

Making a Difference

Our strategy for stakeholder engagement

Ofgem Electricity Distribution Stakeholder
Engagement Incentive Scheme 2018/19
Part One



WINNER



**SP ENERGY
NETWORKS**

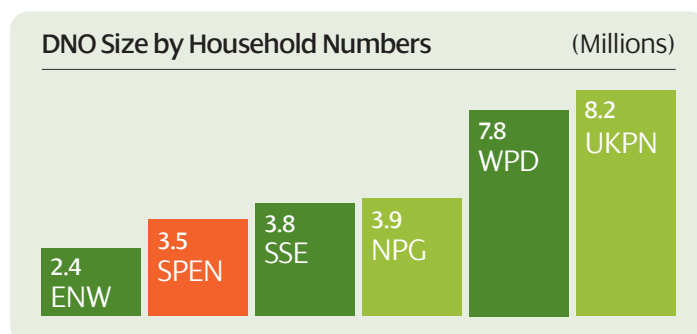
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This is Part One of our submission to Ofgem's Stakeholder Engagement Incentive for regulatory year 2018/2019.

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

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

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Company size and scale

SPEN has 3.5 million households and is 5th in terms of the size of our customer base (but not the size of our ambition) when comparing all 6 DNOs.

Enhancing our Approach to Stakeholder Engagement



I'm really proud of the progress we have made in the past regulatory year. We've implemented a new Stakeholder Engagement Strategy, which makes our mission, principles, approach and processes much easier to understand. We have introduced a new industry-first measurement tool which is helping us assess the impact of our activities in a more robust way than ever before.

Most importantly to me, all of this is leading to real, tangible action in our business and benefits for customers and stakeholders.

This year has been exceptional for us, with record high performance, exceeding expectation in many areas and over-delivering for customers and stakeholders.

This impressive performance has not come at the cost of quality. Customer satisfaction is highest it's ever been. We are now benchmarked 1st in the UK for customer service by the Institute of Customer Service, outperforming leading household names like John Lewis and Amazon.

We are also much more strategic in the way we approach engagement, focusing specifically on the things customers have told us matter the most to them – clean growth, better public services, a stronger, independent economy, a richer, fairer future and personal freedom. In summary, our customers and stakeholders want us to provide a better future, quicker.

Frank Mitchell, CEO, SP Energy Networks



AccountAbility

Within the top 16% of companies assessed globally since 2012
AccountAbility AA1000SE healthcheck

The AA1000 standard is a globally-recognised standard for stakeholder engagement.

Not only does our strategy align with the AA1000 standard, but we have asked the owners of the standard, AccountAbility to conduct an audit of our Stakeholder Engagement strategy, governance, activities and communications for the second year running.

AccountAbility evaluates maturity in stakeholder engagement processes and embeddedness, identifying four maturity stages for an organisation.

The assessment involves director and senior manager interviews, as well as a robust evidence check.

This year we were awarded a score of 72%, up 6 percentage points from last year, and placing us in the top 16% of companies assessed globally since 2012.

"There is strong commitment to stakeholder engagement evidenced by integration into governance, and the ability of regional teams to proactively shape organisational strategy."

Accountability – Stakeholder Engagement Healthcheck 2018/19



Structure of this Submission:

Part 1:

Overview of Stakeholder engagement strategy, introducing our enhanced strategy for 2018/19.

Part 2:

Strategy demonstrated in more detail, with an overview of the initiatives we have taken forward as a result of engagement.

Part 3:

Overview of our Consumer vulnerability strategy, introducing changes made for 2018/19 and initiatives taken forward to support vulnerable customers.

How do we know we are focused on the right topics?

In early 2018, we conducted in-depth research with customers. We wanted to understand what our customers wanted from a network operator and the key values they expect us to hold.

We held 6 discussion groups – 1 with women, 1 with men, 1 with non-adopters of new technology, 1 with early adopters of new technology, 1 with participants with children and 1 with participants aged 60+.

We looked for key themes/points arising, asked why these were important and enquiring what those mean for them, their local area and their families. We tested a series of messages with innovative, 'dial testing', to capture real-time reactions and sentiments, to see what themes received a positive reaction from participants.

The results were revealing – customers wanted a **better future, quicker**:

BETTER

Clean growth, better public services

FUTURE

A stronger, independent economy, a richer, fairer future

QUICKER

Personal freedom

To ensure we had interpreted the needs of customers correctly and were meeting the needs of our distribution stakeholders, we tested the topics with our Strategic Stakeholder Panels. Building on our engagement themes from last year, we can now be sure we are focusing on the right areas as validated by our stakeholders and customers as their priority.

