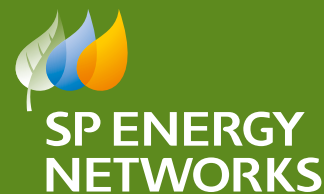


# Making a Difference

## Part One: Our strategy for stakeholder engagement



Ofgem Electricity Distribution Stakeholder Engagement  
and Consumer Vulnerability Incentive Scheme 2020/21





# This is Part One of our submission to Ofgem's Stakeholder Engagement Incentive for regulatory year 2020/2021.

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

## Our submission is in three parts:

### Part One

#### – Our strategy

Introduces our Stakeholder Engagement and Consumer Vulnerability Strategy, with evidence that we meet Ofgem's minimum requirements.

### Part Two

#### – Stakeholder engagement outcomes and impacts

Details the actions we have taken to meet the needs, preferences and priorities of customers and stakeholders identified through extensive engagement.

### Part Three

#### – Supporting vulnerable customers

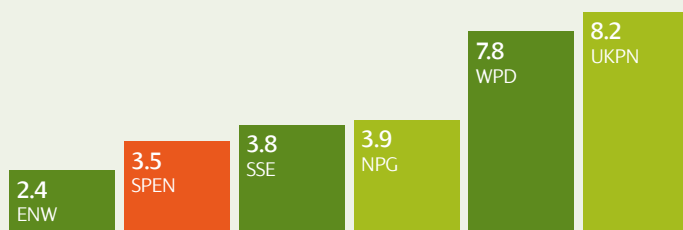
Details key activities we delivered to address consumer vulnerability issues and the outcomes achieved during this regulatory year.

## About us

SP Energy Networks is the Distribution Network Operator that delivers electricity to homes and businesses in Central and Southern Scotland, Merseyside, Cheshire, North Wales and North Shropshire. We are the only network operator to work across three countries – Scotland, England, and Wales.

DNO size by household numbers

(Millions)



When comparing all six DNOs, SP Energy Networks has **3.5 million** customers, and is fifth in terms of our customer base, however this does not reflect the size of our ambition.

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# Introduction from our CEO, Frank Mitchell

This year has brought with it new challenges as we adapted and responded quickly to the pandemic, continuing to deliver a safe and reliable service for our customers and our agile stakeholder engagement strategy allowed us to do just that. I am proud of how quickly and effectively my teams responded, going over and above to meet the needs of our customers and stakeholders.

With a strategic focus on a green recovery, we welcome recent government papers such as the UK Government Energy White Paper, Climate Change Committees' Sixth Carbon Budget and Scottish Government's Climate Change Plan 2018-2032, all shining a light on the pathway to Net Zero. We have a pivotal role to support the societal changes needed for a Just Transition, through delivering jobs, economic growth and environmental benefits. Ongoing engagement with our stakeholders from customers to local government and all vectors of the energy industry has been instrumental in setting our priorities to tackle the climate emergency and achieve regional ambitions of our urban and rural communities.

As we prepare our plans for the future, outlining how we will facilitate the energy system transition and a green recovery, we've undertaken our biggest stakeholder engagement programme to date. Making use of the channels established in ED1, as well as enhanced efforts to engage those who may be hard to reach, has allowed us to identify the priorities of our customers and stakeholders to deliver a business in line with their needs and preferences – summarised into three strategic objectives:



Develop a network that's ready for Net Zero



Be a trusted partner for our customers, communities and stakeholders



Ready our business for a digital and sustainable future

An energy revolution is underway, our stakeholders are set to see huge changes and we cannot wait for the next regulatory period to begin before working towards these goals. I am extremely proud of the significant progress we have made over the last year. We're delivering positive outcomes to support the transition to Net Zero: investing £4.8 billion into our distribution network from 2015 to 2023, developing innovative plans to facilitate regional ambitions such as the rollout of electric vehicle charging infrastructure through pioneering projects and introducing flexible network solutions, providing significant cost savings for stakeholders.

As we push forward with our stakeholder engagement plans for 2021, COP26 will be taking place within our licence area in Glasgow. This offers a fantastic opportunity to showcase what is already being achieved in the UK to achieve Net Zero and we're proud to play our part as a principal partner. We are actively engaging with Government and relevant stakeholders in Glasgow and across Scotland to deliver projects focused on decarbonisation of generation, transport and heat. COP26 will be a key platform to showcase these initiatives, raising awareness, gaining support and continuing to deliver similar projects at a greater scale to benefit our customers and society at large.



Frank Mitchell

Chief Executive Officer, SP Energy Networks

## Key outcomes this year

In excess of **£30m** deferred network investment through flexibility services

Enough electricity to supply **160K domestic properties** generated through Active Network Management

Up to **£2.6m** savings in expected connections costs through Project PACE



Achieved the highest accolade 'Advanced' in the AccountAbility audit

**Community Engagement Award** winner at the The Planet Mark Awards 2020

**96%** customer satisfaction, highest ever, from our vulnerable customers across all support services

**Benchmarked 1st** against all UK service sectors in the ICS UK Customer Service Index



New digital app '**iIdentify**' to become industry standard

Reduced carbon footprint by **55%** (excluding losses) since 2013-14

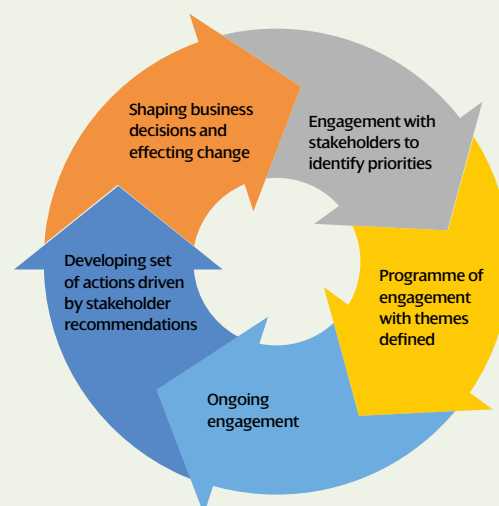
Launched **NEW** customer self-service portal



## How stakeholder engagement drives our business

We are focused on delivering in alignment with the priorities of our customers and stakeholders to tackle climate change and deliver the infrastructure and services required to deliver Net Zero. This is not a journey we can do alone, we engage with a huge range of stakeholders every single day to understand what they require both now and in the future. What is important to our customers and stakeholders is important to us. Engaging in an effective and meaningful way means stakeholder feedback shapes our business decisions from Board level to our operational teams, with every decision we make aligning to our overarching strategic goals as guided by our customers and stakeholders. Together, we will ensure our efforts and investments are producing meaningful outcomes for a sustainable network and a better future, quicker.

