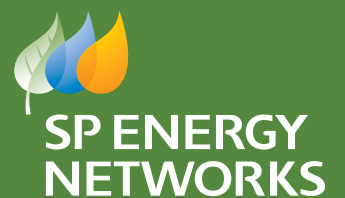


Making a Difference

Our strategies for stakeholder engagement and consumer vulnerability

Ofgem Electricity Distribution Stakeholder Engagement and Consumer Vulnerability Incentive Scheme **Part One**



Making a Difference

Our strategies for stakeholder engagement and consumer vulnerability

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'This year we continued to see improvements in SPEN's approach to stakeholder engagement, which has become increasingly embedded in the organisation'

DNV GL Assurance

'The work this year to develop fourteen dedicated engagement plans was notable. The dedicated plans identified for their area: the strategic issues, relevant stakeholder groups and their relative priority, a plan of engagement activities with an owner, objectives and timings'

DNV GL Assurance



Increased coverage – 3,000 stakeholders registered, up 23% from 2014–15



Increased diversity – covering 110 stakeholder groups, up 25% from 2014–15, demonstrating that we have extended our base; getting closer to those that are hard to reach



Improved targeting – Stakeholder priority level mapped for each stakeholder across each of 14 engagement plans



Improved response – 14 engagement plans, representing 479 engagements created and carried out to manage issues and risks.



Improved visibility – 121 stakeholder and business issues and risks identified



Materiality underpinned by stakeholder surveys and involvement from strategic stakeholder panels



THE culture of any organisation is what marks it out as different; makes it stand out from the rest.

Strategies can be the same, but it is the delivery of them - through the culture of the business running from bottom to top and back again - which links us all together and makes a tangible difference to stakeholders, from vulnerable customers and

community energy projects to equipment suppliers and staff.

This is why I'm delighted that within SP Energy Networks there has been a momentous shift in our culture - in our values, practices and behaviours; a shift which over the last few years has put our stakeholders and vulnerable customers at the very heart of what we do.

But we wanted to do more. So last year we reorganised our whole business in line with our commitment to use our stakeholders' opinions and ideas to inform what we do from our day-to-day decisions to plans for the future.

We bolstered our formal governance to make sure our structures were open to the free-flow of communication from the front line of our organisation to the executive team, and flexible enough to be able to change in response to feedback received, making stakeholders truly influential in terms of our service, investment plans and the ways in which we address customer vulnerability.

I cannot think of a year when I've been more encouraged, or prouder of the progress made to embed these goals deep into our business, getting to the heart of our communities.

From the outset of every business decision being made within SP Energy Networks, we are connecting with stakeholders, engaging and communicating with them. We have worked hard to ensure they know and understand our strategic priorities, how they can influence us and how we change what we do as a result of their feedback.

Everyone in our business is responsible for stakeholder engagement and is party to our 14 different stakeholder engagement plans and how they are implemented - and they have had, and continue to have, a role in shaping as well as delivering them. Our strategy for customer vulnerability adds another layer of sophistication to how we engage.

We have never been as close to our stakeholders, and they to us, which makes us more agile as a company, reacting to their feedback more quickly, and ensuring they feel part of what we do - for them, and for the community as a whole, and for the most vulnerable members of those communities. You will see evidence of some of our substantial changes within this submission; our quick response in Denbighshire to make our network safer for ospreys and large birds, working with local experts and enthusiasts, is a good example of our flexible, agile approach in action.

Meanwhile, tailoring our engagement to emerging situations on the ground has delivered a deeper, more informed understanding between us and our stakeholders. Our work with Anglesey Energy Island shows how we adapted our approach to match the challenge and ambitions - in this case to help identify and realign our network investment plans to facilitate local renewable generation.

But we are vigilant in maintaining a strategic approach. The 14 engagement plans and customer vulnerability strategy come together to form a coherent whole - and the whole is greater than the sum of its parts. We have strong processes to map our stakeholders - constantly broadening our reach, monitoring and tracking initiatives and outcomes, and playing information back to them.

We are constantly looking for ways to improve our business and deepen our engagement with all our stakeholders - that is the culture of SP Energy Networks.

Frank Mitchell
CEO

Independent opinion statement

Overall, we continued to see improvements in SPEN's approach to stakeholder engagement. We have noted a more systematic approach to stakeholder engagement, which was primarily driven by the introduction of dedicated Stakeholder Engagement Managers. Their role has helped to ensure the stakeholder engagement strategy is delivered consistently across the business.

The strategic stakeholder panels have continued to be an important forum for dialogue with stakeholders. Importantly, the broadening of participation to include specialist non-members has increased the quality and level of feedback on specific strategic issues.

The prioritisation of stakeholders has also become more systematic this year, supported by the engagement plan tool which requires prioritisation by stakeholder category. The Internal Stakeholder Action Group (ISAG) has encouraged internal discussion between engagement plan owners which has helped evolve engagement plans and identify synergies.

The introduction of the Cost Benefit Analysis (CBA) model is an important step in tracking the outcomes of engagements. As it becomes embedded, we expect SPEN to be able to demonstrate further the benefits of its stakeholder engagement activities.

However, as would be expected, quantifying the social returns on investment has been more challenging. The business is still working on viable ways to develop this important tool.

The implementation of the database to manage stakeholder engagement data will be an important milestone, and should provide more real-time and consistent information to support the stakeholder engagement programme.

Conclusion taken from full opinion statement.

