

Making a positive contribution





Caring for customers, supporting our people

The quality of customer service we provide is critical to our customers' experience and our reputation. We are working hard to respond to our customers in a rapidly changing world and, wherever possible, to exceed those expectations through innovation and better, more engaging approaches to service. Our approach, while being far from complete, has this year achieved improvements in all of the three primary customer facing areas of our business: emergency response and repair, planned works and connections. We will continue this positive trajectory by being open and transparent with our customers, whatever their needs and circumstances.



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Our vision is to set standards that all of our customers love and others aspire to

We serve customers from all sectors and walks of life, from young families to Chelsea pensioners, fish and chip shops to major manufacturers. We aim to deliver great service, availability and responsiveness to all of our customers.

Our goal is also to ensure our service is affordable to current and future customers by driving the efficiency of our operations. We recognise that we must deliver these outcomes in a way that builds trust in how we operate, making a real and sustainable difference to the communities we support.

We never forget this and keep our customers constantly in mind. Even when we are developing innovative solutions to tackle climate change, we always remember that these will need to be affordable and accessible for all of our customers when they are implemented.

At the other end of the spectrum, this year, the COVID-19 pandemic disrupted all of our lives across the UK. Our focus on customers meant that we were able to redirect our energies to provide support with food banks, delivering medicines and reaching out to isolated customers as well as keeping the energy flowing.



Even when we are developing new green initiatives, we remember that these will need to be accessible for all of our customers.

Customer satisfaction

We have achieved a considerable improvement in many of our customer service measures. In particular, we have focused on minimising the volume and average duration of gas supply interruptions for our customers.

Based on feedback received directly from our customers, and insights gained from a range of data sources (for example customer satisfaction surveys, SMS feedback, complaints and social media), we have noted significant improvement in customer service levels as a result.

For each of our four networks we measure customer satisfaction across the three primary customer facing areas of our business: emergency response and repair, planned works and connections.

During 2019/20, we have improved across all three areas, which is a considerable annual improvement when compared to any GDN during RIIO-1.

Customer satisfaction

Performance by Network	Emergency Response & Repair (out of 10)	Planned Works (out of 10)	Connections (out of 10)
East of England	9.49	8.47	8.46
North London	9.08	7.97	8.73
North West	9.49	8.41	8.34
West Midlands	9.47	8.11	8.05



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Improving the customer experience



Our customer strategy

Our strategy is now around 18 months old and it enables a customer-centric approach based on six pillars, each supporting our employees to put our customers at the heart of their decision-making. The figure on the right describes these and the progress we've made against each over the year:

Customer-Centric Operating Model – Local engagement and accountability have enabled us to dramatically improve the customer experience and we have moved from the lower end of Ofgem's comparative data to the top end in under a year. We have also successfully developed approaches to reduce the length of time customers are without gas after a leak or an incident in a multiple occupancy building.

Engagement and Real Time Customer Insights – 2019/20 saw us deliver our most extensive engagement plan ever, with over 35,000 direct conversations with customers and expert stakeholders and over 1,000,000 customer data points analysed.

Customer Strategy

Our aim: To provide outstanding service levels to all of our customers, no matter what their personal circumstances.



A joined-up approach across Cadent, linking people, processes, systems and data

Big data and analytics – We are developing an expert capability to draw together the insights that we receive from customers, stakeholders, colleagues and other external sources to better understand preferences and areas for improvement.

Multi-channel communication – We aim to ensure that our services are accessible to all and tailored to suit different needs. We have extended our social media reach over the year and invested heavily in our website to ensure that it is more accessible. We have commissioned an application which will support our customers when applying for a new gas connection, to understand when we will be working nearby and provide an interactive way to engage with us.

Alignment of supply chain – Last year we increased the proportion of our employee remuneration associated with the delivery of customer outcomes and this year we are doing the same. We have also built additional customer service-focused incentives into our strategic supply chain arrangements to drive additional focus and individual ownership right through the organisation.

