

Making a Difference

Our strategies for stakeholder engagement and consumer vulnerability

Ofgem Electricity Distribution Stakeholder Engagement and Consumer Vulnerability Incentive Scheme 2016–17
Part One

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

DNV GL Independent Review 2017



SP ENERGY NETWORKS

This page is intentionally blank

Contents

Welcome from Frank Mitchell, CEO	01
Our strategy for stakeholder engagement	02
Embedding engagement and culture change	03
Our seven pillar strategy embeds consistency	04
Our 4 step engagement planning process – at the heart of all that we do	05
Developing, justifying and delivering stakeholder initiatives	07
Our strategy in action – case study	08
Our strategy for vulnerable customers	09

This is SP Energy Networks' Distribution Part One submission to Ofgem's Stakeholder Engagement & Consumer Vulnerability (SECV) Incentive for the regulatory year 2016–17.

SP Energy Networks is the Distribution and Transmission Network Operator that delivers electricity to homes and businesses in Central and Southern Scotland, Merseyside, Cheshire, North Wales and North Shropshire.

Ofgem's annual SECV Incentive encourages Distribution Network Operators (DNOs) and Transmission Operators (TOs) to 'engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service'.

This year, we have restructured our submission to demonstrate the direct relationship between our stakeholder engagement strategy and our strategic priorities as a business, and the breadth and depth of ways that engagement is helping how we deliver against these priorities.

Our Distribution submission is made up of three parts:

Part One: Our strategies for stakeholder engagement and consumer vulnerability, demonstrating that we meet Ofgem's minimum requirements.

Part Two: Highlights of our activities and outcomes following stakeholder engagement, demonstrating our strong performance improvements year on year.

Part Three: Our strategies and outputs for consumer vulnerability, demonstrating our strong consumer vulnerability credentials.

100% stakeholder records reviewed and refreshed

9% more people know who we are and what we do, and 8% more know to call us in a power cut compared to 2015–16

Everyone's job – Engagement fully embedded with 72 Senior managers and staff owning plans and all staff responsible for effective engagement

439 separate engagements with over 2,000 stakeholders

100% stakeholder panel meetings director-led

Focus and priorities underpinned by annual stakeholder surveys and 70 stakeholders involved in strategic panels

From top to bottom and throughout our entire business, we've never been closer to our stakeholders than we are right now.

Our stakeholder engagement strategy has always been solid and is the foundation of our entire programme. Yet we've uncovered new ways to strengthen it further, so stakeholders' voices are clearly heard and acted upon – from single customers in remote farm cottages to large bodies like the NHS.

Every single member of our staff has responsibility in the delivery of at least one

of our 14 engagement plans. Engaging, listening and implementing change for our stakeholders is everyone's job.

And our new industry-leading Tractivity IT system gives managers instant access to every element of our stakeholder engagement. Nothing is left behind.

The benefits shine through. Our initiatives are creative and innovative, we build genuine partnerships and collaborations that make a real difference to how we work and to our customers' lives.

We measure ourselves against the most demanding of benchmarks – our stakeholder engagement strategy and activities are independently reviewed annually against AA1000 Stakeholder Engagement Standard.

Parts 2 and 3 of our submission show our highlights on how we are delivering the benefits that stakeholders value most. But these highlights are just a snapshot of the breadth and depth and indeed many benefits our extensive engagement brings.

Our engagement is a way of life, underpinned by our integrity, openness and determination to be a business that doesn't just tick boxes, but puts our stakeholders' opinions and expertise at the heart of what we do.



Frank Mitchell
CEO of SP Energy Networks



Highlights of some key outputs

Safety

Access to a network of **16 full time community officers** in North Wales who are entirely focused on building and maintaining strong community links. We now reach every school in North Wales... that's **40,000** children and their families.

Community

75% of all Welsh Govt funded community projects were connected within our area in 2016–17.

60 engagements benefiting **26** community energy projects.

Smart energy future

Accelerated industry discussion on policy and business transformation to support the transition to the smarter DSO network of the future.

Led the industry by producing bespoke training videos to raise awareness and drive positive behaviours amongst SMART meter installers to correctly identify and manage particular earthing arrangements and cut out types.

Keeping the lights on

Worked with **42 protected organisations** to revise resilience plans. We updated our list to prioritise supply to those who would need it most.

Skills and sustainability

Over **1,000** mock interviews delivered to high school pupils.

Comprehensive sustainability strategy driven by our stakeholders and panels **positions us as industry leaders**.

