



Stakeholder Engagement Strategy Consultation Report

September 2019

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.

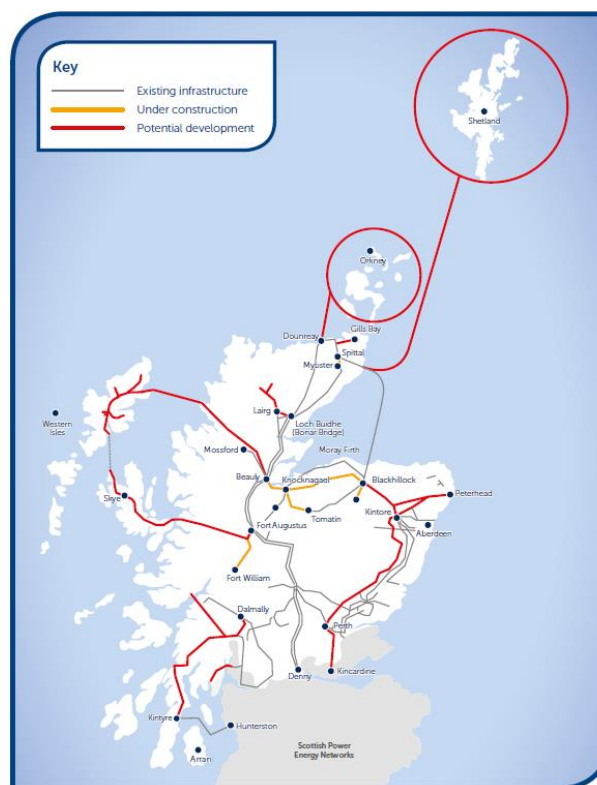


Figure 1: Our existing and (potential) future infrastructure

Introduction

After recognising that we could improve our stakeholder engagement, we spent 18 months specifically engaging with people and actively listening to their views and opinions on how we interact and involve people in our business activities.

This led to a draft Stakeholder Engagement Strategy which detailed a new approach to engagement. It included why we engage, what our ambition is for stakeholder engagement, our proposed new strategic objectives and enhanced principles.

That draft was consulted on throughout June 2019 and this report provides a summary of how we engaged during the consultation, the responses we received and how we adapted our strategy to include our stakeholders' input.

The updated strategy was approved by SHE Transmission's Executive Committee in August 2019 and will be published alongside this report.

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Engagement process

Throughout June we engaged with stakeholders to develop our draft strategy. Our activities included: developing a consultation document which was shared directly with 127 stakeholders, published on our website and shared via a social media campaign; presenting the strategy to our Stakeholder Advisory Panel and our RIIO-T2 User Group; conducting a workshop in Inverness and Glasgow which was facilitated by independent communications specialists; running two online webinars which was publicised via targeted emails and social media; and offering bilateral engagements to those who wanted to discuss it further.

These activities were designed to gather input from a range of different stakeholders, increasing inclusiveness by providing opportunities to people who could not attend an event. We also tried to broaden our reach by encouraging everyone involved to share and discuss the consultation document with their stakeholders.

We know that our Stakeholder Engagement Strategy will have a high impact on several individuals and that some people could provide meaningful input based on their own experience and knowledge. Therefore, we targeted people who: had responded to our 2017 Perception Study; attended our broader engagement events in March and November (2018); were interviewed during the strategy's development; and those recommended by our colleagues in the business.

After taking a broad and targeted approach, from national and local governments to consumer groups and trade bodies, we received 40 responses from the following organisations/ stakeholder groups:

- Consumer representative groups
- Contractors, consultants and supply chain
- Developers
- End consumers
- Landowner representatives
- Local authorities
- Statutory consultees and NGOs
- Trade bodies and interest groups
- Transmission connected customers
- Other network companies

We will continue to refine the way we engage with those who did not respond and ensure our approach to stakeholder engagement is appropriate for them.

