

SP Energy Networks 2013-2014

Electricity Distribution
Stakeholder Engagement
Submission Part 1





Our engagement strategy: CEO Statement



We are a distribution business that is performing better than ever for our customers. In the key areas of reliability, making our network resilient against severe weather, and customer service we are meeting and beating the challenging targets we set for ourselves. I believe firmly that how we engage with our stakeholders – and, critically, how we have improved and formalised how we engage with our stakeholders – is making an important contribution.

I am therefore delighted to take this opportunity to showcase our stakeholder engagement activity, and how we plan and manage it. This is first part of a two part submission. It focuses on explaining our strategy for engagement, and how we implement and manage it within the business. The second part of our submission presents a portfolio of examples of what its application has delivered for us and our stakeholders. These are initiatives that I have tracked personally through their development, and in many cases had a direct role in helping to deliver.

Our approach to stakeholder engagement is simple. We have strong accountability to the communities and businesses we serve – and we engage in order to keep people informed, and to gather views and test ideas such that we can make better decisions, and a bigger contribution to those communities and businesses. We serve 3.5 million customers in two geographic areas that cover Scotland, England & Wales.

We articulate this approach through our strategy. This document is refreshed annually and approved by me and my Executive Team. It is the reference point for engagement activity by all parts of the organisation. We have developed our strategy significantly over the past 12 months, building on what we learned and what our stakeholders told us.

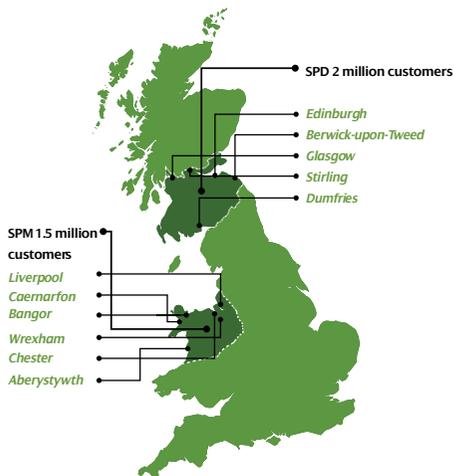
An obvious, but necessary, feature of effective engagement is good, up-to-date knowledge of who our stakeholders are – and how best to communicate with them. We are constantly updating our records, and improving how we communicate. For example, this year saw the launch of our social media channels, Twitter and Facebook, which we timed to coincide with the launch of our customer awareness campaign to maximise customer

and stakeholder following. We also took active steps to broaden the perspectives our engagement provides. This year we have established a social issues working group, and expanded the range of partner organisations we work with.

Our strategic approach also means that we plan and tailor our engagement to gain insights at the right time for influencing decisions – using the right channels. Working with local communities to develop effective support for those affected by major network investment in mid-Galloway is a good example. Our decision to use the Royal Highland Show as a platform to publicise our support for electricity safety in the agricultural sector is another example.

Our track record in delivering tangible benefits through stakeholder engagement gives us confidence that our approach and strategy are effective. This has been endorsed through independent assurance. Further, the greater structure and formality we have implemented this year also provides a solid foundation for further improvement.

Frank Mitchell
CEO, SP Energy Networks



Independent stakeholder engagement opinion (DNV GL)

"SPEN has continued to update its stakeholder engagement strategy to ensure alignment with business objectives. The strategy contains a clear aim, defined benefits for both SPEN and stakeholders as well as engagement priorities for both Transmission and Distribution stakeholders."

Improvements were observed in the updated stakeholder engagement strategy in 2013, particularly related to the incorporation of pillars of SPEN's strategy, and the inclusion of the feedback loop within the pillars, which was identified as an area for improvement last year.

There is a clear governance structure defined within the strategy, as well as processes for ensuring stakeholder engagement priorities are still valid. A process has also been established for embedding the strategy within both Transmission and Distribution businesses, which recognises the inherent differences between these parts of the business. The formation of the cross-functional internal stakeholder action group (ISAG) is a key part of the governance process."



Our engagement strategy: Overview

The cornerstone of our stakeholder engagement activity is our strategy document. This provides guidance to all staff on priorities for engagement, approach and tools for engagement activity. It is owned by the SPEN Executive Team and was published on our website in 2013 to provide transparency with our stakeholders. The latest revision to the strategy - building in learnings from assurance, reflection and other organisations - was approved in March 2014.

