

Please complete the following Entry Form alongside your Part 1 Submission.

STAKEHOLDER ENGAGEMENT INCENTIVE SCHEME



Making a positive difference
for energy consumers

PART 1 SUBMISSION ENTRY FORM

COMPANY DETAILS: (please complete)

Company: SP Energy Networks
Licensee(s): SP Transmission plc

Address: Ochil House
10 Technology Avenue
Hamilton International
Technology Park
Blantyre
Postcode: G72 0HT

CONTACT DETAILS: (please complete)

Name: TRACY JOYCE

Title: HEAD OF STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

Telephone: 0141 614 1582

Email: tracy.joyce@spenergynetworks.co.uk

MINIMUM REQUIREMENTS

Please provide supporting evidence and high level overview of how your company has met the Minimum Requirements set out below:

	Evidence referred to within application (i.e., evaluation, assurance report, survey, etc.)	Overview of your arguments demonstrating compliance with requirement. Clearly signpost as to additional relevant evidence/ information within Submission
<p>The network company has a comprehensive and up to date stakeholder engagement strategy, which sets out:</p> <ul style="list-style-type: none"> - how the network company keeps stakeholders informed about relevant issues, business activities, decision-making and other developments; - how the network company enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision making. 	<p>SP Energy Networks Stakeholder Engagement Strategy: The aim of our strategy is to continually improve how we engage with stakeholders across all aspects of our business – allowing stakeholders to influence, guide and steer our activities, enabling us to better deliver against our vision as a business. Our strategy aligns to AccountAbility AA1000 Stakeholder Engagement Standard. Our strategy is described in Part 1 on pages 2, 3 and 4 and is available in full on request.</p> <p>Driving engagement and culture changes through our business: Our re-organisation and our embedded governance structure enables information sharing between all levels of the company. It provides several touch points throughout the formal structure to facilitate the flow of information and feedback from the front line teams to the executive team and back again. Senior business leads share feedback and learnings through Internal Stakeholder Action Group, (ISAG) meetings and governance meetings. The ISAG meetings are central to our governance as the forum where stakeholder leaders from across the business meet regularly to discuss engagement, plans, feedback and actions, both forward and backward looking. The embedded governance structure is described in full in Part 1 on page 3.</p> <p>DNV GL Independent Assurance statement: Scottish Power Energy Networks Holdings Ltd (SPEN) commissioned DNV GL Business Assurance Services Limited (DNV GL) to undertake an independent review of SPEN's stakeholder engagement processes and systems, and outcomes of stakeholder engagement activities in the reporting period 1st April 2015 to 31st March 2016. They used the AA1000SES standard and the Ofgem Stakeholder Engagement Incentives Scheme criteria for stakeholder engagement as the framework for the review. The full conclusion of their opinion statement is provided in Part 1 on page 1, further quotes are provided on pages 3, 4, 5, 6 and 8 and the opinion statement is available in full on request.</p>	<p>We have a comprehensive and up to date stakeholder engagement strategy. We have confidence in our strategy, it is working and it is delivering outcomes and change within SPEN. Our strategy is assured to AA1000 standard by DNV GL each year. It is updated and approved annually by our CEO and Executive Team. Page 2 of part 1 provides an overview of the strategy and our feedback loop, Page 3 of part 1 demonstrates how we have embedded culture change within our business and Page 4 of part 1 shows the 7 pillars of our strategy – how we have improved them in 2015-16 and what improvements we have planned for 2016-17.</p> <p>Our embedded governance structure, described in Page 3 of Part 1, enables sharing of feedback and stakeholder input between all levels of the organisation, which allows buy-in from senior management and decision makers to act upon feedback.</p> <p>DNV GL said “As in previous years, we noted that the stakeholder engagement strategy in SPEN continued to evolve. The strategy continued to be applied across the entire organisation, covering both Distribution and Transmission.”</p> <p>“As part of the business reorganisation in 2015, SPEN assigned specific Stakeholder Engagement Manager roles within each area (SP Distribution, SP Manweb and SP Transmission) to lead the delivery of consistent stakeholder engagement, both internally and externally.”</p> <p>“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.”</p>

