



Stakeholder Report

2022/23



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Welcome

This report is a reflection on our activity over the 12 months from 1st April 2022 to 31st March 2023.

It's an opportunity to share how stakeholder views have influenced and informed our decisions over the year.

We'll also share our achievements, challenges and performance against some key regulatory targets.

We hope you find the report interesting and informative. Please [get in touch](#) if you'd like to find out more about any aspect of our work.

A word from our CEO



As we look back over the last year it's impossible not to reflect on the unprecedented political, economic, social and environmental challenges that our customers, communities and industry have faced.

The economic impact of the cost of living, combined with the energy supply and security crisis has continued to have a significant impact on everyone's lives and business, understandably driving customer and stakeholder concerns across the year.

We do what we can to operate efficiently, spending customer money as wisely as we can. The stories in this report are a testament to the fact that we've continued to engage extensively and have this focus front of mind in every decision that we've made.

I've been overwhelmed by the resilience of our local partners, and the action from colleagues to engage at all levels to respond effectively and considerately to these challenges and understand how we can provide meaningful support and change over the last year and to the future.

Our role as an anchor institution – one that has influence on the economic and social prosperity of the region – has never been more relevant, to support our communities and working collaboratively to make a positive difference.

We've strengthened our collaboration networks, both within industry through Infrastructure North and Utilities Together, and also beyond through our role with organisations such as Leeds Anchors Networks, including influencing the creation of a Local Authority Cost of Living Summit in December 2022.

This year we've found ourselves with an unenviable challenge of managing short-term dilemmas whilst enabling longer-term solutions.

We've worked hard with our third sector partners to provide immediate relief for many households. But recognise that longer-term, the best way of tackling high energy bills is by rolling out clean energy and delivering energy efficiency – all whilst removing carbon from heat, power and industry.

This is an area in which I've led much of our engagement, working closely with Government and industry to help make key policy decisions on the future of the energy system.

We've continued to work collectively with stakeholders on this critical agenda and remain steadfast that if we are to deliver a reliable, resilient and affordable energy system for the British people and businesses we need a whole system approach – not a hydrogen approach and not an electricity approach, and that has really got to be the focus for us as well as dealing with the today.

It's clear that these issues will define our stakeholders' priorities for years to come, and our future engagement continues to be shaped with this in mind.

I'm incredibly proud of what our colleagues have achieved this year, driven by guidance from our customers and stakeholders. And over the coming years we will continue to engage and challenge ourselves and the energy sector to achieve more.

Finally, I'd like to thank all our stakeholders for their continued support, guidance and collaboration. We couldn't do any of this without you.

Mark Horsley

A handwritten signature in black ink, reading 'Mark Horsley'. The signature is stylized with a large 'M' and a long horizontal stroke at the end.

A word from our Stakeholder Lead



There's been an incredible amount of change over the last 12 - 18 months, and it's clear from our research and engagement with stakeholders and customers that expectations are changing and evolving at a similar pace.

Consequently, it's really important that we recognise, understand those changes and identify what our shared priorities and outcomes are.

Over the last year there have been certain topics, such as the cost of living, where it's been relatively easy to have conversations and engage, because it's a shared challenge and something everyone internally and externally can feed into, helping us to triangulate our approach and ensure we're providing the right levels of support.

In some areas however, it's been harder to gain traction. Conversations around net zero and the environmental agenda have proved more challenging as people struggle to look beyond short-term affordability challenges.

What we've heard very clearly is that our future customers want us to move forwards with the net zero agenda and are often frustrated by the slow pace of change. We recognise that we need to work more closely with this group to communicate the full net zero story and collectively drive forward arguments for positive change.

We're also learning more about where customers feel they can have meaningful impact through our perceptions research showing that customers are happy for experts who can make right decision to speak on their behalf.

We've focused closely this year on widening our channels of engagement. Our inaugural annual stakeholder conference in September 2022 not only allowed us to hear a broad spectrum of voices at the same time, it also created a space for stakeholders to hear each other's voices and work together to identify meaningful change and direction for our business.

We're continuing to work hard to find the right ways to link all of the different conversations together and ensure customers and stakeholders can constantly engage with us at any level, from our monthly stakeholder newsletter, through to attending our strategic workshops and annual conference.

Over the last two years we've concentrated our efforts on creating space for our future customers to engage. We're now hearing that future voice loud and clear at all levels, from our school support programme through to our recent appointment of two former Young Innovators Council members on to our Customer Engagement Group (CEG).

As well as increasing their employability skills and developing advocacy through future customer challenge, our work with young people is helping us understand how to make our engagement more fluid, flexible and inclusive. It's also enabling us to recognise how we have to change as a business to meet future customer needs, such as the standard use and respect of pronouns.

Whilst we remain focused on the role stakeholders and customers have to play in shaping our day-to-day decisions, next year we will also start to consider how best to incorporate the stakeholder voice in our next business planning period.

Whilst we await more guidance from the regulator on what that involves, it's only by building trusted relationships and understanding our stakeholders' values, preferences and ideas that we can make meaningful changes.

Jenny Wilkinson
Stakeholder Lead

Highlights of our year

Highlights of our engagement

165,945

voices heard

13,669

stakeholders
engaged
strategically

2,541

interactions
with our online
engagement hub

9/10

average stakeholder
relationship
satisfaction score

77

strategic
engagement
events held

10%

of voices heard
through strategic
engagement
were vulnerable
customers

8.7/10

average satisfaction
rating for our
workshops

9.27/10

customer
satisfaction score

Highlights of our performance this year

We recorded **industry leading response times** for attending gas escapes within the regulatory one-hour window- attending **99.5% within an hour** and beating our 97% target

We worked with our contractors to back fill holes even quicker, resulting in less disruption for our customers.

We restored gas supplies quickly following emergency work and performed over **15% better than we did last year!**

We **replaced 31,511 service pipes to properties this year** and are on target to meet our five-year mains replacement target.

We have **demolished 10 gas holders' this year** five more than last year - which leaves us with only one next year to hit our phased target of 16!

We are yet to install any electric charging points for our fleet. The pressure is on to get these up and running and **we plan to install all 52 in 2023/24.**

We have **uncovered £310,071 in theft of gas this year.** Our team is working hard to identify and prevent this theft and keep customers safe.

Working together with stakeholders

We are committed to ensuring our business makes decisions reflective of customer and stakeholder values and preferences and founded on a substantial evidence base.

Over the years we've built a tried and tested approach to working with our stakeholders that gives us the breadth and depth to explore difficult and challenging issues and get to the heart of what's important to them.

There are a number of different ways we talk with customers and stakeholders: on the doorstep, online through focus groups, workshops, forums and surveys, and over the phone - depending on individual preferences and needs.

We've developed a range of innovative mechanisms, including our industry leading Citizens Panel, our Young Innovators Council and our annual Customer Perceptions Research, that allow us to challenge and test our thinking and ensure our actions continue to be relevant and meaningful.

Through **18** core mechanisms we've been able to speak with **165,945 stakeholders this year**.

In the last 12 months we've focused on reintroducing a mix of online and in-person engagement, hosting our first stakeholder open day at our office and bringing our Young Innovators Council together in person for the first time in three years. This activity has allowed us to reconnect with our stakeholder community and nurture the trusted, long-term relationships we've built.

At the same time, we've continued an extensive programme of virtual engagement, including for the first time this year our inaugural annual stakeholder conference, that allows us to reach a geographically broad spread of stakeholders, reducing the demands on their time as well as the cost and carbon impacts associated with traveling.

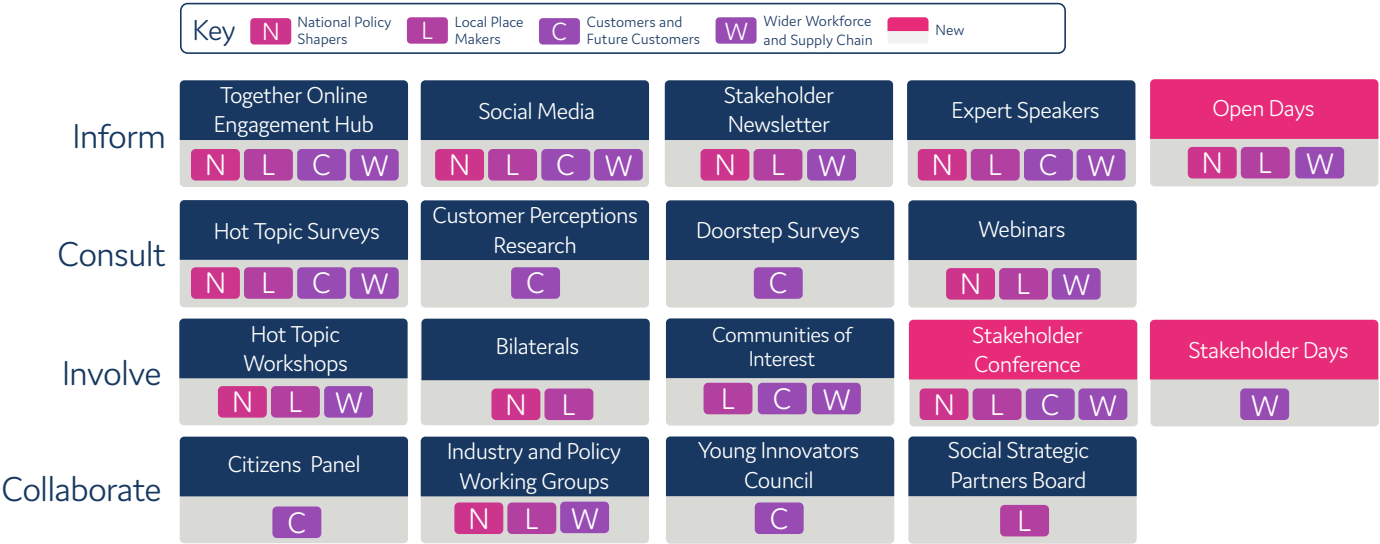


Figure 1: Strategic engagement mechanisms

Holding us to account

CEG

Our Customer Engagement Group (CEG) have continued to play a crucial role in challenging our decisions, making sure we are delivering on the promises in our business plan and holding us accountable for identifying the things that really matter to the region and our customers.

