

Electricity Stakeholder Engagement Incentive Submission (Part 1)

2014/15

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Discuss





This report sets out our strategy for engaging and communicating with our stakeholders.

Our strategy is dynamic and we are continually seeking better ways to deliver for our stakeholders. In 2014/15, we innovated and drove new initiatives that have allowed us to work closer with our stakeholders. This helped to involve stakeholders in our thinking and decision making at earlier opportunities and to a greater level of detail, to include them in our day-to-day activities where it improves outcomes for them, and to find better ways of obtaining feedback that helps us make even more informed decisions.

In addition to our new initiatives, our stakeholders need us to keep improving on what we already do so we've also looked back on our performance to see where we can make improvements. We've worked hard to really understand what our stakeholders need from us, how we are performing and where we can do better. Our independent Stakeholder Advisory Panel has been invaluable in their support and guidance to this work.

This year we have also fully refreshed our stakeholder ambition and outlined the ways we will achieve our new, more stretching targets. These targets have been cascaded throughout our business and will allow us to track our progress in detail to ensure we are putting our stakeholders at the heart of what we do and delivering our business priorities.

As ever, we would greatly appreciate your feedback on both parts of this report.

David Wright
Director of Electricity Transmission
Asset Management



Stakeholder Advisory Panel

The independent Stakeholder Advisory Panel for National Grid Transmission represents a broad range of stakeholders. We meet every three months to share our knowledge and experience, and to review and challenge National Grid's stakeholder strategy. Our members draw on their experience and offer insights, discuss key issues that impact stakeholders, and review the effectiveness of our strategy and lessons learnt.

2014/15 was our first full year. At the end of this year, we produced an annual report that provided an overview of our areas of interest and actions taken against stakeholder priorities for the year. In particular, we are all encouraged by the dedication National Grid Transmission is showing and by the ambitious direction the business has set itself, and we look forward to working with them again in 2015/16.

Lord O'Neill

Chair, National Grid Transmission Independent Stakeholder Advisory Panel

Stakeholder Advisory Panel members:

- Lord Martin O'Neill – Panel Chair
- Jeremy Nicholson – Director, Energy Intensive User Groups
- Basil Towers – Director, Blue Rubicon Institute
- Trisha McAuley – Director for Scotland, Consumer Futures
- Barbara Vest – Director of Generation, Energy UK
- Maf Smith – Deputy Chief Executive, Renewable UK
- Paul Miner – Senior Planning Officer, Campaign to Protect Rural England
- Doug Parr – Chief Scientist, Greenpeace UK
- Jonathan Stern – Chairman, Gas Research Programme, Oxford Institute of Energy Studies
- Mike Calviu – Director, Transmission Network Service
- George Mayhew – Director, Corporate Affairs
- Nicola Paton – Head of Customer Service

Part 1 of this report outlines our strategy and how we engage with our stakeholders and act on their feedback. Supporting this, Part 2 provides case study examples of activities that have had tangible outcomes.



Overview

We've refreshed and updated our stakeholder engagement strategy and our framework for delivering it to include the latest feedback and thinking. We have set ourselves a challenging ambition that will make sure that we continue to improve our performance by involving stakeholders in activities, decisions and to be more outcome-focused, and this will benefit our stakeholders and our business.

To be a successful and sustainable business, we need to deliver what our stakeholders want in the most efficient way. Within our strategy, we want our stakeholders to find us easy to talk to, to say that we are good at listening and that we are responsive and reliable. This means that we need to be flexible, willing and able to respond and deliver in a timely way.

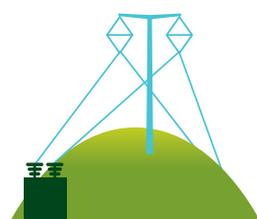
Our stakeholder engagement strategy continues to follow our guiding engagement principles and our cycle of Listen, Discuss and Act. These principles cover the following steps (and they are referenced throughout this report):

- **Identify** – Segment our stakeholders into groups so we can tailor the way we interact with them
- **Understand their needs** – Listen to stakeholders' priorities, and review their influence and their interest in helping to shape our plans and activities
- **Targeted** – Tailor engagement to suit the specific interests and priorities of each stakeholder, find innovative ways of doing things and work in a collaborative and co-ordinated way
- **Act** – Respond to what stakeholders are telling us, share their views, develop balanced and targeted plans, and do what we say we will
- **Inform** – Use appropriate communication channels to show how we have taken stakeholders' views into account.

