

SP Energy Networks 2014-2015

Electricity Transmission
Stakeholder Engagement
Submission Part 1





Our engagement strategy: CEO Statement

We are a Transmission business that is performing better than ever for our stakeholders by engaging more effectively with stakeholders and the communities we serve.



I am delighted to share with you the first part of a two part submission. The first part explains our strategy for engagement and how we implement and manage it within our business. The second part illustrates the impressive results. It is clear to me as CEO that we are performing better because we are engaging better on the big issues that affect our stakeholders.

The examples we present are initiatives that I have tracked personally through their development and in many cases had a direct role in helping to deliver. It is also my role to set expectations higher each year. I am encouraged to see how we have been able to scale and replicate many of our initiatives, as well as finding innovative new ways to work with stakeholders to improve outcomes.

Last year I unveiled our new stakeholder engagement strategy – a reference point for our organisation and a demonstration of the company's commitment to engage. Our priority this year has been to embed it more fully within our business, and to drive more benefits.

We have introduced a new business model, which drives responsibility for stakeholder engagement throughout the organisation. In addition to our existing central stakeholder team, I have appointed a dedicated team in our transmission licence area. These new appointments help us to ensure that our engagement is planned and delivered with a focus on getting closer to the communities we serve, and that it better meets the needs of our key stakeholder groups.

Another major development is the creation of our new Strategic Stakeholder Panel. This serves as a regular opportunity for interested and influential key stakeholders to engage with myself and my executive team on key priorities and to challenge our decision making directly.

The resources and time we have committed to the panel, to make it an active part of our decision making, is already bearing fruit. For example, panel input has been valuable in helping us to work more closely with SMEs and form collaborations with panel organisations and their networks, which will be instrumental to leveraging our economic impact in our local areas.

The quality of our approach is also being validated and recognised externally. DNV have reviewed our approach to engagement against the AA1000 standard and I was pleased to note they observed "significant evidence of commitment at a senior level to the strategy".

We were also proud to be nominated for a number of prominent awards and to win 'Utility of the Year' at the Smart Metering and Grid Awards.

I am encouraged by the progress we have made, and convinced that the mature, strategic approach we are taking will continue to deliver strong outcomes for all of our stakeholders.

Frank Mitchell
CEO, SP Energy Networks

Independent stakeholder engagement opinion (DNV GL)

"This is the third year that DNV GL has undertaken a review of SPEN's stakeholder engagement approach. This year we are pleased to note that SPEN has continued to invest significant time in developing its stakeholder engagement strategy, as well as continuing efforts to embed stakeholder engagement throughout the organisation.

Throughout our review we saw significant evidence of commitment at a senior level to the strategy, and several examples of executive and senior management participating in a variety of stakeholder engagements and events. This was encouraging to see and was well received by the stakeholders we interviewed. We observed that this active involvement contributed to stakeholder feedback being considered and acted upon by the Executive Team.

Overall, we have been pleased to see continued improvements in SPEN's approach to stakeholder engagement. The strategic stakeholder panels and Social Obligations Working Group have been two mechanisms that have deepened the level of stakeholder engagement, and have enabled the company to demonstrate its responsiveness.

It was evident that the stakeholder engagement programme is more established within the Distribution business. The priority moving forward should be to increase the use of the established engagement tools across Transmission and ensure that stakeholder engagement is equally embedded across Transmission and Distribution.

The tools that SPEN has in place support the engagement it currently has in place, however there is further work to ensure they are used comprehensively, and in some cases it may be appropriate to review whether a different platform is needed going forwards."





Our engagement strategy: Overview

The cornerstone of our stakeholder engagement activity is our strategy document. It is owned by the SPEN Executive Team. The latest revision to the strategy reflects our latest developments, such as our new business model and strategic stakeholder panel meetings.

The seven pillars of our strategy

Data

A single, centrally managed database of stakeholders – mapped to categories and prioritised. Tracking feedback and action taken in business.

Group	Stakeholder
1	National Government
2	Local Government
3	Business (I & C)
4	Housing
5	Generation
6	Interest Groups
7	Delivery Partners
8	Planning
9	Social
10	Future Networks
11	Academic Institutions
12	Industry Players
13	Finance

IMPROVEMENTS 14/15:

- New Stakeholder Register created
- Stakeholders re-mapped.

