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Cadent
Your Gas Network

21ST NOVEMBER 2019

RIIO-2 COMMITMENTS

Robustness assessment [Final]

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Content

Robustness assessment of Cadent's RIIO-GD2 Commitments

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Overview of our assessment

Our objective and approach

Objective – Creation of a robustness overview of all **52 commitments** to identify areas for improvement and potential weaknesses

Information gathering

We gathered all available information from Cadent to form a complete view per commitment. This includes internal output cases, research, legislation and insights from customer and stakeholder engagement.

Methodology development

Based on Sia Partners' expertise in best practice stakeholder engagement and RIIO-2 business planning, we developed a set of 10 relevant indicators and an associated scoring methodology.

Robustness measuring

We used our detailed overview of all relevant material to assign a rating per indicator for each commitment. The result is a relative heat map showing all commitments ranked by robustness.

The indicators we assessed against

Research & legislation	Studies and research, either by 3rd parties or commissioned by Cadent, as well as UK legislation and acts	**Engagement coverage**	The various customer and stakeholder groups that were engaged, as well as regional coverage
BAU & historical information	Information on Cadent's BAU activities and past performance	**Robustness & relevance of evidence**	How robust a source is, and how relevant and directly contributory the feedback and insights are to each commitment
Engagement methods	The variety of methods Cadent used to engage with their stakeholders and customers	**Industry collaboration**	Whether Cadent included industry collaboration for a commitment, as stated in Ofgem's requirements
RIIO-2 specific engagement	Whether or not, and how many, RIIO-2 specific activities Cadent carried out related to the commitment	**Whole system solutions**	Whether Cadent considered / engaged on whole system solutions, as prioritised by Ofgem

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Main findings

The 52 commitments ranked by **relative** strength

Trust	
Insight into action	
Community fund	
Customer bill transparency	
Governance	
Stakeholder engagement on UK challenges	
Awareness of Cadent	
Volunteering	
Executive pay	
Charity partner	
Matched giving	
Tax	
Diversity	

Environment	
Carbon neutral business	
Supporting our people in reducing their emissions	
HyNET Northwest - demonstrating at scale	
Hydrogen blending - testing future pathways	
Leakage	
Supporting off-grid communities	
Zero waste to landfill	
Hydrogen readiness in the North West	
Entry capacity	
Exit capacity	
Tackling the theft of gas	
DSR	

Resilience	
Emergency response and repair	
IMRP	
Whole system joint network planning	
Network Asset Risk Measures	
London Medium Pressure Programme	
MOBs resilience	

Quality	
Reinstatement	
Transforming the experience for MOBs customers	
Unplanned non-MOBs interruptions	
Notifications and time bound appointments	
Identifying your needs	
Accessible and inclusive comms	
Enhanced fuel poor interventions	
CO plan	
CSAT	
Fuel poor NES	
Personalising welfare facilities	
Going beyond to strive to never leave a customer vulnerable without gas	
Connections	
Coordinating with others	
GSOS	
Complaints	
Better roadworks information	
Establishing and raising the bar for all our customer and stakeholder experiences	
Enhanced engagement on whole systems thinking	
Income and energy advice	
MOBs measurement and stakeholder engagement	
Central funding scheme pilot	

Comparing these results with those from **August**

This update allows for a broad comparison between where Cadent sat regarding the commitments in August 2019, and the present. To ensure this comparison is as accurate as possible, in August we removed the *relative aspects of the review* – meaning all indicators are now *absolute.*

From August to November:

- 35 commitments have seen their score increase,

- 4 commitments have seen their score decrease,

- 1 commitment has remained the same, and

- There are 12 new commitments (these may have had a previous iteration prior to August, or have been split out from an existing commitment, i.e. tax & governance).

The four commitments that decreased, did so for the following reasons:

1. Sources were no longer relevant, after a change in scope.
2. Commitments were reassessed against industry collaboration and whole system scoring, after a change in scope.
3. Commitments suffered a drop in average relevance scores, after sources were added.