127

people on our targeted stakeholder list

40

people from our targeted stakeholder list responded*

29

organisations represented from various groups

c.33k

our reach on social media platforms

133

people directly engaged with (liked) our media posts

*Responded includes those who participated in an event, and/or provided input through the channels provided.

Your feedback

The response to the new strategy was positive. Everyone who responded agreed with our level of ambition and purpose, and was satisfied that we were focusing on the right principles and objectives.

Majority of stakeholder input called for further development of what we had proposed, rather than deleting or adding new content. This is encouraging as it demonstrates that our collaborative approach to developing the strategy allowed us to correctly capture and address our stakeholders' wants and needs.

By discussing the draft strategy with our stakeholders, it became clear that we weren't communicating clearly our intentions (such as our desire to collaborate). To address this, we have tweaked some of the language within the strategy, including the objectives. These changes are described in more detail on page 7.

The most common comment we received was targeted towards how we could achieve the strategy. Whilst our stakeholders were pleased to see such an ambitious strategy, they highlighted that some of our activities will require significant change, which can be challenging. Some stakeholders demonstrated an interest in contributing to the development of our Action Plan to help us overcome these challenges.

"I think that your ambition is probably at the right level and that you are generally being ambitious."
Statutory consultee

"I am encouraged by this Strategy. I think it essential and long overdue, however I feel you should be under no illusion how ambitious this is... I urge you not to allow this to be diluted."
End consumer

Stakeholders supported our proposed objectives and the approach to meet them. Most input was centred around how we could achieve them with comparison drawn from our previous activities.

"From a planning perspective, there's an issue of timeliness. We don't necessarily need to know everything way in advance, but a snapshot would be appreciated." Local authority representative

Our principles were well received by stakeholders which prompted little discussion. When discussion did develop it was to provide evidence about why these are the correct principles for our business.

"I totally agree with the Principals which, whilst concise, I feel would enable stakeholders to be involved in the direction and developments of the network to meet customers' needs and respect their values." Supplier

"The key thing is appropriate engagement. You may do lots of it, but it may not be appropriate or productive. You have a lot of projects and there are many times that we don't need to be engaged." Statutory consultee

It is important to note that we received unanimous support for the strategy from all stakeholders, including those who have previously had positive and negative experiences of our business. This gives us confidence that the strategy will meet the needs of all stakeholders.

"As a supplier to SSE over many years I can tell you that there has been little meaningful stakeholder engagement." Supplier

"Very useful document. We think stakeholder engagement is good at the present time, we have had some very positive experiences over the last year." Developer



Changes to the strategy

After reviewing and analysing our stakeholders' input, we developed changes to the strategy and created some new content. This was presented and approved at the SHE Transmission's Executive Committee in August. The stakeholder input and agreed outcome is documented below:

Stakeholder ask/comment	The outcome
One stakeholder highlighted that objective six could be difficult to understand.	Whilst discussing how we could amend this wording, we struggled to select an appropriate alternative. We will monitor the understanding of this objective and adapt if a clearer description is identified.
Whilst creating the draft strategy some internal stakeholders felt we should include an additional principle on transparency.	Upon review it was agreed that transparency is built into our new approach to stakeholder engagement: particularly through objective two on accessibility of ourselves and information, objective four on process and in our principle to build partnerships based on mutual values and trust. This approach was tested during the consultation with a larger pool of stakeholders who agreed.
Stakeholders asked us to be clearer on our desired level of collaboration.	<p>We believe that to be successful we need to increase and improve how we collaborate with stakeholders. To start this, we have designed a new model of our engagement cycle to help explain how we will work with stakeholders to develop mutually acceptable and agreed outcomes. This can be found on page eight of the strategy. The process to achieve this model will be developed and refined as part of the Action Plan to deliver objective four.</p> <p>To ensure clarity on our intentions we have also updated objective one to strengthen the message that we are changing to enable and encourage stakeholder input. Without our stakeholders' input we cannot co-create.</p>
Stakeholders asked us to be clear on when and how their input has shaped our decisions.	<p>Based on this feedback we developed a feedback model (included on page eight of the strategy) which shows how we will feedback regularly to stakeholders on their input. Delivery of the process for this is included in objective four.</p> <p>In this a balance needs to be achieved as it is not cost effective to provide direct responses to large numbers of stakeholders. Therefore, when developing the processes for objective four we will ensure we can tailor our approach. This is captured in more detail on page eight of the strategy.</p> <p>We will include the development of this process in our Action Plan.</p>
Stakeholders felt we should work with people in our planning and delivery across all business activities, not just in projects.	<p>We agree and have removed 'projects' from objective three so that there is no doubt. Stakeholders also highlighted that engagement should be targeted and appropriate, therefore we do not plan to engage everyone on everything.</p> <p>In the Action Plan as part of objective three, we will develop ways for us to correctly identify the right stakeholders to engage with, including enabling stakeholders to self-select their involvement.</p>