They produce their own independent report annually which reflects how we have considered stakeholder views and responded to customer and stakeholder feedback over the last year. This input continues to shape our business decisions.

You can read more about their challenges to us, along with the areas they feel we should focus on, in their [annual report](#).

"NGN has been on an important journey in developing more meaningful conversations with the people it serves..... Over the past 4-5 years we have witnessed the development of a professional stakeholder engagement strategy tailored to the priorities customers have said is important."

NGN Customer Engagement Group 22/23 annual report

We have continued to review and refresh our CEG membership and have successfully implemented a strong stakeholder progression framework to the group. This year we have appointed two former members of our Young Innovators Council to the CEG, ensuring the future customer voice is recognised throughout the business and at the same time providing mentoring opportunities from more established CEG members.

External benchmarking

Transparency and accountability continue to remain as important to our stakeholder community as they are to us.

We've continued to use external assurance programmes to ensure we're doing the right thing for our stakeholders, whilst at the same time adopting independent benchmarking that allows us to focus on high quality engagement both within and outside the utility sector.

Assurance programmes

- Our **ISO 14001 Accreditation** measures the effectiveness of our environmental plans and how our stakeholders are helping to inform our company environment strategy and initiatives.
- We've become one of the world's first companies to attain the **new BSI Inclusive Service** Kitemark recognising our work supporting consumer vulnerability and our inclusive and flexible provision to support our customers.
- We've made sure our engagement is independently assured against the internationally recognised **AA1000 Stakeholder Engagement Standard**

"NGN continues to learn and develop its engagement strategy, planning and delivery. It continues to demonstrate leading practice in many areas of its engagement strategy and delivery. NGN's strengths remain in its leadership commitment to engagement, the mandate it gives those at all levels of the company to engage and a culture of engagement which recognises the benefits of engagement for strategy and governance."

AA1000 Stakeholder Engagement Management Report

Independent benchmarking

- **Business in the Community's (BITC) Responsible Business Tracker** continues to guide us in the environmental and socially responsible actions our business should be taking. Over the last year we've been asked to share guidance on stakeholder mapping and engagement with other BITC members and we've continued to work hard against the sustainable procurement and inclusive employment and good work categories
- We measure our service through the **Institute for Customer Service**, which is reassessed every 18 months. In 2022 we received our highest ever score of 91% for the customer survey and have undertaken a mid-point check in June 2023 to ensure we are maintaining this standard for our customers
- Following the conclusion of the Electricity Networks' business planning process we've undertaken an independent **review of engagement** from across the utility sector to identify gaps and best practice to inform our engagement programme for 2023/24.

What we've heard and done in 2022/23

What matters to customers and stakeholders?

We're continually talking to our customers and stakeholders to find out what they expect from their gas distributor and our annual customer perceptions research helps us understand how customer priorities and perceptions have changed, giving us greater confidence that we're making business decisions reflective of stakeholder priorities.

Customer's top five priorities:

1

Keeping bills as low as possible

2

Providing a reliable supply of gas

3

Providing a safe service

4

Helping the region meet climate change targets

5

Providing help for those that need it most

These priorities have led us to focus on four central topics for our engagement this year, all of which have become more prominent as a result of the significant changes we have seen in the energy marketplace and the wider economy:

1. **Delivering value** - understanding how we can better deliver value and keep costs low through our regulatory contract
2. **Meeting the needs of customers** - adapting to meet our customers' needs, particularly those in vulnerable situations
3. **Maintaining a resilient network and business** - ensuring we deliver a safe and reliable service and, as an anchor institution, act as a positive force in communities.
4. **Supporting a net zero future** - understanding how to help people make more informed energy decisions and understand the role hydrogen has to play in the energy mix as part of a green future.

Whilst we adapt our approach year-on-year to reflect changing priorities and needs, our strategic approach is underpinned by three core principles, informed by our stakeholders' feedback.

1. **Meaningful** - stakeholders tell us what they want to talk about and how they want to engage.
2. **Inclusive** - our engagement is designed to reach all stakeholders through our core mechanisms underpinned by our hard-to-reach framework to ensure insights are representative of our whole community
3. **Iterative** - we implement a flexible engagement programme that continuously evolves in response to what we hear and do



What matters to customers and stakeholders?

Co-creating a new vision for the business

We've worked with our customers to create a new vision statement for the business

What we've heard

Our BITC assessment identified a clear gap around NGN's purpose and values, identifying that our company vision didn't reflect NGN's current principles and business focus on addressing long-term environmental and social challenges. Our CEG also echoed this feedback.

Our response

Our starting point was identifying the ten strategic priorities making up the core focus of our business over the next five years.

We worked with our Citizens Panel and our senior leadership team to hold a series of workshops to review priorities, explore what future focuses should be, uncover the key objectives and identify what makes people proud to work for, and with, NGN.

It was clear our customers valued our customer focused and innovative nature and, in the future, felt we should focus on collaboration, driving down prices and being visible. We were told that we needed to refocus a little and broaden our vision to better reflect customer and colleague feedback.

While customer service, safety and value for money remain key focuses, we've redrafted our vision to reflect collaboration, value, sustainability, and adaptability in our strategic business priorities. This change in focus was then tested at our annual conference with a broad cross section of our stakeholder community.

As a result, we now have a customer focused vision statement that will guide our business direction and decisions about how we organize ourselves, what we prioritise, where we should be focusing our attention, our investment and our money to try and achieve those outcomes now and for the longer term.

"Keeping our customers safe and warm, our colleagues healthy and inspired by delivering an outstanding, sustainable value, ensuring that we lead the way in establishing a fairer, greener future for all our Northern communities."

Outcomes

- 89% stakeholder agreement that our strategic direction and vision was right.
- A clear framework to guide our strategic business decisions and actions
- A set of cultural values and behaviours for colleagues
- An environment to attract and motivate new talent

Understanding value and impact

Making sure our decisions deliver the right value

In order to understand and compare the holistic costs and benefits of different approaches and decisions, we use a 'Value Framework' that allows us to factor in the environmental, economic and social impacts of our decision making.

Whilst we've engaged extensively with stakeholders to establish this framework - which includes putting monetary values on factors such as CO₂, plastics, pollution, and health impacts - we recognise that our values are sometimes at odds with the other gas and electricity networks.

Collaborative Value

Last year we started a collaborative project to establish a single set of consistent values that can be used by all the Gas Distribution Networks (GDNs) to ensure the value delivered to customers and stakeholders through projects is assessed using the same metrics irrespective of location.

Together we've undertaken a significant review and testing of both the values and processes used to assess outputs. These are also in line with the values used by the electricity networks, which will be of increasing importance as we look towards a future whole systems energy structure.

Over the last 12 months we have been working with the Energy Networks Association (ENA), Electricity and transmission companies to create a single value model that we can all use. This common model will be launched in October 2023 and will look forward to next year reporting on impact.

Meeting the needs of customers

Overview

Rising energy bills and a widespread fear around bill costs has dominated our customers thoughts over the last year and, through our many embedded engagement mechanisms, the feedback has been that we should be prioritising support for those in financial vulnerability.

Our Customers in Vulnerable Situations (CIVS) stakeholders, CEG and our customers have continued to guide us throughout the year to focus resources, shape our initiatives and prioritise investments to meet the needs of our different customer groups, helping us be responsive and do the right thing for customers.

We never lose sight of the fact that, on average, we only directly impact (either through a planned or unplanned interruption to their gas supply) our customers once every 43 years, and that during these interactions we must make every contact count. We've worked hard to instil this at the heart of our culture so when customers tell us there's an issue, we adapt our approaches to be responsive to customer and network user's needs.