The seven pillars of our strategy

Data

A single, centrally managed database of stakeholders – mapped to categories, and ready to be integrated into our new CRM platform.

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

Tools

Templates for planning and recording, good practice examples, training – centrally managed.



Plan

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

DISTRIBUTION BUSINESS
 STRATEGIC ENGAGEMENT PRIORITIES:
 Safety
 Customer Service
 Connecting to the network
 Investment
 Communication
 Environment
 Social Obligations
 Supply chain

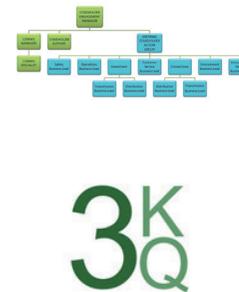
Feedback

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



Resources

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



Governance

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



Assurance

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



How we give practical effect to our strategy

- Use high-profile annual stakeholder survey facilitated by external company and recurring events to identify and test priorities.
- Use a tracking log to record feedback from engagement activities and associated actions.
- Core central team of specialists to support/challenge delivery by teams – additional advisory and challenge function through Social Issues Working Group implemented this year.
- Growing range of tools and guides being rolled out for all employees, including engagement training for 22 managers this managers this year.
- Re-focusing of assurance work this year – away from regulatory compliance, towards quality of engagement.

Governance and development

- Monthly Internal Stakeholder Action Group (ISAG) – 12 senior managers, chaired by Stakeholder Manager.
- Monthly reporting and tracking report to Executive Team.
- Stakeholder panel concept tested at two external workshops, and now implemented. The panel adds an additional strategic layer to engagement; developing and challenging our plans and methods.
- Targeted use of independent advice, e.g. to support consultation on stakeholder panel. Also with use of subject experts in the formation of Social Issues Working Group.
- Regular use of set-piece events to test/challenge progress in response to feedback, e.g. at events for our contractors and suppliers.