Customer Engagement Group

Our independent Customer Engagement Group (CEG) has provided robust challenge for our RII0-2 business plan, but also our ongoing customer and stakeholder engagement processes and our strategic approach to delivering consistently great outcomes for our customers. We meet with our CEG and have established a number of smaller working groups to allow more regular and detailed challenge be applied to areas such as how we engage with customers, our investment strategy and our approach to support customers in vulnerable situations. The CEG has interaction with our Board providing direct feedback, challenge and assurances.



Continuing development: Three simple innovations reduce disruption

Our stakeholders told us we needed to do more to reduce the disruption caused by unnecessary gas interruptions and reduce the number of hand-offs between engineers and teams to create a smoother customer experience.

As a result, we successfully trialled three new approaches:

- Staggered shift patterns enable us to work up to 10pm to help us complete the job before the end of the day.
- Improved efficiencies to send equipment and resources such as signage, lighting and barriers to support our network repair teams during excavation work.
- Upskilling our engineers so that they are multi-skilled expands the range of work that each can complete, reducing the time needed to finish a job and the number of handovers.

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Tailored engagement for incidents

In line with our strategy to become more network-aligned, this year we have improved our ability to tailor our response to gas network incidents. A water main burst in the town of Wirksworth in Derbyshire in October 2019, damaging a gas main which resulted in over 10,000 litres of water flooding the local gas network. 900 homes and businesses – including 215 priority service customers – lost their gas supply, which we immediately responded to by mobilising over 150 staff for several days to restore supplies as safely and quickly as possible.

We reviewed previous stakeholder feedback and our own internal learnings from previous incidents and created a plan to tailor our engagement to the situation. For the first time during an incident, we used online videos to create a real-time, personalised experience for stakeholders, giving them an insight into the extensive planning and dedication required to get them back on gas.

This was complemented by letter drops, proactive social media updates, a dedicated web page and Facebook page, and a temporary incident centre in the local church hall. Our team on-site actively monitored social media to understand trends in feedback and concerns, feeding this back to make ongoing updates to the social media plan. During the course of the incident, our social reach extended to over 26,000 people, with an average online response time of under 15 minutes.

As part of our commitment to continuous improvement, we have taken the opportunity during other incidents this year to reach out to local authorities and understand what social channels they use in their area. This has enabled us to extend our reach and ensure our communication is tailored to local channels and communication preferences.

Cadent
Your Gas Network



"The response from the community of Wirksworth was nothing short of amazing. Residents were incredibly patient and appreciative of our efforts to get them back on gas. One lady described us as 'angels in orange'."

Darren Elsom
Director of East Network

Engaging, listening and learning from our stakeholders

Why we engage

We have engaged with our customers and stakeholders to understand their needs, priorities and expectations of us. We've spoken to over 35,000 customers and combined these insights with over one million customer interactions. This has provided us with detailed evidence for our RIIO-2 Business Plan proposals (April 2021 to March 2026), especially when determining the customer commitments that we intend to make.

Our customers, communities and other stakeholders have helped us to identify four core customer outcomes that our Business Plan needs to address:

- Keeping the energy flowing safely and reliably;
- Providing a quality experience for all of our customers and stakeholders;
- Tackling climate change and improving the environment;
- Being trusted to act for our communities.

Left: Derbyshire Councillor Barry Lewis meeting the Cadent team in Wirksworth.

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Safeguarding our customers

In addition to the measures we took in response to the COVID-19 pandemic, our business as usual care for customers continued.

While undertaking our works we may come across circumstances where our customers are in vulnerable situations. In these situations, we take the time to provide additional services to keep our customers safe and warm in their homes. Our customer vulnerability strategy focuses on three distinct but parallel areas:

- Raising awareness of, and preventing, carbon monoxide poisoning;
- Providing tailored services to address and tackle customer vulnerability;
- Providing subsidised connections to the gas grid for eligible households to help tackle fuel poverty.

Working with partners to deliver better outcomes

Working with 23 of the 24 Fire and Rescue Services in our regions we have developed gas safety training for over 1,000 children on how to stay safe in an emergency and raise awareness of the signs of carbon monoxide.

