

STAKEHOLDER ENGAGEMENT AND CONSUMER VULNERABILITY INCENTIVE SCHEME



Making a positive difference
for energy consumers

PART 1 SUBMISSION ENTRY FORM

COMPANY DETAILS: (please complete)		CONTACT DETAILS: (please complete)	
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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	
The network company has comprehensive and up-to-date stakeholder engagement and consumer vulnerability strategies.	<p>SP Energy Networks Stakeholder Engagement Strategy: Our strategy aim: continually improve how we engage with stakeholders across all aspects of our business – allowing stakeholders to influence, guide and steer our activities, enabling us to better deliver against our vision as a business. 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>SP Energy Networks Customer Vulnerability Strategy: From our CEO right through our organisation SPEN are committed to delivering the best service for all of our customers and identifying and supporting our most vulnerable. Our strategy is informed by our External Stakeholder Panel, Social Working Group and a wide range of stakeholders to seek views and find solutions to problems. Our strategy is described in Part 1 on pages 9 and 10 and is available in full on request.</p> <p>DNV GL Independent Review statement: Scottish Power Energy Networks Holdings Ltd (SPEN) commissioned DNV GL Business Assurance Services UK 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 2016 to 31st March 2017. They used the AA1000SES standard and the Ofgem Stakeholder Engagement Incentives Scheme criteria for stakeholder engagement as the framework for the review. The conclusion of their opinion statement is provided in Part 1 on page 1, further quotes are provided on pages 3, 4, 5 and 6 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 independently reviewed against the AA1000SE 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 and 4 of part 1 demonstrate how we have embedded culture change within our business and Page 4 of part 1 shows the 7 pillars of our strategy – and how we have improved them in 2016-17.</p> <p>We have a comprehensive and up to date customer vulnerability strategy. We have confidence in our strategy, it is working and it is delivering outcomes and change for our most vulnerable customers. We have gained the BSI 18477 Standard: Inclusive Service Provision. How customer vulnerability is delivered within our stakeholder engagement strategy is independently reviewed to AA1000 standard by DNV GL each year. Our documented Consumer Vulnerability Strategy is updated annually. Page 9 of part 1 provides a summary of the strategy and Page 10 of part 1 demonstrates our commitment and direction in summary.</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>“We observed that stakeholder engagement was increasingly aligned with strategic business objectives this year. Key topics such as DSO (Distribution System Operator), black start, community energy and vulnerability have been discussed during strategic stakeholder panel meetings. Others such as willingness to pay, are on the agenda for engagement in 2017-18.”</p> <p>“In 2016-17, we continued to observe improvements in SPEN's approach to</p>	