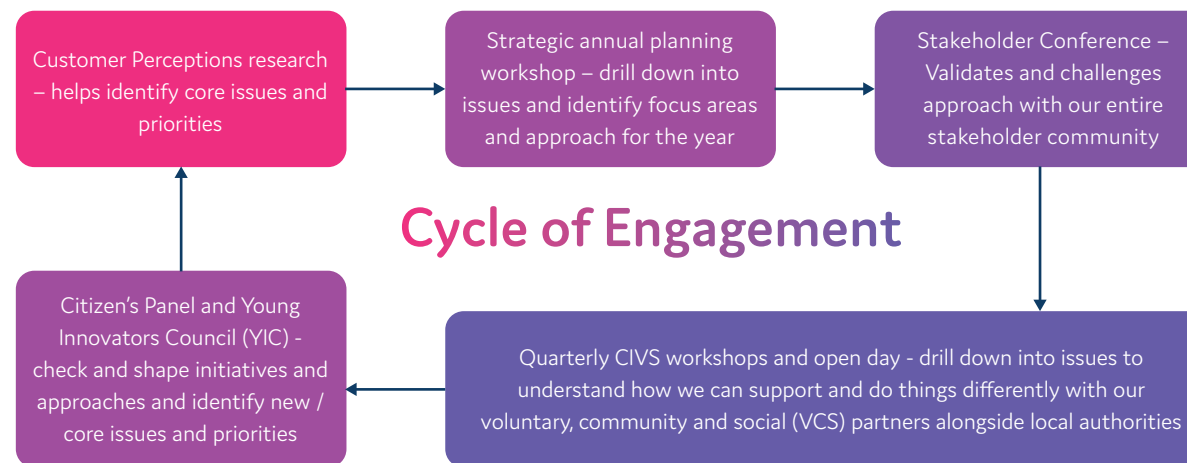


Figure 2: Our annual cycle of engagement places customers and stakeholders at the heart of our decision-making.

In figures

Regulatory Performance Figures

185 Fuel poor connections

17,966 CO awareness surveys

23% increase in customers' carbon monoxide awareness

81% customer complaints resolved within 60 minutes of original call

9.27 overall customer satisfaction score

Voluntary targets

8,925 customers referred on to the Priority Service Register this year

819 CO detectors given out

1,581 people supported with energy saving advice

5,414 people supported through NGN community funds

1,760 colleagues trained to provide a holistic support service to vulnerable

Supporting vulnerable communities

We've delivered a holistic and mature programme of support that addresses the complex and changing nature of vulnerability and impact on communities in our network.

What we've heard

Our Customers in Vulnerable Situations (CIVS) stakeholders gave us clear direction at our annual CIVS strategic workshop to focus on four core priorities across this year:

1. Prioritising funding to meet the greatest need – 53%
2. Increasing PSR referrals– 40%
3. Getting ahead with plans for next Winter AND
4. Support for the over 85s as a target group - 33% each

At our annual conference, stakeholders acknowledged that the problem was overwhelming and urged us to be more joined up about the support services we offer, and to be clear and organised with our referral routes through to external partner organisations.

Our response

We've used our quarterly CIVS hot topic workshops to drill down into each of these key areas in order to understand what more we could be doing. We've also introduced new engagement channels both in response to feedback on how we have engaged through the year and to help address several support gaps across our network.

As a result of these hot topic deep dives, we have evolved how we use the funding available to us, to make sure that it reaches those customers in most need and is also flexible to adapt to changing circumstances.

Table 1 is an overview of key 'in year' developments with each fund.

The following information will draw out some of the work we have done above and beyond that which is funded through the Vulnerability and Carbon Monoxide Allowance, which is reported separately in our [VCMA annual report](#)

| Support programme | 22/23 spend | Feedback from stakeholders | Support | Outcomes |
|--|-------------|---|---|--|
| Vulnerability and Carbon Monoxide Allowance (£1.32m per year) | £1.8m | Increase spend in year 2. Be clear about investment plans for remaining 3 years of GD2. Address gaps in both geography (West Yorkshire/Newcastle) and specific needs support (physical needs) | We've scaled up spending for the year more than doubling our spend from 21/22. The majority of our remaining funds have been allocated across key strategic projects over the next 3 years. There is approx. £800k that hasn't been allocated, which will be used to respond to changing needs over the coming years. Two key gaps were also addressed: Geographically by focusing on projects in West Yorkshire and by need – tackling physical vulnerability through a collaborative project with Scope | 53 regional projects supporting financial vulnerability fuel poverty, literacy, mental health, physical disability, CO awareness, rurality, energy efficiency. You can read more in our VCMA annual report 12 UK wide projects with the other networks supporting physical disability, CO awareness, energy efficiency. You can read more in our Collaborative VCMA annual report |
| Community Partnering Fund (£50,000 per year) Shareholder Funded | £43,746 | There's a clear gap in the support for grass-roots projects and partnerships in parts of the North East – consider relocating the fund, to help generate a pipeline of future VCMA projects. | We formed a new partnership with the Tyne and Wear Community Foundation to establish the Community Partnering Fund in Tyne and Wear. This has allowed us to support four grass roots organisations through projects enabling job creation, reducing inequality and providing vulnerable customer support to hard-to-reach communities with energy efficiency advice, CO awareness, and PSR referrals. | 470 people directly supported with improved communities and living conditions including employability skills and energy efficiency advice |
| Customer Support Fund (£150,000 per year) Shareholder Funded | £600,000 | Prioritise those where there may not be any other existing funding to support Increase available funding to provide support to customers during the cost-of-living crisis | Three clear support streams covering fuel poverty, financial hardships and physical health. We've increased our funding allocation for Communitas Energy, who provide a new gas installation service for customers who might fall through the gaps in current support schemes | See our next story on Pg 12 for details |

Table 1: Our support programmes

Evolving our support for vulnerable customers

We've expanded our support provision for customers facing significant hardship

What we've heard

Our Citizens Panel identified three areas where we could provide more support to customers facing significant hardship. They asked us to:

1. Provide support to the vulnerably housed, who cannot afford to repair/replace their gas appliances
2. Provide immediate relief to support customers in fuel poverty
3. Prioritise those in unexpected or emergency situations, where there may not be any other existing funding to support

This was repeated through our other engagement channels, but we also heard from our CIVS partners that they were struggling to meet the increase in demand for support services as a result of the cost-of-living crisis.

Our response

We've used our wide range of engagement channels and CIVS partners to understand what this really means, what is the most effective support we could provide, and how we could deploy this using our existing delivery partners for the Customer Support Fund or establish new ones.

Outcomes

The Customer Support Fund has delivered an increase in vulnerable customers receiving support, leading to:

- 4,944 customers benefiting from additional support
- Additional provisions of support to alleviate fuel, food and financial poverty
- £196,859 customer savings
- £109,860 emergency fuel payments
- £100,600 potential customer savings from energy and water use advice
- £175,000 potential customer savings from referral to specialised debt agency partners
- £168,003 emergency welfare support payments
- Creation of three jobs

| Feedback | Action we've taken |
|--|--|
| Prioritise those in unexpected or emergency situations, where there may not be any other existing funding to support | Introduced an additional voluntary £30 payment to customers, for any loss of supply between 4 and 24 hours. This is to reflect the sharp increase in electricity costs to run alternative heating and cooking during the interruption. 164 customers benefited from this scheme, which was in place between October 2022 and May 2023, paying £34,920 in total. We have engaged with customers and stakeholders about how we could evolve this additional support payment and will use this feedback to update framework for this when we reinstate this next winter. |
| Provide support to the vulnerably housed, who cannot afford to repair/replace their gas appliances | Evolved our repair/replacement services. Continued to expand our ongoing repair/replacement service operating through the fund for customers who we are not directly impacting through our emergency work. We have provided £110,000 additional funding to our partner Foundation for Independent Living , to check, service and repair gas appliances and also widened the criteria to draw on health needs as an additional consideration for eligibility for the scheme. We also launched a new service through our fuel poor partner Communitas Energy to provide a new gas service and appliances for customers who might fall through the gaps in current support schemes. 21 households have been approved for a combination of funded gas connections and installation of gas central heating systems ahead of this service starting in April 2023. We've worked with our stakeholders to design the governance and criteria for the scheme and are looking to bring in our electricity partners Northern Powergrid to sit on the governance group to ensure we don't duplicate their social support schemes. |
| Provide immediate relief to support customers in fuel poverty | Launched a new service through the Fuel Bank Foundation enabling our front-line engineers to make referrals to the Fuel Bank Foundation and providing immediate relief for 283 customers through fuel vouchers totaling £13,601. Provided 'heat the person' customer support through our day-to-day operations, including over 3,000 heated jackets, heated blankets, and heated seat covers, flasks and slow cookers. |
| Charity partners are reporting a five-fold increase in the number of calls being received for help | Funded three additional roles from the Customer Support Fund (CSF) within support agencies to help provide essential advice and support to customers in crisis. Continued to fund dedicated benefits advisors through Groundworks to provide advice around debt prioritisation, support applications to Energy and Water Trust Funds and provide specialist support for customers with multiple debts. |

Table 2: How we've adapted our fund in response to feedback

Evolving our support for vulnerable customers

Where we've struggled

A number of themes have emerged over the last 12 months that have challenged our strategic direction:

An increasing conflict between support for customers in fuel poverty and the wider environmental/ethical agenda

We've heard from some stakeholders that they feel increasingly nervous about taking investment and receiving support from a fossil fuel company, even when this is to support existing programmes of work providing much needed relief to customers in vulnerable situations.

Our response

We undertook some immediate horizon scanning and now understand that the experience is replicated across the GDNs.

Through consultation with our CEG and strategic CIVS stakeholders they guided us to focus on being explicit about what NGN does and to provide links to the broader sustainability and environment work that NGN is involved with, alongside our wide-ranging net zero transition projects.