We have formed new partnerships with Groundwork Manchester (GM) and Marches Energy Action (MEA) in Shropshire, who have access to the homes of people living in extreme vulnerability across both rural and urban areas in our North West and West Midlands networks. As part of their home safety visits, GM provides advice about gas safety and distributes carbon monoxide alarms and heated seat covers on our behalf. Our partnership with MEA has enabled us to engage with, and provide funding for, customers who are unable to afford appliance servicing, which consequently reduces the risk of carbon monoxide poisoning. We also provide carbon monoxide alarms, literature and heated seat covers.

Outcomes

- Delivering gas safety training to 1,000 children to help them to stay calm in an emergency situation and distributing 30,360 safety leaflets;
- 647 heated covers given to customers in vulnerable situations; and
- 20,609 carbon monoxide alarms distributed to customers in fuel poverty or with chronic illnesses.





Map 1 – Priority Services Register



Map 2 – Low income and poor EPC

Big data helps us focus on those who need our support the most

Our Social Indicator Mapping Tool highlights areas within our networks where multiple vulnerabilities are prevalent, depicted by the deep red colours on the maps above. This enables us to estimate where the largest Priority Services Register (PSR) enrolment gaps exist as well as areas that are high risk carbon monoxide hotspots and have high levels of deprivation and fuel poverty.

We have used this data to run a series of engagement activities. Using the PSR gap filter (see map 1) we ran a social media campaign focusing on carers and family members, promoting registration with the PSR.

We also identified areas where there was a high index (40% and above) of people in a low-income bracket and with poor Energy Performance Certificate ratings (see map 2), indicating that there is a greater likelihood that they would benefit from support relating to fuel poverty.

We then ran a series of initiatives targeting these areas, including promoting our Connected for Warmth Scheme in partnership with Affordable Warmth Solutions. We have shared the tool with many of our partners including Leicestershire Police and UK Men's Sheds Association and will continue to use these insights to focus our activities.

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Supporting the health and wellbeing of our people

Employee health and wellbeing is integral to the success of our business. We continue to drive improvements in all areas of employee health and wellbeing which is supported with commitments from our Executive Team, Steering Groups and Working Groups, where all employees are represented. Our culture is evolving, and we have witnessed a positive pull from employees for information to support their health and wellbeing. We have delivered webinars, presentations, activity challenges and training to meet this demand.

We have dedicated Project Charters for our three main areas of risk to health.

Management of vibration exposure at work

Our Vibration Management Project is sponsored by our Chief Operating Officer and supported by our Network Directors. The charter provides a plan of work that will span the next five years and has the following key measurable milestones:

- No new or progressive cases of vibration related conditions inc. HAVS by 2025;
- Vibration exposure reduced to <100 points per day by 2023;
- All injured employees will be digitally monitored by 2020;
- Top five magnitude tools removed/reprocessed by 2022;
- Revised employee and supervisor training launched 2020.

Our Innovation team is currently engaged in identifying new technologies that would help us in reaching these goals. We have already undertaken new vibration risk assessment and purchased watch technology that records a user's exposure to vibration.

Management of musculoskeletal injuries

Musculoskeletal injuries continue to be a key reason for our employees to be absent from work and to seek advice and support from our health and wellbeing providers. These injuries affect the day-to-day activities of our employees and adversely impact their ability to work and quality of life.

Our controls include training and awareness of manual handling tasks and workstation set ups. All programmes are bespoke and delivered by physiotherapists. To help drive a reduction in injuries and successful rehabilitation, we are working with our health and wellbeing providers to embed early interventions and support via direct access to physiotherapy. This service has recently added virtual assessments and exercise videos alongside telephone triage and face-to-face consultations.

Management of mental health and wellbeing

We are developing a positive workplace culture that encourages discussion of mental health and wellbeing freely and without fear of prejudice. Our aim is to retain, develop and attract the best employees in our sector. Our commitment to support our employees and to value their wellbeing, particularly mental health, is a key component in this aim. Our "Time to Change" programme reflects this and is supported by a steering group chaired by our Chief Safety and Strategy Officer.

There are three pillars to our strategy:

Recognise – encouraging recognition of symptoms and behaviours in ourselves and others.

Manage – developing our managers' skills and confidence to support employees with mental health issues with the same parity as they do for physical health conditions.

