

UK Power Networks Business plan (2015 to 2023) Annex 16: Workforce Renewal

March 2014

“ A reliable... an innovative...
and the lowest price electricity
distribution group. ”

Document History

Date	Version	Revision Class	Prepared by	Change Type	Comments	Section Update
26/2/2014	4	Minor	YC	Text	Updated the contents page number	Contents page
26/2/2014	4	Major	YC	Text	Updated the DPCR 5 period from March 2013 to Jan 2014	4
26/2/2014	4	Major	YC	Text	Updated No. of direct recruits from 319 to 454 by adding extra 135 recruits from April 2013 up till 31 Jan 2014	4
26/2/2014	4	Major	YC	Text	Updated No. of apprentice recruits from 73 to 124 by adding extra 22 in Sept 2013 and 29 in Jan 2014	4
26/2/2014	4	Major	YC	Data	Added the 2013/14 new data 51 new apprentice as at 31 Jan 2014	Table 1 Apprenticeship intake volumes during DPCR 5
26/2/2014	4	Minor	EN	Text	Removed the "s" from the private network electricians	4 – Page 7 bottom
26/2/2014	4	Major	YC	Text	Updated the no. of recruits from c.1050 to c.1000	5.1 background
26/2/2014	4	Major	YC	Data	Updated the Nature Wastage for Level 3 from 1.4% to 2.4%	Table 4 UK Power Networks RIGs Forecast Model Assumptions
26/2/2014	4	Major	EN	Text	Added wording to justify the nature Wastage change for Level 3 from 1.4% to 2.4%	5.2 Forecasting workforce requirements for ED1
26/2/2014	4	Major	EN	Text	Added wording to justify the new NAMP issued in 14 Feb 2014 have been applied in the model	5.4 Identifying and filling the gap
26/2/2014	4	Major	YC	Figure	Updated all the gap figures from the Gap Analysis Model	Session5: Figure 4,5,6 and 7
26/2/2014	4	Minor	YC	Table	Updated the correct output from the latest model	Table5 Proposed intake of marketplace recruits and trainees by skillset for ED1
26/2/2014	4	Minor	YC	Table	Inserted a new table without the DPCR5 proposed intake	Table6 Proposed Intake of

Date	Version	Revision Class	Prepared by	Change Type	Comments	Section Update
						Trainees
26/2/2014	4	Major	YC	Data	Added year 2013/14 number of EDP recruited as at 31 jan 2014	Table 7 No of EDPs recruited
26/2/2014	4	Minor	YC	Table	Updated the number of 2013/14 recruits from 13 to 12	Table 8 Number of Graduate Engineers recruited and forecasted
26/2/2014	4	Minor	EN	Text	Updated the number of graduate from 13 to 12, also changed wording	5.5.3 Graduate engineering programme
26/2/2014	4	Minor	EN	Text	Changed wording	5.5.4 Industrial placements (powering placements)
26/2/2014	4	Major	YC	Table	Added year 2013/14 number of new recruits recruited as at 31 jan 2014	Table 9 No of New Recruits in DPCR5
26/2/2014	4	Major	EN	Text	Amended wording to adjust the plan	5.8 Upskilling
26/2/2014	4	Major	EN	Text	Amended wording to adjust the plan	6.1 Advanced jointing training forecast
26/2/2014	4	Major	YC	Table	Updated the new CM4 forecast expenditure in ED1	Table13 Forecasted workforce renewal expenditure ED1
26/2/2014	5	Major	YC	Text	Updated the right ref figure - from Figure 1 changed to figure 2	5.3 Age profile and retirement
26/2/2014	6	Major	YC	Text	Added new paragraphy to adjust the new plan	5.9 Future technology



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1

Executive summary

UK Power Networks' strategy has been developed against a challenging background of scarce skills, an ageing workforce and assets, fierce competition for skilled resources and the need for the highest standards in safety and compliance. The Business is confident in its ability to ensure we have a sustainable, skilled, efficient, capable and motivated workforce to deliver work plans and meet customer requirements.

In terms of resourcing, the Company has used complex yet pragmatic modelling techniques to quantify the resource needs during ED1 and beyond. A variety of methods will be used to fill the resource gap, ranging from the recruitment of trainees to the hiring of experienced employees, and from the upskilling of the existing workforce to the use of contract labour.

In terms of training, UK Power Networks will build on its existing in house training interventions and ensure that they continue to be cost effective, relevant and innovative, using an in house model supplemented, where appropriate, with external expertise.

The volume and type of training is inextricably linked to the workforce planning requirements already highlighted and, together with the resourcing strategy, will facilitate the achievements of our business plan.

2 Introduction

This report focuses on UK Power Networks' activity to ensure that the organisation is appropriately resourced in order to deliver the Business Plan. The report outlines what has been delivered during DPCR5 and also provides an analysis of the workforce renewal requirements for RII0-ED1. The analysis has been informed by a combination of UK Power Networks' own internal workforce planning tools/methodologies as well as accessing the EU Skills Workforce Planning model.

UK Power Networks has a vision to be 'an Employer of Choice' and the engagement, development and training of our workforce is key to the achievement of this vision. The link between a genuinely engaged workforce and excellent business performance is well proven and it is this link which underpins UK Power Networks' Human Resources and business strategy.

3 Background

It is widely acknowledged that Distribution Network Operators in the UK are currently facing a number of important long term challenges, including the need to develop technical skills and recruit new talented resources into the industry. Moreover, this is against a background of an ageing workforce and a sector where the supply of appropriately skilled resources is extremely limited. This challenge is further augmented given the implications of increased workload across the Power Sector. (Reference to NSAP report to Ofgem: A report to Ofgem on the Workforce requirements of DNOs during RIIO-ED1 and RIIO-ED2 Phase 3 Costs, Growth and Contractor Requirements Final Report May 2013). In addition, the SMART Metering Programme will further exacerbate this need for skilled resources.

UK Power Networks has a positive track record of recruiting, developing and training its staff. Following the development of plans for DPCR5, UK Power Networks has been implementing resourcing and upskilling strategies to ensure that skills are available in the future and to this end we will increase this investment for both the RIIO-ED1 period and in preparation for ED2.

It is essential that UK Power Networks takes appropriate steps to mitigate future retirements and loss of skills, ensuring that we have the right people and skills in the right place at the right time to deliver our business imperatives.

4

What have we done in DPCR5?

Over the DPCR5 period April 2010 – Jan 2014, UK Power Networks has significantly invested in new recruits and the upskilling of existing staff. UK Power Networks recruited 454 direct staff from the market place to replace retirees and other leavers. We also recruited 124 apprentices to join UK Power Networks Apprentice Programme. All of these trainees were enrolled on the UK Power Networks in-house Training programme which is widely respected across the industry. In addition 37 other skilled craft resources were acquired via an internal contractor conversion programme.

Our approach to craft recruitment and training was modified from the original FBPQ submission partly due to the fact that the providers of the Royal Navy's Flagship Training programme for apprentices withdrew the programme and partly because the decision was taken that a smaller and more regular intakes of trainees was a more sustainable and effective way of meeting our resourcing requirements. As a consequence we intend to recruit 72 apprentices every year for the remainder of DPCR5 and continue at a similar level during the early years of ED1. This approach, combined with the upskilling and conversion of our own internal resources, will help us to ensure that we have the appropriate level of technical skilled staff to deliver the projected workload.

Table 1 Apprenticeship intake volumes during DPCR 5

	2010/11	2011/12	2012/13	2013/14* (As at 31 Jan 2014)
Total Apprentices Networks	36	13	24	51

The decrease in the intake of apprentices during 2011 was as a result of an alternative internal programme which involved converting electricians from the legacy Private Contracting business to craft staff who could be trained to work on the Regulated Network. This approach continued into 2012.

Table 2 Number of internal contracting staff converting to craft

	2011/12	2012/13
Jointing	6	8
Fitting	2	8
OHL	6	7
Total per Year	14	23

In our DPCR5 submission the Company highlighted the need to introduce a programme to develop and recruit more L4/5 engineers. In 2008 we launched the new 'Engineer Development Programme' which aimed to formally develop staff to attain 'technician' or 'incorporated engineer' level over a 30 month period. The programme has not only facilitated internal career progression but has also encouraged external recruits to embark upon engineering careers.

In order to augment the approaches outlined above, UK Power Networks has also:

- Brought in other skilled resources through conversion programmes. An example of this is the conversion of private network electricians undertaking conversion programmes to develop into skilled craftspeople

- Continued to be an active supported and influencer of the National Skills Academy for Power throughout DPCR5
- Undertaken a detailed review of our resourcing and recruitment capability and expertise to manage increased numbers of recruits and trainees. This has resulted in a change to the resourcing recruitment model, moving to a more focused and streamlined expert function
- Restructured the Training Department with more emphasis being given to technical excellence and health and safety. This has been achieved by integrating operational experts into the training management team and prioritizing core skill and professionalism at all levels
- Completed a review of training locations leading to an increase in facilities from three to five sites. UK Power Networks has benefited from this wider portfolio both in terms of reducing delegate travel/time and also increasing training delivery through the utilization of in business trainers. UK Power Networks utilises 24 In Business Instructors (IBI) and 32 In Business Assessors (IBA). These resources provide flexibility and specialist knowledge, supporting the full time instructors. These staff are committed to deliver 30 days training/assessing per annum. In addition to increasing the volume of training being offered, this arrangement broadens the training content available, enhances the credibility of training and enables peaks and troughs in demand to be managed more effectively

Over the DPCR5 period we have invested £40.0million to date in Workforce Renewal Activities compared to a Pro Rata allowance for the equivalent time period of £35.4million.