We took the results from this research and structured our engagement approach around these three themes. They are the building blocks of the engagement topics used in our new Stakeholder Engagement Strategy. We have also ordered our **Part 2** submission to incorporate these headings, with a double page on each key theme:

BETTER –

A SUSTAINABLE NETWORK

(Our sustainability strategy, Supporting electrification of vehicles and public transport)

FUTURE –

SMART COMMUNITIES

(Enabling smarter cities and countries, Supporting ambitions of local communities)

QUICKER –

AN INNOVATIVE NETWORK

(Transitioning to a system operator, Agile and flexible connections)



Our New Stakeholder Engagement Strategy

This year, we took the opportunity to build a new Stakeholder Engagement Strategy.

Building upon the lessons we have learned since our previous strategy was implemented in 2013, we incorporated feedback from last year's independent panel, from recognised experts in stakeholder engagement – AccountAbility

and Sia Partners. Our new strategy has also been validated by our Strategic Stakeholder Panels.

We believe that, as a result, our new strategy represents a positive shift in approach – ensuring our engagement is more targeted, our approach is more robust and our end results more measurable.

Ofgem Panel Feedback 2017 / 2018

Demonstrate how stakeholder feedback has guided decision making.

Demonstrate how initiatives have matured and developed over time.

Demonstrate a more measurable approach to costs, benefits and value.

Accountability Feedback 2017 / 2018

Establish and explain the purpose of engagement to ensure accurate planning.

Define engagement metrics and objectives that are reported on regularly.

Develop a clear process for handling risks and impediments that appear during planning.

To deliver consistent engagement activities across our business, we have structured our new strategy into four key parts.

1. Our mission statement

Laying out our ambition – what we want to achieve.

2. Principles of engagement

Statements explaining how we engage – what we want to be known for.

3. An approach to engagement

A series of sequential steps that show how we start, deliver and close our engagement activities.

4. Supporting tools and processes

Structured and consistent tools and processes that support our approach. Delivering engagement activities aligned with our principles, our mission statement and ensuring our strategy is truly embedded within the business.

Our mission statement

This strategy is the result of our journey – a combination of industry best-practice, stakeholder and customer feedback, and years of our own experience delivering high-quality engagement. The mission statement defines our engagement; what it will deliver and how we will be different. This ambition builds on our current strengths, while consciously focusing on what will make future engagement valuable and effective for our customers.

'Our engagement places our stakeholders and customers at the centre of what we do. With a tailored and locally focused approach, we will prioritise their wants and needs in a consistent manner across our business. We will deliver safe, reliable services, sustainable value, and a better future, quicker.'



Our New Stakeholder Engagement Strategy

Our Principles

Inclusive

We engage all customers and stakeholders impacted through our work, with a specific focus to ensure those who may be hard to reach are given a voice.

Authentic

Our engagement works to understand the significant issues affecting our customers and stakeholders, before acting on them in a meaningful way.

Tailored

The approach we take to engagement ensures that each initiative is planned and delivered in the most appropriate way for the specific purpose and stakeholders in question.

Value-for-money

An inherent focus, we ensure efficient spending on engagement activities, aiming to maximise the overall customer benefit.

Innovative

We aim to better our approach each year, continually looking for new methods to improve how we engage and deliver against wants and needs.

Examples

INCLUSIVE ✓ Young Energy Force panels conducted to ensure future bill payers influence the company's sustainability plan.

AUTHENTIC ✓ Supporting report research through roundtable engagement on smart city agenda to understand customer needs/wants for the future.

TAILORED ✓ Step 4 of our new approach specifically ensures all engagement is tailored to a specific purpose and set of stakeholders.

VALUE-FOR-MONEY ✓ Introduction of new hybrid measurement tool, which helps the business to prioritise initiatives based on value.