Thrive – providing advice, ideas and guidance on developing positive life skills and ways of working that are enduring and support good mental health and wellbeing.

In February 2020, Steve Fraser and Martin Rimmer, our Chief People Officer, signed the 'Time to Change' pledge. This includes a 12-month action plan, supported by MIND to deliver the following:

- A specific Time to Change communications plan which includes regular features, challenges, lived experience leadership case studies and support for national awareness days;
- Development of a network of Time to Change Champions who will embed the messages and support deliverables. Our target is to have one from every part of our business;
- Equip our managers with skills to manage mental health and wellbeing with a bespoke training course. Our target is to have a minimum of 30% of this delivered in 2020;
- Increase our provision of Mental Health First Aid trained employees. Our target is to have 1 in 10 of our employees trained.

We have improvement programmes in place for three key areas of health risk:

Vibration Exposure
Musculoskeletal Injuries
Mental Health and Wellbeing

We have made progress with each of these this year.



Creating a place where our people can thrive

With a dedicated workforce of over 4,000, we are focused on recruiting the right people, supporting them to share our values and helping them develop. We know that we will drive performance by creating an inclusive and motivated workforce, where everyone's contribution is valued.

Delivering our commitments

Our people are essential to delivering our services and improvements. We need the right balance of skills to ensure our operational performance is sustainable into the future. We continue to invest and improve strategies to engage, develop and grow our people, including:

- The Maintenance of Competence Board;
- The Leadership and Capabilities Strategy
- Our Employee Opinion Surveys;
- Our New Talent Strategy;
- The Education and Skills Strategy (our schools outreach programme); and
- Our Diversity and Inclusion Strategy.

Our aspiration is to be recognised as a great place to grow, for our people and those who want to join us.

Building for the future

Identifying, recruiting and retaining the skilled workforce we need to deliver our vision is crucial. This means we need to continue to develop a pipeline of talent by supporting science, technology, engineering and mathematics (STEM) skills in schools. We can also ensure our values resonate across communities whilst supporting our people with training and development opportunities.

Our Education and Skills Strategy focuses on STEM enrichment, careers inspiration, and work experience. We've built relationships with several schools to provide opportunities for our people to volunteer as mentors across a range of subjects and age groups. We focus on high quality interactions with pupils and have engaged with over 7,000 of them, including at the British Science Festival. We have developed classroom materials including a lesson plan on decarbonisation – 'Energies of the Future'.

In summer 2019 we held our first work experience week; one technical experience and one commercial, with 12 students each week. We are helping to promote engineering as an interesting, exciting and valuable career proposition. As a member of the Energy & Utility Skills Partnership, we have led the sector's Apprentice and Technical Education Advisory Group and we support the 'Talent Source Network' programme.



Enhancing our communities through volunteering

Investing in our people through the power of volunteering makes a real difference to the volunteer, the community beneficiaries and society as a whole. Our employees have been volunteering their efforts across our communities for various charities and local organisations, working collaboratively with a volunteering partner whose shared vision is to have everyone participate in their local community through volunteering and social action.

Our teams have donated their time, skills and most importantly their enthusiasm to delivering local projects that support local need. They have completed projects for homeless accommodation units, school outdoor play areas, local and national foodbanks and special educational needs colleges to name a few.

Teams can nominate their own projects which are typically linked to them personally or they can select a project which has been researched and will help address local needs. The collective efforts of our people since 2017 have seen over 216 colleagues give over 1,300 hours which have directly benefitted over 128,000 people across our footprint.

Our charitable partnership also continues to grow with the Alzheimer's Society and the amount raised over the partnership duration has reached over £209,000. Over 3,300 of our colleagues are now part of the three million Dementia Friends across the UK.



“We are taking clear, positive and inclusive actions to address our gender pay gap, including supporting and attracting talented women, equipping and empowering our leaders, and maintaining an inclusive culture.”