Even though we are proud that we have seen improvements in our engagement performance scores (section 4.2), we continue to have challenging conversations about our ambition for our stakeholders – we want to do the right thing by them. We've made some good progress, but we recognise we need to do more.

We have lots to learn and must remember our stakeholders' needs and priorities will change. An effective stakeholder engagement strategy must keep changing too. It must also reflect the work we do to keep improving.

In the sections that follow, we show how we've carefully looked at where we are today and understood our stakeholder feedback (section 1.1 and 4), considered what 'good' means for our stakeholders and employees (section 1.2), and having taken account of these considerations – then looked at what we need to do to improve our satisfaction and engagement performance (section 1.3), and how we'll do it (section 1.4).



1.1 Reviewing our performance

In 2014, we reviewed our existing strategy and how this was driving satisfaction and engagement performance. We wanted to find new ways in which we could make significant improvements for our stakeholders:

- **Internal review** – Through a dedicated project (involving more than 75 managers and staff), we looked at our employees' engagement knowledge and approaches, their mindsets and behaviours, our systems and structure, what we weren't working in a consistent way and our approach varied across our business – this was having an impact on our overall satisfaction and engagement performance. We also reviewed the ways in which we were engaging with stakeholders to identify process improvements (section 3.3) and share best practice (section 2.4).
- **External review** – We gathered feedback through sessions, consultations and an independent survey of 135 stakeholders (section 4). Our independent Stakeholder Advisory Panel (section 1.4) also reviewed our performance and together we discussed and agreed some challenging areas for review and improvement.

1.2 Understanding what 'good' means for our stakeholders and our employees

With all of the above, based on our engagement principles (Listen, Discuss, Acts), our thorough understanding of our performance, and our desire to create a better experience for our stakeholders, we want to find a better way. We will:

- listen to their views so we can understand what they need and expect, and find solutions
- proactively engage and build trust through close working relationships based on openness and honesty
- help them understand our business by clearly explaining our decisions so we can work better, together
- work together to find innovative ways of building a network for the future
- take responsibility for delivering what we say we'll deliver and do even better wherever we can
- act on feedback.

Furthermore, we want our employees to feel that they're working for an organisation that is focused on its stakeholders, and we want to:

- write our processes as if they have been written by our customers and stakeholders
- do more to identify stakeholders and manage relationships proactively
- consider the impact on stakeholders when we're making decisions
- make sure we all have stakeholder objectives
- make sure we can all understand and can describe our impact on stakeholders
- include a customer or stakeholder discussion in every team meeting.

1.3 Improving our performance – setting new and ambitious targets

Bringing all this information together, we then refreshed and updated, in detail, our satisfaction and engagement strategy and redeveloped this ready for 2015/16. This strategy also includes a challenging set of annual satisfaction and stakeholder engagement performance targets and includes our long-term customer and stakeholder ambition to 2020/21. This puts our customers and stakeholders at the heart of our business.

For our Electricity Transmission business, we want:

- our teams to understand who their customers and stakeholders are and any shared relationships
- to ask for feedback on our performance and anticipate our customer's and stakeholder's requirements
- to widen our customer and stakeholder research and development capability, and pioneering projects that provide value for them.

To improve our current performance against our refreshed strategy and ambitious targets, we have developed four strategic themes we're focusing on in order to improve our stakeholder culture, satisfaction and engagement performance. This four themes are:

- **Creating common objectives** – Making personal, relevant targets part of everyone's day-to-day role
- **Developing skills** – Using training opportunities, strategic partnerships and sharing of best practice to improve skills across our organisation
- **Introducing consistent processes** – Using continuous improvement and Lean and Performance Excellence tools to focus on our stakeholders' needs and measure what we do
- **Improving our understanding and building stronger relationships** – Sharing information across the business to develop our understanding of our stakeholders' needs, and striving to keep improving.

Our refreshed strategy gives a framework to allow our employees to make improvements that ultimately deliver what our stakeholders want from us and further improve how we work with them. It provides a framework that allows teams to develop their own plans that will benefit stakeholders and links back to our business priorities.