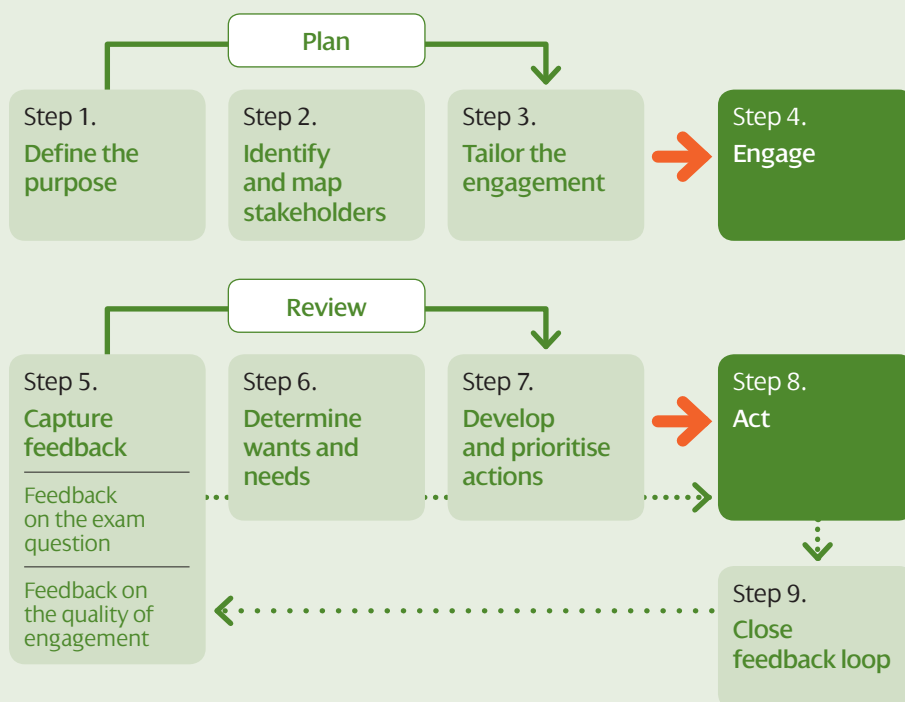
INNOVATIVE ✓ New 'quick-entry' screens added to Tractivity, Stakeholder Management System to make it easier for users to record feedback and actions.



Our Approach

With our mission statement showing our ambition and our principles setting out the underlying characteristics of our activities, we have built on our existing pillars and processes to define a new, 9-step approach to engagement.

The approach consists of a series of sequential steps that detail how we plan, review and close all our engagement activities. Our new approach ensures we identify stakeholders and customers wants and needs and that everything we do adds value for money.



Our New Stakeholder Engagement Strategy

Planning our Engagements

Our strategy starts with a clear purpose and a clearly defined objective, we can then effectively tailor our engagement to deliver the best results for that specific requirement.

"There has been a great improvement in the diversity of stakeholders that (they) engage with. This is helping to remove barriers around fair access to energy, with organisations representing disadvantaged citizens given a voice in shaping (their) organisational strategy."

David Flynn, Director of Smart Systems, Heriot-Watt University

STEP 1

Define the Purpose of Engagement

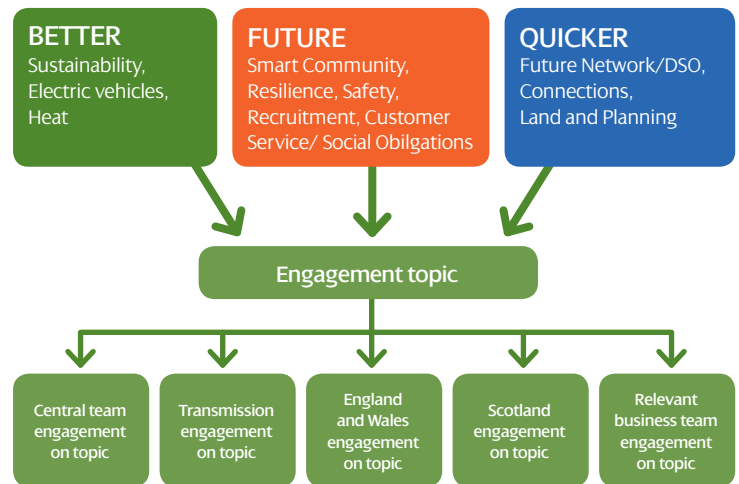
Our focus on a definitive purpose is evident in our approach to engagement planning. We operate with one business-wide engagement plan under our three themes, with 11 clear topics.

Each topic is owned by a senior manager, responsible for engagement across the whole business including executive team, senior management, centralised departments and local teams.

This approach provides a central view of engagement. It ensures we minimise duplication and identify gaps early in the planning process.

The new planning approach also mitigates the risk of engagement taking place without the participation and knowledge of the key staff. By organising engagements on a topic by topic basis, we can ensure that all relevant staff are identified and are aware of engagements planned across the whole business.