		<p>stakeholder engagement. The business continued to evolve and make progress on its stakeholder engagement strategy, which has resulted in it being more embedded across the organisation. Moreover, through our interviews with SPEN we consistently noted that stakeholder engagement was considered a key activity for the business. In our interviews, we continued to note senior management support for stakeholder engagement across the company, which they consider a core business value and integral to the way SPEN do business.” DNV’s full opinion statement is available in full on request.</p>
<p>A broad and inclusive range of relevant stakeholders have been engaged. This specifically includes engaging with challenging or hard-to-reach stakeholders (e.g. community energy).</p>	<p>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. We used our experience and lessons learned to take this a step further in 2016 and implemented a brand new IT (Tractivity) system which would allow us to take our engagement and analysis to the next level. Offering full visibility across our organisation, and data at our fingertips we can carry out tailored engagement with confidence. Mapping and prioritising stakeholders is a key part of our engagement planning process. Senior managers select the stakeholder groups and hard to reach stakeholders applicable to their area from a master list of 139 categories. This step has been updated to include more proactive identification of hard to reach stakeholders in all engagement plans, enabling more tailored and inclusive engagement. 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 built and prioritised our engagements against the resulting rankings. The annual engagement planning process is described in full in Part 1 on pages 5 and 6.</p> <p>Cultivating partnerships to target ‘hard to reach’ and future stakeholders: A case study highlighting our innovative partnership to engage with young farmers. This is provided in Part 2 on page 4</p> <p>Getting safety messages into the heart of North Wales: A case study highlighting our collaboration with a North Wales rugby team – working together to engage hard to reach communities and future stakeholders through an existing extensive community rugby programme. Delivering messages on safety, the STEM agenda, recruitment and importantly, local investment work to an already engaged audience. This is provided in Part 2 on page 4.</p> <p>Connecting community energy projects to our network: A case study highlighting the many ways in which we reach out to community energy projects to understand their needs and offer innovative solutions to guide them through the process of connecting to our network. This is provided in Part 2 on page 5.</p> <p>Knowing who to contact in a power cut: A case study highlighting our innovative customer awareness campaign which specifically targets messages towards challenging communities and hard to reach stakeholders. This is provided in Part 2 on page 6.</p>	<p>Our annual engagement planning process is embedded right across our business. The second step of this process is to identify and then prioritise stakeholders. In 2016-17 we have updated this step to include the identification of specific hard to reach stakeholder groups for each of our engagement plans, enabling us to target our engagement even more effectively. Page 5 of part 1 explains how we identify and prioritise a broad and inclusive range of stakeholders. Page 6 of part 1 outlines our increased coverage and diversity figures, which demonstrate how we have extended our reach and got closer to hard to reach groups. Highlights of how this approach has specifically improved our reach to challenging or hard-to-reach stakeholders are provided in the case studies on page 8 of Part 1 and pages 4, 5 and 6 of Part 2.</p> <p>DNV GL said “SPEN continued to prioritise stakeholders for their interest and influence in each engagement plan. This prioritisation has now been included in the new stakeholder database, providing additional visibility of all issues by stakeholder. We recommend reviewing and updating stakeholder prioritisation continues to be built in to the annual planning process (including rolling out to district level), as part of creating the annual engagement plans at all levels, and should cover consideration of any stakeholders who have not been ranked previously.”</p> <p>“SPEN continued to identify further levels of stakeholders during the year, building on the comprehensive range already in place. Specifically in the area of vulnerability, SPEN recognised that historically their approach had focused on elderly people. This year, SPEN sought input from existing stakeholders to broaden its engagement to other areas of vulnerability including fuel poverty, carers and disabled people. Stakeholder interviews confirmed that SPEN had started to engage with these stakeholders, through channels such as established community fora, to raise awareness and provide referral networks and support services. This has provided access to additional hard-to-reach stakeholders, whom we recommend SPEN continue to focus on accessing and engaging.”</p> <p>“We noted that SPEN had entered into partnerships with the Association of Young Farmers in Scotland and the Welsh Rugby Union with the aim to reach additional stakeholders at a district level. Feedback to date has been that these have helped the distribution business to access harder-to-reach stakeholders in these communities, to build relationships with future stakeholders and to utilise the extensive networks of the partner organisations. We recommend working to identify opportunities for similar partnerships that cover the districts in England.”</p> <p>“The engagement plans appear to cover all the material issues that SPEN is engaging with its stakeholders on. We noted that the plan owners interviewed had good visibility of engagement on other topics through the monthly extended ISAG meetings,</p>

