven approach, over the past 12 months we have:

- Continued to work with our partner Community Energy Solutions (CES), to help households access affordable heating solutions – such as free insulation and subsidised central heating.
- Continued to fund a benefits health check scheme (delivered via CES) to ensure customers aren't missing out on vital financial assistance from the government.
- Worked with partners to find new funding solutions, at a time when the arrangements for subsidised heating are changing nationally.
- Teamed up with Warm Up North, a joint local authority/ British Gas project to help North East homes save energy and money. The link has already paved the way for 100 assisted gas connections in Darlington.
- Worked with local authorities and housing associations on projects to make high rise tower blocks more energy efficient and environmentally sustainable. There is often a high level of fuel poverty in these blocks, and heating solutions need to be imaginative, due to technical and safety constraints.
- We are exploring opportunities to extend our network to off-grid, fuel poor communities.



### Achieving more together

**Over the past year, our collaborative approach to tackling fuel poverty has:**

- Helped to lift 5,500 households in our region out of fuel poverty.
- Affordable energy solutions such as better insulation and more cost effective heating have saved an estimated £2.9million on customers' energy bills.
- Unlocked £500,000 in previously unclaimed benefits, thanks to the benefits health check scheme we fund.
- Provided free gas connections to 1,267 fuel poor, off gas households.
- Achieved a return of 12:1 on our initial investment to benefits raised for customers.



## Working in partnership to deliver end to end solutions...Our approach in action

**Caring for Croftlands:** more than 60 homes in Croftlands, Huddersfield, were connected to our gas network in 2013/14 in a partnership with social landlord Kirklees Neighbourhood Housing. The landlord has subsequently installed new heating systems in all these properties, bringing affordable warmth to residents for the first time.



Local resident Rita Porter said: **"Thanks to this new central heating system, our lives have changed completely."**

**New lease of life for Aire Valley:** we teamed up with social landlord Aire Valley Homes in Leeds to connect 68 near derelict homes to our network. Without our intervention, the homes would have been demolished. They have since been brought up to the 'decent homes standard' complete with modern heating systems and good levels of insulation. The first tenants will move in next year.

### The Children's Society: a vital new fuel poor partnership

The Children's Society is a national charity which transforms the lives of children who are living in, or at risk of falling into poverty.

We've teamed up with the charity to identify families struggling financially and living in cold, poorly heated and insulated homes, and are the first GDN to do so.

The partnership is only a few months old, but we have already begun a pilot project in Bradford, one of the highest areas of social deprivation in the UK, in which families will be referred by the Children's Society to a fuel poverty advisory team, made up of NGN advisors and Children's Society outreach workers. The team will assess if customers are entitled to free or subsidised gas connections, financial support with their energy bills or partly-funded home energy solutions.

The pilot will provide additional understanding of the broader issues associated with fuel poverty in the communities in which we work in addition to delivering free connections, home heating and energy efficiency solutions and benefits advice to some of the families who are most in need.

**"Living in a cold, unheated house is a common issue faced by many of the children and their families that we work with. This partnership with NGN has the potential to bring affordable warmth to these households, dramatically improving quality of life."**

Cathy Presto, Manager at Mortimer House Children's Centre, Bradford

### Supporting our staff to deliver more

**"NGN needs to invest in educating its workforce."**

(Feedback from 2013 stakeholder workshop)

Stakeholders suggested that we could do more to educate our own staff about fuel poverty, so that they could make a greater contribution.

**Over the past 12 months we have:**

- Arranged for an external specialist from National Energy Action to train 130 of our customer contact centre colleagues to give them the skills required to identify fuel poor customers, offer free connections and signpost them to third party support.
- Appointed a Head of Social Strategy with responsibility for delivering our fuel poverty strategy. (See Part 1 for more details.)

Our approach has been praised by National Energy Action, the national fuel poverty charity.

**"Northern Gas Network's commitment to tackling fuel poverty is evident... NGN will be delivering training to their staff to help them better understand the issue of fuel poverty and to recognise which consumers are vulnerable and require extra assistance. I look forward to continuing our partnership with NGN and the other GNS's."**

Maria Wardrobe, Director of External Affairs, National Energy Action

### Promoting our fuel poor offer

**"NGN should work to raise the profile of fuel poverty."** (Feedback from 2013 stakeholder workshops)

Stakeholders recommended that we do more to publicise the support we offer to fuel poor customers. There was concern that lots of customers in need didn't know who we were or what we could offer.