### Continuous stakeholder engagement cycle



## Our COVID-19 Response

Even throughout this time of uncertainty, the UK continues to have one of the most reliable energy networks in the world. Our top priority is always to keep the power flowing for our 3.5million customers, while ensuring critical national infrastructure sites like hospitals receive the vital electricity supplies they need.

Central to the unprecedented challenges faced in operating a safe and reliable network and serving our customers, especially those in vulnerable circumstances, is engagement. Our stakeholder engagement strategy was agile enough to overcome these challenges, helping us shape new ways of working and ensuring the pandemic didn't halt our commitment to proactive engagement with stakeholders.

We adapted quickly through strategic engagement with BEIS, Ofgem, Scottish Government, Energy Networks Association and 50 local resilience groups. We held 59 meetings with trade union partners to ensure continuity of service and safety of our workers and the public.

We maintained top quality engagement across our business as usual activities and continued to deliver against project milestones however our methods of engagement had to change. We conducted extensive research into best practice methods for digital engagement through round table discussions with industry peers such as Scottish Water, National Energy Action, SHET, UKPN, SSEN, NPG and SGN and embraced these new technologies. We hosted 132 online webinars across our strategic topic areas, as well as holding 398 bilateral engagements with key stakeholders – an increase of 200% on our 2019/20 engagement figures. We have embraced the benefits of adopting new methods of engagement, for example, distance is no longer a barrier for stakeholders to attend our Strategic Stakeholder Panels, particularly for third and public sector organisations who often faced budget and time constraints of travelling to events. This has led to increased attendance of a number of national stakeholders located outside our licence areas such as Sustainability First and Community Energy England who attended for the first time this year.

Our new methods for online engagement have also resulted in a more efficient use of time, prompting us to combine our Connections Panels which would typically have taken place separately across our licences. This new format has been welcomed by stakeholders who are now receiving greater insight of wider activity and interaction with peers from different areas.

During this time, our engagement with customers increased significantly, with a higher volume of calls taken during the pandemic, increased engagement whilst working in and around properties and with our supply chain. To support this, we utilised partnerships to launch videos highlighting why our engineers are classed as essential workers and used traditional methods such as bus advertisement and radio ads. This ensured hard to reach stakeholders remained a key priority and were targeted via the right means. This extra level of engagement allowed us to continue to deliver our industry leading standards of service for our customers and communities, as reflected by our customer service scores, achieving 9.23/10 for customer satisfaction. We also increased our reach among traditionally hard to reach stakeholders. For example, working with partners like RNIB, making 'wellbeing' calls to their customers and referring them to our additional services. Our vocational trainees volunteered with community partners and improved their customer interaction skills from this experience. This activity has now been built into training plans moving forward, taking our learnings into business as usual activity.

*"We swiftly adapted to new ways of working to ensure that our robust stakeholder engagement programme continued throughout the pandemic, adapting to new technologies and allowing us to keep our stakeholders at the heart of our plans."*




**Guy Jefferson**, Chief Operating Officer, SP Energy Networks



## Continuous consultation on our business priorities

We carry out extensive engagement and research with our customers and stakeholders to understand their priorities as well as their specific needs and preferences. While this is something we have always done, this year we expanded the scale and scope of our engagement both through established and bespoke channels to make sure our priorities were fit for purpose given the rate of change facing the industry. These efforts allowed us to gather the most comprehensive understanding of our customers' and stakeholders' priorities for today and the future.

Through a dedicated engagement programme to set these strategic goals, we engaged over 14,000 customers and stakeholders across multiple channels including events, bilateral meetings and surveys. As a result, we have identified nine key priorities that they want us to deliver against. While our future plan is designed to achieve these priorities, we have lost no time in meeting the needs of customers and stakeholders – Parts Two and Three of this submission demonstrate how we have engaged, delivered against and impacted customers and stakeholders in the areas they see most important.

Strategic Goals	Our customers' and stakeholders' priorities
 <b>Develop a network that's ready for Net Zero</b>	Develop the network of the future Ensure a safe and reliable electricity supply Provide timely and efficient connections
 <b>Be a trusted partner for our customers, communities and stakeholders</b>	Deliver excellent satisfaction and enhanced services for all customers Leave no-one behind in the energy transition Work with customers, stakeholders and communities to facilitate the energy system transition
 <b>Ready our business for a digital and sustainable future</b>	Support the natural environment Foster digitalisation to unlock Net Zero benefits for our customers and stakeholders Promote an inclusive, skilled and community based workforce

## External accreditation on our stakeholder engagement strategy



We continue to align our stakeholder engagement strategy with the Stakeholder Engagement Standard AA1000 set by AccountAbility, the owners of the global standard. Every year, we are audited against this standard supporting our efforts to assess, design and implement our integrated approach to stakeholder engagement. We place great value in the AccountAbility audit and this year, created a comprehensive set of over 50 actions on the back of every recommendation to deliver continuous improvement across our entire organisation. This year we scored **81%**, moving us up the maturity ladder to 'Advanced', the highest categorisation phase possible. This was a massive achievement, demonstrating our strong commitment to stakeholder engagement and our efforts to embed engagement into our organisational strategy, governance and operations.

### AccountAbility Healthcheck Progress



# Our Stakeholder Engagement Strategy

We first implemented a dedicated stakeholder engagement strategy in 2013 and since then have made significant changes, through improvements and a desire to continuously evolve. Our strategy is driven by our CEO and Executive Team, supported by the Central Stakeholder Engagement Team and embedded across our entire organisation, regardless of the engagement topic. It shows our commitment to the AccountAbility AA1000 principles for stakeholder engagement and is composed of four key parts.

This year, we have conducted extensive engagement on our strategy through a series of bilateral engagements with industry peers, our Strategic Stakeholder Panels and our wider stakeholder community to leverage key areas of best practice in stakeholder engagement and to ensure our strategy is still fit for purpose and agile enough to deal with any new challenges. Key improvements and actions taken within the last year have been highlighted throughout the rest of our Part One submission.

