

# Making a Difference

## Part One: Our strategy for stakeholder engagement



Ofgem Electricity Distribution Stakeholder  
Engagement and Consumer Vulnerability  
Incentive Scheme 2019/20





# This is Part One of our submission to Ofgem's Stakeholder Engagement Incentive for regulatory year 2019/2020.

Ofgem's annual Stakeholder and Consumer Vulnerability 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.'*

## Contents

Introduction from our CEO	01
How our stakeholders shape our focus	02
Our Stakeholder Engagement Strategy	03
– Our approach to engagement	04
– How we deliver stakeholder engagement	05
– Tailoring engagement methods	08
– Reviewing our engagements	09
Vulnerability Strategy	10

### Our submission is in three parts:

#### Part One

##### – Our strategy

Introduces our Stakeholder Engagement and Consumer Vulnerability Strategy, with evidence that we meet Ofgem's minimum requirements.

#### Part Two

##### – Stakeholder engagement outcomes and impacts

Details key outcomes we delivered through stakeholder engagement during this regulatory year and the impacts for our customers and stakeholders.

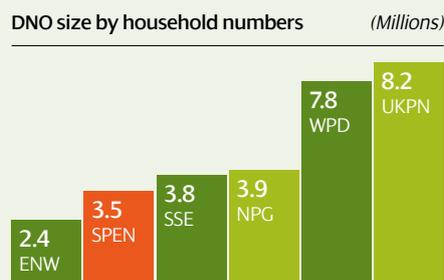
#### Part Three

##### – Supporting vulnerable customers

Details key activities we delivered to address consumer vulnerability issues and the outcomes achieved during this regulatory year.

### About us

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 work across three countries – Scotland, England, and Wales.



When comparing all six DNOs, SP Energy Networks has 3.5 million customers, and is fifth in terms of our customer base, however this does not reflect the size of our ambition.



## Central and Southern Scotland Scenarios



# Introduction from our CEO, Frank Mitchell

We have taken huge strides this year in terms of engagement with stakeholders across each of our Electricity Distribution Licences in Scotland, England and Wales and are proud of the benefits and outcomes we continue to deliver.

We're leading the way for our customers and stakeholders on the journey to Net Zero, ensuring we continue to engage on the topics that matter most to them.

Our stakeholders have played a fundamental role in allowing us to take our customers and communities into the future in the most efficient and valuable way, for the whole of society. They have helped us ensure that no one is left behind.

Part One contains our comprehensive and robust Stakeholder Engagement Strategy and details the continuous improvements we have implemented this year. We have demonstrated how the strategy is embedded across every area of our business, and provided examples of our approach to interacting with our stakeholders in order to gather authentic and meaningful feedback. We have clearly outlined how we capture feedback and the process we follow to act on it so we can deliver the best outcomes for our customers, stakeholders and wider society as a whole.

We have delivered tangible benefits following the enhancements we made to our strategy last year as part of our programme of continuous improvement.



Our inclusive approach to engagement covers a broad range of stakeholders, including hard-to-reach stakeholder groups.



We continue to deliver positive outcomes based on stakeholder feedback while guaranteeing the best value for money for consumers.



World-leading in stakeholder engagement, ranked in **top 10%** of companies assessed globally



Top DNO in Broader Measures for Customer Service



Outstanding Project of the Year Award – Green Economy Fund



200,729 Stakeholders engaged in 2019/20



485 recorded engagements in 2019/20



Network of the year 2019 shortlisted for 2020



**Frank Mitchell**  
Chief Executive Officer,  
SP Energy Networks

*“Achieving Net Zero will require big changes – how we operate as a business, how the energy sector is regulated, and how we all live our everyday lives. From our Board to all of our field staff, we’re committed to a tailored and locally focused approach to stakeholder engagement that helps to prioritise their wants and needs in a consistent manner across our business. That will help us to deliver safe, reliable services, sustainable value, and a better future, quicker.”*

## External accreditation on our stakeholder engagement strategy



We continue to align our strategy and approach with the Stakeholder Engagement Standard AA1000, set by the global consultancy firm, AccountAbility. We work within the principles of inclusivity, materiality, responsiveness and impact.

We invited AccountAbility to carry out a full audit of our strategy and internal processes, governance of our strategy, engagement activities, and all of our stakeholder communications.

As part of the audit, AccountAbility held detailed interviews with employees across 10 areas of our business, speaking at various levels, from Directors to customer-facing staff members. We provided evidence that our approach is effectively embedded across every area of our business and demonstrated that all of our engagement activities put the best interests of our stakeholders first.

We place great value on the experience, guidance and advice we receive throughout this process. The improvements we've made to our processes have helped us achieve a more consistent and robust approach across the whole organisation. As it becomes more engrained in our business, it's delivering real results and positive outcomes for customers and stakeholders alike.

This year we are proud to report a Healthcheck score of **78%**, taking us into the **'Mature'** stage. This is a massive achievement and has placed us within the **top 10% of all companies assessed globally**.

### AccountAbility Healthcheck Progress



# How stakeholders shape our focus

Our strategic priorities of **Better, Future, Quicker** were developed by our customers in 2018 to improve our understanding on what they expect from us as their network operator and the values they trust us to hold.

We carried out additional research to reach out to stakeholders to validate these priorities, ensuring we are still focusing our business in line with their needs and wants, and continually putting them at the heart of everything we do.

### Focused survey

We proactively surveyed our stakeholders through our internal stakeholder engagement database, Tractivity. Feedback we received was positive and provided validation that our priorities around **Better, Future, Quicker** were still the right areas they believe we should be focusing on.

## Supporting a strategy for a Better Future, Quicker

Through this research, we asked stakeholders to rank, in order of highest importance, what they expect most from their Network Operator and these were the top results:



This stakeholder feedback provides assurance that our strategic priorities and vision are aligned with the areas they believe we should be focusing on most, with **86%** of stakeholders agreeing we should be focusing on 'clean energy'.

## Welcoming feedback

With the energy landscape changing so quickly, it's vital we centre on the most relevant topics.

