

Annex 3.2

OUR STRATEGY FOR ENGAGEMENT (2023-28)

Introduction

Northern Powergrid values our customers' and stakeholders' opinions and strives to include diverse voices in our strategic business planning. Strong engagement with individuals, communities, and wider society helps us make better decisions. It helps us better prepare to meet the needs and aspirations of those we serve. The pace of change in today's world means customer and wider stakeholder engagement is becoming more, not less, important. The insights directly impact our operations and decision-making processes.

As such, we are continuously looking to improve how we collaborate with individuals, communities, and the wider society to strengthen customers' voices. This is especially important as our customers will be living through the formative stages of the energy transition, so we must engage to provide trusted advice on a diverse array of related and often complex topics. For stakeholders involved in net zero and local area energy planning, our engagement must be an enabler of ambitious objectives, and for hard to reach and vulnerable stakeholders, it must facilitate access to available support, helping to ensure a just and inclusive transition.

Our track record, benchmarking and assurance

We believe that we have a strong core of engagement to build on. In creating our plans we have conducted extensive analysis and benchmarking within and outside the industry (see annex [enhanced engagement process](#)) including:

- 2015-23 Stakeholder Engagement Consumer Vulnerability submissions and Ofgem feedback to assess strengths and weaknesses, identify gaps and collate best practice;
- 2021-26 gas distribution future stakeholder engagement propositions and supporting evidence alongside Ofgem and consumer challenge group (CCG) feedback to determine best practice; and
- other utilities, health and social care, and United Nations (UN) guidelines for inclusivity frameworks and innovative engagement approaches.

Recognising the successes of our current programme and the changing needs of our customers and stakeholders, our strategic approach to engagement is evolving, with enhancements that ensure customers' voices are strengthened as part of our decision making. More detail around our stakeholder processes and governance is available in [our stakeholder engagement methodology](#) annex.

Our engagement strategy

We will deliver a sector-leading programme of ambitious, innovative, and effective engagement with our customers and stakeholders right across our region. Working together to improve our services and to develop our business to better meet customer needs now and in preparation for a fully decarbonised future. Strong engagement with our stakeholders helps us make better decisions and better prepare to meet the needs and aspirations of those we serve.

Our stakeholder strategy shapes the critical objectives of our engagement and the stakeholder and customer outcomes we deliver as a result. The strategy is reviewed annually by our executive and is supported by annual delivery plans.

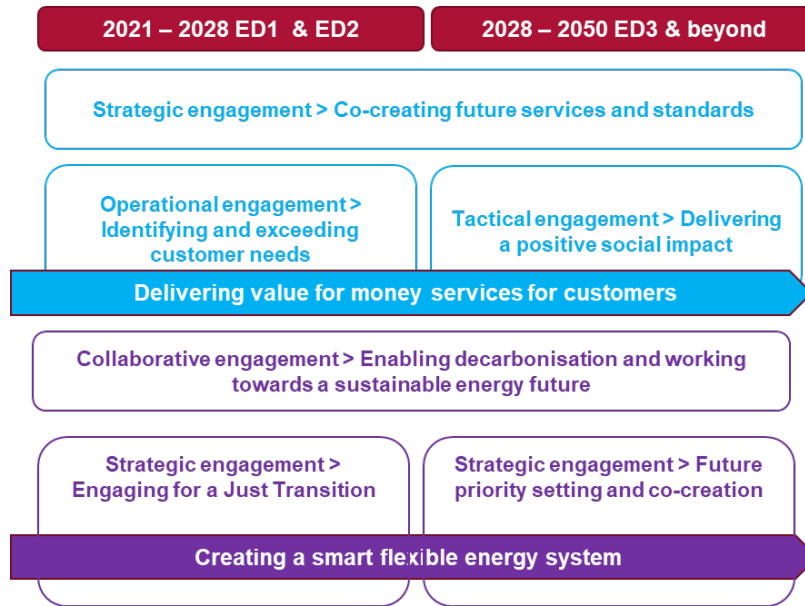


Figure 1: Our engagement strategy

Our strategy is shaped by our commitment to excellence in engagement in four key areas:

- Inclusive; we will ensure that our engagement reaches and includes a diverse range of individuals, groups, experts, and locations that represent the communities we serve.
- Accessible; we will increase the use of new communications channels, remove engagement barriers, and increase cooperation with a wide range of local organisations so innovative thinkers and future customers can access and contribute to our engagement.
- Relevant; we will provide additional ways to discuss complex topics and tailor communication approaches so that we deliver engagement that promotes an understanding of priority topics such as decarbonisation and an inclusive energy transition.
- Continuously improving; we will continue to mature the skills, processes, infrastructure, and capacity of communities, customers, and our own teams to ensure engagement is two-way, measurable, and transparent.