## 1. Mission Statement

## 2. Principles

## 3. Approach

## 4. Supporting tools and processes

### 1. 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 needs and preferences in a consistent manner across our business. We will deliver safe, reliable services, sustainable value, and a better future, quicker."*

### 2. Our principles of engagement

Engagement principle		Examples of principles in practice
<b>Inclusive</b>	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.	We have implemented a structured framework within our strategy to promote inclusivity within our engagement across the whole business. For example we have sponsored the Community Energy State of the Sector report and survey together with Community Energy Scotland, England and Wales, giving local community groups a voice to help influence industry policies.
<b>Authentic</b>	Our engagement works to understand the significant issues affecting our customers and stakeholders, before acting on them in a meaningful way.	Lessons learned from working with WGM Engineering and Police Scotland on an EV roll-out programme of over 500 charging stations across 50 sites, resulted in us identifying a simpler process. This was based on feedback following the challenges of managing multiple sites, feasibility options and connection applications. In response, we implemented a new customer interface for delivery of multiple low carbon technology projects to ensure large customers receive key account management to deliver complex projects. We have now rolled out this approach to deliver the best possible service for multiple customers.
<b>Tailored</b>	Our approach is designed to make sure each initiative is planned and delivered in the most appropriate way.	At the start of Covid-19, we reached out to partners to find out how we could best support our local communities and look after our vulnerable customers. As a result, we reassessed our programme of engagements, one example was working with the Golden Generation charity for the elderly. Seven of our trainees volunteered, delivering vital supplies of food and carried out befriending calls to make sure customers were supported and safe during these times.
<b>Innovative</b>	We aim to better our approach each year, continually looking for new methods to improve how we engage and deliver against needs and preferences.	Covid-19 has not stopped us from engaging. In fact, virtual methods used for community consultations ahead of reinforcement works were so successful with increased engagement and positive feedback, we will continue this method as part of our blended approach to engagement in the future.
<b>Value for money</b>	An inherent focus on prioritising high value/low cost activities, aiming to maximise the overall customer benefit.	Our EV roll out project with Transport Scotland targets communities where commercial businesses have not yet delivered and explores benefits of the DNO deploying the EV charging infrastructure. This has already delivered significant efficiencies with a total saving of up to £2.6m in expected connections costs across the 44 selected EV charging hubs, delivering the best value for customers.

### Commitment from our Senior Teams

Our CEO and Directors lead by example when it comes to stakeholder engagement. This has been further highlighted by AccountAbility through our recent audit that *"A notable improvement in greater Director and Executive level buy-in, which is helping to cascade the purpose and importance of stakeholder engagement throughout the organisation."* Each senior leader is involved in strategic engagement with regulatory bodies, national and local government and key stakeholder representatives. All senior leaders are measured on stakeholder engagement scorecards, demonstrating the commitment from

the top. Senior Managers and Directors are involved in the strategic direction of our engagement plans and regularly speak at industry events to contribute and influence important debates on the future of our industry. As part of our annual programme of events, our Strategic Stakeholder Panels are completely Director led. They are involved throughout the full event planning from topic selection, stakeholder mapping, presenting to taking direct action on the back of stakeholder feedback.

### A structure to deliver

Working closely with our stakeholders is the bedrock on which we are growing and developing our business and preparing a sustainable network for the future. This year, our Executive Team took the decision to bring together our central engagement team, Distribution licence engagement teams and our RIIIO price control engagement team, placing them all within the one Directorate. This decision followed an extensive stakeholder engagement improvement programme and independent review with industry specialists, Sia Partners. Building on our already strong central/local engagement delivery model, which is a strong platform for best in class engagement, this re-alignment of stakeholder activities means we are organised in a way to maximise our full potential of reaching the broadest range of stakeholders to deliver greater improvements, all while reducing instances of stakeholder fatigue – a key area of feedback highlighted by our stakeholder community.

*"Our new structure has allowed us to further integrate our stakeholder-driven goals deeper into our business, informing future investment and ensuring we deliver quality outcomes for customers and stakeholders both now and into the future."*

**Tracy Joyce**, Head of Stakeholder Engagement and Communications, SP Energy Networks



### 3. Our approach to engagement

Our nine step approach to engagement provides our teams with a roadmap to follow when carrying out all phases of engagement to ensure a consistent approach across our whole organisation, helping us understand the needs and preferences of our stakeholders.



### 4. Supporting tools and processes

To support efficient delivery of our stakeholder engagement strategy, we have multiple tools and processes in place accessible to our teams to support every aspect of their engagement activities. These provide consistency of approach and ensure our strategy is fully embedded across the business. Some examples of our industry-leading tools and processes include:

- ✓ **Tractivity stakeholder database, event planner and survey tool.** Used for engagement planning, gap analysis, stakeholder segmentation and mapping. With over 6,500 stakeholders on our database we carry out an annual data cleanse to maintain relevant and quality stakeholder data and ensure better targetting of our communications. Our enhanced approach to stakeholder mapping through Tractivity was identified as a key strength in the 2021 AccountAbility audit.
- ✓ **Stakeholder toolkit,** guidance notes, planning templates for capturing feedback and stakeholder reporting available on our intranet accessible to the entire business to help drive industry-leading stakeholder engagement practices.
- ✓ **Strategic topic engagement plans;** driven by directors, senior managers and central engagement teams aligning to our three strategic priority areas.
- ✓ **Regular engagement topic planning workshops** including risk management and hard to reach sessions to equip the business with the appropriate skills to drive inclusion and diversity in their engagement as standard practice.
- ✓ **Social return on investment (SROI) measurement tool** for use before, during and after a project/initiative has been undertaken – aligning to our 'value for money' principle.
- ✓ **IT systems such MS Teams and Zoom** to conduct interactive engagement sessions as well as innovative tools such as Mentimeter – a stakeholder interaction tool which turns feedback into real-time exportable data.

### How we plan our engagements

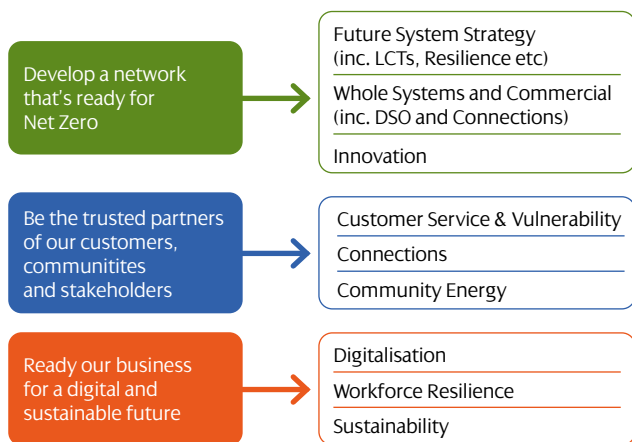
#### Step 1 Define the purpose

Engagement planning starts with a clear purpose. It's important our engagement aligns to the areas our customers and stakeholders have told us we should be focusing on. To do this, we have aligned our engagement topics to the three strategic priority areas, co-created with our stakeholders. Each engagement topic is owned by a member of our Executive team who has overall responsibility for the engagement plan with a senior manager aligned under this, responsible for delivery – providing senior-level ownership and direction. Plans are then supported by our central stakeholder engagement team to drive and co-ordinate so that engagement runs through all levels of our organisation.