Outcome – Providing a high **quality experience**

Sia weighted assessment out of 10

Reinstatement	7.2	8.6
Transforming the experience for MOBs customers	-	7.4
Unplanned non-MOBs interruptions	-	7.4
Notifications and time bound appointments	6.0	7.3
Identifying your needs	7.3	7.3
Accessible and inclusive comms	7.4	7.1
Enhanced fuel poor interventions	6.0	7.1
CO plan	7.7	6.9
CSAT	6.8	6.9
Fuel poor NES	4.4	6.7
Personalising welfare facilities	6.5	6.7
Going beyond to strive to never leave a customer vulnerable without gas	5.1	6.6
Connections	3.0	6.5
Coordinating with others	5.5	6.3
GSOS	5.5	6.0
Complaints	3.5	5.6
Better roadworks information	4.8	5.2
Establishing and raising the bar for all our customer and stakeholder experiences	3.7	5.2
Enhanced engagement on whole systems thinking	4.1	5.1
Income and energy advice	3.8	5.1
MOBs measurement and stakeholder engagement	-	4.9
Central funding scheme pilot	0	3.1

Main findings

- An average robustness of 6.3/10, the highest of the four outcomes. This is an increase of 1.0 from August.

- Only one commitment ranked as having 'minor gaps in engagement' – Central funding scheme pilot which increased from 0.0 in August, to 3.1 in November.

- An average of 9.7 engagement methods and 18 RIIO-2 engagements.

- Source scores are high, with an average robustness / relevance of 2.22 (scale of 0-3).

- The 'weakest' indicators (in relative terms) are 'Research / Legislative insights' and 'Engaged with hard to reach customers'. Coverage of vulnerable and regional customers is good.

- The highest 'Industry collaboration' average of the four outcomes, with an average of 1.11 (0-3 scale) across the 18 relevant commitments.

* The two columns show the scores from August and November to show the changes that have happened. Scores have been marked in green / red / black to indicate if they have moved up, down or remained unchanged. If there is no score for August, the commitment did not exist in its current form at that time.

Key	
Very Robust	
Robust	
Minor gaps in engagement	
Major gaps in engagement	

Outcome – Improving the **environment**

Sia weighted assessment out of 10

Commitment	Aug	Nov
Carbon neutral business	7.8	7.9
Supporting our people in reducing their emissions	5.5	7.6
HyNET Northwest - demonstrating at scale	5.8	7.5
Hydrogen blending - testing future pathways	4.8	7.1
Leakage	5.9	6.7
Supporting off-grid communities	5.7	6.6
Zero waste to landfill	4.8	6.1
Hydrogen readiness in the North West	3.9	5.7
Entry capacity	3.6	5.3
Exit capacity	2.2	4.9
Tackling the theft of gas	2.3	4.8
DSR	-	2.0

Main findings

- An average robustness of 6.0/10 (an increase of 0.8 from August).

- Contains the commitment with the least engagement – DSR. This is a new entrant for November, currently scored at 2.0/10.

- An average of 7.75 engagement methods and 14.75 RIIO-2 engagements.

- Source scores are again high (although not as high as quality), with an average robustness / relevance of 2.07 (scale of 0-3).

- The 'weakest' indicators (in relative terms) are 'Historical information' and 'Engaged with hard to reach customers'. Regional coverage and BAU information are well represented.

- Low scores for both 'Industry collaboration' (0.4 of 3) and 'Whole systems' (0.57 of 3), despite being an outcome where we feel are relevant.

* The two columns show the scores from August and November to show the changes that have happened. Scores have been marked in green / red / black to indicate if they have moved up, down or remained unchanged. If there is no score for August, the commitment did not exist in its current form at that time.