**In response, we have:**

- Created a fuel poverty information flyer with information about our fuel poor package, which has been distributed to over 2,000 vulnerable customers, via community forums and mail drops as well as partner organisations. We've also sent it to our region's 93 MPs to read and display in their surgeries.
- Worked closely with energy charity, National Energy Action, and exhibited at conferences and events in the region.
- Upgraded our website to include a dedicated section about fuel poverty.



• Identified an opportunity for all GDNs to co fund the All Party Parliamentary Group on Fuel Poverty's annual dinner, an influential event attended by our Director of Stakeholder Relations, MPs and the cabinet office.

• Our CEO, Mark Horsley, met with Ed Davey to discuss the ways that we are working to tackle fuel poverty, in particular network extensions to 'hard to reach', off grid areas.

• Teamed up with Northern Powergrid and Northumbrian Water to develop a key resource for our partner organisations including a website and suite of downloadable posters and leaflets to raise awareness of key issues relating to vulnerable customers, including fuel poverty. The resource, which is being developed with feedback from our partners, will help to provide greater reach of our combined services to our most vulnerable customers throughout the region.



• Met with the big six energy suppliers and began talks to understand how we can work together to address the issue.

• Written to all of the local councils in our region and enclosed our fuel poor strategy, inviting comment.

• Held meetings with Age UK and Red Cross to discuss opportunities to work together to identify and help those in fuel poverty.



• Our CEO and Director of Stakeholder Relations have had face to face meetings with the Chief Executives of four city councils, including Newcastle and Leeds, to better understand the challenges that they are facing in their area and how we can work more effectively together.





### 3. Community involvement and social responsibility

We believe that we have a moral responsibility to support society's most vulnerable people, through dedicated projects, and as part of our day-to-day work.

Given our limited resources and expertise, we rely on our stakeholders to help us focus our efforts and support us in our approach.

At our annual workshops, stakeholders stressed that we needed to team up with organisations who specialised in engaging vulnerable and hard to reach groups.

It was also suggested that we use our existing education and outreach programme more strategically, to create opportunities in areas of high unemployment and economic deprivation, while also nurturing engineers of the future.

#### You said, we did

**"Unsure if NGN alone would be able to identify people most in need. Charity and voluntary organisations are a good place to start."** (Feedback from 2013 stakeholder workshops)

**What our stakeholders said:** stakeholders told us they wanted to work with charities and voluntary groups to support vulnerable and hard to reach customers.

**What we did:** refocused our education and training programme to place an emphasis on hard to reach individuals; established partnerships to help identify vulnerable customers on the ground; developed a new charity partnership.

**How this aligns with our strategy:** social responsibility and community involvement is a priority area in our stakeholder strategy.

We also have a wider corporate ambition to safeguard the future engineering talent pool, through vocational training and promoting engineering as a career choice.

#### The Ahead Partnership

The Ahead Partnership is a national, not-for-profit organisation which supports disadvantaged young people by uniting business and academia in vocational training programmes.

Along with Northern Powergrid, we are working with the organisation to develop a programme of training and careers development – providing a new and more strategic focus to our efforts.

**Although the initiative called 'Make the Grade in Energy' is only a few months old, we have already committed to:**

- Launching career awareness sessions for secondary school pupils.
- Interview skills training in deprived areas.
- An expanded work experience programme.
- A pre-apprenticeship traineeship for 16-19 year olds.

The collaborative approach means we can pool resources and coordinate activity, to maximise benefits for the young people we are seeking to reach.

The initiative has been endorsed by local councils such as Scarborough Borough Council and Leeds City Council, plus local schools and colleges. We will be sharing the approach with Northumbrian Water and Yorkshire Water, with the aim of working together on the programme.

