

# Making a Difference

## Part One: Our strategy for stakeholder engagement



Ofgem Electricity Transmission Stakeholder  
Engagement Incentive Scheme 2019/20





# This is Part One of our submission to Ofgem’s Stakeholder Engagement Incentive for regulatory year 2019/2020.

Ofgem’s annual Stakeholder Engagement Incentive encourages Transmission Network Operators (TOs) to *‘engage proactively with stakeholders in order to anticipate their needs and deliver a consumer-focused, socially responsible and sustainable energy service’*.

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### Our submission is in two parts:

#### Part One

##### – Our strategy

Introduces our Stakeholder Engagement Strategy, with evidence that we meet Ofgem’s minimum requirements.

#### Part Two

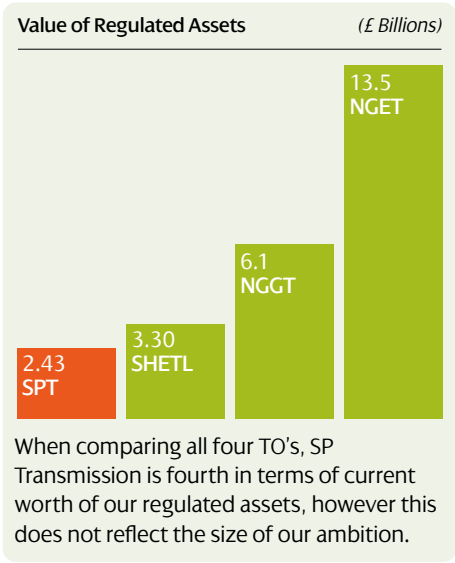
##### – Stakeholder engagement outcomes and impacts

Details key outcomes we delivered through stakeholder engagement during this regulatory year and the impacts for our customers and stakeholders.

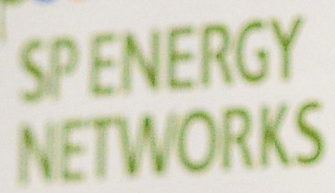
### About us

SP Energy Networks is the Transmission Operator that delivers electricity to homes and business in Central and Southern Scotland.

We play a critical role in providing security of supply across GB and in facilitating the connection of new renewable energy.









# Introduction from our CEO, Frank Mitchell

We have taken huge strides this year in terms of engagement with stakeholders across our Electricity Transmission Licence in Scotland and are proud of the benefits and outcomes we continue to deliver.

We're leading the way for our customers and stakeholders on the journey to Net Zero, ensuring we continue to engage on the topics that matter most to them.

Our stakeholders have played a fundamental role in allowing us to take our customers and communities into the future in the most efficient and valuable way, for the whole of society. They have helped us ensure that no one is left behind.

Part One contains our comprehensive and robust Stakeholder Engagement Strategy and details the continuous improvements we have implemented this year. We have demonstrated how the strategy is embedded across every area of our business, and provided examples of our approach to interacting with our stakeholders in order to gather authentic and meaningful feedback. We have clearly outlined how we capture feedback and the process we follow to act on it so we can deliver the best outcomes for our customers, stakeholders and wider society as a whole.

We have delivered tangible benefits following the enhancements we made to our strategy last year as part of our programme of continuous improvement.



Our inclusive approach to engagement covers a broad range of stakeholders, including challenging groups of customers, communities and future stakeholders.



We continue to deliver positive outcomes based on stakeholder feedback while guaranteeing the best value for money for consumers.



World-leading in stakeholder engagement, ranked in top 10% of companies assessed globally



1st Transmission Operator to fully fund electric buses



Outstanding Project of the Year Award – Green Economy Fund



Ahead of RIIO-T1 connections target of 1,973MVA – with 2,000MVA to date



15,409 Stakeholders engaged in 2019/20



279 Stakeholder events in 2019/20



Network of the year 2019 shortlisted for 2020

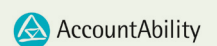


*Frank Mitchell*

**Frank Mitchell**  
Chief Executive Officer,  
SP Energy Networks

*"Achieving Net Zero will require big changes – how we operate as a business, how the energy sector is regulated, and how we all live our everyday lives. From our Board to all of our field staff, we're committed to a tailored and locally focused approach to stakeholder engagement that helps to prioritise their wants and needs in a consistent manner across our business. That will help us to deliver safe, reliable services, sustainable value, and a better future, quicker."*

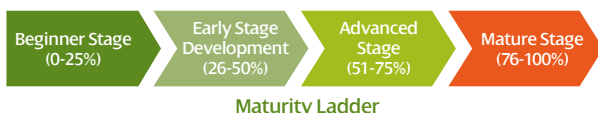
## External accreditation on our stakeholder engagement strategy



We continue to align our strategy and approach with the Stakeholder Engagement Standard AA1000, set by the global consultancy firm, AccountAbility. We work within the principles of inclusivity, materiality, responsiveness and impact.

This year we are proud to report a Healthcheck score of **78%**, taking us into the **'Mature'** stage. This is a massive achievement and has placed us within the **top 10% of all companies assessed globally**.

### AccountAbility Healthcheck Progress



We invited AccountAbility to carry out a full audit of our strategy and internal processes, governance of our strategy, engagement activities, and all of our stakeholder communications.

As part of the audit, AccountAbility held detailed interviews with employees across 10 areas of our business, speaking at various levels, from Directors to customer-facing staff members. We provided evidence that our approach is effectively embedded across every area of our business and demonstrated that all of our engagement activities put the best interests of our stakeholders first.

We place great value on the experience, guidance and advice we receive throughout this process. The improvements we've made to our processes have helped us achieve a more consistent and robust approach across the whole organisation. As it becomes more engrained in our business, it's delivering real results and positive outcomes for customers and stakeholders alike.

## How stakeholders shape our focus

Our strategic priorities of **Better, Future, Quicker** were developed by our customers in 2018 to improve our understanding on what they expect from us as their network operator and the values they trust us to hold.

