

Priority Sustainable Energy Innovation -Bath of Amge Receiping the lights on

Conservation Edication Safety

2019-20 | Part 1 Engaging with purpose

Overview of Evidence Stakeholder Engagement and Consumer Vulnerability Submission



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	Scottish Hydro Electric Power Distribution

Welcome to Scottish and Southern Electricity Networks (SSEN) part 1 submission to Ofgem's Stakeholder Engagement and Customer Vulnerability Strategy Incentive (SECV) for 2019-20.

Through our two licensed electricity distribution network areas, Scottish Hydro Electric Power Distribution (SHEPD) and Southern Electric Power Distribution (SEPD), we operate and invest in an essential part of the UK's electricity system, delivering power to over 3.8 million homes and businesses.

Ofgem's annual SECV Incentive encourages network companies to engage proactively with stakeholders to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service.

SSEN's submission is structured in three parts:

PART 1 Engaging with purpose

PART 2 Delivering with impact

PART 3 Collaborative action on consumer vulnerability

Our Part 1 submission

Our Part 1 submission explains our stakeholder engagement strategy and our consumer vulnerability strategy. We explain why we engage and the principles and processes we apply to our engagement. We use a variety of methods to engage with our stakeholders and demonstrate how these are embedded within our business. We also outline the methods we use to measure and assess the value of our stakeholder engagement. Our stakeholder engagement often involves co-creation and partnerships with other organisations so that we can extend our reach and draw upon external expertise and we have outlined some examples of how we do this for the benefit of our customers and stakeholders.

1.1 An improved approach and a renewed purpose



As a provider of an essential service, we understand the vital role we play in delivering the electricity that powers people's lives.

The decisions we make, whether now or in the future, will impact our customers and stakeholders. It's therefore imperative that constructive, transparent and open engagement forms a critical aspect of our business strategy. It must go above and beyond 'business as usual', delivering continuous improvement and tangible benefits.

Following Ofgem's assessment of our 2018-19 SECV submission, which highlighted that we needed to do more to demonstrate how stakeholder engagement is integral to our strategy and delivery, we undertook a thorough review of our stakeholder engagement activities, implementing a **robust improvement programme**, which itself was shaped by stakeholder input. Our submission for 2019-20 encapsulates our improvement programme over the year including: enhancements to our stakeholder governance and strategy; the implementation of new tools and processes; and a step change in the scale and impact of our delivery.

We've introduced more structure to how we engage. Informed by stakeholders through bilateral engagements, regional stakeholder events and co-creation with our panels, we developed **five strategic themes for stakeholder engagement** tied closely to our business strategy.

Throughout the year, we engaged more than ever before, with over 700 engagements events delivering more than 220 outcomes for our customers and stakeholders. We've sought to measure this increased impact by building on our measurement tools, **undertaking social value measurement** and formalising our decision framework.

We've been more strategic in how we collaborate in the sector and beyond, **increasing our partnerships to 84 this year**, delivering outcomes for stakeholders that we couldn't have achieved alone. It's allowed for a better understanding of impacts on our customers and helped us better engage with those who are traditionally harder to reach. This robust approach is now backed up by a **new** organisational structure, introduced earlier this year, which brought stakeholder engagement together with corporate affairs and regulation, bringing better clarity of our external facing activity and responsibility at executive team level.

Our enhanced way of working has already delivered benefits, including during the severe test of the COVID-19 outbreak in March, which put our critical role in society into even sharper focus. We sought external views at an early stage and I am impressed by the way stakeholders have helped us make **agile**, **yet considered**, **decisions** on our role in the response.

As we progress our business planning for the next price control period, enhanced engagement must become the norm. As a stakeholder-led business, we will continue to listen and respond, driving positive outcomes for our stakeholders and sustainable benefits for all.

Colin Nicol, Managing Director, Scottish and Southern Electricity Networks

1.2 Our strategic themes for engagement in 2019-20

Informed by our engagement in 2018-19 and shaped by our panels, our strategic themes have been developed in line with SSEN's business strategy so that stakeholders can clearly see how they are shaping our approach to strategic issues.

CORE PURPOSE

To deliver safely and reliably the electricity that powers communities, now and in the future.

VISION

To be the leading network owner and operator, enabling the transition to a net zero world



Collaborative action on consumer vulnerability

We are committed to engaging with consumers in vulnerable situations, and the trusted organisations who represent them, to deepen our understanding of complex vulnerability. We will work in partnerships to deliver a wide range of services that targets support where it is needed most.



Driving innovation in core services

From our engagement with customers we know that they expect and value improvements to core services. We are committed to working with stakeholders to develop smart solutions that deliver benefits now or provide a platform for the future.



Delivering in the public interest

As monopoly providers of an essential service, utilities are judged to a higher standard of conduct. We will always seek to understand and improve public legitimacy and take bold, collaborative steps to demonstrate delivery in the public interest.



Enabling the net zero transition

Ve have a key role to play in enabling the transition to net zero, which will change the way customers interact with energy. Early, proactive engagement with our stakeholders in ED1 will help shape better

customer is left behind.



Supporting safe and resilient communities

We know that we need to play an integral role in our communities to deliver continued resilience and safe outcomes. We are looking beyond our obligations to deliver leading initiatives that meet the needs of both communities of place and communities of interest.

Key highlights in 2019-20

Improving and delivering

Over 220 outcomes delivered

Over 700 engagement events

£3.15 average net benefit per pound spent on 13 initiatives measured

Over £2m social value delivered on 13 initiatives measured

105% increase in households helped with energy efficiency

47.3% increase in direct PSR registrations

20% reduction in complaints

• • • • • • • • • • • • •

Innovating and leading

Launched our first zero carbon Constraint Managed Zone

First of its kind **'Smart and Fair'** project with CSE

First of its kind partnership with Citizens Advice Scotland

First DNO to launch COVID-19 related fund to support communities

First DNO to launch a WhatsApp as a customer channel

Institute of Customer Service rating 89.4%

1.3 A clear strategy for engagement

Stakeholders are an integral part of decision making and are central to how we manage our business, deliver our services and set our strategic priorities.

Our stakeholder engagement strategy is a core part of our business process and occurs at a **strategic**,

organisational and operational level. The engagement at each level of our business reflects the expertise and interest of our stakeholders, the results of which are shared across our business to enable us to scope, refine and develop our priorities.

Although distinct, the levels are not linear or static. It was local engagement that led us to deliver our first Constraint Managed Zone project earlier this year (Part 2, p9), a strategic outcome in many senses, and engagement at a strategic level has helped us improve the delivery of many front-line services during 2019-20.