Tools

Templates for planning and recording, good practice examples, communication tools including e-mail newsletter system.



IMPROVEMENTS 14/15:

- Implemented stakeholder mailer tool – enforces use of central toolkit by adding value to outputs.
- New templates for senior managers.
- Increasing use of CBA to quantify impacts.

Plan

Central – built to focus on material and strategic issues identified with and by our stakeholders.

Area	Strategic Issue	Stakeholder	Engagement Method	Frequency	Lead
Transmission
Distribution
...

IMPROVEMENTS 14/15:

- New templates for annual engagement planning across business depts.

Feedback

A range of channels to communicate findings and track / demonstrate impacts. Internal and external accountability through recurring activities.

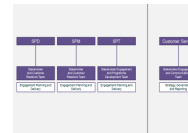


IMPROVEMENTS 14/15:

- Internal Group meets more frequently; action driven to complete feedback loop.
- Strategic Stakeholder Panel review
- SPEN Holding Board Presentation bi-monthly
- Distribution and Transmission licences brought closer together to cross-pollinate engagement learnings

Resources

Steered by senior management team, core central team supporting delivery by individual teams Complemented by external expertise and challenge.



IMPROVEMENTS 14/15:

- Dedicated stakeholder team resource focused on transmission
- Newly appointed Independent Directors on SPEN Holding Board with strong stakeholder links and focus

Governance

Strategy owned and advocated by senior management team – regular review meetings. Progress tracked through range of management information.



IMPROVEMENTS 14/15:

- External strategic stakeholder panels added.
- Internal group now meets weekly across licences to allow learning from distribution
- SPEN Holding Board bi-monthly feedback

Assurance and Accreditation

External assurance and accreditation used to support governance model, and identify strengths and weaknesses.



IMPROVEMENTS 14/15:

- Working toward adoption of BSI 18477 standard.

How we give practical effect to our strategy

- Use high-profile annual stakeholder survey facilitated by external company and recurring events to identify and test priorities.
- Use a tracking log to record feedback from engagement activities and associated actions.
- Core central team of specialists to support/challenge delivery by teams – now supported by new stakeholder teams in each licence area, more senior managers dedicated to stakeholder engagement.
- Growing range of tools and guides being rolled out for all employees including new stakeholder mailer tool, adding professionalism to communications.

Taking BSI standard into Transmission

SP Energy Networks Distribution licence areas are adopting the BSI 18477 – Vulnerability Standard. Although we don't have the same direct contact with domestic customers, we are taking this standard into Transmission too.

We believe this adoption best suits our organisation's ambitions and desires in serving our communities – and our Stakeholders agree.

The standard was developed by consumer organisations, charities and government bodies to:

- encourage the use of fair, ethical and inclusive practices and improve accessibility to services for all
- show organizations how to identify vulnerable consumers and how to treat them fairly to help them comply with the law
- increase consumer confidence in service providers by helping them to understand what consumers have a right to expect from them.