We will continue to do this, alongside working with our existing partners to understand investor and board sentiments and be honest and open across our communications.

Striking the right balance between supporting customers in crisis now and developing sustainable solutions for the future.

Our Vulnerable Customer Strategy is based on developing support services that are sustainable beyond the end of our financial support.

As the cost-of-living crisis has exacerbated acute and immediate needs, we've heard conflicting feedback about how much we should focus on providing immediate relief versus developing more medium to longer term solutions.

Our Citizens Panel asked us to focus our efforts now, with our Young Innovators Council asking us to focus on sustainable solutions whilst our CEG has asked us to guard against stepping beyond our remit as a Gas Distribution Network (i.e. plugging gaps in social care funding).

Our response

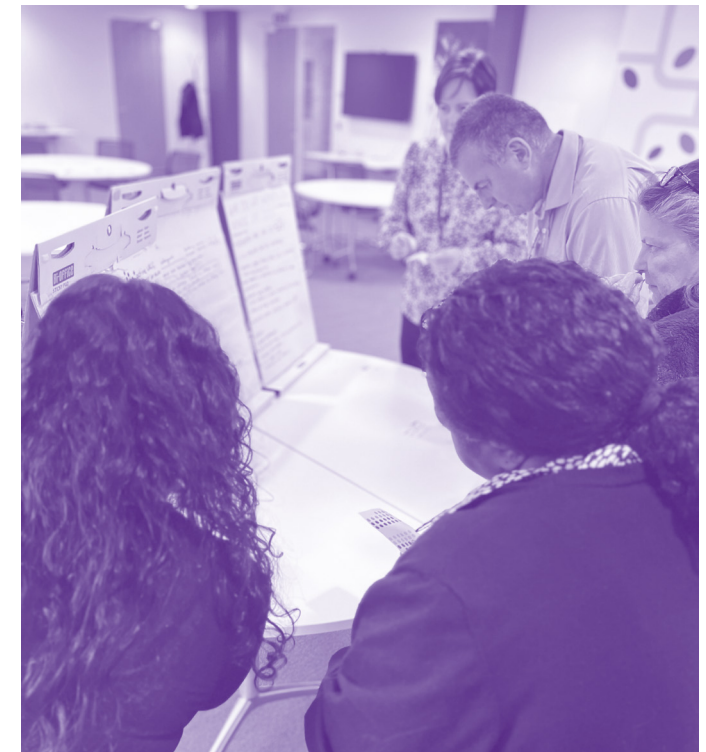
All our engagement drew out one key theme – make sure any and all our support services are joined up, so that customers only have to ask once for help.

Consequently, we have used the increase in our Customer Support Fund to provide immediate relief now, with the introduction of new financial support during gas interruptions, as well as extensive repair/replacement services.

We've trained our engineers to be able to explain to customers the 17 referral services that we have in place and we've employed a dedicated vulnerable customer support lead within our contact centre to make sure that these referrals are followed through to support all customers to access help and support.

Looking ahead

We will look at exploring and developing an engagement programme alongside our sustainability team to really understand the ethical issues relating to us wanting to support charities and communities. We're committed to ensuring we continue to spend our money well and where it will make the most impact.



Establishing a consistent and flexible connection service

We've used customer feedback to drive wholesale changes across our connections processes to deliver an improved and consistent customer experience and service

What we've heard

Our connections customers tell us they want to see improved communication throughout the process and have a more consistent, flexible and digital experience. This was evidenced by a drop in our annual satisfaction score from 9.05 in 20/21 to 8.96 in 21/22. We also saw significant monthly fluctuations in the number of customers suggesting our processes needed improvement.

Our response

This year we've refined our end-to-end domestic customer connections journey, improving our processes, communications and our digital solution. Our customer feedback has helped to steer each step, in order to drive a quicker and more flexible connections process.

Defining and designing

- Internal workshops with our designers, planners and operational delivery teams to understand the challenges and barriers within our processes and identify best practice
- Role appreciation visits to build better understanding and knowledge across the teams
- Cross GDN workshop to identify best practice

Bringing data together

- Customer Journey review of every customer touch point to identify what information is needed throughout the process and how best to deliver the information to the customer
- Analysis of customer satisfaction and complaints data against each patch in our network and mapping against our customer journey
- Deep dive into specific customer feedback from our new connection application portal

Closing the loop and creating an action plan

- Connections day workshops were held with our design, planning, delivery and customer service teams to share data and explore how to improve our customer service further. This identified 30 actions for us to improve our internal processes, customer communication and customer services

Figure 3: Identifying and understanding the challenges

Establishing a consistent and flexible connection service

We've used customer feedback to drive wholesale changes across our connections processes to deliver an improved and consistent customer experience and service

Following our review, we created a clear action plan and made a number of changes over the year, improving the communication and flow of work between our internal teams to create a seamless journey for our customers.

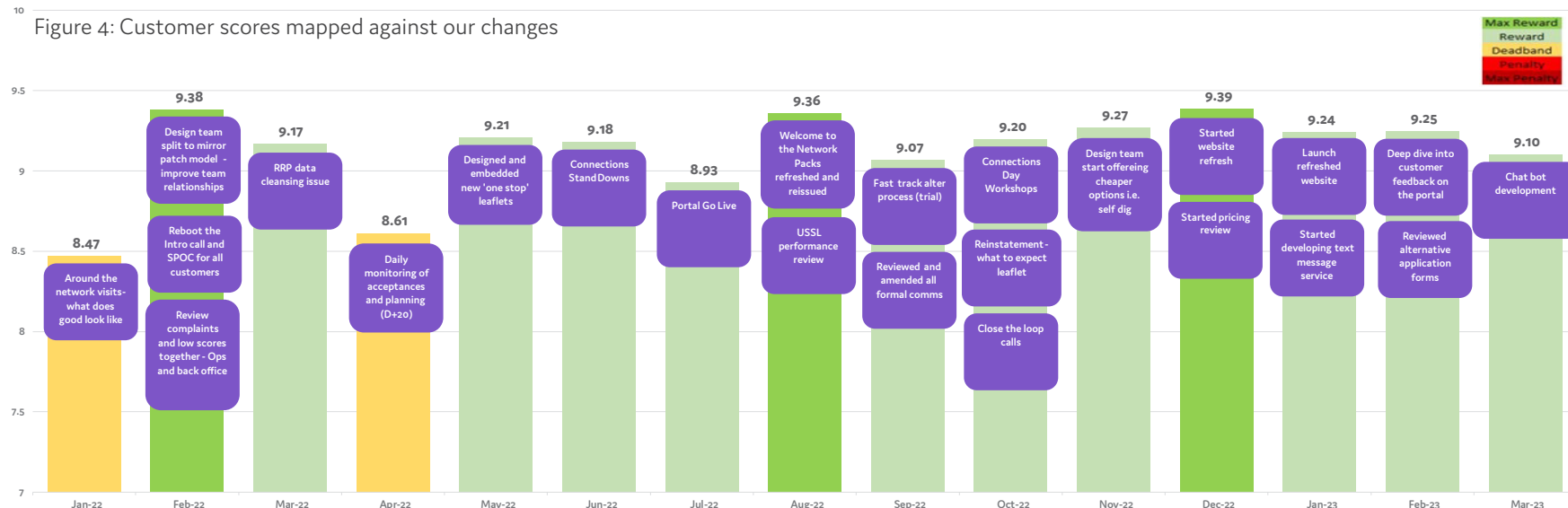
We've also undertaken a wholesale review of our customer literature, refreshing all our written literature, website and portal to remove jargon and make the information easier to understand at every point in the customer journey. We've also implemented 'introduction' and 'close the loop' calls to ensure our customers have an informed start and end to their journey and a single point of contact throughout, should any queries arise.

At the same time, we've implemented a range of improved customer processes to provide a more flexible and digital experience. This includes:

- The launch of our new customer portal aiming to improve our connections application process and allowing customer to track their project. Already we have seen an improvement in the time it takes to provide quotes to customers, with most being delivered within a day.
- Daily monitoring of customer quote acceptance, allowing a faster turnaround of new orders through to the planning team. As a result of this we have seen a 32% increase in the number of jobs we delivered and finished within 20 days.
- Reviewed our quote and pricing to offer more options to customers upfront, including options to self-dig to reduce costs.
- Trialled a fast-track alteration process for customers and are now looking at ways to implement the process across the network.

As a result, we've seen a clear improvement in our customer satisfaction and a much more consistent level of scoring around our connections services.

Figure 4: Customer scores mapped against our changes



Establishing a consistent and flexible connection service

We've used customer feedback to drive wholesale changes across our connections processes to deliver an improved and consistent customer experience and service

Looking to the future

Mindful that customer expectations and technology are ever changing, we need to continue to adapt and build on our processes to take account of this. We're continuing to work with our customers to develop a number of new solutions to enhance the customer experience and continue to build on our customer satisfaction success.

Outcomes

- Complaints across design, planning and operations reduced by 60%
- Improved average customer satisfaction score from 8.96 to 9.15
- Improved processes and efficiency in customer service
- Improved quotation turnaround times and project delivery times
- Customer time saved



Video Survey Solution

Giving our customers the opportunity to complete their own video surveys, resulting in a reduced quotation turnaround time, whilst simultaneously reducing our carbon footprint.