Customer service

Ground-breaking optical illusion graffiti artwork at 4 high public footfall sites in Scotland, England and Wales to raise public awareness.

2.2m views for our online power cut and vulnerability messages on health, local authority, travel and news sites, targeted to get to hard to reach customers.

Awareness materials supplied to over **10k** targeted GP surgeries, pharmacies, local businesses & community centres plus **420** packs to politicians and vulnerable partner agencies in both English and Welsh languages.



Awards and recognition

Winners of Customer Care Award at the 2016 Utility Week Awards.

Customer benchmarking study with Institute of Customer Service shows our overall score of **82.9** exceeds the UK average of **77.4**. We achieved first place among all ranked utilities – the average UK utility score is **73.3**. We're in the upper quartile of the top 100 UK index, **above Apple (29) and Mercedes-Benz (37)**.

Achieved **best score ever** for Ofgem's Environmental Discretionary Award.

2016 **£15.6m** Electricity Network Innovation Competition funding was **nearly half the total awarded** to all distribution and transmission operators combined.

Winners of 4 industry awards for customer care, innovation and major infrastructure projects and **shortlisted for 16**.

DNV GL Independent Opinion Statement Conclusion 2017

In 2016–17, we continued to observe improvements in SPEN's approach to stakeholder engagement. The business continued to evolve and make progress on its stakeholder engagement strategy, which has resulted in it being more embedded across the organisation. Moreover, through our interviews with SPEN we consistently noted that stakeholder engagement was considered a key activity for the business.

In our interviews we continued to note senior management support for stakeholder engagement across the company, which they consider a core business value and integral to the way SPEN do business.

The establishment of the Transmission stakeholder panel has been a notable event in 2016–17, it has enabled engagement with

Transmission stakeholders on specific topics and issues that were not previously being covered by other panels. Overall, we observed that the topics discussed at both Transmission and Distribution panels were aligned with strategic business issues.

The implementation and roll-out of SPEN's stakeholder engagement database system, has improved the operational management of stakeholder engagement. This includes oversight and visibility of information to business owners (including stakeholder prioritisation), which resulted in a positive reception and high use of the system.

In our full statement we make a number of recommendations that should be considered by SPEN to help further improved stakeholder engagement activities.

Our strategy for stakeholder engagement

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.

Strong foundation

When you are building for success, you need a solid foundation. Our strategy is evaluated against the AA1000 Stakeholder Standard, and we rigorously manage engagement to meet its high requirements.

At the core of our strategy sit three principles:

Inclusivity:

We're accountable for what we do. We accept our responsibilities and engage at all levels to achieve better outcomes.

Materiality:

We pinpoint the issues that are most relevant to us and our stakeholders and prioritise effectively.

Responsiveness:

We respond to feedback from our stakeholders and take action to improve performance.

Our strategy is comprehensive

Working hand in hand with stakeholders is a vital ingredient in our business. That's why we have ensured our strategy for engagement is comprehensive and robust.

We don't merely tick boxes. Our commitment runs broad and it runs deep. Responsibility for engagement is fully embedded across our whole business, via 14 engagement plans, 72 senior managers and all teams. **Engagement is part of everyone's job.** The way we engage is embedded and constantly reviewed and challenged at senior level. Our strategy is updated annually, signed off by our CEO and senior management and supported by our central coordinating team.

It's at the heart of how we develop and deliver services. And it provides the backbone for our Customer Vulnerability Strategy, which helps those most in need of extra support.

Our strategy is delivering positive outcomes and constructive change for our customers, in everything we do.