Documents providing evidence

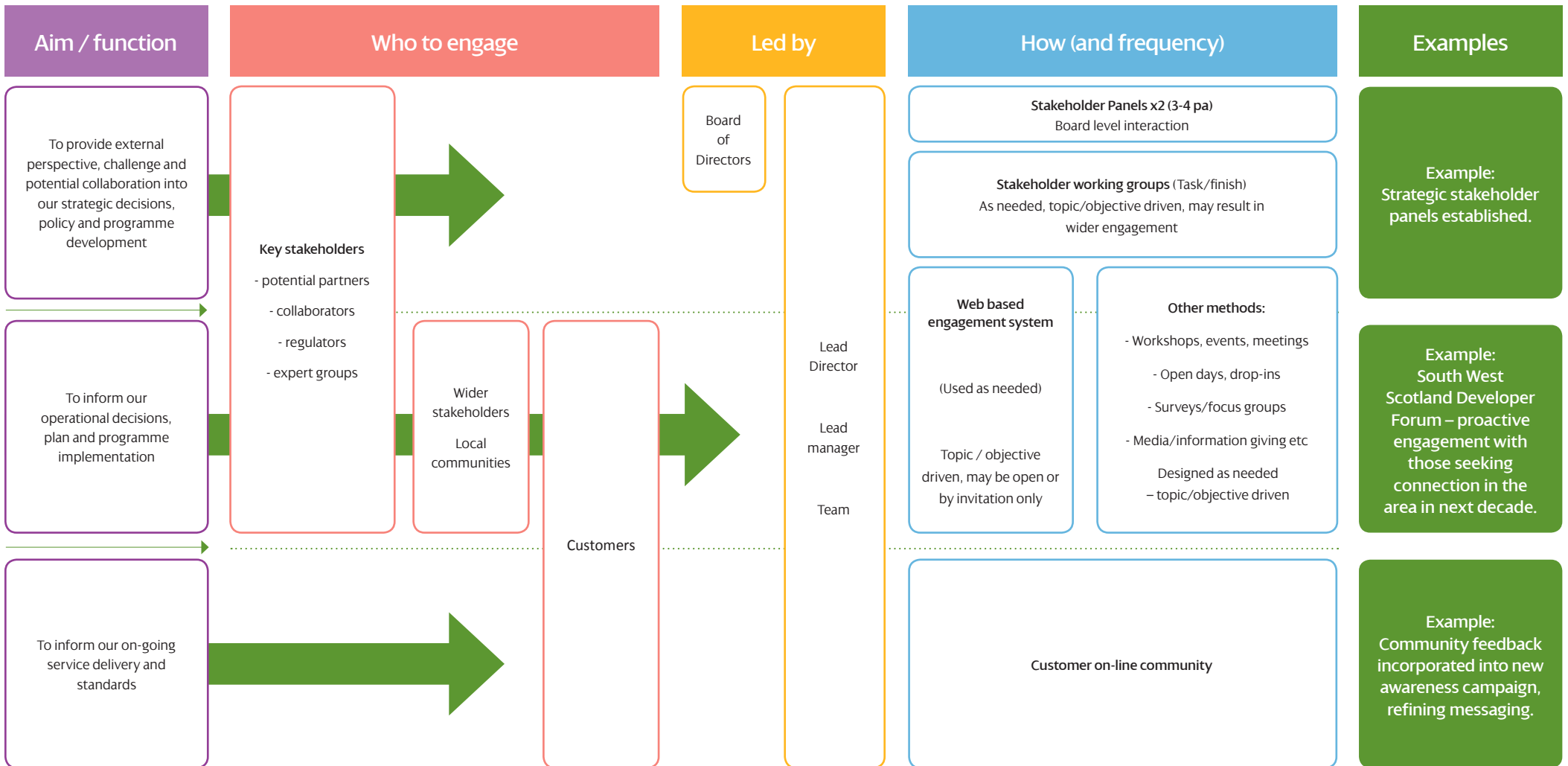
- Strategy paper
- Survey extract
- Engagement plan extract
- Monthly report example
- Tracking log extract
- DNV opinion



Our engagement strategy: How we design our engagement

The way we design our engagement is a product of the purpose of the engagement, i.e. the form of engagement follows on from the function of the engagement. Three discrete layers reflect the aim/function of the engagement from strategic challenge down to day to day service. The aim/function layer maps across to our identification of relevant stakeholders, who has responsibility for leading that engagement in SPEN, and finally, what mechanisms we use to approach that engagement.

Form follows function approach to engagement





Our engagement strategy: Maintaining a broad and inclusive range of stakeholders

What we do

- Maintain a single, unified register of stakeholder contacts.
- Establish multiple routes to update data and use new technology – issue e-bulletins with new tool to allow stakeholders to update data independently, where appropriate.
- Regularly review how we categorise and prioritise – to help identify gaps, and to help target engagement.
- Take targeted actions to address gaps or weaknesses – e.g. taking contact information gathered in our Distribution business and cross-checking to establish relevance in Transmission.
- Taking targeted action to address weakness – e.g. ahead of major Dumfries and Galloway strategic reinforcement, engaging with renewable bodies to share circulation lists.
- We have established our new Strategic stakeholder panels for key interested and influential stakeholders, with a broad membership covering a wide range of organisations and agencies.