Key	
Very Robust	
Robust	
Minor gaps in engagement	
Major gaps in engagement	

Outcome – Delivering a **resilient** network

Sia weighted assessment out of 10		
Emergency response and repair	3.5	7.2
IMRP	5.8	6.3
Whole system joint network planning	-	5.8
Network Asset Risk Measures	5.8	5.7
London Medium Pressure Programme	2.1	4.7
MOBs resilience	-	4.1

Main findings

- An average robustness of 5.6/10 (an increase of 1.7 from August, the largest increase of all four outcomes).

- No commitments have 'minor gaps in engagement', however there are only 2 'very robust' commitments.

- An average of 10.1 engagement methods and 20.8 RIIO-2 engagements, the highest averages across the outcomes.

- Source scores are not bad, but are the lowest of the four outcomes, with an average robustness / relevance of 2.0 (scale of 0-3).

- The 'weakest' indicator is 'Research / legislative insights', with only one piece of research referenced across all 6 commitments.

* The two columns show the scores from August and November to show the changes that have happened. Scores have been marked in green / red / black to indicate if they have moved up, down or remained unchanged. If there is no score for August, the commitment did not exist in its current form at that time.

Key	
Very Robust	
Robust	
Minor gaps in engagement	
Major gaps in engagement	

Outcome - **Trusted** to act for society

Sia weighted assessment out of 10		
Insight into action	3.2	7.9
Community fund	5.6	6.7
Customer bill transparency	6.8	6.0
Governance	4.6	5.2
Stakeholder engagement on UK challenges	4.1	4.9
Awareness of Cadent	-	4.0
Volunteering	-	4.0
Executive pay	2.6	3.8
Charity partner	-	3.2
Matched giving	-	2.8
Tax	-	2.4
Diversity	-	2.4

Main findings

- An average robustness of 4.5/10 (an increase of 0.4 from August, the smallest difference).

- Includes 5 of the 7 commitments that have 'minor gaps in engagement'. This is due to both minimal impact from acceptability testing, and change in outcome structure.

- An average of 4.8 engagement methods and 7.2 RIIO-2 engagements, the lowest of the four outcomes.

- Source scores are very high (the highest of all four outcomes), with an average robustness / relevance of 2.35 (scale of 0-3). This is holding the score up, despite the lower volume of sources.

- The 'weakest' indicators (in relative terms) are 'BAU information', 'Historical information' and 'Engaged with hard to reach customers' once again.

* The two columns show the scores from August and November to show the changes that have happened. Scores have been marked in green / red / black to indicate if they have moved up, down or remained unchanged. If there is no score for August, the commitment did not exist in its current form at that time.

Key	
Very Robust	
Robust	
Minor gaps in engagement	
Major gaps in engagement	

Overall findings

1 **The overall 'robustness' average has increased from 36% in May, to 49% in August, and to 57% in November.** We now have 27 at 'Very Robust', 18 at 'Robust', and 7 with 'Minor gaps in engagement'.

2 Overall, the **sources were relevant and methodologically robust**, averaging a strong score of 2.19 out of 3 (down 0.01 from August).

3 **Trust is the weakest Outcome,** due to a combination of limited impact from Acceptability Testing (that saw others improve), and some significant changes to the breakdown of the commitments (splitting topics apart).

4 There is still a **noticeable weakness across 'Industry collaboration'** and **'Whole systems outcomes'.** Additional effort should be taken to highlight the work that Cadent has completed in this area (for example benchmarking, GDN discussions, ENA work).