Industry-leading stakeholder engagement management system

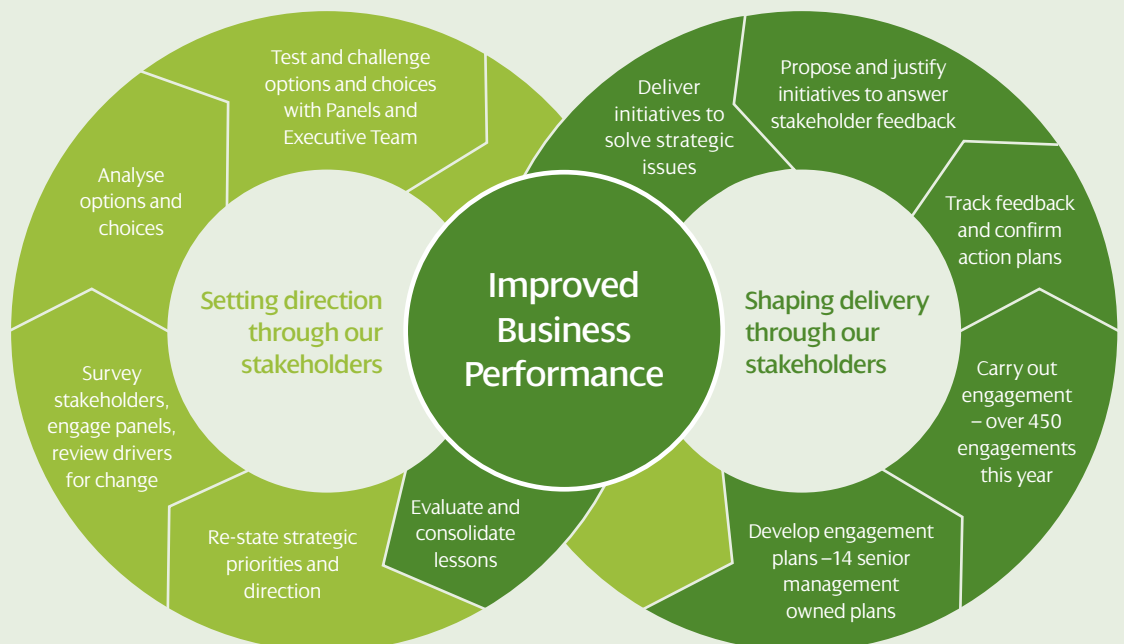


We are the first network operator to fully embed a game-changing new engagement management system into our business, explicitly managing the stakeholder and feedback loop and going much further than a traditional customer relationship management system. This system, **Tractivity**, allows full visibility across our whole business – ensuring every aspect of engagement planning, delivery, tracking and reporting is more efficient, joined-up, and is entirely evidence-based, carrying out tailored engagement with confidence. **It significantly strengthens our adherence to all three engagement principles and enables unprecedented data granularity and analysis.**

All engagement plan owners and their teams have access to, and have been trained to use, the new system. They have collective responsibility to ensure that it is kept up to date throughout the year. Having all the information on stakeholders, engagements, feedback and actions in one central shared space enables the teams to identify opportunities and efficiencies and to avoid duplication of effort. **See page 7 for more information about our Tractivity system.**

Our perpetual feedback loop drives relentless service improvement

All stages of our feedback loop are supported by our Tractivity system and core engagement programme.



Embedding engagement and culture change

'As in previous years, 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. This continued to be 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.' **DNV GL Independent Review 2017**

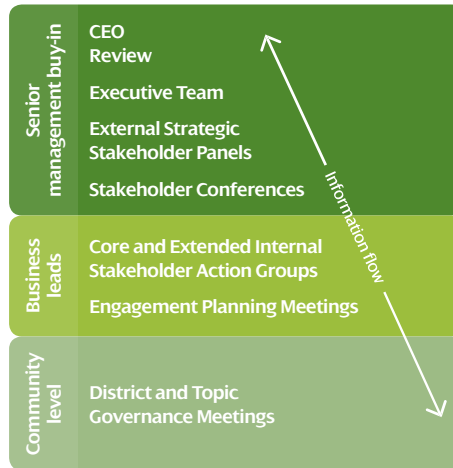
Embedding stakeholder engagement throughout our business

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 monthly 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 an holistic approach and has significantly contributed to changing our culture and deeply embedding engagement within our organisation, all underpinned by our Tractivity system.

Our Embedded Governance Structure



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 have achieved the BSI 18477 Standard: *Inclusive Service Provision – Requirements for identifying and responding to consumer vulnerability*. We also hold ISO9001 accreditation.



Embedded engagement responsibility	Comprehensive Stakeholder Engagement Strategy	Broad and Inclusive Stakeholders	Tailored Engagement Mechanisms	Acting on Feedback	Positive Outcomes
	Takes ownership of strategy issues, challenges and reviews.	Ensures stakeholders are drawn from a wide variety of backgrounds.	Drives innovative methods to ensure engagement is most effective.	Uses feedback in high level business decision making.	Challenges and reviews engagement outcomes.
	Sets strategy and works to improve it. Runs central and strategic engagement programme.	Looks for gaps in stakeholder presence and seeks to fill them.	Identifies best practice and guides teams to use innovative and tailored methods of engagement.	Analyses feedback themes and ensures responses are consistent.	Engagement is measured and evaluated effectively.
	Integrates strategy into licence engagement plans and engages with licence level stakeholders.	Watches for emerging licence issues which require stakeholder input and identifies the further stakeholders we need to engage with.	Identifies needs and priorities of licence stakeholders. Tailors engagement accordingly.	Makes sure feedback is answered and acted upon across all licences and districts.	New licence initiatives are designed with stakeholders in mind.
	Ensures strategy is woven into topic-led engagement plans. Engages with stakeholders.	Identifies new topic themes which would benefit from stakeholders' voices.	Tailors engagement to meet the needs and priorities of topic-specific stakeholders.	Ensures feedback is acted upon and answered across all topics.	Topic-specific initiatives take into account stakeholders' feedback.
	Engages at local level. Ensures licence engagement priorities are included.	Spots changes at district level which require a new or broader stakeholder base.	Delivers local stakeholder engagement, tailored to suit local stakeholders.	Ensures local feedback is properly noted and acted upon.	District initiatives reflect stakeholders' feedback.