This approach allows us to drive the purpose and outcomes of our engagement to the needs and preferences of our stakeholders, keeping aligned to their priorities. Having a central visibility of all engagement taking place means we are able to quickly identify gaps, alleviate stakeholder fatigue and positions stakeholder engagement at the core of our business.

#### Continuous improvements made in 2020/21

- ✓ Based on AccountAbility recommendations, we developed stronger links between engagement activities and business objectives e.g. we developed a forward plan for the year of topics of discussion at our Strategic Stakeholder Panels. This is shared with stakeholders and we seek their ongoing input.



- ✓ We have re-aligned our strategic topics of engagement with the over-arching objectives based on stakeholder feedback from 2020 (see above diagram), clearly defining the purpose of our engagements prior to planning.
- ✓ This year our Senior teams have presented to all our District General Managers to further communicate and embed how our strategic objectives will influence our engagement and business decisions further today and as we move into ED2 and beyond.

#### Step 2 Identify and map stakeholders

We identify key stakeholders through a robust mapping exercise ensuring breadth, inclusivity as well as highlighting any gaps in our engagement. Our stakeholder management database, Tractivity has been embedded within our business since 2016, which now has over 6,500 stakeholder records. This data is segmented into stakeholder categories and levels of interest and influence. Our stakeholder mapping involves the following steps;

- PESTLE and STEER analysis (political, economic, socio-cultural, technological, legal, environmental and regulatory) to understand macro-environmental factors.
- Stakeholder categories, ensuring all relevant sectors and stakeholder groups are represented.

- Segmenting stakeholders by interest/influence and by level of knowledge on a particular topic.
- Geographical spread for representation across Scotland, England and Wales.
- Identifying hard to reach stakeholders including, but not limited to, regionality, barriers to technology, language, health factors, lack of awareness and those who represent the voice of future consumers.

#### Continuous improvements made in 2020/21

- ✓ To ensure relevant and quality information, we update our database on an ongoing basis, however this year we carried out a robust data cleanse with account handlers reviewing their stakeholder contacts. We have grown our stakeholder database from 4,800 stakeholders last year to over 6,500 this year.



## Hard to reach and challenging stakeholders



We recognise the definition 'hard to reach' stretches beyond 'vulnerability' alone and we have made it a priority to find a credible way to extend our engagement reach, develop new stakeholder relationships and make sure those who are typically harder to reach are given a voice. This is something we have always inherently done as we recognise the importance of diverse and inclusive stakeholder views but this year, we wanted to take this even further. Adopting best practice and learnings from RII0-ED1, we have formalised our approach to targeting and engaging hard to reach stakeholders into an overarching framework. This was informed by our Strategic Stakeholder Panels, industry peers and hard-to-reach representative organisations. For examples of our hard to reach approaches in action, see page 2 of Part Two.

### Our commitment

### How we meet these commitments



#### Partnerships

We utilise our strong links with stakeholders who represent the voice of hard to reach groups and use their channels to extend our reach.

We continue to collaborate with stakeholder organisations to deliver mutually beneficial goals, aligning to the needs of our customers.



#### Inclusivity

We embed inclusivity and diversity in our engagement and engage with consumer representative organisations to review our stakeholder mapping and close any gaps.

We conduct a gap analysis of our engagement data to ensure inclusivity in our engagement and combat engagement isolation e.g. mapped 847 new stakeholders to target new stakeholder groups.



#### Language & Health

We work with stakeholder partners to identify customers whose health and language acts as a barrier to engagement.

We provide translation services for all our communications where appropriate, including print and digital. In line with our vulnerability strategy, we collaborate with partner organisations through our Nexus of Partnerships to identify and engage with customers whose health acts as a barrier to engagement – see Part Three for further detail.



#### Barriers to technology

We offer additional engagement methods to those who may be digitally excluded.

We conduct face-to-face and telephone research and engagement where required to minimise digital exclusion, particularly as the effects of the pandemic have increased the use of digital engagement.



#### Lack of awareness

We are committed to educating and informing stakeholders of our role as a network operator.

We use our formal channels and engagement opportunities to educate our customers and stakeholders on our business, making sure everyone has a voice, regardless of knowledge.



#### Regionality

As the only DNO to operate across Scotland, England and Wales, we are committed to promoting breadth in our engagement to embed regional views within our plans.

We recognise the changing demands on the network at both a national and local level as we align to climate change ambitions. We conduct robust reviews of stakeholder feedback, ensuring comparable and representative views of our stakeholders across varying regions.

### Step 3 Tailoring our engagement

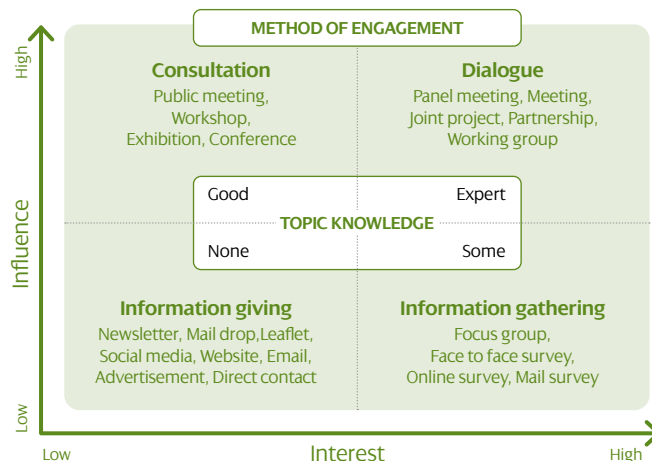
We tailor our engagement with stakeholders in two ways;

1. Content needs to be presented at an appropriate level depending on interest, influence and knowledge level.
2. The method of engagement is also determined by these factors as seen in the diagram below.

#### Continuous improvements made in 2020/21

Throughout the Covid-19 pandemic, we have been committed to maintaining our engagement with stakeholders. We were able to tailor our methods to target key groups, for example:

- ✓ Increased use of our stakeholder online community, identifying multiple topics in our annual programme of events and promoting two way conversation through this channel in between formal engagement events.
- ✓ Leveraged partnerships in new ways e.g. rugby players from Scottish Rugby and Glasgow Warriors supported with videos in this years safety campaign as well as promoting our Priority Services Register – 80,000 reach increase.
- ✓ Extended STEM engagement with school leavers in absence of careers fairs, providing one-to-one mock interview sessions and careers advice.
- ✓ Increased click rates of newsletters through improved targeting e.g. 31% with recent Green Recovery mailer – higher than the average marketing benchmark.