In line with this approach, we have developed three simple principles to guide our engagement activity. We seek to be **inclusive**, in that we engage stakeholders on their terms and actively target seldom heard voices; **innovative**, in that we use leading methods to ensure broad engagement and prioritise continual improvement; and **impactful**, in that all engagement is meaningful and there is a transparent link from feedback to action.



1 Identify stakeholders 2 6 Identify material learning issues Measurement and Evaluation 5 3 Plan Share feedback engagement 4 Engage with purpose SECV action tracker

1 Identify stakeholders

Knowing who our stakeholders are is as important as the engagement we undertake. We annually review our existing stakeholder data, conducting insight to identify new

stakeholders who may be influential to, or impacted by, the work that we do.

During 2019-20:

- We conducted a comprehensive PSR gap analysis, identifying five under-represented groups including those who suffer hearing loss, those leaving hospital and those unable to communicate in English. Initiatives were launched to increase PSR signups in these groups.
- We undertook a detailed stakeholder mapping audit, identifying and closing gaps, and adding a further 2,647 consented stakeholders to our database, a 53% increase.
- We invested in employee training and more than doubled the number of licences for Tractivity, our stakeholder database system. 54 colleagues across seven business areas now use

Our stakeholder engagement strategy in action

In line with our strategy introduced in 2018, we continue to successfully benchmark ourselves against the AA1000 Stakeholder Engagement Standard, demonstrating that our engagement activities are supported by effective governance and processes, we are transparent in our reporting and we respond innovatively to issues that matter most to our stakeholders.

Central to this strategy is a **six-point approach** to stakeholder engagement, which was enhanced for 2019-20 to show a clear link between our engagement approach and our engagement tools and processes. The six points are set out below, alongside examples of how we have delivered in line with this approach during 2019-20.

the system, leading to the identification of over 1,000 new local stakeholders.



It is important to identify the issues of mutual importance to both our stakeholders and our business. We use a variety of methods to do this,

including our annual stakeholder workshops, bilateral meetings, insight and academic research.

During 2019-20:

- We introduced further rigour in setting our strategic themes for 2019-20, taking the key stakeholder priorities from our core engagement, research and strategic analysis and triangulating this with our stakeholder panels and executive committee.
- Our customer vulnerability strategy for 2019-20 was informed by our work with the Centre for Sustainable Energy and endorsed by our Inclusive Service Panels (ISPs), who provide invaluable intelligence informing business plans, investment priorities and service provision.
- At a strategic level, our Stakeholder Advisory Panel (SAP) and, our Customer Engagement Group

(CEG), both have significant access with Directors, Heads of Business and subject matter experts to **challenge and validate our thinking on materiality and value**.



Our stakeholder engagement is co-designed through our central stakeholder engagement team who provide the tools and engagement advice for delivery at

a strategic, organisational and operational levels.

During 2019-20:



• We utilised a range of engagement mechanisms

tailored to our stakeholders including: local authorities, community energy customers, distributed generators, housing developers, energy sector supply chain and partner, commercial and domestic customers.

- We planned six stakeholder engagement workshops and five meetings with our SAP, with active involvement and representation by our executive team.
- We understand engagement must be bespoke

Our stakeholder engagement strategy in action (cont'd)

to relevant audiences. At the organisational level, targeted engagement was planned throughout this year by dedicated business units on connections, innovation, remote communities and net zero.

- At the operational level, stakeholder engagement methods, tools and processes are planned to support tailored engagement delivered at regional and local level. We held over 500 events at an operational level this year.
- We publish our stakeholder events on our website, providing the rationale for the event and inviting wider stakeholder participation. Our calendar of events can be accessed online at www.ssen.co.uk/Events/. We proactively invite attendance at our events by contacting identified stakeholders.

We engage with purpose and target the content of our igage with engagement to suit the audience. At our strategic and organisational level events,

subject matter experts co-design the content. To integrate the views of different stakeholders, we use triangulation to ensure the robustness of the conclusions are corroborated from other sources.

During 2019-20:

4

 We engaged with purpose on sustainability, gathering and testing opinion with 163 stakeholders during a series of workshops before consulting with our SAP. This led to an informed

position on which UN Sustainability Development Goals our stakeholders think are most relevant for our business and has directly informed our work on a sustainability strategy. [Part 2, page 5]

 Engaging hard-to-reach stakeholders – we define this group as those typically underrepresented, have limited capacity, appetite or awareness of our business, or simply don't think their participation will make a difference. During 2019-20 we have worked to ensure the views of such stakeholders are heard, including community energy providers and customers from diverse communities. More detail is set out in both Parts 2 and 3.

5 Share eedback

We conduct stakeholder engagement transparently. We utilise resources to summarise and synthesise feedback from our stakeholders. We share this either

directly with stakeholders (in accordance with GDPR guidelines) or publish reports which are easily accessible on our website.

During 2019-20:

- We synthesised the feedback received from stakeholders and published six reports as well as an overall summary. These are accessible on our website at www.ssen.co.uk/Library/ StakeholderEngagementPublications/. We have included the actions in our new Action Tracker which is available to all stakeholders to demonstrate how their feedback has influenced the business.
- As part of their annual workplan, our SAP, created a report setting out their challenges to SSEN in the year. The report was discussed directly with the

SSEPD Board as well as being published on our website



We carry out a cycle of activity to prioritise the improvements, initiatives and projects we should take forward. We do this by reviewing the feedback from our

qualitative and quantitative engagement, assess the perceived net value to customers through willingness to pay and SROI modelling, and assess against our business priorities. This approach gives us assurance we are prioritising the issues that are most relevant to our stakeholders.

In 2019-20:

 As part of our review of our stakeholder engagement process, we developed and implemented an Action Tracker tool in



the business. This new embedded tool is accelerating our responsiveness to our stakeholders and allows us to demonstrate the feedback loop inherent in our stakeholder engagement.

• We use customer feedback to improve our services. This year, we introduced customer touch point surveys at key stages of the connections process. These 'pulse surveys' allow customers to assess our service in real time so that immediate changes can be made to improve the customer experience. Feedback has been positive and for 2020-21 we are looking to roll this out further across the wider business.

How SSEN is prioritising stakeholder feedback

A key outcome of the review of our Stakeholder Engagement and Consumer Vulnerability strategy was the development of a process to assign responsibility for actions stemming from stakeholder feedback.