Documents providing evidence

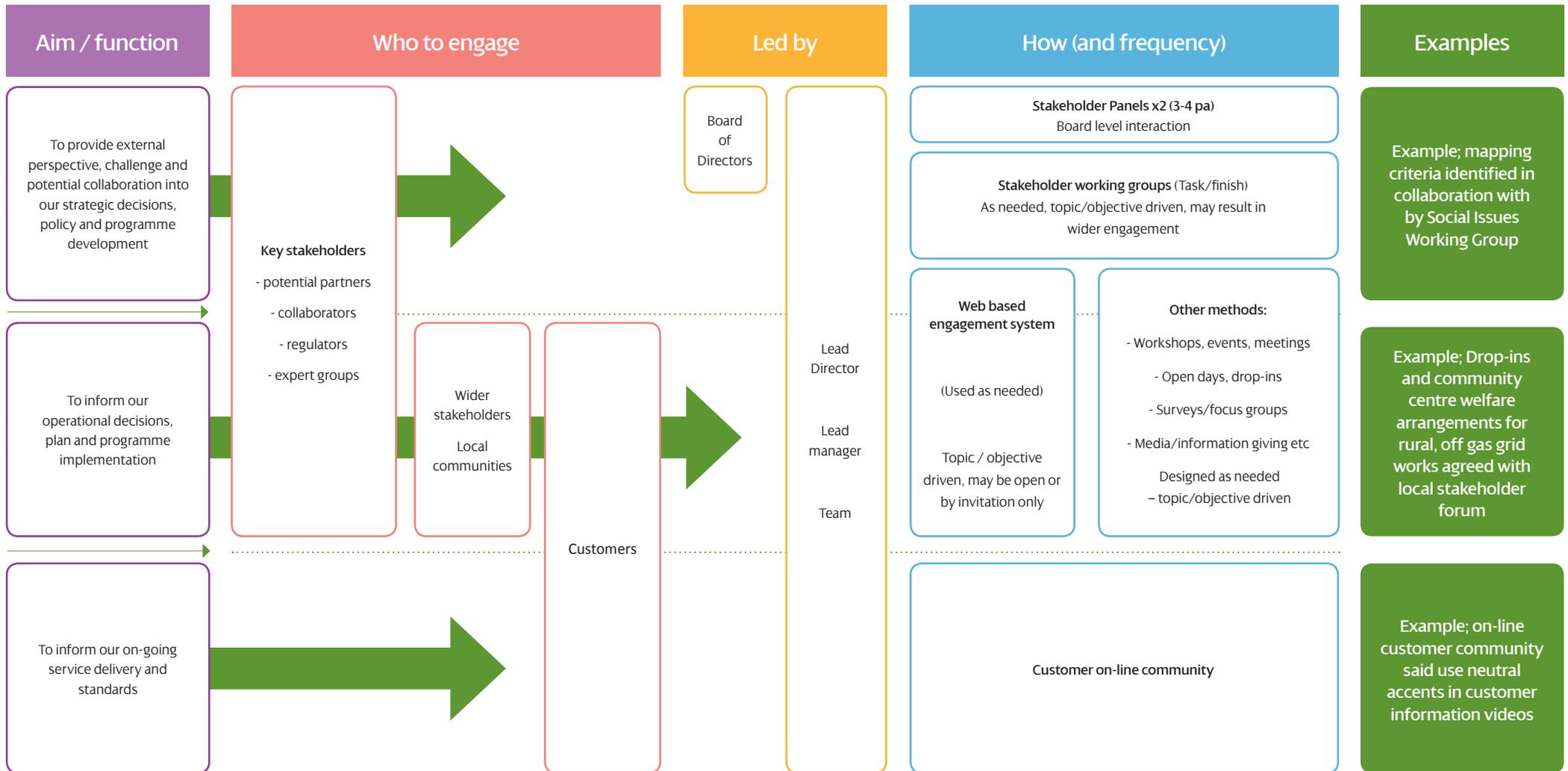
- Strategy paper (+11 appendices) – demonstrates our business-wide approach e.g. details engagement priorities.
- Stakeholder survey (extract) - demonstrates how we test and validate our engagement priorities annually.
- Engagement plan (extract) – demonstrates central engagement activity, maps to engagement priorities.
- Monthly report (example) – demonstrates how we record and report on engagement to senior management.
- Tracking log (extract) – demonstrates how we capture feedback and actions.
- Training scope - demonstrates the training course outline, aims and objectives.
- Independent stakeholder engagement opinion - DNV GL opinion on our approach to stakeholder engagement using AA1000SES standard.



Our engagement strategy: How we design our engagement

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

Form follows function approach to engagement





Our engagement strategy: Helping our stakeholders stay informed

What we do

Events

- A wide range of general and issue-specific recurring events to keep our stakeholders informed, for example annual stakeholder event for supply chain, ED1 business plan events, conference presentations.

Publications

- An annual stakeholder newsletter which demonstrates impact of stakeholder influence over plans and policies and e-bulletins on specific issues during the year e.g. customer awareness campaign.

Social media

- Launched Facebook and Twitter channels this year, timed to align with awareness campaign to maximise following. We post or tweet a new awareness-raising topic every day e.g. investment updates, job opportunities, approach to sustainability.

Website

- Dedicated "Have your say" area of website, with library of clearly signposted materials and structure mirrored for Transmission.

Why we have confidence in what we do

- Level and range of events – annual supply chain event for 60+ attendees, monthly customer surgeries in each licence areas (12 pa), geographic specific renewable developer update forums (North Wales and Mid Wales), two weekly on-line customer community content.

- Level and range of publications – business plan suite of documents, plan highlights in Welsh, stakeholder newsletter, customer fact sheets.

- Range of materials on our website – detailed annex on electricity losses strategy, presentations and briefing papers from stakeholder events,

stakeholder consultation findings.

- Use of analytics tools to understand how successful our electronic updates are e.g. 17% who received email about Business Plan update clicked through to document.

- Use of feedback data - e.g. annual stakeholder survey identified social media as important, but primarily as tool for raising general awareness rather than as an engagement tool.

- Positive feedback on use of Twitter and Facebook – 290 stakeholder following since launch in December 2013 and 1,200 customer following.