Why we have confidence in what we do

- Using our new Strategic stakeholder panel meetings to engage with key stakeholder groups such as the Scottish Government, Energy Action Scotland and Scottish Enterprise, allowing them to directly influence executive level decision making.
- Directly asking panel members multiple times to identify new stakeholders to engage with – either other key strategic groups, operational contacts or those who may be interested in one-off topics.
- Using our Social Issues Working Group with Energy Action Scotland, National Energy Action and Consumer Futures to tap into wider stakeholder groups to deliver real community based solutions which are the best fit for the communities we serve.
- We are successfully identifying and engaging with new stakeholders, e.g. engaging with Scottish Renewables and Renewables UK to access their stakeholders for an information gathering exercise ahead of public consultation on our Dumfries and Galloway Reinforcement project.
- We are using independent experts to help us map, prioritise and categorise our stakeholder data – to complement and help develop our own skills.

Documents providing evidence

- Stakeholder register (extract) – demonstrates how we manage contact details.
- Stakeholder categories – demonstrates the new combined stakeholder categories for Transmission and Distribution.
- Stakeholder prioritisation (extract) – demonstrates prioritisation of stakeholders.
- Membership of Strategic Stakeholder Panels.

Our strategy would not be complete if there were systematic gaps or "blind spots" in the range of stakeholders we inform or engage with. Our strategy focuses on maintaining and extending the scope and depth of our engagement. This is particularly important given the growing range of network users, and the growing emphasis on social and environmental considerations.

Categories

Combined stakeholder categorisation across Transmission and Distribution

1	National Government
2	Local Government
3	Business (I & C)
4	Housing
5	Generation
6	Interest Groups
7	Delivery Partners
8	Planning
9	Social
10	Future Networks
11	Academic Institutions
12	Industry Players
13	Finance

Prioritisation

Stakeholder prioritisation mapping (extract)

Group 2	Group 3	Ranking
INTEREST GROUPS		
Environmental Groups	Foresty	<input type="checkbox"/>
	Wildlife	<input type="checkbox"/>
	Farming	<input type="checkbox"/>
	National Park	<input type="checkbox"/>
	Water	<input type="checkbox"/>
	Marine	<input type="checkbox"/>
	Fisheries	<input type="checkbox"/>

Strategic Panels

Members of our Scottish Strategic Stakeholder Panel



Independent stakeholder engagement opinion (DNV GL)

"This year SPEN introduced two strategic stakeholder panels covering its two licence areas. These have convened four times, and have provided a way to work with stakeholders to identify further material issues. We have seen that the panels have proved to be an effective mechanism for engaging with influential stakeholders.

This year SPEN evolved its stakeholder register to include a more comprehensive number of stakeholders from across the business. We noted that management of the data in the current tool was starting to become challenging, and it will be important for SPEN to ensure it has the right platform/technology to maintain this data going forward.

We found that management were aware of the challenge of including hard to reach stakeholders in their engagement programme, and were starting to develop approaches for some groups. The data mapping undertaken by the Social Obligations Working Group was particularly notable. It enabled the identification of hotspots within both licence areas where SPEN convened community engagement events reaching vulnerable customers."



Our engagement strategy: Enabling timely input from stakeholders

Another key facet to our strategy is designing engagement in a way that allows us to make maximum use of the insights and findings in the decisions we make. We plan the sequencing of our engagement carefully with this objective in mind.

What we do

- Plan engagement events to explore stakeholder priorities and to give visibility of, and to test and confirm our plans.
- Tailor plans to specific issues in terms of scale, timing and engagement channels – and increasing work directly with stakeholders and communities to identify the most appropriate and effective ways of engaging e.g. we asked distributed generator developers about their communication and engagement preferences and for their feedback on our revised engagement plans.
- We develop and test before we scale up engagement, such that we can engage on the basis of a well-developed proposition, e.g. asking developers at our Annual Connections Summit for their feedback on our proposals to improve the offer process, before implementation. We provide an expanding range

of routes for stakeholders to provide input e.g. online customer community fortnightly content updates, “have your say” area of website, on-line consultation surveys, and social media.

- We use these engagement channels in the development process, e.g. sharing our customer awareness campaign plans with our online community at an early stage.
- We track the input provided systematically to hold ourselves to account in acting upon it through our action tracking log.