“ ” During our interviews with SPEN management and external stakeholders, we observed that stakeholder engagement is considered a key activity for the business.

DNV GL





'We are a customer-focused company trusted by our communities and stakeholders; an engineering company with strong stewardship of assets and world-class safety credentials; and a company that attracts and develops skills for the future from the communities we serve. Our strategy for engaging with our stakeholders is integral to realising this vision.'

SP Energy Networks Stakeholder Strategy

Our strategy aim

Continually improve how we engage with stakeholders across all aspects of our business – allowing stakeholders to influence, guide and steer our activities, enabling us to better deliver against our vision as a business.

Our strategy is comprehensive

- Embeds responsibility across the whole business, via 14 senior managers and all teams. Engagement is part of everyone's job in SPEN.
- Is continually reviewed and challenged at senior-level .
- Is updated annually to take account of best practice.
- Is signed off by CEO and senior management.
- Is supported by central coordinating team, standard engagement toolkit and cost benefit analysis.
- Is a key enabler in the development and delivery of our Customer Vulnerability Strategy.

How do we know it is comprehensive? it is working; it is delivering outcomes and change within SPEN.

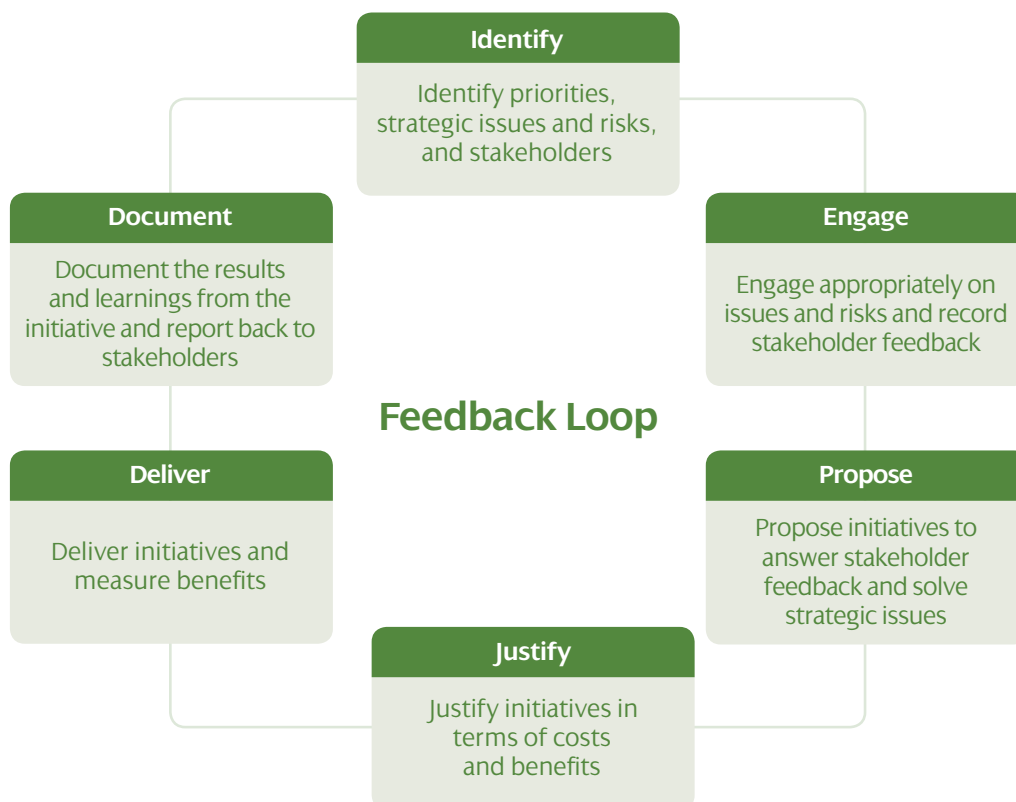
Foundation of our strategy

Our strategy aligns to AccountAbility AA1000 Stakeholder Engagement Standard. We have the following principles at the core of our strategy and it underpins all of our engagement:

- **Inclusivity** accountable to those who we impact, and those who have an impact upon us.
- **Materiality** – discovering the most relevant and significant issues and risks for us and our stakeholders and prioritising engagement around these.
- **Responsiveness** – responding to the feedback we receive on material issues by making decisions, taking action, improving performance and communicating with stakeholders.

Updates in 2015–16

- Broadened membership of strategic stakeholder panels
- Increased business engagement planning coverage
- Embedded stakeholder teams
- Integrated Stakeholder Engagement Hub – one stop shop for all engagement information
- Development of Cost Benefit Analysis model



See an example of our feedback loop in action in our case study on page 8

Driving engagement and culture changes through our business



'This year we continued to see improvements in SPEN's approach to stakeholder engagement, which has become increasingly embedded in the organisation... We saw significant evidence of commitment at a senior level to the stakeholder engagement strategy, as well as executive and senior management participation in a variety of stakeholder engagements and events.'

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Governance and Accreditation

Our new district-based organisation and our embedded governance structure enables information sharing between all levels of the organisation. It provides several touch points throughout the formal structure to facilitate the flow of information and feedback from the front line teams to the executive team and back again. This enables us to gather and develop strategic opinions and make decisions, implementing them in line with stakeholder feedback and themes.