Our engagement approach

Our engagement is proactive and purposeful, leads to actions which we report on regularly so that our stakeholders can hold us accountable. We set clear engagement objectives which we review with our stakeholders – before, during, and after engagement – to see if we have met their expectations and to continually learn where we can improve.

We reflected on our approach (as part of our annual review process) and published a refreshed methodology in January 2021 (see [our stakeholder engagement methodology](#) annex), in collaboration with our external stakeholder panels who assured this work. The overarching approach is set out below and the annex contains further details of the component parts of our methodology including engagement planning, data management, governance, weighting and triangulation, measuring value, impact and reporting.



Figure 2 – Stakeholder engagement cycle

Annual engagement cycle

Our annual engagement cycle will combine the engagement building blocks from 2015-23 along with the extended engagement channels we have established in developing our plans for 2023-28. Thus ensuring that we do not lose our current momentum and continue to build mature relationships with our existing stakeholders and customers whilst further extending our reach.

Our annual engagement cycle will align to our annual business planning cycle and we will set priorities for the coming year for both engagement and delivery with our stakeholders. Having qualitative discussions with our stakeholder panel and citizens panels to set our joint agenda for the coming year; these plans will be scrutinised by and reported to the customer engagement group (CEG).

We will build on our established engagement channels, panels, co-creation groups, research and insight programme, expanding and enhancing our past achievements by learning from stakeholder feedback. In addition, we will work to create new tailored channels, engagement mechanisms and communications assets to enable our stakeholders to better interact with us, provide education and empower them to shape the future of our services in ways that best suit their needs.

Level of knowledge	Engagement channel	Mechanism	Audience	Stakeholder focus	Frequency
Expert	Expert panels	Stakeholder Panel	45	Business groups, local government, major energy users, third sector partners, academics, utilities, community groups, national parks, agricultural interest.	Quarterly
		Community Energy Panel	15	Community energy groups, academics, local enterprise partnerships (LEPs).	Quarterly
		Social Issues Expert Group	6	Third sector partners, academics.	Quarterly
		Future Fairness Panel	15	Hard to reach and seldom heard representatives, third sector partners.	Quarterly
	Sector forums	Local authority forums	35	Local authorities, LEPs, combined authorities, executive mayoral offices.	Quarterly
		Community energy forums	100	Community energy groups, local community groups, LEPs, customers, academics, local service providers.	Tri-annually
		Cross-utility forums	10	Energy networks, gas networks, water networks, transmission companies, transport providers, data networks, local authorities, national government reps.	Quarterly
		Industrial representative forums	100	Major Energy Users, small and medium sized enterprises (SMEs), chambers of commerce,	Bi-annually

Level of knowledge	Engagement channel	Mechanism	Audience	Stakeholder focus	Frequency
				trade bodies, business support networks.	
		Regional decarbonisation working groups	100	Local authorities, LEPS, political stakeholders, utilities, supply chain reps, national government reps, climate change commissions, third sector partners.	Quarterly
		SME decarbonisation working group	50	SMEs, trade bodies, business support networks.	Quarterly
		Local government one to ones	50	Local authorities, LEPS, mayoral offices.	Annually
Interested	Conferences	Annual stakeholder summit	200	All stakeholder groups.	Annually
		Internal consumer vulnerability conference	100	Northern Powergrid colleagues, utilities, national government reps.	Annually
		External consumer vulnerability conference	100	Third sector partners, local authorities, LEPS, national government reps, supply chain.	Annually
	Deliberative engagement workshops	Innovation Festival	500	Local authorities, LEPS, major energy users, academics, SMEs, third sector partners, customer support groups, utilities, national government representatives, regulators, sector innovators.	Annually
		Decarbonisation workshops (heat, electric vehicles, whole system planning)	200	Local authorities, LEPS, major energy users, academics, SMEs, third sector partners, customer support groups, utilities, national government representatives.	Bi-annually
		Annual roundtable sessions	500	Local authorities, LEPS, major energy users, academics, SMEs, third	Annually