For this purpose, a new Action Tracker tool has been developed to allow team members to identify actions resulting from feedback and track their progress through to resolution. In addition to the tool, a process has been designed to provide a step-by-step guide of how the tool will

be used in practice and the roles and responsibilities of all staff involved.

Embedding this new approach has increased the volume and speed of stakeholder-focused actions delivered, leading to an increase of impacts and outcomes. This has allowed us to enact stakeholder-driven change at a companywide level and maintain a record that can be clearly demonstrated to external parties.

"We're more sophisticated than we've ever been, whether it's the processes we follow for engagements or the protocols on how to engage. The changes we've made from a process and governance perspective are coming back through feedback loops as noticeable and positive.

Graeme Keddie, Director of Corporate Affairs, Regulation and Stakeholder Engagement, SSEN



	Engagement and feedback	Determine action	Prioritise	Monitor	Escalate	Act
Stakeholder engagement team	Review Tractivity feedback	Fortnightly meeting to agree new actions and owners	Assign RAG to clear actions	All open actions reviewed in fortnightly meeting	Determine whether to escalate	Communicate outcome to stakeholders
Stakeholder engagement working group		Monthly meeting to review unclear actions and assign owners	Assign RAG status to unclear actions	Specific actions monitored in monthly meeting	First level of escalation	
Customer and stakeholder sub committee				Highest priority actions reviewed monthly	Second level of escalation	
Action manager	Summarise feedback in action tracker	Open action on tracker and input details	Email action owner and agree requirements	Monthly call with action owner	Extract information form action tracker for escalation	Close action on tracker and record outcome
Action owner			Notify action manager of receipt and agree requirements	Monthly call with action manager	Business owner liaises with action owner to complete	Deliver action and inform action manager of outcome

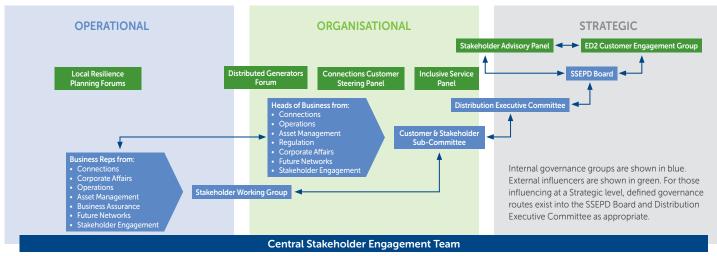
Robust governance and senior-level commitment

Stakeholder engagement at SSEN runs through our business at a strategic, organisational, and operational level. In 2019-20, we have taken significant steps to further embed a 'customer and stakeholder first' culture in the organisation, improving the visibility and impact of our engagement activities at all levels.

How stakeholder engagement is governed

Our governance structure ensures clear lines of responsibility for engagement across all levels and in 2019-20 we have improved the focus and links between our defined governance groups. With strong communication loops, we ensure that our most senior colleagues have the ability to influence, and be influenced

by, engagement at the operational and organisation level in addition to the strategic level. These feedback loops also mean that our frontline colleagues are empowered to influence strategic engagement without a complex process.



Enhanced process and governance in 2019-20

Following the feedback received during the 2018-19 SECV process, SSEN worked with engagement experts, SIA Partners, on a gap analysis and improvement plan. From this review it was clear there was a strong stakeholder-led ethos in our organisation and a mature relationship between the SAP, Executive and the Board, but targeted improvements could be made in the broader governance, prioritisation and impact of stakeholder engagement in SSEN.

In September 2019, the Distribution Executive Committee (DEC) reviewed and approved this plan. The outputs included:

Governance		Prioritisation	Impact	
All papers and proposals to the Board/ Exec now include mandatory section on stakeholder impact and engagement – papers are rejected if incomplete.	Stakeholder Engagement is now represented at Director level at the DEC and frequency of reporting at Board Level has increased.	All Directors and their reports have a specific and measurable stakeholder engagement objective, tracked to performance.	A robust Action Tracker has been developed to ensure accurate tracking of responsibilities and ownership, at a Director Level.	A full Social Return on Investment (SROI) tool developed to help measure the impact of our activities.

We intend to further embed the recommendations in this plan as we aim for continual improvement in our stakeholder engagement delivery and SECV Performance in the remainder of RIIO-ED1.

An important role for the advisory panel

SSEN's Stakeholder Advisory Panel (SAP) was established in 2017 to provide a direct mechanism for senior leaders in SSEN and the Distribution Executive Committee to get early sight of key stakeholder issues and was an active influence on leadership in 2019-20. Over 2019-20, five meetings took place between the SAP and senior leadership, including the SSEPD Board. The SAP also met with Ofgem at one of the sessions. Topics included: delivering in the public interest, future energy policies and their potential impact, development of our DSO strategy, a review of the Consumer

Vulnerability Strategy, development of digital customer services, SECV Panel de-brief and the subsequent improvement plan.

During 2019-20 the SAP has been instrumental in emphasising that the transition to a more flexible electricity network poses an important challenge to empower local energy users, mirroring feedback received from wider stakeholders (Part 2, Page 8). As a consequence, SSEN led a debate about the move to a decentralised and democratic energy system (Part 1, page 6).

The Stakeholder Advisory Panel remains a key advisory group for SSEN but we recognise that it "Good network companies depend upon first class stakeholder engagement. The perspectives, insights and opinions of stakeholders drive better decisions and result in outcomes that are more robust and sustainable.

The reforms made to our stakeholder engagement process last year have led to

marked improvements, with greater visibility and active participation at the Board level. I am also encouraged by the strong focus on impact and benefits in this submission."



Gregor Alexander, Chairman, SSEPD Board

"SSEN integrates tangible engagement responsibilities into employee roles and objectives and shows an improved balance of robustness and functionality that allows for flexibility in the application of its stakeholder engagement approach."

AccountAbility AA1000 (SES) Audit, March 2020

should never be used as a single proxy for stakeholder views, rather we synthesise and triangulate views and actions from the SAP with the output from our engagements and other fora.

"We believe we have helped to develop SSEN's emerging thinking on strategic issues in the last year and, in turn, we are seeing an organisation, from Gregor and Colin down, that values the views of its stakeholders and is making positive and significant steps to further embed stakeholder engagement in its business Mike Petter, Chair, Stakeholder Advisory Panel

Our 2019-20 stakeholder engagement methods

Stakeholder engagement at SSEN is embedded at a strategic, organisational, and operational level. We have implemented a wide range of engagement mechanisms that enable us to engage at a strategic, organisational and operational level with a broad range of stakeholders over a diverse range of subject matters. The method used is tailored to best suit the need of the audience and to maximise outputs. A selection of these can be seen on the table below.