Our stakeholders' top priorities continue to support our business strategy over the last three years. Their feedback was shared with our Senior Management Teams, and informed the actions we have continued to take to deliver a **Better Future, Quicker**.

### Better a sustainable network

Build a cleaner, greener future for everyone by developing our own sustainability strategy and enhance our targets to help achieve Net Zero.

### Future a resilient network

Engage with our stakeholders to develop a resilient and reliable network to facilitate a flexible, safe and low carbon future.

### Quicker an innovative network

Deliver a flexible network through continued innovation and collaboration in order to meet the needs of our stakeholders in the fast-changing energy future.

## Continuing to improve our strategy

Our core stakeholder engagement strategy provides the framework we operate within. It lets us fulfil our responsibilities to our stakeholders in the most fair and efficient way.

The strategy is a fundamental part of our business operations and is fully embedded within our teams, driven by our Executive Team – to help us make better decisions. Last year, we made even more improvements to our strategy to get the most from our engagement. We continue to use feedback proactively to deliver the best outcomes for our stakeholders and customers.

### Embedding new processes

This year we focused on embedding our processes and procedures even further, for example:

**OUTPUT** A refresher training plan on our stakeholder engagement strategy and individual responsibilities, reinforcing the purpose and benefit of engaging with stakeholders in a meaningful way.

**OUTPUT** Introduced a new stakeholder engagement toolkit for employees including processes, supporting tools and resources.

### Accountability feedback and recommendations



Following our AccountAbility healthcheck last year, we implemented 53 recommendations to further improve our processes. For example:

**FEEDBACK** Stakeholder engagement should be built into our staff induction process.

**OUTPUT** Stakeholder engagement is now part of all customer service induction training.

**FEEDBACK** Set up annual Hard-to-Reach Workshop for central and senior management.

**OUTPUT** This is now incorporated into regular Stakeholder Management Meetings attended by Senior Managers. We share and discuss minutes with our Director of Customer Service.

**IMPACT** As a result of Hard-to-Reach Workshops, we contacted the Mid-Wales Growth Deal to reach rural communities, particularly those paying higher energy prices in areas of fuel poverty. We have now signed a memorandum of understanding to work with YnNi Llyn Community Energy Projects, and are developing partnerships with Rural Futures, as well as low carbon happy homes with Severn Wye Agency and Seacombe Energy Project Plus.

## Tracking and driving our initiatives

We want our stakeholders to understand how our projects mature from planning stage to becoming fully embedded within our business.

This was echoed in our feedback from Ofgem last year, which stated that our examples of initiatives tended to be early-stage.

In response, we introduced a new project maturity mechanism to:

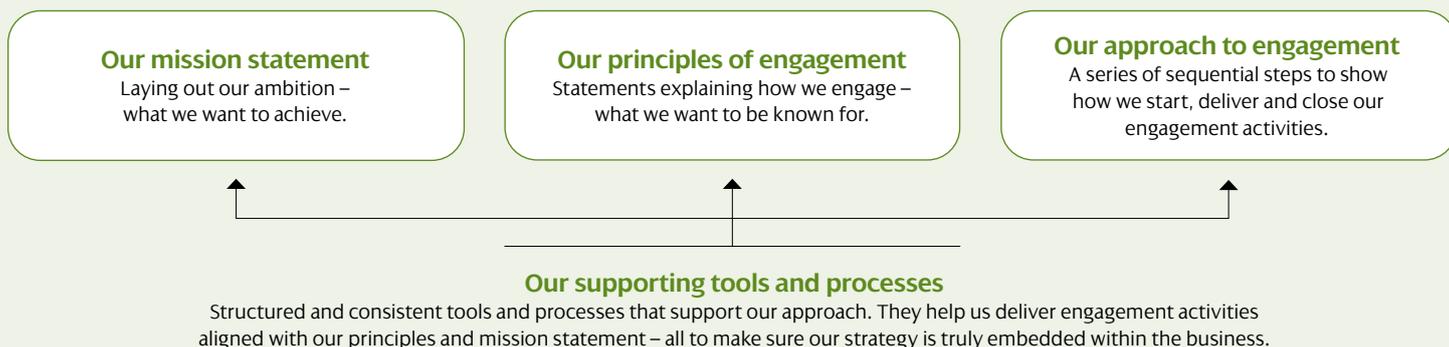
- Track and monitor different phases of our projects
- Drive these projects forward by effectively embedding in our business

- Monitor projects to ensure they are delivering positive outcomes for customers and stakeholders.

Our PDE mechanism shows the evolution of our projects to stakeholders. Throughout our Part Two submission, we have used this mechanism to clearly communicate the current status of every project.

<b>Planned</b> 	A project in the planning phase, defining the purpose, desired outcome and associated impact on stakeholders.
<b>Developing</b> 	Project has been implemented into the business. Continual monitoring of KPIs to ensure project is on track to achieve desired outcomes.
<b>Embedded</b> 	Project has reached maturity as a new initiative within the business and adopted as business as usual.

# Our Stakeholder Engagement Strategy



## Our mission statement

‘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 principles of engagement

Here are some excellent examples of our teams demonstrating our commitment to our principles through their engagement with our stakeholders.

