Part 1:
Overview of evidence

Stakeholder engagement submission 2016/17
# Contents

<table>
<thead>
<tr>
<th>Welcome</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder Engagement Strategy</td>
<td>2</td>
</tr>
<tr>
<td>Our multi-level approach to engagement</td>
<td>3</td>
</tr>
<tr>
<td>Stakeholder research</td>
<td>6</td>
</tr>
<tr>
<td>Developments this year</td>
<td>7</td>
</tr>
<tr>
<td>Outcomes</td>
<td>9</td>
</tr>
<tr>
<td>Accreditation and recognition</td>
<td>10</td>
</tr>
</tbody>
</table>
Welcome

2016/17 has been quite a year for Scottish Hydro Electric Transmission plc (SHE Transmission). We have connected over 500MW of renewable energy to the north of Scotland transmission network – more than we have ever completed in a single year since privatisation. We also achieved our highest ever level of stakeholder satisfaction. Key to both these achievements is the way in which we have deepened our relationships with our stakeholders.

We are now at the half-way point of our current RIIO-T1 price control and recognise that changes in government policy on renewable energy and flexible energy systems are driving changes in our industry. As a result, our stakeholders’ concerns and expectations are changing, and through engagement with people interested in our business, we are responding to those changing needs.

In recognition of those changes, it’s been a year of delivering improvements in our stakeholder engagement activity. Prime amongst those changes is the establishment of our new Stakeholder Advisory Panel. Already the Panel is influencing the way we do things, from challenging us on our proposals for our VISTA visual amenity project, to encouraging us to engage with stakeholders at all levels of seniority as we develop our plans for RIIO-T2. I had the pleasure of taking our Panel members to the site of one of our flagship VISTA projects at the beginning of April this year and it was great to hear at first hand their views on what we propose to do.

Our involvement with a huge range of stakeholder groups, including the new Smart Grid Forum and people who have concerns about the impact of our assets on the landscape, has continued to help us play our role in the energy industry and, indeed, in the Scottish and UK economies.

Locally, we have delivered our construction projects in a way that considers the needs and interests of our stakeholders, ranging from the communities we serve to the organisations who safeguard our natural environment.

We have evolved the way in which we engage in project development and delivery, responding to stakeholder requests for greater visibility on our website of projects that are in the early stages of development. We have also worked more closely than ever with the contractors who build our new infrastructure to ensure that safety is their number one priority.

Tying that activity together behind the scenes is a quality management system that I’m proud to say has complied with the requirements of the ISO 9001:2008 Quality Management System for the fifth consecutive year. That demonstrates our commitment to working effectively to meet the needs of customers and other stakeholders in a way that is in line with all the relevant rules and regulations, including making sure we look after customer data properly.

It has been another busy year – in many ways our busiest ever – and I’d like to thank our stakeholders for helping and guiding us in doing the right things. I hope the changes we have made to move our business closer to the people who have an interest in it will continue to deliver benefits for us all for many years to come.

Dave Gardner
Director of Transmission
Scottish and Southern Electricity Networks

Scottish and Southern Electricity Networks (formerly known as Scottish and Southern Energy Power Distribution) is the trading name of three economically regulated network companies owned by SSE plc, Scottish Hydro Electric Transmission, Scottish Hydro Electric Power Distribution and Southern Electric Power Distribution.
Stakeholder Engagement Strategy

A strategic approach to stakeholder engagement

We put the current and future needs of customers at the heart of everything we do.

• In order that we can understand those needs, and the needs of our wider stakeholder community, we will work to get to know our customers and stakeholders, and listen to and act on their views.

• Our Strategic Engagement, led by the SSEN Board and our Stakeholder Engagement Team, focuses on ensuring that we deliver on our Business Plan commitments in a way that takes into account the needs and concerns of our stakeholders.

• Ofgem’s independent SECV Panel have urged us to focus on delivery, embedding the changes we have worked on and reported.

• This year has been delivery focused. By delivering on promises we build crucial trust with our stakeholders.

• One of these promises was to secure greater representation of stakeholder views in the Board’s decision making. In 2016, we appointed Rachel McEwen as a Non-Executive Director of SSEN. Rachel is the Director of Sustainability for SSE plc and is responsible for the SSE group’s disclosure of its economic, social and environmental impacts. She is the Chair of the newly appointed SSEN Stakeholder Advisory Panel and is therefore responsible for ensuring the advice from that Panel is on the agenda of the SSEN Board.