Documents providing evidence

- Stakeholder newsletter – demonstrates one method of keeping around 1,500 stakeholders informed.
- Twitter example – demonstrates how we promote our engagement activity with stakeholder following of 290+.
- E-bulletin on business plan – demonstrates how we keep around 1,500 stakeholders informed.

A key element of our strategy is about keeping our stakeholders well-informed about what we are doing and how it might be relevant to them. We use a combination of methods - general and specific, and for various levels of interest, engagement and knowledge. We collect data on all the channels we use, which helps us develop and refine our approach going forward.

Events

Engaging with political stakeholders at Holyrood



Publications

Stakeholder newsletter



Analytics report for business plan e-bulletin



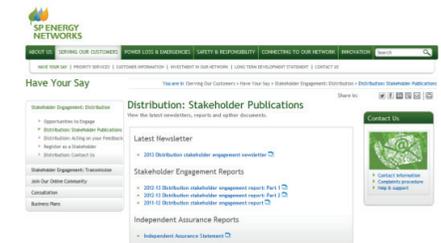
Social media

Stakeholder follower supporting awareness campaign



Website

Refreshed stakeholder area on website - publications section



Independent stakeholder engagement opinion (DNV GL)

"Several examples were seen across the business of how methods of engagement were being tailored to suit the needs of stakeholders such as the provision of audience response voting and SMS as a means of feedback at the service partner event and the social

obligations working group, convening a cross section of stakeholders and SPEN staff to plan the way forward on social obligations."



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

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

What we do

- Maintain a single, unified database of stakeholder contacts.
- Establish multiple routes to update data and use new technology – issue e-bulletins with new tool to allow stakeholders to update data independently, where appropriate.
- Regularly review how we categorise and added how we prioritise – to help identify gaps, and to help target engagement.
- Management and analysis of stakeholder data across Transmission and Distribution ready to integrate into our new Customer Relationship Management (CRM) platform.
- Take targeted actions to address gaps or weaknesses – this year focusing on social issues, and engagement with developers of smaller renewables projects by increasing our presence at events they attend.
- We seek to maximise the range of Welsh-language materials.

Why we have confidence in what we do

- We have updated our database and added 500 new stakeholders since 2013.
- We have reviewed and updated our stakeholder categories, increasing from 8 to 13 to better target engagement.
- We have formed a Social Issues Working Group, to formalise our collaboration with Energy Action Scotland, National Energy Action and Consumer Futures.
- We are successfully identifying and engaging with new stakeholders, e.g. VIRIDIS (a collaboration of registered housing providers and local authorities in Merseyside working to reduce residents energy costs), who we identified through the process of establishing our stakeholder panel.
- We are using independent experts to help us map, prioritise and categorise our stakeholder data – to complement, and help develop our own skills.
- We have successfully integrated Welsh language speakers in our stakeholder events, and publish a wide and growing range of materials in English and Welsh language versions and use specifically designed templates for social media.

Illustrating what we do

Combined stakeholder categories for Distribution and Transmission

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

Social Issues Working Group members

Consumer Futures



Extract from prioritisation mapping

Group 2	Group 3	Ranking
NATIONAL GOVERNMENT		
UK Government	DDCC	High
	HSE	Medium
	Environment agency	Low
Welsh Government	Natural Resource Wales	High
	-	Low
Scottish Government	SEPA	High
	Emergency planning	Medium
	Energy Consents Unit	Low
Political	MPs	High
	MSPs	Medium
	AMs	Low
Regulator	Ofgem	High
	Ombudsman	Low

Prioritisation key for mapping

High interest / high influence	High influence / High interest
Low interest / low influence	Low influence / Low interest
Low interest / high influence	Low influence / High interest
High interest / low influence	High influence / Low interest

Documents providing evidence

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

Independent stakeholder engagement opinion (DNV GL)

"Various initiatives were undertaken by SPEN in 2013 which served as useful tools to ensure material issues for stakeholders are captured. These included stakeholder engagement events organised by SPEN, convening panels such as the social obligations working group and the formation of the internal stakeholder action group. SPEN's focus on this area has increased over the past year.

A notable improvement in 2014 was the identification of relative priority of each stakeholder group for the business based on a stakeholder mapping exercise.

The prioritisation exercise resulted in the formation of specific working groups for particular stakeholders, which is a positive improvement."