Engagement broken down by topic:



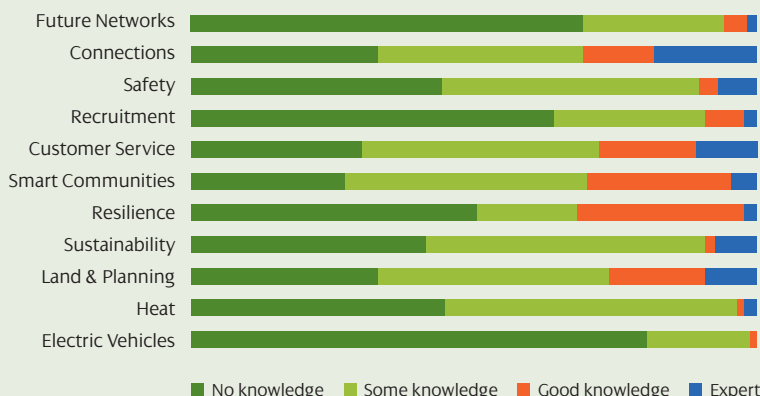
STEP 2

Identifying and Mapping our Stakeholders

With a clear purpose defined, we need to identify the key stakeholders who are best placed to provide the insight required and help us achieve our objective. To do this, we need an understanding of the knowledge levels of our stakeholders on the particular topics we are engaging with them on.

With a database of **over 3,800 stakeholders**, which are categorised into 15 groups and 56 sub groups to give us an understanding of what their specialist subjects are. This was completed by assigning knowledge levels of each of our 11 strategic topics for every stakeholder. This understanding is developed and updated on an ongoing basis. For example, we have been able to identify a gap in stakeholders with expert knowledge of electric vehicles, which is now a target for improvement.

SPEN Stakeholders' Level of Knowledge



By using this method we can easily identify hard-to-reach stakeholder groups that would be appropriate for a specific engagement. This has encouraged us to be more inclusive in our efforts and target the appropriate gaps in our engagements.

Group	Sub-group
Academic Institutions	Universities
Academic Institutions	Schools
Academic Institutions	Colleges
Connected customers	Distribution demand
Connected customers	Distribution generation
Connected customers	Domestic customers
Connected customers	Transmission
Connections	Distribution demand
Connections	Distribution generation
Connections	Transmission
Emergency response	Fire services
Emergency response	Health services
Emergency response	Police services

Knowledge levels

Our improved approach to stakeholder consideration

No knowledge	Stakeholders who have no awareness of the topic
Some knowledge	Stakeholders who are not very familiar with the topic
Good knowledge	Stakeholders who are knowledgeable about the topic but lack specific expertise in the area
Expert knowledge	Stakeholders who have a high level of expertise in the topic

Our New Stakeholder Engagement Strategy

STEP 3

Tailoring the Engagement

To ensure maximum value is gained from each event, we tailor two distinct aspects of the engagement:

- 1. Tailored content, before, during, and after the event**
Whether we are educating and informing our stakeholders, or gathering information from them, to communicate effectively, the information presented, and questions asked, must be pitched at the most appropriate level for the particular stakeholders.
- 2. Tailored methods, to reach a wide and varied stakeholder base**
Just as our stakeholders' level of knowledge impacts the content we provide them, their profile also drives the ideal method which we engage.

We have developed a Matrix tool to empower staff to make the right decision.

Example methods of engagement



STEP 4

Engagement

The result of our planning phase is an inclusive, tailored and value for money engagement event, ready to be delivered.

To ensure that our engagements are facilitated well and deliver the intended results, we have taken guidance from the AA1000SES accreditation on the formal identification and management of risks.

The owners of each engagement event, based on the profile of the stakeholders attending the event, assess the potential of each risk, and follow our processes to address it accordingly before and during the engagement. These risks can be either stakeholder-centric or organisational, however they are identified and addressed in the same manner.

Potential Engagement Risks

Stakeholder risks	Organisational risks
Unwillingness to engage	Damage to reputation
Stakeholder fatigue	Loss of control of issues
Lack of balance between weak and strong stakeholders	Strong criticism
Uninformed stakeholders	Creation of conflicts of interest
Technical barriers	Internal disagreement
Impediments to a stakeholder's attendance or participation in an event (e.g. travel, language)	Non-compliance with internal policies

Total Number of Events in 2018/19

418

Total Number of Stakeholders Engaged in 2018/19

107,441

The owners of each engagement pay particular attention to the disclosure of information associated with each event. For example, certain information shared by SP Energy Networks or stakeholders during an event may be confidential, and should not be shared outside of the engagement. In order to mitigate the associated risks, our teams are aware of what information can and cannot be shared in public and take appropriate steps to ensure this is enforced (e.g. confidentiality agreements).