Our six-point strategy

We have a six-point Stakeholder Engagement Strategy (below).

• This helps us to actively solicit the views and ideas of a broad range of stakeholders, and to do so in a timely manner that enables us to reach swift and effective decisions.

• Our Stakeholder Engagement Strategy was strengthened in February 2016 to reflect our new multi-level approach to engagement and ensure it remained appropriate for both our distribution businesses and SSEN’s electricity transmission business.

1. Identifying our stakeholders
Maintain list of stakeholders who add particular insight into or may be affected by our day-to-day business and business planning. Centralised stakeholder contact and record management system enables us to actively manage engagement across the business. This is managed in accordance with our Data Protection Policy and ISO 9001:2008.

2. Understanding our relationship with our stakeholders
Stakeholders categorised based on: existing relationships; level of influence; and interest in shaping our planning and processes.

3. Actively engaging our stakeholders
Wide range of engagement methods: interviewer, administered surveys; written consultation documents; focus groups; deliberative events; on-line surveys; structured interviews with stakeholders; stakeholder meetings, events, fora and workshops; and customer voice groups.

Monitor and evaluate engagement mechanisms to ensure they sustain constructive engagement.

4. Informing our stakeholders
Provide stakeholders with enough information, and in a format they want, to enable them to participate in key debates.

5. Listening and responding to stakeholders
Publish key themes arising from our stakeholder consultation so our stakeholders know what action we take to improve our internal processes and how it has informed our business plan.

6. Being accessible to our stakeholders
We are open and easy to talk to, and engage through a variety of relevant and appropriate media.
Our multi-level approach to engagement

Strategic engagement

An improved approach to stakeholder engagement

We have made significant changes to how we approach stakeholder engagement, through the full introduction of a four-level approach to engaging with stakeholders.

Stakeholder Advisory Panel

We have delivered on our promise to implement a Stakeholder Advisory Panel, the role of which is to:

• provide challenge and review to support effective delivery of SSEN’s RIIO-T1 (and RIIO-ED1) business plan commitments
• represent the stakeholders of SSEN and offer strategic advice and feedback to SSEN to ensure that we continue to meet the requirements and aspirations of stakeholders

The Panel was assembled through an open recruitment process, and we appointed six people who represent a broad spectrum of our stakeholders, including experts on generation connections, planning and vulnerability issues. Two of the Panel members represent the interests of our Scottish Transmission and Distribution regions, while four Panel members represent stakeholders in our southern England Distribution region, reflecting the relative populations of each area.

The Stakeholder Advisory Panel met for the first time in February 2017, with the second meeting taking place on 4 and 5 April 2017.

It is chaired by our new Non-Executive Director, Rachel McEwen, and is attended by our Managing Director, Networks and additional senior colleagues, including our Director of Transmission Dave Gardner and Heads of Businesses.

Panel members have a fixed term of three years, ensuring that there is the right balance of stakeholder representation over time. We will also seek regular feedback from members on the effectiveness of the Panel in delivering desired outcomes.

Responding to the views of our Stakeholder Advisory Panel

Our Stakeholder Advisory Panel has endorsed our approach – that engaging at multiple levels of an organisation provides a richer understanding of issues. Inspired by this we are extending the remit of our new Staff Advisory Panel for RIIO-T2 to include a strand of work to help us identify the right stakeholders, the best tools and appropriate timings for engaging externally on the development of our RIIO-T2 business plan proposals.

“Customer expectations have changed and the world of customer service is moving on at such a pace. The role of the Advisory Panel will be to work closely with SSEN to anticipate what is coming next so it can manage and exceed the expectations of its stakeholders.”

Mike Petter
Chairman of the Considerate Constructors Scheme’s Service and Performance Committee, Stakeholder Advisory Panel member

Our levels of engagement

Strategic engagement: Up to eight external Stakeholder Advisory Panel members and SSEN Board representation meeting three times annually to review delivery of business plan commitments and provide strategic advice on relevant business decisions.

Organisational engagement: We are involved in over 12 UK and Scotland-wide issue-specific groups, including groups related to safety, energy infrastructure, economic development and environmental issues.

Operational engagement: Community engagement on the development and construction of new and upgraded transmission infrastructure.