Annual Plan

Annual Engagement Plan

Year	Plan Type	Number	Details	Impact	Next Steps
2022	Annual Plan	1	Annual Engagement Plan 2022	Engagement and communication	Review and update
2023	Annual Plan	1	Annual Engagement Plan 2023	Engagement and communication	Review and update
2024	Annual Plan	1	Annual Engagement Plan 2024	Engagement and communication	Review and update

Engagement Cycle

Engagement cycle forms basis of recurring engagement



Why we have confidence in what we do

We have a large and growing number of examples where input from stakeholders has directly and positively influenced what we do:

- Proactively engaging with communities to ask how they would like us to mitigate the impact of major projects through our Green Network initiative. Local communities lead the way in telling us how to prioritise projects.
- Engagement with developers seeking connection to the Transmission network expressed an interest for more regular communication about major project upgrades – which we have committed to include in our new quarterly updates.
- The Social Obligations working group have informed our strategy and delivery plans every step of the way, from the data we have used to target our initiatives, to who we engage with locally, and through to what we are doing.

Also a growing number of examples of designing engagement to enable timely input:

- We plan our engagement strategically, allowing us to easily identify gaps in stakeholders involved, methods used, strategic business issues and scheduling to ensure we have the right coverage.
- We have created new comprehensive annual planning templates, the first of which has been piloted and is now in use for Social Obligations.
- We worked with our Social Obligations Working Group to identify criteria for social mapping and shared each version with group members for refinement and to help us understand where to best target our initiatives.
- We scheduled our supply chain event ahead of significant tender activity in order to provide suppliers an opportunity to engage with us ahead of time regarding their working relationship with us, our tender process and updates on authorisations.

Annual survey

Annual survey of stakeholders – results and analysis

77% of respondents rated 8 or above for SP Transmission actively contributing to a secure and reliable electricity supply for the UK economy, which is an increase of 6% since last year, following a 6% increase in 2023. The mean score also rose from 8.0 in 2023 to 8.4 in 2024 following a drop last year.

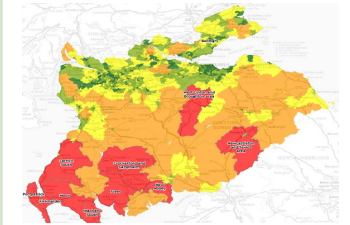


Those who rated a 7 or lower were asked to explain their answer, reasons given included:

- *Our submission have been a number of very old assets. There is not a whole lot of investments going in. The past couple of years it has had to come off at least once because of SP issues.

Social obligations

Data mapping, created in conjunction with working group



Documents providing evidence

- Engagement plan (extract) - demonstrates recurring engagement.
- Report from Customer Awareness focus group – demonstrates engagement with customers ahead of campaign.
- Example meeting notes from Social Obligations working group.

Independent stakeholder engagement opinion (DNV GL)

A coordinated approach to engagement throughout the organisation helps to ensure that responses are in line with the stakeholder engagement strategy as well as the range of stakeholder interests and expectations.

As SPEN's approach to engagement continues to further mature, and a consistent approach to engagement is better embedded within business as usual, we anticipate that this issue will receive further attention. This year we noted that

responses to stakeholder feedback seemed to be dealt with well on an individual project basis and that SPEN recognised that consistency in quality of responses was recognised as an important issue within business units.

One example of good practice in this area is the consistency and quality of responses to the strategic stakeholder panels, including following up on issues in subsequent panels, as mentioned above. This was welcomed by one external stakeholder in particular during our interviews.



Our engagement strategy: Using the right mix of engagement mechanisms

What we do

- A systematic approach to assessing the nature of engagement – using the engagement spectrum, based on numbers involved and intensity of engagement required.
- A toolkit for staff – designed to promote consistently high quality decisions on how to design engagement, made readily available through our intranet and reinforced through training.
- A centrally-managed process for documenting and communicating examples of good practice within the business.
- A centrally-managed process for planning how we engage, and tracking how we use the feedback generated through engagement.
- Expand the range of engagement mechanisms we use, and review their effectiveness, e.g. adding new strategic panels this year and conducting full independent review and evaluation after meeting 4.