Our engagement strategy: Enabling timely input from stakeholders

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

What we do

- Plan engagement events to test/confirm priorities – and give visibility to our plans and schedules, e.g. proposed new QUOTE+ approach for connecting customers to Scottish Renewables working group in Sep 2013 before developing further and launching in Jan 2014.
- Tailor plans to specific issues in terms of scale, timing and engagement channels – and increasing work directly with stakeholders and communities to identify the most appropriate and effective ways of engaging e.g. Mid-Galloway stakeholder forum supported the roll out of local drop-in sessions.
- We develop and test before we scale up engagement, such that we can

- engage on the basis of a well-developed proposition, e.g. collaboration with contractors and colleges on training of linesmen.
- We provide an expanding range of routes for stakeholders to provide input e.g. online customer community two weekly content updates, “have your say” area of website, on-line consultation surveys.
- We use these engagement channels in the development process, e.g. sharing our customer awareness campaign plans with our online community at an early stage.
- We track the input provided systematically to hold ourselves to account in acting upon it.

Why we have confidence in what we do

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

- Mid Galloway Stakeholder Forum directly influenced the design of signage, welfare arrangements, and the timing of drop-in events before we started work on a major investment in the locality.
- At our annual contractor/supplier forum, our authorisation process was identified as a barrier to delivering investment, we made changes and reported back at the next forum measuring improvement through audience response.
- Our annual stakeholder survey validates engagement priorities year on year and identifies new priorities e.g. emergency response came through as a new priority at end of 2013 and we used this a new topic at April 2014 key stakeholder workshop.

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

- Worked with our Social Issues Working Group to identify criteria for social mapping before developing first version and sharing it with group members.
- Extending to a wider range of colleges and contractors following innovative trial of linesman training collaboration.
- Our on-line community help identify issues that we can resolve before rolling out plans e.g. we used our staff to create a customer video about faults but the regional accent was too strong for some community members to understand. This allowed us to change the format of future videos to use staff but with a more neutral voice-over.

Documents providing evidence

- Linesman case study – demonstrates how we scale up engagement.
- On-line community feedback (extract) – feedback on faults video.
- Agenda for April 2014 key stakeholder workshop – demonstrates how new priorities feed into process.
- Engagement plan - demonstrates recurring engagement.

Independent stakeholder engagement opinion (DNV GL)

“In 2013 SPEN continued its efforts towards embedding engagement across the business through a number of measures such as giving director level access to stakeholder feedback. SPEN’s stakeholder engagement strategy also links strategic objectives to engagement priorities, which is an improvement over 2012.

It is evident that planning for engagement activities is taking place both at senior management level and at business unit level with support from a dedicated engagement team. SPEN’s engagement function now reports directly to the Regulation and Commercial Director, who is a board director therefore enhancing the role of senior management in stakeholder engagement.”

Illustrating what we do

Annual engagement plan extract

Activity	Start	End	Responsible	Status
Stakeholder Engagement Strategy Review	2013-01-01	2013-03-31	SPEN	Completed
Annual Stakeholder Survey	2013-04-01	2013-06-30	SPEN	Completed
Mid-Galloway Stakeholder Forum	2013-09-01	2013-09-30	SPEN	Completed
Contractor/Supplier Forum	2013-10-01	2013-10-31	SPEN	Completed
Online Community Feedback	2013-01-01	Ongoing	SPEN	Ongoing
Stakeholder Engagement Plan	2013-01-01	Ongoing	SPEN	Ongoing

Engagement cycle forms basis of recurring engagement



Case study showing scaling of approach on linesman training

Stakeholder Engagement Case Study

Training local linespersons

Why? The local linesman workforce is ageing and the number of linesmen is declining. This presents a significant challenge for the future of the network. It is essential to ensure that the network is maintained and operated safely and efficiently. Training local linespersons is a key part of this strategy.

How? We have worked with local colleges and contractors to develop a training programme. This programme includes practical skills training and theoretical knowledge. We have also provided support and resources to the training partners.

What's next? We will continue to work with our training partners to ensure that the programme is effective and that we are able to recruit and train a new generation of linesmen.



