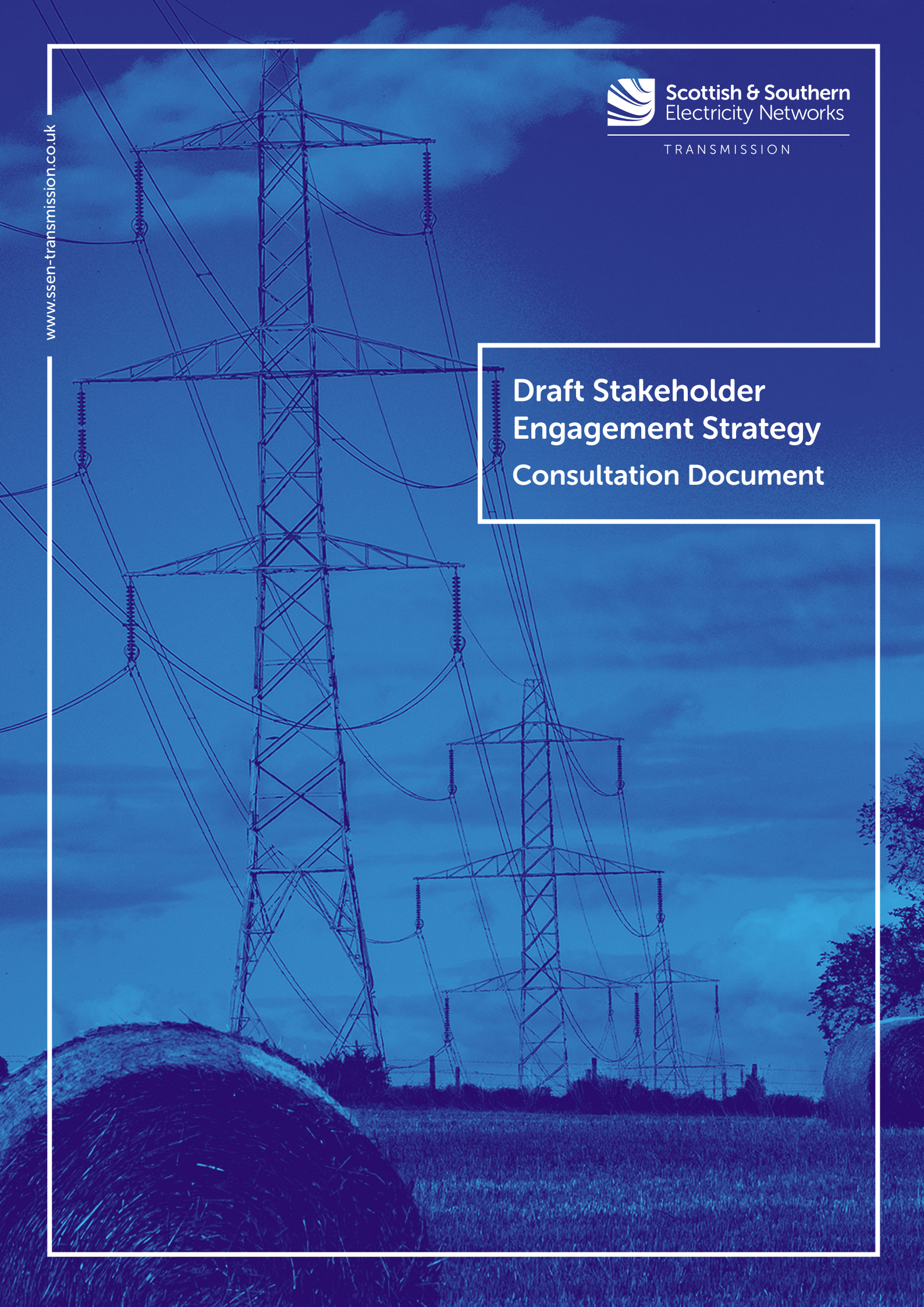

Scottish & Southern Electricity Networks

TRANSMISSION

www.ssen-transmission.co.uk

Draft Stakeholder Engagement Strategy

Consultation Document

A foreword from Douglas McAdam, member of our Stakeholder Advisory Panel and RIIO-T2 Challenge Group

In the face of a climate emergency, growing pressures on biodiversity, increasing concern regarding fuel poverty and vulnerable customers, changing dynamics of how society and business interact with networks and the fundamental need to decarbonise our energy whilst delivering value to customers and end consumers, never has it been more important for networks companies to put the voice of the stakeholder at the very centre of their business planning and delivery.

The issues at play are now much wider than ever and businesses must respond accordingly to help deliver in the wider public interest. Meaningful stakeholder engagement and relationships are essential foundations to achieving that. As a member of both SSEN's Stakeholder Advisory Panel and SHE Transmission's RIIO-T2 User Group, over the last 12 months I have seen rst-hand how SHE Transmission have responded to stakeholder feedback and grasped the challenge of developing a reinvigorated approach to stakeholder engagement. Through our work we have also been able to challenge and support the business to help it better understand their stakeholders – who they are, what are the key concerns and issues, and how to best engage and build relationships with them.

I am now delighted to see this new draft strategy going out for open public consultation. From SHE Transmission's direct customers through to end consumers and including the full range of public interests, this is your chance to have your say and help shape how SHE Transmission will work with stakeholders in the future. Engagement is very much a two-way relationship and stakeholders have their part to play, so I urge you to please take the time to read this draft and to have your say.

Introduction from Christianna Logan, Director of Customers and Stakeholders

The publication of this draft stakeholder engagement strategy is a pivotal moment for SHE Transmission. While stakeholder satisfaction with the service we provide is high, this new strategy recognises there is much more we can do to build meaningful ongoing relationships with stakeholders and deliver best value from engagement.