Text Messaging Solution

Providing our customers with real time updates on the progress of their project at their fingertips



Instant Quotation Solution

Incorporating a mapping tool into the portal to enable the system to determine a cost and issue the quote to the customer in just a few clicks

Figure 5: Future solutions we are exploring with customers

Supporting customers during planned works through our supply chain

We've worked with our Direct Service Provider (DSP) community to develop a program of customer support improvements around our pipe replacement programme

What we've heard

Since we successfully completed the introduction of our Direct Service Provider (DSP) model five years ago, they've played a vital part in delivering customer service and providing a great customer experience. By using local engineering firms to deliver all our mains replacement work we have benefitted from their local knowledge and pride in the communities they live and work in.

However, we're seeing a high turnover of staff within our contractor community, with nearly a third leaving to work on cable and other large infrastructure projects regionally. This left a potentially large gap in our ability to deliver a consistent and high-quality level of customer service as part of our pipe replacement work programme.

Our response

Given the number of new DSP employees, we recognised we needed to create an opportunity to bring them closer into the business and create space for them to ask us questions, meet our operations and customer teams as well as revisit our core messaging and values and communicate the long-term work programme offering them job security.

As a vital part of our supply chain and key touchpoint for our customers, we undertook an intense programme of engagement, meeting with 934 DSP colleagues from 14 different suppliers across four days to understand their challenges and identify additional support we could provide.

We focused on three key aspects of service delivery – customer service, vulnerability and safety – generating 130 pages of

feedback and identifying some clear areas of change which we've addressed over the course of the year as outlined in Table 3.

Feedback from DSP owners has been positive with a request to have DSP days more often. We've also seen a significant change in our performance and relationship with the owners and engineers delivering our service.

Looking ahead

Our focus is now on continuing to maximise the role our DSP community plays in delivering exceptional customer service and embed the DSP standdown days as an enduring part of our engagement programme, bringing the community together every 2 years to reflect and identify improvements.

Our CEG has also challenged us to explore what the customer journey and customer service looks like and the changes we need to consider and explore over the next 3-5 years. We will work with our Young Innovators Council to understand what future customers want and work with our DSP community to identify how to do it.

Outcomes

- Maintained customer satisfaction scores across planned work at 9.06
- 23% reduction in planned works customer complaints from 21/22 (847) to 22/23 (656)
- Improved safety performance - 59% reduction in incidents

| Feedback | Response |
|--|---|
| Difficulties impacting customer service | |
| <ul style="list-style-type: none">• We face language barriers in being able to communicate with customers• Customers need clearer information about the processes and time scales – specifically about digging on private land.• We spend a lot of time on site answering customer questions which delays us in doing the job• There's a lack of information to customers, letters not being received/ignored (addressed to The Occupier) | <ul style="list-style-type: none">• We've delivered an awareness and education programme across our DSP community to ensure all teams are aware of the language line support available to them and customers• We've reviewed our suite of letters to provide more detail, particularly to explain the process of why we need to excavate in private land, and include reasoning around why and what we may need to access driveways (cars moved etc)• We've improved our communication with customers about future works/advanced warning signs of work including using QR codes on lampposts and street work signs |
| Vulnerability | |
| <ul style="list-style-type: none">• We're seeing an increase in hidden vulnerabilities such as mental health (anxiety and depression), Autism and Alzheimer's.• We want more support to deal with this. | <ul style="list-style-type: none">• We've refreshed our Making Every Contact Counts Vulnerability training programme to provide training for 627 DSPs this year• We've reviewed our processes for upfront door knocking and given DSPs access to customer information so they can collate detailed customer vulnerability information before work starts and proactively identify additional support needs• We've designed a programme of continuous learning through monthly briefs covering different vulnerabilities, how to identify vulnerable customers and what to do about it• We've undertaken data analysis of our customer satisfaction scores by PSR needs code to understand if there are certain needs we serve better than others |

Table 3: How we've responded to feedback from our DSPs

Delivering a safe and resilient network and business

Overview

Safety, reliability and customer service are the core pillars of our business and continue to be priorities for our customers.

Surety of adequate and secure gas supplies, coupled with a challenging Winter, have continued to put delivering a safe and reliable gas supply at the forefront of mind for all our stakeholders

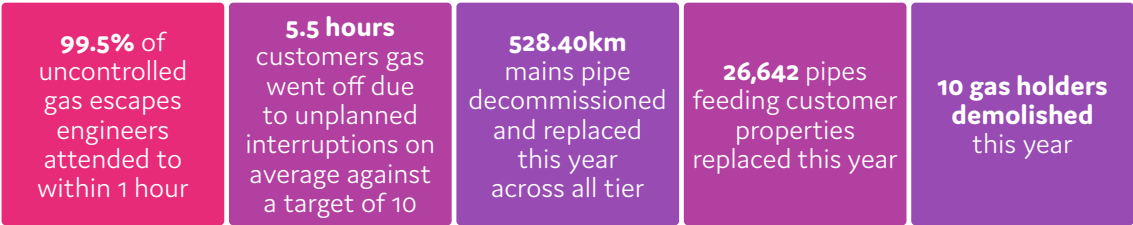
While we are not a supplier, our stakeholders have continued to guide us, along with enduring conversations with our customers, to make sure we do everything we can to ensure a resilient and safe supply of gas through our network in the short and long-term.

At the same time, we've remained focused on our role as an employer and a provider of services, ensuring we remain a safe and resilient business that can help address regional challenges and create opportunities to build sustainable and resilient communities.

We've continued to build our relationships with Local Authorities, other utilities and our Anchor Institution Network partners through umbrella organisations like Leeds Anchors Network and Local Resilience Forums, as well as directly with Anchor organisations such as the NHS. Through these relationships we've been able to better understand how we can have a positive long-term impact as an employer, procurer and provider of services.

In figures

Regulatory Performance Figures



Additional figures



Collaborating to improve safety and reliability

We've developed a robot to reduce gas leaks and minimise the impact of our repair work on customers

What we've heard

Eliminating emissions and ensuring our pipes and infrastructure are resilient continue to be important sustainability commitments for our customers. We also continue to see a strong interest from Local Authorities in us minimising highways disruption due to pipe repair.

We've already started to address this following a successful innovation project which saw us become the first gas utility in the UK to use a robot to repair leakage within our low-pressure network. Our engineers said that we could even go further to tackle the huge impact we still have on communities and the environment by digging holes to identify the source of leaks.

Our response

Over the last year we've worked with our water, telecoms, GDNs, academia, local authorities, our Young Innovators Council and other utility and infrastructure partners to create and test a prototype robot – LeakVision - that can be inserted inside the live gas pipe system and use thermal imaging to highlight the location of a gas leak.

Developed with our partners Synthotech, our new robotic helper captures data whilst in the pipes, providing a snapshot of the current internal condition of pipes.

By building a digital body of knowledge about the condition of our pipework, the data will help us improve decision making around our pipe replacement work and predict future leakage hotspots, as well as having the potential to make leak detection

and repair quicker, cheaper and more convenient by removing the need to dig multiple holes to reach the pipes.

We've successfully carried out field trials in busy urban centres including at the centre of a four-way traffic junction. Our engineers were able to insert the robot away from junctions and steer it underground to the right location, making it far more practical to detect leaks in locations that would otherwise require months of planning to investigate.

We've also worked with industry partners DNV to test it on our trial hydrogen network and adapt the robot to work on any future gas network.

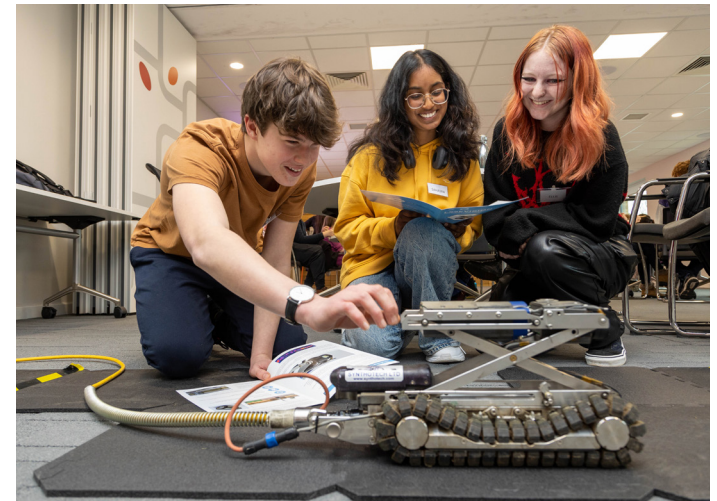
Having proved the concept, we've scaled up the project to trial on different networks across the UK. This will build up a bank of detailed data around asset condition that can be shared and fed into the National Underground Asset Register, another project we are developing in collaboration with the Geospatial Commission.

Through the data captured over the coming months we hope to create a digital twin map of our pipe network from which we can develop a programme to predict escapes to better plan our mains pipe repair programme and support development of potential conversion strategies for a future low carbon gas network.

As well as improving efficiency and reducing leakages in local projects, it's anticipated this will support UK wide infrastructure initiatives.

