

# RIIO GD2 Business Plan Appendix

## Stakeholder Engagement Plan 2021

December 2019



**SGN**  
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# 1 Introduction

Chapter 4 of our business plan describes our strategic approach to stakeholder engagement. We are following a six-stage engagement cycle to create our stakeholder engagement plan and fulfil this strategic approach.

Our engagement cycle was reviewed in 2018 by our Stakeholder Advisory Panel and our Customer Engagement Group. This appendix contains more details of our initial planning process for the first year of GD2 aligned to the first three stages of the engagement cycle.

**Figure 1: Stakeholder engagement cycle**



## 2 Initial planning for 2021

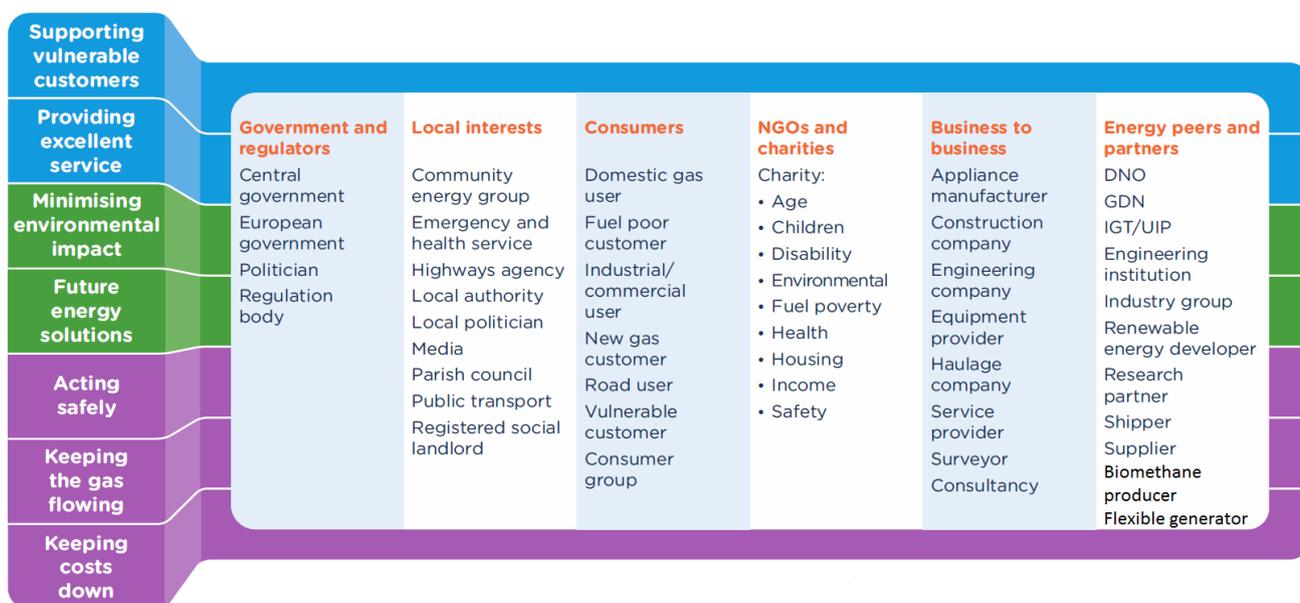
### 2.1 Identifying the stakeholders that are impacted or interested in our activities

We recognise our stakeholders represent a diverse range of organisations and individuals. This diversity brings with it a wide range of different needs and priorities which we need to recognise in our business decision-making and as we deliver our business activities. We therefore look proactively for organisations and individuals that hold a broad spectrum of interests and views to ensure our stakeholder engagement is inclusive.

We use our stakeholder relationship management tool (SRM) to record details of stakeholders mapped to their areas of interest and record activity and identify gaps. We also use our SRM tool to record our stakeholders' communication preferences. Subsequently, we continually review and tailor our methods of communication to ensure these are fit-for-purpose and meet stakeholders' unique and evolving needs.

We will continually broaden our engagement by undertaking regular and systematic stakeholder gap analysis and by extending our reach to incorporate different stakeholder perspectives.