Our governance structure supports compliance with the AA1000 Stakeholder Engagement Standard. To ensure that our services are fair, accessible and represent the interests of all vulnerable customers, we are currently in the process of gaining the BSI 18477 Standard: *Inclusive Service Provision – Requirements for identifying and responding to consumer vulnerability*. We anticipate having completed this by June.

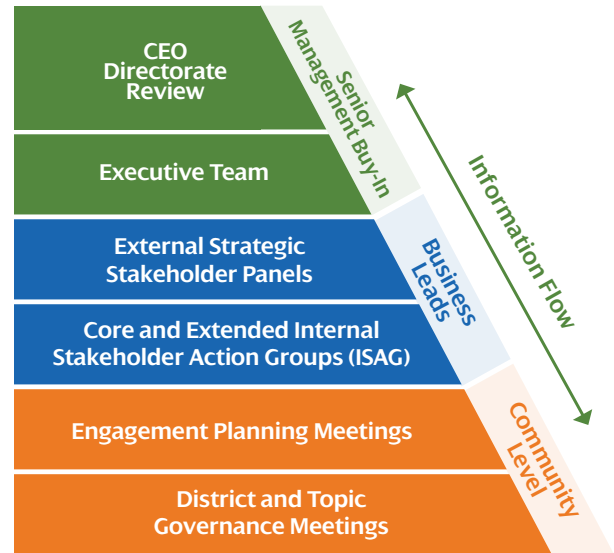
We are also progressing with ServiceMark Accreditation with Institute of Customer Service, which we aim to complete by the end of the year, and we also hold ISO9001 accreditation.

Embedding stakeholder engagement throughout our business

The central stakeholder team define the strategy, collate and report on engagement outcomes, and actions and support engagement owners throughout the business in defining and delivering engagement. They ensure that external stakeholder panels are balanced and representative, and they lead the regular Core and Extended Internal Stakeholder Action Groups (ISAG).

Senior business leads develop strategic engagement plans, share feedback and learnings through ISAG meetings, District and Topic governance meetings, and identify strategic issues for discussion with the External Strategic Stakeholder Panels. The ISAG meetings are central to our governance as the forum where stakeholder leaders from across the business meet regularly to discuss engagement, plans, feedback and actions, both forward and backward looking. This approach facilitates information sharing across the business, cross pollination between business plans, extended resourcing and support from different areas. It promotes a holistic approach and has significantly contributed to changing our culture and deeply embedding engagement within our organisation.

Our Embedded Governance Structure



Embedded engagement responsibility	Executive Team	Central Stakeholder Team	Licence Stakeholder Teams	Topic Engagement Plan Teams	District Teams
Comprehensive Stakeholder Engagement Strategy	Ownership, challenge and review of strategy	Setting the strategy and continually improving it	Integrating strategy into licence engagement plans and delivering licence-level engagement	Integrating strategy into topic-specific engagement plans and delivering topic-specific engagement	Integrating licence engagement priorities into district plans and delivering local engagement
Broad and Inclusive Stakeholders	Driving inclusivity and challenging breadth and depth of stakeholder coverage	Identifying gaps in coverage and supporting plan owners to broaden coverage	Identifying and broadening licence stakeholder base in line with emerging themes	Identifying and broadening topic-specific stakeholder base in line with emerging themes	Identifying and broadening district stakeholder base in line with emerging local priorities
Tailored Engagement Mechanisms	Driving analysis of materiality and innovative tailoring of engagement	Guiding engagement owners to use innovative and tailored methods that match materiality	Identifying the needs and priorities of licence stakeholders and tailoring engagement to suit	Identifying the needs and priorities of topic-specific stakeholders and tailoring engagement to suit	Delivering local stakeholder engagement, tailored to suit local stakeholders
Acting on Feedback	Ensuring that feedback influences high level business decision making	Ensuring consistency of response and analysing feedback themes	Ensuring that feedback is acted on and answered consistently across all licences and districts	Ensuring that feedback is acted on and answered consistently across all topics	Ensuring that local feedback is documented and acted upon
Positive Outcomes	Challenge and review of engagement outcomes	Consistency of measurement and evaluation	Designing and delivering licence initiatives to give the most positive outcomes for stakeholders	Designing and delivering topic-specific initiatives to give the most positive outcomes for stakeholders	Designing and delivering district initiatives to give the most positive outcomes for local stakeholders

Our 7 pillar strategy drives consistency



The newly developed district level [engagement] plans have helped identify new layers of stakeholders, and the particular issues they faced... The above has resulted in a systematic approach to embedding stakeholder engagement across SPEN.

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At the centre of our strategy sit the seven pillars which underpin all of our activity. The structure ensures we deliver a clear, consistent programme of engagement, facilitating an environment in which stakeholder feedback is integral to the development of our business to deliver a service which best serves those we impact. We have used the recommendations included within DNV GL's independent assurance opinion statement and built those into our improvement plans for 2016-17:

		Improvements made in 2015-16:	Improvements planned in 2016-17
Data	A single, centrally managed register of stakeholders, engagements, feedback & actions.	Creation of a new Stakeholder Hub to track all stakeholders, engagement, feedback and actions.	Implementation of a new IT system specifically built for Stakeholder Engagement, which will reduce manual processing and improve access to information. All of our stakeholder hub data will be migrated to the new system.
Tools	Templates for planning and recording, good practice examples & communication tools.	Creation of a new communications toolkit, containing templates and specifications for comms materials. One-to-one training for all engagement plan owners and leads.	Wider-reaching staff training on engagement planning, communication and best practice.
Plans	One central plan, focused on the material and strategic issues identified with our stakeholders.	Using the new Engagement Planning tool, the annual engagement planning process broadened to include 14 licence and priority areas with solid feed into central plan.	Refine engagement plan to build on learnings and identify greater synergies.
Feedback Loop	A range of channels to communicate findings, and demonstrate impacts with internal and external accountability.	New stakeholder engagement cost benefit analysis modelling introduced and training provided.	Systematically consider whether it's appropriate to use CBA across all stakeholder initiatives and investigate wider evaluation options.
Resources	Steered by Executive and senior management, core central team supporting delivery licence – and topic specific teams. Engagement is embedded across the organisation via the engagement planning tool and ISAG at the centre, with responsibility for engagement driven through our entire business.	New organisation has driven culture change and integrated engagement throughout our licence and priority areas.	Extend stakeholder engagement training to next layer of staff.
Governance	Strategy owned and advocated by senior management team – regular review meetings, progress tracked through internal groups.	Strong senior management and executive buy in, supported by formal meeting structure and regular interaction. External governance has benefited from broadening of panel membership and full evaluation.	Increase momentum of ISAG groups, focusing on consistency and efficiency of engagement.
Assurance & Accreditation	External assurance used to support governance model and to identify strengths and weaknesses. Currently in the process of gaining the BSI 18477 Standard: Inclusive Service Provision and progressing ServiceMark Accreditation with Institute of Customer Service. We also hold accreditation for ISO9001.	18 management recommendations from 2015 external assurance actioned and implemented.	BSI 18477 Standard: Inclusive Service Provision – Requirements for identifying and responding to consumer vulnerability, anticipate gaining this by June. Aim to complete ServiceMark Accreditation by the end of the year.

Our 4 step engagement planning process – at the heart of all that we do



The work this year to develop fourteen dedicated engagement plans was notable. The dedicated plans identified for their area: the strategic issues, relevant stakeholder groups and their relative priority, a plan of engagement activities with an owner, objectives and timings. The template supported the engagement plan owner in tailoring the engagement type to the relative priority of the stakeholder. Internal feedback provided by the central stakeholder engagement team and other licence areas, encouraged engagement plan owners to continue to tailor their engagements.

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We align stakeholder engagement activities with our strategic business priorities to maximise the benefits of stakeholder engagement. In 2015, we introduced a new engagement planning tool to assist managers in using the four-step process; to identify strategic issues, prioritise stakeholders, plan and deliver fully tailored engagement and record and analyse stakeholder feedback.

14 senior managers from across our business have each developed an annual engagement plan using this planning tool. By employing this consistent step by step thinking, we are aligning our engagement with our strategic issues, prioritising our stakeholders effectively, selecting the right methods of engagement and turning feedback into actions.

The engagement planning tool, supported by our robust governance structure, has been pivotal in deeply embedding engagement into the heart of our organisation.

Our 4-Step Engagement Planning Process

STEP 1

Identifying Strategic Issues and Risks

As the needs of our business and our stakeholders evolve, we know that it is important to continually refine and improve our approach. We use existing engagement, including **strategic stakeholder panels** and **in-depth annual surveys** to identify and validate business and stakeholder priorities and emerging themes.



We identify stakeholder and business priorities from a variety of different sources. Using these stakeholder and business priorities, senior managers identify the stakeholder and business strategic issues and risks across each of **14 licence- and topic-specific engagement plans**.

Increased diversity – covering 110 stakeholder groups, up 25% from 2014–15, getting closer to those that are hard to reach.

STEP 2

Identifying and Prioritising a Broad and Inclusive Range of Stakeholders

Mapping and prioritising stakeholders is a key part of our engagement planning process. Senior managers select the stakeholder groups applicable to their area from a master list of stakeholder categories.

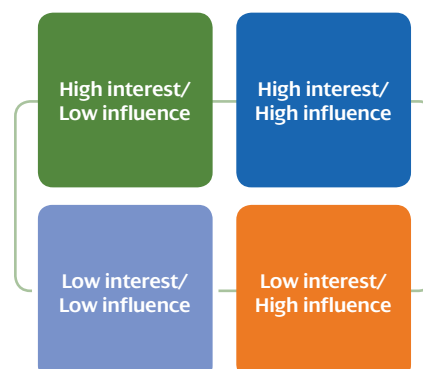
From this list, they attribute a prioritisation rating to each stakeholder group, based on two key criteria:

- Interest in this subject
- Influence over our organisation on this subject

The subsequent ranking produces four levels of stakeholders on our interest/influence matrix.

We have completed this mapping in each of our 14 key priority areas and built and prioritised our engagements against the resulting rankings.

Stakeholder prioritisation by interest and influence



Our comprehensive engagement plans:

LICENCE	TOPIC
<ul style="list-style-type: none"> • SPD licence strategic plan (inc. Connections, Supply Chain and Community) • SPM licence strategic plan (inc. Connections, Supply Chain and Community) • SPT licence strategic plan (inc. Supply Chain and Community) 	<ul style="list-style-type: none"> • Customer and emergency preparedness plan • Future networks plan • Land and planning plan • Public safety plan • Recruitment plan • Regulatory plan • SPT connections plan • Smart metering plan • Social issues & vulnerability plan • Streetworks plan • Sustainability plan

Demonstrating our progress in 2015–16

- **Increased coverage** – 3,000 stakeholders registered, up 23% from 2014–15
- **Increased diversity** – covering 110 stakeholder groups, up 25% from 2014–15, demonstrating that we have extended our base; getting closer to those that are hard to reach
- **Increased relevance** – 100% of stakeholder contacts reviewed or updated in 2015–16
- **Improved targeting** – Stakeholder priority level mapped for each stakeholder across each of 14 engagement plans
- **Materiality underpinned** by stakeholder surveys and 60 stakeholders involved in strategic panels
- **Improved visibility** – 121 stakeholder and business issues and risks identified
- **Improved response** – 14 engagement plans, representing 479 engagements created and carried out to manage issues and risks.