A cultural transformation

Our culture change programme has delivered industry-leading improvements in customer service, but we aren't stopping there.

We're using the same principles to reinforce our personable, flexible and efficient culture as we look to the future.

Stakeholder Engagement: multi-layered engagement training for all staff, industry-leading Tractivity stakeholder management system enables embedded engagement with clear lines of sight.

Open Innovation: staff across the business involved in 'hatching a challenge', thinking about light, fast innovation close to home.

Asset Management: leading position achieved through everyone having a role to play and access to the information they need.

Sustainability and Environment: multi-layered training for all staff, cementing industry-leadership position.

We have been nominated for a culture change award by Utility Week, we feel this recognises our commitment to continuous improvement & cultural change.

Everyone's job – Engagement fully embedded with 72 Senior managers and staff owning plans and all staff responsible for effective engagement.



Winners of 4 industry awards for customer care, innovation and major infrastructure projects and shortlisted for 16.

Our 7 pillar strategy embeds consistency

'During the year, SPEN implemented a database system specifically designed for managing stakeholder engagement data. This has been a notable step forward in managing the programme as it provides visibility across the business of contact details, engagement, feedback and actions.'

DNV GL Independent Review 2017

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.

	Improvements made in 2016–17:
<p>Data</p> <p>A single, centrally managed register of stakeholders, engagements, feedback and actions</p>	<p>Our new Tractivity stakeholder management system has dramatically improved the way we track engagement and monitor improvements</p>
<p>Governance</p> <p>Strategy is owned and advocated by senior management. They hold regular review meetings and track internal groups</p>	<p>Introduced new Transmission Strategic Stakeholder Panel and steering groups for Sustainability and Distribution System Operator</p>
<p>Planning</p> <p>Our plan is focused on key material and strategic issues identified with our stakeholders</p>	<p>We act on data and feedback to continuously refine and improve our response to stakeholders' needs.</p>
<p>Tools</p> <p>We use various tools to help us plan, record and deliver our activities</p>	<p>Tractivity stakeholder engagement management system including feedback tracking, stakeholder database, reporting, event management and communication tools</p>
<p>Feedback loop</p> <p>We use various channels to communicate findings, engage with interested parties and show impacts</p>	<p>Feedback and associated business actions now logged in Tractivity. Users have their own dashboard with reminders to keep us on track.</p>
<p>Resources</p> <p>Engagement is embedded throughout our organisation</p>	<p>New organisation has driven culture change and integrated engagement throughout our licence and priority areas.</p>
<p>Assurance & Accreditation</p> <p>External assurance confirms our strengths and helps identify weaknesses</p>	<p>DNV GL have noted improvements made in their independent review against AA1000 SES – opinion statement featured on page 1. We hold BSI 187477 Standard for Inclusive Service Provision.</p>

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

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. We used our experience and lessons learned to take this a step further in 2016 and implemented a brand new IT system which would allow us to take our engagement and analysis to the next level. Offering full visibility across our organisation, and data at our

fingertips we can carry out tailored engagement with confidence.

14 senior managers from across our business have each developed an annual engagement plan using our methodology. 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 and subsequently Tractivity, supported by our robust governance structure, has been pivotal in deeply embedding engagement into the heart of our organisation.

'SPEN continued to identify further levels of stakeholders during the year, building on the comprehensive range already in place'.

