

Making a Difference

Our activities and outcomes following stakeholder engagement

Ofgem Electricity Transmission Stakeholder Engagement Incentive Scheme **Part Two**



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Our activities and outcomes following stakeholder engagement

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'Overall, we continued to see improvements in SPEN's approach to stakeholder engagement. We have noted a more systematic approach to stakeholder engagement, which was primarily driven by the introduction of dedicated Stakeholder Engagement Managers. Their role has helped to ensure the stakeholder engagement strategy is delivered consistently across the business.'

DNV GL Assurance

'Stakeholder Engagement is considered a key activity for the business. The process and outcomes provide key information to help meet business strategic objectives, find solutions to existing challenges and build stakeholder trust.'

DNV GL Assurance

2,515

Estimated **2,515 person hours** to support Dumfries and Galloway consultation process.



Average score of **9 out of 10** satisfaction from VIEW stakeholders in stakeholder survey.

60

Over **60 suppliers engaged**, generating over **80 individual pieces of feedback** logged for business action.



25+ key stakeholders engaged on Black start, including ScotRail, Scottish Water, NHS Scotland, Police Scotland, BP, BT, Prison Service.

88%

88% of Transmission employees agreed they feel confident they know who our customers and stakeholders are after training, up 25 percentage points on before.



Emergency services and utilities strategic sites built into our new plan and they are building Black Start into their own resilience plans.



815 click-throughs to our Transmission Annual Report online from **711 unique users**.



WITHIN SP Energy Networks there has been a momentous shift in our culture – in our values, practices and behaviours; a shift which over the last few years has put our stakeholders at the very heart of what we do.

But we're always looking for ways to re-emphasise that commitment, so last year we made a bold decision.

We reorganised all our business structures to ensure that engaging with our stakeholders – ensuring they are heard and are influencing our actions – is not just part of a strategy, part of a normal process, but is in fact the starting point for everything we do.

It was a leap forward which has changed our values, our practices and our behaviours and one which I'm sure, in this submission, you will see means that business for SP Energy Networks is no longer just as usual.

A major part of our change was breaking down internal barriers within the two arms of our organisations – transmission and distribution. These are labels which mean nothing to our stakeholders or to the issues and concerns they want us to address. As a result we have seen the collaboration and swapping of stakeholder engagement best practice which has resulted in ever closer relationships with stakeholders.

Whilst the traditional stakeholders of our transmission business may be fewer in number, they are well informed and hugely influential and, as you will see in this submission, our new approach has made us more agile and able to react to their feedback more quickly, ensuring they are at the heart of what we do – that they know they can influence us and that we change what we do as a result of their input.

Our formal governance also makes sure all our structures are open to the free-flow of information and communication from the front line to the executive team, and across all areas.

The progress made in embedding our new 14 engagement strategies

within day-to-day business is remarkable. People across our company know of our engagement plans; they help shape them, they help deliver them.

These changes have brought us closer to stakeholders and consequently, we are seeing more innovation and tailoring in how we engage in different situations.

For instance we are being pro-active in stimulating engagement in areas which in the past we may have left to others, regarding it as not part of our remit.

Black Start, the plan to restart the whole network should a massive power cut occur is one example. While the emergency response and engagement on it is the responsibility of DECC and Ofgem, we were aware that our stakeholders were not prepared for such a major event, so we went to them to educate and stimulate thinking and planning. We have taken a lead on subjects such as black start, connections and innovation which will have national impact, to influence change to the benefit of our stakeholders which is being recognised in the industry as best practice.

Our major consultation in Dumfries and Galloway shows the flexibility of our approach with distribution when it comes to responding immediately to the needs of customers, particularly those who, in the past, have been considered harder-to-reach.

We are also improving how we set goals for our engagement activities, and how we measure and track whether these goals have been met.

I really cannot think of year when I've been so encouraged by the progress made to embed the whole idea of stakeholder engagement within our business and to constantly look for ways to improve and deepen that engagement – this is the culture of SP Energy Networks.



Frank Mitchell
CEO

Independent opinion statement – DNV GL

Overall, we continued to see improvements in SPEN's approach to stakeholder engagement. We have noted a more systematic approach to stakeholder engagement, which was primarily driven by the introduction of dedicated Stakeholder Engagement Managers. Their role has helped to ensure the stakeholder engagement strategy is delivered consistently across the business.

The strategic stakeholder panels have continued to be an important forum for dialogue with stakeholders. Importantly, the broadening of participation to include specialist non-members has increased the quality and level of feedback on specific strategic issues.

The prioritisation of stakeholders has also become more systematic this year, supported by the engagement plan tool which requires prioritisation by stakeholder category. The Internal Stakeholder Action Group (ISAG) has encouraged internal discussion between engagement plan owners which has helped evolve engagement plans and identify synergies.

The introduction of the Cost Benefit Analysis (CBA) model is an important step in tracking the outcomes of engagements. As it becomes embedded, we expect SPEN to be able to demonstrate further the benefits of its stakeholder engagement activities. However, as would be expected, quantifying the social returns on

investment has been more challenging. The business is still working on viable ways to develop this important tool.

The implementation of the database to manage stakeholder engagement data will be an important milestone, and should provide more real-time and consistent information to support the stakeholder engagement programme.

Conclusion taken from full opinion statement.