	<p>DNV GL Independent Review 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 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>allowing co-ordination where appropriate. Plan owners interviewed also demonstrated how they were leveraging established communication channels to engage with stakeholders, and we noted the majority of plan owners interviewed had sought feedback on relevant issues at strategic panels during the year."</p> <p>DNV's full opinion statement is available in full on request.</p>
<p>The network company has used a 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>Annual engagement planning process (including informing and engaging stakeholders through a variety of mechanisms): When developing their engagement plans, senior managers consider their core issues and the results of their stakeholder mapping identified in steps one and two. They tailor engagement as appropriate to the interest and influence level of the stakeholder groups identities and work to ensure breadth and depth of engagement across their areas. They select methods from the Dialogue and Consultation end of the Spectrum of Engagement Types for high interest/high influence stakeholders and Information Giving and Gathering for low interest/low influence stakeholders.</p> <p>The annual engagement planning process is described in full in Part 1 on pages 5 and 6.</p> <p>Tractivity Stakeholder Engagement Management System: All individual plans are built in Tractivity, enabling full visibility for all engagement plan owners and their teams, highlighting the range of engagement methods used, and allowing further analysis at a higher strategic level. Tractivity is described in full in Part 1 on pages 2 and 7 and Part 2 page 2.</p> <p>DNV GL Independent Review 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 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>DNV GL said "The licence and topic engagement plans were all examples of tailored engagement each with a range of engagement activities combining established channels, one-to-one engagement and bespoke engagement. We noted that a number of plans such as Sustainability, Social Obligations and DSO, included stakeholder working groups which provided a strong opportunity for topic specific input from experts and leaders. We noted examples of tailored approaches at district level, such as the Ayrshire district panel, and recommend SPEN continue to tailor engagement at district level."</p> <p>"The two strategic stakeholder panels for distribution continued during the year, and it has been positive to note the establishment of the Transmission stakeholder panel this year. This has enabled engagement with Transmission stakeholders on Transmission specific topics and issues that were not previously being covered by other panels."</p> <p>"We noted that panel agendas were aligned with strategic business issues, and that although agendas are led by SPEN, panel members interviewed felt they could contribute additional issues and suggest agenda items when appropriate. The strategic stakeholder panels continued to be externally facilitated and included strong participation from SPEN's senior management. We consider both of these add to the success of the panels and should continue."</p> <p>"In addition to strategic stakeholder panels, SPEN run additional more tactical panels on a similar basis, facilitated by SPEN management. A district panel was introduced this year in Ayrshire, and we noted this had supported the business in making progress in areas such as safety and metal theft. SPEN are considering which other districts may benefit from a local panel, although it may not be appropriate for every district, which is an approach we support."</p> <p>DNV's full opinion statement is available in full on request.</p>
<p>The network company can demonstrate it is acting on input / feedback from stakeholders.</p>	<p>Annual engagement planning process (including recording and analysing stakeholder feedback): Our new Tractivity stakeholder management system is like a sorting office for feedback. It's here that all feedback from stakeholders is logged and linked to an associated contact and business action. 196 actionable items were logged in 2016–17. It helps us keep on top of stakeholders' feedback and track our actions, so we can see instantly what we have to do and how progress is being made. All members of our Internal Stakeholder Action Group and their teams can access it, so they have the chance to identify opportunities and efficiencies, and to</p>	<p>Our 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>avoid duplication. It means we can track our progress across all 14 engagement plans. It shows the aim of each engagement, its link to specific strategic issues, the stakeholder groups involved, date and type of engagement. Using this clear vision of activity, engagement plan owners can quickly access up to date information, enabling them to make informed and joined up decisions. 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 district-based organisation and our embedded governance structure enables information sharing between all levels of the organisation. It provides several touch points throughout the formal structure to facilitate the flow of information and feedback from the front line teams to the executive team and back again. Senior business leads share feedback and learnings through Internal Stakeholder Action Group, (ISAG) meetings and District and Topic 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 Review statement: As part of DNV GL's review they considered 'Tracking and responding to stakeholder views' 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>The 11 case studies in Part 2 pages 5-9 highlight the ways in which we have acted on input and feedback from stakeholders.</p> <p>Part 3 The outcomes and initiatives in Part 3 of our submission are all wholly attributed to input and feedback from stakeholders. Pages 4, 6, 7 and 8 describe engagement leading to positive outcomes on page 10.</p> <p>DNV GL said "It was positive to note, for several of the strategic business issues, the stakeholder panels have been consulted with this year (e.g. black start and DSO). SPEN have said that the stakeholder feedback has significantly influenced the company's response to these issues."</p> <p>"The strategic stakeholder panels continue to be a good example of consistency in quality of responses, which included following up on issues raised in subsequent panels. One of the steps taken this year was to produce an outcomes report, summarising feedback to the panels and actions taken by SPEN, retrospectively for 2015-16. We support the intention to continue this as an annual process."</p> <p>"We continued to note senior management support for stakeholder engagement across SPEN, which they consider a core business value and is seen as being integral to the way SPEN do business."</p>
<p>The network company can demonstrate that stakeholder engagement has led to positive outcomes for stakeholders.</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.</p> <p>We demonstrate the positive outcomes from a broad range of initiatives in Part 2 and Part 3 of our submission:</p> <ul style="list-style-type: none"> • Cultivating partnerships to target 'hard to reach' and future stakeholders • Getting safety messages into the heart of North Wales • Connecting community energy projects to our network • Integrated Energy Planning in England, Scotland and Wales • Knowing who to contact in a power cut • Minimising disruption arising from network improvement works • Network resilience in the evolving UK energy mix • Stakeholder-driven sustainability • Education and future workforce • Leading with a proactive approach to Smart Meter installation • From Network Operator to System Operator – accelerating the national discussion <p>Our updated approach in action – case study is described in Part 1 on page 8.</p> <p>DNV GL Independent Review statement: As part of DNV GL's review they considered 'Tracking and responding to stakeholder views' and 'Tracking the impact of outcomes'. The 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>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>Highlights from selected initiatives are included in Part 2 pages 5-9 of 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>Part 3 of our submission describes how our whole consumer vulnerability strategy and approach has been built on engagement. The outcomes and initiatives are all wholly attributed to engagement. Pages 4, 6, 7 and 8 describe engagement leading to positive outcomes on page 10.</p>