#### During the next 12 months we will:

- **Engage** around 1,300 young people through the Ahead Partnership
- **Recruit** 46 apprentices
- **Recruit** 3 students to our Year in Industry programme
- **Provide** work experience placements for 10 people
- **Provide** internships for 5 people
- **Recruit** 4 graduates to our graduate development programme



**"We want employers and schools to work closely together to ensure children are prepared for the world of work... the 'Make the Grade' initiative helps build these crucial relationships while motivating children to take on exciting and practical projects."** Lord Nash, Under Secretary of State for Schools

**"Designed to better integrate the world of work with education, 'Make the Grade' improves the motivation and aspirations of young people, whilst enhancing their employability skills and increasing their awareness of the world of work."** Stephanie Burras, CEO of The Ahead Partnership



#### The Prince's Trust

We are working with the Prince's Trust, at the charity's invitation, to help hard-to-reach 16-24 year olds into employment. Our first Prince's Trust apprentice joined us in March this year.

21 year old Bronte Best will be undertaking an Institute of Leadership Management Level 3 Management Apprenticeship with us, combining college work with on-the-job training at our Thorpe Park HQ in Leeds. Once qualified, she will have the opportunity to remain with us in a full time role.

**"I'm really excited about my apprenticeship with Northern Gas Networks and can't wait to get stuck in! It's a really great opportunity to receive on the job training and work toward a formal qualification at the same time."** Bronte Best, Prince's Trust apprentice

## Business in the Community

We joined Business in the Community in March this year. As members we hope to learn from others who are more experienced than us at working with vulnerable customers, and forge new partnerships.

It's early days, but we have already:

- Taken part in the organisation's 'Seeing Is Believing' programme, visiting three community organisations in Leeds to gain insights into some of the debt and poverty issues residents face.
- Teamed up with Leeds Federation Housing Association (a fellow Business in the Community member) to look at ways of working together to support employment and skills training.



## Working with the Percy Hedley Foundation

The Percy Hedley Foundation is a North East based charity which provides opportunities for people of all ages living with a disability.

We began working with the group in 2013, visiting the group's HQ to provide an introduction to the gas network, and involving service users in the creation of a mural to brighten up the walls of our Customer Contact Centre in Doxford Park.

We are now planning a series of work experience placements for service users – offering 10-15 four week placements throughout the next 12 months.

We also hope to provide a handful of apprenticeships in Administration for the group – fully-fledged three year programmes which will equip each participant with a nationally recognised qualification.



**"Both organisations have a lot to offer one another. We are already talking about work placements and possible apprenticeship placements that will give fantastic opportunities to those students who may not always get the chance to benefit from experiences such as these."**

Christine Shanks, the Foundation's Employability Project Manager

## Other successes...in brief

### Breaking down the language barrier:

we have employed a multi-lingual Customer Care Officer in Bradford, where there is a high proportion of non-English speakers. We've also introduced a translation app for colleagues' phones, to bridge the language barrier on the doorstep and translated important gas emergency information on our website into the six most widely spoken first languages in our region.



**A 'keep warm' pack that doesn't affect bills:** following discussions with Red Cross, we launched a 'keep warm' pack for customers experiencing gas interruptions. The kits, which contain thermal socks, a blanket, gloves and a scarf, reflects the charity's advice, and our own findings, that customers in deprived communities were very unlikely to use electric heaters during supply interruptions, due to the effect on their bills.

**Young offenders:** we have begun working with Doncaster Prison, integrating young offenders into our supply chain to help equip them with recognised skills. The scheme has a positive impact on local communities as it helps ex-offenders to find employment once they are released, leading to a reduction in further offences.

**Spotting the signs:** our Customer Care Officers are trained to look for signs of vulnerable customers before our work begins. They look for visual clues, as well as speaking to neighbours, local community organisations and groups. They then ensure that the appropriate measures are taken so that individual needs are addressed and disruption minimised. During a recent loss of supply incident in Bradford, where 60% of the 150 customers affected were found to be vulnerable, we set up a welfare cabin - a drop in facility for those who needed it, and provided hot food and drink and electricity meter top up cards so that customers could use the free hot plates and electric heaters that we provided.

**University Technical Colleges:** Scarborough Borough Council introduced us to the Lord Baker Trust, a charity that is setting up University Technical Colleges across the UK which will offer young people the chance to study for vocational qualifications. At the Trust's request we are now working with them to put together a syllabus for an engineering apprenticeship qualification that can be obtained through one of the first colleges of its kind, which is being set up in Scarborough.

