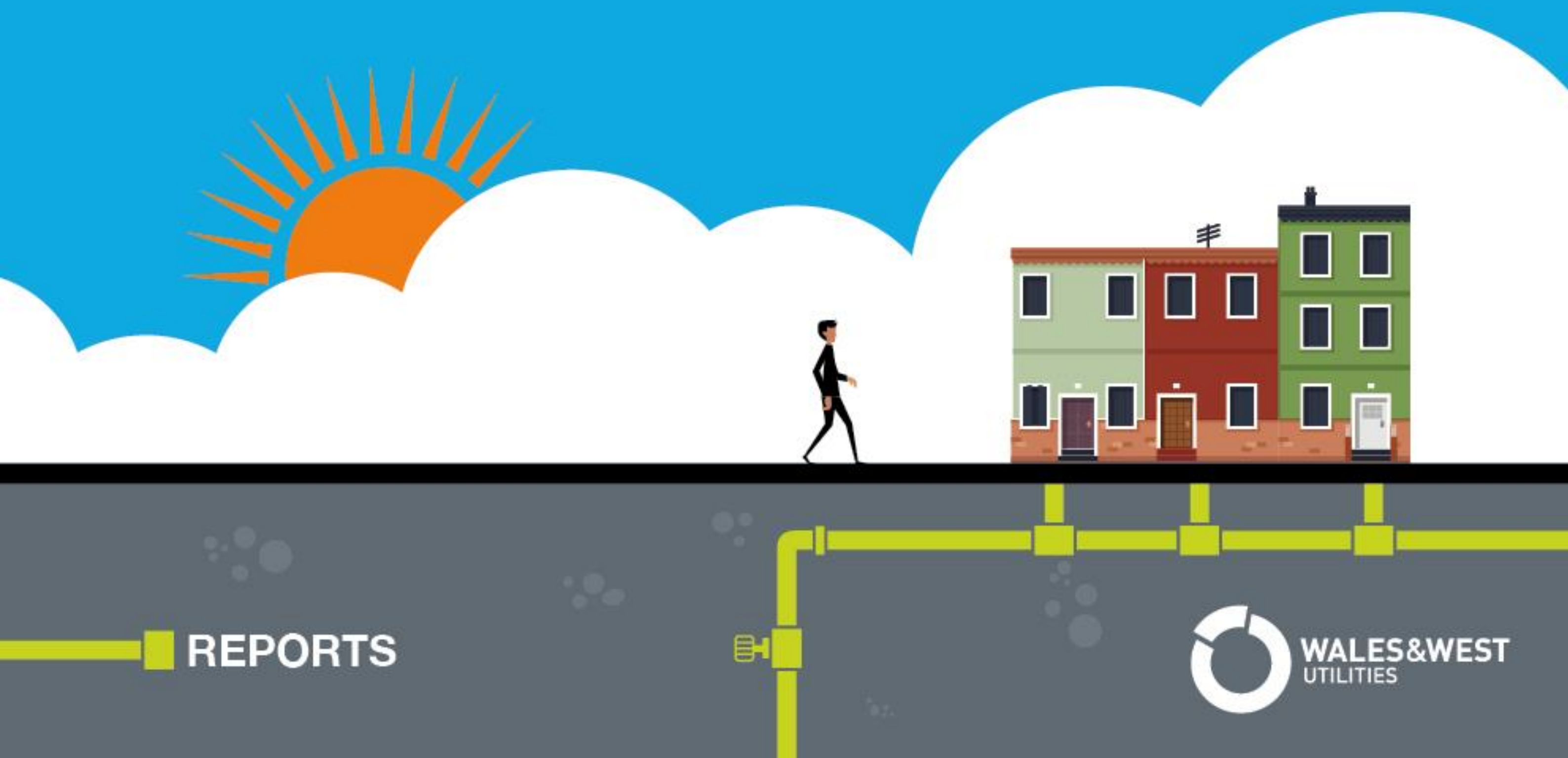
Stakeholder Engagement Strategy

September 2019 reviewed



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Context of the Strategy

Stakeholder engagement is a fundamental part of the RIIO process and offers the opportunity for others to have an input and influence how we plan, develop and run our network.