Our leaders have approved this up-to-date strategy and we've now built it into personal employee performance objectives.

1.4 Making improvements in order to support our strategy

To help us achieve these goals, we've also made further changes to the way we work. Specific areas include the ways in which we use management information (using our Performance Excellence tools), developing our skills and capabilities; introducing more effective governance, assurance and validation; and carrying out a comprehensive communications strategy:

- **Performance Excellence** – We've formed a partnership with Unipart (Performance Excellence leaders) and developed a sustainable programme that will help us to put stakeholders at the heart of our business, deliver smarter ways of working and build continuous process review, innovation and improvement into the way we work. To support our strategy, all our teams are developing management information hubs on walls with stakeholder targets and actions, tracking current performance and monitoring their action plans. We also use tools and techniques to help identify opportunities to make improvements particularly in terms of how our processes have an impact on our stakeholders, and how we can set priorities and measure what we do.
- **Skills and capabilities** – We continue to include 'engagement with stakeholders' as a core skill in our capability framework. Our training Academy provides courses for these skills, from skilled up to expert level. This helps us to get all employees trained to the level we need and to keep developing them. In addition, our people have a wealth of engineering, commercial and business skills, and we want to increase our engagement capabilities, so we are recruiting with these skills in mind. This will help us to improve our knowledge of best practice and to develop new ideas in terms of how we improve stakeholder relationships and work with their feedback.

OurAcademy

- **Governance (internal)** – We've set up a management group, which includes members from across our business to be accountable for our stakeholder strategy and engagement. The group provides co-ordinated guidance and approval helping to share stakeholder improvements and best practice throughout our business.
- **Governance (external)** – In 2014/15, our independent Stakeholder Advisory Panel met four times. This external Panel of industry and other experts helps us to take into account the interests, aspirations and concerns of our stakeholders. Our Executive team also has the benefit of hearing from experienced advisers from outside our business. These conversations help us to shape our business priorities and ultimately our strategy and decisions. What's more, the Panel met with Ofgem in November 2014 to discuss how to improve stakeholder engagement. The feedback helped the Panel to write its year-end report, which we considered as we wrote our stakeholder priorities for 2015/16.



Our independent Stakeholder Advisory Panel reviewing our stakeholder engagement strategy in July 2014

■ **Assurance/Validation** – To meet stakeholders’ needs, we’ve continued to build upon our belief that independent external assessment and accreditation can help us to improve. During 2014/15, we worked with independent assessors. For instance, our Connections teams once again achieved accreditation for Customer Service Excellence (CSE) and further improved our compliance against this standard. This demonstrated their achievement of the national standard for excellent service based on five areas: customer insight, culture of the organisation, information and access, delivery and timeliness, and quality of service. And in 2014/15, we achieved ISO-55001 (previously British Standards Institution Publicly Available Specification (PAS-55)) that includes a new requirement for assessment that focus on stakeholder engagement: *The organisation has determined relevant stakeholders and their requirements and expectations.*



They're normally very good at communicating information. Some of the information is complex, but they make a real effort to make it understandable.

■ **Communications** – In autumn 2014, we launched an internal communications campaign (called '#Customer' and '#Stakeholder') that was designed to raise the profile of our customer service and stakeholder engagement and get feedback from employees. Our ambition includes a communications strategy to develop further campaigns and is in line with our new 'Finding a Better Way' Performance Excellence programme which is focused on our customers and stakeholders. What's more, we are committed to writing our stakeholder documents in clear language so they can be easily read, understood and acted upon. During 2014/15, we worked with the Plain English Campaign, which provides an independent review service. For example, this document, Part 2 and our Stakeholder Feedback report have all been reviewed and includes our Plain English corporate membership logo on the cover.

Next steps
Our stakeholder engagement strategy – in 2015/16, we will be using our refreshed strategy to help us achieve our ambition and improve our stakeholder engagement performance. This will help us to make more informed business decisions based on an improved understanding of our stakeholders and their requirements.



When they present information they're always keen to make sure it's in a format that you can digest and make sense of.