We carried out additional research to reach out to stakeholders to validate these priorities, ensuring we are still focusing our business in line with their needs and wants, and continually putting them at the heart of everything we do.

### Focused survey

We proactively surveyed our stakeholders through our internal stakeholder engagement database, Tractivity. Feedback we received was positive and provided validation that our priorities around **Better, Future, Quicker** were still the right areas they believe we should be focusing on.

## Supporting a strategy for a Better Future, Quicker

Through this research, we asked stakeholders to rank, in order of highest importance, what they expect most from their network operator and these were the top results:

Role of networks in getting to Net Zero



**Better**

Reliable and safe network access



**Future**

Research and development



**Quicker**

This stakeholder feedback provides assurance that our strategic priorities and vision are aligned with the areas they believe we should be focusing on most, with **86%** of stakeholders agreeing we should be focusing on 'clean energy'.

## Welcoming feedback

With the energy landscape changing so quickly, it's vital we centre on the most relevant topics.

Our stakeholders' top priorities continue to support our business strategy over the last three years. Their feedback was shared with our Senior Management Teams, and informed the actions we have continued to take to deliver a **Better Future, Quicker**.

### **Better** a sustainable network

Build a cleaner, greener future for everyone by developing our own sustainability strategy and enhance our targets to help achieve Net Zero.

### **Future** a resilient network

Engage with our stakeholders to develop a resilient and reliable network to facilitate a flexible, safe and low carbon future.

### **Quicker** an innovative network

Deliver a flexible network through continued innovation and collaboration in order to meet the needs of our stakeholders in the fast-changing energy future.

## Continuing to improve our strategy

Our core stakeholder engagement strategy provides the framework we operate within. It lets us fulfil our responsibilities to our stakeholders in the most fair and efficient way.

The strategy is a fundamental part of our business operations and is fully embedded within our teams, driven by our Executive Team – to help us make better decisions. Last year, we made even more improvements to our strategy to get the most from our engagement. We continue to use feedback proactively to deliver the best outcomes for our stakeholders and customers.

### Embedding new processes



This year we focused on embedding our processes and procedures even further, for example:

**OUTPUT** A refresher training plan on our stakeholder engagement strategy and individual responsibilities, reinforcing the purpose and benefit of engaging with stakeholders in a meaningful way

**OUTPUT** Introduced a new stakeholder engagement toolkit for employees including processes, supporting tools and resources.

### Accountability feedback and recommendations



Following our AccountAbility healthcheck last year, we implemented 53 recommendations to further improve our processes. For example:

**FEEDBACK** Stakeholder engagement should be built into our staff induction process.

**OUTPUT** Stakeholder engagement is now part of all customer service induction training.

**FEEDBACK** Directors to promote stakeholder engagement to their teams, along with the tools and resources available to use.

**OUTPUT** Tailored internal communication emails have been sent out across the business, engaging with teams on promoting the benefits of stakeholder engagement and the importance of proactive engagement.

**IMPACT** We have seen an increase in knowledge levels on the importance of stakeholder engagement and internal support tools available across our business. This has directly resulted in an increase the number of events and feedback recorded on our stakeholder engagement database, Tractivity.

## Tracking and driving our initiatives

We want our stakeholders to understand how our projects mature from planning stage to becoming fully embedded within our business.

This was echoed in our feedback from Ofgem last year, which stated our examples of initiatives tended to be early-stage.

In response, we introduced a new project maturity mechanism to:

- Track and monitor different phases of our projects
- Drive these projects by effectively embedding in our business

- Monitor projects to ensure they are delivering positive outcomes for customers and stakeholders.

Our PDE mechanism shows the evolution of our projects to stakeholders. Throughout our Part Two submission, we have used this mechanism to clearly communicate the current status of every project.

### Planned



A project in the planning phase, defining the purpose, desired outcome and associated impact on stakeholders.

### Developing



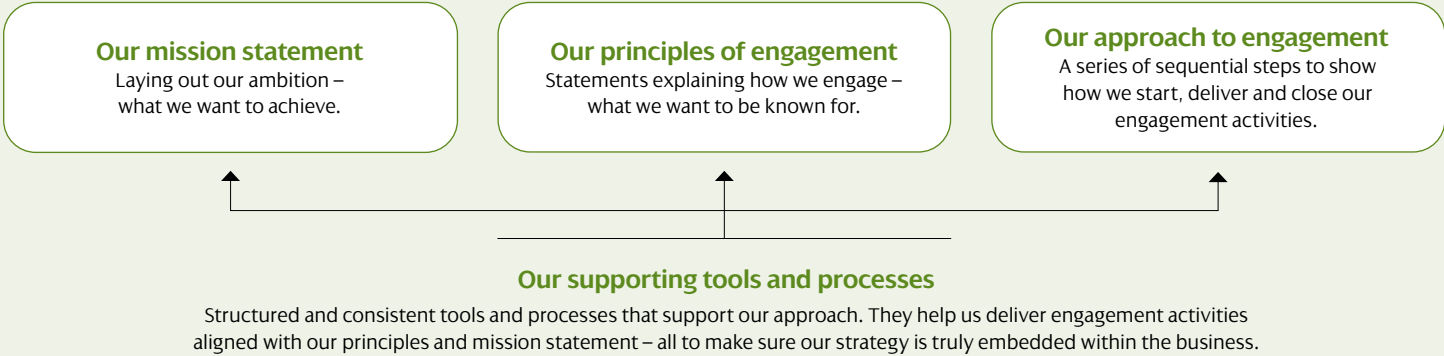
Project has been implemented into the business. Continual monitoring of KPIs to ensure project is on track to achieve desired outcomes.

### Embedded



Project has reached maturity as a new initiative within the business and adopted as business as usual.

# Our Stakeholder Engagement Strategy



### Our mission statement

‘Our engagement places our stakeholders and customers at the centre of what we do. With a tailored and locally focused approach, we will prioritise their wants and needs in a consistent manner across our business. We will deliver safe, reliable services, sustainable value, and a better future, quicker.’