How **engagement robustness** has changed over time
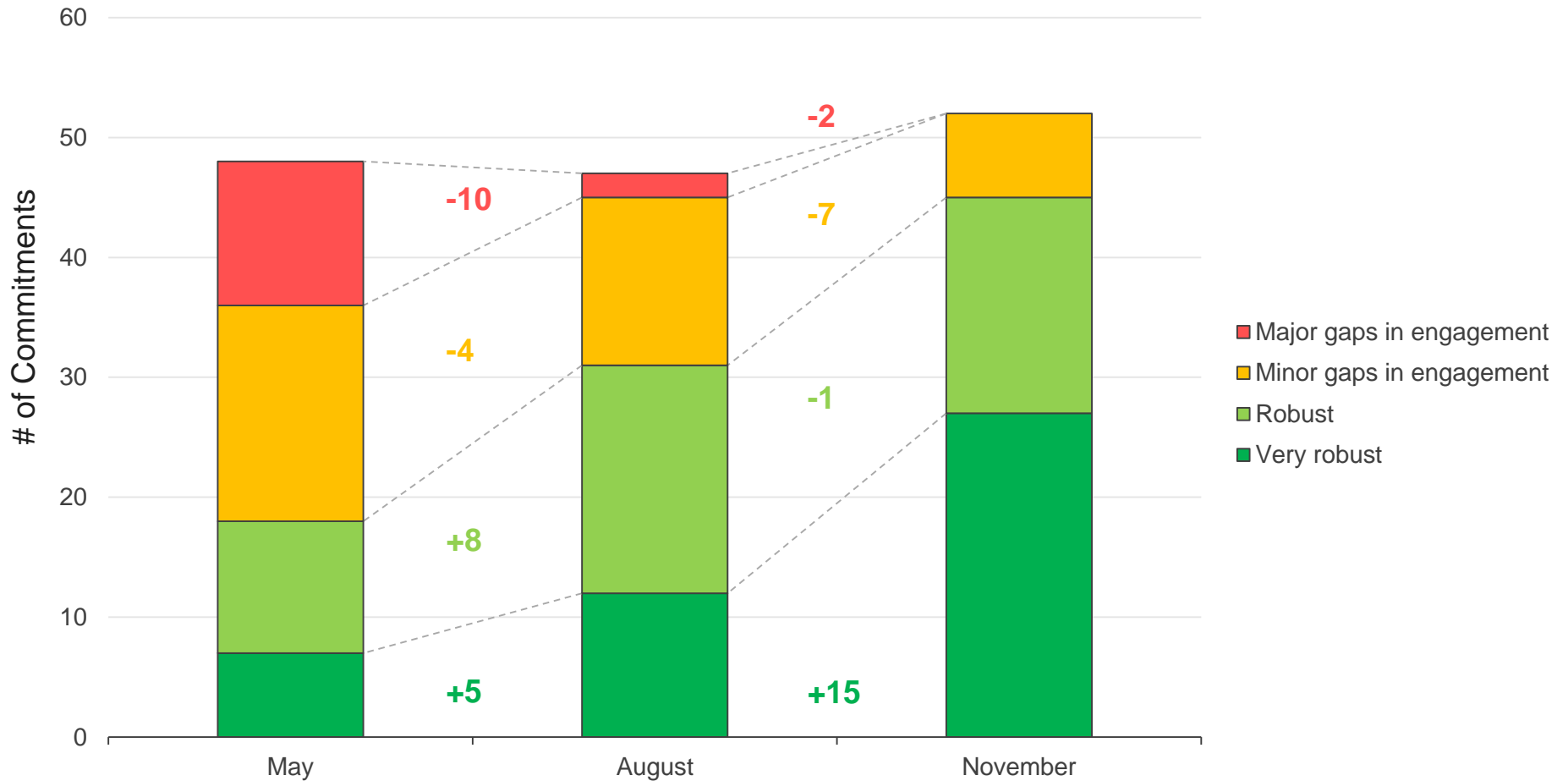
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Appendix –
Our methodology

Our methodology [1/2]

We calculated the overall robustness of each appendix through a four-step process.