It sets out how we will build a culture of engagement across our business though our commitment to improve the stakeholder experience, increase consistency in our processes and decisions and further energy transition aims.

To determine the strategy, we spent 18 months getting to know our stakeholders better. Through research, discussions and consultations we actively sought honest views and feedback on our engagement and the stakeholder experience of our business. This identi ed what stakeholders really want from our business and how our engagement can support those needs. Themes of strategic engagement, shared values, accessibility and collaboration have become de ning features of our new strategy. We're responding to the call from our stakeholders to look outside our sector for true best practice engagement, using this to stretch our ambition and inform our objective design.

This new strategy puts stakeholders at the centre of our business strategy and decision making. This aligns our interests with those of our stakeholders. When we are successful, our stakeholders become advocates of our activities and our business, further supporting the delivery of positive outcomes for all stakeholders. Ensuring this success relies on this strategy correctly identifying and meeting the needs of our stakeholders, in publishing this draft we are inviting you to tell us if we are missing anything, and to advise if we need to go further. I look forward to hearing your feedback.

About us

We are Scottish Hydro Electric Transmission (SHE Transmission), part of the SSE Group, responsible for the electricity transmission network in the north of Scotland. We operate under the name of Scottish and Southern Electricity Networks, together with our sister companies, Scottish Hydro Electric Power Distribution (SHEPD) and Southern Electric Power Distribution (SEPD), who operate the lower voltage distribution networks in the north of Scotland and central southern England.

As the Transmission Owner (TO) we maintain and invest in the high voltage 132kV, 220kV, 275kV and 400kV electricity transmission network in the north of Scotland. Our network consists of underground and subsea cables, overhead lines on wooden poles and steel towers, and electricity substations, extending over a quarter of the UK's land mass crossing some of its most challenging terrain.

We power our communities by providing a safe and reliable supply of electricity. We do this by taking the electricity from generators and transporting it at high voltages over long distances through our transmission network for onwards distribution to homes and businesses in villages, towns and cities.

Our draft stakeholder engagement strategy

Over the past 18 months we've been specifically engaging with people and actively listening to their views and opinions on our stakeholder engagement. From those activities we have developed this consultation paper which provides a first view of our draft stakeholder engagement strategy, including why we engage, what our ambition is for stakeholder engagement, our proposed new strategic objectives and enhanced principles.

This paper presents an opportunity for you to directly in uence the strategy – challenging and amending areas to increase its e ectiveness. There are questions throughout the document and on page 26 there is information on how you can provide feedback.

The responses to this consultation will be used to develop our stakeholder engagement strategy and will help us set speci c targets for each objective. Individual responses will not be published but the ndings will be included in the nal strategy. We will also share appropriate information on this project to further the practice of stakeholder engagement in our industry and beyond.

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Figure 1: Stakeholder Advisory Panel

Why we're updating our strategy

We know from the most successful companies that good performance is inextricably linked to e ective engagement. It helps us to understand our place in society; holds us to account; ensures we can adapt to the rapidly changing external environment in which we operate; and ultimately improves the services we o er our stakeholders and the decisions we take on their behalf.

In an era of social, technological and environmental disruption, where new forms of collaboration are emerging and demands for transparency are transforming regulated industries, there are growing calls for companies to nd more e ective ways to engage with stakeholders.

This rate of change, particularly in the energy industry as we transition to a low carbon economy, is creating a far more complex environment to operate in and our new stakeholder engagement strategy needs to re ect this changing world.

During RIIO T1 (our current price control period) we have seen huge changes in the stakeholder engagement landscape. Whilst some areas of our business have responded to this and improved, our stakeholders have highlighted that this has created inconsistencies and challenges within our business. For example, our processes for capturing and reporting on stakeholder feedback are no longer allowing us to meet their needs in a timely manner.

Where our experiences have been positive (such as our activities to identify potential network requirements which included extensive engagement with over 150 stakeholders[1]) it has shown us that taking stakeholder engagement to the next level, putting it at the centre of our strategy development, planning and decision making, can deliver: increased stakeholder satisfaction, better outcomes for consumers and society, and real progress on energy transition aims.

Our stakeholders have also vocalised this. Over the past two years we have been working with them to shape our strategic objective for RIIO-T2[2]. A key point they raised was the criticality of engagement with stakeholders and the need for more customer focus. Developing this input further, we agreed that being stakeholder led should be a key strategic theme of our RIIO-T2 business plan, ensuring customer needs are the drivers of all our activities.

This requires us to assess the value of our stakeholder engagement activities to ensure we are delivering the best outcomes for our stakeholders. By acknowledging how critical stakeholder engagement is to our business we understand the need to set ourselves targets and measure our success against them.

This strategy will help us to improve and develop a culture of engagement that enables us to become stakeholder-led. By reviewing our current processes, evaluating best practice and consulting with our stakeholders, we have drafted the following pages which demonstrate how we intend to build upon our positive experiences and become leaders in stakeholder engagement.

[1] https://www.ssen-transmission.co.uk/information-centre/industry-and-regulation/future-energy-scenarios/
[2] https://www.ssen-transmission.co.uk/media/3222/engaging-on-our-strategic-objective.pdf

Understanding our stakeholders

The picture below highlights our stakeholder groups, which will grow as we transition to meet changing market demands. By developing a full picture of our stakeholders and understanding exactly who they are, we will be able to tailor our engagement with each audience on every activity by level of influence, interest, impact, knowledge and value. This will ensure purposeful, meaningful and accessible dialogue at all stages, and enable us to deliver value for money services that exceed stakeholder expectations.

Definition of a stakeholder

For our strategy we have adopted Accountability's de nition of stakeholder which is "any individual, group of individuals, or organisations that a ect and/or could be a ected by [our] activities, products or services, and/or associated performance". We recognise this includes, amongst others, our customers, end consumers and members of the public, and new stakeholders who we are currently unaware of.