A programme of stakeholder research which provides detailed insight from a large number of stakeholders to help us understand issues including the quality of service we provide and the perception stakeholders have of us as we move towards the end of the RIIO-T1 price-control period and consider how we approach the next price control.

Photograph: Stakeholder Advisory Panel members visited the site of one of our VISTA projects with Director of Transmission Dave Gardner (second from right)
Organisational engagement
We engage with GB and Scotland-wide groups on national issues, including groups related to safety, energy infrastructure, economic development and environmental issues.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Groups in which we participate</th>
<th>Colleague involved</th>
<th>Role</th>
<th>Outcomes of our involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>Contractor Forum</td>
<td>Head of Safety, Health and Environment</td>
<td>Chair</td>
<td>Sharing lessons learned from live projects ensuring adoption of best practice. Reinforcement of message ‘if it’s not safe, we don’t do it’</td>
</tr>
<tr>
<td>Energy Infrastructure</td>
<td>Smart Grid Forum</td>
<td>Head of Project Development</td>
<td>Forum Member</td>
<td>Contribution to the development of the GB grid system with particular focus on north of Scotland</td>
</tr>
<tr>
<td></td>
<td>Scottish Islands Renewable Delivery Forum</td>
<td>Director of Transmission</td>
<td>Member</td>
<td>Information provision so that informed decisions can be made in a timely manner. We are also heavily involved in the supporting debate</td>
</tr>
<tr>
<td></td>
<td>National Grid Seminars</td>
<td>Commercial Contracts Manager; supported by business experts</td>
<td>Speaker and Expert Panel Member</td>
<td>Providing network information (both technical and commercial) to parties seeking to connect in the north of Scotland</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Argyll &amp; Bute Renewable Alliance</td>
<td>Network Development Project Manager</td>
<td>Member</td>
<td>Provision of progress update for SHE Transmission’s projects within Argyll and Bute; where applicable, support discussion on the Council’s development proposals</td>
</tr>
<tr>
<td></td>
<td>Scottish Infrastructure Circular Economy Forum</td>
<td>Head of Environment</td>
<td>Forum Member</td>
<td>Share and create best practice and learning on the circular economy for major infrastructure providers</td>
</tr>
<tr>
<td></td>
<td>Statutory Authority Liaison Meetings</td>
<td>Head of Environment</td>
<td>Chairperson</td>
<td>Project-by-project meetings facilitating and coordinating statutory input into our Transmission projects</td>
</tr>
<tr>
<td></td>
<td>Chartered Institute of Ecological &amp; Environmental Management Working Group</td>
<td>Environmental Advisor</td>
<td>Group Member representing industry</td>
<td>Contributing to the development of environmental and ecological clerk of works accreditation scheme</td>
</tr>
<tr>
<td></td>
<td>VISTA Regional Forums &amp; associated sub-forums</td>
<td>Head of Environment plus Environmental Project Manager</td>
<td>Chairperson</td>
<td>Facilitating stakeholder engagement to select projects for reducing the visual amenity of our existing assets</td>
</tr>
<tr>
<td></td>
<td>TO Engagement Group</td>
<td>Head of Environment plus Environmental Project Manager</td>
<td>Group Member</td>
<td>Joint engagement group to share good practice and align approach to reducing visual amenity impact</td>
</tr>
<tr>
<td>Community Liaison</td>
<td>Community Liaison Groups – Knocknagael/ Tomatin, Orkney, Beauly, Melgarve and Fort Augustus</td>
<td>Communities Team Manager</td>
<td>Member</td>
<td>Ongoing engagement across the projects. This is monthly or every six weeks and allows SHE Transmission to provide regular updates to the community. They also allow the Community to influence and feel engaged in the projects</td>
</tr>
<tr>
<td></td>
<td>Western Aberdeen Pylon Action</td>
<td>Network Development Project Manager</td>
<td>Guest</td>
<td>Western Aberdeen Pylon Action are a protest group and SHE Transmission participate to respond to their challenges and questions</td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>International Transmission Operations &amp; Maintenance Study (ITOMS) Group</td>
<td>Director of Operations</td>
<td>Group Member</td>
<td>Shared learning (in particular “Lessons Learned”) from around 40 TOs from around the world. Provides us with global benchmarking information which demonstrates our efficiency and areas for improvement.</td>
</tr>
</tbody>
</table>
Operational engagement

Community Liaison

We work with the communities in which we operate to gain their input to our infrastructure project decision-making on a local basis through Community Liaison Groups. We also engage with representatives individually on a regular basis.