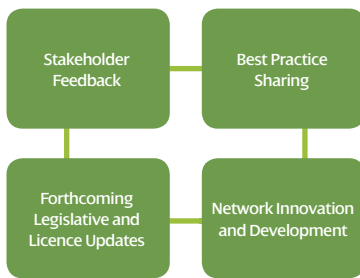
'We noted that SPEN had entered into partnerships with the Association of Young Farmers in Scotland and the Welsh Rugby Union with the aim to reach additional stakeholders at a district level. Feedback to date has been that these have helped the distribution business to access harder-to-reach stakeholders in these communities, to build relationships with future stakeholders and to utilise the extensive networks of the partner organisations'.
DNV GL Independent Review, 2017

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.

Stakeholder and business priorities



Using these stakeholder and business priorities, senior managers identify the stakeholder and business strategic issues and risk across each of the 14 licence and topic-specific engagement plans. See Part 2 page 3 for our summarised list of priorities.

133
stakeholder and business issues and risks identified and prioritised.

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 and hard to reach stakeholders applicable to their area from a master list of 139 categories.

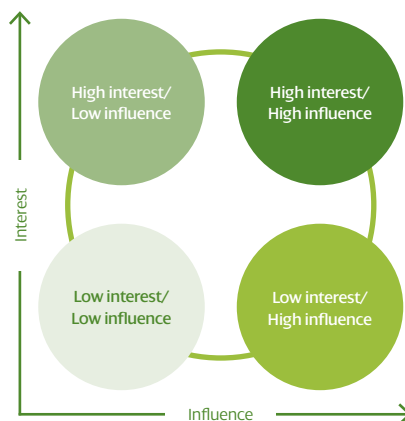
From this list, they attribute a prioritisation rating to each stakeholder group, based on two key criteria:

- 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



New for 2016–17: Engagement planning process updated to proactively identify and engage further hard to reach stakeholders in all engagement plans.

Our comprehensive engagement plans:

Licence

SPD licence strategic (inc. Connections, Supply Chain and Community)

SPM licence strategic (inc. Connections, Supply Chain and Community)

SPT licence strategic (inc. Supply Chain and Community)

SPT licence connections

Topic

Core engagement (new)

Customer and emergency preparedness

Future networks

Land and planning

Public safety

Recruitment

Regulator, policy and market reform (updated)

Smart metering

Social issues & vulnerability

Sustainability

Demonstrating our progress in 2016-17

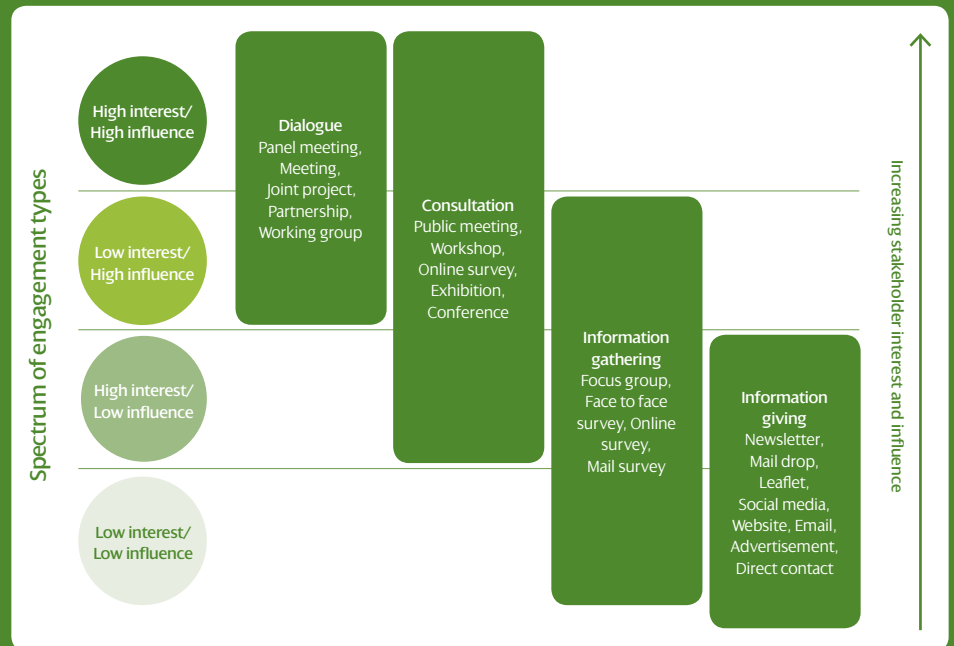
- **Increased relevance** – Over 2,500 stakeholder contact records reviewed or updated.
- **Increased diversity** – covering 139 stakeholder groups, up 26% from 2015-16, demonstrating that we have further extended our base to get closer to those that are hard to reach.
- **Accurate targeting** – Stakeholder priority level mapped for every stakeholder across each of 14 engagement plans.
- Focus and priorities underpinned by annual stakeholder surveys and 70 stakeholders involved in strategic panels.
- **Improved visibility** – 133 stakeholder and business issues and risks identified.
- **Improved response** – 14 engagement plans, representing 439 engagements with stakeholders, created and carried out to manage issues and risks.