Our engagement strategy: Using the right mix of engagement mechanisms

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

What we do

- A systematic approach to assessing the nature of engagement – using the engagement spectrum, based on numbers involved and intensity of engagement required.
- A centrally-managed process for planning how we engage, and tracking how we use the feedback generated through engagement.
- A toolkit for staff – designed to promote consistently high-quality decisions on how to design engagement, made readily available through our intranet and reinforced through training.
- Expand the range of engagement mechanisms we use, and review their effectiveness, e.g. the incorporation of SMS messaging into how we capture audience response.
- A centrally-managed process for documenting and communicating examples of good practice within the business.

Why we have confidence in what we do

- We have a growing number of successful examples of using a diverse and tailored set of engagement mechanisms e.g. market research on awareness, connecting customer surgeries, dedicated account managers for repeat connections, independently facilitated stakeholder events, small strategic groups focussed on a specific topic.
- We have trained 22 senior managers on stakeholder engagement, the spectrum of engagement and use of the toolkit to plan engagement.
- We have produced 11 stakeholder engagement case studies illustrating the breadth of engagement mechanisms on the spectrum and made them available to all employees.
- We have positive feedback from stakeholders on the changes we are making to how we engage, and more stakeholders are getting involved as a result.
- Our toolkit is available to all staff on the intranet, the Internal Stakeholder Action Group promote its use within the business and the Stakeholder Team guide participants through its use.

“This is an excellent example of partnership working between industry and the college.”

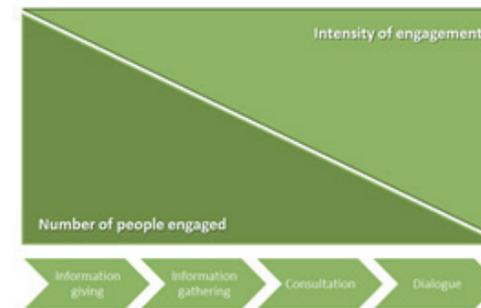
Carol Turnbull, Principal, Dumfries & Galloway College

Documents providing evidence

- Engagement tool kit (web extract) – demonstrates what tool kit includes and availability to all employees.
- Engagement planning (example) – demonstrates how engagement planning element is used.
- Stakeholder Engagement Case Study (example) – demonstrates how we raise employee awareness of mechanisms across engagement spectrum.

Illustrating what we do

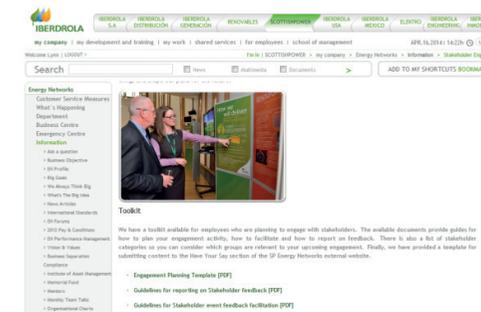
Engagement spectrum for planning engagement



Applying the engagement spectrum to our activity



Toolkit for engagement available on internal website



Engaging with communities on visual mitigation



Independent stakeholder engagement opinion (DNV GL)

“A number of new engagement tools and systems have been implemented by SPEN in 2013, which are facilitating a more co-ordinated approach to stakeholder engagement across the business.

Improved engagement mechanisms and tools included monthly summary reports to the Executive Team on engagement, the engagement plan, the stakeholder engagement toolkit and the stakeholder engagement action log (tracker).”



Our engagement strategy: Ensuring that stakeholders have an impact

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

What we do

- We plan and deliver high-quality engagement activities and hold ourselves accountable at a senior level, internally and through external events and publications.
- Our Executive Team tracks impacts through the "you said, we did" management report and action tracking log.
- We reinforce this at a working level through our Internal Stakeholder Action Group.
- We use recurring engagement in our annual engagement plans to hold ourselves accountable externally, and use data to improve the detail provided.
- We are adding an extra strategic layer to this accountability through the formation of our two stakeholder panels.
- We address gaps to ensure that we are inclusive in the range of stakeholders that have an impact, e.g. through the formation of our Social Issues Working Group.