Outcomes

- Increased operational efficiencies including:
 - Reduced need for digging to find leaks
 - Improved repair times
 - Improved planning
- Reduced traffic disruption and air pollution caused by queuing traffic
- Reduced carbon emissions through reduced gas leaks
- Reduced use of digging equipment delivering health benefits for operational colleagues
- Upskilled workforce



Building a workforce fit for the future

We've developed a number of long-term sustainable initiatives to upskill and improve social mobility for our communities and our colleagues

What we've heard

Stakeholders continue to be supportive of our efforts across social mobility. A key message throughout discussions at our stakeholder conference was a need to work harder to engage and inspire young people about the company's role and future careers options. These efforts were seen as crucial to filling the skills gap, which will likely be exacerbated by the industry's ageing workforce.

Our response

Following the launch of our Social Mobility Opportunity Action Plan in October 2020, our Citizens Panel asked us to focus on recruitment and access to work. We've been working with local partners and stakeholders to prioritise delivery and identified five key themes to inform the framework for our workforce development programme: schools/young person engagement, social mobility /access to work opportunities, apprenticeships, in-house development and further education.

Over the course of this year, we've progressed 16 initiatives, including:

- Working with our Young Innovators Council to **refresh our recruitment strategy** and redesign our careers page focusing on ways to increase accessibility and improve access to job opportunities.
- Appointing a **dedicated education officer** to design and deliver a wide-ranging net zero STEM education programme for secondary schools to inspire future careers in the energy industry.
- Launching a new **school STEM support programme**, training seven female members of staff to deliver 1,056 STEMAZING Kids sessions with 176 primary school pupils across our network.
- Partnering with Kirklees College and the GMB to provide access to the **Foundation skills programmes for Maths and English**. These courses will help colleagues who didn't achieve formal qualifications in recognition that this is often a barrier for people to apply for or seek progression and will also benefit colleagues outside of work (for example: helping family members with homework).
- Introducing five **new management programmes** to improve management skills and capabilities including Chartered Management Institute (CMI) Level 5 and HND qualifications alongside new coaching, Prince Two (Project Management), facilitation and negotiation skills training.
- Delivering a series of **interview skills** and technique sessions to 100 pupils from two local secondary schools in partnership with Leeds City Council.
- Expanding our co-designed #Icanbeme **apprenticeship campaign** - receiving over 600 applications from a wider range of candidates than seen previously. As a result, we've recruited 25 new apprentices, of which nine are female - 16% above our 2022 target of 20%. We now have 50 Level 2 and 3 apprentices in the business including eight in our new business administration apprenticeship programme.
- Adopting a direct sourcing **recruitment approach** using our partner network to reach potential candidates who may otherwise not be seen due to their socio-economic

circumstances. This includes advertising roles through the Armed Forces and EUJ (Energy and Utility Jobs) to attract a wider range of gender and ethnically diverse candidates.

- Supporting a number of BITC programmes, including providing **work experience** through their Ready To Work programme, offering work experience to refugees, long term unemployed or people who are recognised as needing additional support to find employment.



Outcomes

- Improved workforce resilience and future workforce through access to required skills.
- Enhanced economic benefit through increased skilled workforce in our communities.

Becoming a more inclusive business

We've continued to drive forward initiatives to become a more inclusive business as part of our business wide commitment

What we've heard

Having a diverse workforce continues to be an important priority for our customers and our stakeholders have encouraged us to go further and quicker to dispel the perception of our industry which is still seen as white, male and middle-aged. However, there are differing views around gender, ethnicity and age and where we should focus our actions.

Our response

Over the course of the year we've continued to sensitively engage with colleagues and stakeholders to understand how to design initiatives and place inclusion and equity at the heart of our business.

Our engagement has helped us develop our targets and framework for change whilst also delivering immediate and impactful activities to shape policies, culture and the physical workspace and empower our colleagues to drive change across our business.

Developing our long-term framework

We've set ourselves ambitious long-term targets as part of our inclusion and belonging strategy underpinned by an action plan, informed and agreed by our colleagues and stakeholders. We've formalised short, medium and long-term targets to support our commitments to reflecting the diversity of our communities and eradicating inequality.

Led by colleagues from across our [five communities](#) and senior leaders, our Diversity and Inclusion working group has continued to lead the implementation of our strategy. Through this group we've engaged with stakeholders, colleagues and leading businesses to understand and adopt best practice, including:

- Establishing a collation of Community Charters outlining clear purposes and aims of our five colleague communities and aligning senior leadership sponsors to each group
- Joining the North East Business in the Community Board and the Leeds Anchors Network to share equality and diversity plans and best practice
- Strengthening stakeholder and colleague engagement, including our first Inclusion and Diversity Colleague Summit to understand success, challenges and inform our focus for 2023
- Delivering a bespoke training programme to all NGN Leaders specifically on Inclusion and Belonging with an agreed plan to roll out to all colleagues across our entire business.

Our communities have driven meaningful change for our workforce including the signing of the Race At Work and the Dying To Work charter, as well as joining the Women's Utility Network and the Business Disability Forum alongside supporting Pride in Energy.

At the same time our Young Innovators Council helped us identify 26 core actions we needed to take tackling governance, culture and the physical workspace to meet the expectations of our future colleagues and stakeholders.

Governance

Recognising the need for wider representation of our colleagues reviewing our people policies, we have ensured a representative from each community is part of our Policy Review Group. Each colleague community has already made an impact, with updates to 14 people policies such as amends to travel and lone working policies with an increased focus on women safety and disability needs, changes to our paternity/maternity policy recognising non-biological parents and amends to our flexible working policy to be mindful of those with caring responsibilities and disability needs.

We have also introduced flexible bank holidays for colleagues who celebrate other religions/faiths.

As part of good governance we continue to publish our commitments and progress in an annual Inclusion and Belonging Statement.

Culture and behaviour

From the start of our journey, we recognised the importance of training and education in order to support colleagues to make positive impactful change. To help drive behavioural change we have:

- Rolled out Mental Health Awareness training via MIND, including training of more mental health and wellbeing champions.

Becoming a more inclusive business

We've continued to drive forward initiatives to become a more inclusive business as part of our business wide commitment

- Designed and delivered bespoke inclusion and belonging training with Business In The Community for 244 line managers.
- Redesigned our new starter induction to include a focussed discussion on our stance on inclusion and belonging, as well as highlighting the Colleague Communities and how to get involved.
- Empowered our Ethnic Minority Group to undertake depot visits to share knowledge about different religions and cultures raising colleague awareness.
- Created a microaggressions colleague video with our communities that will be rolled out across the business in 2023.

Physical changes

We've spoken with future and current colleagues to identify a number of changes we could make to our office and depots to allow for flexibility, safety and accessibility for all colleagues and visitors.

As a result, we've made a number of physical changes including increased lighting and safer parking facilities at our offices and depots, created quiet reflection and prayer rooms for colleagues and customers across the majority of our sites and, taking feedback from our Citizens Panel installed additional disabled toilet facilities at our Head Office to make facilities more fit for purpose.

Measuring and benchmarking impact

Accountability is a key value that our Young Innovators Council told us they expected from us, challenging us on how we will measure and report on the progress we make. In conjunction with our gender pay gap report and annual inclusion statement, we've planned to build in a programme of staff surveys to measure perceptions, sentiment and change from colleagues. We will also track progress externally through our formalised partnership with Business in the Community, undertaking their two-yearly responsible business tracker.

Learning as we go

While our Colleague Communities have begun to successfully drive change across the business we have found it challenging to gain traction with operational staff. Many colleagues have struggled to participate fully and complete actions as well as the day job and other commitments. In a bid to address this we have included involvement in the Colleague Communities or use of volunteering days into objectives and performance reviews for 2023 to encourage positive colleague engagement across the business. Whilst it is early days, we have already seen increased membership in communities and are planning to launch a roadshow across all the depots to raise the profile of the communities and the opportunities to get involved with our operational colleagues, as well as aligning a senior lead for each community to act as a champion.

Improving colleague data

Historically we've struggled to understand the diversity of our workforce and have found it challenging to gather colleague data through traditional surveys.

We've addressed this as part of our wider intranet redesign and included a function to allow colleagues to input their personal diversity data as part of their HR profile. We've encouraged colleagues to update their profiles and personal details which has seen us more than double the diversity data we have about colleagues.

Whilst this progress is good, only 7.2% of colleague data is complete. Progress on input will be pulled off quarterly to allow us to undertake ongoing gap analysis and identify specific areas where we need to plug gaps in our data and identify progress and gaps in workforce diversity. We will also continue to incorporate data capture into our induction process and undertake proactive reassurance communication to colleagues about why it's important that we understand the make-up of our workforce to increase our data.

Outcomes

Anticipated benefits include:

- Improved business performance across multiple indicators
- An empowered and motivated workforce
- Increased work attendance
- Reduced turnover
- Improved access to new talent
- Improved access to work opportunities

Supporting our local supply chain and local economies

We've used our spending power to support local growth and provide security for our SME community

What we've heard

Over 99% of businesses in the North of England are small to medium sized enterprises (SMEs) making them a significant contributor to our local economy and our supply chain. While financial hardship for customers has been a major driver for our customers this year, we've also heard the same from our SME supply chain who have also told us they are facing significant challenges, calling on us to maximise our spending power through opportunities for local companies to access to our supply chain.