Stakeholder ask/comment	The outcome
Stakeholders felt that the need to balance our various stakeholders' needs wasn't immediately evident.	<p>The needs of different stakeholder groups can sometimes conflict. The broader the range of stakeholders involved, the more challenging this becomes. The need to make trade-offs between these needs is the reason for our aim, captured in objective three, "to strive to achieve mutually acceptable outcomes". This recognises that not all needs can be met but that we must aim to reach a consensus between stakeholders on the best way forward.</p> <p>As part of the Action Plan we will develop a methodology for balancing the needs of different stakeholders and achieving compromise. We will also include in the Action Plan activities to improve 'consensus decision making'.</p> <p>To ensure clarity on our intentions we have also updated objective two to strengthen our commitment to make balanced and fair decisions.</p>
Stakeholders wanted to see examples to better understand how we will use their input/ how they could contribute.	We have included case studies in the strategy to help with this. As we engage, we will also be honest and transparent about what can and can't be changed. One stakeholder's suggestion for this was for us to conduct knowledge sharing sessions which explain this before consultations begin. We will review this approach as part of our Action Plan.
Stakeholders want to see our commitment to getting the most value from our engagement.	We have included a new section on 'Benefit and Value' on page 26 in the strategy which documents our commitment to making the right decisions when carrying out stakeholder engagement so that we can deliver the most value. We will capture the action to develop a Cost Benefit Analysis approach in our Action Plan.
Stakeholders were pleased to hear about the changes to our organisational structure and wanted us to capture that information in our strategy.	Our new structure will ensure we consistently and effectively take a strategic approach to stakeholder engagement. We have now captured that in our strategy, and we will continue to communicate any changes to this.
Stakeholders wanted us to capture our intentions for utilising social media.	Many stakeholders told us we should be using social media to its full advantage. We have captured the use of social media as a means of monitoring our progress on page 28. However, we will do a full review of how we can use Social Media as part of the Action Plan.
Stakeholders' told us to trial areas of improvement and quickly move on if it is not successful.	This input aligns with what we learnt from best practice. To ensure we can do this, any new engagement approach or improvement action will be designed with objectives and measures of success. If these measures are not delivered, we will review and decide if the approach should be trialled again with improvements or replaced with new action.

If you provided feedback during this consultation and feel we have not captured, or correctly understood your input please contact us, details can be found at the end of this report.

Our Stakeholder Advisory Panel and User Group

Whilst creating this new strategy we have worked with two groups of independent experts who provide challenge and information to our business, helping us to meet our stakeholder needs. Those groups are:

The Stakeholder Advisory Panel

Our Stakeholder Advisor Panel was established in early 2017. The Panel advises our Board on matters that relate to customers and stakeholders.

The User Group

In August 2018, we established an independent User Group to scrutinise the development of our RIIO-T2 Business Plan.

Our Stakeholder Advisory Panel and RIIO-T2 User Group were involved in the development of our draft strategy - from providing initial input, to reviewing our methodology and analysis. During this time, they challenged our ideas and decision-making process to ensure we were developing a strategy that would be ambitious, achievable and beneficial to our stakeholders.