Table 3 RIG Actual spending breakdown from Year 2009/2010 onward

(Unit: £ Million)	2009/10	2010/11	2011/12	2012/13
Learner costs – New recruits				
Craft – classroom	0.6	0.5	0.7	0.4
Craft – on the job	4.5	3.7	2.2	2.0
Engineers – classroom	0.2	0.4	0.4	0.2
Engineers – on the job	1.7	3.0	3.4	1.6
Learner costs – New recruits TOTAL	7.0	7.6	6.6	4.2
Learner costs – Upskilling				
Craft	1.5	0.8	1.3	2.6
Engineers	0.5	0.3	0.5	1.1
Non-Engineering	0.1	0.0	0.2	0.3
Learner Costs – Upskilling TOTAL	2.1	1.1	2.0	4.0
Other				
Trainer and course material costs (classroom training)	2.9	2.6	3.5	2.7
Training Centre and training admin costs	1.1	1.0	1.2	1.5
Recruitment	1.1	0.6	0.7	0.5
Other - Total	5.1	4.4	5.4	4.7
TOTAL	14.2	13.1	14.0	12.9

Source: 2012/13 RIG Actuals Commentary

An explanation of how the investment in workforce renewal activities was spent can be found in the 2012/13 RIG Actuals Commentary.

5 The ED1 resourcing plan

5.1 Background

The current UK Power Networks' technically skilled workforce¹ (encompassing both employees and contracting partners) totals c.5,146 staff made up of c.3,217 UK Power Networks staff and c.1,929 Tier 1 contractors².

Based on forecasted work volumes and modelling assumptions, it is estimated that the number of technically skilled staff that UK Power Networks will need to recruit and develop in the RIIO-ED1 period is c.1000

The majority of our employees are skilled craft staff/engineers who design, maintain, operate and build the electricity network. These technically skilled employees range from competent crafts people such as electrical joiners, fitters and lines people to highly educated professional engineers who design and plan complex electrical infrastructures.

5.2 Forecasting workforce requirements for ED1

The estimated number of new UK Power Networks appointees (including trainees) required for ED1 is c.1050 This is driven predominantly by a combination of an ageing workforce and continued investment in capital renewal network replacement programmes.

In order to forecast workforce requirements, a number of factors have been taken into account:

- The UK Power Networks Network Asset Management Plan
- Retirement age
- Natural wastage
- Efficiency savings as a result of productivity increases
- Efficiency decreases as a result of the business impact of training trainees
- Ratio of UK Power Networks Staff to Contractors
- Availability of skilled resources in the marketplace

Given these key drivers of future workforce supply and demand, the following table highlights the assumptions which have been made to inform the UK Power Networks modelling:

Table 4 UK Power Networks RIGs Forecast Model Assumptions

Skillset Category Levels	2012/2013 Average Retirement Age	Retirement Age Assumption	Average Natural Wastage Percentage (Historical)	EPN Efficiency Saving on Productivity (Per year)	LPN Efficiency Saving on Productivity (Per year)	SPN Efficiency Saving on Productivity (Per year)
Level 1	65	65	0.1%	1.0%	1.25%	1.0%
Level 2	66.8	65	1.9%	1.0%	1.25%	1.0%

¹ The technically skilled workforce includes Level 1 – 8 employees on Permanent or Fixed Term contracts

² The Tier 1 Contractors include 18 out of our 21 main contracting companies and the data was collected in July 2012

Level 3	66.1	65	2.4%	1.0%	1.25%	1.0%
Level 4/5 Engineer	64.7	65	2.4%	1.0%	1.25%	1.0%
Level 4/5 Project Managers	63	65	1.1%	1.0%	1.25%	1.0%
Level 6/8 Professional Engineer	63.8	65	4.3%	1.0%	1.25%	1.0%
Average	64.9	65	1.9%	1.0%	1.25%	1.0%

Source: UK Power Networks Strategic Workforce Planning model

The assumptions have been based on historical evidence over the past few years.

For modelling purposes, a flat percentage rate has been assumed for natural wastage for all years (although this carries a small level of risk)

Many of our existing employees are members of the Electricity Supply Pension Scheme and UK Power Networks Pension Schemes, both of which are attractive final salary schemes tending to encourage low levels of staff turnover. As we move forward into ED1, the number of staff in the UK Power Networks direct contribution (DC) scheme will increase and this could lead to an increase in the numbers of staff voluntarily leaving the business. We have increased the forecasted natural wastage rate for Level 3 Craft from 1.4% to 2.4% since the original submission, This increase is due to a lower proportion of the craft population being members of the attractive ESPS and a market where these skills are in short supply

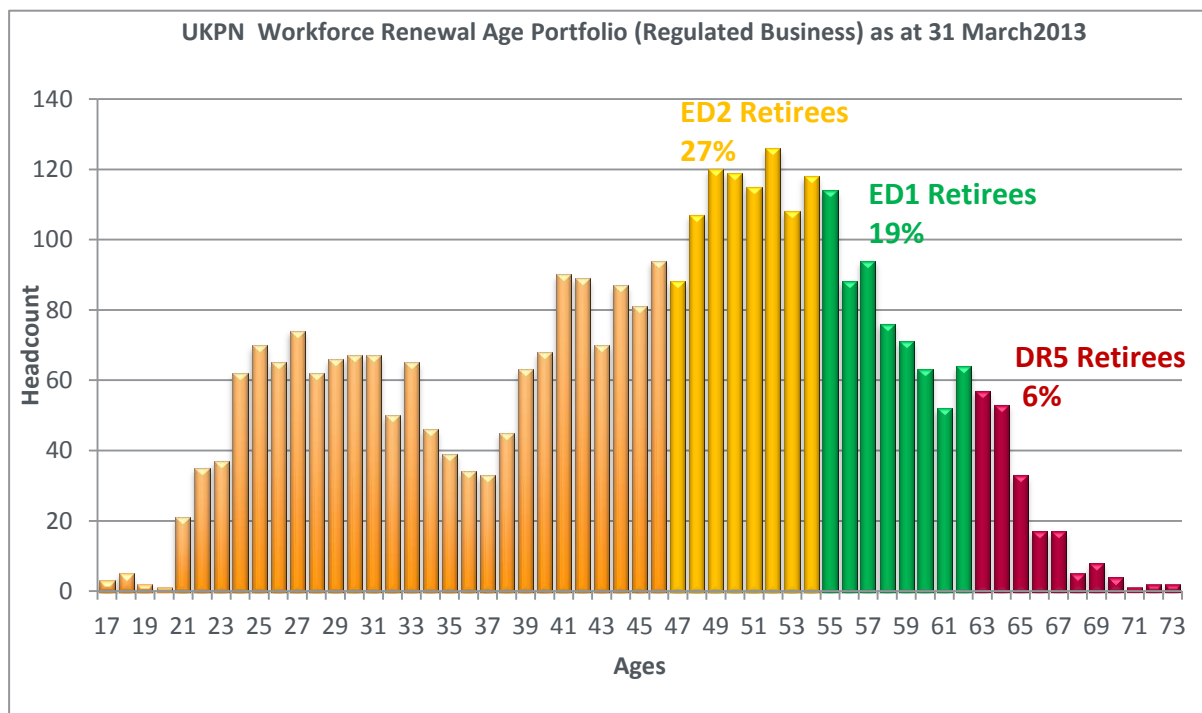
The impact of the Smart Metering roll out could enable skilled jointers to have increased job mobility around the sector and move to other supply work with other employees, again this will increase the level 3 craft forecasted natural wastage

An economic upturn could also impact the attrition rate

5.3 Age profile and retirement

During the ED1 period, c.19% (c.630) of UK Power Networks craft/engineering staff (L1 – 8) are forecast to leave the business due to retirement. This represents a significant number of leavers and the following charts highlight the UK Power Networks age profile and also the age profile for all of the UK Distribution Networks Operators (DNO's).