Defining our customers

As a transmission system owner, our direct customers are the electricity generators, large demand customers and distribution network owners that are directly connected to our network. A signi cant proportion of the generators feeding on to our network are directly connected to the distribution network, so we also class some customers of the distribution network as our own customers.

Engaging with the GB end consumer

We are mindful that members of the public are our nal consumer and we are rightly under signi cant scrutiny to ensure we invest bill payers' money in the right way. As the energy market changes our stakeholders are telling us that we need to increase our engagement with end consumers. Whilst we have started doing this during our RIIO-T2 engagement, we have now formally included them in our stakeholder engagement strategy.

Reaching out to new stakeholders

In addition to our current stakeholders, the transition to our new exible, democratised, de-centralised energy future will require us to reach out to new stakeholders in new ways. We will identify those new stakeholders by actively improving how people can contact us and developing mechanisms to encourage involvement (e.g. Open innovation awards, research and thought leadership reports, subject webinars). By continuing to leverage our existing stakeholder networks and expanding our use of digital channels, we will drive awareness of opportunities to work with us in a way that is inclusive and accessible to all.

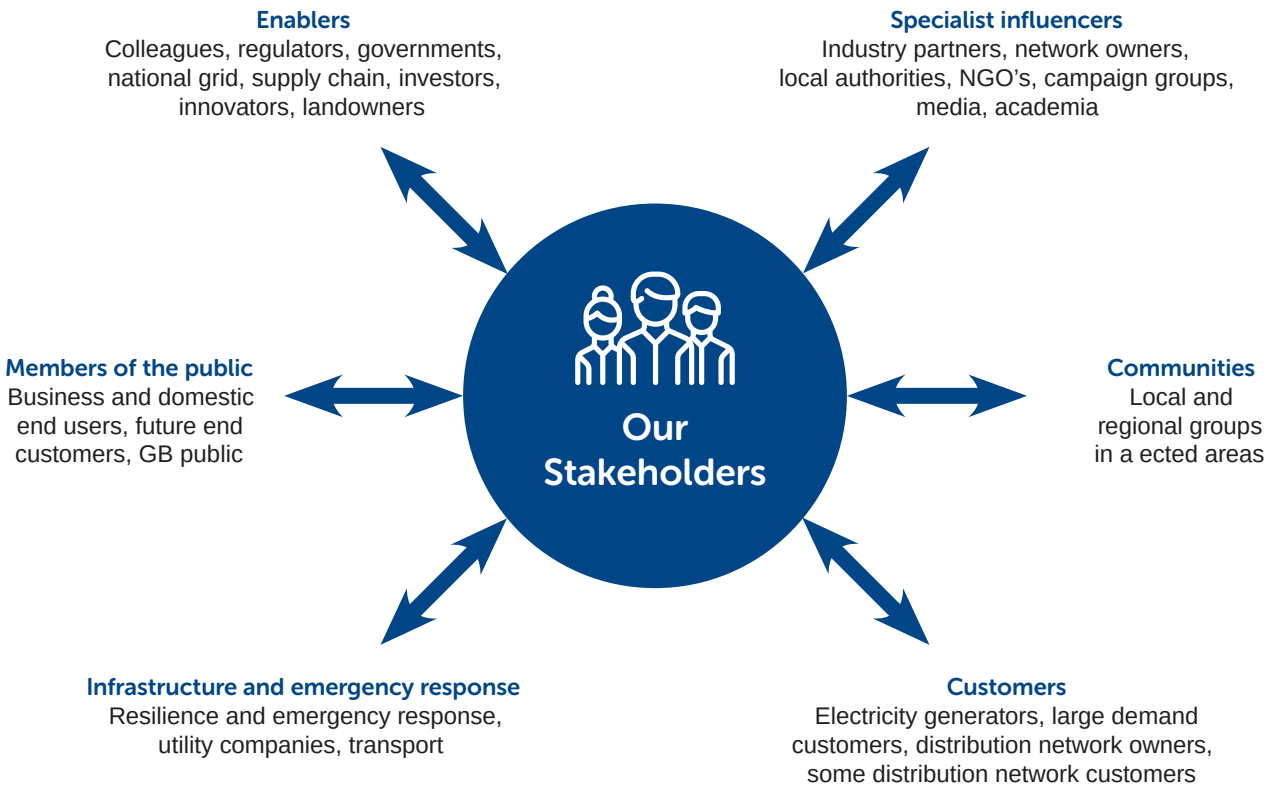


Figure 2: Our stakeholder groups

Our draft strategy

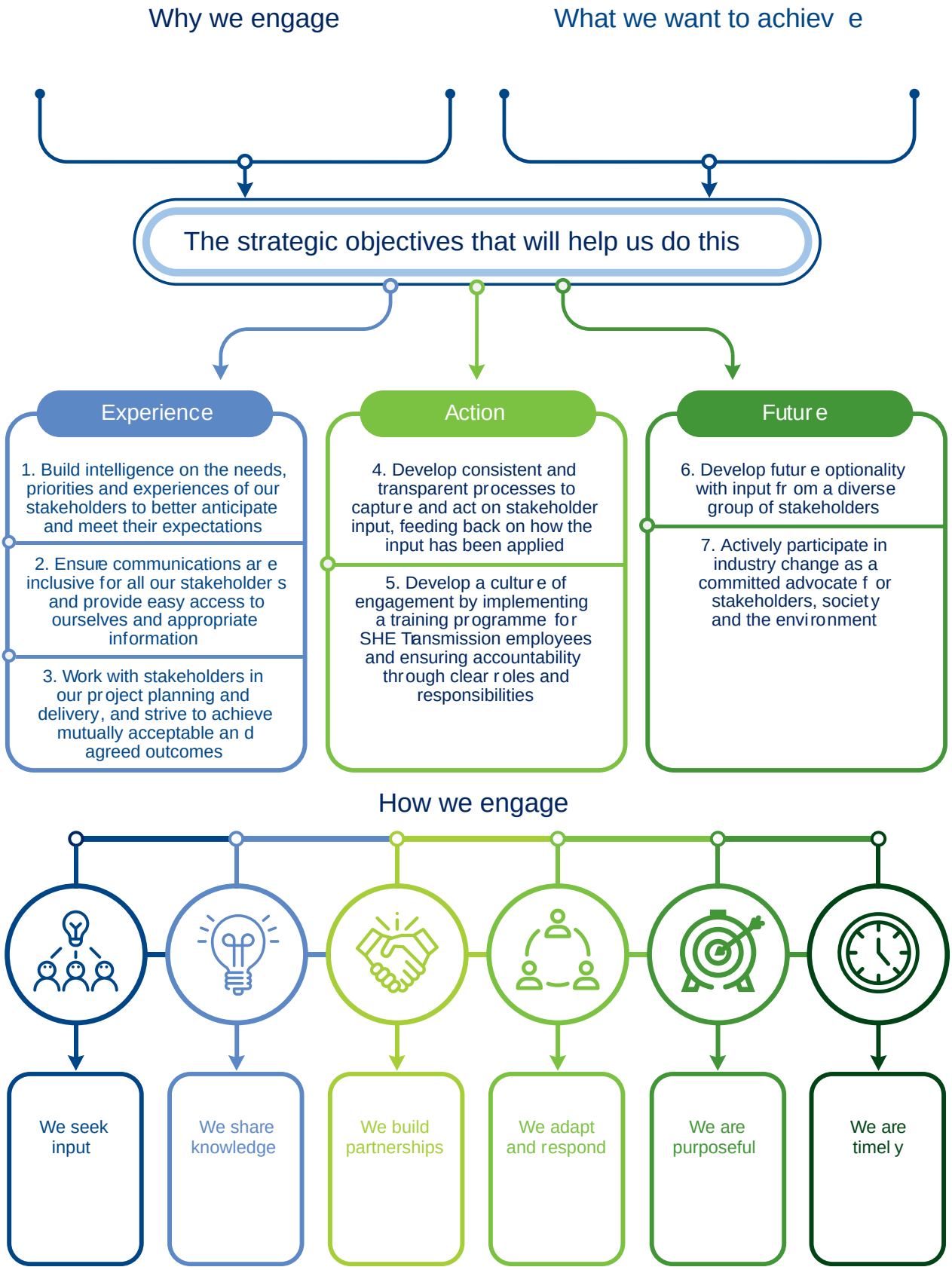


Figure 3: Strategy

Our draft strategy has been articulated around four connected areas: why we engage with people, what we want to achieve, our objectives and our principles which define how we engage.

Why we engage

Our research has furthered our understanding of stakeholder engagement including how it bene ts all those involved. This information, alongside our stakeholders' input and our own desire to improve, has increased our resolve to succeed in this area, which starts with a clear purpose of engagement.

It is only through successfully involving people in our day to day activities and our strategic business activities, that we will be able to develop a comprehensive understanding of our stakeholders and their needs. And it is only after we understand this, that we will be able to conduct our business in way that enables us to meet those needs.

