



# Stakeholder Engagement Strategy 2022/23



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## Why we engage

Our customers are facing severe challenges affecting their relationship with energy now and in the future.

Purposeful engagement with customers and stakeholders is critical to understand the diverse needs we serve, how those needs are changing, and the role we can play in supporting them. The insights we gain through engagement allow us to shape or change our direction of travel, enabling us to take actions and decisions that drive sustainable performance improvement and deliver benefits to customers and wider society.

We engage for four key reasons:

- ✓ To shape our strategies
- ✓ To improve our services
- ✓ To learn and develop best practice
- ✓ To share and influence

We carry out a broad and inclusive programme of engagement on an ongoing basis, working iteratively to build on existing insights and deepen our understanding of customers' and stakeholders' evolving needs. We shape our programme based on changes in the external environment, business priorities and objectives, and learnings from engagement to date. On an annual basis we review the focus areas under which we structure our engagement, develop initiatives and measure the impact and outcomes.

## How we use engagement to inform decisions

Meaningful engagement informs our actions and decisions at every stage of an initiative.

Delivery stage	Understand the needs of our customers, communities and stakeholders	Determine the best course of action: select and prioritise	Deliver action	Validate impact delivered
<b>Engagement activities</b>	<ul style="list-style-type: none"> <li>Analyse research, market intelligence and strategic changes in the environment</li> <li>Identify gaps in our understanding</li> <li>Engage to understand the issue and identify specific challenges or opportunities to address</li> </ul>	<ul style="list-style-type: none"> <li>Engage to explore our potential role and actions we could take, including through collaboration and partnership</li> <li>Assess and triangulate feedback, evaluate costs, benefits and trade-offs – is there value?</li> <li>Compare potential impacts of several actions we could take</li> </ul>	<ul style="list-style-type: none"> <li>Engage to identify partners to take forward actions</li> <li>Engage through co-design, testing and/or trialling with customers and/or stakeholders</li> <li>Share learnings and outcomes during delivery, e.g. with other DNOs</li> </ul>	<ul style="list-style-type: none"> <li>Understand actual customer and stakeholder impacts experienced</li> <li>Measure impact delivered</li> <li>Decide whether to scale, change or stop</li> <li>Report on impact</li> <li>Share learnings and best practice, internally and externally</li> </ul>
<b>Examples</b>	<ul style="list-style-type: none"> <li>Understanding the needs of emerging EV charging segments, e.g. micromobility, emergency services</li> </ul>	<ul style="list-style-type: none"> <li>Consulting with customers and stakeholders on the actions we should take to develop the flexibility market</li> </ul>	<ul style="list-style-type: none"> <li>Local Area Energy Planning: interviews, workshops and user testing to shape the design of our online self-serve planning tool</li> </ul>	<ul style="list-style-type: none"> <li>Measuring the effectiveness of trial campaigns to promote smart meters to medically dependent customers</li> </ul>

# Planning our engagement programme

Our planning approach ensures the engagement programme is purposeful, focuses on strategically relevant questions, is designed to materially influence our actions and decisions, and makes efficient use of our time and resources and that of our customers and stakeholders. We work iteratively to adjust the engagement programme on an ongoing basis, responding to changes in the environment and learnings from engagement to date.

## 1 Identify engagement questions

### Approach:

We identify key questions for engagement based on:

- Analysis of external factors influencing customers and our business
- Business priorities and commitments
- Insights from engagement to date

### Supporting tools and processes:

- Horizon scanning and market intelligence
- PESTLE analysis (senior management team and business teams)
- Central insights hub

## 2 Validate and prioritise engagement questions

### Approach:

- We apply a prioritisation framework to assess engagement questions, including their strategic importance and their likelihood of making a meaningful difference to the decisions we make. This ensures we prioritise impactful engagement and enables us to shape emerging engagement questions to be more purposeful and relevant to the decisions we face

### Supporting tools and processes:

- Prioritisation framework
- Horizon scanning and market intelligence

# Designing and delivering effective engagement activities

We then develop engagement plans to answer the engagement questions. When planning engagement activities, we apply a consistent framework to ensure our engagement is effective, representative and drives meaningful change. This year we have re-ordered the points in this framework to ensure we are clear on the purpose of our engagement and the actions and decisions it will influence, before planning the approach in detail.

## 1 Why do we want to engage?

### Approach:

- We start by identifying a clear purpose for the engagement, setting out a well-defined question or objective

### Supporting tools and processes:

- Engagement planning template

## 3 Who should we engage with?

### Approach:

- We assess the full range of stakeholders or customers likely to be interested or affected, to identify who to involve
- We aim to engage with a representative range of stakeholders, including those harder-to-reach or at risk of being left behind due to limited time, resource, or knowledge

### Supporting tools and processes:

- Stakeholder mapping, supported by annual refresh and ongoing market intelligence, to identify emerging groups and changes in influence and impact
- Vulnerability and inclusion assessment, embedded in our project governance, which helps identify at-risk groups

## 2 How will we use the insights we gain?

### Approach:

- We clarify which actions and decisions will be informed by the insights we gain through engagement