Why we have confidence in what we do

- We have a growing number of successful examples of using a diverse and tailored set of engagement mechanisms e.g. market research, independently facilitated stakeholder events, small strategic groups focussed on a specific topic.
- We changed our supply chain events based on feedback from stakeholders, introducing new workshops for different types of investment activity, allowing more tailored and direct engagement in smaller groups, with the relevant teams present.
- We have positive feedback from stakeholders on the changes we are making to how we engage, and more stakeholders are getting involved as a result:

"It was a professional and well run event which was very informative"

"A good, constructive, well organised event"

"Thoroughly enjoyed supplier event, appropriate topics well delivered"

Quotes from Supply Chain event feedback

- Our toolkit is available to all staff on the intranet, the Internal Stakeholder Action Group promote its use within the business and the Stakeholder Team guide participants through its use. In 2014/15 we reassessed our tools for suitability and evolved how we manage engagement planning to focus further embedding of tools within Transmission, taking learnings from Distribution.

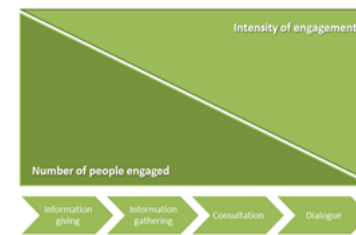
Documents providing evidence

- Engagement tool kit (web extract) – demonstrates what tool kit includes and availability to all employees.
- Strategic panel evaluation report – demonstrates how we refine engagement over time.
- Stakeholder Engagement Case Study (example) – demonstrates how we raise employee awareness of mechanisms across engagement spectrum.

We recognise that effective engagement requires the commitment of time and effort from our stakeholders - and we can help (or hinder) by how we design engagement. We put great emphasis on tailoring our engagement tools to fit the needs of different stakeholders. We also explore and adopt new technology to help us do this.

Spectrum

Engagement spectrum for planning engagement



Publications

Feedback report from the Strategic Stakeholder panels

Strategic Stakeholder Panels: Summary of feedback



Q1: What have you valued most about the panel meetings you have attended?
Panel members have valued getting to know the company, and the context within which it works. They have welcomed the opportunity to exercise potential influence over the company whilst also discussing issues of common interest. Meeting senior managers as well as other Panel members and hearing diverse views was commonly mentioned as a valued feature. Members have particularly welcomed the high level commitment to the panel process, including the openness and transparency shown and maintained by the company in the way the panels have been managed. Frank's leadership and FrankScope style was specifically mentioned by some.

"... to meet and listen to the managers of a network that I have previously struggled to engage with, it has been useful for this factor alone."
"I haven't experienced anything else like being the CEO there being open and transparent like Frank Mitchell is being."
"Good that Frank Mitchell is there with senior members of staff. There's straight talking which is a good benefit."
"The multiple perspectives are very useful"

Q2: To what degree do you feel that the company is listening and responding to the Panel's deliberations?
Most were positive and felt that the company were listening and responding, whilst recognising that, with more strategic issues, results would take time to be seen. General sense of 'not so good' and the sub-groups – e.g. Social Issues were cited as an example of commitment to follow through. Some were concerned that the company should 'drive' the issues more going forward – bringing dilemmas to the panel for discussion.

"Be both open, receptive and communicative - when we prioritised the issues in the first meeting it was a breath of fresh air"
"What would like to see more in Frank and the team coming to the main group and being more in meeting with this or that what do you think?"

Toolkit

Toolkit for engagement available on internal website



Strategic panels

Quote from the evaluation of Strategic stakeholder panels

"I haven't experienced anything else like having the CEO there being open and transparent like Frank Mitchell is being."

Independent stakeholder engagement opinion (DNV GL)

The engagement tools were enhanced this year with the addition of the strategic stakeholder panels. The panels provided SPEN with the opportunity to demonstrate responsiveness, through, for example, including agenda items that address feedback and concerns raised at the previous meeting. The independent review of the effectiveness of

the strategic stakeholder panels was positive to see and we welcome plans to review and broaden the stakeholders participating.



Our engagement strategy: Ensuring that stakeholders have an impact

We engage so that we can make better decisions, and demonstrate accountability to the communities and stakeholders we serve. A key element of our strategy is to "close the loop", by making sure that our engagement activity has demonstrable impact on the decisions we make, and that we review how this happens, and how we can improve it, on an ongoing basis.

What we do

- We plan and deliver high-quality engagement activities and hold ourselves accountable at a senior level, internally and through external events and publications.
- Our Executive Team tracks impacts through the "you said, we did" management report and action tracking log.
- We reinforce this at a working level through our Internal Stakeholder Action Group.
- We use recurring engagement in our annual engagement plans to hold ourselves accountable externally, and use data to improve the detail provided.
- We address gaps to ensure that we are inclusive in the range of stakeholders that have an impact, e.g. through the formation of our new strategic panels.
- Our new strategic panels have ensured that key stakeholders have the direct opportunity to influence executive level decision making, with our CEO and several Directors in attendance at the meetings. At every stage of the process we have involved stakeholders in forming the approach and evolving the format of the meetings.