### The art and soul:

we've employed a local community artist, Mick Hand, to deliver workshops in schools where we are due to carry out mains replacement work. The two-hour sessions involve the children in the creation of a giant mural, depicting our work. The murals are reproduced on our vans and site signage and feature on letters notifying customers about the impending work. The approach is an effective way of engaging local communities ahead of work starting, as well as educating about gas safety and raising general awareness about NGN.



## The fine art of community engagement:

- 15 art workshops held to date
- 10 schools visited
- Around 450 children have taken part
- NGN vans and work sites in Newcastle and Dewsbury now proudly display murals



**"I thought the concept of the session was really well pitched... it was great to be doing some artwork for a real purpose."**

Elaine Partlett, teacher at Milescastle School in Newcastle



## 4. Streets ahead: delivering a safe, reliable network

We dig an estimated 40,000 holes each year; lay around 550,000 metres of pipe and spend around two million hours each year working in residential areas and town centres.

Roadworks and supply interruptions are by far the most common topics of conversation (and complaint) with our stakeholders, including businesses, local authorities, community groups and the general public.

We have an extremely good sense of what stakeholders expect of us, due to regular meetings with local authorities; community drop in sessions; regular customer surveys and continual face to face engagement on the doorstep and on the street.

We also recently conducted a formal survey of 38 regional highways authorities with a 20% response rate. The survey confirmed that our performance is improving, but that we still need to go further.

To address weaker areas, and continually improve our performance, we are taking an increasingly collaborative approach to capital projects, and instigating new ways of working which are helping to set the standard nationally.

### You said, we did

**“No one likes roadworks, but if there’s a good reason, and they are handled well, then it makes it easier to put up with.”**

Claire Gibbons Owner and Events Director at the Park Head Hotel, Bishop Auckland

**What our stakeholders said:** a wide range of stakeholders, from businesses and local authorities to the general public, continually tell us that they want us to give decent advanced notice of roadworks, minimise their duration and do everything possible to reduce inconvenience.

**What we did:** collaborated more closely with other organisations; overhauled our approach to connections and reinstatement work; improved our planning and mitigation process.

**How this aligns with our strategy:** reflects the commitments in our stakeholder strategy to deliver a safe, reliable network and improve customer service, and our ambition to raise the industry bar through new ways of working.

### Word on the street

Our survey of highways authorities found:

**66%** recognised that we are ‘very good’ at taking an innovative approach to process improvements.

**66%** said that they like the way that we communicate with them.

**50%** said the way that we plan and execute our works is very good.

**But....**

We need to improve our reinstatement performance.

**50%** think our planning and execution could be better!

## Collaboration, collaboration, collaboration

**“We’re pleased with the progress Northern Gas Networks has made and we have been working closely with them to minimise disruption for local residents and businesses.”**

Stuart Partington, Highways Officer, York City Council

**We work closely with other organisations to deliver capital projects with a minimum of disruption.**

**Aside from day to day liaison with key partners such as local authorities and highways agencies, we are an active member of the following forums, which are committed to joined-up working:**

**Infrastructure North:** a partnership between Northern Gas Networks, Northern Powergrid, Northumbrian Water and Yorkshire Water. The group meets quarterly to share information on planned works, investment strategies and more besides.

**The Cross Utility Innovation Forum:** established by NGN in 2013, this group of like-minded utility companies meets every two months to trade ideas about innovative technology that can help to save time and prevent disruption. Members include Yorkshire Water, Northern Powergrid and Northumbrian Water.

**Highways Authorities and Utilities Committee (HAUC):** NGN’s Streetworks Manager, Anne Griffiths, is the current Chair of North East HAUC – an organisation that brings highways authorities, local government and utility companies together to reduce the impact of street works on members of the public.

**A joint approach to capital delivery in Scarborough:** Through Infrastructure North, we’ve been able to develop a collaborative, seven year programme in Scarborough with Northern Powergrid, in which both organisations will deliver capital works concurrently, to minimise holes in the road, and deliver a wide range of additional support to local communities, including fuel poverty and CO initiatives.

## Better planning and consultation:

We have begun to take a far more robust approach to stakeholder engagement, during the planning phase of all our engineering projects.