Tailoring our engagement and selecting appropriate mechanisms



Several examples were seen across the business of how methods of engagement were being tailored to suit the needs of stakeholders. Topic-specific engagement plans such as the recruitment plan incorporated tailored approaches to engagement such as for example partnering with local authorities on engaging with young people as potential future employees.

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Our 4-step Engagement Planning Process

STEP 3

Informing and Engaging Stakeholders through a variety of mechanisms

When developing their engagement plans, senior managers consider their core issues and the results of their stakeholder mapping identified in steps one and two. They tailor engagement as appropriate to the interest and influence level of the stakeholder groups identified and work to ensure breadth and depth of engagement across their areas. They select methods from the **Dialogue** and **Consultation** end of the **Spectrum of Engagement Types** for high interest/high influence stakeholders and **Information Giving** and **Gathering** for low interest/low influence stakeholders.

In addition to individual plans, all engagement plans are rolled up into one central plan, allowing further analysis at a higher strategic level within SPEN.

STEP 4

Recording and analysing stakeholder feedback

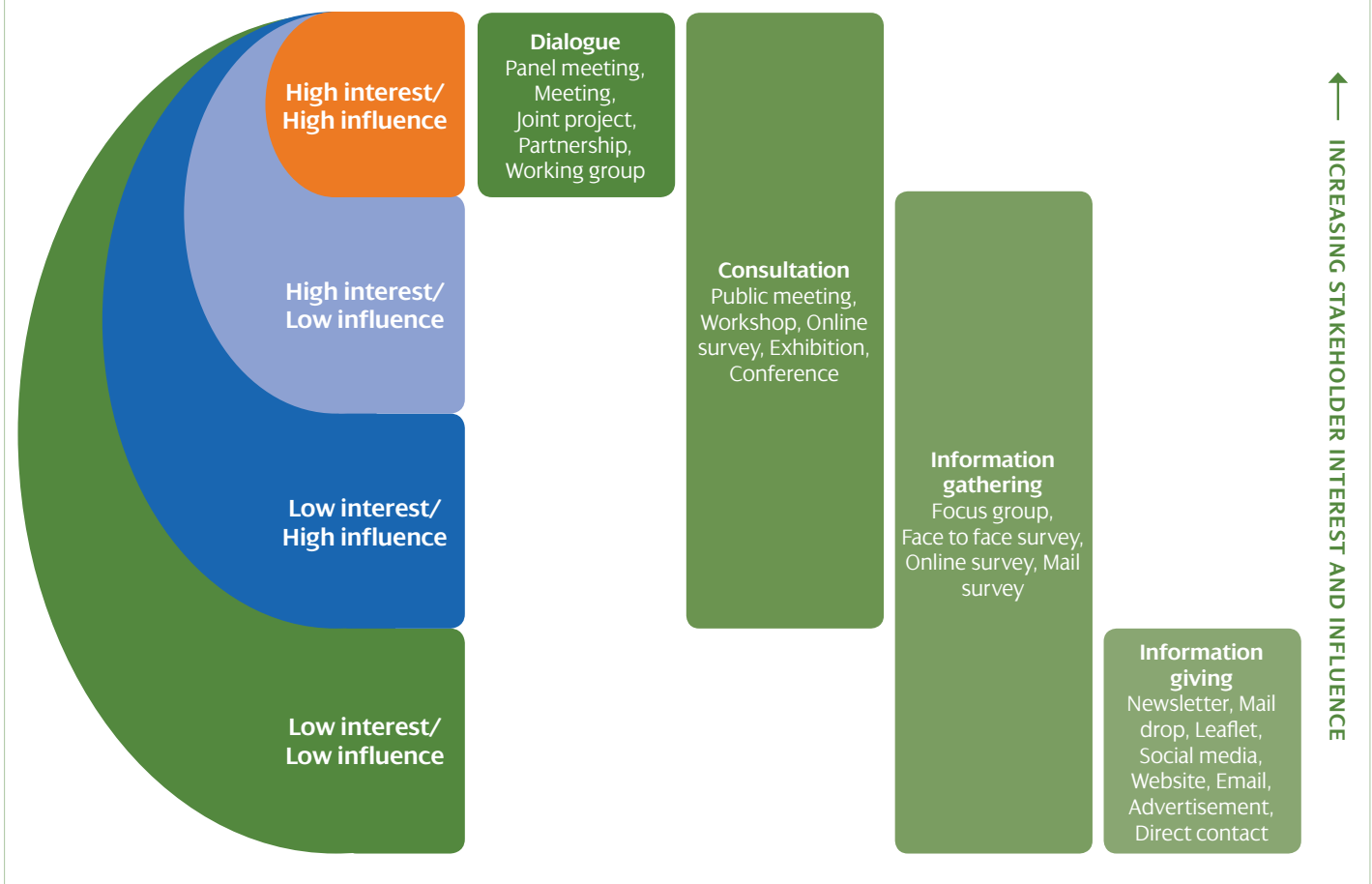
All members of our Internal Stakeholder Action Group (ISAG), and their teams, have access to our Stakeholder Hub, where all **feedback from stakeholders is logged**. Against each piece of feedback is an **associated business action**.