“The appointment of dedicated Stakeholder Engagement Managers has helped drive forward the importance of stakeholder engagement into decision making in both Transmission and Distribution. This has been particularly key in driving forward engagement within the Transmission business, where the programme has become notably better embedded this year.” DNV GL



'SP Energy Networks are a professional, progressive utility' *transmission stakeholder survey 2015/16 respondent*

The aim of our stakeholder engagement strategy is simple: to understand what our stakeholders need and to deliver it in a sustainable way. The strategy provides a framework that allows stakeholders to influence, guide and steer our business to make a **resilient and sustainable service for all – protecting our customers and business from vulnerabilities now and in the future**. Since 2012, we have made significant changes, greatly increasing the scope and diversity of our engagement and deeply embedding a strong engagement culture in all that our business does.

Our strategy makes our engagement **inclusive, tailored and responsive**, enabling engagement at all levels that delivers real outcomes on the material issues that our stakeholders value. Our comprehensive strategy has been in place since 2013, and is updated and reviewed by our Executive Team annually. It is externally assessed as part of our annual assurance against the AA1000 Stakeholder Engagement Standard. This year, our assurers said:

'The appointment of dedicated stakeholder engagement managers has helped drive forward the importance of stakeholder engagement into decision making in both Transmission and Distribution' **DNV GL Assurance 2016**

WHAT MAKES OUR STRATEGY WORK?

Holistic and embedded engagement and responsibility

Stakeholders are already recognising the positive impact of our 2015 reorganisation, which created a single directorate for our Transmission licence and embedded a new Stakeholder engagement team, giving greater voice to those harder to reach stakeholders who would otherwise be less able to influence us. In this year's stakeholder survey for transmission our stakeholders commented:

'They consult us at the right time'

'They are very good at contacting stakeholders and involving us in their discussions'

'They have been attentive or flexible to our changing needs'

transmission stakeholder survey 2015/16 respondents

Governance and Senior Management Commitment

Our governance structure ensures that our engagement is firmly embedded in all parts of our organisation. At the core of this is our Internal Stakeholder Action Group (ISAG) – facilitating the sharing of our engagement feedback and learnings between our 14 licence and topic engagement programmes.

This year we have built on our successful Strategic Stakeholder Panels with a Strategic Workshop specifically for our Transmission business – inviting our most interested and influential stakeholders together to shape future senior manager engagement.

- 14** different engagement plans by business unit and theme
- 72** senior managers and staff directly owning plans and initiatives
- 479** separate engagements with over 2000 stakeholders

"probably produced the best report we have so far seen from the industry"

Citizens Advice response to our Transmission Annual Performance Report

WE KNOW WE ENGAGE ON THE RIGHT THINGS

We work together with our stakeholders to define our priorities – and we shape our engagement to serve these priorities.



Safety



Environment



Major projects



Reliability



Supply Chain



Customer Service



Connections



Innovation



Jobs and Skills

OUR STRATEGY IN ACTION

Engagement Plans

Our 14 licence and topic-specific engagement plans - each owned and managed by a senior manager - enable us to identify all of our strategic issues and risks, map stakeholders in terms of their **interest and influence** and plan and carry our tailored engagement that meets the needs of our stakeholders. This helps us to deliver tangible responses to the most material strategic issues and risks.

Innovative initiatives resulting from stakeholder feedback

During 2015-16, **479 engagements** across all of our licence and topic specific engagement programmes have resulted in **625 pieces** of feedback to improve the service we deliver.

The initiatives we have chosen to highlight in this part 2 document demonstrate **our commitment to reaching challenging and harder to reach stakeholders**, such as local communities affected by major investments, and show the **breadth of innovative thinking that we have leveraged with the help of our stakeholders**. As well as delivering substantial benefits to our stakeholders, each of these initiatives represents an opportunity to deliver extended benefit when replicated across the industry.

Our comprehensive engagement plans:

LICENCE

- SPD licence strategic plan (inc. Connections, Supply Chain and Community)
- SPM licence strategic plan (inc. Connections, Supply Chain and Community)
- SPT licence strategic plan (inc. Supply Chain and Community)




TOPIC

- Customer and emergency preparedness plan
- Future networks plan
- Land and planning plan
- Public safety plan
- Recruitment plan
- Regulatory plan
- SPT connections plan
- Smart metering plan
- Social issues & vulnerability plan
- Streetworks plan
- Sustainability plan

Ditching our labels to make life easier for stakeholders



IN our business it is sometimes easy to forget that our stakeholders don't always know or understand how we operate internally. To them labels such as "transmission" and "distribution" are meaningless – they just think of us as SP Energy Networks. They told us that we needed to break down internal barriers and be more visible in the community to offer them the best service possible.

STRATEGY EMBEDDED IN OUR ENGAGEMENT	ENGAGING ON OUR STRATEGIC PRIORITIES	 <p>Key Facts & Figures</p> <ul style="list-style-type: none"> £142m 14% 16% 88 35% 1GW 2.8/22m <p>Our accessible, plain English Annual Performance Report</p>	 <p>Transmission Director Pearce Murray appears on ITV News</p>
	 Connections  Major Projects  Customer service		
	PLANNED, DELIVERED AND TRACKED VIA		
	SPT strategic engagement plan SPD strategic engagement plan		

OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

CUSTOMERS and stakeholders want the best answer to their questions or needs the first time they ask – for us to be a one-stop shop – rather than having to contact different parts of the business. This meant a sea change in our internal business, retraining our staff and working collaboratively with Distribution, sharing best practice, and jointly attending stakeholder meetings.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US:	WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:
<ul style="list-style-type: none"> Our communities told us that they are not experts in the electricity industry and do not understand the complexities of the Transmission network or the differences between us and Distribution. They wanted us to be more visible in the community and to be able to get the right answer first time. 	<p>Internal Staff Training: Internal survey showed Transmission staff didn't realise they were already engaging with stakeholders. We ran a training session for around 160 employees, providing context and explaining everyone's role in stakeholder engagement.</p> <p>District staff briefings: We knew our Distribution colleagues would get asked about major Transmission projects. Although not related to their day job, District staff appreciated being empowered to engage with the communities they live and work in.</p> <p>Collaborative community engagement: We've set up community liaison groups across Ayrshire and Dumfries & Galloway and use monthly meetings with District and Transmission community teams to coordinate activity – e.g. joint attendance at community council and local events.</p> <p>Developers: Tailored a number of opportunities for developers to interact with us to discuss their particular connection requirements. To ensure we can give informed answers, colleagues from our Distribution business are now in attendance.</p> <p>Accessible reporting for customers: Over the past couple of years we have worked hard to make our Annual Performance Report an accessible, plain english summary of how we have spent consumers money. We have now made this easier to find on our website and included amendments suggested by Citizens Advice.</p> <p>Broader reach: Worked closely with local and national media to ensure appropriate coverage of major network projects through media and PR.</p>
SO WE SET A GOAL OF:	
<ul style="list-style-type: none"> Anticipating stakeholders requirements so we could equip our people with the right answers and ensuring we are represented by those who can deal with issues and take appropriate action. Project managed by our new Transmission stakeholder engagement team. 	

KEY OUTCOMES AND IMPACTS

 <p>Aligned Engagement 39% of developers attending our Annual Transmission Connections Summit are connecting at Distribution level.</p>	 <p>Efficient Query Resolutions 245 Distribution queries resolved through Transmission engagement.</p>	 <p><i>"probably produced the best report we have so far seen from the industry"</i> Citizens Advice response to our Transmission Annual Performance Report</p>	 <p>Wider Audience 815 click-throughs to our Transmission Annual Report online from 711 unique users.</p>	 <p>Confidence 88% of Transmission employees agreed they feel confident they know who our customers and stakeholders are after training, up 25%.</p>
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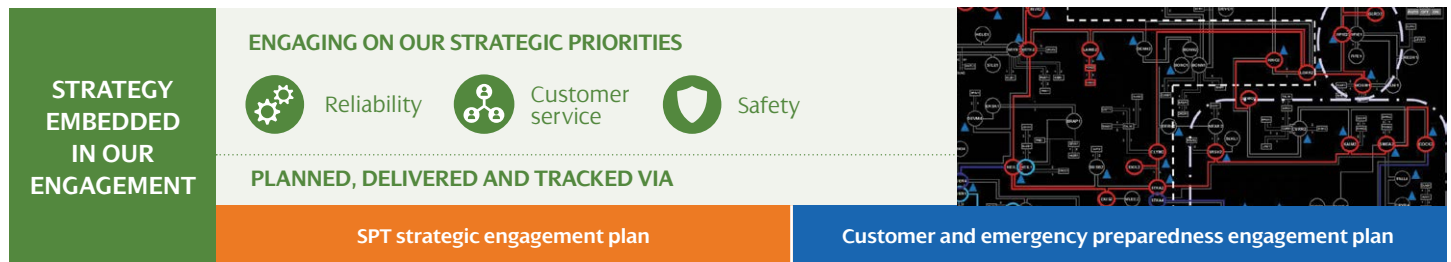
BUSINESS IMPACTS AND LEARNINGS

It's easy to get stuck in our own silos and not think about how this feels to a customer or stakeholder. Our reorganisation has empowered us to get out into the community and give them the answers they want first time. We will be expanding this approach across all our districts in the next year.

Black start – a new plan to reconnect our customers



IT sounds like something from a Hollywood blockbuster: the power goes out across the country and there's a race against time to get it back on. Whilst such an event is unlikely, and National Grid and DECC have a national emergency plan for such a 'Black Start' scenario, we knew that with changes to Scotland's energy mix and the closure of the country's last coal-powered power station, our stakeholders needed to be alert to the possibility. By reaching out beyond our formal role, we stimulated change – and improved the national plan for our future customers.



OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

THE closure of Scotland's last coal-powered power station, resulting in greater reliance upon renewable and nuclear energy, means that re-starting Scotland's electricity system would be more challenging should Black Start occur. We identified that this was an issue and our CEO raised the potential risks with our Strategic Stakeholder Panel. We became aware that local government resilience forums were not prepared for such an event and we needed to work with them to plan how we – and they – should respond. We also led the way at local and national political levels to ensure others were looking at solutions too.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US:

- The reliability of the network is a top priority, with stakeholders rating system reliability as 8.1/10 in terms of importance to them in our annual survey.
- They had realised that there is a widespread interdependency on the electricity network – for telecoms, water, gas – and the effect this had on their own emergency planning.
- They were unaware of the changes to the energy mix and potential black start risks.

SO WE SET A GOAL OF:

- Informing stakeholders of the changes to national energy supply.
- Working collaboratively to understand priorities at national and local level to test and challenge our thinking with a broad and varied range of stakeholders.
- Communicating the issues and options at a governmental level.

WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:

25+ key strategic stakeholders engaged: Created the most flexible and adaptable plan possible in the circumstances – key strategic sites and stakeholders identified and factored into initial restoration plans in preparation to reconnect to the National Grid network. Engagement with emergency services, telecoms, water and gas helped us evaluate options and prompted them to reconsider the impact on their services.

Industry partners and power station operators: Developed options as part of a co-ordinated strategy that integrates with National Grid and SSE recovery plans. Making use of the Northern Security Joint Technical Study – influencing the debate to ensure we tackle the issues that impact Central Scotland.

Strategic Stakeholder Workshop: Tested and challenged our thinking among a wider range of stakeholders – including Scottish Government, Citizens Advice Scotland and SCDI. Discussed our new black start plan in detail and received feedback from key stakeholders on priorities.

Political influence: Attended Scottish Parliament Select Committee to give evidence on Security of Supply in Scotland.

KEY OUTCOMES AND IMPACTS



Simulation Training

Joint control room training on a Black Start simulator in partnership with National Grid.



Proactive changes

Identified that more stored energy reserves should be held and requested the system operator to build this into plans.



Identifying Strategic Sites

Emergency services and utilities strategic sites built into our new plan and they are building Black Start into their own resilience plans.



Shared Learnings Improve Resilience

Full resilience plans shared with our Distribution business – all districts refining their Black Start plans and we have increased our telephony resilience.



Back-up Supplies

Reviewing the level of diesel stored for back-up at grid supply points.

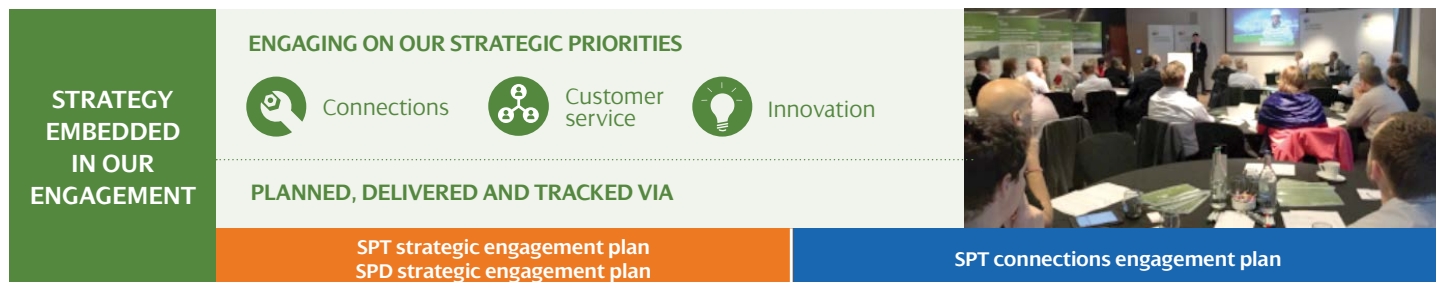
BUSINESS IMPACTS AND LEARNINGS

It would have been easy to say Black Start was someone else's problem, but we knew the existing plans needed work. We are going to continue to lead the industry in developing joint solutions and best practice engagement with strategic stakeholders on this topic, with potential for UK-wide replication and benefit.

Breaking down barriers to quicker connections



DEMAND for a connection to the network in Scotland is enormous, given the depth and breadth of renewables and the resulting number of new, small electricity generators. This has led to bottlenecks in the connection system – a system which can seem arcane to new companies. We needed to transform how we helped these new generators so they could understand the issues and we could connect them quicker using genuinely innovative solutions.



OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

GIVEN the complex administrative process for connecting new generators, we could see that some developers were having to wait up to 12 months after accepting their Distribution offer to find out about Transmission constraints. It was a frustrating situation for them and us – the process was not working as well as it should. We needed to engage with industry bodies to change the way we did business to make the system more flexible to help these new stakeholders.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US:

- Smaller generators have challenged us, saying they find the industry process frustratingly complex, costly and lengthy – and more needed to be done to improve the process. They wanted to get answers sooner.
- Renewable developers wanted more information about constraints on the network and our progress on delivering infrastructure upgrades.

SO WE SET A GOAL OF:

- Being the champion of the interest of smaller generators, making the process more navigable
- Developing practical solutions for changing industry rules, including streamlining interaction between network companies, so that it is seamless to the developer.
- Engage regularly with the developer community and provide more detailed information.

WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:

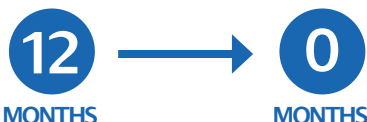
Collaboration with electricity network companies: We led discussions involving all UK electricity network companies to build a new proposal for reducing complexity, based on our experience of constraints in Scotland.

Targeting the wider renewables audience: Moved our Annual Connections Summit to Edinburgh on the day of the Scottish Green Awards, which prompted the highest ever turnout. Engaged on statement of works process with developers. We also participated in established events for Distributed Generation stakeholders, including ENA forums and our Distribution workshops.

Tailoring for developers: Individual engagement for all developers with connection offer agreements, reviewing all projects in the portfolio at a single meeting.

Providing more information to stakeholders: Implemented a new stakeholder newsletter for Transmission with the first edition tailored to Connections developers. Promoted video highlights from our Annual Connections Summit and our new quarterly report, which demonstrates our progress on reinforcement projects.

KEY OUTCOMES AND IMPACTS



NEW PROPOSAL TAKES AWAY THE PAIN

Trialling a brand new proposal on 3 grid supply points, which would give developers seeking to connect at Distribution upfront visibility of the Transmission impact straight away, rather than waiting up to 12 months.