As technology continues to transform the way we live, we are increasingly seeing changes to how our network is being used. We must therefore listen to our stakeholders to understand their needs, placing them at the heart of the decision-making around how we run our business.

In preparation for our next price control period, RIIO-2, we are also undertaking changes to our wider business strategy so that we can plan to operate and address these future challenges. As such, this updated Stakeholder Engagement Strategy will play a crucial role in shaping our overall direction; the strategy will enable us to test our plans with stakeholders and ensure they are fit-for-purpose, and that they demonstrate cost-effective use of resources and match their expectations.

This Stakeholder Engagement Strategy presents our vision for the role that stakeholder feedback will play in the evolution of our strategy and provides an end-to-end approach to engagement. In addition to this, it will also act as a point of reference, demonstrating to our stakeholders how we plan, conduct and continually learn from engagement activities.

Improving our Stakeholder Engagement Strategy

Our Stakeholder Engagement Strategy lies at the core of our business; it defines how we will effectively engage with a wide range of stakeholders to identify their views on strategic issues. In the run-up to our GD2 business plan and as part of our yearly engagement efforts, we have taken feedback from our 2018 submission to develop this improved engagement strategy.

Our Stakeholder Engagement Strategy is composed of three elements:

Objective

1. The **objective** lays out our ambition for what stakeholder engagement should achieve for Wales & West Utilities.

Principles

2. Our guiding **principles** define *how* we engage, ensuring it complements our values and highlights our key strengths.

Approach

3. Our engagement **approach** consists of specific stages that detail how we start, carry out and finish our engagement activities. Lastly, it supports how we review engagement efforts to continually improve.

Our Objective

Our objective lies at the heart of our strategy as it sets out our vision for the role of stakeholder engagement in informing our decisions as we shape the gas distribution network of the future. This objective also focuses on two key business objectives: sustainability and value-for-money.

> We are a sustainable business, putting people and communities at the heart of what we do. By engaging in tailored ways, we identify our stakeholders' wants and needs while maximising the value we add for our customers. The informed feedback we gather will result in clear and measurable actions that deliver the outcomes our stakeholders want and ultimately shape the way our business operates.

Guiding Principles

Our objective is supported by three high-level principles that inform how we approach our engagement. These principles consider those identified in the AA1000SES standard, as well as reflecting our own business's values and approach to engaging with our stakeholders.

Inclusivity – encouraging a wide range of diverse customers and stakeholders to co-determine priority issues and engagements, as well as voice opinions on business initiatives.

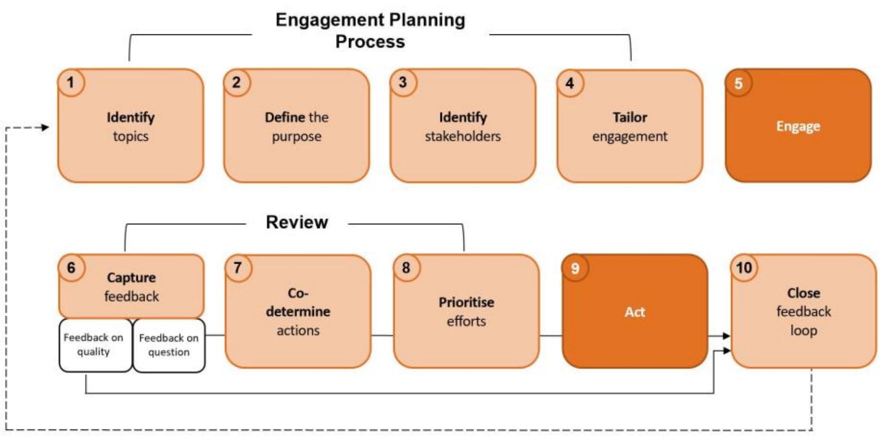
Transparency – consistently demonstrate that openness, honesty and accountability guide the organisation's decisions and are embedded within initiatives and outputs.

Continuous Improvement – aiming to identify key stakeholder issues before they arise, proactively resolve issues when they do and ensure that the outcomes are communicated to stakeholders.