Tina Sands

Chief Information Officer
Executive Sponsor for Diversity and Inclusion

Attracting new talent

The transition to a low-carbon energy future means that we must build the capability to deal with a changing climate, to innovate and to embed new technologies. Our apprenticeships, graduate schemes and Engineering Training Programme help to do this. We recruit around 50 apprentices each year. This year our Graduate Development Programme was launched. With a comprehensive one-month induction before the two-year programme starts, the programme encourages engineers to learn across the organisation and build their engineering competencies towards chartership. We have engineering and business graduate schemes running this year. We have also embarked on some new development programmes in alternative apprenticeships including Project Management where six people have joined our organisation. We rank 21st for Top Employer for Apprentices and 29th for Graduates in the Job Crowd Awards.

Recognising our employees

In March 2020, we published our third gender pay report outlining our continued work to close the gender pay gap. Our mean pay gap* is 8.7% and although this is an improvement from last year, we recognise that there is still much to do to change perceptions in what is traditionally a male dominated sector.

When looking at our pay gap, it is mainly driven by a lower proportion of women in senior roles and Field Force roles compared to the wider workforce. Due to the nature of work undertaken by our Field Force, providing a 24/7 gas emergency service, their total package includes other elements in addition to base pay such as, stand-by and flexibility payments. Whilst the methodology is regulated for the reporting of the gender pay gap, if we use a salary only calculation then we have a positive gender pay gap for women, highlighting the impact to the gender pay gap of the various elements within the total package across our different employee populations.

Our bonus pay gap** is 45.8%, mainly driven by the difference in our Field Force staff package which raises the proportion in the calculation. As most Field Force staff are male and this is the largest section of our workforce, this has a significant impact on our bonus gap. The remainder of the gap in bonus relates to the fact that we have fewer women than men in senior management roles. We continue to address this and in 2019 we welcomed Dr Angela Needle to our senior team.



* Mean gender pay gap: The difference between the average (mean) hourly pay of female employees and the average (mean) hourly pay of male employees, as a percentage.

** Mean gender bonus gap: The difference between the average bonus pay of female employees and the average bonus pay of male employees, as a percentage.

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Addressing diversity and inclusion

We are committed to equality, diversity and inclusion. We have made progress towards realising our vision to be a diverse and inclusive organisation representative of the communities we serve, where everyone has an equal chance to succeed and be themselves. In December 2019, we appointed our Diversity and Inclusion Manager and Executive Sponsor.

We are positively addressing the workforce imbalance. As the chart to the right shows, while we have made progress in some areas – 40% of our Directors and 37% of the Executive Team are female – we still have a challenge in other areas such as Field Force where 1% is female and 7% identify as Black, Asian and Minority Ethnic (BAME). This partly reflects the wider utilities sector, where 3% of the Field Force workforce is female and 8% identify as BAME (according to our surveys). To drive change we are continuing with the Energy and Utility Skills Sector Inclusion Commitment, along with 32 other leading employers and have partnered with the Women's Engineering Society.

It is our policy that people with disabilities are treated fairly in relation to job applications and opportunities for training, career development and promotion. When employees are unable to continue working in their current role due to disability, every effort is taken to make reasonable adjustments, provide suitable training and identify alternative roles, if required. Our EmployAbility scheme continues to have great success in attracting people with disabilities to undertake internships with us. See page 37 to read more.