## Our principles of engagement

Here are some excellent examples of our teams demonstrating our commitment to our principles through their engagement with our stakeholders.

Engagement principle		Embedded activities
Inclusive	We engage all customers and stakeholders impacted through our work, with a specific focus to ensure those who may be hard-to-reach are given a voice.	To minimise the impact our work has on stakeholders, we follow a targeted and tailored approach to reaching a wide range of customers and stakeholders across every community. For example, our Community Liaison Team recently held a public consultation event with residents from the Stirling Valley area, a known hard-to-reach community. This engagement event provided the local community with bespoke updates on the removal of over 50 132kV transmission towers and the replacement of underground cable connections, giving residents a voice to challenge or ask any questions.
Authentic	Our engagement works to understand the significant issues affecting our customers and stakeholders, before acting on them in a meaningful way.	Weekly connections surgeries have been set up for transmission connections customers to discuss their understanding, risks and opportunities involved in the process – managing customer expectations from the outset.
Tailored	Our approach is designed to make sure each initiative is planned and delivered in the most appropriate way.	To reach a large number of geographically dispersed transmission customers we hosted a webinar to encourage stakeholders to challenge our future plans. This made sure location barriers did not impact stakeholders being able to provide key feedback on future transmission projects.
Innovative	We aim to better our approach each year, continually looking for new methods to improve how we engage and deliver against wants and needs.	This year we have invested in new innovative technology to build an Online Customer Portal for our transmission connections customers. The portal will be the first of its kind to be built in to our connections process and will let customers see the status of their project and key contacts, providing transparency and clear timescales. See pages 4 and 5 of our Part Two submission for more detail.
Value for money	We keep engagement activity spending as efficient as possible, resulting in greater customer benefits.	We have implemented new project management practices within our processes to keep spending as efficiently as we can, while ensuring projects remain on track. For example, we have used our AGILE project management methodology. This involved several interactions called ‘Sprint Sessions’ to realise the projects’ benefits throughout the process, rather than when the project is complete. This is to make sure projects run as efficiently as possible and timescales are met, reducing risks and staying within budget.

We are committed to embedding our stakeholder engagement principles so strongly they become second nature to our staff and are adopted as business as usual in every role.

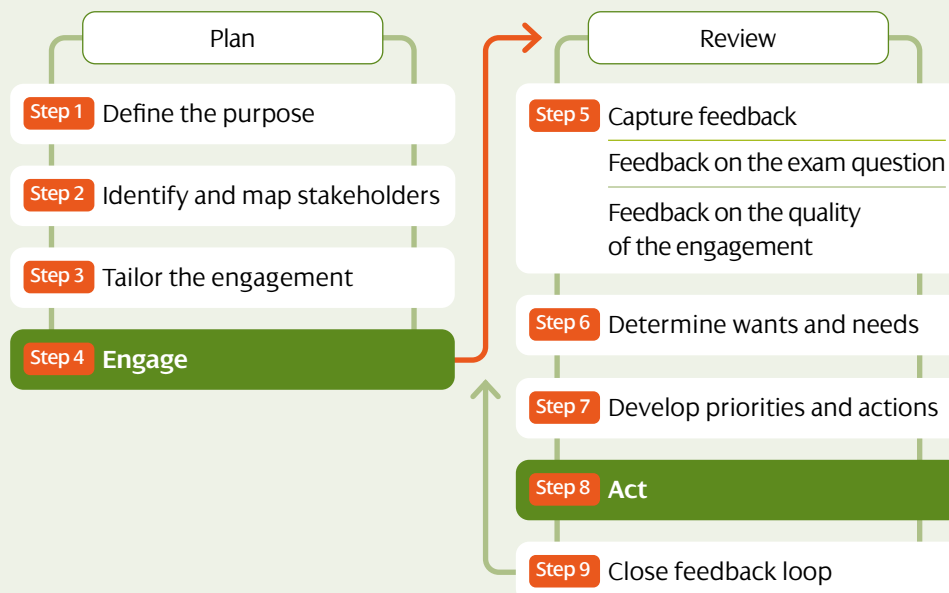
We continue to take the same comprehensive approach to stakeholder engagement across our distribution and transmission licences and tailor our approach based on the challenges faced by both sets of stakeholders. This approach is based on our learning from years of engagement and taking stakeholder feedback onboard.

## Our approach to engagement

With our mission statement setting out our ambition and principles defining the characteristics of our strategy, we have a standard nine-step plan in place which provides our teams with a roadmap to follow when planning any engagement activities.

All teams across the business follow the same key steps when planning, reviewing and closing their engagements.

This plan drives consistency, and helps us understand the needs and wants of our stakeholders and customers. As a result, the business decisions we make on the back of their feedback adds real value, both socially and financially.



## How we plan our engagements

Our engagements always begin with a three-step planning process – this helps us define a clear purpose and tailor our approach to deliver the best results for stakeholders.

### Step 1 Define the purpose

Any engagement should start with a clear purpose – most commonly, engagement is aimed at gathering stakeholder insight, priorities of trends and ongoing issues, or gathering feedback on strategic topic areas. These intrinsically shape our business strategy and operations.