Why we have confidence in what we do

- We have robust processes in place to track impacts – "SPEN has increased its focus on feedback loops in 2013 to address this issue, and has included this as a key pillar within its strategy. The stakeholder engagement action log (Tracker) has been established and is an important tool in supporting responsiveness to stakeholder views." extract from independent assurance opinion (DNV GL).
- We have a growing and diverse track record of impacts,
 - new social media channels for customer contact and to proactively raise awareness of what we do in environment and social context
 - increased welfare arrangements in our approach to community engagement
 - the flexible QUOTE+ approach for connection customers
 - new partnerships with colleges, delivering better training for more local people
 - collaboration with RSPB allowed us to identify and take opportunity to improve local environment
 - engagement through our Cities Team allowed us to support low carbon social housing development.
- Demonstrating that we are using data to improve quality of information provided to stakeholders, e.g. we used voting at our annual supply chain event to gather feedback, reported on progress the next year and 75% of those affected had seen an improvement in our authorisations process, commenting "Last year it took 6 months to get people authorised, this year it's taking 6 weeks".
- Investing in and developing systems and processes to make us even more demonstrably accountable going forward, e.g. from 2014/15, stakeholder engagement activity will be recorded in our new Customer Relationship Management System (CRM) – enabling richer analysis of themes, trends and gaps.

Documents providing evidence

- Monthly report & Executive Team Agendas – demonstrates that stakeholder engagement reviewed at highest level.
- Regional stakeholder panel brief - demonstrates how we have responded to feedback on developing the panel.
- Internal Stakeholder Action Group (ToR) – demonstrates senior manager accountability.
- Social Issues Working Group (meeting notes) – demonstrates stakeholders having a strategic impact.
- Tracking log (extract) – demonstrates how we capture feedback and actions.

Illustrating what we do

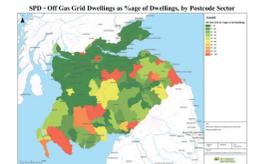
Monthly stakeholder report for Executive Team using "you said, we did format"



Extract of the tracking log where we monitor feedback and actions

DATE	REPORTING PERIOD	ACTIVITY	IMPACT	STATUS	COMMENTS
15/08/13	15/08/13	Identify stakeholders	Some respondents from site knowledge of SPEN and what we do	Open	Review all members of SP Energy Networks stakeholder database from that time period of discussion with the general public and review the list
15/08/13	15/08/13	Identify stakeholder	Topic specific engagement in progress	Open	Consider how topics of interest to respondents can be communicated to different groups of stakeholders (specific engagement to suitable customer segments such as 'connectors')
15/08/13	15/08/13	Identify stakeholder	Social media for customers but not necessarily stakeholders. Some stakeholders do not have access	Open	Consider how to ensure the development of social media content reaches those early on who have given an indication that they should be notified or a communication channel for customers and stakeholders
15/08/13	15/08/13	Identify stakeholder	Contractors want better insight of plans	Open	Consider how visitors with contracts can be informed and how they can get greater insight of plans
15/08/13	15/08/13	Identify stakeholder	Stakeholders need better awareness of our activities to be able to respond	Open	Raise awareness of investment plans, corporate social responsibility activities, environmental contribution in order to see an increase in those visiting going forward

Mapping layer for off-gas grid produced with input from Social Issues Working Group



Example of "you said, we did" approach at contractor supplier event and the measurement

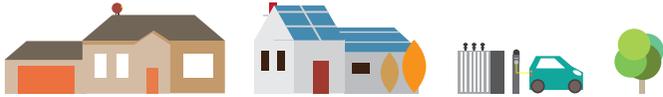


DATE	REPORTING PERIOD	ACTIVITY	IMPACT	STATUS	COMMENTS
15/08/13	15/08/13	Feedback on authorisations	Last year 95% said we were difficult or very difficult to work with on authorisations - this year we received better feedback to improve the process	Open	Of those the question was relevant to, around 75% said they had seen improvements in the process

Independent stakeholder engagement opinion (DNV GL)

"Responding to stakeholders on relevant and important issues, concerns and impacts and tracking responses is a vital part of effective stakeholder engagement and plays an important role in determining the effectiveness of engagement. SPEN has increased its focus on feedback

loops in 2013 to address this issue, and has included this as a key pillar within its strategy. The stakeholder engagement action log (Tracker) has been established and is an important tool in supporting responsiveness to stakeholder views."