2. Engaging with a broad and inclusive range of stakeholders

Overview

Our Electricity Transmission business covers a very broad range of activities, and the interests of stakeholders change over time and their needs and priorities differ significantly. As a result, we work with a diverse range of stakeholders with a wide set of interests. By splitting them into different categories ('segmentation'), we can engage with them in an appropriate and effective way. We review these groups regularly to make sure they're up to date, complete and accurate.

2.1 Understanding who our stakeholders are

Reviewing who we engage with, as well as checking that we have not missed a particular stakeholder group, gives us a good balance of perspectives and priorities. This helps us to have relevant, inclusive and fair discussions that can shape our strategy and inform our business decisions.

In November 2014, we reviewed our stakeholder groups to make sure that they were still effective and that every type of stakeholder was included. We found that the groups were still relevant, but we needed to further split some of them (as illustrated below). For example, we've created specific stakeholder groups for 'small businesses', 'innovators', 'investors', 'general public', 'media' and 'landowners'. Our segmentation includes sub-groups and details on how we engage to build long-term relationships.

Within our guiding principles of Listen, Discuss, Act (section 1), below we discuss how we identify our stakeholders (section 2.1) and tailor the way we interact with them so we can understand their needs and priorities and listen to what is important to them (section 2.2). We also consider their influence and their interest in helping to shape our plans and activities (section 2.3).

Our stakeholder groups for 2015/16

Consumers	Customers	Communities and their representatives	Employees	Educational interest	Energy industry	Landowners
Political	Regulators	General public	Media	Small businesses	Supply chain	Non-governmental organisations
Innovators	Investors	Vulnerable customers				



In addition, as a responsible business, we are concerned about how our activities affect vulnerable groups of people. We are working with gas and electricity distribution companies and looking beyond the energy industry for best practice, to help to understand what more we can do to support this stakeholder group.

As a way to help demonstrate that we are operating responsibly for all our stakeholders and improving outcomes, including vulnerable groups and local communities, in 2014, we won the Responsible Business of the Year award. The judging panel commended us for our long-term vision, adding that we



demonstrate real foresight in using technology and innovation to develop solutions that protect employees, customers and wider society.



In 2014/15, we engaged with stakeholders from all of these groups through various channels, at varying frequencies and through a variety of teams across our business. Some of these activities are ongoing, daily, weekly or monthly occurrences, while others are less regular and are based more around the specific activities we are taking part in at any one time. The make-up of our overall stakeholder engagement programme varies from year-to-year as our workload changes.

A broad range of stakeholders also have a strong voice through our independent Stakeholder Advisory Panel (section 1.4). These members make sure that we take into account the interests, aspirations and concerns of our stakeholders. They also draw on their experience and challenge our stakeholder strategy; and discuss the issues that affect a wide range of stakeholders, our approach to engagement, and the effectiveness of that approach.

2.2 Reporting against our stakeholders' priorities

Building on the approaches we've already mentioned, we know that we must not focus all our attention on specific stakeholder groups; we need to make sure that we hear from our broad range of stakeholders and listen to their different priorities and feedback (section 4). All of our activities fall under five areas of output (Safety, Reliability, Engagement, Connections and Environment) that we identified with stakeholders and Ofgem through our engagement processes, reflecting the priorities that are important to them. In 2014/15, we worked to understand the interests of our different stakeholder groups against these priorities, and Part 2 of this report presents case studies against these outputs.

As an example, in September 2014, we published a report for our stakeholders that summarised our financial performance and how we'd done against these five outputs. We shared this specialist publication with all of our stakeholders, using email, social media and member associations.

2.3 Developing new and improved stakeholder mapping and maturity tools

We've developed tools that help us to build a clearer understanding of how we engage with stakeholders, and make sure that we include a broad range of stakeholders and understand their priorities and interests:

- **Improved our stakeholder mapping** – In 2014, we introduced a new stakeholder mapping tool to help us improve our understanding of our broad range of stakeholders. This tool also helps us to co-ordinate a consistent approach across our business, and improves our awareness of our stakeholders and the way in which we capture data. This will help us to further assess our stakeholder relationships within each area of our Transmission business.

- **New stakeholder maturity analysis** – In order to improve our performance, we need to be sure that our culture is also changing. In 2014, we built a customer and stakeholder maturity model to assess our progress in delivering our ambition and strategy (section 1). This tool helps us to understand the quality and depth of the relationships that we have with our stakeholders and how 'mature' our teams are with this engagement, and identify gaps and areas to focus on to drive change and deliver cultural improvements.