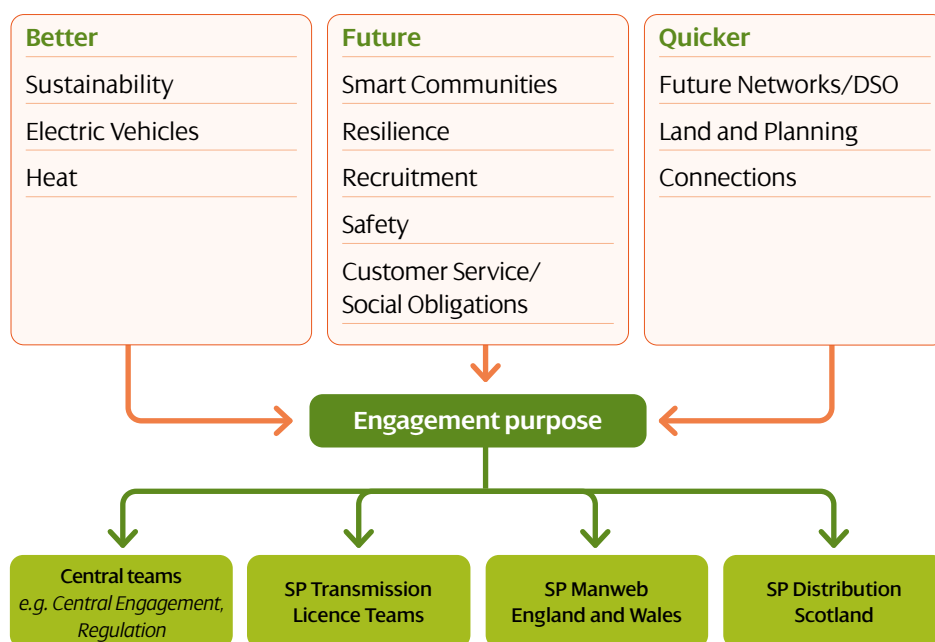
This purpose is clearly defined and recorded by the engagement organisers. It becomes the foundation that guides every step in our stakeholder engagement process. With a clearly defined objective, we can tailor our method of engagement to deliver the best results – minimising costs and maximising value.

This approach is fully embedded across every team in our business. To drive this consistent and compliant approach, we operate one business-wide engagement plan under our three strategic priorities; **Better**, **Future**, **Quicker**. These priorities are underpinned by 11 strategic topic areas.

A senior, strategic member of SP Energy Networks is responsible for each topic area – making sure we address these topics across the whole business, from Executive Team and Senior Management to Local Delivery and Innovation Teams.

#### We do it this way to:

- Provide central visibility of engagement taking place across every area of the business and with which stakeholders. Regular Topic Workshops determine strategy, priorities and stakeholder mapping.
- Develop a single picture of our stakeholders' wants and needs across each aspect of our interaction with them.
- Minimise duplication and stakeholder fatigue, and to help identify gaps early in the planning process.



The table above shows how our engagement purpose is defined by the strategic topic we are engaging on and is then engaged on across different teams within the business. This allows us to have a comprehensive view of what our stakeholders think on each specific issue.

### Embedded activities in action

Our Land and Planning Team were struggling to reach a number of strategic stakeholders in local authorities. Thanks to our strategic and topic-led approach to engagement planning and reporting from our central stakeholder database, Tractivity, we were able to identify existing relationships held with other teams across the business, and leveraged these.

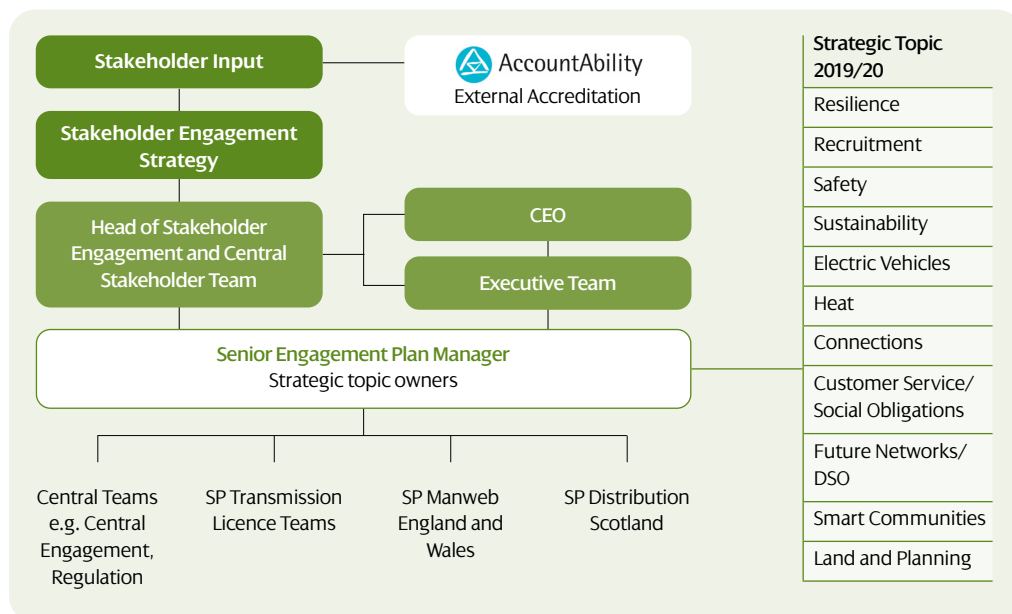
**OUTCOME** Stakeholders told us they were fatigued by the amount of business planning and industry consultation taking place at the moment. We are now engaging with stakeholders on multiple topics at any given time, alleviating fatigue and maximising our engagement with those who may be timepoor. For example, our Land and Planning Teams are now attend our transmission project community consultation events held by the SPT Liaison Team, such as the one recently in relation to Kennoxhead Wind Farm.



# How we deliver stakeholder engagement

The purpose of the strategy is simple: to provide a strong framework for all our engagement activities, and set out a consistent engagement approach.

Our strategy is now truly effective as it is embedded across the business; from the executive team to specific topic engagement teams. This keeps stakeholders at the centre of all business decisions, and allows us to share information effectively – and consistently.