Level	Engagement Mechanism	External Stakeholders	Internal Stakeholders	Number of Stakeholders	Methods of Engagement	Number of Interactions 2019-20	Example Outcomes
	Bilateral meetings	Elected members, policy shapers and key NGOs including Citizens Advice, NIC, CCC, BEIS, Scottish Government	Directors, Heads of Business, Corporate Affairs Team, Subject Matter Experts	Over 200	Discussions Site Visits	Over 150	Strengthened relationships with key elected representatives, resulting in improved services and communications. Meetings with policy shapers, key NGOs and Government led to improvements in service delivery and informed policy positions.
Strategic	Annual Stakeholder Engagement Workshops [ENHANCED]	Over 120 organisations represented inc: supply chain, parish and local councils, consumer bodies and academia	Directors , Heads of Business, CRMs, Subject Matter Experts	163	Workshop with roundtable discussions	6 in total	Shaping thinking on our approach to sustainability as well as the journey to net zero. The use of data in the identification and support of vulnerable consumers has been improved with the acquisition of new data sets.
	Shaping our Energy Future Virtual Workshop [NEW]	60 organisations represented, inc: supply chain, parish and local councils, consumer bodes and academia	Directors, Heads of Business, Subject Matter Experts	76	Online Workshops with closed room discussions	13	2020-21 community resilience fund repurposed in line with stakeholder feedback. Shaping services which should be offered in a digital world, widening engagement with local authorities and defining further our role in society for review and action.
-	Connections Customer Steering Panel (CCSP) [ENHANCED]	Large customers, renewable energy operators, housing developers. local authorities, community energy groups and suppliers. ICP and IDNOs	Managing Director, Director of Connections, Heads of Business (Connections) and Subject Matter Experts	147	Workshop with roundtable discussions Webinars	8 in total	Feedback on customer experience and the introduction of customer touchpoint surveys. Improvements in broad measure performance.
Organisational	Issue Specific Webinars (issues inc. EVs, Loss of Mains, Wayleaves)	Local authorities, distributed generation owners, ICPs, IDNOs, landowners, land agents, developers	Directors, Heads of Business, Subject Matter Experts	516	Webinar	10 in total	Clear stakeholder direction on SSEN priorities including call for SSEN to prioritise capacity for EVs to support the delivery of the UK's decarbonisation goals.
	Transition to DSO Co- creation [NEW]	28 organisations represented including aggregators, traders DNOs, suppliers and asset owners	Directors, Heads of Business, Subject Matter Experts	146	Workshop with roundtable interactive testing	6 in total	Report produced with learning shared on Project TRANSITION website. Market rules updated based on feedback and scenario testing results.
nal	Local Resilience Planning (LRPs) and Local Resilience Forums (LRFs)	Category 1 responders inc: Govt, local authorities, police, ambulance, HM Coastguard, NHS, utilities and charities	Heads of Business, CRMS, CCAs, Operational Teams	800+	Meetings	29	Support for community resilience planning and weather events, large scale demand increases e.g. D-Day Anniversay in June 2019, and more recently, support for temporary sites required for COVID-19 response.
Operational	Bilateral regional engagement	Resilience partners, emergency responders, care providers, hospitals, local authorities, religious organisations, charities	Heads of Business, CRMS, CCAs, Operational Teams.	36,255	Direct engagement in regions, site visits, attendance at events	492	Partnerships created with care providers, hospitals, charities and religious organisations to support hard to reach groups, enhance resilience and promote safety.
	Connections Surgeries	Local connection stakeholders, held in various locations	Account Managers, Design Team	44+	Direct engagement on site Skype Calls	44	Multiple process and service benefits across connections activity.
	Partner Portal Focus Group [NEW]	Variety of stakeholders, representing local authorities, charities, local parish councils, private third-party fuel poverty support organisations	Subject Matter Experts	15	Face to Face & Skype Video Conference	1	The co-development of a self-serve option for partners. The first phase of the portal went live in March 2020.
Consumer Vulnerability	External Inclusive Service Panel	Panel members with work-life experiences inc: mental health, physical disability, equality, occ. health, religious diversity, and LGBT community	Directors, Heads of Business, Subject Matter Experts	5	Expert Panel Sessions	3	The inclusion of geo-location for adverts to target specific areas i.e. GPs when promoting the PSR and winter campaign. Introdcution of hearing loss partnership with Royal College of Speech and Language Therapists and Deafscotland.
	Joint Utilities Group	All water companies in our regions, SGN and Wales and West Utilities	Subject Matter Experts	10	Face to Face & Skype Video Conference	3	Design and delivery of joint event with Wessex Water. Partnership with Southern Water Footprint Trust. Partnership with Thames Water/ Renal Association. Four company partnerhsip with the NEA Young Carers project.

A tailored approach to engagement

Regional Stakeholder Workshops ENHANCED

Based on internal and external feedback, we refreshed our approach on our annual stakeholder workshops last year, running six events tailored to each region. This allowed for engagement to be tailored for direct relevance to the audience, with the sessions opened by the Head of Region who led a participative discussion relevant to the local network before common and strategic content, including consumer vulnerability and sustainability.

The feedback received from stakeholders at these workshops is instrumental in setting priorities in our organisation. During these sessions stakeholders told us:

- 89% of stakeholders told us that DNOs should take a leading role in achieving net zero by proactively enabling the sustainability agenda.
- Around half of all of stakeholders saw the roll out of electric vehicles being the key issue facing the business.
- 82% of attendees agree that our consumer vulnerability strategy remains fit • for purpose in light of the new Ofgem Consumer Vulnerability Strategy.

The events were well received by stakeholders attending with higher feedback scores than either of the previous two years.



"I was delighted to have a more active role in planning these sessions and I know attendees welcomed us not taking a cookie cutter approach and allowing a mix between local issues and those that have wider implications to us all.

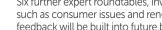
lan Drummond, Head of Region, South East, SSEN

Energy Experts Roundtable NEW

New for 2019-20, SSEN conducted the first in a series of Round Table events. Co-hosted by SSE Chief Executive, Alistair Phillips-Davies, and attended by academics from Imperial College London, University of Oxford, Oxford Brookes

University and Strathclyde University, the event centred around the role of the electricity distribution networks in delivering net zero. Topics discussed included the potential pathways for decarbonisation, how the regulatory and policy framework can support this ambition and the governance and structure required.