In 2015–16 we logged **625** pieces of feedback and associated actions for our business. Of these, **141** have now been closed and the rest are included in rolling action plans for completion.

Demonstrating our progress in 2015–16:

- Coverage from all of the spectrum of engagement types, chosen as appropriate to stakeholder priority.
- **84** out of **121** Strategic issues covered by engagement in 2015–16, organised by priority and stakeholder need. The remainder are included in 2016–17 engagement plans.

SPECTRUM OF ENGAGEMENT TYPES



Acting on feedback – how we propose and justify stakeholder initiatives



'I can say that SP Energy Networks have been a key member of all of our working groups and meetings they attend. They engage, and more importantly, they deliver'

2015–16 Distribution Stakeholder Survey

Using stakeholder feedback to identify and develop initiatives

Some feedback aligns strongly with strategic issues or risks and results in the development of initiatives that change our organisation for the better.

We work with external and internal stakeholders to develop needs cases and to work in collaboration to deliver them.

A selection of our flagship stakeholder initiatives is showcased in detail in our Part 2 and Part 3 documents. These are summarised in the table below, which shows a snapshot of breadth of engagement happening within SPEN.

Stakeholder Initiatives 2015/16

Theme	Flagship initiative
People & Skills	<ul style="list-style-type: none"> Helping young people find a positive future
Technical Solutions	<ul style="list-style-type: none"> Getting clever with Smart Meters Digging deep to solve pothole problems
Communications	<ul style="list-style-type: none"> If there's a fault, then it's SP Energy Networks you need Striking the balance with small community renewables
Strategic Priorities	<ul style="list-style-type: none"> Anglesey Energy Island - integrating plans to match ambitions Becoming a system operator Reaching out for innovation
Minimising Impacts	<ul style="list-style-type: none"> Protecting endangered bird species - Ospreys
Consumer Vulnerability	<ul style="list-style-type: none"> Network Natters Winter Warmth Home Energy Scotland

'I am aware that SP Energy Networks have made decisions based on information we have shared with them.'

2015–16 Distribution Stakeholder Survey

Using cost benefit analysis to justify and strengthen initiatives

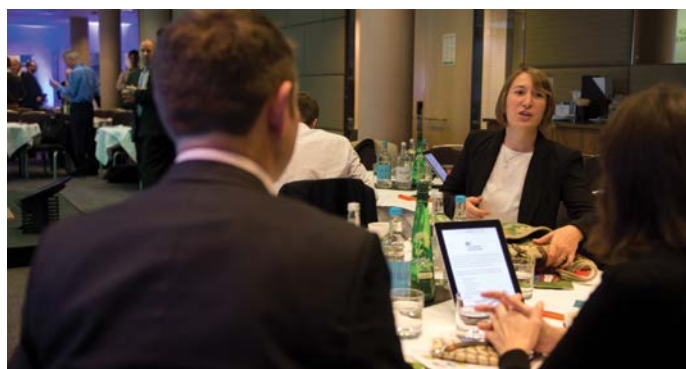
This year we have worked hard to develop flexible modelling to deliver cost benefit analysis which can be used across a wide range of initiatives. We worked with a Government advisor to create a new model for measuring the success of our stakeholder initiatives, based on Ofgem's cost benefit analysis modelling.

In September we held CBA training for all ISAG members and their teams. The training covered the benefits of the analysis and how to conduct a CBA. We also facilitated an interactive session on identifying benefits, which helped us to understand which benefits we needed to measure in the company.

The results of the CBA modelling we conducted for 2015-16 are included in Part 2 of our submission.

Demonstrating our progress in 2015–16:

- Introduction of new Cost Benefit Analysis model for stakeholder engagement.
- 121 stakeholder and business issues and risks identified, leading to 479 engagements, delivering 625 items of stakeholder feedback, which has directly contributed to an increased breadth and depth of initiatives and outcomes.
- New process map created to establish roles and responsibilities around initiatives and cost benefit analysis.



Our updated approach in action – a case study



'The appointment of dedicated Stakeholder Engagement Managers has helped drive forward the importance of stakeholder engagement into decision making'

DNV GL Assurance

Neil Watson, SPD Stakeholder Engagement Manager



Neil is the Stakeholder Engagement manager for the SPD licence area. He leads a team of 4 people to support stakeholder and community engagement activities across 6 districts. Neil's team work closely with each district to manage and implement our district level engagement plans. He owns the SPD strategic engagement plan and sits on both the Core and Extended ISAG. Neil's team attended our stakeholder engagement Cost Benefit Analysis training in September.

'The stakeholder engagement strategy guides us right around the feedback loop. It is critical to ensuring we are engaging with the right people on the right topics, that we are recording what we do, that we measure the benefits and share best practice.'

In the last year we've made great progress at embedding this model, particularly at district and local level. For the first time we have a strategic view across all this engagement and have a much better understanding of the impact we have on our local communities.'