The Engagement Approach

There are five main parts to our engagement approach - the first being the *engagement planning process*. This is followed with the act of *engaging* stakeholders to either inform or collect information from them. The steps within the *review* stage are essential to gathering stakeholder feedback from engagements to inform subsequent *actions* that we will undertake. *Closing the feedback loop* is essential to linking our actions to the initial purpose of engagement.

Ultimately, our engagement approach should identify actions that focus on key stakeholder topics and illustrate how their voice informs the actions we undertake, and the value delivered.



Step-by-Step Approach

Every step in the engagement approach adds value to delivering actions with the most benefits to our stakeholders. However, these steps can't be effectively executed without having the right tools and processes in place. Hence, we place great effort in strengthening every step of our approach by embedding the supporting tools and process to carry out stakeholder engagement.

The Engagement Planning Process

1 **Identify** topics

The first step that we undertake to begin the engagement planning process is to identify topics and areas of interest on which our stakeholders will be engaged on. In order to capture value from engagement efforts, we ensure that engagement is driven by key issues directly affecting customers, as well as staff and partners.

We also put effort into identifying root causes of the topics voiced by our stakeholders to guide impactful engagement actions and remedy long-term problems faced by them. Among varied approaches to discovering key topics, we deploy an innovative method of sentiment analysis that reports both positive and negative feelings expressed by external stakeholders. Combined with gaining insight from staff and partners on their topics, we form a strong basis for planning and delivering engagements of key importance.

To deploy **sentiment analysis** in identifying long-term issues, we have partnered with a third-party company, named Alva Insights, that creates the tools necessary for reporting sentiments. The monthly reports record positive and negative feelings across 10 topics from safety and gas outages to community and sponsorships. These reports are collected and tracked monthly so that every quarter we determine the most impactful recurring issues that will determine our engagements.

It is important to us that our partners voice their interests as well. Hence, we schedule quarterly sessions to enable them to articulate issues captured through simple mechanisms and shape future **partner engagements.**

Lastly, we acknowledge that there is value when **our own colleagues provide feedback** or participate in constructive criticism of the business, as they give a different point of view. Whether confidentially, their issues should be added to the list of recurring topics identified.

Below we provide a list of categorised topics based on which engagement planning begins. The topics of engagement can include those below but are not limited to them.

Safety	Reliability	Customer service	Innovation	Social obligations	Sustainability	Regulatory	Future of Energy	Connections
Emergency response, repairs, accident preventions, risk reduction	Loss of supply, supply capacity, and operational performance	Customer satisfaction, complaints, quality of stakeholder engagement, and connections standards	New technologies, operating and commercial arrangements	Fuel poor connections and carbon monoxide awareness	Biomethane, carbon monoxide, CO2, and shrinkage commitments	RIIO-2, incentives, mechanisms	Future of gas, etc.	Connections, Fuel Poor Connections

2 Define the purpose

In planning our engagement, it is crucial to be specific on the objective and have clearly defined questions relevant to the identified topic or issue being discussed. The questions are defined prior to undertaking the engagement and are made available for stakeholders to answer during the events.

Defining an event's purpose ahead is crucial as it guides how we will subsequently tailor engagement with stakeholders. Forming detailed questions provide a basis to record, measure and determine whether the engagement event met its goals.

We will develop a list of clear questions for every topic to be discussed. An example of a well-defined question is: *'Is the following list of services appropriate to meet the needs of vulnerable customers affected by Dementia? How can it be improved?'*

3 Identify stakeholders

Based on the purpose of engagement recognised, we will identify the ideal stakeholders who are best placed to answer the questions defined in step 2.

Depending on topic and purpose of engagement, varying stakeholder groups and individuals will be better placed than others to provide insight. The value of insight that we get will depend on whether we have understood who our stakeholders are and what is their knowledge on the topic that they will be engaged on.

We do our best to continually update our list of stakeholders and recognise who we should engage with. More recently, we developed a tool that has re-shaped how we identify our stakeholder that tailors the engagement more appropriately to the purpose and knowledge on the topic, ultimately enhancing the value we get from time spent with stakeholders.