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Level of knowledge	Engagement channel	Mechanism	Audience	Stakeholder focus	Frequency
				sector partners, customer support groups, utilities, national government representatives, regulators.	
		Open data workshops	100	Local authorities, LEPS, business groups, customers, utilities, innovation partners.	Bi-annually
		Co-creation sessions	150	Local authorities, LEPS, business groups, customers, sector innovators, utilities.	Bi-annually
	Capacity-building workshops	Enabling decarbonisation “how to” presentations	150	Customers, local community groups, SMEs, business support networks, third sector partners, supply chain partners, public sector providers.	Bi-annually
		“Tackling Fuel Poverty” education sessions	50	Customers, third sector partners, local authorities, LEPS.	Bi-annually
Limited	Direct Customer Engagement	Citizens panel	50	Customers, rural customers, SMEs, future consumers.	Quarterly
		Future consumer panel	20	Future consumers.	Bi-annually
		Intergenerational community forum	20	Customers, future consumers.	Bi-annually
	Research	Barriers to engagement research	250	Customers, future consumers, vulnerable customers, third sector partners, hard to reach and seldom heard customers, expert stakeholder representatives.	Annually
		Priority services membership customer support needs survey	250	Customers, future consumers, vulnerable customers, third sector partners, hard to reach and seldom heard customers.	Annually
		Customer/ stakeholder	100	All stakeholders (sample of engaged stakeholders)	Quarterly

Level of knowledge	Engagement channel	Mechanism	Audience	Stakeholder focus	Frequency
		satisfaction research		from previous quarter).	
		Stakeholder/customer priorities research	1,200	All stakeholder and customer groups (representative sample).	Annually
		Regional economic/social development research	50	Local authorities, LEPS, house builders, utilities, national government reps, major energy users, business support networks, chambers of commerce and third sector partners.	Annually
		Sectoral needs research (decarbonisation)	50	Business trade bodies, business support networks, chambers of commerce, utilities, third sector partners.	Annually
	Proactive communication campaigns	Stakeholder Newsletter	5,000+	All stakeholder groups.	Monthly
		Community Energy Newsletter	100+	Community Energy groups, local community groups, academics.	Quarterly
		Awareness raising campaigns	5,000+	All stakeholder and customer groups.	Weekly
		Pre-investment campaigns	10,000+	Local community groups, local authorities, customers (geographically focused).	As needed
		Business development consultation	10,000+	All stakeholder and customer groups (as appropriate).	As needed

Table 3 – Our stakeholder engagement channels

Engagement – best practice and focus

Action required to decarbonise our economy and society, coupled with the impact of the COVID-19 pandemic, means it has never been more critical to ensure that nobody is left behind in the energy transition. We therefore use the United Nation’s approved 'nobody left behind' framework approach of 'examine, empower, enact' as the bedrock for our enhanced strategic approach (see our [enhanced engagement process](#) annex) to support hard to reach and seldom heard stakeholders.

Our future engagement programme includes the following areas of focus which are a continuation of the enhanced engagement we introduced when developing our plan:

- Education; we will tailor our engagement to identify and meet the differing levels of knowledge and offer multiple channels including maximising the use of digital engagement for those who prefer that option and

continuing to hear from a diverse range of well-informed customers through maintaining our consumer, future consumer, SMEs, and rural panels. Our energy champions will also continue to work with us to improve how we approach educating our customers on the energy transition and improving customer communications – helping us see it through their eyes.

- Representation; hear regularly from our established and new expert groups and panels. Including our stakeholder panel, future fairness panel, community energy panel and social issue expert group to give us an informed and balanced view across multiple issues. We will engage our energy champions in developing materials and messaging to simplify complex issues to support this approach.

SME Panel	20 small and medium sized enterprises meeting quarterly through digital channel to discuss what is impacting them and test feedback from other panels for commonality or areas of conflict.
Rural Panel	30 rural domestic customers being telephone interviewed to discuss what is impacting them specifically and test feedback from other panels for commonalities or areas of conflict.
Community Energy Panel	20 community energy representatives from across the region meeting quarterly to discuss shared priorities and assure our community energy work programme. This panel helps us ensure we are delivering against the commitments made in our sector strategy and gives us insight into the changing local and regional environment in this area.
Future Fairness Panel	16 experts meeting quarterly and chaired by Voluntary Organisations Network North East (VONNE) represent people experiencing a range of vulnerabilities including the elderly, carers, sex workers and the homeless. Delegates discuss key issues affecting these groups and hold us accountable for our just transition work.