We regularly hold events in local venues to allow stakeholders the opportunity to meet us face to face. We take stakeholders’ lifestyles and access needs into consideration, with events typically starting during the day and running late into the evening so that people can visit us after school or after work.

For all major infrastructure projects we also provide detailed information, project overviews and opportunities to interact on our website.

What’s next

In 2016/17 we will provide Royal National Institute for the Blind customer care packs to help partially sighted people view our detailed documentation.

Construction engagement

Keeping people safe is our top priority and we work particularly closely with the contractors whom we engage to deliver many of our large-scale infrastructure projects.

Part of our Safety, Health and Environment Plan is delivering improved engagement with contractors. Three contractor safety groups have been established, one for each of our principal asset groups:

- High-voltage transmission lines
- High-voltage cables
- Substations

Scottish Renewables Award for Beauly-Denny project

At 2016’s Green Energy Awards, Director of Transmission Dave Gardner (centre) received the special ‘Judges Award’ from Scottish Renewables, recognising the ‘critical contribution to the success of renewable energy in the north of Scotland’ made by our Beauly-Denny project.

A rigorous approach to measuring project benefits

A study of the economic contribution made by the Caithness-Moray transmission project has found that it is supporting the equivalent of over 10,000 years of employment in the UK, around half of which are in Scotland.

Economic modelling, based on the Accounting for Sustainability award-winning methodology we developed in 2015, found that:

- Of the £1.1 billion total investment, almost two thirds (£643.5m) will be spent with UK-based suppliers and contractors;
- Over a quarter of a billion pounds (£265.5m) in Gross Value Added will be contributed to the Scottish economy; and
- The project will support the equivalent of 10,971 years of employment in the UK, of which 4,975 are in Scotland.

The study also highlights the difference that the inclusion of a Living Wage clause in SHE Transmission’s major contracts has made to the recruitment and retention of local staff by small and medium-sized businesses in the project’s supply chain.

The Caithness-Moray project remains the largest Living Wage contract ever placed and is evidence of SHE Transmission’s strong commitment to ensure all employees working on its sites get a fair day’s pay for a fair day’s work.
Stakeholder research

This year we have added a fourth layer to our triangle, recognising that research has an important role to play in engaging with stakeholders.

Our annual stakeholder satisfaction survey showed our highest level of overall satisfaction since we began the survey in 2013, at 8.7 out of 10, which – as we publish this document – is the highest level of satisfaction yet reported by any Transmission Owner, and for which we will be recognised under Ofgem’s Stakeholder Satisfaction Reward scheme. The survey also showed high levels of satisfaction with specific aspects of our service. See ‘what our stakeholders think about us’.

Following our programme of stakeholder service training which was completed in 2014 and from which 25 long-term action plans were generated, we are delighted that the overall level of satisfaction amongst our stakeholders increased steadily every year.

What our stakeholders think about us

Our annual survey of around 150 stakeholders provides valuable insights into different aspects of our performance.

100%
Connections customers satisfied with our connections service

99%
Customers and stakeholders rated the reputation of SHE Transmission as either excellent or good

99%
Customers and stakeholders satisfied with our staff

98%
Customers and stakeholders were satisfied with how SHE Transmission handles communication

Stakeholders’ unprompted description of SHE Transmission

SAFE
RELIABLE
PROFESSIONAL
INNOVATIVE
PROGRESSIVE
EFFECTIVE

Source: SHE Transmission Stakeholder Satisfaction Survey 2016/17

Annual stakeholder survey

417 stakeholders invited to participate
37% response rate
153 telephone interviews

Overall stakeholder satisfaction with SHE Transmission has increased year on year throughout the RIIO-T1 price-control period

Stakeholder Satisfaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Satisfaction Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>6.5</td>
</tr>
<tr>
<td>2014/15</td>
<td>7.7</td>
</tr>
<tr>
<td>2015/16</td>
<td>8.2</td>
</tr>
<tr>
<td>2016/17</td>
<td>8.7</td>
</tr>
</tbody>
</table>
Developments this year

**Strategy point 1**

**Identifying our stakeholders**

Our new stakeholder engagement system Vuelio is now operational. It helps us know our customers better by allowing us to track the interests of stakeholders and keep detailed records of their views on our business. Its effectiveness was considered as part of our fifth consecutive successful ISO 9001:2008 assessment.