**Figure 2: Stakeholder map**



### 2.2 Tailoring our methods of engagement with our stakeholders

We will continue to work with our stakeholders to determine their preferences and tailor our engagement mechanisms to reflect the geographic spread of our networks, the diversity of our network users and address the needs of those who are vulnerable and harder to reach.

We know our stakeholders want to engage with us in different ways depending on their own preferences, their levels of interest and their knowledge about our business. As we create our plans to engage on our 10 extra focus areas, we will use a range of engagement mechanisms.

- For experts who have built significant knowledge about our industry, we will engage through our Stakeholder Advisory Panel, through bilateral meetings and through specialist panels focusing on specific topics;

- For interested stakeholders who have some knowledge about our business, we will engage through national and local workshops, roundtables, webinars, bilateral meetings, specialist panels, surveys and online. We will attend existing events, going to where our stakeholders already are to engage on topics that are relevant; and
- For those stakeholders who have low levels of awareness and knowledge of our industry, we will engage in deliberative conversations, focus groups, through market research and through digital media and online communities.

As part of our engagement process we ask our stakeholders regularly about their preferred engagement channels and refresh our programme of activities as a result of their feedback.

As recommended by our Customer Engagement Group, we will work with our Stakeholder Advisory Panel to further evolve our approach and engagement techniques and explore new forms of deliberation with stakeholders during GD2. We will pilot a number of new approaches, paying close attention to ways of building capacity among stakeholders, to support greater depth of engagement and to reflect the unique needs of all our stakeholder and customer groups. This continuous improvement approach will deliver better outcomes for our business and for stakeholders.

We will also create a Vulnerability and CO Steering Group of stakeholders and Stakeholder Advisory Panel members to support the selection of appropriate initiatives for the use-it-or-lose-it allowance.

We will ensure customers continue to have a stronger voice, we will obtain meaningful and broad-ranging feedback on a broad range of issues and we will deliver the outcomes customers value most.

Engagement mechanism	Rationale	Frequency and measurement
<b>Stakeholder Advisory Panel</b>	<p>Our Stakeholder Advisory Panel consists of external expert members, our CEO, Director of Stakeholder Relations and other members of our executive team.</p> <p>The senior level panel will continue to provide strategic and practical advice on a range of issues of interest to stakeholders and customers.</p> <p>The group will ensure our engagement addresses a wide diversity of stakeholder interests to deliver better business and stakeholder outcomes.</p>	<p>Quarterly meetings or Skype calls.</p> <p>Evidence of advice adopted by the business.</p>
<b>Customer Engagement Group</b>	<p>This expert group will provide independent challenge and assurance on our business plan implementation, assuring the</p>	<p>Meetings twice a year and Skype calls.</p>

	commitments and outputs set out in our plan and our performance as part of the reputational ODI for stakeholder engagement are maintained.	An annual CEG report outlining assessment of performance and the measurement of success.
<b>Vulnerability and CO Steering Group</b>	Expert stakeholders including members of our Stakeholder Advisory Panel will support the selection of appropriate initiatives for our vulnerability use-it-or-lose-it allowance - (see section 6.5 of our business plan).	Quarterly meetings as the group is set up, frequency may reduce.  Advice taken forward by the company.  Social value, financial benefits and common metrics achieved.
<b>Environmental Steering Group</b>	Expert stakeholders (likely to include members of our Stakeholder Advisory Panel) will support and challenge our performance against our Environmental Action Plan - (see section 9 of our business plan).	Quarterly meetings as the group is set up, frequency may reduce.  Advice taken forward by the company.  Progress against environmental targets.
<b>Moving Forward Together workshops</b>	Moving Forward Together events, engaging a broad range and high volume of stakeholders at all levels of expertise and knowledge, in Scotland and Southern.  These are targeted around the priorities that stakeholders and customers have told us are important to them and where we know we have the biggest impact on customers and stakeholders.	Annually in Southern and Scotland.  Numbers and stakeholder reach measured.  Event evaluation and any polling within the event on specific priority areas.  Advice taken forward by the company/how feedback has changed our plans.
<b>Specialist panels</b>	As recommended by our Stakeholder Advisory Panel, a continuation of a series of panels on specialist topics, where the issues discussed are	An increasing proportion of our engagement will be carried out on defined topics with knowledgeable stakeholders in Southern and Scotland.