Table 4 – Panel types and stakeholder numbers attending

- Innovation; continually strive to offer innovative engagement through close working with our research and engagement partners. For example, repeating our intergenerational research that brought together multiple generations in family groups via video calls to discuss and explore views and expectations for the future. Conduct regular research with customers and stakeholders testing; their satisfaction; any changes in attitude or priorities; and to horizon scan for emerging issues or concerns.
- Responding to regional needs; we serve a diverse region, taking in large cities, post-industrial and historic towns, coastal communities and vast swathes of rural England across Yorkshire, north east England and northern Lincolnshire. We will:
 - Keep our localised approach by restructuring our business around six geographic regions, with a greater focus on local accountability.
 - Uncover localised need through our membership of regional leadership groupings such as the North East of England Climate Coalition and Yorkshire & Humber Climate Commission, and regular engagement with experts and stakeholder leaders in a series of localised workshops and panels.
 - Offer an enhanced and ambitious programme of regional engagement including a joint local area energy plan charter by engaging with wider network, utility partners and a series of regional and local events with key decarbonisation partners to enable a smoother and effective path to net zero.
 - Engage with sectoral groups through bilateral sessions, and continue our SME panel to give a representative group of small business owners a chance to shape our plans.
- Embedding consumer voice in the energy transition; to prepare for a fully decarbonised future, we need to deliver a sector-leading programme of ambitious, innovative and effective engagement with our customers and stakeholders’ right across our region. Working together, we will improve our existing services and help develop new, inclusive markets to meet customer needs better, now and in the future, while ensuring no one is left behind. We will:
 - Work with our region’s stakeholders recognising their differing levels of ambition and understanding of decarbonisation. We will provide education, guidance and data to help guide their decision making and planning.
 - Collaborate with other utilities and industry partners to support the development of an efficient and effective whole energy system for our region. This will include a partnership approach to engagement

with our stakeholders to ensure future customer needs are met with cross-sector planning. For example, our joint charter with Northern Gas Networks to support development of local area energy plans in our region.

Engagement Commitments

Stakeholder engagement has been central to the development of a business plan for 2023-28 that is rooted in the needs and ambitions of the communities we serve. In building our plans, we have gathered feedback from over 52,000 interactions with our stakeholders through more than 329 events, including surveys, summits, panels, co-creation workshops and bilateral meetings.

Taking this feedback, we have reflected on how we can improve on our current commitments in each engagement strategic pillar, and how we can build in new concepts that go even further during the next price control period. A summary of our customer outcomes is available on pages 11-13 in this annex, including the performance and output targets which are also based on feedback from stakeholders and insight into their preferred channels, frequency and need for engagement, both now and in the future.

Delivering our plan

Shaped by stakeholders, our ambitious plan includes an expansion in the scale and frequency of engagement. Through an increase in digital channel use and decentralised engagement, co-ordinated through the central stakeholder team, we aim to achieve efficiencies that will allow us to do more for less. Increasing both our reach and activity to meet similar levels of our business planning engagement activities for 2023-28.

Customers and stakeholders have told us the importance of becoming much more visible and raising our profile. As an anchor organisation in the region, we have a lead role to play in enabling decarbonisation and working collaboratively with customers and wider stakeholders to facilitate the knowledge and behavioural changes required to support the path to net zero.

With this in mind, our commitments include an additional twofold uplift and associated investment increase in decarbonisation engagement initiatives, marketing outreach campaigns and dynamic external communications materials that will promote, support and advise on what changes are required.

Expertise in data analysis, economic forecasting, and technological development has been a key area of development for us – critical in underpinning effective best in class engagement. We only see this growing as we use multiple data sources including demographic data and regional profiling to better understand how the region is progressing in its decarbonisation journey. Our commitments therefore include an uplift in analytical capacity to meet these needs.

To respond to these challenges and the accelerated pace of change as our region decarbonises, we will spend an additional £0.5m p.a. compared with the 2015-23. This will allow to increase the scale of decarbonisation engagement initiatives, marketing outreach campaigns, analytical capability and dynamic external communications materials that will promote, support and advise on what changes are required.

Accountability and reporting

Our [stakeholder methodology document](#) sets out in detail our robust methodology for effective engagement and ensuring that stakeholder voices are heard and shape strategic planning and day to day decision making. Our central stakeholder team will continue to oversee this process, with colleagues throughout the business responsible and accountable for delivering engagement and taking on board feedback in their plans.

We have a comprehensive project management and benefit quantification approach in place, measuring our impact and the effectiveness of our programmes in order to deliver value for money for our customers and stakeholders. Our performance targets (see the stakeholder engagement commitment table below) have been defined based on stakeholder feedback and build on our strong track-record.