Embedded engagement responsibility	Stakeholder Engagement Strategy	Broad and Inclusive Stakeholders	Tailored Engagement Mechanisms	Acting on Feedback	Positive Outcomes
<b>Executive Team</b>	Take ownership of strategy issues, challenges and reviews.	Work with stakeholders from a wide range of backgrounds.	Drive innovative methods to ensure effective engagement.	Use feedback in high level business decision-making.	Challenge and review engagement outcomes.
<b>Central Stakeholder Team</b>	Strategy is implemented and is central to all engagement programmes. Train wider teams across the business.	Identify gaps in stakeholder presence. Carry out research and networking to identify new stakeholders.	Innovative and tailored methods are used to ensure most effective engagement to make sure hard-to-reach stakeholders are included.	Analyse feedback and assign actions to topic owners. Ensure all responses are consistent.	Engagement is tracked on Tractivity and evaluated. Monthly engagement reports are created and provided to topic owners.
<b>Licence Stakeholder Team</b>	Strategy is embedded into licence engagement plans and licence level stakeholders are engaged.	Observe for emerging licence issues which require stakeholder input. Identify additional stakeholders we need to engage with.	Tailored engagement delivered to all stakeholders based on local requirements and knowledge levels.	Stakeholder Managers responsible for collecting feedback based on stakeholder requirements and delivering appropriate action plans.	Areas, actions and outcomes are tracked on Tractivity and are reported internally. This allows key learnings to be shared across the different licence areas.
<b>Relevant Business Teams</b>	Embedding the strategy as business as usual, ensuring stakeholders are engaged.	Monitor to ensure all stakeholder gaps are filled. Regular stakeholder mapping carried out as part of engagement planning.	Relevant stakeholders targeted and engaged.	Feedback collected is tracked and acted on. This is reported back to the wider business and central stakeholder team to ensure a central view.	Business team taking stakeholder feedback in to their decision making.
<b>Topic Engagement Plan Team</b>	Ensure strategy is woven into topic-led engagement plans and stakeholders are engaged.	New topic themes which directly benefit stakeholders are continually identified.	Engagement to topic specific stakeholders is tailored to meet their needs and priorities.	Review feedback from across the business and ensure appropriate actions are taken.	Topic specific initiatives take stakeholder feedback into account.



11 strategic topic owners identified



2020/21 engagement plans developed for all strategic topics



Every business team trained on annual strategy improvements



Weekly governance meetings



Over 70 active Tractivity users



53 AccountAbility recommendations actioned

## Step 2 Identify and map stakeholders

With a clear purpose defined, we then carry out a mapping exercise to identify relevant stakeholders. We ask who is best placed to provide the insight we need to help us achieve our objectives.

We maintain a Tractivity database of over 4,500 stakeholders, categorised into 14 groups and 57 sub-groups based on their specialist knowledge. Our record on each individual stakeholder includes a knowledge level for all 11 of our strategic topics. Database users are prompted to update these knowledge levels regularly to make sure our teams have high quality data when planning future engagements.

We have introduced a new mechanism for stakeholders to update their own knowledge levels – this can be done when updating their preferences or subscribing to our database, to ensure we are engaging with the right stakeholders, on the right topics.

### Why we segment stakeholders by knowledge levels

Understanding knowledge levels allows us to tailor our engagement in various ways for those attending our engagement events. For example, we can adjust the level of technical language we use or how much detail we share on a particular subject. It also allows us to strike the right tone across our engagement with stakeholders, from experts to hard-to-reach and challenging groups.

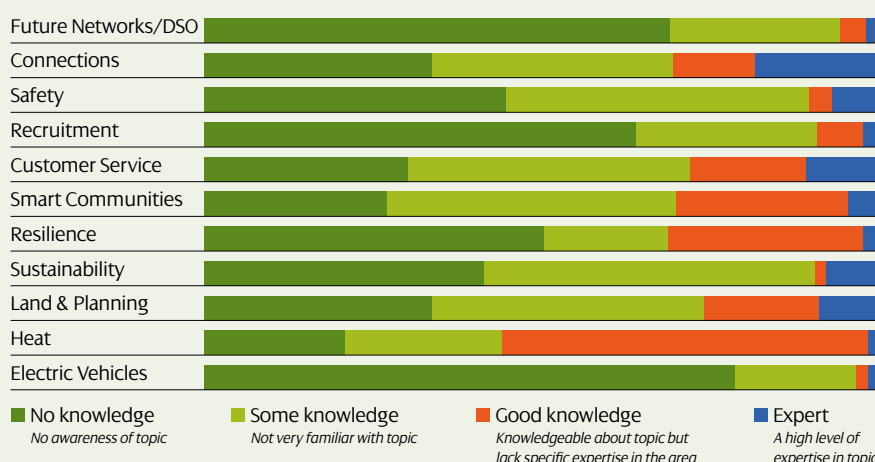
We have seen clear benefits from this approach this year. Instead of spending time 'educating' attendees to the required level, we were able to

stay focused on the topic and get more from our discussion time with stakeholders.

As a result, discussions were more challenging and constructive in nature. We receive feedback from knowledgeable stakeholders who can help shape our business decisions in an authentic way.

This approach also helps us be sure that any investment made in our engagement activities is worthwhile and offers our customers and stakeholders value for money.

### SPEN stakeholders' level of knowledge



### Hard-to-reach and challenging stakeholders

A compulsory step in our planning is to consider engagement with hard-to-reach and challenging groups. These groups vary depending on the topic we are engaging on. For example, senior position stakeholders within local authorities, vulnerable customers groups, community energy projects or rural communities.

By mapping and segmenting stakeholders by category and knowledge, we are able to identify gaps:

- **Spot gaps with Tractivity.** For example, we identified a gap of stakeholders with 'Good knowledge' levels on Heat. We made Heat one of the 3 key areas when allocating funding for the Green Economy Fund to ensure this gap was filled.
- **Consider stakeholder groups involved up front.** We proactively look beyond our reach to those who may not even consider themselves a stakeholder.
- **Conduct annual reviews of challenging and hard-to-reach stakeholders.** We conduct these to consider potential new partners and further develop existing groups of hard-to-reach stakeholders.