### Step 4 Engage

The result of our planning phase is an inclusive, tailored and value for money engagement event, ready to be delivered. We provide teams across the business with a toolkit which outlines resources required and associated risks. Senior managers use this toolkit to proactively identify engagement risks, demonstrating buy-in to our strategy.

#### Continuous improvements made in 2020/21

- ✓ Introduced new technology to maintain engagement levels.
- ✓ Merged online Connections panels across our north and south licence areas resulting in saved time and costs.

- ✓ Collaborated with other utilities to share engagement best practice and will adopt a hybrid model of digital and face-to-face engagement post Covid-19.
- ✓ Employed new independent facilitator, EQ Communications, experts in online engagement to make sure we are adopting the best digital practices.
- ✓ Learnings from online events has prompted us to reduce duration of events and number of topics, but increase frequency throughout the year, allowing us to engage with our key stakeholders on a more frequent basis.

# Reviewing our engagement

## Step 5 Capturing feedback

Our engagement process and business decision making is driven by the feedback we receive from stakeholders, therefore we need to capture meaningful feedback in a consistent and purposeful way.

We use our central stakeholder database Tractivity to record feedback as a central source of data which can be accessed by every team.

### Continuous improvements made in 2020/21

- ✓ New and improved stakeholder panel reports created by independent facilitators containing detailed stakeholder feedback and recommendations.
- ✓ With increased number of bilateral meetings taking place, new templates were put in place to capture feedback in a consistent manner.
- ✓ Introduced recording of webinars and panel sessions to ensure all key feedback is captured and stakeholders who could not attend, still have the opportunity to influence our plans.

- ✓ Critical feedback reports put in place dedicated to Covid-19 engagement and contingency planning.
- ✓ New survey tools introduced to capture live feedback from stakeholders, resulting in increased survey participation.
- ✓ Carried out review of available technology options with Mentimeter being identified as most innovative platform. This was used at 19 workshops, engaging 143 stakeholders, with 111 unique questions asked and 1,182 responses received.
- ✓ New feedback scorecards created to report to Executive team, ensuring feedback is being recorded and fed back to inform Executive level decision making.

### Our approach in action

See page 8 of this document for examples of stakeholder feedback, actions taken and impact.

## Step 6 Determine needs and preferences

A clear understanding of the needs and preferences of our customers and stakeholders is vital to the effectiveness of our strategy and the future direction of our business.

We carefully analyse feedback gathered across a variety of channels to identify unmet needs, potential improvements to existing services and processes or simply the priorities of different groups of customers and stakeholders.

### Continuous improvements made in 2020/21

- ✓ Our new strategic objectives were embedded this year based on the priorities of our stakeholders – feedback collected at over 50 engagement events.
- ✓ Embedded live surveys at engagement events to gather feedback on priorities which has been key in determining our annual programme of events.

- ✓ New synthesis reports created from stakeholder feedback collected from various channels of engagement i.e. surveys, panels, consultations, bilateral meetings etc to collate stakeholder sentiment and preferences specific to particular topics.

### Our approach in action

Through various channels of engagement and feedback from multiple stakeholder groups such as developers, iDNOs and energy companies, we saw the need for a tool that would help them determine future load requirements with increased demand of low carbon technologies. By identifying this need, we were able to build a new ADMD calculator, currently being piloted with various stakeholders (see further detail in Part Two).

## Step 7 Develop and prioritise actions

In line with the priorities of our customers and stakeholders we deliver high-impact actions as soon as possible. In practice, we prioritise the actions that can address customers' needs and preferences by measuring their impact via methods like Social Return on Investment (SROI) which we have pioneered in the industry. Our recent efforts have focused on adding structure to our approach and championing the adoption of our measurement tool across the industry.

### Continuous improvements made in 2020/21

- ✓ New stakeholder action log created outlining key feedback, along with internal accountability to ensure action is taken and fed directly in to the business.
- ✓ Lead role in bringing other networks together to develop a standardised, industry-wide SROI tool. This results in consistent and comparable measurements which is dependable across the industry.

## Step 8 Act

Each step, from capturing feedback, determining needs and preferences, to developing and prioritising actions leads to a list of actions for the business to complete. Each action is recorded and monitored, providing visibility of the full process from engagement conducted, to feedback collected and action taken. We track and monitor actions through our database, Tractivity allowing us to report on associated events, topics or stakeholder category, feeding back to our Executive Team and Senior Managers. This ensures we take the best approaches to feedback received through our engagement activities. The actions and associated outcomes of our engagement are presented in our Part Two submission.

### Continuous improvements made in 2020/21

- ✓ Actions which have come from stakeholder feedback continue to be presented back stakeholders in a 'You said, we did' format – providing transparency that their input drives real change within our business.
- ✓ Mapped out our requirements to move to a new version of Tractivity, as a result of identifying key improvement areas with internal users. This move was required to improve the process of team reporting, with core report templates set up. This provides topic owners with regular overviews of actions and status.

## Step 9 Close the feedback loop

With our engagement complete, our feedback collected and actions taken, the final step of approach is to close the feedback loop. We then take time to review the outputs and see how these can help shape our business.

This information is recorded on Tractivity to make sure we add value to future events and engagement opportunities. After each engagement we ask ourselves: "Did we speak to the right stakeholders?"; "What lessons can we take forward?"

### Continuous improvements made in 2020/21

- ✓ New debrief meetings introduced immediately after stakeholder events with our senior management team to discuss successes, issues, learnings for future, stakeholder gaps.
- ✓ We continually ask our stakeholders if they see attendee gaps in our engagement e.g. we now engage with Wildlife Groups in Wales on bio-diversity through a recommendation from Denbighshire Council.
- ✓ Stakeholder feedback is now fully embedded within Executive team monthly presentations.



