

# STAKEHOLDER ENGAGEMENT AND CONSUMER VULNERABILITY INCENTIVE SCHEME



Making a positive difference  
for energy consumers

## PART 1 SUBMISSION ENTRY FORM

<b>COMPANY DETAILS:</b> (please complete)		<b>CONTACT DETAILS:</b> (please complete)	
Company:	SP Energy Networks	Name:	TRACY JOYCE
Licensee(s):	SP Distribution plc SP Manweb plc	Title:	HEAD OF STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS
		Telephone:	0141 614 1582
		Email:	<a href="mailto:tracy.joyce@spenergynetworks.co.uk">tracy.joyce@spenergynetworks.co.uk</a>
<b>MINIMUM REQUIREMENTS</b> Please provide supporting evidence and high level overview of how your company has met the Minimum Requirements set out below:			
	<b>Evidence referred to within application (i.e., evaluation, assurance report, survey, etc.)</b>	<b>Overview of your arguments demonstrating compliance with requirement. Clearly signpost as to additional relevant evidence/ information within Submission</b>	
The network company has comprehensive and up-to-date stakeholder engagement and consumer vulnerability strategies.	<p><b>AccountAbility Health Check Statement:</b> AccountAbility, owners of the AA1000SE standard conducted a health check on our strategy, governance, activities and communication performance against this standard.</p> <p><u>Placed in top 27% of organisations, receiving 'Advanced maturity'</u> – Commitment to AA1000APS (2008) – 88% / Integration into organisational governance – 75% / Integration into operational strategy – 75%</p> <p>AccountAbility said '<i>SP Energy Networks demonstrated a strong performance across the various elements of AccountAbility AA1000SES, 2015. With a total score of 66%, the organisation lies within the Advanced Stage of the AccountAbility Stakeholder Engagement maturity ladder. The score is a very strong score, notably for a first time assessment.</i>'</p> <p>Full AccountAbility statement available upon request.</p> <p><b>The evidence for this includes:</b>  <b>Part 1 page 2</b> describes how we've approved our strategy and outcomes in the past year, and our strong assessment against the AA1000 standard.  <b>Part 1 page 3</b> describes how our strategy aligns with the AA1000 principles of Inclusivity, Materiality and Responsiveness, and the 7-pillars that enable us to deliver them.  <b>Part 1 page 4</b> describes our four-step engagement planning and delivery process, where we work with stakeholders to identify and shape mutual strategic risks, identifying and prioritise a broad and inclusive range of impacted stakeholders including hard to reach and challenging stakeholders, how we inform and engage stakeholders through a variety of mechanisms and how we record feedback and take action.  <b>Part 1 page 5</b> describes how we use the information gathered through stakeholder mapping to tailor engagement and use the appropriate mechanisms, and indicating the varied mechanisms used to engage 121,402 stakeholders through 656 distribution engagements.  <b>Part 1 page 6</b> describes how we enhance consistency through our end-to-end engagement system.  <b>Part 1 page 7</b> describes how our perpetual feedback loop drives relentless service improvement, and showing a small selection of the actions and outcomes realised through continuing use of the feedback loop.  <b>Part 1 page 9</b> describes our strategy, vision and approach to Consumer Vulnerability is an integral part of</p>	<p>We have a comprehensive stakeholder engagement strategy that aligns with the AA1000 Stakeholder Engagement Standard. Our strategy shows how we define the purpose of each engagement, how we identify the broad range of stakeholder groups we engage with, how we carry out engagement, how we collect and act on feedback, and how we deliver the outcomes and impacts our stakeholders value. Our strategy is independently reviewed against the AA1000SE standard annually. It is updated and approved annually by our CEO and Executive Team.</p> <p>Relevant evidence for this is in:</p> <ul style="list-style-type: none"> <li>• <b>Part 1 pages 1-8 and 10</b></li> <li>• <b>Part 2 throughout</b></li> </ul> <p>We have a comprehensive and up to date consumer vulnerability strategy. Our vision and outcomes have been shaped by engagement and research and the amount we spend to deliver our activities has been tested with customers, stakeholders and consumer groups. <b>Part 1 page 9</b> summarises our six pillar strategy.