Tailored Methods of Engagement – Across the Whole Business

Method	No of Events per Year	Example Feedback from Events	Example Actions	Example Benefits Delivered
Dialogue e.g. face to face meetings, panels, partnerships	111	Strategic Stakeholder Panels "SPEN should co-create local authority electric charging roll-out plans."	Integrated energy planning with Edinburgh City Council and Liverpool City Region, creating plans for network upgrades and costs.	New Social Return On Investment measurement tool demonstrates that for every £1 invested in the Edinburgh City Council initiative, we will create £10.38 in societal benefits in a 10 year period.
Consultation e.g. workshops, public meetings, formal consultations	106	Sustainability Stakeholder Working Group "You can not achieve waste management targets without first addressing waste minimisation."	Two drivers in the strategy have now been merged within our strategy. Raw Materials and Waste Management have now become 'Sustainable Resource Use.'	By introducing new processes to address how we use resources sustainably we will reduce our impact on the environment and help preserve natural resources. Ultimately making cost savings for customers.
Information Gathering e.g. Focus groups, customer research	5	Young Energy Force focus group "Use new social media channels to reach future bill payers."	New YouTube ads viewed 283,654. LinkedIn channel reaching 800+ followers. NEW power cut 'Call 105' Snapchat filters for community events.	More customers exposed to our messaging and are aware of SPEN. They can engage with us/act during power cuts/talk about us work within their area.
Information Giving e.g. face to face, awards, conference	196	Solar Trade Association Conference "Can you help house builders to understand the impact of the smart home of the future on the network connections requirement?"	Formed a new partnership with CALA Homes to monitor substations and analyse data in 6 key test areas.	Reducing the need to upgrade current infrastructure, with less disruption and more cost savings for customers.

Our New Stakeholder Engagement Strategy

STEP 5

Capturing Feedback

Our engagement process, and subsequent business decision making, continues to be driven by the feedback we receive. This feedback remains crucial in designing and delivering services that are right for those affected by any area of our business. This year, we have built on the foundation of our approach to data – Tractivity, our Stakeholder Management System and used internal learnings and feedback to make improvements to both the suggested content of feedback to collect, and the means with which our users can record this feedback in the system.

To improve our process of capturing all our engagements centrally, and make it less time consuming, we have developed a 'quick-entry' screen to make it easier for users to enter multiple pieces of feedback and actions required in one screen in minutes.

Supporting Tools & Processes

Quick entry screen:

Full details	Feedback quick entry	Engagement quality	Invited contacts	Associated feedback	Issues / Sub-issues	Activities	Attachments
Feedback title	Feedback notes		Issue	Stakeholder (attendee or anonymous)		Activity?	
							<input type="checkbox"/>
							<input type="checkbox"/>

We have ensured that by concentrating on the key outputs (feedback items recorded, and actions identified), we have minimised the data entry required, increasing the volume and value of information recorded for engagement across the board.

STEP 6

Determine Wants and Needs

Once feedback has been recorded against an event, we review the output, updating our understanding of the wants and needs of the individuals affected by our business.

By analysing this feedback to identify areas of service improvement, instances where needs are not currently being met and potential areas for targeting our resources, we focus our actions on the business change our customers and stakeholders care about most. This demonstrates our belief in the importance of authentic engagement.

This step is short but central to the effectiveness of the overall strategy. Without a clear understanding of wants and needs that exist within our network, we cannot measure the effectiveness of the actions, outputs and outcomes we deliver.

STEP 7

Develop and Prioritise Actions

We aim to provide value for money through all services – a principle that lies at the heart of everything the business delivers. Demonstrating this value rests on our ability to measure potential outputs and prioritise accordingly.

Whilst this is something we have always inherently done, we have recently focused on adding structure to our approach. This better justifies where and why we have acted, for our stakeholders.

STEP 8

Act

Each of these actions is recorded and monitored, providing visibility of the full process from engagement conducted, to feedback collected, to action taken. This action is the sum of all work to this point, improving our approach across whichever topic is the subject of the engagement.

STEP 9

Close feedback loop

Our final step of approach is to close the feedback loop.

Measure the success of actions taken

Review performance, measuring the costs and benefits of actions taken to determine whether projects have delivered their expected benefits. This approach allows us to justify, both internally and externally, which projects to scale up or close down, maximising the value for money we deliver for our customers.

Identify how and where we can improve our engagement approach

We have a new mechanism to record feedback specific to the quality of the delivered engagement. To 'close the loop', we review this feedback, whether improving our understanding of our stakeholders, or improving our tailoring, and build it into our approach going forward.

The aim is to continue the feedback loop we've developed through years of previous engagement, supported by our tools, processes and recent updates to our approach. We use our new measurement tool to assess the impact of our actions and prove value for money.