# Our consumer vulnerability strategy

Our ambition, as laid out in our mission statement, in addressing the situations of vulnerability that may affect any of our customers is to:

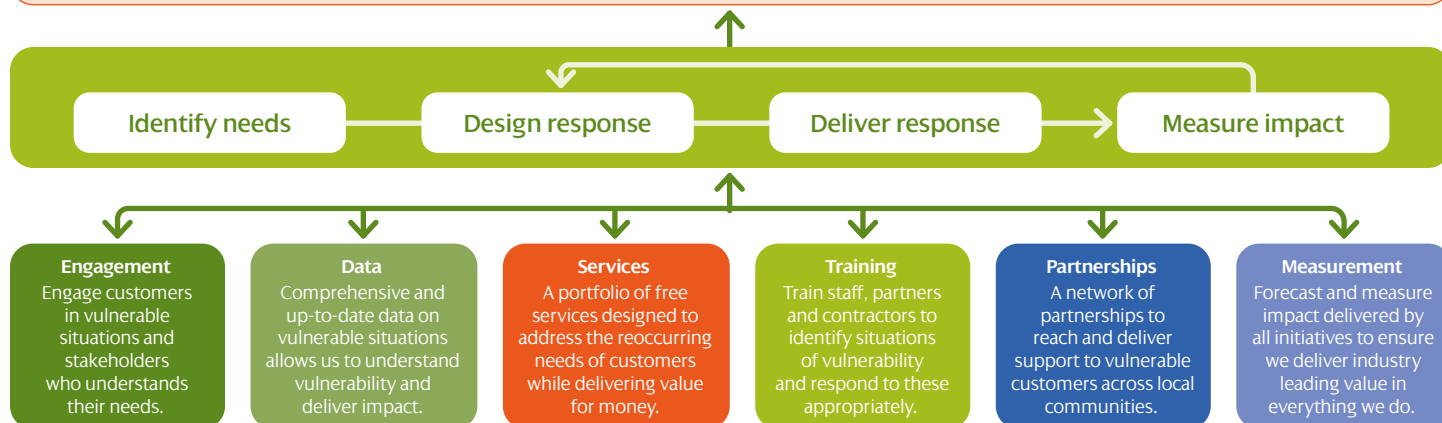
- Safeguard our communities.
- Deliver industry-leading value by addressing our customers' core needs.

Our vulnerability strategy turns this ambition into reality. It does this by setting out a continuous process of refinement that starts from understanding the

needs of our customers and proceeds to deliver the best possible responses to these. This process was first introduced in 2015 and is now embedded across our company, translating our mission statement into everyday actions from the front-line to the boardroom. We are also engaging with stakeholders to understand how this mission statement should evolve to underpin our future strategy.

## Our mission statement

*"SP Energy Networks aims to be a service leader in the UK. We will strive to minimise the impact we have on our communities in relation to power interruptions and provide bespoke support to our customers in vulnerable situations. We will do so by offering the appropriate support to those who need it the most, while providing industry-leading value."*



Six 'action statements' provide solid foundations for our strategy. Each statement represents a key function without which our strategy would fail to deliver optimal outcomes for vulnerable customers.

### 1. Engagement

Ongoing engagement with customers and stakeholders plays a critical role in evolving our approach to vulnerability. The insight we gather on the situations of vulnerability that affect our customers and the underlying needs of those affected by specific situations lead us to new responses and delivery methods, ensuring we offer the right support to the right people.

*We reached **96,917** customers and stakeholders through our engagement.\**

### 2. Data

Comprehensive, up-to-date and granular data on the situations of vulnerability and the factors that drive these lead to insight that guides the evolution of our strategy. In practice, data plays a critical role in our day-to-day support, telling us who needs extra attention and bespoke support.

*We now have **1.86 million** vulnerabilities registered on our PSR.*

### 3. Services

While we strive to offer bespoke support that addresses the unique circumstances faced by customers, we have designed a wide portfolio of services that efficiently satisfies our customers' diverse needs.

*We delivered **2.3 million** advice and support services.*

### 4. Training

Addressing vulnerability is a company-wide effort. We provide extensive training, co-developed with our partners, to ensure that our staff, partners and contractors are well equipped to identify and respond to situations of vulnerability appropriately.

*We delivered over **2,666** hours of training in 2020/21.*

### 5. Partnerships

Our partnerships are vital to the success of our vulnerability strategy. From providing an expert view of our customers' needs to co-developing responses to these needs and gathering data on the impact of our actions, partners act as an extension of SPEN to deliver local impact across our diverse communities in England, Wales and Scotland.

*We have a network of **71** partners.*

### 6. Measurement

We employ the industry-wide Social Return on Investment (SROI) methodology across all vulnerability initiatives to ensure we are delivering value to our vulnerable customers and our wider customer base. This tool also informs our service design process, allowing us to target the most impactful responses to our customers' needs.

*We assessed all **38** initiatives aimed at supporting vulnerable customers.*

\*ED2 engagement excluded from these figures.

## How the strategy evolved this year

Our vulnerability strategy is designed to be flexible and is centred on the needs of our customers. The strategy lends itself to adopt different responses and ways of working in addressing the changing circumstances that impact our customers. Extensive engagement with our vulnerable customers, stakeholders, partners and our own staff as well as vulnerability data prompts us to continually challenge and update this strategy.

In 2020/21 we introduced a new Measurement Action to our strategy. This reflects our far reaching efforts to forecast and measure the impact of every action taken to support vulnerable customers to meet our ambition of delivering industry-leading value. Measurement is not new to our strategy, for the last three years we have consistently applied the Social Return on

Investment model and led the implementation of the ALL DNO SROI model along with WPD. The addition of this action statement reflects the critical role measurement plays in our strategy.

We have further engaged on our Nexus of Partnership coalition model this year, refining our thinking about how this should be structured, evolving this from not only a coalition of organisations delivering services but also sharing data and creating one vulnerability register. The Terms of reference is currently being developed, recruitment of the organisations will commence in 2021 and the TOR refined and governance in place with the recruited organisations in 2022 to ensure everything is in place ahead of ED2.

# From engagement to impact

Within this regulatory year, we have delivered a total of 158 positive outcomes (i.e. benefits) through our ongoing engagement with our stakeholders.

The table below shows just a few examples of the outcomes and their related benefits we provided for stakeholders. Please see Part Two for further details.