Six further expert roundtables, involving key subject matter experts in areas such as consumer issues and renewables are planned on a virtual basis. The feedback will be built into future business planning and ED1 delivery.



An embedded approach to consumer vulnerability

We have always taken pride in how we support consumers in vulnerable situations. Our consumer vulnerability strategy is mature and, as such, deeply embedded in our organisational DNA.

Informed by our stakeholders, each year we enhance our strategy as we expand our understanding and definition of vulnerability, broadening the support we provide to customers to include our work to tackle wider social issues.

Alongside effective management of our PSR, inclusivity and accessibility of our services, mitigating the impact of fuel poverty for customers and ensuring no customers are left behind in the low-carbon transition have been key areas of focus in 2019-20.

We're actively supporting communities getting involved in providing flexibility to the energy system through Social Constraint Managed Zones (SCMZ) and this year we launched a first-of-its-kind partnership with Citizens Advice to provide in-depth, independent energy advice in four local Citizens Advice Bureaux. To date, the SSEN-funded advisers have supported 488 clients, saving them over £89,000.

Our approach to consumer vulnerability is underpinned by our mission to make our services accessible and suitable to all customers, supported by four core objectives. These evolve each year to respond to our customers' needs and wants.

Strategy improvements for 2019-20

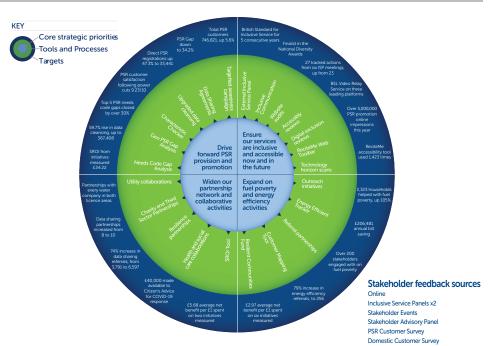
Our Vulnerability Strategy Wheel, introduced in 2018-19, visually represents our core objectives, activities and annual smart targets against which we measure ourselves

We have improved our strategy in 2019-20 following challenge and feedback from our Stakeholder Advisory Panel, Inclusive Service Panels and colleagues at every level of the business to include an additional layer that demonstrates embedded processes and tools.

The improvements to our consumer vulnerability strategy in 2019-20, made in partnership with the Centre for Sustainable Energy include:

- 1. The addition of Local Government Authority (LGA) data into our customer mapping tool (CMT), displaying the age profile of our customers and the incidence of fuel poverty for each area. We have applied analytics to show how each LGA compares with the average across our licence areas, proactively engaging with local authorities to devise the most appropriate way to support customers in vulnerable situations.
- 2. We have purchased additional layers of customer data for our CMT to include access to health services, central heating data and more detailed care home data which allows access to enhanced analytical characteristics for the areas which we serve.
- 3. We have proactively conducted a PSR data gap analysis which identified our PSR gap on geographical and PSR category levels. This allowed us to effectively prioritise PSR promotion across our regions, concentrating efforts on the PSR categories with the widest gaps. We've closed our total PSR gap to 34.2%, meaning that 65.8% of

Stakeholder-led core objectives E Drive forward Priority Services Register provision and promotion Ensure our services are inclusive and accessible now and in the future poverty and energy efficiency activities Key impacts and outcomes achieved in 2019-20 Innovative Citizens Advice and Citizens Advice Scotland fuel poverty programmes help over 500 customers in the first nine months. Using data to find geographical and PSR category gaps. Solution New vulnerability training rolled out to customer Solution New partnership portal launched. and stakeholder facing **⊗ 74%** increase in data sharing referrals this year teams, with learners rating their confidence Engaging with stakeholders to find impactful ways to close PSR gaps and add value. of helping customers in able situations as 9.5/10 following sessions. © **367,408** PSR records cleansed, up **59.7%** on last year. ⊗ New British Sign Language Video Relay Service launched across and energy/water saving initiatives with Thames Water, Wessex Water, Scottish Water, Bournemouth Water, So Closed PSR registration gap to just **34.2%** of eligible households. the top 3 BSL platforms. & Mental health training and projects rolled out Fimprovements to our YES Energy Solutions and Home Energy Scotland referral processes and additional training resultir in a **79%** increase in referrals Comprehensive awareness PSR campaign reaching a hard to engage audience. across the business Seritish Standard for 5th consecutive year



eligible households in our licence areas are now registered for additional support.

4. To improve our services to customers who may be vulnerable during power cuts, we have improved mobile functionality of our CMT to allow our Customer Relationship Managers on the ground to more effectively identify areas with customers of greatest need.

We have also improved the measurement of the services we provide to vulnerable customers, ensuring we can be transparent about the value of our delivery and helping us make more informed decisions. Further details can be found on Part 3, page 3.

"I've been really impressed with the richness of the data in the mapping tool and the ways in which our teams have used it. From our engineering teams reducing costs through targeted energy reduction projects, to our front-line colleagues understanding how best to prioritise support in weather events, the insight it provides is invaluable."



Danielle Royce, Head of Region, Thames Valley

Measuring the value of our delivery

SSEN is a customer focused business which places the customer at the front and centre of decision making and delivery. We have undertaken a variety of ways to measure the value of our services to our customers and wider society.

1. Quantifying value for money

In 2019-20 we have improved how we demonstrate that we are providing value for money for our customers and stakeholders.

Willingness to Pay

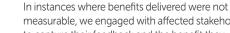
In 2019-20 we significantly improved the methodology for willingness to pay (WTP) to include an estimate of customers' willingness to pay for a specific service. In total, we evaluated 13 different attributes, split across customer support, education, smart networks, and sustainability, reflecting our stakeholder-led priorities. Our WTP research provides us with an understanding of what our customers value by asking them the portion of their bill that they would like to assign to certain actions we may take. While the overall bill is fixed and won't change, the relative valuation of specific actions from our WTP study provides us with a useful way to prioritise projects and direct our resources.