Why we have confidence in what we do

- We have a growing and diverse track record of impacts, for example:
 - Our innovative, collaborative approach to managing connection clusters was estimated to have delivered potential savings of circa £19m to developers on a pilot project alone.
 - Our cost benefit analysis shows that our c£20k per annum investment in industry-leading supply chain engagement has realised a benefit of approx. £1m reduction in tendering costs per annum.
- Our new business model introduces dedicated stakeholder engagement teams in each of our three licence areas – focused on planning and delivering engagement at a local level. This new approach brings our business closer to our communities and customers.
- Investing in new process and systems, e.g. the action tracking log is in the process of being replaced with a new holistic tool, which will capture contact data, engagement plans, stakeholder feedback and business actions in one system.
- When evaluating our strategic panels, stakeholders felt very strongly that the panels were working:
 - "I haven't experienced anything else like having the CEO there being open and transparent like Frank Mitchell is being."
 - "It feels open, receptive and communicative - when we prioritised the issues in the first meeting it was a breath of fresh air"
 - "It has been really positive to see the changes in the way SPEN communicates with us and we really welcome that"

Documents providing evidence

- Monthly report – demonstrates that stakeholder engagement is reviewed at highest level.
- Internal Stakeholder Action Group (ToR) – demonstrates senior manager accountability.
- Tracking log (extract) – demonstrates how we capture feedback and actions.
- New structure – demonstrates how we are adapting to ensure local impact
- Strategic panel evaluation report – demonstrates key stakeholders feel our engagement is allowing them to have an impact.

Internal Reporting

Monthly stakeholder report for SPEN Executive team

Action log

Extract of tracking log where we monitor feedback and actions

Distribution / Transmission	Engagement activity	You said	We will do	Lead person	Status	Strategic Priority (Priority)
Distribution	Stakeholder engagement	Feedback on the impact of the new process and systems, e.g. the action tracking log is in the process of being replaced with a new holistic tool, which will capture contact data, engagement plans, stakeholder feedback and business actions in one system.	Investing in new process and systems, e.g. the action tracking log is in the process of being replaced with a new holistic tool, which will capture contact data, engagement plans, stakeholder feedback and business actions in one system.		Complete	Customer service
Distribution	Customer services	When evaluating our strategic panels, stakeholders felt very strongly that the panels were working: "I haven't experienced anything else like having the CEO there being open and transparent like Frank Mitchell is being."	When evaluating our strategic panels, stakeholders felt very strongly that the panels were working: "I haven't experienced anything else like having the CEO there being open and transparent like Frank Mitchell is being."		In Progress	Communication
Distribution	Customer services	"It feels open, receptive and communicative - when we prioritised the issues in the first meeting it was a breath of fresh air"	"It feels open, receptive and communicative - when we prioritised the issues in the first meeting it was a breath of fresh air"		Complete	Communication
Distribution	Customer services	"It has been really positive to see the changes in the way SPEN communicates with us and we really welcome that"	"It has been really positive to see the changes in the way SPEN communicates with us and we really welcome that"		Complete	Communication

Independent stakeholder engagement opinion (DNV GL)

Last year the cross-functional internal stakeholder action group (ISAG) was established, initially as a key part of the governance process. It was recently split into two levels, comprising a weekly working group meeting of managers responsible for delivering stakeholder engagement, and a six weekly oversight meeting with a broader range of management. Both meetings include management from both Transmission and Distribution. We observed that this provided a structure which can review consistency of

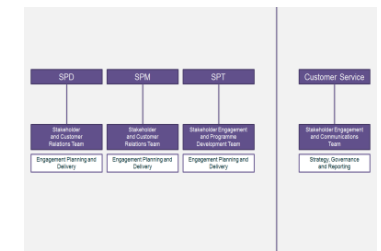
delivery, as well as governance of the overall programme. With this new format in place, agendas and logging of actions should now be formalised, to enable better tracking and accountability. We have been particularly impressed with the level of management commitment to stakeholder engagement from the CEO and senior management interviewed, evidenced through the participation of Executive and Senior management in stakeholder engagement

Strategic panels

Example strategic stakeholder panel report

New structure

New business model for stakeholder engagement





Looking to the future: Taking our strategy forward

Looking ahead, we plan to respond to external feedback and assurance recommendations by working to embed our new business model, take our strategic panel to the next level and introduce a new accreditation standard to our business, helping us deliver our ambitious social obligations strategy.