Stakeholder and customer priorities		Method of engagement	What stakeholders said	What we did	Benefit to customers and stakeholders
Develop a network that's ready for Net Zero	Develop the network of the future	Consultation, meetings, Strategic Stakeholder Panel.	DNOs and GDNs should be collaborating to drive decarbonisation.	We signed up to a Whole Systems Charter with SGN, SSEN, National Grid Gas Transmission and ESO, providing a platform to align our aspirations to help meet Net Zero emissions targets. We anticipate this charter can be extended to include other network companies in GB.	Supports the alignment of our resources and strategies to deliver a sustainable future energy system through an efficient and collaborative transformation. This will support delivery of Government objectives and provide optimal solutions for customers.
	Ensure a safe and reliable electricity supply	Bilateral meetings with geo-data specialist Fugro. Trials of 3D LiDAR technology.	Safety and security of supply continues to be the number one priority of our stakeholders.	Invested £2.3m in technology using planes to fly over assets creating 3D maps of electricity lines. Identify changes to land that impact asset condition.	Replacing traditional 'on the ground' surveys, can identify risks earlier minimising power cuts and maximising resilience.
	Providing timely and efficient connections	Online meetings taken place during Covid-19 pandemic.	Stakeholder required more capacity to facilitate new machinery to manufacture sustainable, plastic free products. Costs were too high and factory site would potentially close as a result.	Engaged across multiple resources in SPEN and Ahlstrom-Munksjo to look at potential solutions. Devised new process to manage network through protection settings and ensure security of supply.	Customer was able to connect within acceptable timeframe at a cost effective price. Over 180 jobs were saved as a result and installation of new machinery will result in estimated 15 new jobs in local area.
	Total number of outcomes 48				
Be a trusted partner for our customers, communities and stakeholders	Deliver excellent satisfaction and enhanced services for all customers	Stakeholder session collecting feedback on needs of a portal.	We need a simple way to view and track status and progress of our projects online.	Feedback was incorporated into functionality and launched new customer connections portal in 2020.	Customer journey improved and more efficient with centralised point to track, review and make payments for live projects as their convenience.
	Leave no-one behind in the energy transition	Zero Carbon Communities Hub, Partnership with Community Energy Scotland, England and Wales, bilaterals with community energy projects.	Provide briefings and resources to support community energy schemes in getting off the ground and scaling up their activities.	Co-created Community Energy Strategy through partnership. Engaged community projects, focused on areas of fuel poverty, providing network data. e.g. Tanygrisiau Community Energy Heating project.	Tanygrisiau Community Energy Project have received funding from Welsh Government and project is now going ahead. Submitted an application for Green Recovery Scheme Funding.
	Work with customers, stakeholders and communities to facilitate the energy system transition	Bilateral meetings, Connections Panel.	Make it easier for people to access information about low carbon technologies (LCTs) including benefits.	Working in partnership with University of Strathclyde to create a 'Book of Knowledge' for LCTs. We onboarded multiple stakeholders including local authorities, Universities, suppliers, installers and engaging Scottish Government for group forum launch in June 2021.	Customers will be able to make educated decisions on adoption of new LCTs through use of a 'Book of Knowledge'. It will include product information, costs, benefits, case studies.
	Total number of outcomes 62				
Ready our business for a digital and sustainable future	Supporting the natural environment	Strategic Stakeholder Panel, Strategic Sustainability Working Group.	Reduce your own carbon footprint but also help customers reduce their own carbon emissions by driving change through supply chain.	Signed up to The Climate Group's EV100 initiative to fully electrify our fleet and provide charging for staff by 2030.	Further electrification of our fleet, will help the fight against climate change, reduce pollution, improving air quality for and increase energy efficiency.
	Foster digitalisation to unlock net zero benefits for our customers and stakeholders	Live trials, bilateral meetings, workshops, panels, information giving webinars.	Stakeholders are put off from installing chargepoints due to excessive costs or network issues, they need evidence to justify investment.	Developing our ConnectMore online tool, with which stakeholders will be able to cross-reference demand with network capacity and build a case for installation.	This online solution is speeding up the process of identifying locations where demand is high and chargepoint installation can be accommodated by the electricity network.
	Promoting an inclusive, skilled and community based workforce	Stakeholder workshops, surveys.	We need to change to attract a broader spectrum of people, with skills required for future digitalised energy system.	We broadened our recruitment disciplines to include data analytics, telecoms systems engineering, cyber security.	Eight graduates and three apprentices recruited this year into data analytics, telecoms/ system engineering and cyber security.
	Total number of outcomes 48				



# Our embedded programme of engagement

As the foundation of our enhanced engagement activities, we operate a core annual engagement programme. Through these mechanisms, we reach a broad and inclusive range of stakeholders. Each event is tailored to target the audience knowledge levels to maximise meaningful and in-depth conversation and relevant feedback. Stakeholder mapping is carried out on a regular basis to ensure we reach new voices and representatives from each of our stakeholder groups including specific targeting of hard to reach groups. In the table below, we have presented some examples of our engagement activities carried out this year from our mature programme of engagement.

Stakeholder knowledge level	Engagement method	Example outcome	Reach
<b>Expert knowledge</b> 	<b>4 x Strategic Stakeholder Panels (CEO, Managing Director and Senior Director Level)</b> <i>Community Energy Groups, Citizens Advice, Ofgem, Local Authority and LEPS, Government, Government Bodies, Technology, Rural communities</i>	Commitment to develop set of Just Transition principles Supporting Sustainability First with Sustainability Principles Project	45
	<b>4 x Sustainability Stakeholder Working Groups</b> <i>e.g. SEPA, Scottish Government, Sustainable Scotland Network, 2050 Climate Group, Scottish Wildlife Trust, Keep Scotland Beautiful</i>	Influenced Ofgem through this group to make science based targets including losses more specific for all DNOs.	25
	<b>21 x Consumer Engagement Group (CEG) sessions</b> <i>10 members and 3 special advisors, expertise includes regulation, academia, local authorities, Low Carbon Technologies, government, community energy, consumer affairs, and consumer vulnerability</i>	Broadened scope of some of RII0-ED2 engagement workshops, covering more topics with a greater diversity of stakeholders. Facilitated a workshop between the CEG and the Just Transition Commission to determine our areas of focus.	273
<b>Good knowledge</b> 	<b>5 x Connections Stakeholder Panels</b> <i>Developers, iDNOs, large connections customers</i>	Enhancements made to our RADAR system, a tracking system allowing sharing of data between ourselves and Independent Connections Providers (ICPs)	50
	<b>2 x Land Rights Stakeholder Panel</b> <i>Developers, iDNOs, large connections customers</i>	Took action, following feedback to modernise our approach to land agreements. Improvements include creation of digitised records, integration of systems, single source data and intelligent reporting of information.	219
<b>Some knowledge</b> 	<b>4 x Low Carbon Conferences</b>	Increased knowledge in low carbon technologies and policy amongst developers and local authorities. Opportunity to engage on industry challenges.	540
	<b>8 x Project Learning Dissemination Webinars</b> <i>e.g. National Grid, ENA, DNOs, technology companies</i>	Learnings from EV and Heat Up projects have informed multiple government projects across England and Wales.	120
<b>No knowledge</b> 	<b>Customer and Community Engagement</b> <i>e.g. partnering Citizens Advice, National Farmers Union, Scottish and Welsh Rugby Union</i>	Increase in reach of over 80,000 in our 20/21 winter awareness campaign through using rugby partner channels – growing awareness of 105 and PSR.	Over 200,000
	<b>Customer Surveys</b> <i>e.g. customer satisfaction, digitisation strategy, stakeholder engagement satisfaction</i>	Improvements made to the general enquiries area of our website e.g. it is now more user friendly, easier to navigate and find appropriate contact details. We then tested the new improvements with customers and have received positive feedback.	Over 7,500