Engagement principle	Embedded activities
<p><b>Inclusive</b> <i>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.</i></p>	<p>We use our Vulnerability Mapping tool, available on our website, to identify gaps in our ability to engage hard-to-reach groups. This information is used to inform our engagement strategy and awareness campaigns. An example of the tool in action highlighted a gap and opportunity to increase our communications with non-English speaking customers and families with children under five on who we are and the services we provide. We do this through social media, shopping centres, radio and TV. See Part Three for more details.</p>
<p><b>Authentic</b> <i>Our engagement works to understand the significant issues affecting our customers and stakeholders, before acting on them in a meaningful way.</i></p>	<p>We regularly engage with a group of stakeholders through our partnership with Cheshire West and Cheshire Council, who are unable to engage with the necessary decarbonisation steps due to business requirements. We can't offer them a solution right now, but have committed to being part of their working groups and collaborating with the Gas Distribution Networks (GDN) to understand their needs and wants, facilitating where we can.</p>
<p><b>Tailored</b> <i>Our approach is designed to make sure each initiative is planned and delivered in the most appropriate way.</i></p>	<p>We tailored our engagement approach to reach a group of domestic connected customers as part of our engagement programme for our flexibility project, FUSION, communicating potential benefits and opportunities for them. Many of these customers weren't initially aware who SP Energy Networks were, making them harder-to-reach.</p>
<p><b>Innovative</b> <i>We aim to better our approach each year, continually looking for new methods to improve how we engage and deliver against wants and needs.</i></p>	<p>We have invested in an innovative Chatter Tool, which is a first of its kind in the UK. The tool allows us to identify wants and needs of our customers and communities across millions of data points by applying language detection algorithms to a vast array of feedback across customers, stakeholders, news articles, politicians and social media. The tool enhances our approach to vulnerability as it allows us to further explore key topics such as fuel poverty and isolation – shaping the actions we take to address vulnerability and deliver regionally tailored responses to social issues. See Part Three for more details on our innovative engagement tool.</p>
<p><b>Value for money</b> <i>We keep engagement activity spending as efficient as possible, resulting in greater customer benefits.</i></p>	<p>We have increased our use of technology this year to engage with our stakeholders, not only to widen our reach, but to keep spending as efficiently as we can. Examples of this include holding more webinars and working to improve our engagement with stakeholders through digital platforms. We have also incorporated ED2 engagement questions into a number of our 'business as usual' engagements in order to address stakeholder fatigue whilst ensuring value for money by negating the need for holding large volumes of stakeholder events.</p>

We are committed to embedding our stakeholder engagement principles so strongly that they become second nature to our staff, and are adopted as business as usual in every role.

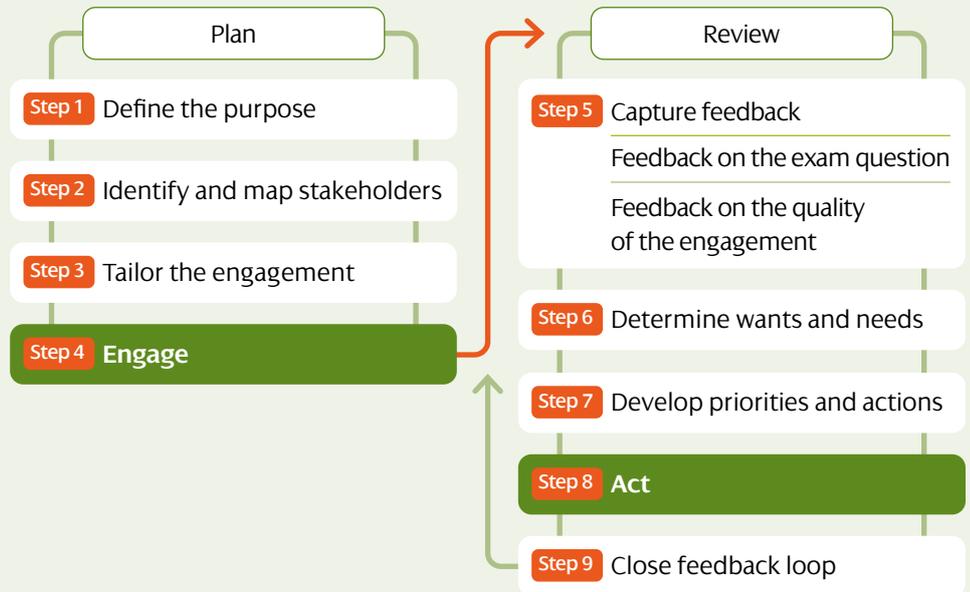
We continue to take the same comprehensive approach to stakeholder engagement across our distribution and transmission licences and tailor our approach based on the challenges faced by both sets of stakeholders. This approach is based on our learning from years of engagement and taking stakeholder feedback onboard.

# Our approach to engagement

With our mission statement setting out our ambition and principles defining the characteristics of our strategy, we have a standard nine-step plan in place which provides our teams with a roadmap to follow when planning any engagement activities.

All teams across the business follow the same key steps when planning, reviewing and closing their engagements.

This plan drives consistency, and helps us understand the needs and wants of our stakeholders and customers. As a result, the business decisions we make on the back of their feedback adds real value, both socially and financially.



## How we plan our engagements

Our engagements always begin with a three-step planning process – this helps us define a clear purpose and tailor our approach to deliver the best results for stakeholders.

### Step 1 Define the purpose

Any engagement should start with a clear purpose – most commonly, engagement is aimed at gathering stakeholder insight, priorities of trends and ongoing issues, or gathering feedback on strategic topic areas. These intrinsically shape our business strategy and operations.

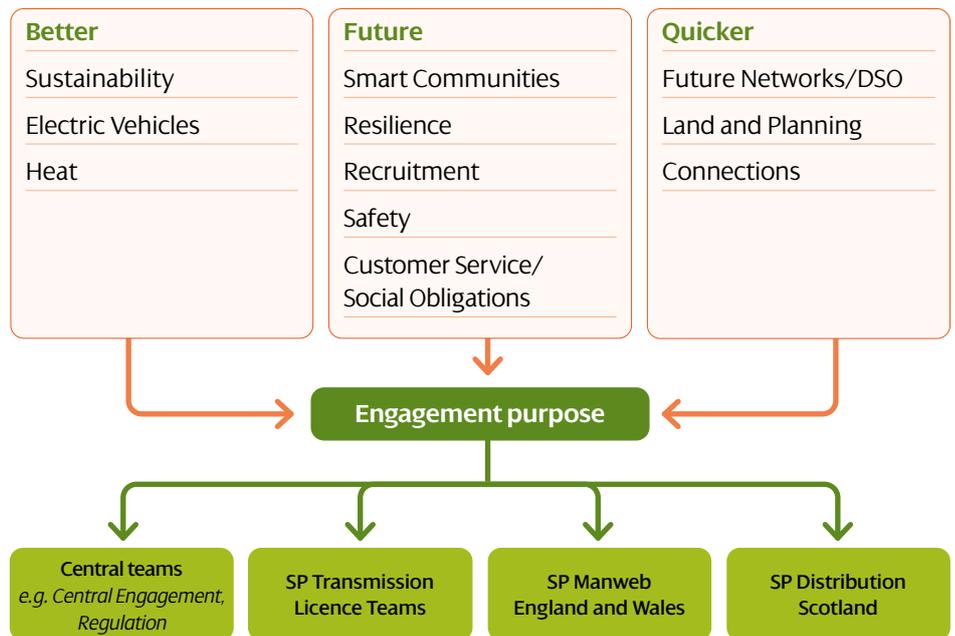
This purpose is clearly defined and recorded by the engagement organisers. It becomes the foundation that guides every step in our stakeholder engagement process. With a clearly defined objective, we can tailor our method of engagement to deliver the best results – minimising costs and maximising value.