</p> <p>Our strategy is summarised in <b>Part 1 page 9</b> and evidence of this is shown <b>throughout part 3</b>. We achieved BSI accreditation for vulnerability last year and have an ongoing programme. We have built on this in 2017 with a training programme for our staff through the Institute of Customer Service which includes specific vulnerability training and qualification for our staff.</p> <p>AccountAbility said '<i>SP Energy Networks demonstrated a strong performance across the various elements of AccountAbility AA1000SES, 2015. With a total score of 66%, the organisation lies within the Advanced Stage of the AccountAbility Stakeholder Engagement maturity ladder. The score is a very strong score, notably for a first time assessment.</i>'</p> <p>Full AccountAbility statement available upon request.</p> <p>Advanced maturity represents assessment scores between 51 and 75%, and Mature stage represents scores of 76%+.</p>	

	<p>the overall stakeholder strategy, and detailing how the strategy is formed around six pillars: Direction, Data, Culture, Partnerships, Costs and Assurance.</p> <p><b>Part 1 page 10</b> describes how responsibility for engagement is embedded through all layers and locations of our business, how information is shared, and how we govern the process.</p> <p><b>Our consumer vulnerability strategy is annually updated and signed off by our CEO and Executive Team.</b></p> <p><b>Our stakeholder engagement strategy is annually updated and signed off by our CEO and Executive Team, and can be found at:</b></p> <p><a href="https://www.spenergynetworks.co.uk/userfiles/file/20170608_SPEN_SEStrategy_V4.7FINAL.pdf">https://www.spenergynetworks.co.uk/userfiles/file/20170608_SPEN_SEStrategy_V4.7FINAL.pdf</a></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><b>Our strategy for inclusivity is described in our 4-step planning process in Part 1, page 4 and in our feedback loop on page 7</b></p> <p><b>Step 1</b> – we use a variety of sources, including existing engagement, such as strategic stakeholder panels and in-depth annual surveys to identify and validate business and stakeholder priorities and emerging themes. Managers then identify the stakeholder and business strategic issues and risk across each of the 14 licence and topic-specific engagement plans.</p> <p><b>Step 2</b> – senior managers select impacted stakeholder groups and hard to reach or challenging stakeholders, applicable to the topic, from a master list of 139 categories. From this list they attribute a prioritisation rating to each stakeholder group, based on interest in this subject and influence over our organisation on this subject. The resulting ranking produces four levels of stakeholders on our interest/ influence matrix. We then build and prioritise our engagements against these rankings.</p> <p><u>Updated engagement planning process</u></p> <p>We clarified our engagement planning process to make clear that senior managers only conduct interest and influence mapping on impacted stakeholders. We have also introduced a specific step to identify hard to reach or challenging stakeholders at this stage, reflecting the needs and preference of our stakeholders. <b>Part 1 page 2.</b></p> <p><u>Tractivity system enables us to broaden engagement</u></p> <p>Our end-to-end engagement system enables us to be more focused and agile in engagement planning, with the ability to target the right people and identify and close gaps. The system also identifies and reduces engagement overlaps between departments, enabling more efficient engagement and reducing stakeholder fatigue. <b>Part 1 page 6.</b></p> <p><b>This year we engaged 121,402 stakeholders through dialogue, consultation and information gathering and reached a further 11.3m through information giving.</b></p> <p><b>We added three new engagement opportunities, reaching an additional 1070 stakeholders through direct engagement:</b></p> <p><u>Stakeholder Conferences – Part 2 page 2</u></p> <p>Two new stakeholder conferences enabled a more diverse cross section of our stakeholders to engage with our CEO and whole executive team on some of the biggest energy challenges of the moment.