What we want to achieve

We continually strive to achieve ambitious targets for the bene t of our stakeholders and society. This is evident in our approach to sustainability and our rate of delivering new infrastructure for a low carbon economy. This level of ambition is also present in our new stakeholder engagement strategy, as we recognise the need to go further than current best practice.

To do this we have set ourselves the ambition to be leaders in stakeholder engagement – in our industry and beyond. We want to be at the forefront of stakeholder engagement practice, ensuring our strategic priorities align with the needs and expectations of our stakeholders by building meaningful stakeholder involvement into all our decision-making and ways of working.

Objectives

We will start implementing and measuring our strategic objectives in 2019 and continue throughout the RIIO-T2 price control period (2021-2026); because of this the objectives have been considered with the current metrics in mind i.e. we will strive to achieve the highest scores in our Stakeholder Satisfaction survey and exceed our stakeholder KPI targets. However, we will also create new speci c targets and measures for each objective once they have been nalised.

When determining our new objectives, we considered three key areas: how we can improve our stakeholders experience when engaging with us during day-to-day activities and strategic decisions; what signi cation action we can take to create a step change in our approach to stakeholder engagement; and how we can work with stakeholders to strategically shape a resilient energy future. Our objectives have therefore been grouped under the headings experience, action and future.

How we engage

Our principles explain the way we engage with our stakeholders. They help us deliver our ambition by de ning the culture we want to develop and the behaviours we want to adopt. From our research we found our colleagues were not fully aware of, or working to our previous principles, as stakeholders' feedback included examples where we didn't engage as early as we could have. However, stakeholders also highlighted other areas we could improve upon. Taking both points into consideration led us to enhance our principles which will play a large role in our objective to develop a new culture of engagement.

Q1

a) What are your views on our strategy?