	<p>considered highly complex and require a reasonable degree of existing knowledge to engage and provide advice.</p> <p>These specialist engagement mechanisms aim to seek advice from expert stakeholders and collaborate on complex issues, including supporting vulnerable customers, addressing fuel poverty and our role in the future of heat.</p> <p>The fuel poverty specialist panel will have a specific role in understanding and challenging our performance against a changing political, environmental and social context for the Fuel Poor Network Extension Scheme.</p>	<p>Panel topics will be specifically determined by the level of interest and importance of stakeholders and may require to be tailored differently in Southern and Scotland.</p> <p>Event evaluation and any polling within the event on specific priority areas Advice taken forward by the company. New partnerships formed/initiatives implemented.</p> <p>Fair, mutual understanding of ongoing appropriateness of fuel poor targets and progress achieved.</p>
<b>Local depot events and workshops</b>	<p>The topic or area addressed is less complex and aimed at greater local relationship building, linked to uniquely local issues and sharing information on our large planned projects with local communities and relevant partner organisations.</p>	<p>Event programme focus and frequency to be determined by specific local interest, working in collaboration with operational colleagues.</p> <p>Event evaluation.</p> <p>Advice taken forward by the company/how feedback has changed our plans.</p>
<b>Roundtable groups</b>	<p>To share best practice, issues and challenges with industry leading organisations or experts around a particular topic.</p>	<p>Formation of an enduring SGN/stakeholder best practice network – focused on sustainability.</p> <p>Six-monthly meetings, rotating between Scotland and Southern.</p> <p>Areas of best practice and advice taken forward by the company/how feedback has changed our plans.</p>

		Benchmarking with other leading organisations.
<p><b>Quantitative and qualitative research</b></p> <p>(A more detailed Research and Insight plan is under development and discussion with our Stakeholder Advisory Panel).</p>	Listening mechanisms to understand the views of customers and stakeholders on a range of topics or to assess satisfaction levels.	<p>An ongoing annual programme of tailored insight underpinned by surveys.</p> <p>Driven by business areas which most impact stakeholders or they want to find out more about.</p> <p>Insight into complex topics. Measurement of satisfaction levels and preferences. Other metrics to be driven by specific topic areas.</p>
<b>Webinars</b>	A communication mechanism to inform many stakeholders, sometimes with specialist knowledge, depending on the topic area, and obtain feedback.	<p>A series of webinars informing stakeholders on areas of our business they have requested more information about.</p> <p>Frequency based on specific demand from stakeholders.</p> <p>Linked to online evaluation.</p>
<b>Digital communication</b>	Online communication mechanisms to inform and update all stakeholders.	<p>Regular online social engagement.</p> <p>A quarterly newsletter linked to online feedback to determine satisfaction levels and further areas of interest.</p> <p>Number of website click throughs, stakeholder follow-up and uptake of services e.g. Help to Heat.</p>

### 2.3 Drafting our engagement plans to listen to stakeholders

Following initial engagement with expert stakeholders through bilateral meetings, specialist panels and round tables, we have begun to identify relevant stakeholders and plan engagement mechanisms for our ten areas of extra focus.

### 2.3.1 Making a positive impact

1. Collaborating to find alternative heat solutions for all households, in particular fuel poor households;
2. Finding ways to support vulnerable communities to engage with decarbonisation;
3. Contributing ideas and collaborating on better ways of measuring social impact;
4. Seeking input to find additional services for vulnerable customers;
5. Encouraging customers to protect and prevent the dangers of CO;

Positive impact stakeholders identified	Tailored engagement plans
Key stakeholders will include vulnerability and fuel poverty NGOs and charities, local authorities, central government officials and selected MPs and MSPs, DNOs, other utilities and leaders outside our industry, Fire and Rescue services, resilience partners, industry bodies, appliance manufacturers, Gas Safety Trust.	Provisional engagement channels include: Specialist panels for Scotland and Southern networks Bilateral meetings with DNOs APPGs, Bilateral meetings and roundtables with selected MPs Industry events and vulnerability conferences Local authority or community driven energy partnerships
<b>Output measures:</b> High quality engagements, ideas we adopt, ideas others adopt, number of vulnerable and fuel poor customers supported, awareness of CO raised.	