Sustainability	Reducing company carbon footprint by 20% e.g. improving energy efficiency of buildings and reducing harmful leaks from equipment	£0.73 £0.69
	Information and support on how to connect electric vehicles to the electricity network	£0.06
Smart networks	'How to' guides for domestic and business customers to adopt low carbon technology	£0.23
	Increasing understanding of and opportunity to participate in more flexible electricity services	£0.48
	Targeted safety campaigns to specific groups, such as large landowners, like farmers, that have pylons or substations on their land	£0.18
Education	Running safety awareness media and community outreach campaigns at relevant times, for example before the school holidays	£0.47
	Delivering safety education and information initiatives in schools so that 200,000 school children are educated across Great Britain	£0.67
	Providing more information through face-to-face contact where this is beneficial	£0.33
support	Online self-serve options for getting a quote for a new connection to the network	£0.39
Customer	Use of chatbots and automated messages to deliver a quicker service response for customers	£0.43
	During power cuts increase proactive contact with customers so that over 60% of all customer contact is through proactive methods	£2.04

Social Return on Investment

In 2019-20, SSEN introduced Social Return on Investment (SROI) methodology for the first time, enabling us to quantify the value of financial and social benefits for 13 projects. Details of the projects can be found on Part 2, page 2 and Part 3, page 3.

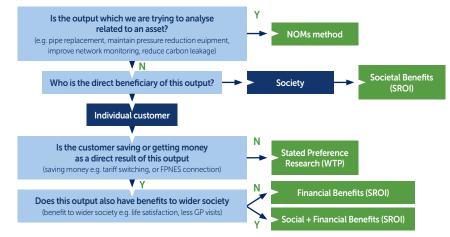
We use the process below to inform the model to he used



Qualitative feedback

measurable, we engaged with affected stakeholders to capture their feedback and the benefit they received from the initiative qualitatively.

This impact is outlined in the examples in Part 2.



SROI methodology introduced for first time **⊘** WTP research strengthened

2. Customer service – measuring our Service Maturity

In January 2020, we released a business-wide Customer Service Survey. This survey asked several questions about how we interact with our customers, each other, the organisation and looked at the customer service training we provide. Responses were used to create the Service Maturity Index, a scoring system that enables us to measure how mature we are when it comes to delivering customer service through the lens of how we see customer service. The insight this survey has provided gives us a very good understanding of where we need to improve, and we have now developed a training pathway, Empowered to Care, to tackle any negative indicators of service maturity which will deliver over the next 12 to 18 months.

3. Tracking our performance for customers

In 2019-20 SSEN set a target to be the top performing DNO across all Broad Measure categories and complaint handling within five vears. SSEN also set a target to compare favorably with companies that are rated as best in class in regard to Customer Satisfaction as measured by the UK Customer Satisfaction Index (UKCSI).

All this centres on an overall improved customer experience, reducing customer complaints and a culture of getting it right, first time, every time.

Performance for 2019-20 included the following:

- In terms of customer satisfaction, using Ofgem's Broad Measure of Customer Satisfaction, SSEN has improved from 83% at the start of RIIO ED1. to 89.3% in March 2020.
- Our customer connections satisfaction scores have increased to 9.39 in 2019-20 compared with 8.69 in 2018-19.
- We have improved our complaint handling performance and are resolving 88% of complaints within 24 hours, up from 65% at the start of ED1.

Using SROI to inform our decisions

We have used SROI modelling for two clear purposes this year:

- To inform prioritisation of projects and initiatives that are under evaluation
- To measure the social impact of projects which have been delivered help us to evaluate the success of the project

The SROI results displayed through our submission reflect the in-year benefits delivered from the initiatives measured. Where we have worked in partnership with others, SROI measurements have included a sharing factor.

1.8 Key outcomes delivered

In 2019-20 we engaged with over 60,000 stakeholders, resulting in more than 220 impacts and outcomes delivered to the benefit of our customers and wider stakeholders. The table below provides some key examples of the outcomes delivered in 2019-20 with further details provided in Parts 2 and 3.