Our response

Last year, having engaged extensively with our supply chain, customers and business support organisations, we made key promises under our Sustainable Procurement Strategy and our People and Planet Strategy to support SMEs and to spend and invest responsibly.

This year we have undertaken an initial mapping of our supply chain to better understand where we spend and who with, as part of our procurement framework to maximise the impact we have as employer, procurer and provider of services regionally.

We have made sure wherever possible we receive quotes from local businesses as part of our procurement and, working with our smaller suppliers, developed SME friendly guidance on tendering and using our e-procurement portals.

Following the introduction of our Supplier Code of Conduct last year we have worked closely with our supply chain to support

adoption and compliance of the code. Through a series of bilaterals and dedicated procurement officer support, currently 77% of our top 80% annual spend suppliers have adopted the code.

In tandem, we have worked with all new suppliers providing advice and support at the PQQ (Pre Qualification Questionnaire) stage to help them in compliance and understanding about the code.

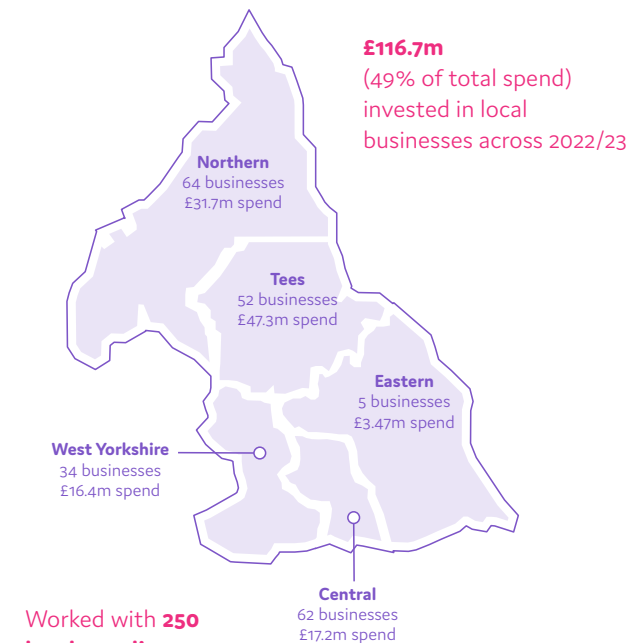


Figure 6: Map of our regional investment

Outcomes

- 10% increase in proportion of spend with local business in 2022/23
- 3.63% increased investment into the local economy in 2022/23
- Safeguarding and creation of local jobs and an increase in local GVA (gross value added)

Supporting a sustainable net zero future

Overview

The energy trilemma - decarbonisation, energy security and affordability - has dominated our conversations with stakeholders and customers this year. Environmental and climate change concerns remain high, however affordability and security of supply are more immediate and pressing priorities.

While government energy policy hasn't changed – the creation of the new ministerial Department for Energy Security and Net Zero (DESNZ) places climate change firmly on the political agenda.

While we continue to await more direction on policy, alongside the publication of the much-anticipated Energy Bill and a decision on hydrogen blending, we've been led by our stakeholders and continued to develop our research and thinking on future energy around the crucial questions: "who pays; how much; and for what?"

We've worked closely with customers, industry and policy makers to enable them to make informed decisions around how our assets might be repurposed for a hydrogen heating solution.

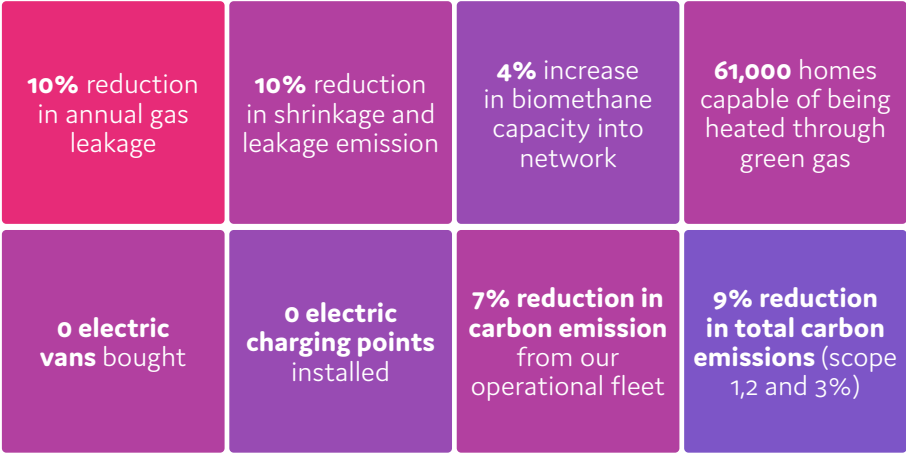
At the same time, we haven't lost sight of the important and more immediate decarbonisation steps we can take now.

We've continued to working collaboratively with the other GDNs, electricity distribution networks, local government and industry to demonstrate the gas network's crucial role in reaching net zero targets through our environmental action plan and our hydrogen and [Gas Goes Green](#) programmes.

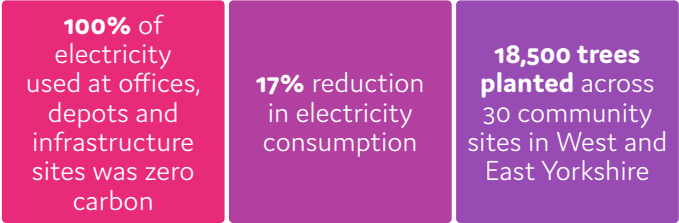
This section outlines some of the progress we've made, working with stakeholders and customers to address this shared decarbonisation challenge.

In figures

Regulatory Performance Figures



Additional figures



A green and sustainable business

Maximising our capacity for Biomethane and green gas

We've made improvements to our operational processes and customer journey to support biomethane development and maximise the amount of green gas we can inject into the grid

What we've heard

Having undertaken a programme of workshops with our biomethane producers and investors, it was clear that operational processes and challenges dominated and often acted as blockers to having strategic future-focused conversations.

Primarily our biomethane customers want us to focus our efforts on making sure they can operate their plants and inject Biomethane into our grid as much as practically possible.

Our response

We've changed our engagement programme, splitting it into two distinct strands to allow us to better understand both the operational and the strategic challenges facing our investors and operators which we've addressed over the course of the year, as outlined in Table 4.

Through a programme of ongoing bilateral meetings and joint network groups, with the other gas distributors we've identified some clear areas of improvement to boost capacity availability in our network and tackle issues around gas quality targets that our sites face, to get the most out of their connections to the grid.

At the same time, we've led a focused programme of engagement with the biomethane investor community working with the Energy Network Association and the other networks to discuss future investment plans, understand barriers to unlocking opportunity, facilitate conversations with government around future policy, support schemes how the gas networks can help investors.

Feedback from producers and investors has been extremely positive, and we've seen a significant change in our biomethane performance, bringing two new connections on board. Our focus now is on continuing to maximise the potential of our 18 plants and supporting legislative change and reverse compression regulation to support future investment into our network.

| Issue | What we did |
|---|---|
| Day-to-Day operations | |
| We want you to | We produce a quarterly performance dashboard that include data on flows, efficiency, time online and alarms for all connected sites to help individual sites focus on areas where they are lacking improve operational performance. |
| Share information about site performance | |
| Support us with raising the propane quality issue | We explored this further through bilateral meetings and raised it with other GDNs which identified a common issue of propane build up on the meter. We've developed a collective solution to support sites with this through regular meter cleaning and the installation of a pots to prevent build-up. |
| There is little consistency across the GDNS in some core operational areas | Through the Entry Customer Forum (ECF) we have created space to identify areas where we can align our processes and procedures to have a single approach for producers. This includes changing the way we read calorific value levels following restarts to increase injection, as well as producing more accurate data, consistent categorisation and reporting to improve SGS data. We are also developing generic capacity studies for all gas networks to follow to give consistency to customers. We also hope to collaboratively create an Operator Competence Accreditation to support biomethane site operators improve knowledge and skills. |
| Future investment | |
| We want more clarity on the impact that hydrogen will have on the biomethane sector | DSNEZ policy representatives will attend our next Investors Workshop in Summer 2023 for a Q&A. |
| We'd like you to address network capacity as its acting as a blocker for us to commit further investment | We are closely following and feeding into the reverse compression development with wider industry. As part of our enquiry process, we also offer access to our mapping system, as well as a proactive discussion around network capacity availability during project location finding stage. |
| We need some certainty that there will be a new support scheme to help us have confidence that's there's a role for biomethane in the gas network | We have led on bringing together DSNEZ policy representatives and stakeholders to discuss this at our Investor's Workshop, and will continue to encourage this engagement going forward. |

Table 4: Response to feedback from Biomethane stakeholders

Outcomes

- 6.42% increase in the amount of green gas injected into the network over the last year
- 1.22% of our total throughput is biomethane – the equivalent of heating 61,000 homes on our network
- Greater understanding of the operational restraints and processes with the biomethane producer community

A green and sustainable business

Improving air quality for communities

We've co-designed and launched our tree planting scheme to help improve air quality across our communities in response to our highways work

What we've heard

Air quality continues to be a priority for our domestic and business customers with our annual research showing that eliminating emissions remains a top five sustainability priority they want us to address, alongside supporting a thriving environment by minimising our impact on the environment.