2.4 Improving how we understand/engage with our stakeholders through partnerships and collaboration

Our stakeholders have told us (section 4) that we need to find more opportunities to benchmark our performance and understand what best practice for stakeholder engagement actually is. Our independent Stakeholder Advisory Panel has also supported our need to form more partnerships and look for and share best practice around each of our stakeholder priorities. We've taken action and incorporated this feedback into our strategy (section 1) (and show examples within our Part 2 report). There are two themes:

- **Partnerships and best practice** – We develop partnerships with other organisations, and identify and develop best practice approaches to stakeholder engagement. We make sure that we share information about what we're doing, as this is critical for our business. For example, we are members of collaboration forums and use frameworks (section 1.4) to identify opportunities. This industry involvement helps to develop our people and to raise our profile in the industry.
- **Partnerships and joined-up engagement** – What's more, we recognise that stakeholders have limited time and don't want to be asked similar questions by several companies. So co-ordinated work helps us to identify opportunities in the industry where we can team up with other organisations and work towards a common approach for engagement to be more effective and efficient.

Next steps

Engaging a broad and inclusive range of stakeholders – we have taken the time to understand our stakeholder groups and how we can focus on their needs. Reflecting on our progress has helped us to find opportunities for collaboration and best practice around our stakeholder priorities. We will compile more useful information that will help us to make more informed decisions. We want to continue to improve and better understand our individual stakeholders, as well as analyse our approach to segmentation more effectively. This will give us a clearer understanding of the relationships we have. We can then engage with stakeholders in a more considered way.



Overview

Giving stakeholders lots of different ways to engage with us enriches our conversations with them. Accessible communication channels help us to engage with and inform our different stakeholder groups by having open and transparent discussions. This makes sure that we capture a breadth of stakeholder perspectives and have more opportunities to ask for their feedback (section 4).

We engage with stakeholders in many different ways. Listen, Discuss, Act (section 1) includes our principle that we target and tailor our engagement to suit the specific interests and priorities of each stakeholder; find innovative ways of doing things; and work in a collaborative and co-ordinated way.

We listen to what our stakeholders tell us and then deliver information in a way that suits them. Many still prefer dedicated workshops and face-to-face discussions (57%) over web meetings and teleconferences (14%). Some stakeholders say their preference depends upon the issue or topic being discussed (29%).

We explain below that during 2014/15, we engaged with stakeholders in a variety of different ways. As well as using more traditional methods like workshops, meetings and publications (section 3.1), there continues to be increasing demand for easily accessible social media platforms and online surveys (section 3.2), and we have been developing these mechanisms and improving our engagement processes (section 3.3).

3.1 'Traditional' engagement

Responding to stakeholders' preferences, our engagement in 2014/15 included traditional channels, such as conferences, seminars, workshops, exhibition events, open days, newsletters, consultations and publications. For example, 280 delegates attended our Future Energy Scenarios (FES) conference (July 2014); we held Electricity customer seminars (Glasgow/London) with more than 20–25 stakeholders attending as delegates at each venue. What's more, we were invited to speak about our business and what it means to customers and stakeholders at many industry conferences.

We know that our stakeholders have limited time (section 2.4), so we've thought about how we can work in a more focused way around our key publications with the support of Plain English. This will improve our engagement further, be more accessible and provide wider stakeholder feedback.

For example, in autumn 2014, we reviewed our stakeholder engagement processes where we consult and survey stakeholders for their insights and feedback (section 4.1). As part of this review, we found that we weren't working in a consistent and timely way, so we've made some changes to these processes. We now have a single annual process that is more appropriate and is bringing in even more feedback. This has helped us to identify fresh opportunities to improve how we engage with stakeholders (section 4.2).