</p> <p><u>Willingness to Pay – Part 2 Page 2</u></p>	<p><b>Every outcome</b> in our part 2 submission has been supported by engagement with a broad and inclusive range of relevant stakeholders. A summary table of all distribution engagement carried out in 2017-18 is included in <b>Part 1 on page 5</b></p> <p>Throughout our Part 2 submission, we show how engagement with diverse stakeholders has helped us to deliver robust results. Engagement specifically targeted towards hard to reach and challenging stakeholders <u>underlined</u>:</p> <p><b>Energy Strategy – Part 2 page 3</b> – Our Strategic Stakeholder Panel with Scottish Government and guests SGN carried out a whole-system review of strategy / <u>Proactive roundtables, meetings and briefings with over 50 MPs, MSPs and AMs / Advocated for our stakeholders at over 50 industry working groups / Innovation newsletters provided to 206 in-area MSPs, MPs and AMs. / Engagement and partnership with Confederation of British Industry, Chambers of Commerce and Enterprise Zones and Partnerships across our areas of operation / Engagement with all local cities on their Smart City plans.</u></p> <p><b>Innovation strategy – Part 2 page 4</b> – Three workshops with over 60 academics identified 180 innovation challenges. / 3 Executive Innovation Strategy board meetings &amp; 3 Innovation Technology board meetings / 20 survey respondents prioritised the challenges. / 2 independently facilitated panels with 49 strategic stakeholders reviewed the draft strategy</p> <p><b>Open innovation – Part 2 page 4</b> – Worked in partnership with a group of 12 cohort members including NHS, councils, academia and other engineering organisations / Worked with over 200 self-selected staff from frontline to director level / <u>Opened up 10 solver challenges to 5,000 individual and SME solvers, through 4 innovation communities.</u></p> <p><b>Developing partnerships – Part 2 page 5</b> – Worked in close partnership with Glasgow City Council to develop Glasgow Smart Street / Worked in close partnership on the Levenmouth Flexible Energy Systems Demonstration Facility / Formed partnership with Cheshire West and Chester Council, sharing our experience of district heating projects to investigate options to heat social housing using residual heat from local industry.</p> <p><b>Smart meter rollout – Part 2 page 5</b> – <u>Engagement with Big 6 Suppliers and meter operators (MOPs), identifying that some MOPs did not know how to fit smart meters where there was no cutout in the customer's premises. / Hosted representatives from The Department for Business, Energy and Industrial Strategy to explain the issue and visit customers in a tenement with no cutouts. / Lobbying other DNOs to take up our proactive intervention approach.</u></p> <p><b>Electric vehicles – Part 2 page 6</b> – Intensive engagement with 78 organisations including Scottish and Welsh Government, Citizen's Advice Scotland, Bright Green Hydrogen, EA Technology, Energy Savings Trust, Local Partnerships Energy Agency, Cheshire Energy Hub, car manufacturers and 12 Councils. / Produced detailed modelling of the impacts, costs and benefits of Electric Vehicle (EV) rollout scenarios on our networks and shared with 49 strategic stakeholders, wider community of 68 stakeholders, and a wide range of expert stakeholders including Scottish and Welsh Government and Transport Scotland, North Wales Trunk Roads Agency and a range of enterprise groups.</p> <p><b>Sustainable business strategy – Part 2 page 7</b> – Intensive engagement with 104 impacted and expert organisations including WWF, Natural Resources Wales, Centre for Sustainable Practice and Living, Scottish Wildlife Trust and</p>