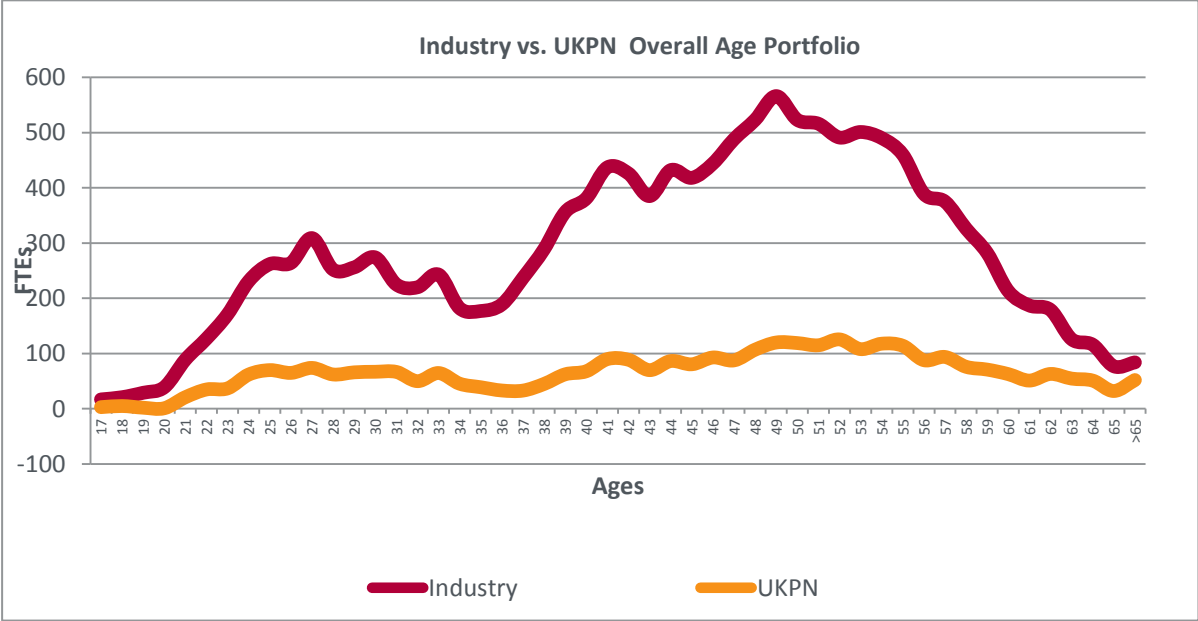
Figure 1 UK Power Networks Age profile for all Workforce Renewal Employees



Source: SAP HR Report as at 31 March 2013

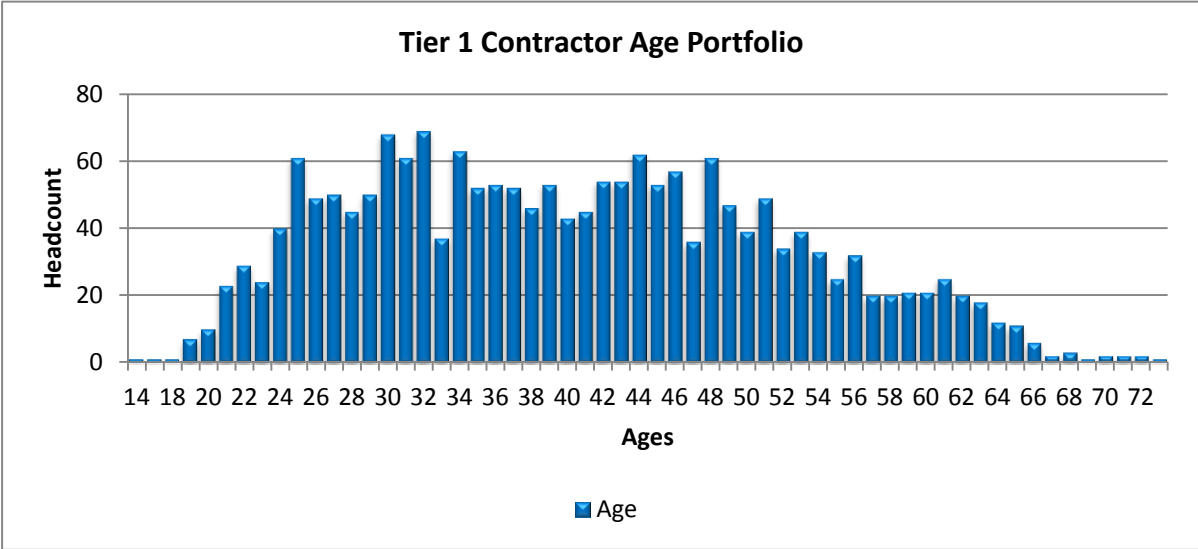
Figure 1 shows the age profile of the industry compared with UK Power Networks for all workforce renewal staff. In essence the age profile of UK Power Networks workforce follows the same trend as that of the overall DNO population.

Figure 2 Industry vs. UKPN Overall Age Portfolio



Source: EU Skills “RIIO-ED1 Workforce Requirements” April 2013 Report

Figure 3 Contractor age profile



Source: July 2012 “UK Power Networks - Tier 1 Contractor Report

5.4 Identifying and filling the gap

The model utilises the following information to determine the forecast gap in resources against need:

- Baseline workforce data as at 31st March 2013
- Contractor workforce data as at July 2012
- Work volumes changing in accordance with the business plan (this has been updated for the NAMP provided in February 2014)
- The current number of trainees who are currently in training programmes and when they complete their training

- Projected retirements
- Natural wastage
- Productivity improvements – an assumption of 1% per year for EPN and SPN, and 1.25% per year for LPN starting from 2013/14 and applied each year during ED1

The following charts (Figure 4, Figure 5, Figure 6, Figure 7) highlight the shortfall between the total forecast workforce required and anticipated actual level:

Figure 4 Forecast Workforce for all Level 1-8 staff with no future resourcing strategy applied

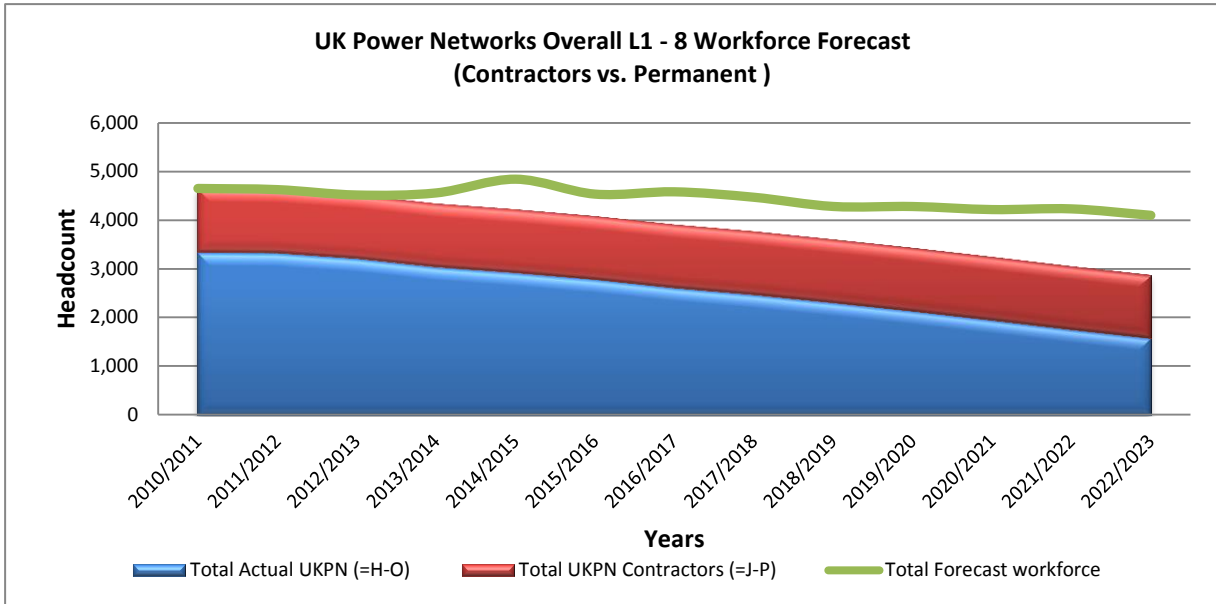


Figure 5 Forecast Workforce for all Level 1-2 semi-skilled staff with no future resourcing strategy applied