Streamlining the process will:

- Increase certainty and control
- Reduce timescales and costs
- Remove invoicing issues
- Provide better visibility to the system operator of new generation

"They are quite prepared to listen to any concerns and they take criticism and improvements on board, they are very open"

Quote from a developer in transmission annual survey

"Just wanted to say how useful we found the [quarterly report]. No doubt a lot of hard work went into this. I have read it cover to cover"

Response from a developer

BUSINESS IMPACTS AND LEARNINGS

Rather than tell stakeholders there is nothing we can do about the industry processes which they find so difficult to navigate, we are going to continue to champion the cause of reducing complexity, not just for our own customers, but GB wide.

Tailored consultation suits everyone



OUR Dumfries & Galloway network needs modernising and extending. But we didn't just wait for the statutory consultation to begin, we engaged ahead of even designing our plans. Engaging on the Four Big Ws – What is happening, Why is it happening, When is it happening and Where – is key. We are letting people shape these big decisions in consultation with us.

STRATEGY EMBEDDED IN OUR ENGAGEMENT	ENGAGING ON OUR STRATEGIC PRIORITIES		 Joan McAlpine @JoanMcAlpine	
	 Major Projects	 Reliability		
	PLANNED, DELIVERED AND TRACKED VIA			
	SPT strategic engagement plan SPD strategic engagement plan	Land and planning engagement plan		

Delighted @SPEnergyNetwork extended deadline 4 D&G transmission upgrade consultation - day after I asked them to!

Tweet from Joan McAlpine MSP





OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

STATUTORY consultation is part and parcel of major changes to electricity infrastructure. But we knew, from lessons learned on previous projects, that leaving engagement with affected communities until that point is just not good enough. So before our plans for Dumfries & Galloway were drawn up, we engaged stakeholders to ensure our consultation was broad enough so that it would reach all affected, especially harder-to-reach customers. We constantly assessed our engagement to react to stakeholder needs and as a result extended the timescale and changed the locations and formats of events, giving as many people as possible the chance to express a view.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US: <ul style="list-style-type: none"> From previous experience we had already learned that stakeholders wanted an early opportunity to become informed about why there is a need for the work, what the options are, and the issues involved. They would like a chance to feed in their views, which can influence the proposed routes and siting areas that are taken forward. They wanted to understand the next steps in the process and have further opportunities to engage. 	WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES: <p>Local communities: Outreach to 48 different community and parish councils, with briefings on request. Sessions varied in format, based on the needs of each group, from informal Q&As to drop-ins. We visited a church to hear from their congregation how the siting of a substation might impact them and to discuss alternative options. We also attended 6 local agricultural shows to further broaden the reach of the consultation. Briefing sessions offered for all MPs and MSPs associated with the region.</p> <p>Enabling our employees: Our internal reorganisation has allowed us to provide communities with a 'one-stop shop' for answers, with District staff briefed and supporting local events.</p> <p>Private individuals: Public consultation, published point of contact and 10 publicised 'drop-in' events plus 3 extra mini drop-ins, added in response to demand. Project newsletter to 14,000 addresses.</p> <p>Statutory Stakeholder Liaison Group: Established early, chaired by the Scottish Government and involving 12 statutory authorities with a stake in the process – councils, environment, planning and heritage organisations. The group advises us on our approach to route selection and assessment of environmental considerations.</p>
SO WE SET A GOAL OF: <ul style="list-style-type: none"> Creating the best platform for informed community input – and ensuring a co-ordinated process for gathering and acting on feedback. Going above and beyond statutory consultation requirements. 	

KEY OUTCOMES AND IMPACTS

 <p>1,638</p> <p>Broad and Timely Feedback £90,000 spent on consultation, resulting in 1,638 pieces of feedback</p>	 <p>Flexible Approach Brings Tangible Benefits We responded immediately to the problems of customers who were hard of hearing and struggled when meetings were held in local halls. Adding new open air events at agricultural shows lead to 425 additional written feedback forms.</p>	 <p>2,515</p> <p>Fully Resourced Estimated 2,515 person hours to support consultation process.</p>	 <p>1/3</p> <p>Extended Consultation Delivers Extensive Feedback Our analysis demonstrated that spending £10k to extend the consultation by 5 weeks – at the request of stakeholders – delivered one third more items of feedback.</p>
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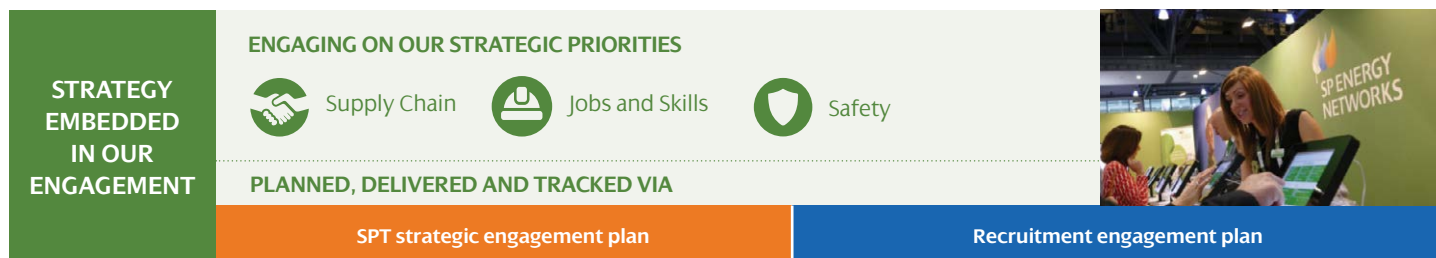
BUSINESS IMPACTS AND LEARNINGS

Engaging ahead of even finalising a proposed route for a power line could be seen as risky or unnecessary, but we wanted to involve our communities in building and shaping our plans at a very early stage. We spent a lot of time engaging in the community and learned that we had to be adaptable and flexible to their needs. We'll continue to go above and beyond requirements to involve local communities in shaping our plans.