Category	Stakeholders Said	We Acted	Impact and Outcomes			
	In advance of changes to the Distribution Code in 2022, DNOs were tasked to encourage all connected generators to review their Loss of Mains protection to ensure they comply with the new measure.	Taking an active role in the industry led project, we hosted face to face workshops, helping generators understand the changes required to ensure safe balancing of the grid and security of supply. This was complemented in November 2019 by dedicated webinars.	 Over 25% of all applications are from our licence areas. Highest penetration rate of any DNO based on size of network. Acceptance rate of 89.5%. 			
Driving innovation in core and future services	Customers told us that repeated calls to receive an update on power cuts was causing significant frustration, especially those who are younger and used to digital channels. We observed that during power cuts, 27% of phone contacts were repeat calls.	We sought to identify experts in new routes of customer contact and using their research as a base were the first DNO to launch customer support via WhatsApp.	 1st DNO to launch WhatsApp as a standard channel. Received over 20,000 customer contacts through WhatsApp. £5.59 SROI achieved. 			
	Through feedback at the Connections Customer Steering Panel (CCSP) we identified that connections customers found the process for connecting to the network overly complex and frustrating, and that they frequently encountered problems they were not able to resolve.	We introduced touchpoint surveys to provide insight in connections. Our connections customers now receive a survey at three separate points during the connections process. Our surveys allow us to be agile in identifying customers who report poor outcomes during their connection journey and respond to them directly to resolve any issues.	 Real time interventions for customers when problems emerge. Comprehensive dataset of connections customers' experiences enables us to identify trends and make improvements. Tracking of feedback allows us to capture and apply lessor learned. Increase in Broad Measure scores from 8.69 in April 2019 to 8.9 in March 2020. 			
	Stakeholders, including Citizens Advice, Sustainability First, the SAP and in bilateral meetings, asked us to consider our material, social and environmental impacts against the United Nations Sustainability Development Goals (SDGs) framework.	In Summer 2019, we introduced the UN SDGs to stakeholders, asking them to rank the 17 SDGs against our business priorities. We re-tested thinking with stakeholders in March 2020.	 Core SDGs for SSEN Distribution defined and materiality te conducted. Development of SSEN's first Sustainability Strategy under way. Endorsement to develop a Social Purpose for RIIO-ED2. 			
Delivering in the public interest	Throughout 2019, our stakeholders, including the SAP, made the case that we must deliver a comprehensive plan to enhance trust and legitimacy.	In 2019-20, we undertook an extensive programme of engagement and awareness raising through bilateral meetings, political engagement, campaigns and joining Sustainability First's 'Fair for the Future' initiative.	 Strengthened relationships with over 100 key political stakeholders. Informed hundreds of stakeholders on the industry track record. Recorded over 280,000 interactions for digital campaign. 			
	Stakeholders asked us to do more to encourage peers to adopt a progressive approach championing the values of Fair Tax and a real Living Wage, considered by SSEN as crucial.	We worked alongside other Fair Tax accredited companies to promote the importance of fair tax, leading by example. We were one of the first organisations to pilot the "Living Hours" initiative.	Fair Tax Mark accredited for the 5th year, encouraging thre FTSE100 companies to join. Reference to Fair Tax principles in RIIO2 framework. Tackled unpredictable and uncertain hours of work, leadin by example.			
Enabling the net zero transition	Stakeholders said that the transition to a smart, flexible system at a distribution level was a fundamental shift for DNOs but they felt it needed to move from theory into action and more must be done to illustrate this new operation in a 'real life' scenario.	We used our flagship project, Project Local Energy Oxfordshire (LEO) as a platform for engagement on what a future local flexible system will look like. Project LEO is the most ambitious and holistic smart grid trial conducted in the UK, trialing the matching of renewable generation and demand at a local level.	 Improved understanding of how the low-carbon transition can facilitate local markets. Informed stakeholders of SSEN's progress, giving opportunity to feedback and shape SSEN's transition. Project LEO steering board created with key learnings disseminated through comprehensive awareness programme. 			
	Stakeholders at our September 2018 workshops, along with our SAP, have challenged us to ensure the principle of "no one should be left behind" is adhered to throughout the energy transition.	We co-sponsored CSE to undertake research on the impact of the energy transition on vulnerable consumers.	 1st partnership on "fairness" in DSO transition. "Capability Lens" created to detail the range of potential opportunities for households to participate in a smart energy system. 			
	The Scottish Government sought input from network companies to develop a strategic approach to EV charging infrastructure, given 'early' net zero and EV targets.	Working with Transport Scotland, Scottish Government and SPEN, the Scottish EV Partnership was created with the aim of rolling out the necessary infrastructure required by 2045.	 1st EV partnership between a DNO and Government, shows replicable model for the UK. The partnership is a key enabler to the transition to EV in Scotlan Projects initiated on EV resilience during storms and seasonal peaks. First DNO to sign up to EV100. 			
	Members of the Islay community asked us to develop innovative solutions to enable renewables to connect to our network, with customers on the islands asking us to look at greener alternatives to diesel generation on the island.	An in-depth study was undertaken to establish how flexible, low carbon generation could be used to alleviate current constraints on the island.	 We introduced our first zero carbon CMZ. 5GWh of renewable energy generated. 2,450 tonnes of carbon saved, avoiding over £990,000 in diesel fuel costs. £0.52 SROI achieved. 			
Supporting safe and resilient communities	Stakeholders at our March 2020 Virtual Workshops agreed with our proposal to repurpose our Resilient Communities Fund for 2020-21 but challenged the maximum award available and who could apply for the fund.	In line with feedback received we increase the maximum award available from £1k to £3k. We also updated the criteria to allow applications from Town, Community and Parish councils as well as proxy organisations.	 First DNO to launch a COVID-19 specific fund. £350k fund was launched in March 2020. 117 communities have been successful so far. 			
	The 2018 WTP exercise told us that customers valued educating the public on how to stay safe around electricity. This was tested again in 2019-20, where the education of school children was the most favored initiative with the attribute tested against "Safety".	We have significantly increased the number of Power Pack Pals sessions delivered this year. We have also partnered with SafeWise to help create experiential training with scenarios that involve our equipment.	 Over 140 sessions delivered. Over 16,500 children participated in sessions. £2.53 SROI achieved. 			
Collaborative action on Consumer Vulnerability	In 2018-19 our Inclusive Service Panels (ISPs) recommended that we do more to provide support for those in fuel poverty. This was echoed by stakeholders at our September workshops as well as customers through online engagement methods.	Following a review of fuel poverty statistics, we approached Citizens Advice Scotland to launch a first of its kind partnership to support people in fuel poverty through 4 specialist energy advisors.	 First of its kind partnership. Supported over 480 people to date. £0.58 SROI achieved . 			
	Our data analysis told us that customers with hearing or speech loss were one of the top 5 under-represented categories on our PSR. Our ISPs told us to seek advice from experts in the field to understand how best to address this.	We met with the Royal College of Speech and Language Therapists and Deaf Scotland who advised several actions including the implementation of BSL, the introduction of a video relay service and consideration to the methods of communication used.	 BSL Video Relay service introduced in March 2020. Hearing and speech loss PSR registrations increased by 15 			
	Attendees at our stakeholder workshops told us that "Improving identification of vulnerability and smart use of data" was the second most important principle from the Ofgem 2025 Consumer Vulnerability Strategy.	In 2019-20 we further invested in our Customer Mapping Tool by adding additional data sets.	 Added Local Authority data . Increased vulnerability indicators from 24 to 36. 38 internal training sessions to extend the benefits from mapping 21 new partners trained in mapping use. 			

1.9 Co-creation, partnerships and sharing of best practice

Our partners play a key role in the success of our business, from helping us better understand wider societal issues facing consumers, to the design and delivery of new products or services. We partner with organisations to challenge our thinking and help us deliver outcomes for stakeholders and customers that we couldn't achieve alone.

This year we have proactively increased cross-sector collaboration, driving closer links with new partners, increasing our total to 84. Each partner is selected based on the specific requirements of the project or issue at hand, taking account of the impact and additional value that can be added through collaborative working. This year we have worked with strategic partners such as the Fair Tax Mark and the Living Wage Foundation to help challenge and shape our thinking on societal impacts. We have also worked with industry partners including WPD and Centre for Sustainable Energy, with whom we have created the Smart and Fair research initiative which will help us better understand the impact of the energy transition on vulnerable consumers.

Several delivery partners have also been selected this year to help us shape and offer services to customers that traditionally we find harder to reach. An example of this is the CAS Energy Advisors Programme which has already supported over 480 customers to date on matters of debt, housing, energy efficiency and most recently the impact of COVID-19.

"SSEN reached out and set up a joint utilities group with all water companies and GDNs in its area. Through our partnership and the joint group we have shared best practice, lobbied for change and worked collaboratively to raise awareness and increase uptake of our support schemes, such as Priority Services. Working with SSEN enables us to reach and support more customers and partners; allows us to work towards meeting

a Priority Services performance commitment; and operate in a more cost-effective way."

