# Scottish & Southern Electricity Networks

# Turning insights into action

**PART 1** 2020-21

**OVERVIEW OF EVIDENCE**
Stakeholder Engagement and
Consumer Vulnerability Submission

# Turning insights into action

Welcome to Scottish and Southern Electricity Distribution Networks' (SSEN) part 1 submission to Ofgem's Stakeholder Engagement and Consumer Vulnerability Incentive (SECV) for 2020-21.

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.

**Scottish Hydro Electric Power Distribution (SHEPD)**

**Southern Electric Power Distribution (SEPD)**

## Our submission is structured in three parts:

**Part 1**
Introduces our Stakeholder Engagement and Consumer Vulnerability strategies, and outlines our strategic approach to working with stakeholders and supporting consumers in vulnerable situations.

**Part 2**
Highlights key achievements and benefits delivered through engaging with our stakeholders during the 2020-21 regulatory year.

**Part 3**
Features the initiatives and outcomes we have delivered to support customers in vulnerable situations and fuel poverty during the 2020-21 regulatory year.

## Our Part 1 submission

# Contents

# 1.1  Managing Director's introduction

At SSEN Distribution, we know our role in society is now more important than ever as we deliver on our customers' evolving expectations, accelerate progress to net zero and play our full part in a green economic recovery from the COVID-19 pandemic.

It is clear these outcomes will be best delivered by actively listening to the feedback and ideas of our customers and stakeholders and it's why we are committed to powering change through open and authentic engagement.

Since joining SSEN last year, I've seen first-hand the impact of our engagement activity and the desire of people across our business to deliver meaningful outcomes for our customers, especially those most vulnerable.

Coming from the rail sector, where the strength of engagement can often be a major factor between success and failure, I've been really impressed by both the breadth and scale of our programme and our genuine intent to co-create solutions with our customers and stakeholders.

There is also a real drive for continual improvement and as a team we have worked hard to reflect on the feedback of the panel last year to improve the way we

plan and deliver engagement and, crucially, ensure insights are turned into action. This includes assigning clear accountability at the executive committee, increased senior involvement and an increase in frequency of monitoring and updates to our executive committee and Board.

This commitment is now also aligned with our business strategy. Following an extensive co-creation programme with our customers, stakeholders and colleagues, we've redefined our company purpose and vision to renew our focus on what matters most to our stakeholders and our people.

**Our new purpose – we power communities to thrive today and create a net zero tomorrow** – sets out our dual aim to support the communities we serve, beyond keeping the lights on, and work collaboratively with them to reach their zero carbon goals.

**Our new vision – powering change with every connection** – places the importance

of engagement right at the heart of our business and makes clear that every connection we make, be it with a customer, stakeholder or colleague, matters.

This refreshed outlook is complemented by an enhanced stakeholder engagement strategy and robust reporting framework. Over the last 12 months, we've engaged at scale and with renewed vigour– adjusting effectively to a new way of delivering engagement. We've also refined our partnership approach, working with trusted organisations to deliver increased support to those in vulnerable situations, including fuel poverty, and engage those who are harder to reach, particularly during the pandemic.

Our submission demonstrates how this improved approach is already delivering for our customers and I'm delighted to present it to you.

**Chris Burchell,**
Managing Director

# 1.2  Shaping our themes for engagement in 2020-21

Our new purpose and vision are underpinned and delivered through our business strategy. Our strategic themes are the core pillars of our business strategy, which are shaped by and developed with our key stakeholder representatives.

- Driving improvements in core services
- Enabling a smart and fair transition to net zero
- Supporting safe and resilient communities
- Delivering in the public interest
- Collaborative action on consumer vulnerability

This year, stakeholders reaffirmed that the core strategic themes remained valid, but with two key adjustments. Stakeholders firstly requested focus on "doing what we do better" within core services, using innovation where appropriate, rather than 'driving innovation to support core services.'

Secondly, they recognise the importance of the transition to net zero, but wanted us to increase emphasis on how this transition is inclusive and innovative. As a result, our strategic themes for 2020-21 were refreshed and communicated to the business.

'Enabling a smart and fair transition to net zero' and 'supporting safe and resilient communities' were also listed as stakeholders' top priority areas.

Our Stakeholder Advisory Panel (SAP) also made three crucial recommendations this year:

- advised we demonstrate leadership in our ambition to deliver net zero
- urged us to embed a customer-centric approach in everything we do
- recommended we continue to increase collaboration and partnerships to support vulnerable consumers.

This stakeholder feedback verifies that our strategic themes and new company vision are aligned with the priority areas and expectations of our stakeholders, ensuring we are focusing our efforts and delivering outputs in the right areas.

> "The past 18 months have seen a huge improvement in the way that stakeholder engagement is embedded with the integration of stakeholder engagement at the Executive and Board level. There have been many instances over the past year where the Panel has seen evidence of stakeholder engagement being more than an operational element and truly part of the company culture."
>
> **Mike Petter,** Chair SSEN Stakeholder Advisory Panel

**Stakeholder Advisory Panel – a direct voice to the Board**
Our Stakeholder Advisory Panel plays a critical role in our overall governance model. As an independently-chaired formal panel with a permanent non-executive director reporting to the SSEPD board, it provides a vital role in advising and stimulating debate on business matters from the sole perspective of the stakeholder.