Stakeholder segmentation is the process we undertake to identify who our stakeholders are and who are the best suited to provide feedback across a vast range of topics. According to every topic across our operating areas that we identify in the previous step, the stakeholders are all assigned a knowledge score. Our **segmentation tool** is enhanced by indicating the geographical areas that all stakeholders represent.

This tool is hosted in Excel, making it easy for anyone in the organisation who takes specific engagements forward to access and use.

4 Tailor engagement

Once we have clearly laid out the purpose of undertaking an engagement, selected stakeholders will be engaged in a manner that maximises the value delivered for the effort. Prior to engaging, we recognise that communicating with stakeholders or gathering information requires a custom approach. This includes tailoring engagement for stakeholders across three aspects, which are: method, content, and communication channels.

1. **Tailoring methods**
   To reach and communicate with our target stakeholder group, we ensure that the appropriate methods selected are dependent on the volume of stakeholders and the knowledge they have on the given topic. Selecting the **appropriate method is verified by a matrix** that according to the knowledge and volume will provide guidance on which tailored methods to deploy.

The chosen methods are subject to review before and after engagement to ensure that our stakeholders have been engaged in a way that enables them to provide the most valuable feedback: informed feedback.

Low → Stakeholder knowledge & interest → High

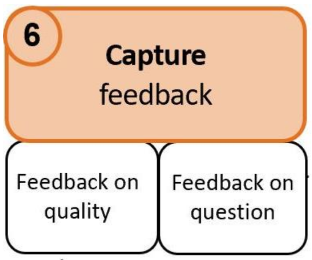
	No knowledge	Some knowledge		Expert
Purpose	Customer who have no background on us, the way we impact their life and the industry as a whole	Those who are impacted by us and have some knowledge about the business and the industry. Those who interact regularly with us and have a good knowledge of the services and products offered.		Close partners or those with specific expertise in a given topic that relates to the products and services offered by us
Engagement Methods	Social media Website Press articles Market Research	Surveys Leaflets Social media Website/ Ads	Regional Workshops Bilateral meetings Bespoke events	Customer Panels Workshops Consultations Advisory Panels
Example Stakeholders	Local and National Media End-customers University and schools	MPs Business customers Emergency services	Emergency Services Non-profit sector City councils	SAP Service partners Charities
Example outcomes	Increased awareness of who we are, what we do and how we impact our customers	MPs promoting PSR to their constituents	Design new safeguarding service and explore options on how to solve customer needs	Obtain feedback on activity plans and endorse strategy by engaging with our Stakeholder Advisory Panel

2. **Tailoring content**

Tailoring content before, during and after engagement is key to getting valid and informed feedback from our stakeholders. We **adapt our content based on the level of knowledge our stakeholders** have on the given topic. For example, last year we worked alongside a public affairs organisation to tailor our content to politicians as we were aware that their knowledge and level of insight on a particular topic varied largely from the other stakeholder we engaged with.

We do our best to additionally adapt the level of detail and tailor content based on whether we are educating, informing, or gathering information from stakeholders.

Reviewing Feedback



After engaging stakeholders through a variety of channels, it is crucial to capture our stakeholders' informed feedback – this will shape the direction of our forthcoming business decisions.

As part of our strategy update, we have enhanced our existing Day-After Reports (DARs) to capture more detail on the engagement event, feedback captured on the questions defined in step 2 as well as wider feedback on the quality of engagement.

The new DARs have been designed to minimise subjectivity, uncertainty, and mistakes when reporting and extracting value from stakeholder feedback.

Alongside the enhanced DARs, a set of training and how-to documents have been provided. In addition to this, the forms have been pre-filled with guidance text so as to make these more user-friendly.

To facilitate escalation of feedback within the organisation, an automated summary will be generated by the new form – this summary can be emailed to relevant colleagues to provide a quick and effective snapshot of the event and the feedback gathered.

The colleague and/or partners responsible for that engagement will be tasked to complete the form and forward the completed version to the Stakeholder Engagement team. This team will store all DARs in a pre-determined format and will be responsible to maintain them.