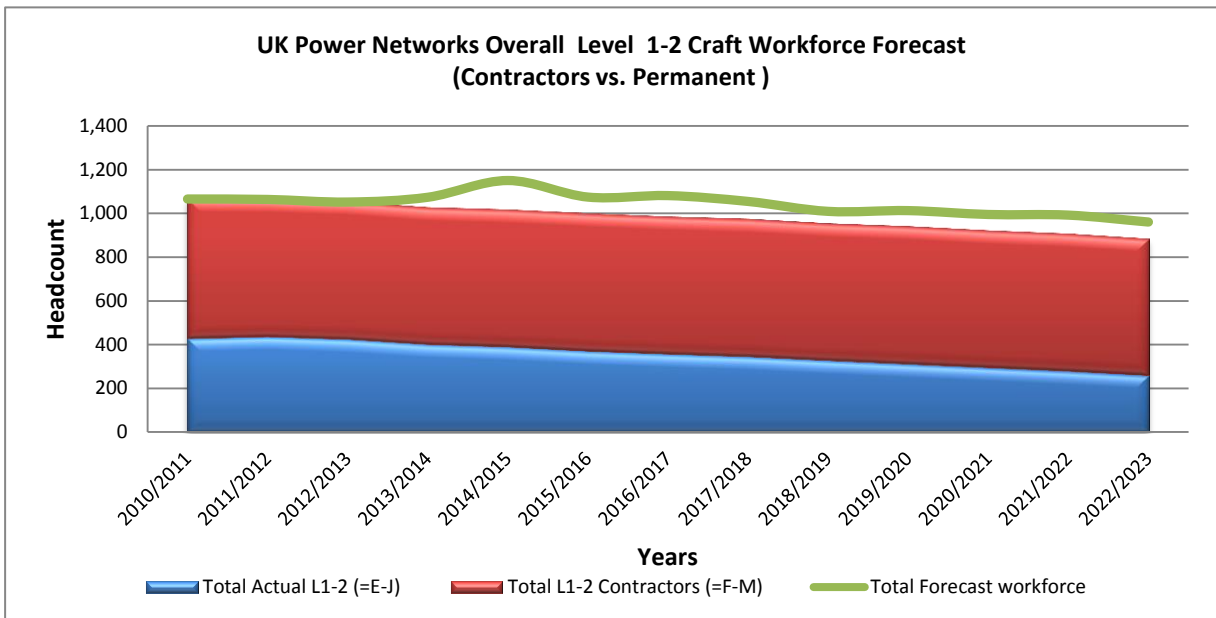


Figure 6 Forecast Workforce for all Level 3 Craft staff with no future resourcing strategy applied

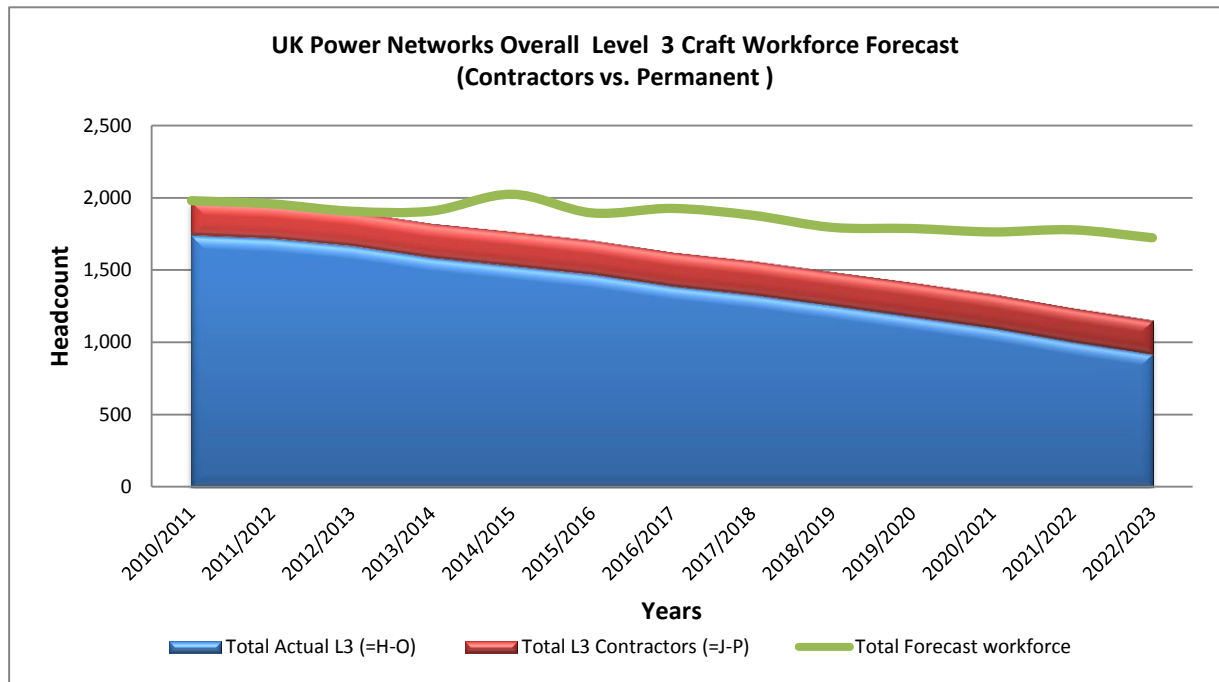
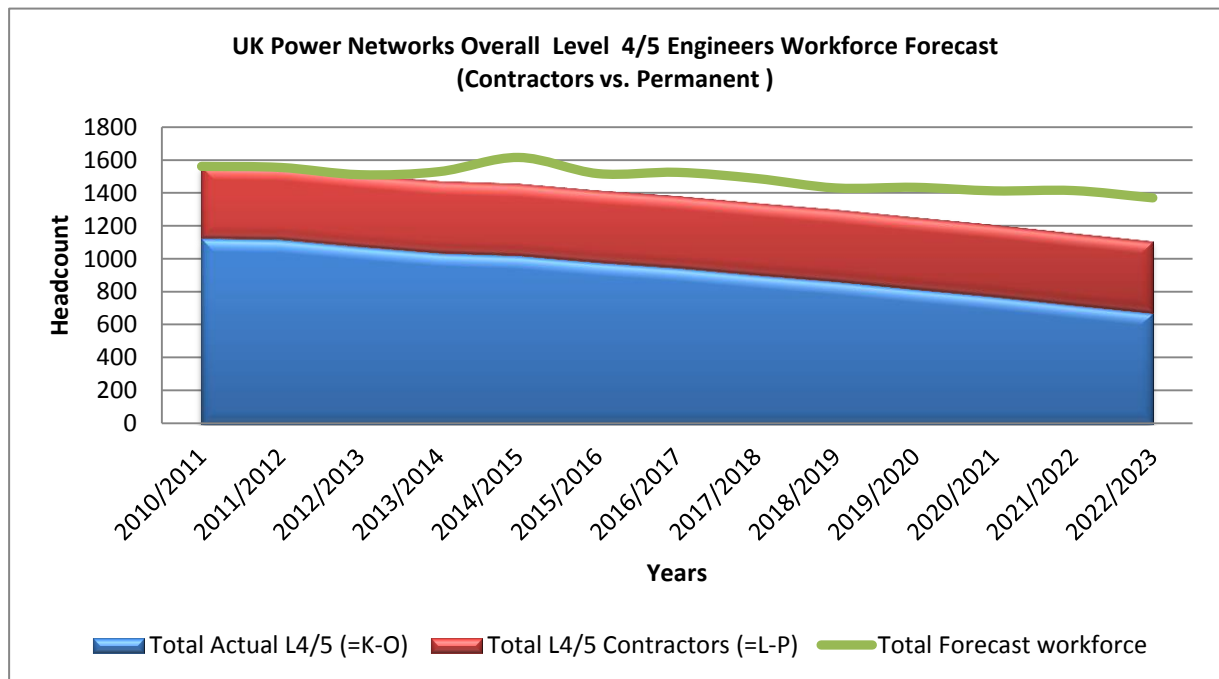


Figure 7 Forecast Workforce for all Level 4/5 Engineering staff with no future resourcing strategy applied



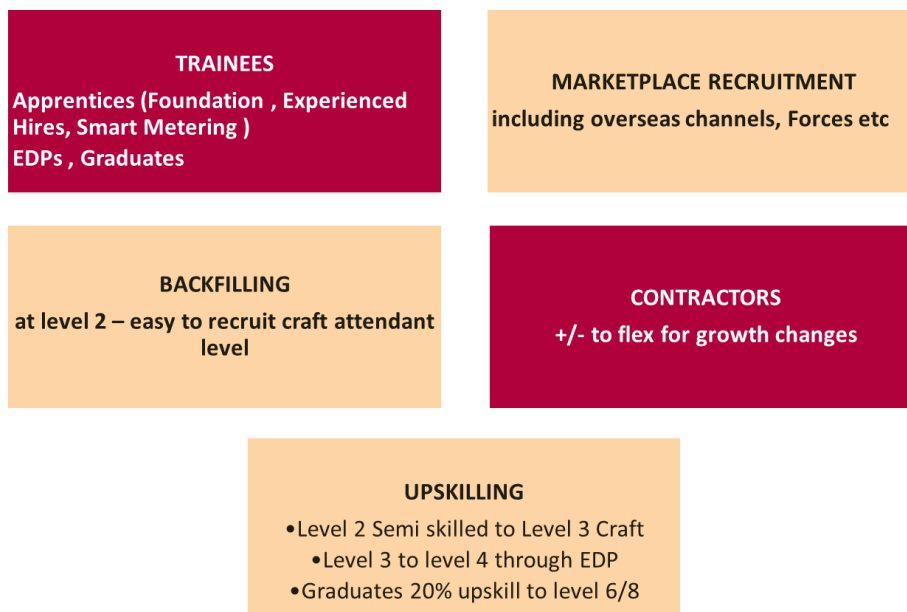
5.5 The strategy to fill the gap

In light of the anticipated number of retirees, leavers through natural wastage and the need to replace employees who are upskilled, there will be a significant requirement to recruit and train new employees during the remainder of DPCR5 and ED1. As a consequence the level of investment in recruitment and training required to ensure that the right resources are in the right place at the right time will continue to be significant. It is important to point out that these costs will increase if the supply of specialist skills becomes further constrained.