### 2.3.2 Delivering a safe and efficient service

6. Collaborating with other utilities on planned works and projects;

Safe and efficient stakeholders identified	Tailored engagement plans
Key stakeholders will include local authority officials and councils, the London Mayor’s office, DNOs, IGTs, UIPs, industry groups, water companies, telecoms companies	We are learning from pioneering joint working projects such as Croydon in Collaboration.  We have had strong feedback from stakeholders that we should pursue partnerships with other utility companies also trying to reach groups which do not traditionally engage. This lessens the burden on stakeholders and customers.
<b>Output measures:</b> Number of km of collaborative working, number of joint projects.	

### 2.3.3 Building a shared net-zero future

7. Contributing ideas and collaborating to find ways to decarbonise heat;
8. Contributing ideas, data and to support the broader energy transition;
9. Providing information and evidence to support decision makers to make the best use of gas networks in a decarbonised future;
10. Seeking input into our decision making to produce better environmental outcomes for the business and our stakeholders.

Shared future stakeholders identified	Tailored engagement plans
<p>Key stakeholders will include Government officials and politicians (Scotland, UK and London), academics, green and sustainability NGOs, local authorities, community energy groups, LEPs, flexible generation companies, DNOs, IGTs, UIPs, biomethane producers, energy suppliers, shippers, industry groups, Energy Systems Catapult, NIC, CCC, transport companies.</p> <p>Our CEG advised us to ensure we engage sufficiently with large energy users and local councils' energy teams.</p>	<p>Government ambitions on decarbonisation differ between Scotland and the UK, so bespoke engagement will often be appropriate.</p> <p>Many conversations are already taking place in different forums, conferences and meetings. We will join the conversations that are already happening, as well as initiating our own engagement channels.</p> <p>Provisional engagement channels include:</p> <ul style="list-style-type: none"> <li>Future of Heat specialist panel for Scotland</li> <li>Bilateral meetings with DNOs</li> <li>Bilateral meetings with BEIS, Scottish Government, MPs and MSPs, APPGs</li> <li>Parliamentary committees (Scottish and UK)</li> <li>Citizens Assembly process</li> <li>Think tanks</li> <li>Industry events and conferences including All Energy Conference as advised by our CEG</li> <li>Local authority, LEP or community driven energy partnerships</li> </ul>
<p><b>Output measures:</b> High quality engagements, ideas we adopt, ideas others adopt, data shared.</p>	

### 3 Assurance

Our business plan, including appendices, has been subject to a rigorous assurance process which is detailed in Chapter 3 of the Plan and the Board Assurance Statement.

Our Director of Stakeholder Engagement was appointed as the Sponsor for the Stakeholder Engagement Appendix which has been through the following levels of review and assurance:

#### First line

This was undertaken at project level by the team producing the document, as a regular self-check or peer review.

#### Second line

This was undertaken independently within the organisation to review and feedback on product development, including a workshop on stakeholder engagement, research, evidence and productivity. Both senior manager and director sign-off was obtained.

Our GD2 Executive Committee: (i) considered the appropriateness of assurance activity for the appendix and (ii) provided assurance to our Board the business plan meets Ofgem’s assurance requirements.

#### Third Line

This was undertaken by external advisors and groups providing critical challenge during the development of products within the business plan. In addition to the feedback and challenge provided by the Customer Engagement Group (CEG) and Customer Challenge Group (CCG) this appendix was developed after consultation with and advice from:

Advisor/group	Contribution
Stakeholder Advisory Panel	Consulted throughout development of the business plan

#### Fourth Line

This was undertaken by independent and impartial external providers, who provided a detailed and comprehensive report to both the Executive Committee and Board of Directors:

Advisor/group	Contribution
PwC	Review of Stakeholder Appendices against the Ofgem Business Plan Guidance and PwC Stakeholder Engagement Framework

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## 4 Glossary

All acronyms and associated descriptions can be found within the Glossary appendix.