WALES&WEST UTILITIES

Stakeholder Engagement Feedback Form

Engagement overview	
Title of Engagement	
Engagement lead at WWU	
Number of stakeholders who attended	
Date *(DD/MM/YY)*	
Location	
Engagement objective	
Engagement type *(planned/unplanned)*	
Engagement method *(e.g. school visit, charity event)*	
Engagement content *(e.g. presentation)*	
Submission date *(DD/MM/YY)*	

Engagement summary		
Summarised description		
Key takeaways *(max. 5 key points)*	Engagement feedback	1.
		2.
		3.
	Engagement quality	4.
	Other	5.

Data / material provided	
Was any data or material provided by stakeholders?	
Name / content of material provided	
Place where this has been stored	

Please note, the process outlined above is being further developed and confirmed with our engagement champions and will be updated once agreed.

7 Co-determine actions

Success of our Stakeholder Engagement Strategy depends highly on the subsequent actions chosen by us based on feedback captured from engagement events. Feedback from stakeholders will be analysed and, where relevant, we will further work with stakeholders to co-determine the actions we need to take to improve our business processes and the very engagement planning process that led to feedback.

An essential step in co-determining next steps with stakeholders is escalating the actions identified to colleagues best placed to oversee and undertake them. The colleague responsible for filling out the Day After Reports will have to indicate an initial set of actions to be undertaken based on the feedback gathered. In case the colleague who is collecting the feedback is not best placed to identify the desired action, the action will be to 'Determine best response to this piece of feedback'.

All actions from all DARs stored by the Stakeholder Engagement Team will be automatically captured in a newly developed **Action Tracker.**

Action and risk tracker

Action Status	Number of actions
Total	
Open	
Closed	

Risk summary	Number of actions
Red	
Amber	
Green	

Action number	Date added	Category	Related feedback	Action to be taken	Responsible for action	Department	Comments	RAG	Action status	Deadline before escalation
	(DD/MM/YY)	*Manual entry / Pro-forma*			*Action owner*	*Responsible dpt*	*Any other comments*	Red/amber/green	Open / Closed	

This document will provide a central repository of all actions identified, the relative risk that inaction on each of them carries as well as key information such as priority and action owners.

Please note, the process outlined above is being further developed and confirmed with our engagement champions.

8 Prioritise efforts

The feedback gathered from engagement events will give rise to a wide range of possible actions. While some may focus on marginal improvements to our engagement planning process, others will shed light on how we can improve business-critical processes

It follows that different actions will come with different priorities. To reflect the level of 'urgency' attached to each action, we have implemented a RAG system on the action tracker. The **RAG status** will be first set by the colleague identifying the action and then validated by the relevant Director to which the action is escalated (*more on escalation to directors in the next step*).

Acting on Feedback

9 Act

The objective of our structured stakeholder engagement process is only achieved if the feedback we gather is translated into actions and, in turn, if these actions are controlled and completed by relevant colleagues.

In many cases, the member of staff tasked with hosting an engagement session is not best placed to take the action identified or to decide exactly what action will best address stakeholder feedback. To avoid this obstacle, the Stakeholder Engagement team will send the relevant action for each Department to the respective Director on a regular basis and, where relevant, this will be put on the agenda for the respective steering group.

The Director, and steering group as relevant, is best-placed to identify urgency, feasibility and assign the most relevant resource to ensure the action is completed in value-for-money ways. The Stakeholder Team will support the chosen colleague to **provide updates on the action's progress**.

10 Close feedback loop

We aim to continually improve the engagement strategy based on our first-hand experience. In order to capture learning from each engagement event, our enhanced **Day After Reports** include a section dedicated to the quality of facilitation, the level and ability of stakeholders to participate and more.

The feedback captured in this section will be reviewed at regular intervals by the Stakeholder Engagement team to identify how we can improve our planning process and the facilitation of our engagement events. Feedback on wants and needs will be taken into the business for action and issues and opportunities will feed into future engagement decision-making, linking back to No 1, Identifying topics for engagement.

In addition to improving the way we engage and facilitate events based on stakeholder feedback, we will strive to provide relevant stakeholders with updates on the actions they informed or suggested.