	<p>Our Strategic Stakeholder Panel discussed value for money, providing feedback that there's a need for detailed engagement with stakeholders on value for money, and that there's a need to determine how to constructively engage current and future stakeholders in the debate. Domestic customer focus groups revealed insights on the level of detail they needed to be able to participate in engaging on network costs and value. The resulting new intuitive <b>Willingness to Pay online tool</b> has enabled 999 diverse end consumers to reflect their needs and preferences by easily prioritising the flexible element of their bill, over and above the essentials required to deliver a safe and reliable electricity supply.</p> <p><u>Young Energy Force – Part 2 page 2</u> Key stakeholders told us that future stakeholders are a key group who are currently underrepresented in UK DNO engagement. In response, we hosted ten diverse future stakeholders at our Young Energy Force panel pilot to understand their expectations and priorities. 100% of Young Energy Force panel members would like to attend again.</p> <p><b>New partnerships – Part 2 pages 1, 3-10</b> We entered into specific partnerships with 15 councils, 8 community energy projects, 8 electric vehicle projects, and 6 integrated networks projects in order to reach further hard to reach stakeholders in rural and vulnerable communities, in small and large businesses and high density areas.</p> <p><b>AccountAbility Health Check</b> – How customer vulnerability is delivered within our stakeholder engagement strategy is independently reviewed to AA1000 standard. / Profile and Map Stakeholders – 83%</p>	<p>SEPA. / Shared best practice to encourage other DNOs to form their own sustainability strategies.</p> <p><b>Local benefit from local resources – Part 2 page 7</b> – <u>Engagement with 8 community energy projects to share experience and propose faster, more innovative and less expensive solutions.</u></p> <p><b>Removing barriers to decarbonisation – Part 2 page 8</b> – Through engagement with the Chair of the Solar Trade Association, we worked with members to remove barriers to make the connection process faster, easier and less expensive for smaller solar installations to get connected.</p> <p><b>Removing barriers to connection – Part 2 page 8</b> – 26 interviews and monthly customer surveys with recent connections customers identified 32 actions relating to the connections design process. Held a workshop to simplify the end-to-end connections process, identifying 70 initiatives.</p> <p><b>Safety data and education – Part 2 page 9</b> – Customers and staff told us safety is the number 1 priority. / <u>Schools told us we should work smarter to support this demand and extend our reach by collaborating and partnering with others.</u> / Staff told us that if they had more data on frequency, location and type of public safety incident, they could target more effectively and cut back on incidents even further. / Engaged with other network operators to share best practice on localised safety data. / <u>Engagement with rural communities identified that we needed to help them be safe around overhead power lines</u></p> <p><b>Local area energy planning – Part 2 page 10</b> – <u>Hosted 65 interested businesses to discuss Edinburgh infrastructure development in a coordinated way.</u> / <u>Local area energy planning with all in-area council teams.</u></p> <p><b>Reducing customer disruption – Part 2 page 10</b> – Regular customer surveys enable us to target initiatives to keep disruption to a minimum and provide consumers with enough information and support.</p> <p>In <b>Part 3</b> all of our outcomes have been shaped and informed through engagement, research and feedback from a wide range of stakeholders and customers.</p> <p><b>Page 10 of Part 3</b> summarises our partnerships and shows how 146 stakeholders and partners help us shape our strategy &amp; direction and deliver our outcomes. Our initiatives detailed on <b>Part 3 pages 5-9</b> show how we are engaging with a wide range of organisations, partners and stakeholders targeted towards hard to reach groups.</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><b>Our strategy for informing and engaging stakeholders through a variety of mechanisms is described in Part 1, page 4:</b> In <b>step 3</b> of our engagement planning process, managers tailor engagement as appropriate to the interest and influence level of the stakeholder groups, using the spectrum of engagement types to plan their work. This ensures our engagement is targeted using a variety of appropriate mechanisms.</p> <p>A summary table of the varied mechanisms used for distribution engagement is included in <b>Part 1 on page 5</b></p> <p><b>Part 1 page 1 and Part 2 page 2</b> describe how we've used engagement define our approach to strengthening the consumer voice, resulting in a new intuitive Willingness to Pay online tool for domestic customers, and a new Young Energy Force panel pilot for future stakeholders.