It is recognised that whilst the current economic downturn may enable an increased availability of resources in the market, the resources available will not be of the necessary competency level to operate on the electricity network. As a result of the scale of the challenge, we will continue to invest in recruitment, internal training programmes and infrastructure in order to address the future skills shortage.

UK Power Networks' resourcing strategy comprises five key activities to deliver the business requirements. The range of responses is critical as it ensures that the strategy can adapt to variations in market conditions and work volumes and is also cost effective. (A trainee only approach, for example, would be expensive and inflexible).

The five key activities are:



Interventions to increase workforce productivity, such as getting more done with the same number of staff or achieving the same level of work with less staff, will also impact the resourcing strategy.

Table 5 provides a summary of the proposed recruitment intakes by year.

Table 5 Proposed intake of marketplace recruits and trainees by skillset for ED1

Recruitment intake by skillset	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Level 1/2 Marketplace	15	45	59	55	77	67	39	46
Level 3 Apprentices	20	18	10	10	10	16	16	16
Level 3 Smart metering adults	18	18	0	0	0	0	0	0
Level 3 Adult trainees	30	30	14	14	2	2	14	14
Level 3 Marketplace	0	0	0	0	0	0	0	0
TOTAL Level 3	68	66	24	24	12	18	30	30
Level 4/5 EDPs	25	19	17	17	17	17	17	17
Level 4/5 Graduates	15	15	15	15	15	15	15	15
Level 4/5	29	25	0	15	25	0	6	0

Recruitment intake by skillset	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Marketplace								
TOTAL Level 4/5	69	59	32	47	57	32	38	32
Level 6/8 Marketplace	2	2	2	0	0	0	0	0
UKPN Total Intakes	154	172	117	126	146	117	107	108

The following section provides further details about each of the 5 key interventions to support the resourcing strategy:

5.5.1 Trainee programmes

Apprenticeships – to train for Craft staff (level 3).

These are new recruits starting on a recognised apprenticeship framework. Table 6 shows the number of apprentices UK Power Networks plans to recruit and train per year during the ED1 period.

Table 6 Proposed Intake of Trainees

3 DNOs	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Apprentice Total (inc smart metering)	68	66	24	24	12	18	30	30
School leavers	20	18	10	10	10	16	16	16
Adult trainees	30	30	14	14	2	2	14	14
Smart metering	18	18	0	0	0	0	0	0
EDP Total	25	19	17	17	17	17	17	17
Graduates Total (engineering only)	15	15	15	15	15	15	15	15

The strategy is to recruit an increased number of trainees during the remainder of DPCR5 and during the early years of ED1 to ensure that there is sufficient craft staff to cover anticipated retirees and the increased workload. The planned intake for the period 2013 – 2017 is further increased by the planned recruitment and training of 18 experienced apprentices per year to support the delivery of the Smart Metering programme. We plan to continue to recruit varying numbers of apprentices every year in parallel with other strategies (e.g. upskilling). It is important to highlight that the apprentice intake will begin to increase again towards the end of ED1 in order to ensure that sufficient resources are available to deliver ED2.

UK Power Networks will operate two apprentice schemes which will cover different types of applicant to ensure appropriate recruitment and staff development. The planned intake of apprentices during ED1 will be split between a conventional foundation programme and an experienced apprentice programme.

The details of the two programmes are as follows:

- Foundation Apprenticeships are for candidates who have recently completed their education and have no previous employment history. This is a 3 year programme (until fully competent) offering to develop basic manual skills and this opportunity to hone craft competencies before formally completing the apprenticeship. This apprentice programme was introduced in 2012 to recognise the fact that it was becoming increasingly difficult to recruit experienced hires/job converts. In addition this scheme seeks to exploit the fact that young people may choose not to go to University (due in part to the increase in University fees) and may consider the prospect of a craft apprenticeship to be more attractive

- Experienced Apprenticeships are for candidates who already have an engineering background (Electrical Installation, Vehicle Mechanics, and Air-Conditioning Engineers etc.) and some employment history. This is a 2 year programme (until fully competent) providing candidates with the necessary training and experience required in a condensed period
- All apprentices work towards a Level 2 Apprenticeship Framework approved by E&U Skills. The Framework includes;
 - Technical Certificate – City & Guilds 2339 Certificate in Electrical Power Engineering Level2
 - City & Guilds Qualification Credit Framework (QCF) Diploma in Electrical Power Engineering Level 2
 - Functional Skills
 - ERR (Employee Rights & Responsibilities)
 - PLTS (Personal Learning and Thinking Skills)
- UK Power Networks has a dedicated team to deliver the QCF and is endorsed as an approved centre with City & Guilds to deliver and certificate the QCF. In addition approval has been gained with City & Guilds to deliver and certificate NRSWA (New Roads and Street Works Act). Included in our portfolio of approvals is the approval to deliver Institution of Occupational Safety and Health (IOSH) courses, Working Safely and Managing Safely soon to be extended to National Examination Board in Occupational Safety and Health (NEBOSH), and the delivery of Construction Skills Certification Scheme. UK Power Networks are working towards operational courses gaining City & Guilds Approval
- In addition to the delivery of the Foundation Apprentice Framework Training, our own dedicated training centres deliver craft competency training to all of our apprentices. Some specialised training courses currently sourced externally, such as Confined Spaces, are envisaged to be brought in house
- Following a review of the Apprentice Programme, from the 2012 intake onwards apprentices spend circa 9 months in the training centres before being released into the operational areas. This provides the opportunity for the apprentices to develop, amongst other things, health and safety awareness, thereby meeting the Company’s Behavioural Change Programme in this area. Additionally, apprentices are able to participate in actual work on the network earlier in the programme, acquiring the competence to work under personal supervision on or near the live network
- Selection criteria applied to apprentices at the recruitment stage aim to improve our ability to identify apprentices who will in the future have the potential to develop into engineers through our Engineer Development Programme (EDP)
- In keeping with the development of the Foundation Apprenticeship, UK Power Networks is embarking upon partnerships with schools across all three licence areas. UK Power Networks has also been engaging with various County Councils having established business relationships with Norfolk, Suffolk and Essex County Councils
- There are also a number of local initiatives planned for ED1 to upskill craft attendants into craft staff. In addition there is a Technical Assessment Process (TAP) that operates in the Connections part of the business to upskill non-technical staff and develop them over a number of years to become capable designers and (ultimately) senior designers

5.5.2 Engineer development programme (EDP)

Engineer training programmes – to train for Engineer (Level 4/5)

New recruits with craft experience or appropriate technical experience or qualifications are upskilled to engineers through the UK Power Networks Engineering Development Programme (EDP) which was established in 2008.

The programme aims to formally develop the ‘technician’ or ‘incorporated engineer’ level over a 30 month period. This not only promotes internal career progression but also attracts new joiners into engineering careers.

Table 7 contains the number of trainees since 2008. The numbers have decreased as the standards required to participate in the programme have been raised.

Table 7 No of EDPs recruited

Actuals	Regulated Year	Internal	External	Total
	2009/10	6	13	19
	2010/11	5	6	11

	2011/12	20 ³	0	0
	2012/13	2	7	9
	2013/14* (as at 31 Jan 2014)	2	16	18

For forecasted intake please refer to Table 13.

- It is anticipated that UK Power Networks will need to recruit ~20 Engineering Development trainees a year for the remainder of DPCR 5 and throughout ED1
- On successful completion of the EDP, 'students' are targeted to achieve AP (Authorised Person) or SAP (Senior Authorised Person)
- EDPs will undertake a 2 year block release course leading to an HNC in Electrical Engineering with Warwickshire College
- The training programme outlined below combined with the on job learning, provides the skills required to achieve AP and/or SAP status over the 2½ year programme
 - Fire Awareness/Sharps
 - First Aid EFA
 - Sub Station Access
 - Asbestos Awareness
 - Steps & Ladders
 - Jointing Appreciation
 - Overhead Line Appreciation
 - Fitting Appreciation
 - Potential SAP Awareness
 - IOSH Managing Safety
 - Linking & Fusing
 - LV Cable ID
 - Fault Location
 - Air Circuit Breaker Switching
 - Issue Limitation Of Access
 - HV Switching
 - Squirrel Logging
 - Putting People to Work
 - Confined Spaces A & B
 - NRSWA Supervisor
 - Protection Basics
 - Network Control
 - Customer Service
 - Financial Acumen
 - Project Management
 - SAP in Training

Work with Warwickshire College

UK Power Networks is working with Warwickshire College as a strategic delivery partner, to deliver Higher National Certificates (HNCs) to Trainee Engineers. The programme has been specifically designed to address the needs of UK Power Networks in managing its distribution network, and includes:

- Unit 1: Analytical Methods for Engineers
- Unit 2: Engineering Science
- Unit 3: Project design, Implementation and Evaluation
- Unit 5: Electrical and Electronic Principles
- Unit 6: Health, Safety and Risk Assessment in Engineering
- Unit 7: Business Management Techniques for Engineers
- Unit 63: Electrical Power
- Unit 67: Further Electrical Power

Warwickshire College work in partnership with Aston University (who also deliver Foundation Degree and Degrees in the Power Industry), and therefore provide candidates with the opportunity for progression. Partnering with Warwickshire College also ensures consistency in the delivery of skills as local Further Education colleges are unable to deliver the power elements of the HNC or the standards required by UK Power Networks.