### Supporting tools and processes:

- Business priorities, commitments and delivery plans

## 4 How should we engage?

### Approach:

- We identify which mechanism or combination of mechanisms are best suited to the purpose of the engagement and are most likely to uncover the true insights needed to inform our actions and decisions
- We consider the needs of participants and aim to ensure we do not introduce barriers to participation, e.g. for digitally excluded customers
- We consider stakeholders' familiarity with the topic and aim to provide enough time and information to build participants' understanding so they can provide a meaningful response

### Supporting tools and processes:

- Engagement toolkit includes over 20 engagement mechanisms and communication channels, now including a Citizens' Panel
- Examples of best practice in designing and delivering engagement from across the business and other organisations

## Capturing, evaluating and applying learnings

After delivering engagement activities, we capture, evaluate and apply the insights gained from engagement and research to inform our actions and decisions. We also capture and apply lessons learned from engagement delivery to inform continuous improvement of our engagement methods. We follow the steps below:

### Managing insights

1. Capture and share insights across the business
2. Evaluate, weight and triangulate insights from engagement and research so we understand our full evidence base, taking into account the nature of the source and the strengths and limitations of different engagement mechanisms insights
3. Facilitate the informed use of insights in decision making to enable better decisions
4. Report on the impact of our engagement internally and externally

### Sharing delivery lessons learned

1. Capture feedback on the quality of engagement using a variety of methods, e.g. polls and surveys
2. Record our engagement using information management system, Tractivity
3. Identify and share lessons learned from engagement delivery across teams via our engagement knowledge base to drive continuous improvement

We are enhancing our tools such as our insights hub and engagement knowledge base to support fast and convenient sharing across the business.

## Why we measure impact

As a performance-driven business we aim to maximise the benefits of our actions to customers and wider society. We take a broad view, assessing not only financial benefits, but also social, environmental and wellbeing benefits. We evaluate the potential and actual impact of initiatives and use this information, alongside insights from stakeholder engagement, to help us target the actions that deliver the greatest benefit and identify how we can grow our impact even further.

## How we measure and maximise impact

We apply the Social Value UK principle of 'value the things that matter'. We take an outcome-driven approach to problem solving, working to get to the heart of an issue and taking forward the actions that will make the greatest difference, even when the path is difficult. Engagement is integral to our ability to deliver meaningful impact, enabling us to understand the real issues and clarify the most important outcomes we should seek to deliver. We then evaluate the potential actions we could take based on these outcomes.

We use a range of qualitative and quantitative techniques to evaluate the potential and actual impact of an action. For each initiative we select a mix of methods that best reflect the types of outcomes we are targeting and the groups intended to experience the impact:

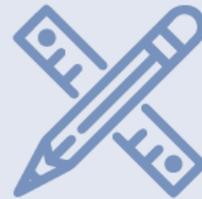
### Qualitative tools

- Feedback from customer and stakeholder engagement



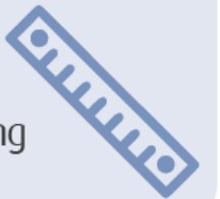
### Qualitative and quantitative tools

- Market and customer research
- Surveys and polls



### Quantitative tools

- Cost benefit analysis
- Social valuation (SROI analysis)
- Performance metrics – modelling and reporting



# How we measure and maximise impact

We use engagement and impact measurement together to guide our decisions at every stage of an initiative:

	<b>1 Understand the impact an action might deliver if we implemented it</b>	<b>2 Compare the potential impacts of several actions we could take</b>	<b>3 Select the best possible actions to take forward</b>	<b>4 Assess our initiatives during development to ensure they are likely to deliver the intended impacts</b>	<b>5 Validate whether an action delivered the impact we expected</b>
Role of engagement	<ul style="list-style-type: none"><li>• Understand the issue</li><li>• Clarify target outcomes and prioritise those that matter most</li><li>• Explore potential actions</li></ul>	<ul style="list-style-type: none"><li>• Compare and rank the potential impacts of possible actions we could take</li></ul>	<ul style="list-style-type: none"><li>• Triangulate engagement insights with other decision-making inputs</li></ul>	<ul style="list-style-type: none"><li>• Provide input and feedback through co-design, testing and/or trialling with customers and/or stakeholders</li></ul>	<ul style="list-style-type: none"><li>• Understand actual customer and stakeholder impacts experienced</li><li>• Share learnings and best practice, internally and externally</li></ul>
Role of impact measurement	<ul style="list-style-type: none"><li>• Identify how to measure intended outcomes</li><li>• Evaluate potential impact of an action</li></ul>	<ul style="list-style-type: none"><li>• Compare and rank the potential impacts of possible actions we could take</li></ul>	<ul style="list-style-type: none"><li>• Provide potential impacts to inform decisions</li><li>• Define metrics for monitoring and reporting</li></ul>	<ul style="list-style-type: none"><li>• Evaluate actual impact and updated forecast impact</li><li>• Decide whether to continue, change or stop</li></ul>	<ul style="list-style-type: none"><li>• Evaluate actual impact delivered</li><li>• Decide whether to scale, change or stop</li><li>• Report on impact</li></ul>