Methods to reach those stakeholders we know about, and those we don't, include:

- Seek referrals from existing stakeholders e.g. this year, we conducted an online survey through Tractivity where we asked our stakeholders if there were any key stakeholders missing from our engagement events. This resulted in 14 new stakeholders being highlighted.
- Attend community events on regular basis e.g. promoting STEM across a number of schools to inspire the next generation of engineers.
- Review government database of national charities and not-for-profit organisations, to identify third parties who represent hard-to-reach groups such as those who are vulnerable. This has helped plan our Teccy Bite sessions as we can identify key care homes or community groups within the communities we serve who would directly benefit from these technology training sessions.
- Online research and direct contact through our local teams e.g. engaging with key stakeholders to help co-create our online customer portal. Contact was made by the licence stakeholder team to begin building an action plan.

### Stakeholder categories include:

Academic institutions	Schools Colleges Universities
Connected customers	Distribution demand Distribution generation Domestic customers Transmission
Connections	Distribution demand Distribution generation Transmission
Emergency response	Fire services Health services Police services
Future networks	Research bodies Other
Industry players	Transmission DNOs / IDNOs Energy suppliers GDNs ICP Water companies Other
Interest groups	Business & enterprise groups Community groups Energy industry Environmental groups Faith groups Renewables & sustainability Safety education Trade unions
Local government	Community councils Economic development Highway agencies Local authorities Parish councils
Media	Local media National media
National government	Welsh government bodies Regulators Scottish government bodies Scottish politicians UK government bodies UK politicians
Planning	Grantors Landowners Statutory consultees Other
Social	Charities Consumer groups Forums Housing associations Vulnerable customer groups
SPEN	Current & future employees Shareholders
Supply chain	Contractors Suppliers Support



### Step 3 Tailoring the engagement

We tailor every engagement activity so we can appeal directly to the stakeholders we're addressing and generate better results for everyone. We tailor two aspects of our engagement:

#### Content – before, during, and after the event

To be fully effective, the information we present to our stakeholders needs to be pitched at the appropriate level.

#### Method of engagement – to reach a wide and varied stakeholder base

The knowledge levels and categories of our stakeholders determines the methods we use to engage with them. Our stakeholder database, Tractivity, prompts users to consider the most appropriate method for their engagement event and the stakeholders involved. Examples include:

<b>No knowledge</b>	<i>Emails, social media, advertisements, awareness campaigns, research</i>
<b>Some knowledge</b>	<i>Focus groups, surveys, research</i>
<b>Good knowledge</b>	<i>Conferences, exhibitions, presentations, workshops</i>
<b>Expert</b>	<i>Panels, face-to-face meetings, partnerships, consultations</i>

#### Example

In March 2020, we looked at alternative communication channels to reach out to challenging and hard-to-reach groups, such as land owners, about the impact of COVID-19.

**OUTPUT** We used our rugby partners' channels to extend our reach, where there is a high rugby following within the farming community to spread awareness around why our engineers still require access to land to continue essential work during these times.

**IMPACT** Land owners are now better informed on the reasons why access to their land was still required – resulting in ease of access to carry out essential maintenance on our Transmission network, ensuring continued network reliability.



### Step 4 Engage

Following our thorough planning process, all of our engagement is inclusive, tailored, and provides the best possible value for money. To make sure these activities are facilitated well and deliver results, we provide our teams with a detailed guidance toolkit that helps them to consider the resources they need, along with any associated risks.

#### Resources

The resources required for engagement events vary. We consider them under three groups – human, financial and technological.

<b>Human</b>	SP Energy Networks' team involvement – does our representative have the correct level of knowledge and expertise? Guest speakers – internal and external Date and time of event – availability
<b>Financial</b>	Budget approval Venue and catering Print costs Expenses
<b>Technological</b>	Audio and visual content IT requirements Interactive tools such as Slido or iPads

#### Risk management of event

We have a formal four-step risk management process in place as part of our planning phase. This was implemented in response to the recommendations we received from AccountAbility as part of our AA1000SES accreditation.

- 1 **Identify risks:** Identify risks associated with the engagement
- 2 **Analyse risks:** Determine the likelihood and consequences of each risk
- 3 **Mitigate risks:** Plan to mitigate risks that are highly impactful and/or likely
- 4 **Review and assess:** After the engagement review risks, mitigations, and identify any lessons learned

The owner of each engagement must assess the potential risks associated with their event. These could be risks related to our stakeholders or to our own business. Regardless of type, these must be identified and addressed before and during the event.

#### Stakeholder risks

Unwillingness to engage  
Stakeholder fatigue  
Lack of balance between weak and strong stakeholders  
Uninformed stakeholders  
Technical barriers  
Impediments to a stakeholder's attendance or participation in an event (e.g. travel, language)

#### Organisational risks

Damage to reputation  
Loss of control of issues  
Strong criticism  
Creation of conflicts of interest  
Internal disagreement  
Non-compliance with internal policies

For example, confidential information may be shared by SP Energy Networks or stakeholders during an event. To mitigate this risk, our staff will be made aware what information can be shared in public ahead of the event. Our internal Stakeholder Engagement Toolkit lets staff access supporting documents – including draft terms and conditions and confidentiality agreements.

Our toolkit also includes support mechanisms for any potential conflict resolution that may be required with stakeholders. Fortunately, this has not yet been needed, but it is something we must be prepared for when dealing with a broad range of stakeholders.

**OUTPUT** We introduced a compulsory step to our Stakeholder Engagement Process for engagement owners to consider risks. This includes templates for stakeholder terms of agreement and confidentiality agreements.

**IMPACT** Our teams across the business are coming together to mitigate the risks of stakeholder fatigue. This is a high-risk area, particularly as part of our engagement strategy for outage planning. Stakeholders are receiving clearer messages from us and know who they can speak to for more information.

# Tailoring engagement methods

To make sure we reach all stakeholders effectively, we use a wide range of engagement methods. We always tailor our activities and events to suit the variety of knowledge and interests our stakeholders bring.