**Strategy point 2**

**Understanding our relationship with our stakeholders**

We like to begin our engagement activity with a thorough consideration of the stakeholders who may be interested in the issue being considered. This year we conducted a particularly detailed analysis of stakeholders who may have interest in the development of our plans for our next price-control period, which we refer to as RIIO-T2.

<table>
<thead>
<tr>
<th>Quadrant</th>
<th>Low interest – Low influence</th>
<th>High influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>3 stakeholders</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>15 stakeholders</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>21 stakeholders</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>13 stakeholders</td>
<td></td>
</tr>
</tbody>
</table>

**Strategy point 3**

**Actively engaging our stakeholders**

We have fully implemented our multi-level approach to engagement, as illustrated on page 3. This year we have added a fourth layer to our triangle, recognising that research has an important role to play in engaging with stakeholders. See page 6 for details.

**Strategy point 4**

**Informing our stakeholders**

We have delivered on our promise to provide class-leading reports to our stakeholders. We have gone beyond the minimum requirements set out in our Licence, choosing to produce our annual Transmission Business Plan Commitment Report in line with the more stringent criteria set out by Citizens Advice in its ‘Beginning to see the Light’ Report. Accordingly, the report is:

- **Comparable** we include an easy-to-compare ‘performance snapshot’ highlighting performance against key RIIO-T1 outputs
- **Findable** easy to locate – just two clicks from the SSEN homepage
- **Non-whitewash** reports both the good and the bad
- **Simple** uses easy-to-understand language and keeps things concise

The report provides an overview of our performance against the core outputs of our regulatory licence, highlighting the aspects of our performance where we’ve done well, but equally and perhaps more importantly, showing where we can improve in future years.

**Strategy point 5**

**Listening and responding to stakeholders**

Our governance structures ensure that stakeholder feedback is quickly developed into actions and initiatives that realise benefits for our customers and communities.

**Stakeholder engagement is embedded in our business**

- SSE plc Board
- SSEN Board
- Networks Management Committee
- Customer Relationship Management Directorate
- Stakeholder Engagement Team
- Quarterly papers on stakeholder engagement and consumer vulnerability
- Monthly written reports on stakeholder engagement and consumer vulnerability
- Weekly written reports on stakeholder engagement and consumer vulnerability
- Monthly presentation on stakeholder engagement and consumer vulnerability

Key:

- Stakeholder engagement reporting deliverables

**Quadrant A**

Low interest – High influence

3 stakeholders

These stakeholders may be temporarily less interested in our service (e.g. due to workload or other more pressing responsibilities). We will keep them stakeholders informed. If the context changes, and they become more interested, they could move to Quadrant B.

**Quadrant B**

High interest – High influence

15 stakeholders

Stakeholders include Ofgem, local authorities, communities, elected representatives, statutory authorities, UK and Scottish Governments, supply chain, land owners, developers and the EU Commission. These stakeholders are influential and interested in what we do. We actively seek to engage them.

**Quadrant C**

High interest – Low influence

21 stakeholders

Stakeholders include consumer groups, media, trade unions and trade bodies. These stakeholders are very interested in what we are doing. We will keep these stakeholders informed and continue building relationships with them. If the context changes, this group could move to Quadrant B.

**Quadrant D**

Low interest – Low influence

13 stakeholders

Stakeholders include energy suppliers, the innovation community and NGOs. These stakeholders are affected by our business plan. We will keep these stakeholders informed. If the context changes, and they become more interested, they could move to Quadrant C.
Much of SHE Transmission’s new infrastructure is being developed in some of GB’s most sparsely populated areas, so making sure that stakeholders can communicate effectively with project teams in ways that suit them best is particularly challenging.

Our Project teams have a range of established communication routes to SSEN from our communities, to help ensure that we are accessible for all enquiries relating to the development and delivery of infrastructure projects.

For example, for all current projects, photos, email addresses and contact numbers for community liaison managers are provided on our new dedicated Transmission project web pages and on literature for our major infrastructure projects. Interested stakeholders can sign up for email alerts to each individual project which will help them choose how they want to get involved with our engagement in relation to the project, such as responding to written consultations or attending community events.

In autumn 2017 we asked stakeholders about our website.