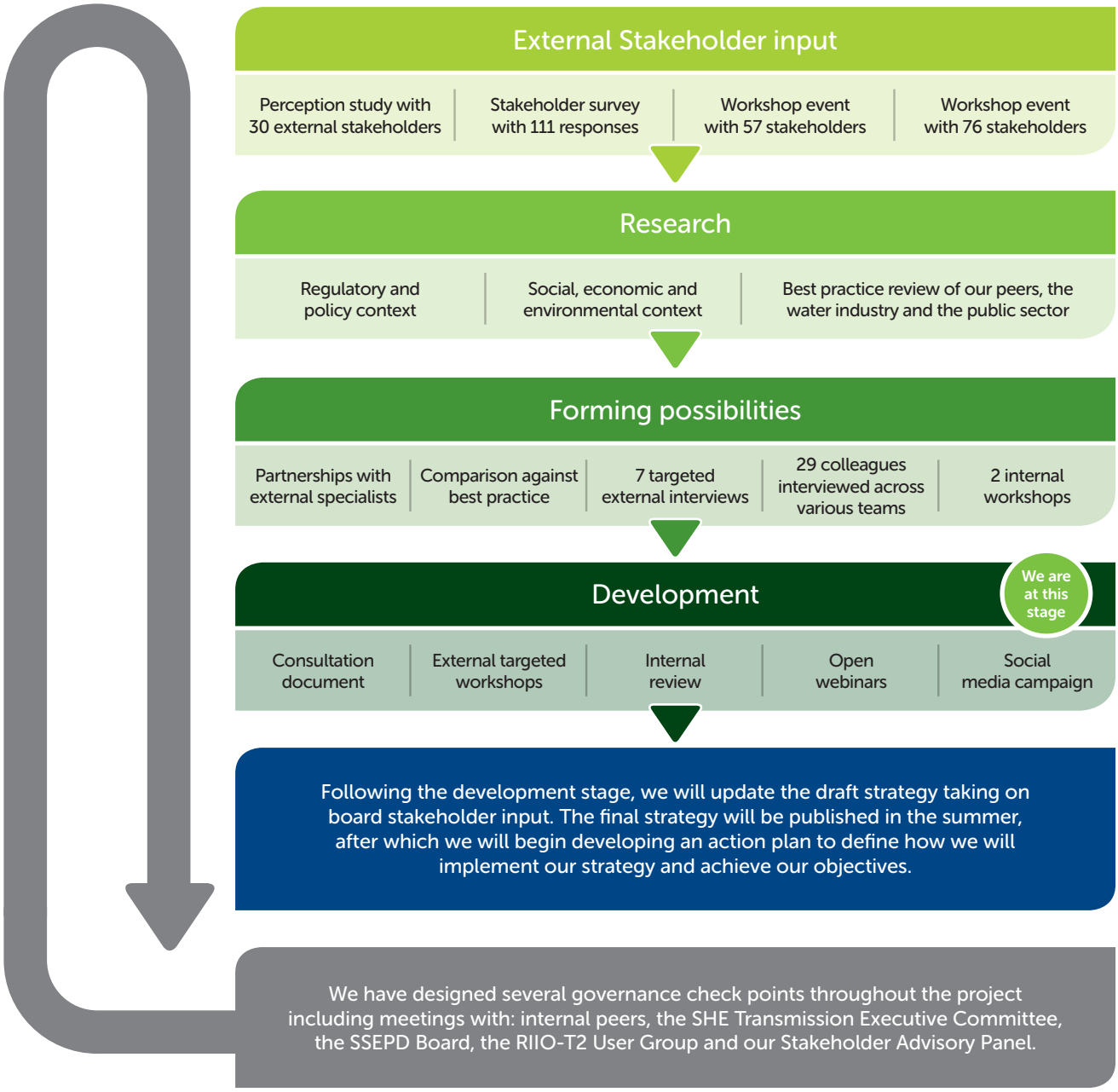
b) Do you believe we're being ambitious enough?

How we have created our draft strategy

To create a new direction and scope for stakeholder engagement we wanted to start with input from our stakeholders, gathering information on our previous approach and how they would like us to improve.

This was then considered alongside research on our external in uences and best practice. By gathering information at the start, from a wide range of people and sources, we were able to form a possible approach speci c for SHE Transmission.

This was achieved by asking further questions such as what 'stakeholder led' truly means, what we should tackle rst to achieve it and what outcomes we should seek from engagement. By working with stakeholders, colleagues and external specialists in market research, communications, and stakeholder engagement, we've created this draft strategy which we hope to develop further with our stakeholders.



Best practice summary

We looked within and beyond our sector for best practice reviewing activity of: other Transmission Owners, new market entrants and Distribution Network Operators; the water industry and their experience of 2019 Price Review; and the public sector across Great Britain such as Zero Waste Scotland and the UK Government Communications Service. From this review it was clear that the businesses leading in stakeholder engagement had several key attributes. These are listed below with references to how we have incorporated them into our new strategy.

Attribute	Activity
A clear stakeholder ambition and objectives Leaders put stakeholder needs at the centre of their business, using the stakeholder voice to drive continuous, measurable improvement aligned to higher-level social needs.	We will create a culture through our new strategy where engagement with stakeholders is central to how we do business. This will be led top-down from our SHE Transmission Executive Committee.
Segmented audiences and tailored engagement Leaders map stakeholders by knowledge and interest area to tailor engagement to the needs of di erent groups and ensure it is t for purpose. They identify a broad range of audiences aligned to issue areas, including future customers, those directly impacted and those who have speci c needs in the evolving energy market.	We want to move past the current trends of mapping stakeholders and provide people with opportunities to self-select, so that we can better tailor engagement based on influence, interest, impact, knowledge and value.
Clear feedback loops and evidence of how engagement leads to action Leaders have robust systems in place to incorporate stakeholder feedback. All stakeholder interactions are monitored, with timely feedback loops in place to report back openly on the outputs and bene ts of engagement and highlight any areas of disagreement or 'compromise'.	We are aware our processes for delivering this are not best practice. Therefore, we have developed objective 4 which is focused on developing new processes and improving our stakeholder management system.
Transparency on issues and successes Leaders understand that trust is vital to build lasting relationships. They are transparent when it is not possible to act as requested by the stakeholder and create opportunities to explain areas of compromise.	We agree that building trust is vital which is why we have included it in our principles. However, we want to improve in this area, so we will develop new processes and roll out a new training programme that ensures transparency.
A whole-system view and wide collaboration activities Leaders collaborate extensively across the system, working closely together to develop and deliver whole-system solutions. They bring together a broad range of stakeholders to share perspectives and co-design possible approaches. They share data and knowledge openly in a timely fashion to ensure all stakeholders have access to the same information.	We strongly agree with this attribute and have built it into several elements of our strategy, particularly our principles which details how we will engage and objective 2.
Robust processes and governance structures Leaders have a clear stakeholder lead with a seat on the Executive team, underpinned by specialist working groups. A culture of accountability is embedded at all levels with central stakeholder teams supporting business leads and teams to deliver engagement. Consistency is driven by clear standards, toolkits and training to support colleagues as required.	We've appointed new roles including a Director of Customers and Stakeholders, Stakeholder Engagement Manager and Internal Communications Manager, which will help us achieve this. We have also dedicated high level objectives to improving our processes and training.
Focus on improving the customer experience Leaders understand who their customers are and develop extensive knowledge on their experience with their company. They establish customer panels that help shape priorities and tackle issues. They are aware of their needs and look to adapt to maximise the bene ts they receive.	SHE Transmission is currently transforming into a customer-centric business that uses customer knowledge and input to adapt, which is why we have dedicated a portion of our objectives to improving experience.