Delivering our £2.6bn investment safely and efficiently



DELIVERING the investment needed to address stakeholder priorities through to 2021 resulted in a step-change in the amount of work we had to undertake. To achieve this required an innovative approach that was based on better engagement with our stakeholders on the supply chain, skills and safety.



OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

To address the concerns raised we completely changed how we delivered major works. We brought much of the technical design in-house to ensure appropriate skills were developed and we broke down large contracts to smaller modules to enable us to bring new, smaller companies in to our supply chain. We also adapted how we work together to improve safety for all staff and contractors.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US:	WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:
<ul style="list-style-type: none"> We needed to improve our tendering processes, providing good information about upcoming works. Staff wanted a better understanding of our strategic challenges and delivery plans. To continue to build on our safety collaboration with third parties. We needed to find additional skilled staff for design and commissioning activities. 	<p>Strategic Stakeholder Workshop: Engaged on key challenges with key stakeholders including our equipment suppliers and contractors, Energy Skills partnership and Chamber of Commerce.</p> <p>Supply chain engagement: Continued to refine engagement mechanisms, including developing our flagship annual event, attended by over 60 suppliers. Over 80 individual pieces of feedback logged for business action. Analysed survey data from workforce which demonstrated concerns about reporting of safety incidents.</p> <p>Safety Forums and Calls: Building on our successful collaborative approach to addressing safety concerns we invited stakeholders to provide a direct update on safety issues at our weekly internal safety briefing.</p> <p>Annual Stakeholder Survey: Restructured our annual stakeholder survey, tailoring a different set of questions for the supply chain to allow the business to take specific actions to improve stakeholder satisfaction and general performance.</p> <p>Staff conference: Forum for all employees of SP Transmission, engaging on how health and safety, innovation and stakeholder engagement can help deliver our commitments.</p>
SO WE SET A GOAL OF:	
<ul style="list-style-type: none"> Creating the right platform for discussion, active collaboration and continuous improvement between ourselves and our suppliers and experts on skills development. 	

KEY OUTCOMES AND IMPACTS

 <p>Delivering promises</p> <p>Through our new approach to skills and supply chain we are delivering all our regulatory promises whilst saving £84m from our original investment plans – shared with our customers.</p>	 <p>Over 60 suppliers engaged</p> <p>Generating over 80 individual pieces of feedback which are being used for business change.</p>	 <p>Revised safety reporting procedures:</p> <p>Agreed a number of measures to improve the accuracy and reporting to health and safety incidents.</p>	 <p>Engagement at Staff Conference</p> <p>93% are proud to work for SP Transmission. 91% of staff agreed they have a good understanding of what SP Transmission are expected to deliver.</p>	<p><i>"Interesting overview of where SPEN are going and how we can add value. Some exciting opportunities ahead"</i></p> <p><i>Supplier event feedback</i></p>
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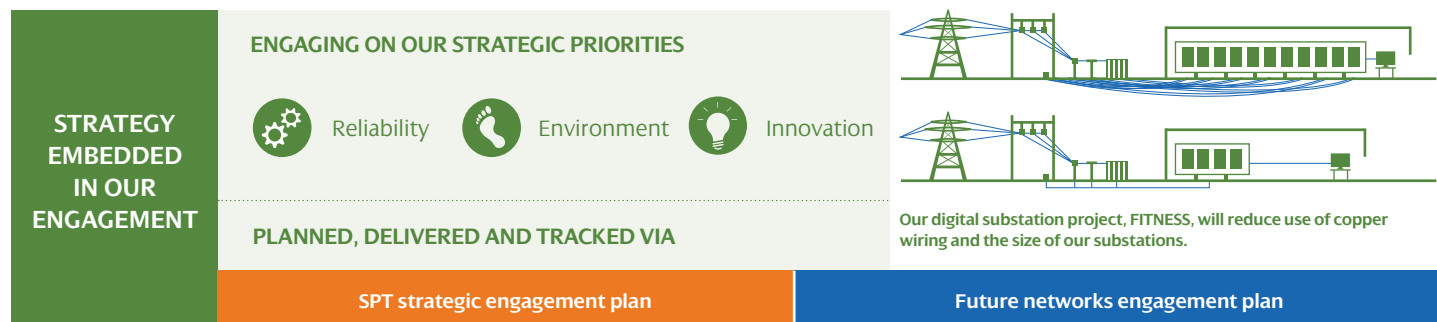
BUSINESS IMPACTS AND LEARNINGS

To deliver on the promises we made our stakeholders in 2013, we've had to change how we do things as a business. And our supply chain have had to change too, something we have supported through regular strategic and project level engagement. We learned that a step-change in delivery could only be successfully achieved through a step-change in our engagement.