³ The intake in 2011 consisted of 20 internal staff being trained for specific engineering roles that were not required to formally enrol on the EDP.

Warwickshire College has received a number of awards for achieving high operational standards, including a Grade One 'outstanding' from Ofsted.

Warwickshire College also partner with the National Skills Academy for Power (NSAP) and EU Skills and include their own Power Academy, with a portfolio of large international companies such as;

- Alstom Power Thermal Products – Rugby and Stratford
- Alstom Power Thermal Services – Ashby
- Converteam – Rugby
- Corus – First Steel – Birmingham
- Doosan Babcocks – Birmingham
- ECITB – Midlands
- FH Dale – Steel Construction – Herefordshire
- Morgan = Est – Rugby
- Rolls Royce – Ansty
- Quartzelec – Rugby

Following a successful first year working with Warwickshire College, other areas of delivery are being explored to meet the training delivery needs of UK Power Networks and industry requirements. For example, as far as the apprentices are concerned:-

- Hand Skills
- Functional Skills
- Personal Learning and Thinking Skills
- 2339 Technical Certificate

5.5.3 Graduate engineering programme

UK Power Networks' well established Graduate Engineering Programme is designed to train graduates for Engineers Level 4/5 and provides pipeline to level 6 – 8. Graduates are recruited to ensure that there is a pipeline of engineers to upskill to Professional Engineers at level 6 – 8, eventually to become Chartered Engineers.

- The UK Power Networks' Graduate Engineer Development programme is accredited by the Institute of Engineering and Technology and the programme lasts for two years
- The UK Power Networks' graduate recruitment campaign was shortlisted for the final 6 companies in the UK for the 2013 TARGET Jobs Association of Graduate Careers Advisory Services Awards. A UK Power Networks graduate won the 2013 NSAP Graduate of the year at the People in Power Awards

UK Power Networks has recruited the following graduate engineers over the DPCR5 period and is forecasting to recruit at a level of 15 per year throughout the RIIO- ED1 period.

Table 8 Number of Graduate Engineers recruited and forecasted

Total Engineering Graduate intake	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016 - 2023
	8	6	8	12	15	15	15 per annum

- The programme includes a 7 week induction element consisting of both technical and non-technical training. The purpose of the induction is to provide comprehensive knowledge of the Company and to provide the basic level of training required to prepare the Engineering Graduates to go into the business
- Graduates are allocated a home base during their first year. A home base provides them with the stability of a permanent role but allows them flexibility to move to other areas of the Company to obtain more knowledge and experience
- Graduate progress is reviewed on a quarterly basis with the placement manager and the Graduate Programme Consultant (who manages the running and development of the Graduate Programme)

- Each Graduate is provided with a Programme Structure Handbook which not only outlines their programme but provides them with the objectives that they are expected to achieve within their first year
- Every Graduate is supported by a Mentor who is a Chartered Engineer. The mentors support the graduates until they attain Chartered Engineering status
- Graduates also access the network of previous graduate cohorts who are also actively involved in supporting the Graduate programme. We develop and modify our Graduate programme on a yearly basis to ensure it continues to fit the business and graduate need. This was recognised in 2012 when the Programme was successfully reaccredited by the Institute of Engineers (IET)
- Once the graduate completes their first year with the business they move into their home base in a permanent role where they are expected to remain for a minimum of 12 months. At the end of this time they are free to move to other areas of the business whilst continuing to be supported by the UK Power Networks' graduate career process
- UK Power Networks recruited 12 graduate engineers in 2013 and plans to recruit a further 15 engineering graduates per year from 2014 - 2023. This is an increase on previous years and recognises the need to enable more talented engineers to enter the business so that not only will UK Power Networks be able to replace the experienced Chartered Engineers who leave but we can also reduce the reliance on service providers and consultants at this level. As part of our strategy to have a strong employer brand in the Engineering Graduate marketplace, UK Power Networks has launched the Powering Placement Programme.

5.5.4 Industrial placements (powering placements)

As part of its strategy to develop a strong employer brand in the engineering graduate market place, UK Power Networks has launched its 'Powering Placement Programme'. UK Power Networks was a founder member and key supporter of the Power Academy in association with the IET, sponsoring on average 14 students per annum. The Power Academy was a great opportunity for students to obtain work experience whilst at University and was aimed specifically at the engineering industry.

In 2012 UK Power Networks decided to withdraw from sponsoring any new Power Academy students and change its approach. The focus changed to offering 12 week summer internships and 'Year in Industry' placements to undergraduates at those Universities where the Company has traditionally had strong recruitment links. This revised approach is designed to achieve greater return on investment than the Power Academy which failed to live up to expectations. We are now able to recruit students from all Universities (and not those purely stipulated by the Power Academy) which affords greater flexibility and broadens the choice of potential candidate.

UK Power Networks recruited 9 Powering Placements and 3 Summer Interns in 2013. If this proves successful, UK Power Networks will continue with this programme for future years.

5.6 Market place recruitment

UK Power Networks continues to actively recruit for fully competent and technically skilled staff and we have the following track record of recruiting at the levels stipulated:

Table 9 No of New Recruits in DPCR5

Regulatory Year	L1	L2	L3	L4/5	L6-8	Total
2013/14* (As at 31 Jan 2014)	7	82	26	20	0	135
2012/13	0	24	46	39	3	112
2011/12	0	82	26	7	1	116
2010/11	0	17	23	23	7	70

We have introduced specialised Talent Acquisition Partners who have a good overall understanding of the sector and the type of people and skills we require for our business. The Talent Acquisition team play a key role in attracting and securing high calibre recruits by:

- Promoting UK Power Networks through making the brand more visible at careers fairs and other recruitment media

- Creating new talent pools – using social media and LinkedIn to tap into ‘passive’ candidates in and outside of the UK
- Exploring catchment areas where there are plenty of available highly technically trained engineers/craftsmen with a good work ethic i.e. Romanian Control Engineers, Filipino Linesmen
- Working with other local businesses to re-deploy candidates with transferable skills (e.g. Ford at Dagenham) exploring the potential of ex-military personnel and integrating them into the business
- Building long term relationships with universities and technical schools and improving candidate selection methods

5.7 Contractors

UK Power Networks will continue to use its Tier 1 Contractors to support the delivery of its work plan. For the forecast we have assumed that the current ratio of in house to outsource for each skill level will remain largely unchanged but will adjust accordingly to workloads in order to ensure flexibility.

- Contractors receive craft and operational training delivered by UK Power Networks internal resources. The training is charged at cost to cover the materials and resources used and this approach will be expanded into RIIO-ED1 by accrediting courses to a City and Guilds standard. (This also opens up a new income source). UK Power Networks have also approved some tier 1 contractors to deliver their own training which is then assessed and validated by UK Power Networks assessors
- During 2012 an initiative was taken to integrate contractors onto courses attended by UK Power Networks employees as opposed to delivering stand-alone training. This has encouraged the sharing of UK Power Networks culture and methods leading to increased mutual understanding. In addition integrating contractors onto existing courses enables a reduction in costs as courses can be delivered with a higher complement of delegates
- Initial discussions have taken place to introduce Tier 1 contractors onto UK Power Networks trainee programmes. It is feasible that Contractors could join the Apprentice Programmes and/or the EDP programmes and follow the framework alongside UK Power Networks trainees. Increasing trainee number reduces the delegate rate on many elements of the programme realising a cost saving for all parties
- From 1 July 2013 contractors will start migrating onto the UK Power Networks Worker Accreditation Programme (WAP) cycle. 12 contractors will begin the cycle on 1 July 2013 joining 48 UK Power Networks staff. This will be followed by a further 61 contractors in 2014

5.8 Upskilling

Upskilling of existing UK Power Networks employees is another integral part of the Resourcing Strategy.

A key intention of our workforce renewal plan is to upskill semi-skilled staff at Level 2 craft to skilled crafts people i.e. jointers, fitters and linesmen.

There is an intention to upskill between 20 to 30 semi-skilled craft staff per year from 2013/14 onwards. The upskilling plan has been reduced since our last submissions as a result if the business work volume being reduced. The plan is to then backfill the semi-skilled staff with market place recruits.