</p> <p><b>Part 1 page 2</b> details our compliance with AA1000.</p> <p><b>AccountAbility Health Check</b> – Determine engagement levels and methods – 67% / Establish the scope of engagement – 75%</p> <p><b>Part 2 (all pages)</b> shows the wide range of mechanisms that we have used to inform and engage stakeholders, based on their preferences. It gives a picture of how our embedded engagement model enables tailoring to the level, location and interests of specific stakeholders, while our strong end-to-end system enables all</p>	<p>Using the information gathered in our planning process and the results of our stakeholder mapping, we tailor our engagement using appropriate mechanisms. Senior managers are guided by our Spectrum of engagement types, using this to select the most appropriate mechanisms for engagement based on the needs of impacted stakeholders. Each engagement plan is reviewed by the central stakeholder team and tracked by smart reporting in our stakeholder engagement management system, Tractivity.</p> <p>We tailor our engagement mechanisms to enable all stakeholders to be able to engage with us effectively, often offering a blend of tailored approaches for maximum coverage:</p> <p><b>Political representatives – Part 2 pages 2, 3 and 7</b> – Strategic stakeholder panels / Stakeholder conferences / Proactive roundtables, meetings and briefings / Consultation responses / Bilateral meetings / Newsletters / Best practice sharing</p> <p><b>Future stakeholders – Part 2 pages 1 and 2</b> – Young Energy Force panel pilot / Willingness to pay / Social media</p> <p><b>Innovators – Part 2 pages 2-6</b> – Strategic stakeholder panels / Partnerships / Workshops / Surveys / Consultation / Stakeholder online community / Stakeholder conferences / Calls for innovation</p> <p><b>Councils and planning, commerce and enterprise – Part 2 pages 2, 5-7 and 10</b> – Strategic stakeholder panels / Stakeholder conferences / Local area energy planning engagement / Partnerships / Infrastructure coordination groups / Infrastructure breakfast / Bilaterals / Board membership</p> <p><b>Community energy – Part 2 pages 7 and 8</b> – Strategic stakeholder panels / Stakeholder conferences / Partnerships / Project engagement / Community energy days / Working groups / Bilaterals</p> <p><b>Connections – Part 2 pages 7 and 8</b> – Workshops / Survey / Trade association engagement / Connections panels</p> <p><b>Third sector – Part 2 page 1 and 2</b> – Strategic stakeholder panels / Stakeholder conferences / Stakeholder online community / Online newsletters / Partnership / Posters, postcards and leaflets provided to local representatives and community gatekeepers</p> <p><b>Research &amp; Development organisations – Part 2 pages 3-6</b> – Partnership / Strategic stakeholder panels / Stakeholder Conferences / Survey / Stakeholder online community / Call for innovation / Online newsletters</p>

	<p>feedback to be brought together to give a rich overall picture and improved outcomes for all.</p>	<p><b>Environment &amp; Sustainability organisations – Part 2 pages 7-8</b> – Sustainability Stakeholder Working Group / Partnerships / Strategic Stakeholder Panels / Stakeholder Conferences / Survey / Stakeholder online community</p> <p><b>End consumers and the vulnerable – Part 2 pages 1, 2, 6, 8 and 9</b></p> <p><u>Value for money and priorities</u> – Willingness to pay survey / Customer focus groups / Customer surveys / Customer online community</p> <p><u>Awareness of 105 and PSR</u> – On-street and transport / Promotional bags at shopping centres and large scale events / Social media materials / Press coverage / Pharmacy bags / Posters, postcards and leaflets / Targeted web adverts / Posters, postcards and leaflets provided to local representatives and community gatekeepers</p> <p><u>Public safety</u> – Hard-hitting drama project / State-of-the art interactive safety education centre / Powerwise electricity safety competition / Powerwise electricity safety social media campaign / Partnerships with RGC and Glasgow Warriors Rugby / Partnership with Scottish Association of Young Farmers Clubs</p> <p><u>STEM and developing the young workforce</u> – Teach the teacher / Business in the community events and skills building</p> <p><u>Reducing disruption</u> – Door to door / Text message / Social media / Press / Posters and postcards</p> <p><b>Energy suppliers and meter operatives – Part 2 page 5</b> – Working groups / Bilaterals / Hosting visits / Online training video</p> <p><b>Network operator peers – Part 2 pages 2-9</b> – Stakeholder best practice sharing / Innovation working group / Smart metering working group / Environment and sustainability working group / Health &amp; Safety working group.