This approach is fully embedded across every team in our business. To drive this consistent and compliant approach, we operate one businesswide engagement plan under our three strategic priorities: **Better, Future, Quicker**. These priorities are underpinned by 11 strategic topic areas.

A senior, strategic member of SP Energy Networks is responsible for each topic area – making sure we address these topics across the whole business, from Executive Team and Senior Management to Local Delivery and Innovation Teams.

#### We do it this way to:

- Provide central visibility of engagement taking place across every area of the business and with which stakeholders. Regular Topic Workshops determine strategy, priorities and stakeholder mapping.
- Develop a single picture of our stakeholders' wants and needs across each aspect of our interaction with them.
- Minimise duplication and stakeholder fatigue, and to help identify gaps early in the planning process.



The table above shows how our engagement purpose is defined by the strategic topic we are engaging on and is then engaged on across different teams within the business. This allows us to have a comprehensive view of what our stakeholders think on each specific issue.

### Embedded activities in action

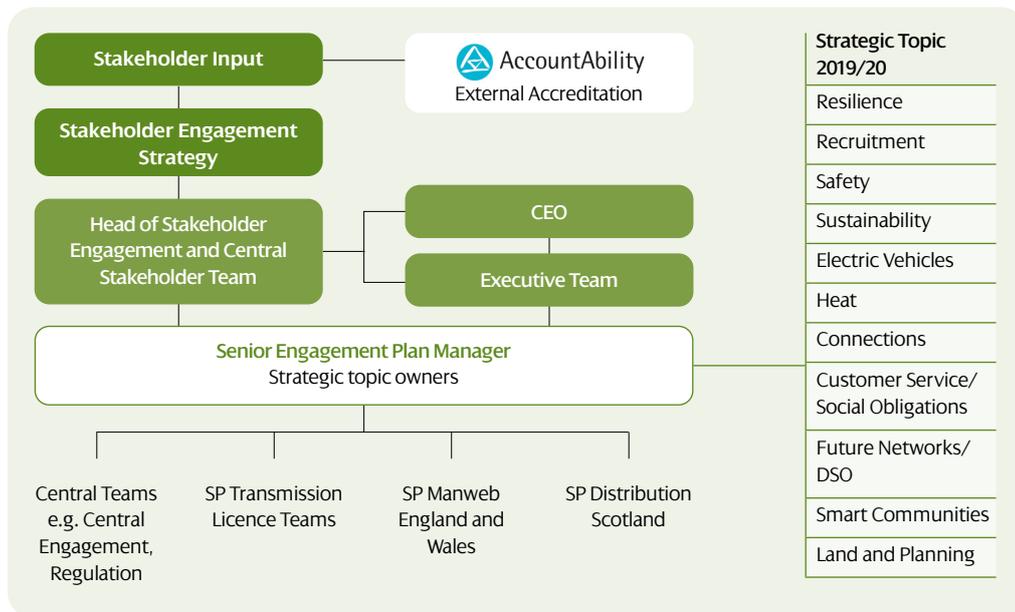
Our Land and Planning Team were struggling to reach a number of strategic stakeholders in local authorities. Thanks to our strategic and topic-led approach to engagement planning and reporting from our central stakeholder database, Tractivity, we were able to identify existing relationships held with other teams across the business, and leveraged these.

**OUTCOME** Stakeholders told us they were fatigued by the amount of business planning and industry consultation taking place at the moment. We are now engaging with stakeholders on multiple topics at any given time, alleviating fatigue and maximising our engagement with those who may be time-poor. For example, our Land and Planning Teams are now attending district stakeholder panels in our Dumfries and Galloway area.

# How we deliver stakeholder engagement

The purpose of the strategy is simple: to provide a strong framework for all our engagement activities, and set out a consistent engagement approach.

Our strategy is now truly effective as it is embedded across the business; from the executive team to specific topic engagement teams. This keeps stakeholders at the centre of all business decisions, and allows us to share information effectively – and consistently.