Once the draft strategy was completed, we presented it to both groups as part of the consultation process. Both were pleased with our new approach to stakeholder engagement and felt that we had taken onboard their previous challenges. Their comments on areas for improvement is captured in the previous table. However, they also provided the following input to consider when developing our Action Plan:

- The Action Plan needs to address how we will embed the Stakeholder Engagement Strategy and create the required culture change.
- Leadership and management teams need to be considerate to the mistakes that colleagues may make when we introduce change, as people need time to learn and experiment.
- To ensure engagement is meaningful we could provide high influence and high interest stakeholders opportunities to further develop their understanding of our business.
- It is crucial that as a business we don't just ask for input from our stakeholders, we need to investigate how we can give back.
- We must ensure the new processes clearly demonstrate how we are changing based on stakeholder input.
- Before carrying out the Training Needs Assessment we must be clear about the level of engagement each role in the business will be required to undertake.

Input related to our Action Plan

During the consultation we received input on how and what we should do to deliver our strategy from a range of stakeholders. We will review, analyse and if appropriate, develop this input into our Action Plan. If any stakeholder recommendations can't be included, we will explain the reasoning behind that decision in the Action Plan. Here are further examples of the input we received:

Objective 2:

Use social media to its full advantage.

Objective 3:

Ensure 100% of projects undertaken are accompanied with stakeholder feedback which is scored in terms of how this was considered and implemented in the project planning by SSE.

Objective 4:

Ensure the new processes enable early engagement, help your employees tailor their activities and provide stakeholders with feedback that is specific to their industry or area.

Objective 5:

Explain how you will foster a culture of transparency, so staff are encouraged to be honest, even when they make mistakes

Objective 6:

Include educating end consumers and society about the industry and why it matters to them.

Objective 7:

Be clear about when you have influenced/affected change in the industry following stakeholders' requests and share this information.

RIIO-T2 Business Plan consultation

Whilst analysing the feedback from our consultation and finalising the Strategy our business began consulting on our RIIO-T2 Business Plan, which included our draft Stakeholder Engagement Strategy.

During that consultation stakeholders were enthusiastic about the opportunity to influence our plans and were pleased with our level of openness and transparency. Whilst their discussions were focused on the Business Plan, it was clear that improving our Stakeholder Engagement is the right thing to do. Within in the written feedback we received, two stakeholders specifically addressed our Stakeholder Engagement Strategy:

“We welcome the ambition to put stakeholders at the heart of your business strategy and operations... [and] the commitment to develop consistent and transparent processes to act on stakeholder input and feedback on how the input has been applied and we look forward to seeing how our input is included in the future.”
Statutory consultee

“We were pleased to have an opportunity help shape the draft business plan and were also happy to provide our views on the draft Stakeholder Engagement Strategy. We recognise the inclusive way in which SSEN Transmission engages with a wide range of stakeholders.”
Statutory consultee

As part of the RIIO2 process we have also received feedback from the Ofgem appointed Challenge group. This feedback similarly challenges how we will achieve an ambitious strategy and how we will create a culture of engagement. They also ask additional questions such as how we will ensure consumers can provide meaningful input on complex issues, and whether we plan to engage directly with consumers in vulnerable situations and those who are fuel-poor. We will address these queries in our Action Plan which will be included with the December submission.

What next

Our Stakeholder Engagement Strategy has now been finalised and will be reviewed annually to include any new learning or developments in best practice. Our next focus is developing our Action Plan which will document the actions we will take to deliver the strategy and continue improving our stakeholder engagement. If you would like to contribute to our Action Plan or have knowledge and experience you would like to share, please contact us.



Contact details

If you would like to contact us regarding our Stakeholder Engagement Strategy, the Action Plan or this consultation report, you can reach Sarah Dooley, our Communications Policy Manager via

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