Neil Watson

Case study – Lornshill Academy

Key outcomes and impacts

Identify priorities, strategic issues and risks, and stakeholders

'It was good to work through the process of identifying our strategic issues and mapping stakeholders. It helped us to see where we had gaps in the existing engagement and where to target and focus future efforts.'

For example, we identified on our plan that renewing our retiring workforce is a strategic issue for us and that academic institutions were very interested in what we could do to help them encourage young people to consider Science, Technology, Engineering and Maths subjects.

It's important our engagement aligns to the challenges we are facing, so that relevant stakeholders have the opportunity to influence our decision making at the right time.'

Engage appropriately on issues and risks and record stakeholder feedback

'We've always had good engagement in the business, but what we've missed is the strategic view across a whole year – mapping out all our engagements to check we're using the right mechanisms in the right ways. I've started to use engagement plans in each district, which helps us to see opportunities for sharing best practice and makes it much easier to see opportunities to close gaps in existing coverage. For example, we've been doing great engagement with local authorities and chambers of commerce, which we've been replicating across all our districts.'

Recording the feedback and actions helps us track our outcomes. Engagement has to lead to business change.'

Propose initiatives to answer stakeholder feedback and solve strategic issues

Justify initiatives in terms of costs and benefits

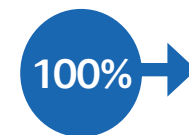
'One of the best examples from this year is Lornshill Academy. An area of multiple deprivation, many young people have no positive destination identified. We launched a new initiative, in partnership with Forth Valley College for 14 young people. We used benefit analysis to establish a range of expected positive benefits.'

Deliver initiatives and measure benefits

Document the results and learnings from the initiative and report back to stakeholders

'All 14 young people involved in the programme entered apprenticeships, college, employment or returned to school. We've extended this approach to other schools in our area and we've shared best practice with our colleagues in the SPM licence area, who are using this approach now too.'

Through the new stakeholder engagement process we're capturing great outcomes like this and are able to demonstrate the positive benefits we're creating for us and our stakeholders, in return for our time and investment.'



of participants from original programme went into apprenticeships, employment, college or returned to school.

What happened to the pupils who took part:

- 1 gained SP Energy Networks foundation apprenticeship
- 5 gained other apprenticeships
- 4 returned to school
- 3 went to college
- 1 went in to other employment



Best practice

Scaling up this successful approach in schools in Buckhaven and Cumbernauld



Extended this programme into 4 schools in North Wales and 1 in Cheshire

The company is now our key business partner and this partnership is setting the standards for Scottish Schools in terms of addressing the Scottish Government Wood Commission report recommendations and helping the school develop their young workforce strategy.

*Lorraine McGee
Career & Employability Co-ordinator
Lornshill Academy*

Our Customer Vulnerability Strategy

Our Customer Vulnerability strategy complements our overall Stakeholder strategy. We have moved to a new business model which gives us a strong local presence and accountability to deliver exceptional service for our customers. Our strategy and plans are shaped and informed by stakeholders, customers and vulnerability experts.

Our Strategy in Summary

Strong Local Presence delivered through our business model and initiatives

Informed Understanding of what vulnerability means, shaped by vulnerability experts

Initiatives to Tackle Wider Social Issues such as social isolation, loneliness & independence

Being True To Our Core Purpose by improving our network resilience so we don't make customers vulnerable

Strong Local Presence

Local teams deliver to local people

We are in a unique position as a DNO to serve customers in a defined area. We use our stakeholder network to deliver additional services that both support customers but also tackle some of the root causes of vulnerability. We support all vulnerable customers across our geographical areas as well as target specific initiatives in those communities we have identified as most in need through social data mapping. With this approach we make a real difference to the lives of our customers and communities we serve.

We have changed our business model to build a stronger local presence so we can really understand the communities we serve and implement solutions with them. Our initiatives are delivered through a strong network of trusted local agencies and intermediaries and we find ways to support our communities using trusted existing community groups to help us do that.

Informed Understanding of what Vulnerability Means

Multiple agencies helped broaden our understanding

Fuel poverty is a serious issue and this can be caused by factors such as low income, high energy prices and poor energy efficiency. We are the only DNO operating in England, Scotland & Wales and recognise the definition differences applied in each region & the impact policy changes can have to government funded fuel poverty and energy efficiency schemes. We also know that customers not categorised as Fuel Poor can face some of the same problems. In addition to this, customers can become vulnerable if we interrupt their electricity supply and those who are off the gas grid are even more vulnerable when reliant on electricity as their only fuel source. Energy Action Scotland are members of our Social Working Group and we work very closely with them and other partners to identify ways of tackling fuel poverty.

Tackling Wider Social Issues

Tackling, social isolation, loneliness, anxiety and independence

To enable us to reach some of our most vulnerable customers we need to tackle wider social issues and our initiatives are developed with this in mind. Our strategy is to offer wider support services to all of our customers whilst also to develop local networks offering valuable services to customers in targeted areas which have been identified as our most in need as a result of social data mapping. Our business processes and initiatives aim to proactively identify customers who may not otherwise make themselves known to us.

We offer services our customers would not be able to easily access in one place or necessarily know about and these services tackle wider social issues such as loneliness, social isolation, depression, anxiety and independence. Whilst delivering these services we raise awareness of SP Energy Networks and what we do as well as registering new customers onto our Priority Services Register (PSR) for ongoing support. Harnessing the energy and enthusiasm in the community is a powerful way of delivering our messages about the support we can give and the services our partners provide. That is why we know local solutions are the answer to truly embedded schemes.