Embedded engagement responsibility	Stakeholder Engagement Strategy	Broad and inclusive stakeholders	Tailored engagement mechanisms	Acting on feedback	Positive outcomes
<b>Executive Team</b>	Take ownership of strategy issues, challenges and reviews.	Work with stakeholders from a wide range of backgrounds.	Drive innovative methods to ensure effective engagement.	Use feedback in high level business decision-making.	Challenge and review engagement outcomes.
<b>Central Stakeholder Team</b>	Strategy is implemented and is central to all engagement programmes. Train wider teams across the business.	Identify gaps in stakeholder presence. Carry out research and networking to identify new stakeholders.	Innovative and tailored methods are used to ensure most effective engagement to make sure hard-to-reach stakeholders are included.	Analyse feedback and assign actions to topic owners. Ensure all responses are consistent.	Engagement is tracked on Tractivity and evaluated. Monthly engagement reports are created and provided to topic owners.
<b>Licence Stakeholder Team</b>	Strategy is embedded into licence engagement plans and licence level stakeholders are engaged.	Observe for emerging licence issues which require stakeholder input. Identify additional stakeholders we need to engage with.	Tailored engagement delivered to all stakeholders based on local requirements and knowledge levels.	Stakeholder Managers responsible for collecting feedback based on stakeholder requirements and delivering appropriate action plans.	Areas, actions and outcomes are tracked on Tractivity and are reported internally. This allows key learnings to be shared across the different licence areas.
<b>Relevant Business Teams</b>	Embedding the strategy as business as usual, ensuring stakeholders are engaged.	Monitor to ensure all stakeholder gaps are being filled. Regular stakeholder mapping carried out as part of engagement planning.	Relevant stakeholders targeted and engaged.	Feedback collected is tracked and acted on. This is reported back to the wider business and central stakeholder team to ensure a central view.	Business Team taking stakeholder feedback in to their decision making.
<b>Topic Engagement Plan Team</b>	Ensure strategy is woven into topic-led engagement plans and stakeholders are engaged.	New topic themes which directly benefit stakeholders are continually identified.	Engagement to topic specific stakeholders is tailored to meet their needs and priorities.	Review feedback from across the business and ensure appropriate actions are taken.	Topic specific initiatives take stakeholder feedback into account.

- ✓  
 11 strategic topic owners identified
- ✓  
 2020/21 engagement plans developed for all strategic topics and ED2 business planning
- ✓  
 Every business team trained on annual strategy improvements
- ✓  
 Weekly governance meetings
- ✓  
 Over 70 active Tractivity users
- ✓  
 53 AccountAbility recommendations actioned

## Step 2 Identify and map stakeholders

With a clear purpose defined, we then carry out a mapping exercise to identify relevant stakeholders. We ask who is best placed to provide the insight we need to help us achieve our objectives.

We maintain a Tractivity database of over 4,500 stakeholders, categorised into 14 groups and 57 sub-groups based on their specialist knowledge. Our record on each individual stakeholder includes a knowledge level for all 11 of our strategic topics. Database users are prompted to update these knowledge levels regularly to make sure our teams have high quality data when planning future engagements.

We have introduced a new mechanism for stakeholders to update their own knowledge levels – this can be done when updating their preferences or subscribing to our database, to ensure we are engaging with the right stakeholders, on the right topics.

### Why we segment stakeholders by knowledge levels

Understanding knowledge levels allows us to tailor our engagement in various ways for those attending our engagement events. For example, we can adjust the level of technical language we use or how much detail we share on a particular subject. It also allows us to strike the right tone across our engagement with stakeholders, from experts to hard-to-reach customers.

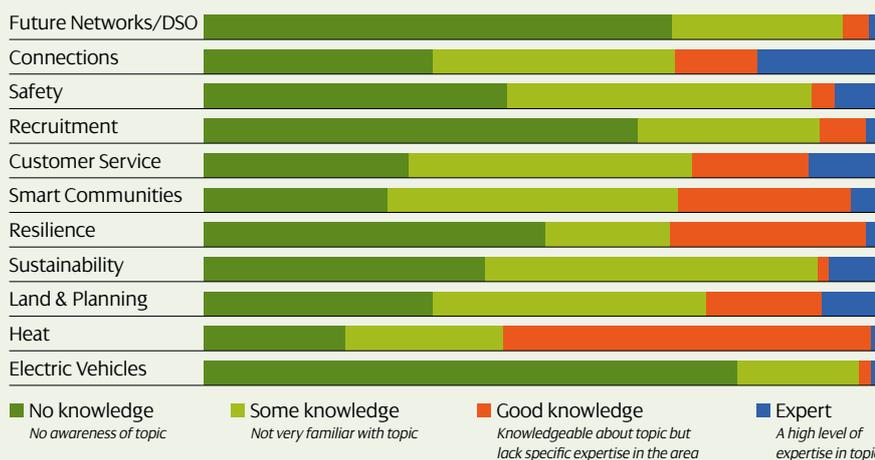
We have seen clear benefits from this approach this year. Instead of spending time 'educating' attendees to the required level, we were able to

stay focused on the topic and get more from our discussion time with stakeholders.

As a result, discussions were more challenging and constructive in nature. We receive feedback from knowledgeable stakeholders who can help shape our business decisions in an authentic way.

This approach also helps us be sure that any investment made in our engagement activities is worthwhile and offers our customers and stakeholders value for money.

### SPEN stakeholders' level of knowledge



### Hard-to-reach and challenging stakeholders

A compulsory step in our planning is to consider engagement with hard-to-reach and challenging groups. These groups vary depending on the topic we are engaging on. For example, senior position stakeholders within local authorities, vulnerable customers groups, community energy projects or rural communities.

By mapping and segmenting stakeholders by category and knowledge, we are able to identify gaps:

- **Spot gaps with Tractivity.** For example, we identified a gap of expert knowledge of Distribution System Operations (DSO). With a focus on education and communications, we filled this gap across different industries including Community Energy organisations, third party technology and data companies, and government bodies.
- **Consider stakeholder groups involved up front.** We proactively look beyond our reach to those who may not even consider themselves a stakeholder.

- **Conduct annual reviews of hard-to-reach stakeholders.** We conduct these to consider potential new partners and further develop existing groups of hard-to-reach stakeholders.

Methods to reach stakeholders we know about, and those we don't, include:

- Seek referrals from existing stakeholders e.g. we made contact with key Edinburgh City Council stakeholders through our relationship with Edinburgh Chamber of Commerce.
- Attend community events on regular basis e.g. attending Country Shows grows our stakeholder relations with farming and rural communities.
- Review government database of national charities and not-for-profit organisations, to identify third parties who represent hard-to-reach groups such as those with dementia.
- Online research and direct contact through our local teams e.g. after researching potential business customers who could take part in flexibility trials for our FUSION project, we made contact via our local district engagement teams with existing relationships.