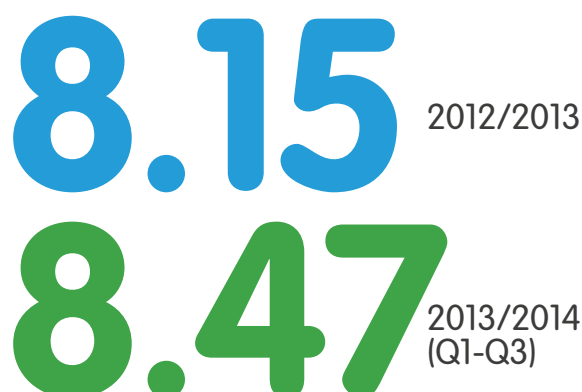
This includes:

- Factoring in potential disruption to stakeholders at the very early budgeting phase.
- Compiling comprehensive mitigation plans ahead of work starting on site.
- Creating new organisational roles – that of Customer Care Officer and Stakeholder Officer – to ensure close liaison with stakeholders.
- Categorising jobs as gold, silver or bronze according to the level of potential disruption.
- Taking a holistic view of all projects at the design and planning stage and combining or consolidating programmes where possible to minimise disruption.

More detail on all these initiatives, which are having a big impact on performance, can be found in **Part 1 of this submission**. Since the introduction of our ‘Gold, Silver, Bronze’ process in Summer 2013, our Ofgem replacement customer scores have been gradually rising and were the highest on record in April 2014.

## Average marks out of ten for our planned replacement work

Ofgem customer scores





## Improving our reinstatement performance

Key stakeholders, including highways authorities, had expressed dissatisfaction with the quality and speed of reinstatement jobs (i.e. filling in the holes!) as highlighted in the results of our recent survey of highways authorities.

Since the start of 2014, we have dramatically improved our performance, from 7.14 days for reinstatement completion in 2013 to 6.22 days this year – shaving a whole day off the average job.

Re-education of engineering teams, a new contract for our reinstatement contractors and a more rigorous approach to reporting and performance measurement, underpins the process.

## Making the right connection with customers



Applying for a new gas connection can, of necessity, sometimes be an involved and lengthy process.

In response to demands from our customers, we have simplified the application process and improved our levels of customer service, achieving Ofgem scores of 9 or above for the first time in the history of our connections service.

We've achieved this turnaround by overhauling our approach to customer service and using new technology, including the sector's first ever connections app, available via the Apple and Play stores. This was developed in response to feedback among 25-44 year olds, who wanted to apply for a connection in their own time, and receive updates on their mobiles as the connection was processed.



## Creating jobs and improving service through a revolutionary contractor model

In 2012, we began engaging small, local engineering firms to deliver the bulk of our mains replacement work, rather than relying on big, national contractors, which is often the industry's default position. The move came as a result of declining customer scores attributed to complacency of the workforce and lack of ownership.

Local firms are identified through procurement workshops where they were assessed on their ability to do job, approach to innovation, customer service, and safety record. They are then given full training, ongoing support and appraisals.

The approach has many advantages:

- Safeguards existing jobs and creates new ones.
- Investment stays in the area.
- Firms can diversify by acquiring transferable skills.
- We gain a flexible, responsive workforce who are embedded in local communities.
- We have direct contact with the teams, and can ensure they live and breathe our values.
- Improved customer service.

The scale of this model, and our level of engagement with these suppliers, is unique in the industry.

## Improving service, supporting jobs

- We now have 31 small contractors on our books.
- Contracts worth £50 million have been awarded in past two years.
- All parts of our network, other than West Yorkshire, now use the local contractor model for mains replacement work.

**“Working for NGN has provided a fantastic opportunity to create a sustainable business, using local labour. The support from NGN has enabled us to strengthen our company over the last 2 years.”**

Simon Maughan, Managing Director of MA Utilities

## Other successes...in brief



**Considerate Constructors Scheme:** in March this year, we became the first utility company in the UK to enter the Considerate Constructors Scheme. The voluntary scheme is designed to improve the image of the construction industry, by encouraging companies to operate safe, tidy, well-managed sites, which put public welfare first.