Going beyond best practice

In the short term, our focus is on achieving industry best practice. However, we want to make meaningful in-depth stakeholder engagement central to our business strategy. Currently there are few examples of this in our industry, but we feel it is achievable, which is why we have set ourselves the ambition to be at the forefront of engagement practice for our industry and beyond.

Involved Stakeholders

- Transmission connected generation/demand
- SHEPD and other utilities
- Consumer representative groups
- Governments
- Contractors, consultants and supply chain participants
- Landowners
- Statutory consultees
- National Grid and SP Energy Networks
- Local authorities
- Trade bodies
- Developers
- Regulators

Stakeholder Views

In developing our strategy, we have sought the views and opinions of our stakeholders to better understand their needs and how engagement can help us meet them. As part of this process we gave stakeholders the chance to provide anonymous feedback as we wanted honest and unrestricted input.

We found that the perception of SHE Transmission is largely positive, with stakeholders valuing our strong personal working relationships viewing us as helpful, friendly and keen to engage. They believe we have signi cantly improved in recent years but acknowledge that we are on a journey and that we have more improvements to make. It is these improvements that we were most interested in hearing.

Using their input, we have shaped our strategy to include stakeholders' suggestions for improvements. To summarise, they told us that to improve satisfaction with engagement, we need to be transparent, proactive, collaborative, and demonstrate we are listening and acting on stakeholder feedback, at all levels of the organisation to drive continuous improvement.

We have built our strategy – including the objectives and principles – to address all areas of improvement. The table on the following page documents some examples of our stakeholders' views and the strategic areas which will help us meet their needs.

> "I'd like to see an ambitious company who's trying to do things differently. It's not just about ticking boxes and speaking to tons of people. It's actually being clever about the right kind of people."

> "Collaboration across the industry, for example: the Willingness to Pay research, alongside the other transmission companies, ... That's a thing that we support, and we think there needs to be more of that."

> " 'You Said, We Didn't' – companies shouldn't shy away from that because it just makes them look untrustworthy. You don't have to do everything but do be open and transparent about what is and isn't possible."

Q2

a) Are you satisfied with our approach to developing this strategy?
b) Would you like us to do more?
c) What else could we do?

Area for improvement	Stakeholder input	Area of action
Customer focused	People have told us we must be better at putting the needs of customers at the centre of what we do. We can only become stakeholder-led by identifying and understanding our customers' needs and nding ways to meet them.	Objective 1
Understanding our stakeholders	It is believed we don't have a comprehensive understanding of our stakeholders or their priorities. Stakeholders have requested we improve this, so that we can develop enhanced relationships where we all work together to agree mutually acceptable outcomes.	Objective 1
Mixed messages	As we try to develop solutions we sometimes provide con icting answers. Currently some stakeholders receive mixed messages from our business, which creates frustrations and con ict. Colleagues have requested improved internal communications to help address this.	Objective 2
Timely	Sometimes our engagements are not timely and are last minute. This limits the opportunities to collaborate with stakeholders and gather meaningful input. It was suggested that improving our planning process would rectify this.	Objective 3
Processes	Our colleagues have requested easy to use, simple and e ective processes that will drive a cultural shift to ensure the stakeholder voice is heard and acted on at all levels. Whilst external stakeholders have requested we improve in this area to ensure consistency.	Objective 4
Monitoring and reporting	It is felt that our methods for reporting on progress can be improved, and that we currently focus too much on outputs, rather than demonstrating the impact of our engagement.	Objective 4
Collaborative and co-creative	People feel SHE Transmission develop solutions and then try to persuade stakeholders it's the right choice, rather than collaborating to develop ideas. All stakeholders acknowledged the need to create partnerships where people work together and share knowledge to enable meaningful discussions that lead to appropriate solutions.	Objective 5
Senior buy in	It has been noted that stakeholders can't see senior buy in. They would also like to see more senior level partnerships, so information can be shared ahead of issues developing.	Objective 5
Engage with more people	Stakeholders feel we need to increase the number of people we engage with to get new and fresh input; particularly improving our awareness of, and contact with, people who can in uence and shape solutions to challenging problems. They also told us to engage more with the end consumer to ensure we are meeting their needs.	Objective 2 & 6
Advocacy	We have been told that we need to drive policy forward and engage more actively in industry change, in uencing where we can on behalf of our stakeholders who may not have a voice.	Objective 7
Continuous improvement	Both internal and external stakeholders feel we should be better at using stakeholder input to improve our business and the outputs we deliver. They also feel we should be looking to best practice more to continuously improve the way we engage with stakeholders.	Our principles
Collaboration with other networks	It was highlighted that engaging can be resource intensive for our stakeholders and they are worried about the amount of consultations and engagements they're invited to. They want to see a joined-up approach with other companies to optimise their time at events.	Our principles
Transparent	We can't always deliver stakeholders requests or change our approach. Where this is the case we need to be transparent and better at communicating the reasons for this. Internal and external stakeholders have shared that we currently struggle to have the di cult conversations.	Our principles

Our objectives

The following pages detail our objectives and principles providing: explanations about why we feel these objectives are important and relevant to SHE Transmission; what new and current activities could help us achieve these objectives; as well as possible targets and measures. When developing these objectives, we considered the lessons from best practice and the stakeholder input and recognised that they would all contribute to the over-arching goal to increase our stakeholders' satisfaction with our engagement activities and our business.