</p> <p>In <b>Part 3</b> we show we have tailored our engagement to meet the needs of various stakeholder groups. <b>Part 3 Page 5</b> shows how we have supplemented our awareness campaigns with a programme of face-to-face engagement across community groups covering all of the customer groups making up our customer base and targeting areas we know we have specific challenges to reach people informed by data.</p> <p>Our consumer vulnerability strategy has been informed by engagement in a number of ways such as strategic panels, working groups, research over the phone, face to face as well as focus groups and events.</p>
<p>The network company can demonstrate it is acting on input / feedback from stakeholders.</p>	<p><b>Actions resulting from stakeholder engagement are detailed in Part 1 page 7 and a table of all engagement actions and outcomes is available here:</b> <a href="http://spenergynetworks.co.uk/stakeholderfeedback">spenergynetworks.co.uk/stakeholderfeedback</a></p> <p><b>Our strategy for recording feedback and taking action – Part 1, page 4</b></p> <p>In <b>step 4</b> of our engagement planning process, we gather feedback, analyse it and then take the right action. Our new Tractivity stakeholder engagement management system is where this information is logged, keeping us on top of stakeholder feedback and our associated actions.</p> <p><b>AccountAbility Health Check</b> – Engage – 67% / Document the engagement plan and its outputs – 67% / Develop an action plan – 60%</p>	<p>Our engagement process and subsequent work is driven by the feedback we receive. This is crucial in designing and delivering a service that is right for those affected by any area of our business. Our perpetual feedback loop drives relentless service improvement. All stages of our feedback loop are supported by our Tractivity system and core engagement programme.</p> <p>51 Stakeholder feedback points (<b>You Said</b>) and the 90 actions we have taken in response, (<b>We Did</b>) with icons showing best practice/innovation, partnership, hard to reach and increase/replication are shown in <b>Part 2 pages 3-10</b></p> <p>In Part 3 all outcomes and initiatives have been informed by feedback and research.</p>
<p>The network company can demonstrate that stakeholder engagement has led to positive outcomes for stakeholders.</p>	<p><b>Outcomes resulting from stakeholder engagement – Part 1 page 7</b></p> <p>Our engagement process and subsequent work is driven by the feedback we receive. This is crucial in designing and delivering a service that is right for those affected by any area of our business.</p> <p><b>AccountAbility Health Check</b> – Communicate engagement outputs and action plan – 67%</p>	<p>More than <b>£9.6m</b> benefit delivered to customers through engagement beyond business as usual in 2017-18. Our Part 2 submission highlights some of the key outcomes we have delivered in the past 12 months through targeted engagement, going above and beyond business as usual. This represents only a very small selection of the benefits that we achieve for our customers.</p> <p>83 positive outcomes and impacts delivered for stakeholders and consumers (<b>Outcomes and Impact</b>), with icons showing outcomes, impacts, best practice/innovation, partnership, hard to reach and increase/replication are shown in <b>Part 2 pages 3-10</b>.</p> <p><b>A table of all engagement actions and outcomes is available here:</b> <a href="http://spenergynetworks.co.uk/stakeholderfeedback">spenergynetworks.co.uk/stakeholderfeedback</a></p> <p>In <b>Part 3, pages 3 and 4</b> show our 3 key outcomes and the 27 ways in which we measure their effectiveness. All initiatives shown on pages <b>5-9</b> demonstrate the outcome they impact and the result delivered.</p>