**60 in 60:** in January 2013, we set ourselves the challenging target of resolving 60% of all customer enquiries within the first 60 minutes of a call coming in (by agreeing an acceptable resolution with the customer). At the time, only 10% of complaints were being resolved in this timescale. We hit the target by the end of 2013, and are now aiming for **90% resolution within 60 minutes** in 2014. Our approach is attracting national attention from the utilities sector, with United Utilities, Scottish & Southern Energy and Yorkshire Water all visiting us in recent months to find out how we achieved these results.

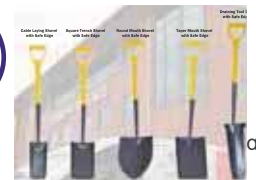
**PlaySafe StaySafe:** we delivered over 50 PlaySafe, StaySafe talks in local schools in 2013/14, reaching around 11,000 pupils. These engaging sessions are delivered during school assemblies to remind children not to play near our work sites.



**Improving performance:** in 2013/14, we received twice as many 'thank you's as complaints from our customers, and at the time of going to press we were the highest scoring network for replacement, connections and emergency and repair, according to the Ofgem customer scores.

**Blunt spades!** In 2013, we challenged

our supply chain to develop a bespoke safe dig tool. This spade with a difference has a blunt end, and is less liable to slice through electrical cables. Cable strikes are a major safety issue for all utility companies, and the development of a tool that is safe, yet still fit for its primary use, has taken six months of intensive collaboration. We have produced a short training video which has been shared with our supply chain and we are sharing results with the Utility Strike Avoidance Group, which meets quarterly, and with other utility companies.



**“You did an absolutely fantastic job creating this safe dig DVD, it's one of the most powerful and hard hitting I have seen... and will be a great asset in our internal utility avoidance training programme.”**

Vince Flood, Senior Health, Safety and Environmental Manager, Willmott Dixon Construction Limited

**Core n Vac:** this excavation tool is capable of taking a small, circular sliver from the road, directly along the damaged section of main. It's a bit like keyhole surgery! In our trials, the tool has dramatically speeded up duration of work, by reducing number of excavations, and making reinstatement far simpler. We are now preparing a business case to roll out the technology network wide for emergency repair work.





## 5. Working for a greener future: environment and sustainability

Gas distributors have an important role to play in the Government's green agenda and the UK's transition to a low carbon economy.

Stakeholders expect us to run our network in an efficient way that minimises CO emissions. Nationally, there is an increasing emphasis on biomethane as a sustainable fuel for the future, as natural gas reserves deplete.

We have done a lot to make our day-to-day operations more environmentally sustainable, and continue to pave the way for more widespread adoption of biomethane. However, we recognise there is more to be done to make us an environmental leader in the sector, and we recently commissioned Price Waterhouse Coopers to review our approach.

### You said, we did

**"It is vitally important that utility companies work in a sustainable manner."**

Michael Rogers, Diffuse Pollution Co-ordinator, North East Wildlife Trusts

**What our stakeholders said:** stakeholders expect us to manage our network in an environmentally responsible way, and to play our part in the move to a low carbon economy, especially by supporting biomethane projects.

**What we did:** commissioned an independent review of our current approach; worked with regional stakeholders to promote the commercial advantages of biomethane; improved the way we manage our network.

**How this aligns with our strategy:** safeguarding the environment and working in a sustainable way is a key strand of our stakeholder strategy. Our willingness to undergo independent review reflects our ambition to continually improve by obtaining objective feedback.

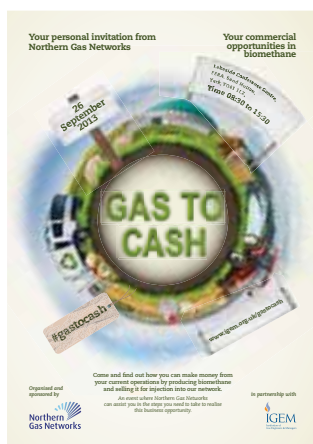
### Making biomethane a hot topic



Biomethane is an exciting, sustainable fuel for the future, but many prospective producers are still unaware of the commercial opportunities and technical processes involved.

In 2013, we worked with farmers, local authorities, commercial and industrial waste companies and water companies on the first ever regional study into the size of the market.

The study's headline conclusion identified that there are hundreds of opportunities for commercially viable biomethane plants in the north of England. Results were shared at a dedicated biogas conference in September 2013, which we organised in partnership with the Institution of Gas Engineers.