What we heard:
Whilst 87% of stakeholders find the information they were looking for on our website, 87% of stakeholders also said they would like to see additional information available on the website. 42% of this group calling for more information on future projects.

What we did:
We will now create a live project page for future projects, ahead of public consultations and prior to any external engagement with statutory authorities.

Source: SHE Transmission Stakeholder Satisfaction Survey 2016/17

Our social media followers
We know from our customer surveys that many stakeholders, including younger stakeholders who are traditionally harder for us to reach, like to use social media to identify issues in which they wish to have their say. We have focused on using social media, particularly Twitter and Facebook – two of the most popular sites.

Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>13 to 17</th>
<th>18 to 24</th>
<th>25 to 34</th>
<th>35 to 44</th>
<th>45 to 54</th>
<th>55 to 64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>41%</td>
<td>10%</td>
<td>34%</td>
<td>28%</td>
<td>20%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Male</td>
<td>59%</td>
<td>1%</td>
<td>10%</td>
<td>25%</td>
<td>20%</td>
<td>5%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Age range

Our most popular post: shared 144 times reaching just under 30,000 people, viewed nearly 10,000 times
## Outcomes

### Impacts of some of our key activities

The table below summarises some of the benefits to customers arising from our activities:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Actions</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Working at height – safe practice guidelines</strong></td>
<td>Produced guidance in conjunction with SP Energy Networks to deliver safe outcomes for our people, our customers and the environment</td>
<td>This easy to read and understand guidance has been developed as part of our framework for all persons who work for/on behalf of SSEN</td>
</tr>
</tbody>
</table>
| **Keeping contractors safe** | Established three contractor safety groups, one for each of our principal asset groups:  
  • High-voltage transmission lines  
  • High-voltage transmission cables  
  • Transmission substations | Our safety groups, together with many other developments in the SHE arena, are helping to make our business a safer place to work; on average 99.86% of our workforce (contracting partners and employees) went home safely every month in 2016/17 |
| **Species Protection Plans** | Over the course of 2016/17, we sought to improve and standardise species protection during works which may impact on freshwater pearl mussels and beavers  
  We proactively engaged with Scottish Natural Heritage (SNH) for these two additional species, drafting documents for consultation with SNH before the final plans were accepted by both parties | The development of the SPPs has been highlighted by SNH at good practice events as an example of more efficient working. These plans will now be used across projects where there is a risk of those species being present |
| **Protecting woodland in Scotland** | Engaging with Forestry Commission Scotland (FCS) to construct a new working arrangement which sets out how staff of FCS will interact with us on projects to develop and build new infrastructure | We have developed a draft working agreement with the FCS. This is still subject to refinement and finalisation. The agreement formalises how we fully consider where impacts on existing woodlands are likely to be significant and how we deal with them during the optioneering and development processes (including where we provide woodland impact assessments) |
| **Protecting visual amenity** | We are engaging with stakeholders to help reduce the visual impact our infrastructure has on some of Scotland’s nationally designated landscapes | In close collaboration with our stakeholders, we will be undertaking further development of a shortlist of proposal projects throughout 2017 and hope to submit our first applications to the fund in early 2018 |
| **Developing sustainable tower structures** | Stakeholder input has driven the design refinement process with contributions from consultees, main contractors and the supply chain, transmission operations teams, and TOs  
  81% of over 2,000 customers surveyed preferred a new monopole design, which we’ll be taking forward as a direct result of engagement | We anticipate the following benefits once we are in a position to test the new structures on our network:  
  • Improve OHL environmental performance by reducing visual and construction impacts  
  • Lower OHL costs over assets’ lifetime through reduced land, construction, maintenance and outage requirements |
| **Working more efficiently with SNH** | Discussions with SNH identified that some of their staff did not understand our development process and how they should respond. To ensure a more comprehensive and earlier understanding of the potential consenting risks of projects, we developed a mutual working arrangement with SNH | This agreement sets out how staff of SNH will engage with us on projects to develop new overhead transmission lines (132 kilovolts or above). We have agreed to review this working arrangement annually to ensure it remains effective and appropriate, and continues to meet both organisations’ needs |
| **Landscape and visual impact assessment of overhead lines** | We engaged external consultants to produce guidance on reporting and methodology for landscape and visual impact assessments (LVIA) for environmental impact assessments (EIAs) | We have guidance for LVIA that ensures that we follow our framework and which local planning authority the work is submitted to  
  This means that our planning applications should be processed more quickly |
| **Beauly-Blackhillock-Kintore Parliamentary reception** | Hosted a parliamentary briefing in Holyrood with Aberdeenshire West MSP, Alexander Burnett to explain the background and need for the project and to answer any questions | Following the publication of National Grid’s Networks Options Assessment report, which included a change to the recommendation for the proposed Beauly-Blackhillock-Kintore reinforcement from last year’s ‘delay’ to ‘do not proceed’, SHE Transmission has now concluded a period of engagement with stakeholders to agree how it takes forward the recommendations |
Accreditation and recognition