Being True to our Core Purpose

Continuously improve network resilience so we don't make customers vulnerable

Our External Panel and Social Working Group have been really clear that we should be true to our core purpose and should work locally in our most impacted communities to deliver safe and secure supplies to our 3.5m customers. We focus on the service and network performance we deliver to our customers on a daily basis to continuously improve the service they receive. Due to the geographic location and weather conditions experienced in Dumfries and North Wales these are our most impacted area for power cuts, that's why we have worked hard to improve performance in this area.

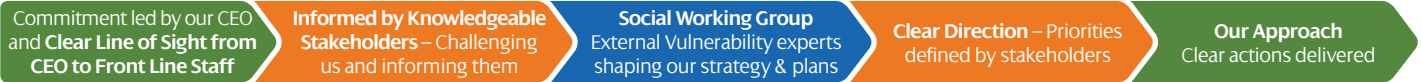


Since 2014 we have reduced multiple power cuts in Dumfries by 22%

In the last 12 months 79% of customers living in Dumfries have NOT experienced more than 1 power cut

Commitment & Direction

Our Commitment & Direction in Summary



Our Commitment

Clear Line of Sight from CEO to Front Line

From our CEO right through our organisation SPEN are committed to delivering the best service for all of our customers and identifying and supporting our most vulnerable. Our strategy is informed by our External Stakeholder Panel, Social Working Group and a wide range of stakeholders to seek views and find solutions to problems.

Our CEO leads this strategy and every member of the organisation knows their role and the part they play. We have robust governance frameworks in place to make sure we deliver on our plans and commitments and performance can be challenged at every level internally and externally.

housing and voluntary sector bodies, and supporting both Citizens Advice and the Scottish Government in relation to the energy market. Andrew also sits on the panel for the Scottish Government's Local Energy Challenge Fund.

We have also introduced a new Strategic Stakeholder to help us with our 2016 roll out. Our new member Jocelle Lovell joins us from The Wales Cooperative Centre and will support us with activities in our North Wales target area. Our new Partner will bring expertise in improving social inclusion, tackling inequalities across disadvantaged communities in Wales as well as addressing social issues such as lack of educational attainment, homelessness, employability skills, financial inclusion and deprivation.

Informed by our Stakeholders & Developing better informed Stakeholders

Multiple agencies helped broaden our understanding

Our Strategy and Plans are informed and shaped every step of the way by our External Panel and our Social Working Group. Our External Panel is independently hosted and attended by our CEO, Directors and Senior Managers. External Panel members include senior influential stakeholders (detailed on page 1) who provide an external perspective, challenge and collaboration into our strategic decisions, policy and programme development.

Our Social Working Group is a sub group to our External Panel and is made up of influential stakeholders who work with our Senior Managers to inform our vulnerable strategy and delivery plans. The group provides support as well as challenge to ensure our plans deliver the best outcome for our customers.

This is a two way process and we have spent time making sure our Stakeholders and Partners understand our strategy and challenges and are better informed as a result. By developing the understanding of our Stakeholders they are in a stronger position to shape policy to affect change.

Clear Direction

Clear priorities from our stakeholders

The Working Group Partners have helped us shape our strategy and have given clear direction and challenge from the start. Our 3 agreed areas of focus are :-

- | | | |
|---|--|---|
| 1 | 2 | 3 |
| Supporting all vulnerable customers during power cuts | Developing targeted local solutions to make sure we make a real difference to those communities most in need | Being true to our core purpose which is to deliver safe and secure supplies to our customers who become much more vulnerable when their electricity supply is interrupted |

Our Social Working Group – Bringing Expertise & Challenge

Guided by experts

Our Social Working Group partners include the Director of Energy Action Scotland, the National Fuel Poverty Charity in Scotland. With over 30 years' experience in working with fuel poor and vulnerable consumers Norrie Kerr is also the Deputy Chair of the Scottish Governments Fuel Poverty Forum and a member of the Scottish Governments Rural Fuel Poverty Task Force. In addition to this Norrie is a member of the Scottish Fuel Poverty Strategic Working Group and has recently served as a fuel poverty advisor to the Church of Scotland. With experience working across the UK, Norrie is also a Trustee of NEA.

Andrew Faulk is an independent consultant who brings experienced in environment and economic development sectors as well as energy policy working at Consumer Focus for five years until 2014. Specialising in consumer energy issues research on housing and energy efficiency issues for social

Our Approach

Action taken and outputs delivered

As a result of the feedback given by our External Panel and Social Working Group we set a clear direction:

- Understanding our data
- Continuously reviewing our definition of vulnerability
- Continuously raising awareness of who we are and what we do
- Developing data sharing
- Initiatives to support ALL Vulnerable Customers
- Partnerships to support our MOST Vulnerable Communities
- Financial help to support ALL customers
- Setting our Standards & training our Staff
- Partnering with organisations to provide Assurance, Accreditation & Qualifications
- Demonstrating how our actions are making a real difference to people's lives

Norrie Kerr

Director of Energy Action Scotland

"SPEN are acting both to inform their Vulnerable Consumers but also being informed by them, this virtuous circle keeps their Vulnerable Consumers at the forefront of their Social Obligation planning process. SPEN take this to the very heart of their work from CEO downwards, a strong commitment is apparent in every piece of support they seek to deliver."



SP ENERGY NETWORKS

SP Energy Networks

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