### Stakeholder categories include:

Academic institutions	Schools Colleges Universities
Connected customers	Distribution demand Distribution generation Domestic customers Transmission
Connections	Distribution demand Distribution generation Transmission
Emergency response	Fire services Health services Police services
Future networks	Research bodies Other
Industry players	Transmission DNOs / IDNOs Energy suppliers GDNs ICP Water companies Other
Interest groups	Business & enterprise groups Community groups Energy industry Environmental groups Faith groups Renewables & sustainability Safety education Trade unions
Local government	Community councils Economic development Highway agencies Local authorities Parish councils
Media	Local media National media
National government	Welsh government bodies Regulators Scottish government bodies Scottish politicians UK government bodies UK politicians
Planning	Grantors Landowners Statutory consultees Other
Social	Charities Consumer groups Forums Housing associations Vulnerable customer groups
SPEN	Current & future employees Shareholders
Supply chain	Contractors Suppliers Support

### Step 3 Tailoring the engagement

We tailor every engagement activity so we can appeal directly to the stakeholders we're addressing and generate better results for everyone. We tailor our engagement in two ways:

#### Content – before, during, and after the event

To be fully effective, the information we present to our stakeholders needs to be pitched at the appropriate level.

#### Method of engagement – to reach a wide and varied stakeholder base

The knowledge levels and categories of our stakeholders determines the methods we use to engage with them. Our stakeholder database, Tractivity, prompts users to consider the most appropriate method for their engagement event and the stakeholders involved. Examples include:

<b>No knowledge</b>	<i>Emails, social media, advertisements, awareness campaigns, research</i>
<b>Some knowledge</b>	<i>Focus groups, surveys, research</i>
<b>Good knowledge</b>	<i>Conferences, exhibitions, presentations, workshops</i>
<b>Expert</b>	<i>Panels, face-to-face meetings, partnerships, consultations</i>

#### Example (see page 8 for further examples)

In response to the Covid-19 crisis, it was vital we tailored engagement methods to ensure our ongoing commitment to engage with stakeholders did not stop in the absence of physical engagement events and opportunities.

**OUTPUT** As a result, we quickly established a Covid-19 engagement strategy to: maintain key engagement links between the business and our stakeholders and utilise third party stakeholders to disseminate key information. This strategy was then translated into tactical engagement actions delivered throughout the business, for example, engagement with National Farmers Union (NFU) to better reach the agricultural community – utilising this stakeholders network to reinforce key messaging around our engineers' essential access to land during this time.



### Step 4 Engage

Following our thorough planning process, all of our engagement is inclusive, tailored, and provides the best possible value for money. To make sure these activities are facilitated well and deliver results, we provide our teams with a detailed guidance toolkit that helps them to consider the resources they need, along with any associated risks.

#### Resources

The resources required for engagement events vary. We consider them under three groups – human, financial and technological.

<b>Human</b>	SP Energy Networks' team involvement – does our representative have the correct level of knowledge and expertise? Guest speakers – internal and external Date and time of event – availability
<b>Financial</b>	Budget approval Venue and catering Print costs Expenses
<b>Technological</b>	Audio and visual content IT requirements Interactive tools such as Slido or iPads

#### Risk management of event

We have a formal four-step risk management process in place as part of our planning phase. This was implemented in response to the recommendations we received from AccountAbility as part of our AA1000SES accreditation.

- 1 **Identify risks:** Identify risks associated with the engagement
- 2 **Analyse risks:** Determine the likelihood and consequences of each risk
- 3 **Mitigate risks:** Plan to mitigate risks that are highly impactful and/or likely
- 4 **Review and assess:** After the engagement review risks, mitigations, and identify any lessons learned

The owner of each engagement must assess the potential risks associated with their event. These could be risks related to our stakeholders or to our own business. Regardless of type, these must be identified and addressed before and during the event.

#### Stakeholder risks

- Unwillingness to engage
- Stakeholder fatigue
- Lack of balance between weak and strong stakeholders
- Uninformed stakeholders
- Technical barriers
- Impediments to a stakeholder's attendance or participation in an event (e.g. travel, language)

#### Organisational risks

- Damage to reputation
- Loss of control of issues
- Strong criticism
- Creation of conflicts of interest
- Internal disagreement
- Non-compliance with internal policies

For example, confidential information may be shared by SP Energy Networks or stakeholders during an event. To mitigate this risk, our staff will be made aware what information can be shared in public ahead of the event. Our internal Stakeholder Engagement Toolkit lets staff access supporting documents – including draft terms and conditions and confidentiality agreements.

Our toolkit also includes support mechanisms for any potential conflict resolution that may be required with stakeholders. Fortunately, this has not yet been required, but it is something we must be prepared for when dealing with a broad range of stakeholders.

**OUTPUT** We introduced a compulsory step in our Stakeholder Engagement Process for engagement owners to consider risks. This includes templates for stakeholder terms of agreement and confidentiality agreements.

**IMPACT** Our teams across the business are coming together to mitigate the risks of stakeholder fatigue. This is a high-risk area, particularly as part of our engagement strategy for electric vehicles planning. Stakeholders are receiving clearer messages from us and know who they can speak to for more information.

# Tailoring engagement methods

To make sure we reach all stakeholders effectively, we use a wide range of engagement methods. We always tailor our activities and events to suit the variety of knowledge and interests our stakeholders bring.