Furthermore, personal engagement includes contacting stakeholders, particularly those who might otherwise have found it difficult to engage with us, such as geographically isolated stakeholders and hard to reach groups. Specific examples for 2014/15 can be found in this year's Part 2, where we provide case studies and share some of the engagement stories we're most proud of. These include:

- paying personal visits to groups or individuals with specific needs, including those with mobility difficulties
- using high street pop-up shops and supermarkets to reach local communities affected by construction work

- displaying information on site hoardings
- utilising multiple specialist panels of industry and stakeholder experts (such as Visual Impact Provision)
- using visitor and environmental centres to explain our work in a more interesting and interactive way
- visiting schools and universities to promote engineering and to allow students to ask questions about what we do
- working with community and special interest organisations to access specific groups of stakeholders
- offering a choice of engagement channels to suit personal preferences, including publications in Welsh and in braille.



We contact each other by email and phone. We also have meetings, so it's a good broad mix. They listen and respond to me. I raised a query with [them] recently and I had a very fast turnaround with an excellent response.

3.2 Web and new media

We use our dedicated stakeholder website, Talking Networks, to update our stakeholders. This site includes brief, easy-to-read updates about our engagement, feedback and our progress. In 2014/15, this site had nearly 6,000 visits with an average visit time of 1 minute 28 seconds.



Talking Networks

In addition, our Connecting website shares news, debate on hot topics, and analysis on the UK and European energy industry. Over the year, users for this website have increased from 16,000 to more than 58,000. This information portal has been commended by communications professionals after being named a Class Winner at the Institute of Internal Communications (IoC) Central Awards, and this website has been approved by the Plain English Campaign and awarded their Crystal Mark.



We also use social media to communicate with stakeholders and to ask for their feedback. We engage with our stakeholders online with our 14,200 Twitter followers (up from 9,000 the previous year), and our 1,700 Facebook followers (up from 900 the previous year). For major infrastructure projects, we also set up bespoke websites for our stakeholders. We publish important business and industry-specific documents on our main website too (for example, asking for comments about our consultations on Future Energy Scenarios). Furthermore, we have been developing and publishing information videos on YouTube to help explain our business and specific topics of interest.



3.3 Finding ways to improve how we inform and engage

We are continually looking to improve, so we are always open to suggestions that will help us to engage with our stakeholders more effectively.

Our feedback suggests that there is an increasing demand from stakeholders to engage through web and social media channels, and that this is becoming more important because it is faster and more accessible. We have an opportunity to do more – stakeholders have told us (section 4) that we need to make our website easier to use. We have already made progress here and, supported by our independent Stakeholder Advisory Panel, we will be giving stakeholders more opportunities to share their views.

We also recognise that our communication isn't always joined up. Because National Grid is a large business, many of our teams need feedback from stakeholders. Sometimes this leads to a stakeholder being contacted several times by different teams, so we're continuing to review how we work in a more co-ordinated way. This also helps us to bring together pockets of expertise within our own business and share best practice approaches.

Next steps

Engaging with stakeholders in a range of different ways – as well as continuing to find new ways of engaging, we will be looking at how we can improve the way we work. We want to work smarter so we'll think about how and when we engage and how we can maximise the use of different communication channels.



Overview

We listen to our stakeholders and act on what they tell us. We use their feedback to improve our engagement with them and this helps us to get more useful information, which we can use to make better decisions. Within this section, we show how we have carried out independent research on our stakeholder engagement activities and performance. Through feedback, we describe how we understand stakeholder priorities, as well as how we have performed, developed, published and acted upon our commitments.

Incorporating the views and feedback from our stakeholders into our business practice means that we can provide a service that better reflects their needs, priorities and expectations. The decisions we make will be better if we consider the views of people affected by them. Where we can't incorporate the views of a stakeholder, we must explain why.

In Part 2 of this report, we provide examples of case studies to illustrate that in 2014/15 we have been working with stakeholders and acting on their feedback. In particular, this year, we have been working towards being more outcome-focused, included a wide range of stakeholders in our engagement, and worked with the industry to deliver innovation, best practice and exploring new partnerships outside the energy industry. Examples of how we have acted on feedback range from small process changes, changes to team structures, to the design of new sections of our Transmission network.

In 2014/15, we gathered a large amount of feedback (section 4.1) to understand our performance in the year, and develop new stakeholder priorities, commitments and a workplan for 2015/16. We have collected and shared all of this with our stakeholders (section 4.2).