‘The licence and topic engagement plans were all examples of tailored engagement each with a range of engagement activities combining established channels, one-to-one engagement and bespoke engagement. We noted that a number of plans such as Sustainability, Social Obligations and DSO, included stakeholder working groups which provided a strong opportunity for topic specific input from experts and leaders’.

DNV GL Independent Review, 2017



Tailoring our engagement and selecting appropriate mechanisms



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 identities 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.

All individual plans are built in Tractivity, enabling full visibility for all engagement plan owners and their teams, highlighting the range of engagement methods used, and allowing further analysis at a higher strategic level.

Step 4:

Recording feedback and taking action

Gathering feedback, analysing it and then taking the right action is where it all comes together.

Our new Tractivity stakeholder management system is like a sorting office for feedback. It’s here that all feedback from stakeholders is logged and linked to an associated contact and business action. 196 actionable items were logged in 2016–17.

It helps us keep on top of stakeholders’ feedback and track our actions, so we can see instantly what we have to do and how progress is being made.

All members of our Internal Stakeholder Action Group and their teams can access it, so they have the chance to identify opportunities and efficiencies, and to avoid duplication.

It means we can track our progress across all 14 engagement plans. It shows the aim of each engagement, its link to specific strategic issues, the stakeholder groups involved, date and type of engagement. Using this clear vision of activity, engagement plan owners can quickly access up to date information, enabling them to make informed and joined up decisions.

Developing, justifying and delivering stakeholder initiatives

Developing stakeholder 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.

Our Part 2 submission is structured to demonstrate our strategic approach and highlight the breadth and depth of our engagement and outcomes across our priority areas.

Justifying initiatives and maximising value for money

We've worked hard to develop and extend the ways we use analysis to maximise value for money. We use a strong suite of evaluation and measurement tools on every project. We continue to use 'full' and 'light' expressions of Cost Benefit Analysis as

appropriate to justify our engagement and the resulting initiatives. We're committed to evaluation and believe it is important to have a flexible approach to measure all types of engagement. The results of the CBA modelling we conducted for 2016–17 are included in Parts 2 and 3 of our submission.

We've spent time benchmarking best practice in evaluation and measurement across utilities and beyond, giving us confidence that our approach is helping us target our initiatives to deliver the best outcomes for our stakeholders.

However we're not stopping there – our CEO and Directors have helped develop our new approach to Willingness to Pay and interactive stakeholder conferences. Building on best practice, we're working with relevant experts to develop surveys and econometric analysis to test willingness to pay amongst our stakeholders.

Priority	Initiatives
Keeping the lights on	<ul style="list-style-type: none"> Network resilience in the evolving UK Energy Mix
Customer service	<ul style="list-style-type: none"> Knowing who to contact in a power cut Minimising disruption arising from network improvement works
Collaboration for community growth	<ul style="list-style-type: none"> Connecting community energy projects to our network Integrated Energy Planning in England, Scotland and Wales
Skills and sustainability	<ul style="list-style-type: none"> Stakeholder-driven sustainability Science, Technology, Engineering and Maths
A smart future for energy	<ul style="list-style-type: none"> Leading with a proactive approach to Smart Meter installation From Network Operator to System Operator – accelerating the national discussion
Safety	<ul style="list-style-type: none"> Cultivating partnerships to target 'hard to reach' and future stakeholders Getting safety messages into the heart of North Wales

Game-changing stakeholder engagement management system – Tractivity

One of the key reasons we invested in the system is that it significantly strengthens our strategy across all of our 7 pillars and underpins all 3 core principles of the AA1000 standard.

Tractivity is an entirely unique system as it doesn't just manage the customer and associated actions like a traditional Customer Relationship Management system, it manages the stakeholder and the full engagement and feedback loop and encompasses all aspects of our 4 step process.

All engagement plan owners and their teams have access to, and have been trained to use the new system. They have collective responsibility to ensure that it is kept up to date throughout the year, ensuring that engagement is embedded across all parts of the business. Having all the information on stakeholders, engagements, feedback and actions in one central shared space enables the teams to identify opportunities and efficiencies and to avoid duplication of effort.