Method	Examples events	Example stakeholders and knowledge levels	Purposeful engagement leads to meaningful outcomes
<b>Dialogue</b> <b>1,112 Stakeholders</b> <b>111 Events</b> <i>e.g. face-to-face meetings, panels, partnerships</i> 	Strategic Stakeholder Panels – <i>three times per annum, each licence</i> Connections Panels – <i>quarterly, each licence</i> Land and Planning Stakeholder Panels – <i>annual</i> Sustainability Working Group – <i>quarterly</i> COP26 Working Group CALA Homes Partnership Meetings – <i>quarterly</i> Local Authority Partnership Meetings – <i>monthly</i> HSE Meeting – <i>quarterly</i> Dumfries and Galloway Active Network Management Panel – <i>quarterly</i> Partnership Review Meetings – <i>bi-annual</i> District Stakeholder Panels – <i>annual</i>	<b>Expert</b> Academics, Citizens Advice, Connections Customers, Generation Customers, Ofgem, Scottish and Welsh Government, Local Authority Leaders, LEPS, Community Energy Scotland, England and Wales, Landowners, National Farmers Union, New Home Builders, GDNs, HSE, BEIS, Scotrail, Transport Scotland, Technology Companies, Other DNOs, SEPA, Scottish National Heritage, STEM Ambassadors, National Grid, Scotland's Towns Partnership, Energy Savings Trust, Fire Service.	 Meetings with Scottish Government, Transport Scotland and SSEN resulted in established partnership. This was the first partnership of its kind in UK. We will install 200 EV chargers in our licence area by the end of 2020. This approach has the potential to be a blueprint for the rest of the UK. <b>IMPACT</b> Over 650,000 residents will have access to public electric charge points, making switching to an EV a realistic option regardless of property type. They will also benefit from a reduction in air pollution. Regular engagement with Senior Strategic Stakeholders led us to launch our 'Zero Carbon Communities' initiative in 2019 to meet the needs of the different communities we serve. <b>IMPACT</b> Formal business strategy now in place to work with every local authority and inform strategic investment and local energy plans for urban, town and rural communities.
<b>Consultation</b> <b>7,201 Stakeholders</b> <b>43 Events</b> <i>e.g. workshops, public meetings, formal consultations</i> 	Universal Smart Energy Framework (USEF) – Stakeholder Workshops (held in Glasgow and London) DSO Challenge 24 Workshop Low Carbon Futures Conference Preparing for Electric Vehicles Event Decarbonisation of Heat Event Electric Vehicle Workshops	<b>Good knowledge</b> Demand and Generation customers, Suppliers, Aggregators, Landowners, Local Authorities, Academics, AccountAbility, Scottish Renewables, Changeworks (Solar), House Builders.	Three ideas from DSO workshop taken forward: – <i>Develop commercial proposition to offset costs for retrofitting smart, flexible, low carbon technologies for all customers</i> – <i>Creating marketing strategy for 'Net Zero' and role of DSO</i> – <i>Use open source data and existing network data to define parameters for local flexibility</i> Following our second round of flexibility tenders, we have accepted and are awarding 81MW of services. Engaged with stakeholders to feed back on their recommendations to co-create our new innovation strategy.
<b>Customer engagement</b> <b>192,416 Stakeholders</b> <b>331 Events</b> <i>e.g. Focus groups, customer research, face-to-face, awards and conferences</i> 	Customer Survey Understanding SPEN workshop Green Economy Fund Influencer Panel Decarbonising Scotland Debate Annual Agricultural Shows i.e. Royal Highland Show, Cheshire Show, Safety Training in Schools, FUSION Project Local Stakeholder Event, SPEN Annual Stakeholder Conference Community Van at Rugby matches Utility Week Awards, Scottish Green Energy Awards, SPEN Community Awards Network Natters with vulnerable customers Webinars for Loss of Mains	<b>Some knowledge</b> Consumers, Local Authorities, MIND, SAMH, Social Services.  <b>No knowledge</b> Public, Customers, Children, Farmers, Anglers, Small to medium business owners, Community groups, Community Energy Scotland, Generation Customers, Fire Service, Vulnerable Groups e.g. Alzheimers Society.	Gaps identified on areas we could increase awareness of who we are and what we do. Shared success and best practice on low carbon opportunities due to investment and innovation by SP Energy Networks. Developed cross network collaboration and whole system approach to electrification and sustainability of future gas networks in use of alternative clean sources of fuel e.g. hydrogen. Increase brand awareness and 105 awareness through our Rugby Partnerships. Increased the number of vulnerable customers who were not previously registered to our Priority Services Register (PSR). Network Natter sessions held with community groups to raise awareness of PSR and promote the additional services we offer to vulnerable customers e.g. befriending service. Confirmation that our strategic priorities of Better, Future, Quicker were still in line with our stakeholders' priorities and wants.

*"As an active member of SP Energy Networks Stakeholder Group, I am impressed by the effort and commitment the organisation applies to the stakeholder agenda. Working with other organisations across the energy sector, SP Energy Networks is by far the most proactive and professional in engaging with stakeholder partners."*

Jim Brown, Energy Skills Partnership



# Reviewing our engagements

Delivering real value from our engagement with stakeholders relies on us making sure we properly record and interpret our feedback, so we can act on it effectively. We have clear processes in place to ensure every action or piece of stakeholder feedback is accurately recorded following any engagement with stakeholders.

## Step 5 Capturing feedback

Feedback from our stakeholders continues to drive our business direction and decision-making as we look to the future in ED2 and beyond. This engagement is crucial to our plans for designing and delivering services that are right for our stakeholders, customers and wider society – now and in the future.

**ACTION** From minute-taking to audio and independent facilitator reports, we capture feedback in multiple ways. All feedback is then recorded in Tractivity, our central stakeholder engagement database.

**ACTION** Increased the number of feedback entries captured in our database.

**ACTION** Following improvements made to our database last year, we increased our users of Tractivity across every business area and carried out refresher training to improve consistency and volume of recording.

**ACTION** 47 staff attended Tractivity training sessions. We now have over 70 users across the business.

**ACTION** The database drives monthly reporting for Senior Management Teams, Strategic Topic Owners and Business Team Managers. These reports are a key tool for continually improving how we capture our feedback. It keeps our senior teams informed on feedback we are receiving from our stakeholders and how we are acting on this feedback as a result.

Below is an example of feedback we received and how we acted on it.

**FEEDBACK** Stakeholders told us about the effects that disruption on local roads was having on society – lowering quality of life and having negative impacts on local communities and tourism.

**IMPACT** We proposed a Utility Board for Liverpool City Region for a multi-utility approach to aligning planned works across electricity, water and gas for redevelopment of decarbonisation aspirations. Two separate Utility Boards have now been established as a result.

## Step 6 Determine wants and needs

Once we've recorded feedback, we review outputs and update our understanding of the wants and needs that our customers and stakeholders have communicated. When analysing feedback, we always look for 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 that our customers and stakeholders care about most. This demonstrates our belief in the importance of authentic engagement.