4.1 Gathering stakeholder feedback and performance in 2014/15

Stakeholder feedback can come in many forms, from ad hoc informal conversations to formal, structured consultations as part of large-scale construction work. No matter how we receive feedback, we will always try to action it and incorporate it into our decision-making process, or clearly explain the reasons why we can't do this.

Throughout the year, whenever we were working on projects, holding stakeholder events or publishing documents, we were always keen to hear from our stakeholders. Our feedback helped us to learn and develop action plans and improved the way we worked.

On top of that, to make sure that we have given all of our stakeholders the opportunity to provide us with their feedback, we always round off the year with an annual consultation and review period. This review asks stakeholders to tell us what they think about our performance, what we should focus on and how we can use our resources more effectively on the areas that matter most to them. We then develop actions to improve our engagement performance and identify stakeholder commitments. This annual exercise includes:

- **Stakeholder surveys** – In January 2015, we gathered details of individual stakeholders who we have worked with over the year as well as stakeholders affected by our major projects. An independent third party then surveyed them and gathered feedback from 135 stakeholders. This gave us valuable information about our strengths and opportunities to improve (section 4.2).
- **Stakeholder consultation** – In February 2015, we produced a consultation document (written in plain English), called our Stakeholder Commitments (section 4.2). This document invited stakeholders to let us know what they expect of us, what they want us to focus on for the year ahead and asks how well we are engaging on the issues that affect them.
- **Stakeholder Advisory Panel – Annual Report** – Following our four quarterly independent Stakeholder Advisory Panel sessions, at the end of 2014/15, the Panel wrote a report for our Executive team that summarised our actions and activities in the year and our discussions we had with them. The report also reviewed our performance, stakeholder survey and consultation feedback and offered actions in a form of a workplan for stakeholder priorities in 2015/16. Our Panel review this action plan each quarter as it forms our agenda for the year ahead.

Our performance – in 2014/15 we achieved an overall stakeholder satisfaction score of 7.74 out of 10 and that this overall performance score is up 0.2 from the previous year (shown in graph below).

4.2 Setting actions, priorities and workplan

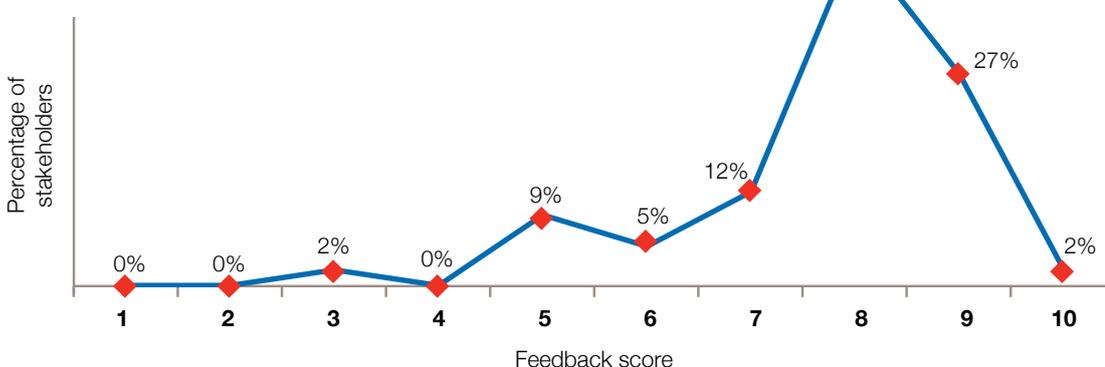
We combine all of our feedback, performance, commitments, actions and our Panel workplan into a single report and publish this for our stakeholders. The latest report with feedback from 2014/15 and our actions and commitments from this feedback is available on our [Talking Networks website](#).

Furthermore, within this report, we also promise to keep stakeholders updated on our progress, by publishing a mid-year update against these commitments, actions and our workplan.

The feedback has helped us to understand our actions to build upon our strengths, and where there are opportunities to improve.

Electricity Transmission – Stakeholder feedback

Overall score /10



■ **Our areas of good performance** – Stakeholders value the opportunities to communicate with us. We understand our stakeholders and provide useful information to them. Our people are professional and accessible and we have good working relationships with our stakeholders. We are open and transparent, and strive to work together.