Supporting Tools & Processes – Engagement quality screen:

Full details	Feedback quick entry	Engagement quality	Invited contacts	Associated feedback	Issues / Sub-issues	Activities	Attachments
Objective achieved (yes/no)	Correct Stakeholders chosen?		Stakeholders knowledge level correct?	Appropriate method content?	Activity?		
					<input type="checkbox"/>		
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Reporting

We have improved our monthly reporting process to enhance the visibility of engagement that has taken place to our CEO and executive team. Furthermore, we are now sharing summarised reports externally to ensure we report back to stakeholders on the action we have taken.

Breadth of Core Engagement

"SP Energy Networks clearly see stakeholders as a valuable sounding board to test whether strategies and activities are appropriate. It is clear that Directors and Regional Managers are involved in stakeholder engagement, they are visible and leading stakeholder engagement at the highest level".

Rob Orr, Strategic Relations Manager for Energy, Skills Development Scotland

Strategic Stakeholder Panels

We hold six strategic stakeholder panels each year, attended by Directors and senior managers.

- Diverse group of independent and knowledgeable stakeholders in attendance.
- Stakeholders include representatives from many different sectors for example, local authorities, government, academics, industry players and businesses, charities and consumer representatives.

This year, we have been engaging on topics such as DNO to DSO, infrastructure upgrades to facilitate electric vehicle plans and our new stakeholder and customer vulnerability engagement strategies.

We pride ourselves on the authenticity of our panels. We use them to invite real challenge and to hear fresh ideas. They have become fundamental to our approach, as we gather valuable feedback to help strengthen services.



Example of Output from Stakeholder Panel Feedback

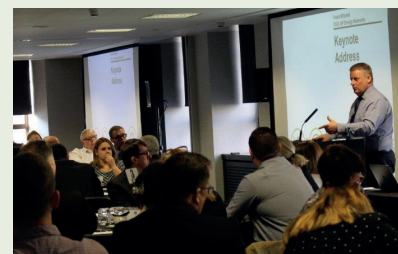
	Feedback	Actions	Benefits
Better	Support rural areas with low carbon innovation, including development of new green skills.	Working with Dumfries and Galloway Council to build a renewables technology hub, providing a modern facility for teaching and development of renewables.	Students and businesses will be able to learn more about renewable energy and bridge local skills gap. Through partnership with local housing, educate vulnerable communities on best use of technologies to address fuel poverty.
Future	Help towns and rural communities to design projects that will benefit them socially, environmentally and economically.	Joined the Scottish Towns Partnership Board to help shape thinking and assistance with securing resource, best practice and support on energy efficiency and innovation, circular economy, waste, housing and transport, digital, and community interventions.	Cumnock, a demonstrator Low Carbon Sustainable Energy Town, recently received investment of £25m from the Ayrshire Growth Deal to create an exemplar UK research facility. This will help taking people out of fuel poverty, increasing jobs and boosting tourism for the community.
Quicker	You should be involved with regeneration projects of brownfield sites.	Provided funding towards infrastructure for the Enterprise & Innovation Centre, and the low carbon transport system at the innovative HALO. Project in Kilmarnock.	Job creation, economic growth, skills development, employment opportunities, clean energy, affordable housing, green transport solutions and sharing learnings.

Stakeholder Conferences

Each year we hold two stakeholder conferences; this year attended by over 180 stakeholders. Our conferences are open to a wider range of stakeholders, reinforcing our aim of inclusiveness to ensure we are educating those stakeholders of network challenges and our business activities and how they are affected by our operations.

Our conferences are attended by our CEO and entire executive team. They include open Q&A sessions. We have introduced new technologies at our panels to capture live feedback and voting.

Topics discussed this year included preparation for RIIO-ED2 business planning and Smarter Communities.



Example of Output from Stakeholder Conferences Feedback

	Feedback	Actions	Benefits
Better	Liaise with other industries and work together to influence policies and understand how SPEN affects their operations.	Partnership with the Solar Trade Association – working closely with this specific group to understand their needs and to amend/ change policies in line with these. Holding Future Homes Conference in 2019 for 'Homes for Scotland' and other major house builders.	Our policy changes allow the solar power sector to achieve optimum ability to deliver their services. Engagement and partnerships with home builders will ensure smart homes of the future will use appropriate electricity supply to facilitate their low carbon technology requirements.
Future	94% of attendees said awareness of environmental and financial benefits of smart cities should be increased.	Commissioned report produced by think tank Localis – 'Smart Cities, Fair Investment for Sustainable Growth', highlighting the role of energy networks in delivering smart cities.	Cities and towns provided with clear, robust analysis of the environmental and financial benefits of smart city growth.
Quicker	Innovation and the use of new and emerging technologies is critical, you need to ensure the network is ready to support this.	Launched new tender process for 116MW of flexibility options – across three geographic areas.	Flexibility services help make better use of the existing assets to deliver quicker connections for our businesses and households. Avoiding or reducing the need for traditional reinforcement can lead to lower system costs and consumer bills.