Method	Examples Events	Example stakeholders and knowledge levels	Purposeful engagement leads to meaningful outcomes
<b>Dialogue</b> <b>1,745 Stakeholders</b> <b>94 Events</b> <i>e.g. face to face meetings, panels, partnerships</i>	Connections Summit – <i>bi-annual</i> Strategic Stakeholder Panels – <i>three times per annum</i> Sustainability Stakeholder Working Group – <i>quarterly</i> South West Scotland Developer Forum Transmission Connections Panels Rugby Partnership Review Meetings Green Economy Fund – <i>weekly</i>	<b>Expert</b> Academics, Connecting Customers, Connected Customers, Ofgem, Scottish Government, Land Owners, Green Economy Fund project owners, Technology companies, Other TOs, Local Councils.	<b>Purposeful engagement leads to meaningful outcomes</b> Weekly meetings with Green Economy Fund managers to ensure their projects produce their committed outputs before end of RIIO-T1. <b>IMPACT</b> All 36 projects are up and running, with a number of projects already producing tangible outcomes such as job creation and cost savings. Regular engagement with Connecting and Connected Customers to understand their frustrations with the Connections Process. <b>IMPACT</b> This feedback has led to the new Pre-Application Customer Engagement forms, which improves consistency and time management of new connections applications.
<b>Consultation</b> <b>1,355 Stakeholders</b> <b>36 Events</b> <i>e.g. workshops, public meetings, formal consultations</i>	Decarbonisation of Heat Event Scotland Policy Conferences Keynote Seminar SPT Supply Chain Event 'Do We Even Need a Transmission Network Anyway?' Seminar at All-Energy 2019 Smart Grid Forums' Grid Asset Management Conference Green Economy Fund Networking Event	<b>Expert</b> <b>Good knowledge</b> Connected Customers, Suppliers, Landowners, Academics, AccountAbility, Siemens, Citizen Advice, Strategic Stakeholders.	Engaged with stakeholders to feed back their recommendations to co-create our new innovation strategy. Engagement with stakeholders and customers to challenge the future of our transmission network. <b>IMPACT</b> Co-creation of future business plans with our stakeholders, ensuring their wants and needs are captured and acted upon.
<b>Customer engagement</b> <b>12,309 Stakeholders</b> <b>149 Events</b> <i>e.g. Focus groups, customer research, face-to-face, awards and conferences</i>	Stakeholder Survey 'Understanding SPEN' workshop Green Economy Fund Influencer Panel Beaulieu Denny mitigation community events Stakeholder Conference Community van at rugby matches Utility Week Awards, Scottish Green Energy Awards, SPEN Community Awards Teccy Bite sessions STEM activation in schools Project Phoenix site visits	<b>No knowledge</b> <b>Some knowledge</b> Stakeholders, Consumers, Green Economy Fund project leads, Local Authorities, Scottish Government, Local Councillors, third sector representation, general public, customers, children, farmers, anglers, small to medium business owners, rugby partners, teachers, vulnerable groups e.g. Erskine Hospital.	Gaps identified on areas we could increase awareness of who we are and what we do. Shared best practice and key learnings across the Green Economy Fund projects, which resulted in cross-sector collaboration. Stakeholder survey highlighted key barriers which prevent them attending our events. These have been fed in to our action plan for 2020/21. Increase understanding from internal and external stakeholders on our innovation projects. Increased safety awareness around our transmission assets. Teccy Bites sessions have helped increase engineering knowledge amongst elderly customers in the areas we serve, focusing on activities to increase mental stimulation. Confirmation that our strategic priorities of Better, Future, Quicker were still in line with our stakeholders' priorities and wants.

"We had a good tour on site and the project presentation gave some insight around the same kind of challenges we are experiencing on our networks."

ABB European Product Manager





# Reviewing our engagements

Delivering real value from our engagement with stakeholders relies on us making sure we properly record and interpret our feedback, so we can act on it effectively. We have clear processes in place to ensure every action or piece of stakeholder feedback is accurately recorded following any engagement with stakeholders.

## Step 5 Capturing feedback

Feedback from our stakeholders continues to drive our business direction and decision-making as we look to the future in T2 and beyond. This engagement is crucial to our plans for designing and delivering services that are right for our stakeholders, customers and wider society – now and in the future.

**ACTION** From minute taking to audio and independent facilitator reports, we capture feedback in multiple ways. All feedback is then recorded in Tractivity, our central stakeholder engagement database.

**ACTION** Increased the number of feedback entries captured in our database.

**ACTION** Following improvements made to our database last year, we increased our users of Tractivity across every business area and carried out refresher training to improve consistency and volume of recording.

**ACTION** 47 staff attended Tractivity training sessions. We now have over 70 users across the business.

**ACTION** The database drives monthly reporting for Senior Management Teams, Strategic Topic Owners and Business Team Managers. These reports are a key tool to continually improve how we capture our feedback. It keeps our senior teams informed on feedback we are receiving from our stakeholders and how we are acting on this feedback as a result.

Below is an example of feedback we received and how we acted on it.

**FEEDBACK** A number of our wind farm owners raised concern on the number of planned outages caused by new connections.

**IMPACT** We are working with stakeholders to improve understanding on the requirements of outages, and offering them innovative solutions to shorten planned outage times – increasing resilience and network reliability.

## Step 6 Determine wants and needs

Once we've recorded feedback, we review outputs and update our understanding of the wants and needs that our customers and stakeholders have communicated. When analysing feedback, we always look for areas of service improvement, instances where needs are not currently being met and potential areas for targeting our resources. We focus our actions on the business change that our customers and stakeholders care about most. This demonstrates our belief in the importance of authentic engagement.

This step is short, but it's crucial in making our overall strategy effective. Without a clear understanding of our stakeholders' wants and needs, we cannot measure the effectiveness of our actions and the outcomes we deliver.

A perfect example of this has been the co-creation of the new Pre-Application Customer Engagement forms, built from feedback gathered from both customers and stakeholders. More detail can be found on pages 4 and 5 in Part Two of our submission.

## Step 7 Develop and prioritise actions

We aim to provide value for money through all of our services, proving this value rests on our ability to measure potential outputs and prioritise accordingly. We are the **first TO to consistently apply a Social Return on Investment (SROI) methodology**. This allows us to measure the impact of our activities and gain a level of insight like never before in terms of financial benefit for both our customers and wider society.