Our response

As a business we're conscious we contribute to poor air quality in our network, especially in urban communities, notably via the operation of our (currently predominantly diesel) vehicle fleet and the traffic congestion that can arise from our works in the road.

One of the key commitments we made in our [Environmental Action Plan](#) during RIIO-2 was to help improve air quality in our region by a range of methods, including planting 40,000 trees by 2026.

We engaged with stakeholders from local authorities, utilities, community environmental groups, ecologists, our CEG and wildlife charities to inform our approach. Through a series of bilaterals and workshops, stakeholders helped design the site selection methodology for the planting scheme and identified how we could broaden out the scheme to deliver additional community and environmental benefits as well as improving air quality.

In particular now we have:

- Included hedgerows in the tree planting schemes to broaden the benefits delivered, for example with respect to noise control and biodiversity.
- Explored opportunities to work with different organisations to share the benefits of this scheme in particular schools and community groups.
- Ensured planting scheme designs near roads take lines of site into consideration to remove potential safety issues.
- Committed to avoid the use of single use plastic tree guards where possible to maximise the sustainability of the planting scheme.

In addition to the direct outputs of our own tree planting scheme, the project officer funded by NGN has organised and managed a successful application to the Urban Tree Challenge Fund run by the Forestry Commission securing £460k to deliver additional planting of over 500 trees.

Outcomes

- 18,500 trees planted across 30 sites in West and East Yorkshire, including three school sites in 2022/23.
- Planted 4.4 hectares of land (total net area) in 2022/23.
- Life time scheme environmental and societal benefits valued at over £22m including:
 - Local air quality improvement in worst affected areas valued at £1.7m.
 - Increased community access to woodland valued at £5m.
 - Increased local biodiversity valued at £8.5m.
 - Sequestration of c.2,500 tCO₂e valued at £7.3m.



Tackling regional climate change

We've joined forces with our regional stakeholders to establish a commission to tackle climate change and support regional net zero ambitions.

What we've heard

One of the key challenges we've heard from our CEG this year is to demonstrate progress on convening multiple stakeholders around a strategic approach to decarbonisation and local climate change, demonstrating leadership for the region and acting as a force for good.

Our response

Recognising that decarbonisation and climate change is a shared challenge across our region, we have joined forces with the Yorkshire Leaders Board, the Environment Agency, Yorkshire Water, Northern Powergrid, the Yorkshire Building Society and the University of Leeds to establish the [Yorkshire & Humber Climate Commission](#), including providing core funding.

The commission brings together public, private and third sector organisations to support, guide and track the delivery of ambitious climate actions across the region, with active buy-in from 40 Commissioners and over 100 organisations across Yorkshire and the Humber.

Following a comprehensive programme of engagement and consultation with 500 regional stakeholders, the commission has created a regional [Climate Action Plan](#) which was launched at a regional climate summit setting out 50 actions for the region, and identifying a further 23 actions that the Commission itself wanted to deliver.

Activities underway now include the development of a Local Authority Climate Adaptation Programme, the launch of a [Regional Climate Pledge](#) for businesses and organisations, and the introduction of a series of 'Delivering Impact' sessions supported by an extensive programme of stakeholder engagement.

Through our role on the steering committee, we are bringing people from different sectors together to engage in positive, constructive, evidence-based debate, and in so doing changing the nature of the conversation, engaging with the practical realities of how to effectively deliver ambitious climate actions. For example, the Commission has established an active agenda on heat and buildings and whilst the sentiment of some commissioners is anti-hydrogen, we have managed to ensure a more balanced view appears in key policy, including the Climate Action Plan.

Through the group, we've already started to progress conversations focussing on the potential role of Local Area Energy Plans and are looking to develop that programme of work in 2023/24.

Outcomes

- Championing cross-regional and cross-sectoral climate action, enabling collaboration, pooling scarce resources and sharing best practices across the region.
- Promoting a fair and inclusive transition and demonstrating the contribution that climate action can make to enhancing people's lives, especially at a time when there are several pressing issues on living standards.
- Connecting to national government, showcasing the region's leadership whilst also making the case for the national policy support that we need to tackle this key agenda.
- Reducing regional business risk and unlocking the opportunities of a green economy regionally.

Creating a blueprint for local energy plans

We've worked with our local authority partners to develop an evidence-based approach to achieve a low carbon energy system for North Yorkshire

What we've heard

Local authorities across our network are increasingly asking to have detailed conversations about how we can collaborate and share data, as they begin to look at how they can develop holistic energy roadmaps and future area energy plans for communities.

Our response

We've continued to actively collaborate with other utilities and industry partners to support the development of efficient, effective, low carbon regional energy systems for consumers.

In particular, we have focused on collaborating with local authorities and partners in North Yorkshire, supported by the York & North Yorkshire Local Enterprise Partnership (YNY LEP), to launch the first Local Area Energy Plan (LAEP) in our network.

These plans take an evidence-based approach to decarbonising the economy mapping out the most cost-effective way to achieve a low carbon energy system in line with the ambition for a net zero region by 2034 that underpins the York & North Yorkshire Routemap to Carbon Negative.

In anticipation that the government will legislate that other local authorities will need to carry local areas energy planning out in the coming years, our Citizens Panel helped us and the YNY LEP understand how best to have conversations with communities and the role citizens have to play in this process.

They identified a number of changes, and best practice for future plans, such as:

- The cocreation of a governance model for LAEP delivery that is trusted by the public (which is not necessarily local government-led).
- Development of a package of communication materials that clearly explain the need and purpose of LEAPs for communities and explain how the public can get involved
- Using these plans to support community net zero projects and groups to ensure the programme is designed to meet the needs of communities.

Whilst supportive of the plans, it was clear they found the planning process unclear, particularly around responsibility, delivery and development of the LAEPs. We have subsequently supported the Y&NY LEP to engage in a number of networks and forums to influence future Government policy, specifically the need for:

- clear guidance on development of LAEPs to ensure consistency between areas,
- local government and partners to be given a clear mandate and funding to develop LAEPs and
- the public to be engaged at the very start of the LAEP development process and for this engagement to continue throughout the development and into delivery.

This project has created significant 'learning by doing', including understanding the contributions expected from local authority partners in terms of our data, time and financial support and

how we can advocate on behalf of customers and communities. We are applying this as we start to support the North East LEP with their master planning and LAEP exercise in the North East region.

This will help inform our own strategic planning and, over the course of 2023/24, enable us to develop and roll out a detailed support programme for local authorities across our network and ensure that we can invest in the right infrastructure to facilitate net zero.

Outcomes

- Greater understanding and awareness among local partners of the challenges and potential solutions to decarbonisation of the energy system.
- Locally sensitive, evidence based local action plans that will allow local partners to develop investment plans and leverage external funding
- Increased capacity and capability amongst local partners to engage communities on complex issues

Bringing hydrogen to life for customers

We've worked closely with the local community to develop a well-supported proposal for Redcar to become the UK's first hydrogen village

What we heard

In its 10-point plan for a Green Industrial Revolution and subsequent documents, including the Heat and Buildings Strategy, Energy White Paper and Hydrogen Strategy, the Government committed to creating a hydrogen village trial in 2025. In late 2021 our outline proposal for Redcar in Teesside to become the hydrogen village was shortlisted, alongside another area in the North West.

Our response

A ten-month consultation period followed, as we designed our proposal in more detail, before it was submitted to DESNZ in March 2023.

One of the Government's evaluation measures was demonstrating strong local support from the public and stakeholders.

It was important for us to immerse ourselves in the local community and we quickly recruited a Customer Care Team, based in Redcar to build relationships with customers, stakeholders and community groups.

We wrote to all customers and held drop-in sessions during the weeks following the announcement. Later in the year we opened our Hydrogen Hub on Redcar High Street as a focal point for the residents and wider Redcar community, ensuring we were on hand to answer queries and hear feedback about our proposal.

We established a Citizens Panel, a group of around 20 residents and landlords with differing sentiment towards the project. The group met eight times to give feedback and help develop our plans, ensuring we developed a proposal which would bring significant benefits to Redcar and the people who live there. Suggestions made included using local engineers and offering participation payments, both of which helped us shape our plans and ensure our proposal benefits local people in the best way.

As part of the final proposal, each household was invited to complete a consultation survey on acceptability of our trial proposal. A total of 699 responses were received from

residents and landlords in the trial area. The results showed that 76% of respondents felt positive or very positive about our proposal, 19% were indifferent or undecided and only 5% were negative or very negative. Overall, 89% of respondents indicated they'd use hydrogen for heating in the event the project proceeds, 6% electric and 5% were undecided.

Outcomes

- A well supported plan to provide evidence about the suitability of the existing gas distribution network and applicable procedures to distribute 100% hydrogen
- Improved workforce resilience through future access to required skills



We hope you found this report helpful. We couldn't have achieved everything we did without support and input from our stakeholder community. If you want to know more, you might like:

- our dedicated stakeholder website together.northerngasnetworks.co.uk
- how we are performing against our regulatory targets [RRP report and commentary](#)
- How our CEG is representing stakeholder and customer needs ngnceg.co.uk