## Collaboration and sharing best practice

Stakeholders continue to tell us the importance of collaborative working and sharing best practice to deliver the best outcomes in a consistent and fair way for the whole of society and beyond our own licence areas. It is an excellent way for us to improve performance and productivity, and helps fill knowledge gaps through collaboration with experts. We share lessons learned to encourage others to follow suit. We are transparent in this approach as we want to deliver a better, future quicker for all. Below we have provided a few examples which demonstrate our approach to sharing best practice.

Priority	Case Study	Method	Stakeholder
Develop a network that's ready for Net Zero	Cala Homes Partnership formed in 2018, monitoring sites to inform future planning and understanding customer behaviours and LCT impacts in real world scenarios	Shared learnings via connections panels, at bilateral meetings with major connections customers. We have built new partnerships as a result. Shared data sets, creating guidance and advice for efficient future housing developments incorporating greater low carbon technologies.	Homes for Scotland, National housebuilders (Taylor Wimpey, Miller Homes), EON, Strathclyde University to inform analysis
Be the trusted partners of our customers, communities and stakeholders	Sharing best practice in stakeholder engagement with industry peers and adopting key learnings	DNO best practice working group and bilateral meetings. Technology review exercise. Learnings from this engagement are being incorporated within our strategy and commitments and informing our approach to our future business plan.	UKPN, SSEN, NorthernPower Grid, Scottish Water, GDNs (Cadent, SGN, Northern Gas Networks and Wales and West Utilities), SHET, National Energy Action, Anglian Water, CEMVO
	Pioneering partnership with Scottish Government and Transport Scotland trialling DNO led roll out of public EV charging	Project benefit report, direct engagement via meetings by CEO, directors and senior management, letters and phone calls, optioneering report, user research, site visits.	Learnings shared with Ofgem, Scottish Government Ministers, Transport Scotland, Local authorities
Ready our business for a digital and sustainable future	Active Network Management Scheme (Dumfries and Galloway)	Shared learnings through innovation projects, technical reports, meetings, partnership, Energy Networks Innovation Conference.	NGESO, WPD, SP Transmission, ANM customers, Smarter Grid Solutions, industry peers
	iIdentify App	Shared learnings through stakeholder project meetings and information webinars. As a result this app is now being adopted as an industry standard and will be used by all DNOs in future.	Energy Networks Association, UKPN, EV installers, Octopus Energy

## Delivering value to our customers and communities



Everything we do is funded by our customers, that's why it's crucial we find ways of delivering the maximum value for the least cost – a key pillar within our Stakeholder Engagement Strategy. Throughout ED1 we have made it a priority to find an accurate and credible way to measure beyond just the financial and measure the value of our activities and prioritise our actions accordingly.

We have worked hard to develop our ground-breaking social value measurement tool. This tool models the financial costs and benefits used in a traditional Cost Benefit Analysis but also includes the estimated financial value of qualitative 'social' benefits we've delivered for example, reduction in CO<sub>2</sub> emissions or the creation of new jobs etc.

### Continuous development of our measurement approach:

We were the first DNO to consistently apply a Social Return on Investment (SROI) methodology, providing our teams with a level of insight into the value of our activities like never before. Whilst we feel this is something we have always inherently done, we have progressed the development of our tool on an industry-wide scale, ensuring consistency of approach and to improve the robustness of our assessments. In the last year we have taken a leading role to standardise our methodology across all network companies in the UK to establish a common and standardised approach to measuring social value. This provides the industry with a common methodology and a shared set of proxies for social outcomes that allow us to monetise the value of our actions. The outcome of this joint approach is for network operators to be able to compare the benefits of projects in a fair and standardised format, both internally and externally, with the ultimate aim of maximising the value enjoyed by customers all over the UK.

Our SROI tool is an intuitive system that allows users to compare multiple projects in a step-by-step approach. By using this tool, we can justify the decisions we make based on stakeholder feedback.

### The tool allows us to:

- Quantify and forecast the costs and benefits of projects over time.
- Demonstrate the net benefit created for customers for every pound we spend on a project or initiative.
- Prioritise and justify projects with a greater social return on investment.

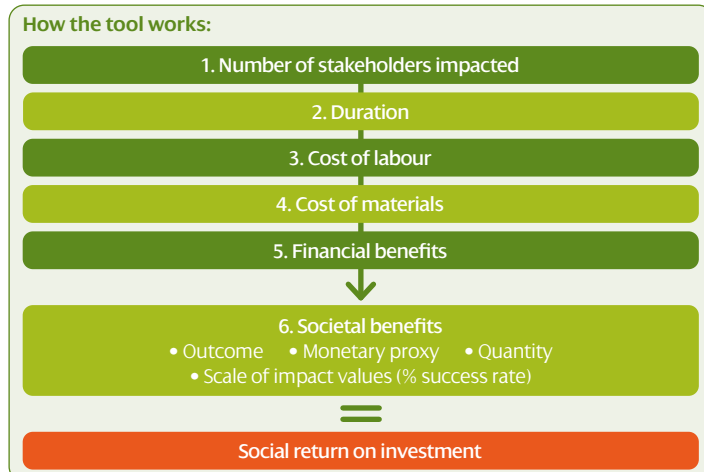
### Outputs

**Net Present Value (NPV):** The sum of all costs and benefits for the project. There are three ways to calculate NPV:

- NPV – Financial:** Sum of financial costs and benefits.
- NPSV – Social:** Net Present Social Value is the sum of financial costs and social benefits.
- NPV – Wellbeing:** Net Present Wellbeing Value is the sum of all financial and wellbeing benefits.
- NPV – Total:** Sum of all inputs – financial costs, financial benefits, wellbeing benefits and social benefits. This gives a comprehensive view of the value of the project.

**The SROI:** The Social Return on Investment (SROI) is a measure of how much net benefit an initiative delivers for society above and beyond what it costs us to deliver it.

See Part Two for more detail on how we have used this innovative tool to inform our decision making and deliver maximum customer benefit.









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