## Independent assessment

We recently commissioned Price Waterhouse Coopers to conduct an independent review of our environmental and sustainability activity, to help us identify gaps, and benchmark our performance against other businesses.

The review found lots of areas of good practice, such as our ISO 14001 certification (underlining our compliance with relevant environmental legislation) and our understanding of our operational impact in the environment, but highlighted several areas for improvement, including:

- The need for a dedicated sustainability strategy.
- More accurate and timely reporting of environmental data.
- The need for more clearly defined roles and responsibilities in this area.

We have now begun working with Business in the Community's sustainability experts to address these improvement areas. The first step will be to hold a series of workshops with senior managers, followed by external consultation with key stakeholders, including environmental groups, local community groups and highways authorities.

## Other successes...in brief

**A greener fleet:** We've been upgrading our vehicle fleet, with more than 160 new, fuel efficient vehicles. They are all equipped with Green Road technology, an 'in vehicle' device that promotes safer and more fuel efficient driving. Through this investment, we expect to save over 300 tonnes of CO<sub>2</sub> every year.



**Greener homes:** Local authorities and social landlords are increasingly focused on making their properties more energy efficient in an effort to support the UK's graduation to a low carbon economy. Over the past year, we have taken an active role collaborating with social landlords and housing associations in the North East of England on alternative heating solutions for high rise blocks. These projects include:

- Newcastle: we are working with Northern Powergrid and Newcastle University to understand how high-rise residents in the city consume energy. The study will help to inform a project by Newcastle City Council and social landlord Your Homes North East to renew some of their high rise blocks.
- Teesside: we have helped social landlord Thirteen to develop a strategy to make the landlord's entire housing stock (35,000 properties) more energy efficient, during a three month collaboration.

**Green Economy Panel:** We sit on the Leeds City Region's Green Economy panel which promotes low carbon economic policy among businesses in the city.

**A green supply chain:** We have launched a green procurement policy to promote sustainable purchasing and our logistics supplier, Ceva, which handles over 1,000 product lines, is introducing new ways of working to minimise environmental impact (e.g. consolidating deliveries to depots).

**Gas holder demolition:** The North of England has 47 gas holders, all now surplus to requirements. We've been holding community forums to explain the decommissioning programme to customers and stakeholders who have told us that they want us to tackle it in the most sustainable way possible. We are recycling materials from the structures, and ensuring the holders are left safe. The process includes using a process of sludge solidification, negating the need for costly and environmentally damaging removal by tanker.



At these forums we have also learnt that the holders have an important place in the local community and that many people are fond of them. We are working with our local artist to commemorate these structures through art, and inviting stakeholders to share their memories of the holders by letter, phone, email and social media. We'll also be producing a commemorative book of the holders through the decades which we plan to make available to download from our website.

**Pre-heating:** When gas moves from the high pressure network to our low-pressure network, it must be heated to prevent freezing. The 'pre-heating' process traditionally uses water bath heaters, which are energy intensive and expensive to run. We have begun trialling two alternative technologies which could prove greener and more economical, and will be sharing results with the industry.

**Leakage reduction:** Natural gas contains large quantities of methane, which, when it escapes into the atmosphere, contribute to the build-up of harmful greenhouse gases. Since 2005 we have reduced leakage by more than 20%, saving an estimated 185,000 tonnes of carbon equivalent. We plan to reduce leakage by a further 20% by 2021 (that's the equivalent of 500,000 tonnes of CO<sub>2</sub>), through re-engineering our mains replacement programmes to focus on leakage reduction and using innovative technologies to enable more sophisticated pressure management.

**2021 in your hands:** Our education programme aimed at Key Stage 3 pupils (11-14), described in an earlier section, has a strong environmental focus, teaching pupils about carbon reduction, recycling and sustainable living. We find engaging with students early on in their lives means that not only are they more aware of their own environmental impact at home, acting as influencers with their parents and siblings, but that this vital education stays with them into adult life.



**Employing local talent:** Our model of employing local people who live in the communities where we work is not only improving our customer experience but also reducing company mileage and minimising environmental impact from traffic.

**Walk on the wild side:** We have worked with both Yorkshire Wildlife Trust and Durham Wildlife Trust over the past 12 months, with NGN employees volunteering their time to support local wildlife schemes.