This strategy enables the employee to be 50% productive in their current role whilst completing the required on the job and class room training. The conversion programme which will take 2 years to complete has already been trialled in the Southern Power Networks (SPN) area following the successful conversion of the contracting electricians.

In SPN, this plan is facilitated by the 2013 insourcing of the Southern Ground Works Contract which resulted in a number of semi-skilled craft staff transferring in to UK Power Networks.

In addition, a small number of craft staff will also upskill to Level 4/5 engineers through the EDP programme and a numbers of the graduates will upskill to Level 6 – 8 engineers as they progress towards becoming Chartered Engineers.

5.8.1 Backfilling

The gap that results from the upskilling of resources from level 2 craft to level 3, will be filled through market place recruitment at level 2 craft attendant level. Resources at this level should be comparatively easy to attract.

5.9 The impact of Innovation (Future Technology)

UK Power Networks has taken into account the resource requirement for future technology, therefore UK Power Networks plans to take approximately 37 new recruits out of the total c.1,050 estimated number of new UK Power Networks appointees (including trainees) required for ED1, this is to ensure UK Power Networks has enough resources to support the Future Networks division to deliver the Business Plan.

Table 10 Number of new recruits for Future Technology

ED1	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
New Recruits with Innovation (FTE)	- 0	- 4.7	- 0.9	- 3.2	- 6.4	- 3.2	- 5.5	12.9

6

The impact of smart metering

Smart Metering requires the largest installation programme undertaken by the UK energy industry in a number of years, posing a wide variety of challenges. One of the key issues will be to understand the precise impact of the Smart Metering Programme on the distribution network and the associated resources which will be required to support the roll-out.

Views on the potential resource impact of Smart Metering have ranged from initial ENA estimations of 25% to 2% from the London Low Carbon Trial feedback. Ofgem have provided some guidelines asking that models are initially based on a 2% assumption with a multiplier up to 10 % for direct and indirect associated costs. UK Power Networks modelling is based on a 3% approach, a figure which we believe to be sensible and pragmatic taking into account customer fault experience, general electrical installations and the quarterly whole current meter changes of c. 20,000 per annum over the past three years.

After taking into account the existing resourcing levels and allowing for a 2 year training lead time, we have looked at options to increase training volumes for direct jointing resources over and above the strategic skills profile challenge, apprentice and adult trainee programmes.

Jointing training typically takes a minimum of two years, with hands on experience working on cut outs being an essential component. UK Power Networks will need a blend of both new and existing staff to build up the necessary resource levels. Smart Metering will require circa 1000 resources across the London footprint. City & Guilds qualified resources will be at a premium and the maintenance of entry skill levels combined with extended training lead time requirements will be a particular challenge.

There is a potential risk that suppliers will delay complex issues until the end of the programme, loading up the last year thereby increasing significantly the % intervention rate to DNO's. The resource model is not adjusted to allow for this but as 2019 is a ramp down year, resource availability might be held back as a contingency.

The challenge of roll off at the end of the programme is forecast to be offset through requirements for Low Carbon Technology, skills profile replenishment and the replacement of contractor activities.

After making allowances for existing resources Table 11 provides a view of the required resource based on a year's training programme and the first resource becoming available in January 2015 (in line with a ramp up for the projected start of the rollout programme). The earliest start-up date for the training programme is January 2014.

6.1 Advanced jointing training forecast

Table 11 Smart Metering jointer resourcing plan

Jointers to be trained - Two Years

Reg year start with Years Slip	2013	2014	2015	2016	2017	TOTAL
EPN	0.7	11.5	11.5	4.9	0.0	28.6
Smoothed Resourcing Plan		8.0	6.0	8.0	6.0	28.0
Enfield & Harlow	0.0	0.6	1.4	0.6	0.0	2.6
Cambridge	0.0	2.2	2.0	0.9	0.0	5.1
Harold Hill & Rayleigh	0.7	2.6	1.6	0.7	0.0	5.6
Hemel, Borehamwood & Pinner	0.0	3.7	2.3	1.0	0.0	7.0
Bury	0.0	0.4	2.2	0.9	0.0	3.6
Norwich	0.0	1.9	2.0	0.9	0.0	4.8
LPN	1.7	4.8	4.1	2.1	0.0	12.7
Smoothed Resourcing Plan		4.0	4.0	4.0	4.0	16.0
London NE	0.0	0.7	1.3	0.7	0.0	2.6
London NW	0.0	1.4	1.0	0.5	0.0	2.9
London South	1.7	2.8	1.8	0.9	0.0	7.2
SPN	0.8	14.7	9.9	5.4	0.0	30.8
Smoothed Resourcing Plan		6.0	8.0	6.0	8.0	28.0
Kent	0.8	5.6	3.6	2.0	0.0	12.0
Surrey	0.0	4.2	3.0	1.6	0.0	8.8
Sussex	0.0	4.9	3.2	1.8	0.0	10.0
TOTAL Teams	3.3	31.1	25.4	12.4	0.0	72.1
Smoothed Resourcing Plan		18.0	18.0	18.0	18.0	72.0
Smoothed Resourcing Deficit		-9.8	-23.7	-18.1	-0.1	

Newly trained jointers will need to receive significant on the job experience and must be supported/mentored by experienced craftsmen.

The existing experienced Jointers' training is currently two years - consideration is being given to a variant of this which would focus on service jointing and provide a shorter, reduced competency profile specifically designed for the Smart Meter programme.

Through smoothing the jointing requirements, taking into account the workforce renewal programme and training centre capability, a rollout profile 18 Smart Meter resources per year for 4 years from 2013/14 has been included in the overall training model.

The smoothing does lead to a deficit in resource availability in the early years. As a consequence, the risk requires exploring further and might also include squeezing the timescales between intakes which would affect the volumes in each year i.e. bringing each intake forwards a quarter.

It should be noted that the resource profile is sensitive to the intervention % rate which as monitored may cause revision to the requirements and increased resource numbers.

6.2 Advanced surveyor recruitment requirements

Current practice has seen the introduction of a surveyor resource to reduce wasted labour time, and ensure consistency in planning activities particularly with regard to 3 phase cut-outs requiring excavation. Therefore, in addition to the requirements identified for jointing resources, surveyors will also be needed. The surveyor requirements are assumed to be sourced through market place recruitment.

6.3 Department of Energy and Climate Change programme slippage

Taking into account the recent programme slippage against the resourcing profile, the resource requirements and training capability constitute early availability risk against the programme. The recruitment of jointing resource to mitigate the forecast rollout plan should be maintained at a rate of an 18 jointer intake per year for four years providing a phase build to a 2017/18 peak. The 18 x4 provision still provides a resource deficit at 3% intervention rate and a remodelling of the training programme will need to be undertaken to meet demand.

A revised DECC rollout profile is not available as yet but a longer lead time is anticipated. This will provide for a more controlled early build up and also enable sufficient time to monitor and adjust against rollout plans and contractor support interventions.

6.4 Supporting training infrastructure required to deliver the strategy

In order to support the strategy to train new employees and contractors there will be a requirement to utilise more of the In Business Instructors (IBI) time and also increase the Instructor headcount. It is envisaged there will be a requirement for two additional full-time Instructors and three seconded Instructors. There will be a need to expand the training facility in the South at the Maidstone office (funded from DPCR5) and a further investment to set up a new training facility at the Pratt Street office in London. This will not only increase the capacity of the Technical Training Department, but will be more cost effective in terms of both money and time.

The productivity of the Training Centres will be further improved by;

- Increasing the delegate numbers and decreasing the duration of non-safety critical courses. For example, a Senior Authorised Person (SAP) refresher course currently runs with 12 delegates for five days whereas going forward this will change to 15 delegates for two days every two years
- Reducing the non-productive time by introducing SMART technology which will minimise the need to double handle information. This will include updating the current Learning Management System (LMS). The new system will provide line managers with the facility of an online automated booking system for the majority of all refresher courses
- Decreasing the number of non-attendance on courses by introducing an internal/external charging mechanism. This will provide greater focus and commitment from line managers and delegates

The dependency on expensive external training providers will be reduced and such courses as Confined Space, Health and Safety, Working at Height and Groundwork's' will be delivered by the In Business Trainers and the Technical Training Instructors. For example in 2012 spend on confined space training, with an external training provider, totalled £220k, whereas delivered internally this would cost £50k.

7

Sector activity and support

UK Power Networks continues to be a member and financial supporter for the National Skills Academy for Power (NSAP).