To demonstrate our accountability, in addition to our established governance processes of reporting monthly to our executive board, our engagement commitment delivery will be reported on and published annually. This will be scrutinised regularly by the CEG and our citizen's panel, who will receive quarterly updates against commitments and performance targets from our engagement leadership team.

Annex 3.2 Our strategy for engagement (2023-28)

Key: 🌐 - Data and digitalisation, 👥 - Workforce Resilience, 💡 – Innovation

Stakeholder Engagement Commitments	Benefits	Deliverables:	Measure (output/indicative inputs ¹)	ED1 to date	ED1 Forecast	ED2 Target
SE1) Inclusive: Ensure that our engagement reaches and includes a diverse range of individuals, groups, experts, and locations that represent the communities we serve	<ul style="list-style-type: none"> Tailored support for community groups Accelerate decarbonisation efforts Support early understanding of sector-specific barriers and enablers for decarbonisation Greater level of understanding of the energy transition journey Improved resources and reach focusing on emerging, hard to reach and seldom heard customers 	SE1.1) Attend regional/municipal assemblies, panels, surgeries, across our region	Independent assessment of inclusion and reach	-	-	✓
		SE1.2) Expand our Community Energy engagement offering	<i>Regional engagement events p.a.</i>	6	6	18
		SE1.3) Support individual communities with their decarbonisation efforts	<i>Community energy engagement p.a.</i>	7	7	12
		SE1.4) Continue to develop educational resources to raise awareness of the energy transition 🌐				
		SE1.5) Dedicated resources for local energy groups to develop plans and access expertise across our region 👥				
SE2) Accessible: Increase the use of new communications channels, remove engagement barriers, and increase cooperation with a wide range of local organisations so innovative thinkers and future customers access and contribute to our engagement	<ul style="list-style-type: none"> Targeted advice / support for community and customers on LCTs and flexible energy services Improved collaboration and cooperation in engagement (reducing stakeholder fatigue) Increased social media interactions, agile engagement and digital reach Increased social media interactions, agile engagement and digital reach 	SE2.1) Facilitate community & customer training programmes and surgeries	<i>Community and customer capacity programmes p.a.</i>	2	2	6
		SE2.2) Host three cross-utility forums p.a. 💡	<i>Cross-utility forums p.a.</i>	1	1	3
		SE2.3) Expand to host more industrial representative meetings each year	<i>Industrial representative meetings p.a.</i>	1	1	4
		SE2.4) Coordinate with DNOs / GDNs to consolidate events / forums, reducing stakeholder fatigue and improving outputs	<i>Cross DNO/GDN forums p.a.</i>	2	2	4
		SE2.5) Enhance digital channels to increase presence on social media, SMS / text communications, & website 🌐				
SE3) Relevant: Provide additional ways to discuss complex topics and tailor communication approaches so that we deliver engagement that promotes an understanding of priority topics such as decarbonisation and an inclusive energy transition	<ul style="list-style-type: none"> Provide a convening role for LAEP discussions Regional decarbonisation roadmap supporting the energy transition A regular forum for LAs to share good practice, problem solve and co-create to support their decarbonisation plans Building more accurate, detailed scenarios with customer input to deliver an efficient and economic network Supporting vulnerable customers, community leaders and customers to better understand of decarbonisation and practical steps to take 	SE3.1) Host four Local Energy Planning forums p.a.	<i>Local Energy Planning forums p.a.</i>	2	2	4
		SE3.2) Meet with each local authority, LEPS, and Combined Authority on the energy transition annually	<i>Formal local authority consultations p.a</i>	-	-	100%
		SE3.3) Host and coordinate quarterly regional decarbonisation working groups	Annual DFES refresh	✓	✓	✓
		SE3.4) Host Local Authority forums to discuss decarbonisation plans and progress				
		SE3.5) Run an annual programme to engage on energy scenario planning 🌐				
		SE3.6) Deliver tailored communications for hard-to-reach and vulnerable customers explaining the benefits of energy transition				
		SE3.7) Introduce a digital “ideas board” to improve energy services and transition planning 🌐				
SE4) Continuously improving: Continue to mature the skills, processes, infrastructure, and	<ul style="list-style-type: none"> Longitudinal insight mapping of stakeholder needs, priorities and their satisfaction Impact driven analysis delivering increased 	SE4.1) Undertake economic and social insight analysis to understand changing needs	Stakeholder satisfaction survey	85%	85%	>90%
		SE4.2) Respond to innovative thinkers in engagement, ensuring				