ISO 9001:2008

Quality Management System Accreditation

For the fifth consecutive year, a successful management system certification audit was carried out by an external accreditation organisation to ensure that the Transmission and Distribution Stakeholder engagement quality management system complies with the requirements of ISO 9001:2008.

- This demonstrates our commitment to working effectively to meet the needs of customers and other stakeholders while simultaneously meeting the following relevant statutory and regulatory requirements relating to our activities.
- This audit covered our quality management processes including Board-level commitment and Senior Management involvement in the approach that we have taken, the benefits and outcomes for customers and communities, the allocation of budget and resources in a cost-effective manner, and the documented procedures and processes of our engagement.

No non-conformances were reported.

Positive observations included:

- Following from the previous audit it was evident that there was increased support from senior leadership and top-level management to the importance of Stakeholder Engagement.
- Awareness levels within the Stakeholder Engagement team remain high with regard to the need to comply with ISO 9001:2008 and the supporting internal policies and procedures.

During 2017/18 SSE’s Stakeholder Engagement team will ensure that their approach is evolved to meet the requirements of ISO 9001:2015, the next version of the standard, which has a greater focus on continual improvement, centred around the ‘Plan, Do, Check, Act’ cycle.

AA1000

Stakeholder Engagement Standard

In 2016/17 we began to work towards compliance with the AA1000 Stakeholder Engagement Standard (AA1000SES) which is a framework for assessing, designing, implementing and communicating stakeholder engagement.

Attaining this Standard will help us to demonstrate that our stakeholder engagement activities are carried out to the highest standards:

- Engaging with stakeholders to understand their expectations about governance, policies, strategies, practices and performance
- Transparently accounting to stakeholders on performance and on the issues that matter to them
- Developing innovative and sustainable responses to issues that matter, presently and in the future
- We have recruited a dedicated Stakeholder Engagement Quality Manager who is working with colleagues to make sure that the relevant systems, processes and procedures are in place and that the team work in line with the relevant standards. We anticipate seeking assessment against the AA1000 Standard in 2017/18.

External Assurance

In April 2017, ERM Certification and Verification Services (ERM CVS) conducted an independent assessment of the extent to which we had complied with our Stakeholder Engagement Strategy and Implementation Plan.

ERM CVS conducted Limited Assurance, which it considered to be appropriate in this case. The assurance methodology is based on the International Standard on Assurance Engagements ISAE 3000 (revised). The Terms of Reference, agreed by Ofgem, detail what level of performance we had to achieve to be assessed as either having complied, exceeded compliance or failed to comply with our Plan. ERM CVS concluded that SHE Transmission had complied with its Stakeholder Engagement Strategy for 2016/17.

The Terms of Reference define compliance with SHE Transmission’s Stakeholder Engagement Strategy and Implementation Plan as:

“The evidence provided to the assessor provides sufficient confidence that SHE Transmission is proactively engaged in delivering its Stakeholder Engagement Strategy and Implementation Plan, in particular:

- understanding of the six elements that form the basis of its Stakeholder Engagement Strategy and Implementation Plan are demonstrated by SHE Transmission personnel
- activities equal to or equivalent to those activities set out in its Stakeholder Engagement Strategy and Implementation Plan have been undertaken; and
- variation from its Stakeholder Engagement Strategy and Implementation Plan can be justified by reference to stakeholder preferences or alternative approaches have been adopted to meet the same overarching objective.”

If you would like to see SHE Transmission’s statement of compliance, please visit: https://www.ssen.co.uk/WorkArea/DownloadAsset.aspx?id=13341

If you would like to see the independent assurance statement, please visit: https://www.ssen.co.uk/WorkArea/DownloadAsset.aspx?id=13360