■ **Our areas to improve** – We are also able to recognise themes and priorities such as stakeholders wanting us to more clearly explain our decisions, and make sure that information and the solutions that we develop are easy to understand. We need to work harder at improving clarity and the consistency of information (and make sure that it is less technical and isn't confused by regulations). Feedback from our stakeholders shows that they want our website to have more accessible information and to be easier to navigate.

The bar chart illustrates scores from our stakeholder feedback in 2014/15 – across these categories, our average performance ranges from 7.5 and 8.0.

Particular areas of note include:

- 85% of stakeholders value their engagement with us with an average score of 8.0 out of 10
- Compared to the previous year, Understand your expectations has an increase from 7.7 to 7.9 (with 75% of stakeholders scoring us 8 or above).

We are doing a good job for the majority of our stakeholders but what the chart also shows us is that there are some stakeholders that feel we need to do more. Our action plans have also been developed around this feedback.

We have also made good progress in our 2014/15 customer satisfaction scores. There is more we can do to improve on our scores and to be consistent in how we delight our customers and stakeholders. Our strategy (section 1) will help to drive actions wher we can improve in these areas.

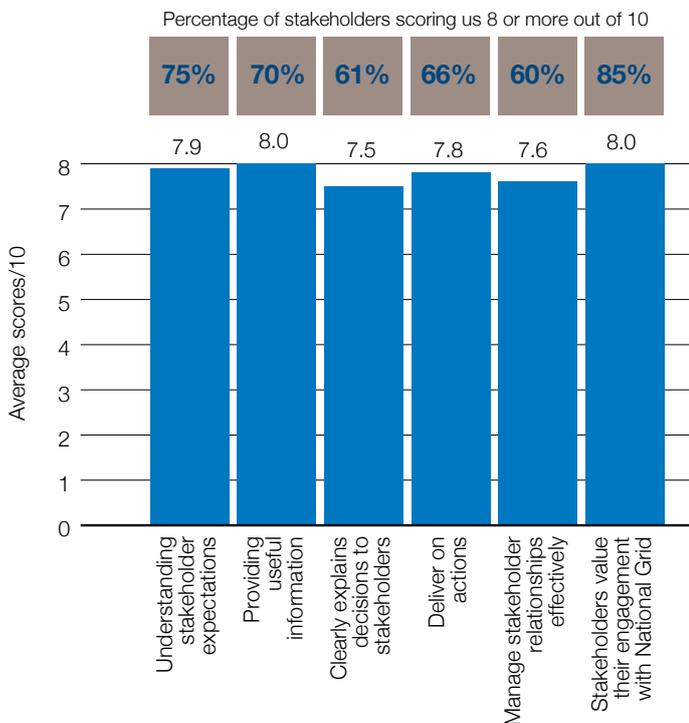


The information was quite clear and available. Sometimes it could be complicated, so it was a little difficult to grasp all the details.

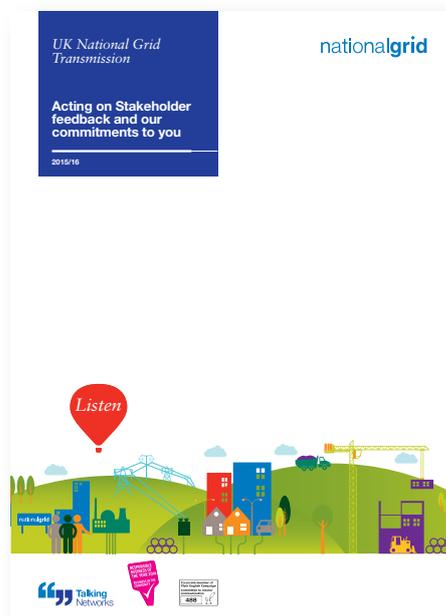
Next steps

Acting on input/feedback from our stakeholders – we continue to ask stakeholders for their feedback, monitor our performance and act on this information. Stakeholder feedback gives us valuable data that we can use to improve our understanding and performance. We know where we need to improve and we'll be focused on acting and addressing these areas in 2015/16, while asking for feedback regularly.

The results from the stakeholder feedback are shown below:



Our actions, feedback, performance and workplan



To support this Part 1 section of the report, we attach supporting evidence (Part 2) which provides examples of case studies that demonstrate stakeholder engagement activities we're most proud of in 2014/15.

nationalgrid