There are four main elements to the Tractivity system:

Stakeholder Organisations and Contacts – this is the register of all stakeholders: It is updated by each engagement plan owner, and, along with the usual names, companies and contact details, categorises each person in terms of stakeholder group and priority level across each engagement plan. It shows which engagement each stakeholder has received throughout the year, and also enables us to identify stakeholder

interest in particular licence or district.

Engagement tracking: Each engagement taking place across all engagement plans is tracked on the system. It shows the aim, linked to specific strategic issues, the stakeholder groups involved and the date and the type of engagement.

Feedback & Action tracking: We use the system to track the feedback we receive via our engagements, the actions that we have promised to complete, and the updates on these actions – categorised by engagement and stakeholders.

Reporting: The reporting module within Tractivity is extremely flexible and allows us to build customised reports which aids us in gap analysis and planning. Reports can be run on an ad-hoc basis or scheduled to run from within the system at regular intervals.

Having access to all our data at the touch of a button is transforming how we can analyse our stakeholder base and associated engagement and plans, extending our reach and looking for best practice replication across our local and district plans.

Some additional features offered by Tractivity include:

- Event invitations and professionally designed newsletters.
- Each engagement plan owner sees their own dashboard of engagements and activities.
- Stakeholders can be assigned to multiple stakeholder groups for greater granularity.
- Attachment of emails/meeting notes/presentations to individual stakeholder records.

Sharing best practice

Customers benefit when we share best practice to deliver and replicate GB-wide initiatives. We are proud that in our year chairing the DNO Best Practice Group, DNOs have delivered a wide range of useful outcomes for customers.

Sharing our best practice with others

Tractivity engagement system: demonstrated industry-leading stakeholder management system to all DNOs.

DSO: first DNO to publish a detailed and transparent vision for consultation, accelerating industry discussion.

Smart metering: shared our proactive intervention process with all DNOs.

Sustainability: sharing leadership approach industry-wide through working groups.

Replicating others' best practice

Investment maps: building on Northern Powergrid's approach.

Willingness to pay and Stakeholder Conferences: building on Western Power Distribution's approach for 2017.

Our strategy in action – Case study

Sowing the seeds of a strong partnership with the Scottish Association of Young Farmers Clubs

Step 1: Identifying strategic issues and risks

The farming community holds a unique position for our business. A lot of our equipment is on agricultural land, so we need to know who to contact to access it and keep them informed when problems occur. We also want those working near our equipment to stay safe - large, modern farm machinery can pose risks when used around overhead lines. Our records showed 34 farmland incidents in Central and Southern Scotland involving electricity during 2015 – and it was increasing year on year. Senior managers identified this as a strategic issue for our business during our engagement planning process.

Step 2: Identifying and prioritising a broad and inclusive range of stakeholders

Farmers were identified as hard to reach stakeholders. They weren't aware of the dangers and didn't have an opportunity to influence our company. They are also the landowners of the future and as farms diversify farmers increasingly have an interest in renewable forms of energy, like windfarms.

Step 3: Informing and engaging stakeholders through a variety of mechanisms

SP Energy Networks joined Police Scotland and the National Farmers Union of Scotland (NFUS) to highlight the hazards of working close to electricity on farm land. The joint campaign was launched at the Royal Highland Show – the biggest event of the Scottish farming calendar.

It highlighted the need to report safety hazards like damaged power lines and metal thefts. Farmers were taught how to 'bunny hop' to safety – a vital message put to use by one farmer who found himself in a dangerous situation hours after watching our safety display.

We also discussed this strategic issue at our pilot District panel in Ayrshire.

Step 4: Recording feedback and taking action

Through our engagement, panel members suggested that young farmers groups would be an ideal way to take our important safety messages to an agricultural audience. As a direct result of that feedback we went on to forge a year-long partnership with the Scottish Association of Young Farmers clubs (SAYFC). A spot survey with the Scottish Association of Young Farmers showed just under half knew what to do in the case of a fallen power line. It gives us a link to 3,500 young members, so we can highlight safety, promote career opportunities and raise awareness of what we do.

Now we are sharing best practice through our internal governance system and extending our approach to Welsh Young Farmers.

By encouraging young farmers to be more safety aware, we can help keep them safe and encourage them to report safety hazards. By nurturing a closer relationship, we can understand each other's needs better – particularly helpful when we need to access farmland for repairs and maintenance work. Our young farmer's model is best practice and could be replicated by all other DNOs.

Our safety presentation to the Rural and Agricultural conference has reached **3500** young farmers and **80** regional clubs in Scotland.