This step is short, but it's crucial in making our overall strategy effective. Without a clear understanding of our stakeholders' wants and needs, we cannot measure the effectiveness of our actions and the outcomes we deliver.

A perfect example of this is our work with Transport Scotland. We worked closely with various stakeholders to fully understand how we could roll this project out to meet the needs of both customers and stakeholders. More details on this project are contained within Part Two of our submission.

## Step 7 Develop and prioritise actions

We aim to provide value for money through all of our services, proving this value rests on our ability to measure potential outputs and prioritise accordingly. **Last year, we were the first DNO to adopt a new Social Return on Investment (SROI) tool.** This allows us to measure the impact of our activities and gain a level of insight like never before in terms of financial benefit for both our customers and wider society.

We are leading the industry with this tool and engaging with other DNOs and Ofgem to consider this as a joint shared value approach to deliver insight and consistency.

While this is something we've always done, we recently focused on adding structure to our approach – so we can better justify our actions for stakeholders. More information on our SROI tool can be found in Part Two of our submission.

## Step 8 Act

Each action is recorded and monitored, providing visibility of the full process – from engagement conducted to feedback collected and action taken. This action is the sum of all our work to this point. It aims to improve our approach to whichever topic the engagement is focused on.

Through Tractivity we can track and tie specific feedback to the event it was recorded at. Each action is then stored with an owner, along with details of the action to be taken and a current status.

Our actions and outputs and their related outcomes and impacts for customers and society are presented in Part Two of our submission.

## Step 9 Close the feedback loop

The final step is to close the feedback loop. It's important to us that we take time to review the outputs delivered by our engagement and see how these outputs can help shape our business.

We 'close the loop' by reviewing our feedback and our approach to engagement. This information is recorded on Tractivity (as shown in the example

below) to make sure we can add value to future events and engagement opportunities.

For each output we ask these key questions:

- did we speak to the right stakeholders?
- did we tailor our approach in the correct way?
- what lessons can we take forward?

### Measuring the success of our actions

We continue to use our SROI measurement tool to assess the impact of our actions, following stakeholder feedback ensuring that we prove value for money – see page 3 of Part Two for more detail.

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

### Reporting

Reporting is a key element of the governance structure we have in place for stakeholder engagement. We report internally to the wider Iberdrola Networks Business, SP Energy Networks Executive Team and Senior Management across the business. Externally, we report to our stakeholders, closing the feedback loop.

### Example

Objective achieved (yes/no)	Yes	Stakeholder knowledge level correct?	Yes
Correct stakeholders chosen?	Yes, we will target more topic specific stakeholders in future.		
Appropriate method content?	The content presented during the event was appropriate. Next time we will consider a different method of invite – using direct email communication to improve attendance and less briefing material in advance of the event.		
Action	Chester is a better option for stakeholders next time, with a later start time. We will also use better use of stakeholder mapping and make direct contact through phone and email.		



# Vulnerability Strategy

Our vulnerability strategy provides a blueprint that guides our every effort in supporting anyone that finds themselves in a situation of vulnerability, today and in the future.

This strategy has been in place from 2015, has been independently reviewed, updated last year and built on this year and has evolved to reflect the challenges we faced and the lessons we learned. Critically, the existing strategy is the result of an extensive process of stakeholder engagement with vulnerable customers (and those who represent them), stakeholders, vulnerability experts, and our own staff, from the boardroom to the front line.

## Our strategy consists of two elements:

A mission statement which provides our overarching objective in supporting our vulnerable customers; and

A set of action statements that describe the levers through which we will achieve our overarching mission statement.

This structure allows us to remain focused on our ultimate goal while retaining the flexibility required to meet the changing needs of our customers and responding to external challenges. This year, our strategy focused on delivering three high-level outcomes:

- 1 Delivering industry-leading value
- 2 Ensuring no customer is left behind in the transition to Net Zero
- 3 Building on our existing partnerships and developing our nexus of partner's strategy.



### Our 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, while providing industry-leading value."*

Our mission statement lays out our ultimate ambition. Everything we do in the sphere of consumer vulnerability and beyond is aimed at making this statement a reality. Over the past year we have become the leading network company for customer service and when we measure satisfaction across all of our vulnerable services our customers rate us 94.9% for satisfaction. This demonstrates everyone in SPEN is facing in the same direction to achieve our mission.

## Our strategy is continually evolving

Our vulnerability strategy isn't set in stone; on the contrary, it evolves continually to shape our response to the challenges our customers face.

Our focus on ensuring that no customer is left behind in the transition to Net Zero has seen us study future vulnerability trends and engage with expert stakeholders to identify blockers to the adoption of low carbon technologies. These efforts, among others, have highlighted that the transition to a decarbonised and decentralised energy system will significantly increase the variety of customer needs we'll need to satisfy.

Our experience tells us we are not always best placed to deliver on the multi-dimensional needs of those in vulnerable situations, be it permanent or temporary. In preparation for these arising vulnerability trends, we have this year enhanced our approach to partnerships. The 'Nexus of Partnerships' strategy is presented in more detail in Part Three.

In addition we have commissioned an independent piece of work to look at how customers household bills will be impacted by the transition to a low carbon future and the electrification of heat and transport. Also reviewing the current definitions of fuel poverty and how they may be impacted. These are two of the many ways in which our vulnerability strategy continues to evolve.

## Our action statements

### 1. Engagement

We will engage customers in vulnerable situations directly and through our 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

We 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. We will strive to ensure that services represent value for money and that all customers are aware and informed of the support available to them.

### 3. Partnerships

We 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

We will strive to gather and maintain up to date and reliable data on our 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

We will provide training and support to our staff, contractors 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. We will also understand the challenges faced by our staff and contractors and put processes in place to support these.





# SP ENERGY NETWORKS

SP Energy Networks  
SP House  
320 St Vincent Street  
Glasgow  
G2 5AD

[spenergynetworks.co.uk](http://spenergynetworks.co.uk)