We are leading the industry with this tool and engaging with other Network Operators and Ofgem to consider this as a joint shared value approach to deliver insight and consistency.

While this is something we've always done, we recently focused on adding structure to our approach – so we can better justify our actions for stakeholders. More information on our SROI tool can be found in Part Two of our submission.

## Step 8 Act

Each action is recorded and monitored, providing visibility of the full process – from engagement conducted to feedback collected and action taken. This action is the sum of all our work to this point. It aims to improve our approach to whichever topic the engagement is focused on.

Through Tractivity we can track and tie specific feedback to the event it was recorded at. Each action is then stored with an owner, along with details of the action to be taken and a current status.

Our actions and outputs and their related outcomes and impacts for customers and society are presented in our Part Two submission.

## Step 9 Close the feedback loop

The final step is to close the feedback loop. It's important to us that we take time to review the outputs delivered by our engagement and see how these outputs can help shape our business.

We 'close the loop' by reviewing our feedback and our approach to engagement. This information is recorded on Tractivity (as shown in the example

below) to make sure we can add value to future events and engagement opportunities.

For each output we ask these key questions:

- did we speak to the right stakeholders?
- did we tailor our approach in the correct way?
- what lessons can we take forward?

### Measuring the success of our actions

We continue to use our SROI measurement tool to assess the impact of our actions, following stakeholder feedback ensuring that we provide value for money – see page 3 of Part Two for more detail.

We review performance, measuring the costs and benefits of actions to determine whether projects have delivered their expected benefits. This means we can justify, both internally and externally, which projects to scale up or close down, maximising the value for money we deliver for our customers.

### Reporting

Reporting is a key element of the governance structure we have in place for stakeholder engagement. We report internally to the wider Iberdrola Networks Business, SP Energy Networks Executive Team and Senior Management across the business. Externally, we report to our stakeholders', closing the feedback loop.'

### Example

Objective achieved (yes/no)	Yes	Stakeholders knowledge level correct?	Yes
Correct Stakeholders chosen?	Yes, will target more topic specific stakeholders in future.		
Appropriate method content?	The content presented during the event was appropriate. Next time we will consider a different method of invite – using direct email communication to improve attendance and less briefing material in advance of the event.		
Action	When inviting stakeholders to future panels, ask them, from a given list, what they would like the stakeholder panel event topic to be.		

**Tractivity®**

## Delivering positive outcomes



With engagement being driven by every level of our business and a regular programme of engagement events carried out each year, we continually build on our existing stakeholder relationships as well as develop new ones.

This year, we have gone even further by increasing our stakeholder reach, focusing on an inclusive approach to engage with a broad range of stakeholders including challenging groups to deliver key outcomes and impacts in line with their needs and wants.

**279**

engagement events

**15,409**

stakeholders engaged

**281**

organisations engaged

**106**

outputs delivered

This year, we have taken great strides to increase our engagement with stakeholders, actively extending our reach to more than double the volume of stakeholders engaged in 2018/19. We have engaged with more stakeholders, but through improved engagement planning, reduced the number of events, maximising opportunities to ensure we are delivering the best value for money and further reducing the risk of stakeholder fatigue.

## Stakeholders at the core



### Giving stakeholders a stronger voice

Feedback from our stakeholders is vital to help shape our business both now and in the future. Our tailored engagement methods ensure we give stakeholders and those who represent the voice of large stakeholder groups the opportunity to influence our business decisions at every level of the organisation, resulting in positive outcomes for our customers, stakeholders and society as a whole.

This year, we held a number of engagement events, each individually tailored to our stakeholders depending on their level of knowledge – ensuring breadth in our engagement, as outlined in page 8.

We pride ourselves in having open and honest debates with our stakeholders and welcoming fresh ideas on strategic topics. This engagement is fundamental in co-creating our future plans and to help strengthen our strategic focus.

### Identifying real challenges

The table opposite represents a snapshot of feedback from recent stakeholder events and details the actions we've taken to address the needs and wants of our stakeholders against our three strategic focus areas – **Better**, **Future**, **Quicker**. Further detail on initiatives highlighted can be found in Part Two of our submission.

	Stakeholder feedback	Actions we've taken
Better	Stakeholders told us that wider promotion of the projects funded through our Green Economy Fund would allow for better cross-sharing of key information.	As a result, we held our first Green Economy Fund project networking event, providing project stakeholders a platform to share key learnings and any challenges which had to be overcome. For example, The Community Transport Glasgow project provided valuable vehicle knowledge to another project, Foodtrain. This helped the project achieve key milestones quicker than originally estimated.
Future	Stakeholders told us we should focus efforts to increase our engagement with younger people and encourage and inspire more girls in to engineering.	This year, we increased the number of schools taking part in the 2020 SP Energy Networks Warriors Championships – an initiative run through our rugby partnership with Glasgow Warriors. Through this engagement we provided each school with STEM fact cards and created 'a day in the life of an engineer and a rugby player' video to highlight key skills required within both industries.
Quicker	Our Transmission connections customers told us there was a lot of back and forth when applying for a new connection, asking multiple questions about the process which is often very time consuming.	We co-created a new Pre-Application Customer Engagement form to create a slicker process for our Transmission connections customers when applying for a new connection. This new process feeds in to a wider initiative to support our customers and stakeholders throughout the entire connections process – more detail can be found on pages 4 and 5 in Part Two of our submission.

## Robust project management processes



Many of our projects take time to deliver the true societal benefits we aim for, however, planning for a transmission network of the future remains our top priority. We make sure stakeholders remain part of the journey across each and every project through robust stakeholder engagement planning and project management processes so every project delivers its expected benefits and more.

Case studies discussed in Part Two of our submission demonstrate a range of project management processes, such as monthly governance meetings, new AGILE project management methodology, dedicated Project Liaison Officers, and collaboration and involvement with the Executive Team and dedicated project teams.







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