Objective 1

Build intelligence on the needs, priorities and experiences of our stakeholders to better anticipate and meet their expectations.

The ambition within our stakeholder engagement strategy is to build intelligence on all our stakeholders so that we can make balanced and informed decisions.

SHE Transmission has a key role in enabling Great Britain's transition to a low-carbon economy as we provide connections services and a route to market for renewable generators and large-demand customers in the north of Scotland, as well as transmitting power to GB end consumers.

Our range of stakeholders (including everyone in between our customers and end consumers) is extensive and they each have their own goals, needs and challenges. To ensure we provide a service that meets these varying needs is challenging. For example, while our connecting customers may have di erent needs from each other due to their size or business model, they may also have con icting needs with land owners and communities, who may have di erent requirements of our projects.

Therefore, it is not enough to just gather information on who our stakeholders are, we need to develop our understanding of their individual wants and needs.

This creates several bene ts. From being able to tailor our engagement activities to create the most valuable opportunities for stakeholders to engage with us; to providing us with the knowledge and opportunity to build relationships based on shared priorities and experiences.

By taking this approach we will be able to:

- develop and nurture stronger partnerships based on trust, respect and openness
- see commonalities and engage in a timely way to discuss areas of compromise
- have more meaningful engagement with stakeholders
- develop stronger business plans and strategies that are closely aligned with our stakeholders
- improve business as usual activities in real time
- tailor our engagement activities to suit our stakeholders' needs.

Q3

a) Do you believe we should focus our attention in this area?

b) Can you share any knowledge on how we could meet this objective or measure our progress against it?

To deliver this objective, we believe it's important:

To start...

building new research and feedback capabilities. This could be achieved by developing a new Knowledge Management approach which includes providing stakeholders opportunities to self-select interest and priority areas.

To continue...

and develop our successful engagements such as our regional events and external stakeholder groups/panels. An example of development could be increasing the scope of our account managers (which is currently tailored to connecting customers) and provide this service to more stakeholder groups.

To stop...

late engagement with stakeholders.

Possible targets we could work towards

Decrease in the number of complaints we receive and a set net promoter score.

To measure our progress against this objective, we could monitor:

- the output from research to ensure we are gathering the right quantity and quality of information to feed into our decision making
- the number of events we attend and how we capture information from them
- complaints received to determine if and how our new stakeholder engagement approach is having an e ect
- social media commentary related to us, as well as material published by key stakeholders

Objective 2

Ensure communications are inclusive for all our stakeholders and provide easy access to ourselves and appropriate information.

How information is shared plays a large role in stakeholder engagement as it either initiates or develops discuss. This includes: how people contact us; how we determine what information we can and cannot share; and how people receive and understand that information including people with communication support needs.

Our Stakeholder Advisory Panel and RIIO-T2 User Group have been clear that we should encourage engagement between ourselves and the GB end consumer, as well as future stakeholders who we are currently unaware of. One of the rst steps in reaching new stakeholders is ensuring we are reachable, and that people can contact us when they want to start a dialogue.

An example of this when people are looking to innovate and develop new services or solutions to keep up with the pace of change. To do this we must be open and transparent with our stakeholders so that together we can develop new ideas. This can only be achieved when the right people can contact each other.

We're also aware that the information we hold is vital to our stakeholders' success. For instance, by providing potential customers with information on current and future connection opportunities, as well as with spatial requirements around our substation, we can help them progress the most optimal connection solution for their own project.

However, whether we are providing easy access to ourselves or appropriate information, our communications must be accessible to everyone. Given the large number of people with communication support needs across Great Britain, we need to ensure we do not discriminate or exclude them from the conversation.

By improving our ability in these areas, we will ensure:

- we gain input and value from all available sources to enable better decision making
- we provide the knowledge that helps our customers reach successful outcomes
- we build a much broader range of partnerships that help us all achieve mutual objectives
- everyone can get involved in shaping a resilient energy future.

Q4

a) Do you believe we should focus our attention in this area?

b) Can you share any knowledge on how we could meet this objective or measure our progress against it?

To deliver this objective, we believe it's important:

To start...

challenging ourselves regarding what information can and can't be shared and actively create opportunities to become more open with the information that can. An example of this is including a capacity availability map of our network on our website.

To continue...

and develop how we share information to ensure we are being inclusive. Our success with 3D modelling has demonstrated clear bene ts to changing the way we interact with the public. We need to review, adopt and embed principles of inclusive communications, such as training sta so that they simplify speech and speak clearly.

To stop...

being overly technical when engaging with people. To do this we will understand our stakeholders and tailor information to suit their needs and level of knowledge.

Possible targets we could work towards

Increasing the accessibility of our website and increasing public information on our sta , including their contact details and their areas of expertise.

To measure our progress against this objective, we could monitor:

the activity on our website including what content is viewed and how people use it to contact us; as well as our engagement events to ensure the communications provided is accessible to people with communication support needs.

Objective 3

Work with stakeholders in our project planning and delivery, and strive to achieve mutually acceptable and agreed outcomes.