<p>A broad and inclusive range of stakeholders have been engaged.</p>	<p>New annual engagement planning process, including identifying and prioritising a broad and inclusive range of stakeholders: In 2015, we introduced a new engagement planning tool to assist managers in using the four-step process; to identify strategic issues, prioritise stakeholders, plan and deliver fully tailored engagement and record and analyse stakeholder feedback. Mapping and prioritising stakeholders is a key part of our engagement planning process. Senior managers select the stakeholder groups applicable to their area from a master list of stakeholder categories. From this list, they attribute a prioritisation rating to each stakeholder group, based on two key criteria: Interest in this subject and influence over our organisation on this subject. The subsequent ranking produces four levels of stakeholders on our interest/influence matrix. We have completed this mapping in each of our 14 key priority areas and engagement plans are scheduled and built against the resulting rankings. The annual engagement planning process is described in full in Part 1 on pages 5 and 6.</p> <p>Black start - A new plan to reconnect our customers: A case study demonstrating how we have led the industry in extending our reach to engage with a broad range of stakeholders on a topic of importance. This is provided in Part 2 on page 4.</p> <p>Tailored consultation suits everyone: A case study specifically relating to our engagement when building major infrastructure and how we improved our inclusivity by flexing our engagement approach. This is provided in Part 2 on page 6.</p> <p>DNV GL Independent Assurance statement: As part of DNV GL's review they considered 'Identification of a broad range of stakeholders and material issues' and 'Prioritisation of stakeholders and material issues'. The full conclusion of their opinion statement is provided in Part 1 on page 1 and the opinion statement is available in full on request.</p>	<p>Our new annual engagement planning process is embedded right across our business. The second step of this process is to identify and then prioritise stakeholders. Page 5 of part 1 explains how we identify and prioritise a broad and inclusive range of stakeholders. This page also outlines our increased coverage and diversity figures, which demonstrate how we have extended our reach and got closer to hard to reach groups. Two examples of how this approach has specifically improved our reach to challenging or hard-to-reach stakeholders are provided in the case studies on page 4 and page 9 of part 2.</p> <p>DNV GL said "This year SPEN undertook the stakeholder prioritisation exercise using the revised engagement plan tool. The process was owned by appointed individuals in each business area, including Stakeholder Engagement Managers, and the prioritisation was recorded in the fourteen individual engagement plans. The central stakeholder engagement team reviewed the outputs, including whether engagement plans were appropriately matched to identified stakeholders and business strategic issues and priorities. Including stakeholder prioritisation in the engagement plans has helped SPEN to better tailor its engagement to the priority level of the stakeholder."</p> <p>"It was notable that the new stakeholder engagement plans, were used to encourage internal dialogue and joint participation. They were well received by business areas, as they included the opportunity to share with peers the challenges faced and ability to find solutions together."</p> <p>"We also found that management were aware of the challenge regarding 'hard to reach stakeholders' in their engagement plans and had a number of positive examples of their inclusion. One such example was the Black Start plan which resulted in a collaboration of key industry players and wider stakeholders to develop a new local joint restoration plan, to reconnect customers within five days. This engagement allowed SPEN to raise awareness with stakeholders and impacted customers on how working together can resolve issues and challenges."</p>
<p>The network company has used variety of appropriate mechanisms to inform and engage their stakeholders – these have been tailored to meet the needs of various stakeholder groups, and are fit for purpose in allowing a detailed analysis of a breadth of stakeholder perspectives</p>	<p>New annual engagement planning process (including informing and engaging stakeholders through a variety of mechanisms): When developing their engagement plans, our senior managers consider their core issues and the results of their stakeholder mapping identified in steps one and two. They tailor engagement as appropriate to the interest and influence level of the stakeholder groups identified and work to ensure breadth and depth of engagement across their areas. They select methods from the Dialogue and Consultation end of the Spectrum of Engagement Types for high interest/high influence stakeholders and Information Giving and Gathering for low interest/low influence stakeholders. In addition to individual plans, all engagement plans are rolled up into one central plan, allowing further analysis at a higher strategic level within our company. The annual engagement planning process is described in full in Part 1 on pages 5 and 6.</p> <p>We explain how we have worked with other Transmission operators to maximise the effectiveness of our annual stakeholder survey in Part 2 on page 10 and include an example of scoring in Part 2 on page 9.</p> <p>DNV GL Independent Assurance statement: As part of DNV GL's review they considered 'Engagement tools and mechanisms' and 'Tailored engagement'. The full conclusion of their opinion statement is provided in Part 1 on page 1 and the opinion statement is available in full on request.</p>	<p>Our new annual engagement planning process is embedded right across our business. The third step of this process is to appropriately schedule a plan of engagement using a variety of appropriate mechanisms. Page 6 of part 1 explains how we inform and engage stakeholders through a variety of mechanisms.</p> <p>Page 10 of part 2 describes how detailed discussion on approach to surveying and questioning led to each Transmission operator identifying ways to make better use of stakeholder surveying.</p> <p>DNV GL said "The two strategic stakeholder panels have convened four times each, and have enabled rich conversations and provided appropriate challenge to the business to help shape priorities and strategy. They also acted as a sounding board to the business throughout the year."</p> <p>"Several examples were seen across the business of how methods of engagement were being tailored to suit the needs of stakeholders. The work this year to develop fourteen dedicated engagement plans was notable. The dedicated plans identified for their area: the strategic issues; relevant stakeholder groups and their relative priority; a plan of engagement activities with an owner, objectives and timings. The template supported the engagement plan owner in tailoring the engagement type to the relative priority of the stakeholder."</p>