¹. Numbers shown may be subject to rounding. See Annex ‘A1.4 - key targets & measures’ for profiled targets

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Stakeholder Engagement Commitments	Benefits	Deliverables:	Measure (output/indicative inputs ¹)	ED1 to date	ED1 Forecast	ED2 Target
capacity of communities, customers, and our own teams to ensure engagement is two-way, measurable, and transparent	<ul style="list-style-type: none"> benefits for stakeholders Build an innovative, best in class engagement programme based on insight from experts Communications and engagement materials meeting the needs of all communities Real-time performance engagement reporting to our customers and stakeholders. 	we aren't satisfied with the traditional ways of doing things !				
		<p>SE4.3) Annually review our communications assets to increase visual impact and simplify language for all community needs 🌐</p> <p>SE4.4) Introduce a digital performance scorecard to report progress and impact of our engagement 🌐</p>	AA100 Stakeholder Standard Accreditation	✓	✓	✓

Key targets and measures

Key measures		ED1 performance		ED2 performance Phased targets					Outcome / deliverable ref
KPI	Unit	ED1 to date ¹	ED1 forecast ²	2023/24	2024/25	2025/26	2026/27	2027/28	
OUTPUTS									
Stakeholder satisfaction	%	85%	85%	86%	87%	88%	89%	90%	SE4
AA1000 - stakeholder Standard	Hit/Miss	✓	✓	✓	✓	✓	✓	✓	SE4
Independent assessment of inclusion and reach	Hit/Miss	-	-	✓	✓	✓	✓	✓	SE1
INDICATIVE INPUTS									
Regional engagement	Count	6	6	12	14	15	16	18	SE1.1
Community energy engagement	Count	7	7	8	9	12	12	12	SE1.2
Community and customer capacity programmes	Count	2	2	4	4	5	6	6	SE2.1
Cross-utility forums	Count	1	1	3	3	3	3	3	SE2.2
Industrial representative meetings	Count	1	1	4	4	4	4	4	SE2.3
GDN/DNO bilateral	Count	2	2	4	4	4	4	4	SE2.4
LAEP forums	Count	2	2	4	4	4	4	4	SE3.1
Formal local authority consultations	%	-	-	100%	100%	100%	100%	100%	SE3.2

Glossary

KPI	Definition
OUTPUTS	
Stakeholder satisfaction	To achieve an overall rating through an assessment of satisfaction from events held and a quarterly satisfaction assessment exercise undertaken by a research organisation with a proportion of stakeholders.
AA1000 - Stakeholder Standard	To achieve the AA1000 audit on an annual basis through assessment against the standard by an accredited AA1000 auditor.
Independent assessment of inclusion and reach	An annual audit undertaken by an industry leading research body to assess our approach against best practice as to whether the engagement planned, undertaken or acted upon was fully representative including (but not limited to) diversity, vulnerability, industrial and commercial, hard to reach, future and seldom heard groups.
INDICATIVE INPUTS	
Regional engagement	The count of engagement activity equally spread across the region's geography to ensure inclusivity and representation. Engagement will include assemblies, panels, forums and bi-lateral meetings.
Community Energy engagement	The count of engagement specific to community energy events, conferences, forums and panels.
Community and customer capacity programmes sponsored	The count of engagement aimed to equip stakeholders with the skills, knowledge and development they have requested to advance, set up, mobilise or grow their organisations and / or projects within defined areas including (but not limited to) decarbonisation, energy efficiency, education, low carbon technologies, community energy enterprises and sustainability practices.
Cross-utility forums	The count of engagement activities held in collaboration with utility partners and regional bodies including (but not limited to) gas, hydrogen, water, electricity, data, transport, and health.
Industrial representative meetings	The count of engagement sessions either bilateral / forums / workshops/co-creation events that engage industrial stakeholders and major energy users in horizon scanning, enabling decarbonisation and business development.
GDN/DNO bilateral	The count of specific engagement activities held in collaboration with the Gas Distribution Network Operator (Northern Gas Networks).
LAEP forums	The count of engagement, co-creation and capacity building sessions with Local Authorities and partners developing a local area energy plan or equivalent.
Formal local authority consultations	The proportion of Local Authorities (LAs) with which we formally consulted on our current and future investment programmes and shared priorities. This is a new measure for the ED2 period, as we currently engage with LAs but do not follow a formal consultation process.

1. 2020/21 actual performance
2. 2022/23 forecast performance