We currently involve stakeholders in our projects. However, we want to improve in this area. By identifying and engaging with stakeholders earlier, holding regular engagements through the life cycle of the project and applying a regional approach, we can co-create solutions which our stakeholders consider acceptable.

SHE Transmission has a proven track record of successfully delivering large infrastructure projects in the challenging north Scotland terrain (in terms of its geography and climate). Furthermore, our business is willing to take on large, ambitious projects that use innovative technology to build a more resilient and e cient network. Our success on these challenging projects is down to the relationships we have developed with our stakeholders.

For instance, Caithness-Moray is the largest single investment ever undertaken by the SSE Group and represents the most signi cant investment in the north of Scotland electricity transmission system since the 1950s. This successful and highly complex project, which included the use of new HVDC (High Voltage Direct Current) technology, required input from our internal experts, contractors, communities, councils, NGOs and a whole host of other stakeholders.

Our approach to engagement has evolved to re ect the lessons learnt on every project from the Public Inquiry for Beauly to Denny Power Line back in 2006, to Ofgem's recent consultations on Orkney, Shetland and the Western Isles. Going forward we want to take this evolution further as we continue to invest in projects across the north of Scotland and contribute to the low-carbon economy.

By enhancing our current project planning and delivery processes, specifically around incorporating input from our stakeholders and communities, we will be able to:

- consider all stakeholder needs and deliver outcomes that are for the greater good of the GB end consumer and/or society and the environment
- ensure all stakeholders have the right level of knowledge to have informed discussions and reach mutually-acceptable and agreed outcomes throughout the project
- ensure everyone has access to subject matter experts
- build lasting partnerships.

Q5

a) Do you believe we should focus our attention in this area?

b) Can you share any knowledge on how we could meet this objective or measure our progress against it?

To deliver this objective, we believe it's important:

To start...

co-creating engagement plans with stakeholders so that meaningful opportunities to provide input is agreed. These plans (including project plans) will be shared to encourage input from a wide range of stakeholders. This will ensure stakeholders understand what is happening so that they can hold us accountable.

To continue...

and develop our approach to identifying and engaging with impacted stakeholders. We currently being engagement with stakeholders when selecting a preferred option for a project. However, we believe we can start working with stakeholders earlier, especially as our engagement throughout the later stages of a project are successful. Most recently, local councillors praised our work with communities regarding SSEN Transmission's new Rothienorman substation.

We also want to improve the way we share knowledge and educate stakeholders throughout the project life cycle to increase understanding. This will enable healthier negotiations during collaborative engagements with stakeholders which will ultimately lead to successful outcomes that are mutually acceptable.

We will stop...

anticipating solutions in isolation, instead we will gather early input into potential solutions.

Possible targets we could work towards

Increasing the number of stakeholders we engage with during the earlier stages of a project, as well as striving to complete all projects without o cial public inquiries.

To measure our progress against this objective, we could monitor:

the outcomes to ensure they are mutually acceptable, as well as project plans to ensure they have been built with stakeholder input.

Objective 4

Develop consistent and transparent processes to capture and act on stakeholder input, feeding back on how the input has been applied.

Our ambition is to improve our processes by making them consistent and developing them so that they re ect best practice. They will clearly state how, when and who will conduct stakeholder engagement within SHE Transmission.

Since the start of RIIO-T1 our business has grown substantially. From 2010 we have invested £3 billion to enable new connections for renewable generation by upgrading and growing the transmission network in the north of Scotland.

This growth requires us to update our processes so that they re ect this changing world. The feedback received from stakeholders has highlighted this further, pointing to a lack of consistency across our business when engaging with stakeholders.

Furthermore, our industry has increasing expectations around stakeholder engagement as the energy service aims to become more democratic, with stakeholders playing a larger role in the energy market.

Considering all these points, and the ambitions within this strategy, our current processes require a full review. Currently we have areas of excellent stakeholder engagement practice. Our Sustainability Strategy, our RIIO-T2 engagements, and the planned works and projects across the North East and East Coast have all received excellent feedback.

Therefore, we will use these examples, along with the lessons from best practice, to develop agile processes which ensure we continuously improve.

This will enable us to:

- assess areas for improvement by actively listening to our stakeholders
- increase value for the GB end consumer by using input from experts to solve problems
- make more informed decisions that lead to positive action
- create a culture that is focused on learning and continuous improvement
- develop a reputation for meeting expectations
- build partnerships based on trust.

Q6

a) Do you believe we should focus our attention in this area?

b) Can you share any knowledge on how we could meet this objective or measure our progress against it?

To deliver this objective, we believe it's important:

To start...

developing a new over-arching process that sets out what must be done regarding stakeholder engagement and how. This process could then be tailored to the need, e.g. project delivery or environmental strategy. Once these processes are in place and sta have been trained, internal audits and assurance could be carried out by the new Communications Policy Manager.

To continue...

and develop the use of stakeholder engagement templates, building a complete toolkit for our sta . This could include direction on how to describe what they are trying to achieve, which stakeholders can help, and how they can engage with those stakeholders. Once they have engaged and captured information, the tool kit could also be used to document and respond to stakeholders with feedback on their input and the outcomes of the engagement.

Whilst internal audits could ensure the toolkits are being used correctly, external audits will still be a crucial way of impartially measuring our success against our new ambitions therefor we want to continue our partnerships with external auditors.

To stop...

the inconsistent approach to responding to stakeholder input. We recognise that it is not enough to capture and act on stakeholder input, we also need to consistently provide feedback on how and why we are using that information.

Possible targets we could work towards

Ensuring all stakeholder engagement processes are approved and published by a certain date. This could include the toolkit.

To measure our progress against this objective, we could monitor:

the progress on process development, roll out, and sta training, as well as the use of stakeholder input throughout the organisation.