Our core engagement complements our comprehensive programme of 410 other engagements including Young Energy Force panels, online communities, customer focus groups, conferences and community engagements.

Our new Consumer Vulnerability Strategy

Our Consumer Vulnerability Strategy is an extension of our overall general Stakeholder Engagement Strategy however, given the distinctive dynamic nature our vulnerable customers, it demands a more tailored strategy.

Our new vulnerability strategy consists of two elements:

- A mission statement which provides our central objective and presents what SPEN wants to achieve when it comes to supporting vulnerable customers; and
- A set of action statements that state how we will develop the capabilities we need to achieve our mission statement – these statements shape the day-to-day actions we will take.

Ultimately, the strategy is supported by a set of tools and processes which we have designed to ensure that our staff are empowered to make the right decisions and act when it matters.

Our dedicated Consumer Vulnerability Strategy has been in place for years, however, as with the overall strategy, we have updated and developed it over the last regulatory year by building on our previous experience and lessons learned.

We have focused on feedback from our customers and stakeholders to ensure we are taking the best course of action to ensure we are continuing to focus on their priorities to achieve the best possible outcomes for our vulnerable customers. Our strategy focuses on how we can best support and enable those vulnerable customers to cope in a power cut situation.

As part of the development of our new strategy, we have also looked for expert guidance, directly integrating feedback from Ofgem, the independent panel, AccountAbility's AA1000SES audit, our vulnerability partnerships and an independent gap analysis by Sia Partners, a recognised expert in the area, to signpost our improvement efforts.

As we updated our approach, we tested and confirmed our proposals with key staff across the business, including our executive team. We also tested our updated vulnerability strategy with stakeholders who are experts in vulnerability issues. The feedback was collected, reviewed, and incorporated in the development of the final version of our Consumer Vulnerability Strategy.

SPENs definition of vulnerability

Vulnerability is when personal circumstances combined with a situation arise to make a citizen more likely to suffer detriment. The situation can be both energy and non-energy related and can be both permanent or temporary.



Mission Statement

'SP Energy Networks aims to be a service leader in the UK. We will strive to minimise the impact we have on our communities and provide bespoke support to our customers in vulnerable situations. We will do so by offering the appropriate support to those who need it the most, in cost effective ways.'

Our mission statement is tied to our previous strategy and is in line with our broader stakeholder engagement strategy. This ensures that there is a single, unified direction for how we will serve its customers.

We developed this vision by building on our current strengths, while incorporating stakeholder feedback to make future safeguarding activities valuable and effective for our customers.

Our Action Statements

Our five action statements set out the capabilities that we need to be able to achieve our mission statement. In order to identify these, we first mapped the high-level steps we would need to take in order to effectively fulfil our mission statement. To ensure we are driving our efforts in a direction that is beneficial to customers and society at large, we tested them with our partners and other stakeholders who are experts in vulnerability.

Our action statements

Our action statements complete our strategy by specifying the areas on which we will focus to achieve our mission to: deliver bespoke support to those who need it the most in the most cost-effective ways.

1. Engagement

SP Energy Networks will engage customers in vulnerable situations directly and through its partners to identify the support that these customers want and need. We will embed tools and processes to ensure that all aspects of our strategy and approach are shaped by those we support.

2. Services

SP Energy Networks will develop a portfolio of free services that effectively address the needs of customers affected by our work and alleviate the situations of vulnerability that stem from wider social issues. SP Energy Networks will strive to ensure that services represent value for money and that all customers are aware and informed on the support available to them.

3. Partnerships

SP Energy Networks will develop a network of partnerships to reach and deliver support to vulnerable customers in ways that maximise our impact, consistently across our networks. We will review our partnerships to ensure that they reflect the dynamics of the communities we serve and that they can support whenever we are not best placed to take action.

4. Data

SP Energy Networks will strive to gather and maintain up-to-date and reliable data on its customers through a wide range of appropriate methods. Data will be a key asset in informing and constantly improving our strategy and practical approach to dealing with situations of vulnerability appropriately across our networks.