01 ANALYSE APPENDIX CONTENT

02 CATEGORISE AND CONVERT

03 ASSIGN WEIGHT

04 CALCULATE OVERALL ROBUSTNESS

Rate appendix content according to robustness

Group appendix ratings into eight key categories on a scale of 1-10

Weight the importance of each category

Combine to show overall robustness on a scale of 1-10
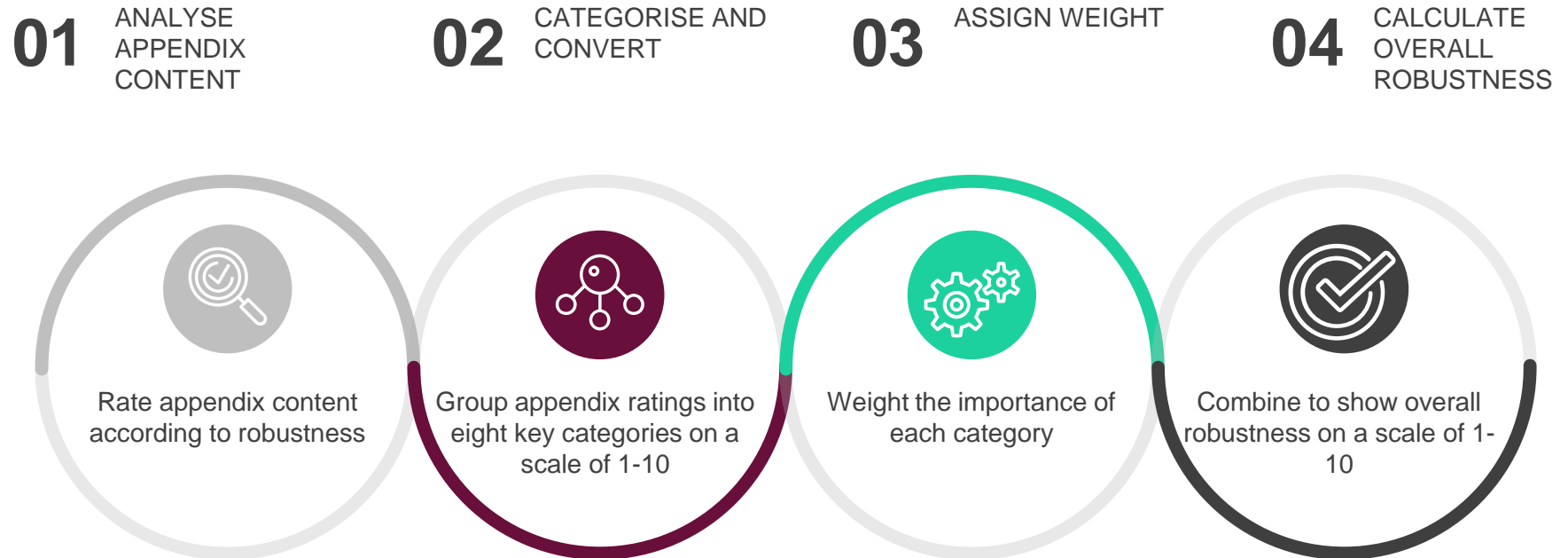
Our methodology [2/2]

Step 1: Initial rating of appendix	Step 2: Convert to eight key categories, on a scale of 1-10	Step 3: Weight importance of each category	Step 4: Combine all

Evaluated by the number of sources / methods

- Engagement methods → Engagement methods
- RIIO-2 specific engagement → RIIO-2 specific engagement
- Research / legislative insights → Research / legislative insights