Looking to the future: Taking our strategy forward

This year we have worked hard to implement our new stakeholder engagement strategy, embedding it into our business and ensuring it has resulted in real and tangible outcomes. Looking ahead, we recognise there is still important work to be done – responding to new assurance recommendations and external feedback – and making sure the strategy is embedded throughout the business, providing more stakeholders with an opportunity to directly influence decision making.

External stakeholder panels and working groups

- Our two regional external stakeholder panels will run one full cycle in the next year. We anticipate there will be an opportunity to evaluate the success of the panels, considering both the value for our stakeholders and the value for our business. A key test of the success of this approach will be the ability of the panels to directly influence board level decision making.
- The new Social Issues Working Group will continue to meet; working to identify the top geographic areas for deployment of social initiatives and helping us to develop a specific local approach, with input from stakeholders local to the communities we identify.
- We will continue to test and confirm stakeholder priorities through the annual stakeholder survey and use the panel to test and challenge the findings.

Deploying tried and tested methods

- Taking our innovative approach to service partner linesman training forward – to more colleges, to more service partners and developing additional courses, providing more unemployed people living in our communities with new career opportunities.
- We will map all Distribution and Transmission investment across our operating areas and deploy the community engagement matrix (borne out of our Mid-Galloway pilot) to help identify the right mix of engagement in different circumstances, in collaboration with local communities.

Internal processes

- We will expand our stakeholder engagement toolkit; using the expertise of an external expert practitioner to help develop additional materials to be made available to employees and work to continue to embed a consistency of approach right across the organisation.
- We will use the output from the prioritisation mapping exercise to further improve the focus of our engagement and direction of resources – with the help of the Internal Stakeholder Action Group.
- We will consolidate our spreadsheet based database and tracking log and further improve as we work towards the implementation of a new CRM system.

External assurance

- Based on the recommendations made to us by DNV on our approach to stakeholder engagement (using AA1000SE the standard as reference point), we will make changes in response to the points raised.
- We have identified a need to move away from an annual assurance process to a more regular review; potentially the adoption of regular evaluation by an external body in a similar manner to that being adopted by the public sector.

Illustrating what we do

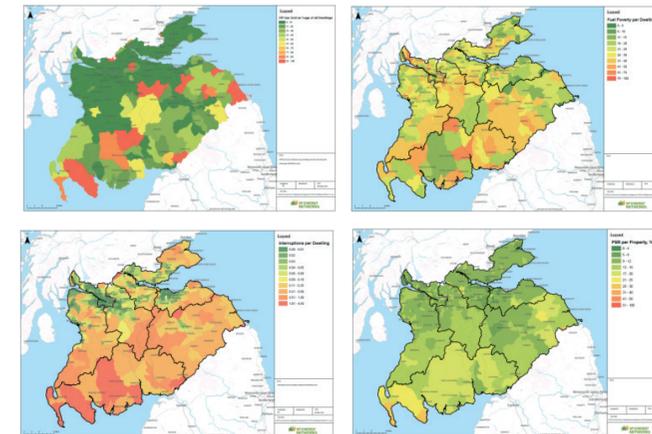
AA1000 Stakeholder Engagement standard



Excerpt from Community engagement matrix

High impact	Medium impact	Low impact
<ul style="list-style-type: none"> • AA1000 Stakeholder Engagement Standard 2011 • AA1000 Stakeholder Engagement Standard 2011 • AA1000 Stakeholder Engagement Standard 2011 	<ul style="list-style-type: none"> • AA1000 Stakeholder Engagement Standard 2011 • AA1000 Stakeholder Engagement Standard 2011 • AA1000 Stakeholder Engagement Standard 2011 	<ul style="list-style-type: none"> • AA1000 Stakeholder Engagement Standard 2011 • AA1000 Stakeholder Engagement Standard 2011 • AA1000 Stakeholder Engagement Standard 2011
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Social obligations working group mapping



Independent stakeholder engagement opinion (DNV GL)

"We encourage SPEN to continue pursuing opportunities for improvement in 2014 based on our recommendations."



**SP ENERGY
NETWORKS**