5. Training

SP Energy Networks will provide training and support to its staff and service partners to ensure that they are well placed to identify situations of vulnerability and to apply the embedded tools and processes we have developed to support our customers.

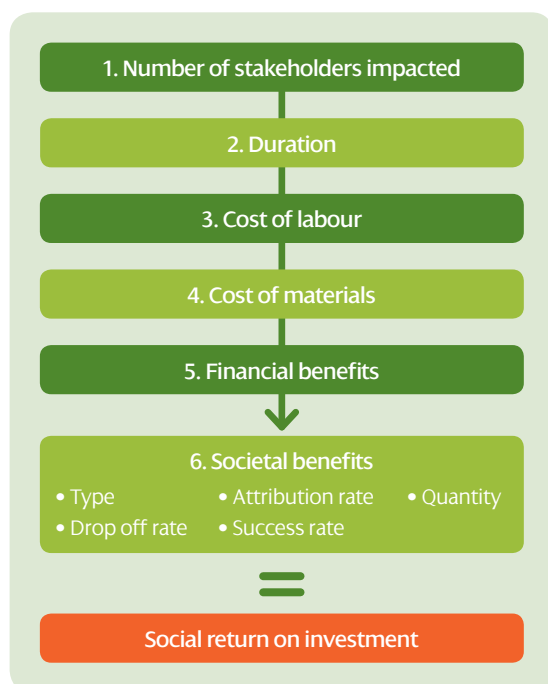
Measuring Benefits – Developing and Prioritising Actions

Value for money is an important principle of the way we conduct our engagement. This rests on our ability to measure the value of the benefits we deliver and prioritise accordingly.

Whilst we feel this is something we always inherently do, this year we have developed a ground-breaking industry-first tool to improve the robustness of our assessment.

Our new Social Return on Investment (SROI) tool allows us to quantify and forecast the costs and benefits of initiatives over time. The tool allows us to demonstrate, for each pound we spend on a service, the net benefit created for our customers. It models financial costs and benefits used in a traditional Cost Benefit Analysis but also includes the estimated financial value of qualitative 'social' benefits that we've delivered.

We estimate the value of social benefits by using industry-standard proxy data (from respected sources such as HSE, Social Value Bank etc). The tool is designed to utilise the results of willingness to pay studies, when proxies are not available. This ensures that the assumptions we make are as accurate as possible and verified with our customers. We have provided more information and detail in **Part 2, page 3**.



How will SPEN use this tool?

We are able to use this tool before a piece of work to compare the value of the service with alternatives that are under consideration, allowing us to proceed with the most efficient service.

Afterwards, the SROI can be used to understand the actual value generated from the initiative, informing our decision on how our work should evolve; whether to scale up, change, or discontinue services so as to continually deliver the most value for money possible.

We can consistently identify which services are most efficient at creating value for money for our customers and supports our decisions on how to act on feedback collected through our engagement activities.

Collaboration with other DNOs



We collaborated with other DNO's to conduct joint **Willingness to Pay** research with Accent, to establish a series of social values.

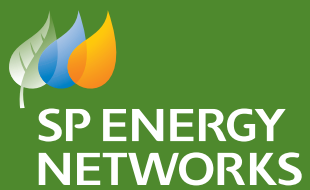
These values have been used as inputs to our tool, alongside other social values from financial proxies and from our partners.

Stakeholder Feedback Not Taken Forward

Stakeholder feedback is critical to our business and shapes all of our business decisions, however, there have been occasions when we have taken the decision not to follow through with the recommendations from our stakeholders.

These decisions are taken at a senior level within the business when we don't believe the actions would be in the interest of our wider customer base. In this instance, we would communicate our decision to our stakeholders. For example:

Feedback	Reason for Decision
SPEN should be leading the way in the decarbonisation of vehicles by electrifying their own fleet.	Following cost benefit analysis, we found that our operational requirements were not yet compatible with new electric technology. The majority of our operation fleet are heavy vehicles, which require a long range. Therefore, we have decided to invest in electrifying only our employee pool cars and smaller inspection vehicles at this time.
To promote '105', giving a message that would last such as a fridge magnet through every door means I would keep it and look at it more often than online.	Value for money is a key consideration for us when agreeing tactics for our 105 campaign. Costs for providing a magnet for every household were too high, therefore, we focused our advertising efforts in areas of mass reach, e.g. billboards, radio and digital advertising. We also undertake a programme of tailored, face-to-face engagement, with free giveaways promoting 105 targeted to customers based on our vulnerability mapping to ensure maximum impact, this includes a fridge magnet.



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