UK Power Networks has put in place long term partnership arrangements with key training providers which focus on;

- Developing desired apprentice behaviours in line with the UK Power Networks ambitions and values (this involves apprentices attending an outward bound course run by the Outward Bound Trust)
- The delivery of the City & Guilds 2339 to our apprentices by Manchester Opening Learning (MOL)
- Delivery of the HNC in Engineering to include key power units specific to our business by Warwickshire College
- Delivery of the Foundation Degree by Aston University
- Working with NSAP and E&U Skills on the Common Accord and taking the lead on the first module, Sub-Station Entry

8

Summary of recruitment and training costs

To calculate the costs of the proposed resourcing and training strategies, the following costs have been used:

- Recruitment –one off costs of recruiting a new hire
- Salaries; salary levels whilst working towards a traineeship
- Employment overheads; pension, NI, etc
- Training – full costs of training
- Other costs – travel and accommodation relating to trainee schemes

The costs applicable to UK Power Networks are as follows:

Table 12 Workforce renewal costs

	Entry Route	Recruitment	Salary	Training	Other Costs
Level 2	Upskiller	£ 150.00	£ 25,494.55	£ 2,096.00	£ -
	Marketplace	£ 1,896.00	£ 25,494.55	£ -	£ -
Level 3	Apprentices	£ 2,417.00	£ 13,000.00	£ 4,036.00	£ 700.00
	Adult Trainees	£ 2,417.00	£ 18,000.00	£ 4,036.00	£ 700.00
	Upskiller	£ 150.00	£ 27,650.00	£ 1,354.00	£ -
	Marketplace	£ 1,449.00	£ 28,655.00	£ -	£ -
Level 4/5	EDPs	£ 4,297.00	£ 27,919.23	£ 6,712.00	£ 2,118.50
	Graduates	£ 4,297.00	£ 28,000.00	£ 2,684.00	£ 2,118.50
	Upskiller	£ 150.00	£ 30,848.61	£ 951.00	£ -
	Marketplace	£ 3,166.00	£ 49,065.78	£ -	£ -
Level 6-8	Upskiller	£ 150.00	£ 52,906.64	£ -	£ -
	Marketplace	£ 3,875.00	£ 53,986.37	£ 614.00	£ -

These costs have been used to forecast the CM4 tables for ED1. The high level forecast expenditure on workforce renewal activities for ED1 is £112million.

Table 13 Forecasted workforce renewal expenditure ED1

ED1	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
WFR Costs £m	16.1	14.0	12.8	12.9	11.4	12.2	13.1	12.5

Costs in ED1 are greater due to the increased number of trainees in the system and the augmentation of upskilling activity and programmes.

9 Other activities

9.1 Supported studies

The UK Power Networks Supported Studies Policy provides financial assistance to employees who wish to undertake Further Education, Higher Education, vocational or Professional qualifications. Approval is subject to a key business need and supports the career development of the staff member e.g. HNC in Electronic/Electrical Engineering, MSc in Electrical Power Systems. This approach is a key enabler of UK Power Networks achieving its vision to become 'An Employer of Choice'.

In 2011/2012, UK Power Networks spent nearly £200k on Supported Studies, the vast majority of the total expenditure being invested on Work Force Renewal, upskilling Engineering and Technical courses. In 2012/2013, UK Power Networks increased investment in Supported Studies threefold to a total expenditure of circa £600k. This increase is a significant measure of the Company's commitment to upskill and develop our employees.

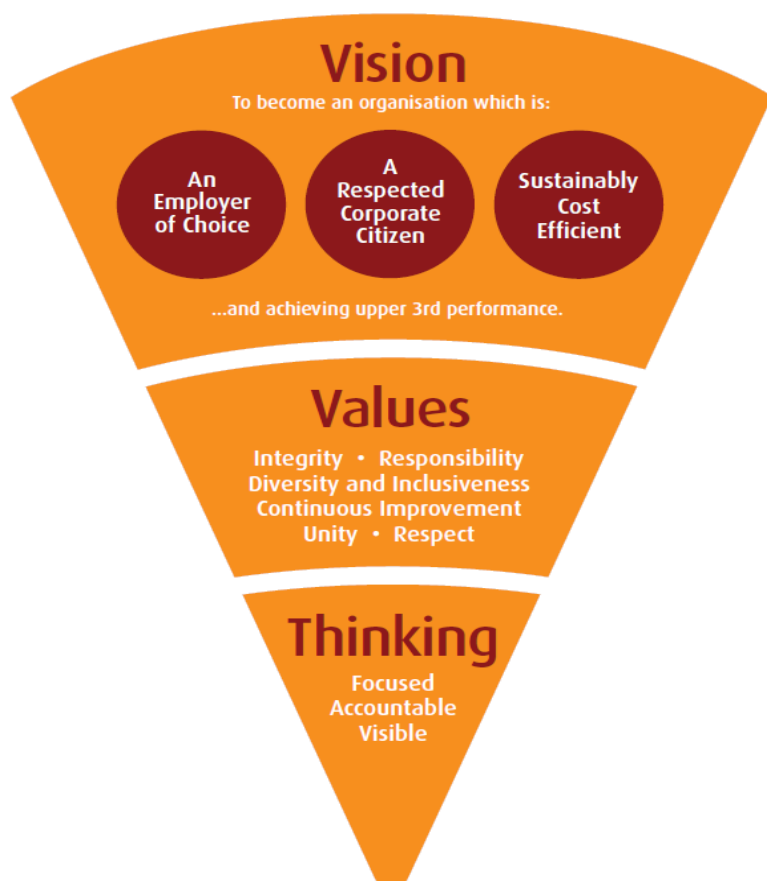
9.2 Succession planning

UK Power Networks has developed a succession planning process to identify and risk assess critical roles. The process identifies roles within the business which are critical and a scoring process is applied to determine how critical the role is and the likelihood of the role becoming vacant. Resulting action plans are then created to ensure that risks are appropriately mitigated.

9.3 The UK Power Networks leadership way

To achieve our vision of being an Employer of Choice, a Respected Corporate Citizen and Sustainably Costs Efficient, UK Power Networks has created the Leadership Way which is a cultural/management development intervention designed to help all of our leaders to become focused, accountable and visible.

Figure 8 The UK Power Networks Leadership Way results cone



Focused on the things that matter - safety, customer services, network performance and efficiency.

Accountable for getting the right things done at the right time for the right people as has been promised; being a role model for getting results (consider it done).

Visible in the organisation and externally: listening and taking a real interest in the people we manage and representing UK Power Networks.

In order to facilitate the promotion of the Leadership Way, UK Power Networks has created and launched a number of support activities. We have revised our overall training approach and now use HR Facilitators, Subject Matter Experts (SMEs) and Senior Managers to deliver leadership training. This has not only delivered substantial cost efficiencies but has also provided opportunities for our own senior leaders and internal experts to develop themselves and others. This means our courses are bespoke, totally relevant to our industry, highly cost effective and have high levels of face validity for the delegates. Activities and interventions delivered to date and planned for 2013 include:

9.3.1 Leadership competencies

In partnership with the business, UK Power Networks has developed seven Leadership Competencies. These competencies have been developed to:

- Highlight the key competencies underpinning effective management performance in UK Power Networks
- Clearly indicate the behaviours and actions that are valued, recognised and rewarded
- Provide consistency and a common set of criteria across UK Power Networks for Management and Leadership behaviours
- Supplement relevant Technical Competencies providing a blend of specialist and managerial capability

9.3.2 The role of the UK Power Networks leader

Our general programme for Leaders and Managers was launched in 2012 to provide a consistent frame-work for our Middle and Front Line Managers.

Over 400 Middle and First Line Managers attended a one day Workshop between June and December, with a total of 19 Workshops taking place, across the UK Power Networks footprint. The programme has been designed to outline what is expected of leaders in UK Power Networks and provide practical advice, tools and techniques which will enable them to perform effectively in their roles. 360° diagnostic feedback was also provided to support individual learning and enhance capability. These workshops were delivered entirely in house by members of the Organisational Development team and Executive (including the CEO) and Senior Managers.

During 2013, we will be delivering the next stage of this programme which will focus on learning interventions to support specific competency capability.

9.3.3 Managers programme for newly appointed managers

This new Programme focuses on supporting new leaders and managers, i.e. those who have been recently promoted/recruited into a managerial role. New leaders are offered guidance and training to equip them with the skills and insights they will need as they make the transition from being a member of a team, to leading one. The Programme will take place over six months with an introductory 2 day Workshop, supplemented with additional on-going learning.

9.3.4 The future leaders programme

UK Power Networks has launched its first pilot programme for a small group of employees, aimed at developing potential Future Leaders. A UK Power Networks Future Leader is: 'an employee who has the ability, commitment, and motivation to rise and succeed in a senior position within UK Power Networks. Selected employees have already demonstrated the potential to deliver results, shape strategy and role model the right behaviours and values and are regarded as having the potential to progress within the Company. They have been selected and assessed both by UK Power Networks and an external assessment company.

The programme aims:

- To create opportunities for high potentials to develop greater insight in order to grow, develop and learn
- To provide high potentials with the skills they need to take on responsibilities of greater scale, scope and complexity

9.4 Investors in people

Following external assessment in 2012, IIP Awarded UK Power Networks the Silver Standard Accreditation. UK Power Networks recognise the importance of external validation where it aligns with our aim of having a workforce which is engaged, developed and motivated to attain high levels of performance. The Company will seek to achieve the Gold Standard.