## 1.3  A strategy for enhanced engagement

2020-21 has brought a period of significant change for electricity networks, with the drive to net zero impacting how our network is used and COVID-19 affecting the way in which we plan and carry out our activities. The extent and pace of change has made it more important than ever that we listen to our stakeholders to understand their evolving needs, placing them at the heart of all our decision-making.

Our stakeholder engagement strategy provides a clear and accessible framework for our whole business to use. It is central to our operations, and because it's supported and driven by senior management, it is fully entrenched in every directorate.

During what has been a transformational year, impacting the way in which we plan, deliver and act upon our stakeholder insight, we undertook an extensive review of our stakeholder engagement practice and commenced a targeted improvement review.

This review was, in itself, informed by stakeholder insight. Alongside the feedback from the panel from the 2019-20 submission, we received additional input from our strategic panels and the outcome of our AA1000 audit, as well as from our internal executive team and governance committees. A peer SECV review was also completed once material was available.

Our improvement programme was rewarded through the successful attainment of Accomplished status in our AA1000 health check.

"We're committed to continual improvement in our stakeholder engagement practice and despite the challenges of introducing new ways of working, we've made real progress in strengthening the engagement culture across our organisation – in all areas and at all levels."

**Lyndsey Stainton,** Head of Stakeholder Engagement

### Improvement review – key outcomes

**Further embedment of strategy and senior governance**
Delivered through;
new purpose and vision, leadership objectives and governance and tailored application to meet local needs.

**Improved capabilities and practice**
Delivered through;
targeted training programme, implementing new innovative methods and enabling agility to react to emerging issues.

**Enhanced tracking and review**
Delivered through;
new tools and processes such as the insights portal, improved segmentation and enhanced measurement.

**Enriched consumer insight**
Delivered through;
significantly increased consumer research opportunities, co-designed ED1/ED2 engagement, and testing of COVID-19 impact.

**Adapting to digital engagement**
Delivered through;
undertaking stakeholder research and hosting an engagement roundtable to understand best practice in the current climate, from which many of the recommendations have now been implemented (P6).

### Our stakeholder engagement framework

**Our mission statement**
Our stakeholder engagement **mission statement** lies at the heart of our strategy and sets out our vision for the role of stakeholder engagement in informing decisions as we shape our business for the future.

> Our mission is to deliver engagement which is purposeful, accessible and dynamic, using insight and collaborative partnerships to achieve positive and tangible outcomes for customers, stakeholders and society.

**Our principles**
Our **principles** define how we engage and guide the planning and delivery of our activities. These principles reflect the values embedded throughout our approach and are embodied by all stakeholder-facing staff.

**Inclusive**
We will take a considered approach to the format and timing of our engagement and think deeply about how we can reach 'seldom heard' voices, ensuring a fair and accurate representation of our customers and communities.

**Insightful**
We will conduct thorough engagement, on issues that matter to our customers, in a way that generates meaningful discussion and debate, structuring our engagement activities and processes to allow us to capture clear and unambiguous feedback that leads to insight and actions.

**Impactful**
Our engagement will be transparent and meaningful, allowing participants to clearly trace the 'golden thread' from their input and challenge to genuine influence on our business policies, activities and future plans.
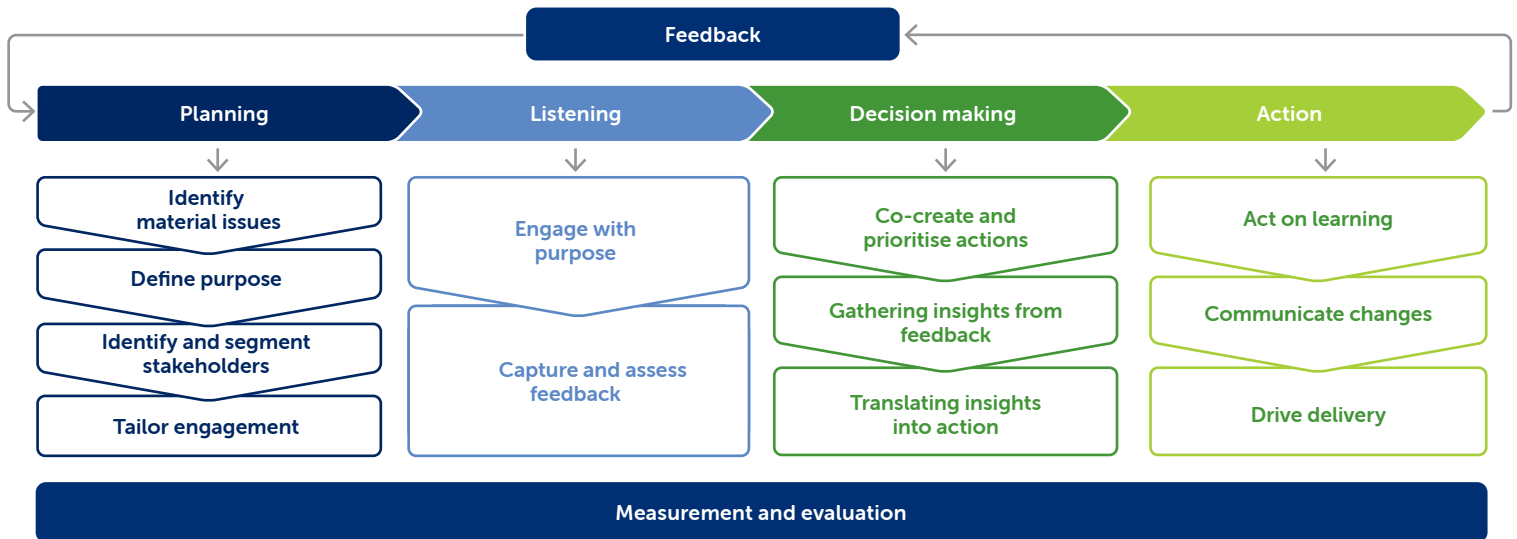
**Iterative**
We will conduct frequent and enduring engagement which evolves in line with best practice and continuous improvement. We will be flexible to change in the engagement process and incorporate learnings throughout the process.