<p>The network company can demonstrate it is acting on input / feedback from stakeholders</p>	<p>New annual engagement planning process (including recording and analysing stakeholder feedback): All members of our Internal Stakeholder Action Group (ISAG), and their teams, have access to our Stakeholder Hub, where all feedback from stakeholders is logged. Against each piece of feedback is an associated business action. In 2015–16 we logged 625 pieces of feedback and associated actions for our business. Of these, 141 have now been closed and the rest are included in rolling action plans for completion. The annual engagement planning process is described in full in Part 1 on pages 5 and 6.</p> <p>Driving engagement and culture changes through our business: Our re-organisation and our embedded governance structure enables information sharing between all levels of the company. It provides several touch points throughout the formal structure to facilitate the flow of information and feedback from the front line teams to the executive team and back again. Senior business leads share feedback and learnings through Internal Stakeholder Action Group, (ISAG) meetings and governance meetings. The ISAG meetings are central to our governance as the forum where stakeholder leaders from across the business meet regularly to discuss engagement, plans, feedback and actions, both forward and backward looking. The embedded governance structure is described in full in Part 1 on page 3.</p> <p>Transmission Operator/System Operator Best Practice Working Group: We took experience from the Distribution Best Practice Working Group and approached National Grid and SSE to set up a Transmission version. The Working Group considers aspects of engagement where working together will lead to benefits for stakeholders. A joint appendix is provided which demonstrates progress to date.</p> <p>Acting on feedback – how we propose and justify stakeholder initiatives: Some feedback aligns strongly with strategic issues or risks and results in the development of initiatives that change our organisation for the better. We work with external and internal stakeholders to develop needs cases and to work in collaboration to deliver them. Our approach is described in Part 1 on page 7. A number of our flagship example case studies, included within Part 2 of our submission:</p> <ul style="list-style-type: none"> • Ditching our labels to make life easier for stakeholders • Black start: a new plan to reconnect customers • Breaking down barriers to quicker connections • Tailored consultation suits everyone • Delivering our £2/6bn investment safely and efficiently • Leading in innovation by being • Improving the VIEW • Focussed on the future <p>Our updated approach in action – case study is described in Part 1 on page 8.</p> <p>DNV GL Independent Assurance statement: As part of DNV GL’s review they considered ‘Tracking and responding to stakeholder views’, ‘Tracking the impact of actions’ and ‘Consistency of responses’. The full conclusion of their opinion statement is provided in Part 1 on page 1 and the opinion statement is available in full on request.</p>	<p>Our new annual engagement planning process is embedded right across our business. The final step of his process is to record stakeholder feedback and associated business actions. Page 6 of part 1 explains how we record and analyse stakeholder feedback.</p> <p>Our embedded governance structure, described in Page 3 of Part 1, enables sharing of feedback and stakeholder input between all levels of the organisation, which allows buy-in from senior management and decision makers to act upon feedback.</p> <p>Our joint appendix on the Transmission Operator/System Operator Best Practice Working Group demonstrates collaboration and the sharing of best practice across network companies and coordination of action based on stakeholder feedback.</p> <p>Page 7 of part 1 describes in some detail how we are using feedback from stakeholders in order to identify and develop initiatives. Page 8 of part 1 features a case study which demonstrates our new processes in action – from building an engagement plan, through to delivering benefits for stakeholders and recording these systematically.</p> <p>A selection of our flagship initiatives are included in Part 2 of our submission and cover a wide breadth of strategic issues and stakeholder groups. Each case study demonstrates the outcomes achieved for us and for our stakeholders.</p> <p>DNV GL said “As last year, we continued to observe that feedback from events, surveys and other engagements were routinely reviewed by management and responses were agreed. The engagement feedback action log, which tracks feedback and responses, has been improved.”</p> <p>“This year we continued to see improvements in SPEN’s approach to stakeholder engagement, which has become increasingly embedded in the organisation.”</p>
---	--	---