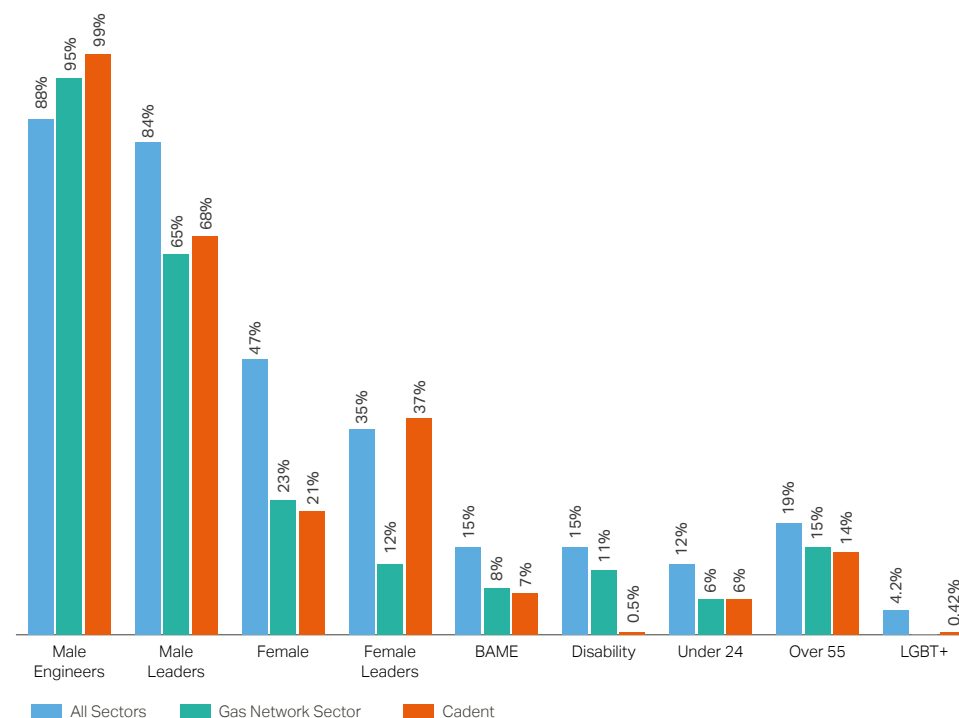
We are a Disability Confident Employer and we are working on improving this status to become a Leader. We are helping candidates to understand why we ask for data during the recruitment process, and we're promoting it more widely. We are also working to create a culture where people feel safe to disclose their disability.

It is our ongoing intention to represent the diversity of our customers through fair and equitable recruitment processes to build a workforce that truly represents the communities in which we serve.

We have launched four Employee Communities: Embrace, Women in Cadent, Pride at Work, and Cadent Military Community. Not only will they support our diversity challenges but they will demonstrate how included our employees feel when working for us, helping to retain our talent and educate our employees. Furthermore, we are part of Energy and Utility Jobs and offer the Springboard development programme for female employees.



Demographic data: Cadent vs. All Sectors and Gas Network Sector



Driving performance

We believe in supporting our people with training and development to ensure their safety and help them to thrive within their chosen career. Our training team comprises 30 employees with a mix of existing, experienced technical trainers and new professionals in leadership, new talent and planning. During 2019/20 we delivered 24,400 training days. We maintain our delivery on-site at depots at 30% to make it easier to attend. We have modified training approaches to assure the competence of our staff and programmes have been built for specific technical roles and this makes the management of course requirements more efficient.

In November 2019, we also aligned the Demand team to the Planning team to create a better customer experience for our Operational teams. We continue to invest in our training centres and are nearing completion of our Electrical and Instrumentation facility in Peterborough which will allow us to be self-sufficient in this area.

We have continued to embark on increasing our progress towards digital e-learning solutions, providing many more options for our people to shape their personal learning journeys; when, where and how they need them. We have launched our digital learning platform Percipio with 30,000 learning items that can be read, watched, or listened to in bitesized sections. This has supported an additional 200 hours of self-led learning.

In November 2019, we also launched a new internal apprenticeship to support employee development. 17 individuals have started the 12-month Team Leader Apprenticeship which is delivered through an external training provider and supports our Apprenticeship Levy.

All of these interventions have been collated into our new People Development Policy that has recently been refreshed to help employees and managers understand how they can develop themselves and their teams.



Changing lives for the better: EmployAbility

We sponsor the 'EmployAbility – Let's Work Together' supported internship scheme to build confidence, develop skills, raise aspirations and provide a step on the career ladder for students with special educational needs and disabilities (SEND). Students from our partner SEND schools join us for a year to complete three work placements, while studying for a BTEC in work skills. During that time, they are supported by job coaches employed by our partner schools and funded by the Department for Work and Pensions. The programme has enjoyed long-term success rates, with 73% of interns achieving paid employment, against the national average for this group of just 6%. Other interns have gone on to further education in mainstream colleges to pursue particular careers. **We were recently awarded 'Most Supportive Employer' by the National Autistic Society.** Our experience shows that supported internships can be lifechanging for interns and provide a valuable talent pool for our business.