Evaluated based on a ranking of 0-3, with 3 being the most complete
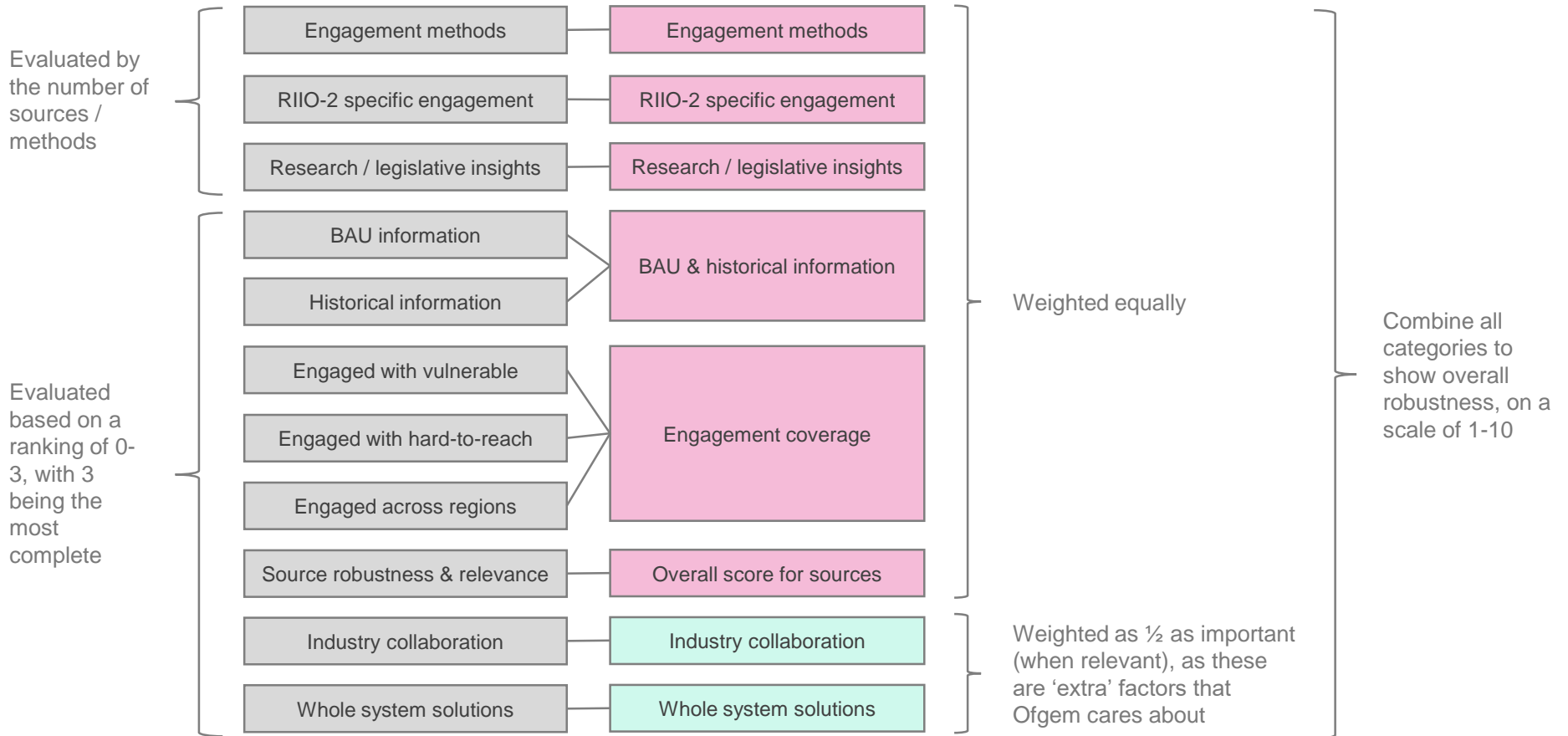
- BAU information
- Historical information
→ BAU & historical information

- Engaged with vulnerable
- Engaged with hard-to-reach
- Engaged across regions
→ Engagement coverage

- Source robustness & relevance → Overall score for sources

- Industry collaboration → Industry collaboration
- Whole system solutions → Whole system solutions

Weighted equally

Weighted as ½ as important (when relevant), as these are 'extra' factors that Ofgem cares about

Combine all categories to show overall robustness, on a scale of 1-10

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