Leading in innovation by leading in engagement



We owe our industry-leading approach to innovation to the effectiveness of our interaction with stakeholders. This interaction ensures we focus on what stakeholders want us to achieve from innovation and ensures we can source and develop excellent solutions.






OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

OUR engagement with our stakeholders informs us what they want innovation to achieve for them. We also use it to find and develop the best ways of answering these needs, through learning from others and working collaboratively to drive useful innovation.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US:	WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:
<ul style="list-style-type: none"> Use smarter technologies to reduce the cost of consumer bills. Connect renewable generation quicker. Reduce the impact of our works. Manufacturers and small to medium enterprises (SMEs) wanted to be involved in developing new technology in the UK. 	<p>Other transmission companies worldwide: Direct, regular contact and dialogue with trials of new technologies, for example digital substation technology in France, Spain and the US, informed our digital substation project, FITNESS.</p> <p>Academics and manufacturers: International review of available technologies followed up by intensive program of meetings and workshops – carefully balancing collaboration with commercial confidentiality. Leading, for example, to the deployment of innovative overhead line conductors that enable quicker connections and less impact from our construction works.</p> <p>Universities and other research bodies, SMEs and individuals: Series of meetings and discussions to explore the practicalities of making smarter, more effective use of (potentially quite small-scale) innovation. For example, working with Synaptec and the University of Manchester on digital substations.</p> <p>Working with Scottish Enterprise: Following engagement at our Strategic Stakeholder Panels, joined the Open Innovation programme. Innovative crowd-sourcing of potential solutions to technical problems from the SME community.</p>
SO WE SET A GOAL OF:	
<ul style="list-style-type: none"> Using effective engagement to push the boundaries of industry best practice and what we could achieve through innovation. 	

KEY OUTCOMES AND IMPACTS

 <p>Smart Benefits</p> <p>Through reduced substation size and using less copper in our digital substations we estimate we will save £78m–£155m by 2030 and take an important step toward enabling SMART grid solutions.</p>	 <p>Faster Connection</p> <p>Through careful choice of ground breaking conductor technology we are able to connect new generation without the need for new pylon lines. This speeds up the connection by around five years and it also reduces disruption on the local area.</p>	 <p>Cost Savings</p> <p>Expected benefit from digital substations is a 10% cost saving in build and refurbishment cost – savings shared with customers.</p>	<p><i>“This project will be an important step towards a low cost, safe and flexible substation design concept fully standardised for enabling SMART grid solutions”</i></p> <p><i>Dr. Alexander Apostolov, international pioneer of IEC61850 standard, in response to our digital substation project</i></p>
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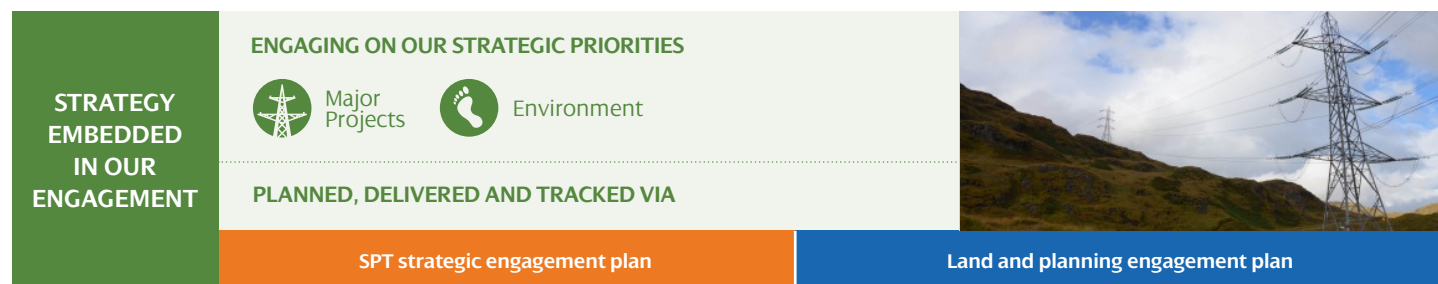
BUSINESS IMPACTS AND LEARNINGS

We believe we are the leading Transmission operator for innovation – using high quality international engagement to drive a great innovation programme that delivers not just for us and our customers, but also the industry at large.

Improving the VIEW



PYLONS, wires, substations are critical for the delivery of electricity to our homes and businesses. However when these essential components run through scenic areas and national parks they can be regarded as a blot on the landscape. Aware of funding available to try and solve the problem, we wanted to alert affected stakeholders and to ask them – how can we make the view better?



OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

LOCH Lomond and the Trossachs National Park is an area of outstanding natural beauty as is the Eildon and Leaderfoot National Scenic Area in the Scottish Borders. Funding could improve the look of essential electricity components sited in these landscapes in a variety of ways: moving assets underground or camouflaging with trees. We alerted stakeholders of the funding and we have worked together to develop possible solutions.

ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US:	WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:
<ul style="list-style-type: none"> • Be more innovative and consider different options for landscape enhancement, e.g. paths, trees shielding views of the power lines. • Learn from our successful visual amenity 'Green Network' project. • We should work with SSE, who also have power lines nearby. 	<p>Environmental and Community stakeholders: A structured plan of workshops, meetings and visits with a broad and inclusive range of stakeholders e.g. John Muir Trust, Loch Lomond & The Trossachs Countryside Trust and Association for the Protection of Rural Scotland – to explore a range of possible options, from undergrounding sections of line to building new paths and planting trees.</p> <p>Formalised Stakeholder Partnership Group: SPEN created, coordinated and supported a group to give structure to the development and decision-making process, including feeding in external technical advice (e.g. from landscape architects). This partnership has helped identify the groups of people who may be affected by transmission infrastructure, the locations from where they will see the power lines and helped us understand the local impact. They also provided us with guidance on the types of issues which we should seek to mitigate, and are helping us to evaluate possible projects.</p> <p>Collaboration: Unprecedented level of joint working with SSE on land and environmental planning – joint decision making regarding the National Park and monthly meetings with the other Transmission owner National Grid to implement Ofgem's funding mechanism efficiently and to co-ordinate where initiatives might overlap.</p>
SO WE SET A GOAL OF:	
<ul style="list-style-type: none"> • Creating a plan to develop visual amenity solutions for Loch Lomond & The Trossachs and Scottish Borders – genuinely led by our stakeholders. • Building the best case that we could to ensure that our joint application for funding would be successful. • Using local knowledge and expertise to build and influence plans. 	

KEY OUTCOMES AND IMPACTS

<p>"They initiated the project, they approached and involved us which was good"</p> <p><i>Transmission stakeholder survey respondent on VIEW</i></p>	 <p>average score of 9 out of 10 satisfaction from VIEW stakeholders in stakeholder survey.</p>	 <p>Selected By Stakeholders Stakeholders identified 5 landscape enhancement schemes across Loch Lomond and the Trossachs, as well as the development of alternative walking routes and the undergrounding of a short section of overhead line at Loch Katrine to go forward for funding.</p>	 <p>Scaling And Replication Our new approach to visual mitigation shared with and taken into our 2 Distribution licences.</p>
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BUSINESS IMPACTS AND LEARNINGS

We wanted to radically improve the way we engage with stakeholders on visual amenity. We were proactive in bringing stakeholders together and involving them completely in the decision making process. Our survey scores have shown just how much this approach is valued by those we serve.

Working together as Transmission operators

We took our experience from being a member of the Distribution network operators' Best Practice Working Group and asked SSE and National Grid to form a Transmission Best Practice Working Group. The first meeting of the Working Group took place in August 2015. The group meets face-to-face on a monthly basis and 81 specific actions have been agreed so far.



STRATEGY EMBEDDED IN OUR ENGAGEMENT

ENGAGING ON OUR STRATEGIC PRIORITIES



PLANNED, DELIVERED AND TRACKED VIA

SPT strategic engagement plan

OUTCOMES PLANNED FROM ENGAGEMENT

Improving access for local suppliers to bid for transmission works: Scottish Hydro Electric Transmission shared their approach to developing sustainable supply chain, known as 'Open4Business'. SP Energy Networks and National Grid are now considering how this approach could be extended.

Co-ordination of communication and event diaries: Links have been established between the communications teams of the Transmission Owners to ensure that where appropriate a coordinated approach is taken to promoting activities and releasing news.

Maximising Effectiveness of Input Received from Annual Stakeholder Surveys: Through detailed discussion on approach to surveying and questioning each Transmission operator has identified ways that they can make better use of stakeholder surveying. In 2016/17 this work will continue with all companies considering optimal timing for surveys and most appropriate methods to gather information from different stakeholder groups.

FOCUS ON OUTCOMES – USING OUR COLLABORATIVE FORUM TO DRIVE REAL CHANGE ACROSS THE UK

Creating a sustainable network

We must all do more to live sustainably to limit the effects of Climate Change. In building a strategy that works now and ensures success into the future, we have to address long term considerations about our business and our communities including staff, customers and suppliers. Customer and societal expectations are changing and we are engaging to help drive our direction.



STRATEGY EMBEDDED IN OUR ENGAGEMENT

ENGAGING ON OUR STRATEGIC PRIORITIES



PLANNED, DELIVERED AND TRACKED VIA

SPT strategic engagement plan

Sustainability engagement plan

OUR STAKEHOLDERS TOLD US:

Stakeholders are clear that sustainability should be the starting point for how we work together – and embedded within business-as-usual. The Scottish Government emphasised the legislative commitment to reducing emissions and that Scotland is setting ambitious targets to achieve this faster than the rest of the UK. This presents challenges and opportunities for how we operate and raises considerations on how to enable and encourage consumers to act in a way that is compatible with achieving the emissions targets.

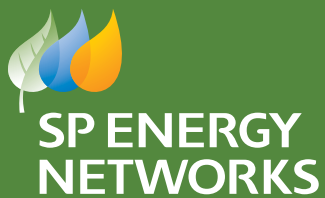
SO WE SET A GOAL OF:

Going above and beyond our continuing environmental compliance, to bring our sustainability strategy to life and to genuinely involve stakeholders in setting our direction and informing our strategic goals.

WHICH WE PURSUED THROUGH TAILORED ENAGEMENT ACTIVITIES

Strategic Stakeholder Panel: We devoted our latest Strategic Stakeholder Panel to the issue of Sustainability, structured around two key questions: (i) What could a sustainable business in the power sector look like in 2030? (ii) What significant incremental and step changes must be brought about in order to reach the ultimate goal? We invited special guests from WWF and SEPA to join the discussion and presented the feedback from this session to our Executive Sustainability Steering Group to inform our strategic planning.

RAMPING UP ENGAGEMENT TO PROVIDE MORE OPPORTUNITY FOR STAKEHOLDERS TO SHAPE HOW WE DELIVER THEIR VISION OF A SUSTAINABLE NETWORK



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