New business model

Our new business model ensures we have more senior management dedicated to stakeholder engagement. As the new teams are embedded, it will be important to ensure we plan and track our engagement centrally, maintaining a holistic view across the entire business.

Key targets including ensuring our stakeholders are feeling a difference at a local level, providing more opportunities to engage or influence our business and ensuring our measurement of

engagement is appropriate and robust.

In April 2015 we introduced our new model to stakeholders with a series of stakeholder events in each local area – a new local approach for the 2015-16 regulatory year. Transmission was a fully integrated part of these events, proving our strategy is working and robust governance, tools and resources are resulting in better engagement at a local level.

Strategic stakeholder panel

When originally setting up our panels, we felt there was value and efficiency in keeping Distribution and Transmission stakeholders and topics together in one forum. We conducted a full evaluation of the panels and whilst it demonstrated it is working well for our stakeholders we feel that moving forward we need to adapt the membership and structure to better meet the needs of our Transmission business and stakeholders. Whilst we found we had some outputs for Transmission, it did not deliver the full range of outputs we desired. We will, for 2015/16, be setting up a transmission focused panel.

The evaluation identified a number of specific recommendations, including:

- Continue to ensure opportunities for the panels to exert influence

- Foster dialogue and collaboration with openness and transparency
- Maintain high level management commitment
- Be more proactive in bringing issues/dilemmas to the panels
- Use all opportunities to feedback progress on actions and discussions
- Increase membership, as well as diversity, whilst maintaining seniority
- Consider complementary meetings, workshops etc to appeal to particular communities of interest or geography
- Continue to provide independent facilitation & reporting
- Cover both local and national strategic issues Increase panel membership to 20-25
- Aim for a meeting frequency of 3 per annum

A new accreditation standard

In 2015-16 SPEN will adopt **BSI 18477 – Vulnerability Standard**. Although the Transmission business does not have the same direct contact with domestic customers, we are taking this standard into Transmission too.

We believe this adoption best suits our organisation's ambitions and desires in serving our communities – and our Stakeholders agree.

The BSI standard is unique. With more criteria focused on vulnerability than any other standard and guidance that seeks

measurable timescales and deliverables, the BSI Standard was the clear strategic choice for SPEN.

We will work towards achieving BSI 18477, which will ensure our strategy is comprehensive and is being delivered through our day to day operations in a consistent and robust way.

We are currently undergoing an internal assessment against the BSI criteria and plan to address any gaps with a view to having an external assessment towards the end of the year.

New standards

BSI 18477 – Vulnerability Standard



Fair. Flexible. Services for all.

bsi. MEMBER OF BSI GROUP

Evaluation

We are working closely with a key stakeholder from our strategic stakeholder panel to develop a Social Return on Investment calculator which could be used to show the social benefit of all our stakeholder initiatives.

We quickly realised through discussions at our England and Wales panel that one of our stakeholders had developed a tool for housing which could be of benefit to us going forward. We are currently working with them, as well as engaging with other stakeholders recommended by our Social Obligations Working Group, to build the best possible model to fit our needs and allow us to show the real benefit of our initiatives going forward.

Other members of the panel have highlighted their desire for involvement to either assist with our learning or adopt this approach for their organisation.

New model

Local stakeholder events held in Dumfries and Aberystwyth with stakeholders to launch our new District model



Independent stakeholder engagement opinion (DNV GL)

"From our work, we saw the stakeholder engagement programme was aligned well with the new business structure, implemented at the end of 2014. The senior management we interviewed had confidence that the new business structure was well designed and would enhance stakeholder engagement activities. The new structure was introduced to a range of stakeholders in

the communities served across the two distribution licence areas through a series of district launches. Going forward, there is an opportunity to build on these launches, through ongoing engagement, which SPEN has committed to do."



**SP ENERGY
NETWORKS**