Our original aim was to convey safety information to this hard to reach group of future stakeholders, but we are also now able to engage on a wide range of issues including renewable energy and access to overhead lines on farmland.

Farmers were taught how to 'bunny hop' to safety – a vital message put to use by one farmer who found himself in a dangerous situation hours after watching our safety display.



Strategy

Our Strategy for Vulnerable Customers

'I believe our customers are the most important aspect of our business, after all, they're the reason we're here.'



Frank Mitchell
CEO of SP Energy Networks

Customers are a strong temperature check on our efficiency and ultimately pay our wages. That's why I've made certain our business has our customers at its heart. Alongside stakeholders and experts, customers shape our strategy and actions, which are then benchmarked against the best in class and tested through external accreditation and assessment. I have made sure our business places itself at the centre of the communities we serve and supports all customers in particular those who are vulnerable. Because keeping the lights on, is just part of what we do.

Supporting vulnerable customers is woven into the fabric of who we are.

At SP Energy Networks we understand that each of our vulnerable customers is unique, we know our customers can't be defined by a condition or a vulnerability category and customers with the same condition could have very different needs.

We make sure we're flexible in our approach, so they receive the support that's right for them.

We also recognise that as a DNO we're uniquely positioned to bring a wide range of organisations together. Working hand in hand we can help really make a difference to customers' lives.

We build our strategy around our customers, stakeholders and vulnerability experts. There's a clear line of sight and ownership from our CEO right through the organisation to our front line team. A robust governance framework which ensures it's not only delivered but, as new research, feedback and outputs emerge, is continuously adapted.

Understanding what works best for customers, partners and stakeholders is important to us. That's why we have developed an assessment criteria which we use before we start a new service or partnership. That way we have a clear idea of what to expect and we can monitor progress easily, so we can quickly adapt our strategy as we go.

Our Strategy and Priorities for 2016/17

Our customers, stakeholders and experts have given us 2 clear priorities:

1. Do the basics well by supporting customers when their power is off.
2. Use our unique position to bring support to our communities with practical help.

We took on board last year's feedback and worked with our stakeholders, experts and customers to build on our established framework to improve it. We have achieved a lot this year –30 outputs in total.

Our 4 key areas of focus for 2016/2017

01

Further broadening our understanding of our customer base with regard to vulnerability

02

Widening our partnership network to deliver Support Services to every postcode in our licence areas.

03

Better understanding the gaps in our customer data for all 3.5m customers

04

Setting clear targets & adapting our strategy as a result of outputs and feedback

We know who we are and our approach means our decisions and actions are based on feedback and data so we know why we do what we do.

We were winners of the Utility Week Awards this year for our work in building partnerships to deliver Support Services to our customers and recognised as going above and beyond regulatory requirements for our work.

Most importantly our customers endorse our actions and we can see through our customers own words what an impact our strategy is having.

50 customers per month benefitting from our Support Services Average Value £381 per customer

Our approach ensures strategy and delivery decisions are clearly based on feedback and data.		We are more than heat & light and take a flexible approach
Supporting our customers during a power cut	Strong governance from CEO to front line	Strategy shaped by experts, customers & stakeholders
Delivering wide support services to bring practical support to our customers	Being broad and inclusive in tackling all vulnerabilities across our customer base	Actions based on customer research and feedback
Understanding need is different to vulnerability and acting on it.	Making sure our Priority Services Register is reaching all who need help	Knowing the importance of our customer data and continuously improving it
Strong network of trusted partners delivering free local services	Decisions made on partnerships & services based on a set criteria	Building networks – knowing one size doesn't fit all
Using technology to drive efficiency	Setting targets and adapting strategy based on learnings	Raising awareness – targeting audiences in different ways
Closing the gaps on Priority Services Register & support services	Improving our network to avoid making customers vulnerable	Supporting short term & changing vulnerability
Collaborating with other organisations to deliver together	Benchmarked against the best in class	A business of engaged, trained and committed people
Sharing data with organisations to support customers	Quality Assured – delivering to a high standard	Making it count – delivering outputs

Over 169,000 customers added to our Priority Services Register this year

Approximately 1 in 5 of our customer base are now registered on our Priority Services Register

Befriending Service
 "I suffer from depression and isolation, and I want to meet people as I'm lonely. I go to a group most weeks now and sit and chat with people. I've been going almost every week for 2 months."



SP ENERGY NETWORKS

SP Energy Networks
Ochil House
Hamilton International Park
Technology Avenue
Blantyre
South Lanarkshire
G72 0HT

spenergynetworks.co.uk