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Kate Robbins, Head of Customer Policy – Wessex Water

. We partner with organisations to er outcomes for stakeholders and e.		Innovation	Public Interes	Customer Ser	Safety and Res	Hard to Reach	Consumer Vuln	Fuel Poverty	Accessible Se
Centre for Sustainable Energy	х					х	х	х	
Citizens Advice						х	х	х	
Community Energy Scotland	х	х	х						х
Deafscotland	• • • •			х	х		х		
DNOs	х	х	х	х	х	х	х	х	х
Dundee City Council	х	х							
Fair Tax	•		х						
Institute of Customer Service	5 5 6 7 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8			х					
Just Eat	•	- - - -		х					х
Living Wage	•		х						
Low Carbon Hub	х	х							
National Energy Action	х	х			х	х	х	х	
Oxfordshire County Council	х	х							
Piclo	х	х	х	х					х
Royal Mail	х	х	х						х
Royal Society of Speech and Language Therapists	2 - - - - - - - - - - - - -								х
Scottish Fire and Rescue	•				х	х	х	х	
Scottish Government	х								
The Climate Action Group	* * * * * * * * *		х						
Transport Scotland	х								
University of Oxford	х	х							
WhatsApp		х		х					х
Water Companies	•			х			Х		х

Working together to support young carers

This year we entered into a cross-sector partnership with National Energy Action, Wessex Water, the Thames Water Trust, South East Water and Bournemouth Water to help young carers stay safe and warm at home.

The project provides vital education on energy and water efficiency through a series of enjoyable activities, helping young carers improve their confidence, develop new skills and cope with day-to-day issues.



The initiative also looks to raise awareness of the Priority Services Register amongst young carers. By working in partnership, we're ensuring that if a young carer signs up, with their permission, their details can be shared with their water utility, electricity supplier and gas transporter to help them get the additional support they need. "This is an important initiative that will play an important part in helping young carers understand how they can use water and energy as efficiently as they can, hopefully

reducing their anxiety about this crucial household expense."

Laura Bennett, Head of Policy at Carers Trust



1.10 A focus on the future

The strategic themes our stakeholders helped us set for 2019-20 continue to provide a solid framework for engagement and delivery in 2020-21. However, we remain ready to adapt as stakeholder priorities change, and find new ways of engaging during COVID-19.

Consumer vulnerability

Building on our work in 2019-20, we will continue to take a data driven approach to understanding and improving our services to consumers in vulnerable situations. A key focus will be the closure of PSR gaps in our southern licence area.

Driving innovation in core services

Making our core services better for our customers is a constant. In 2020-21, we will work in each area of our business to understand how input from customers and stakeholders can help drive increased outcomes for customers and network users. Delivering in the public interest

Action on legitimacy is not dictated by an election cycle. We will engage with stakeholders and customers on how we can further meet the public interest in RIIO-EDI, seeking input and feedback on our emerging sustainability strategy and social purpose. Enabling the net zero transition

Working with our stakeholders, we will collaborate and innovate to ensure the swift progress in ED1 is delivered as required. We also intend to **develop further strategic partnerships**, particularly in our southern region, on electrification and flexible networks.

Supporting safe and resilient communities

Resilience and safety are in ever sharper focus. We will continue to work collaboratively to identify ways we can further improve local resilience and seek to support communities of interest as well as

Improving, adapting and collaborating We remain committed to continual improvement in the way we engage with our stakeholders and we will adapt our programme to meet their changing needs during COVID-19. We will deliver early benefits in ED1 from our ED2 enhanced engagement programme including a shared programme of extensive consumer engagement.

RIIO-ED2 enhanced engagement

Our independent Customer Engagement Group (CEG) met for the first time in September, holding four meetings in total during 2019-20.

Chaired by Tracey Matthews, who also led the SSEN Transmission RIIO-T2 User Group, the role of the CEG is to provide constructive, informed and objective challenge to SSEN's business plans, such that customers, consumers, stakeholders and regulators can be confident that changing needs and expectations have been properly understood, balanced and reflected in the plans.

The group brings together 12 experts who have varied backgrounds in areas including energy regulation, consumer advocacy, fuel poverty, community renewables and asset management. The CEG chair will meet with the Board on a regular basis and arrangements for co-ordination with the Stakeholder Advisory Panel have been agreed. We are confident the CEG will provide the right level of industry and consumer insight, whilst also providing independent challenge and scrutiny to our business plan.

Alongside the continued involvement of the CEG, we have commenced an enhanced consumer and

Name	Experience
Tracey Matthews	Utilities sector
Helen Fleming	Civil Service, Competition and Sustainability
Tamar Bourne	Smart grids and local renewables
Gareth Spinner	Engineering, Construction and Connections
lan Pashley	Energy system
Chris Watts	Energy and Regulation
Maxine Frerk	Energy, Regulation and Consumer Interests
David Coan	Energy and Civil Service
Geoff Aitkenhead	Asset Management
Barbara Atterson	Fuel Poverty Charity
Andrew McMunningall	Infrastructure, Local Government and Policy
Lauren Snoxell	Consumer Advocacy

stakeholder engagement programme to ensure our business plan is fully shaped by external views and is reflective of societal needs. To avoid stakeholder fatigue and deliver value for money, we will look to combine events and consumer insight activity with ED1 engagement, where it makes sense to do so.

"The aim for our enhanced engagement programme is to create a business plan that is focused on, created with and, ultimately, trusted by our customers and stakeholders. But that doesn't mean we are only interested in 2023 and beyond. If our stakeholders suggest improvements and

initiatives that we can implement here and now in ED1, we are fully committed to doing so."



Andrew Roper, Director of DSO and ED2

1.11 Independent accreditations and audits

AA1000 Stakeholder Engagement Standard (AA1000SES):

SSEN has been assessed against the AA1000 Stakeholder Engagement Standard (SES) for each of the last three years. This sets the standard against which SSEN benchmarks itself. The assessment included interviews with internal and external stakeholders, as well as an audit of our stakeholder plans, tools and processes. Our continued accreditation against this standard demonstrates our commitment to the design, implementation and communication of quality stakeholder engagement.

Further accreditations and standards

At SSEN, we believe in the strength of collective action on the issues that matter to our customers, stakeholders and communities. We are proud of our long-standing associations with the Fair Tax Mark and the Living Wage Foundation and, where possible, we seek to collaborate within our industry and beyond to share best practice. In 2019-20, we focused on improving our approach to inclusion and diversity (Part 2, page 6) and 'walking the talk' on Electric Vehicles by committing the EV100 pledge (Part 2, page 8). "With a deep-rooted customer and stakeholder-centric culture, SSEN has further developed its stakeholder engagement strategy with new focus, tools and formalised processes, further strengthening their commitment to the standards and to their stakeholder's needs and objectives."

AccountAbility Audit Report 2019-20