# 1.4 Our approach to engagement

To ensure that our engagement is consistent, of a high standard across all our areas of operation and leads to impactful change, we have a defined, practical, step-by-step approach which we apply to all our engagement activities.

We continue to successfully benchmark ourselves against the AA1000 stakeholder engagement standard, however, in 2020-21 we enhanced our approach.

We have improved our six point process , introducing a clearer, more accessible 12 step delivery plan with a focus on improving our planning, data gathering, decision making and feedback loops.

**Feedback**

| Planning | Listening | Decision making | Action |
|---|---|---|---|
| Identify material issues | Engage with purpose | Co-create and prioritise actions | Act on learning |
| Define purpose | | Gathering insights from feedback | Communicate changes |
| Identify and segment stakeholders | Capture and assess feedback | Translating insights into action | Drive delivery |
| Tailor engagement | | | |

**Measurement and evaluation**

| **Planning** | Listening | Decision making | Action |
|---|---|---|---|

## Identify material issues

We combine a variety of methods to identify significant issues before testing with stakeholders as part of our engagement activities. (See Diagram). In 2020 we introduced our new insights database – a searchable library of stakeholder feedback, trends and insights from research to help inform planning. This sits alongside a dashboard which tracks monthly trends against delivery targets on PSR sign ups, fuel poverty referrals and other Key Performance Indicators (KPIs).

**Regulatory and policy insights**

**Insight database, Tractivity and Dashboard**

**Topics for stakeholder engagement**

**Internal insights**

**Partner insights**

### Tools and processes
- Insights database (New)
- Dashboard (New)
- Regulatory and policy insight: (Embedded)
- Partner Insights (Embedded)
- Action tracker (captures detailed feedback on key issues and highlights areas for additional engagement) (Embedded)

## Define purpose

Defining the purpose of our engagement is essential to the success of our outcomes. We begin with the end in mind to ensure that the insight gained can be applied directly to our decision making.

### Tools and processes
- Our Engagement teams work closely with subject matter experts in the business to structure engagement in a way which will lead to specific, unambiguous and actionable insight (Embedded)
- Our panels provide advice and direction on wider stakeholder consultation activity (Embedded)

## Identify and segment stakeholders

Knowing our stakeholders is as important as the engagement we undertake. We work carefully to identify the stakeholders according to knowledge and interest and this year we further segmented our stakeholder groups. Hard to reach stakeholders are always considered in our planning as we strive to be more inclusive in our engagement activities.

### Tools and processes
- Annual review of database of over 8,100 stakeholders (Enhanced)
- Conducted a gap analysis and purchased additional data for Local Authorities (Enhanced)
- Updated Tractivity, our database and management tool, to provide improved organisational capabilities (Enhanced)
- Stakeholder audit to assign knowledge levels to all on the database (Enhanced)
- Tracked engagement sessions through new standardised forms (New)
- Invested in a bespoke stakeholder segmentation model (New)

## Tailor engagement

Engaging with purpose using the most appropriate engagement mechanism for the stakeholder and desired outcomes.

| Planning | Listening | Decision making | Action |

## Capturing feedback

We have an effective feedback collection and management process in place.

We store all feedback collected from our stakeholder engagement activities in Tractivity. All stakeholder-facing staff across the business have access to

Tractivity, to which they upload outputs following engagement activities. The stakeholder engagement team assesses and manages this database to ensure consistency, and liaises with the relevant engagement leads to fill any gaps in information.

**Tools and processes**
– Increased number of Tractivity licences across the business by 18% during 2020-21 `Enhanced`
– Standardised feedback forms enhanced `Enhanced`

| Planning | Listening | Decision making | Action |

## Gathering insights from all feedback

Once feedback from engagement activity has been recorded and stored in Tractivity, it is available to key decision makers to directly inform decision making. This year we introduced **new** synthesis reporting bringing together all the information gathered from stakeholder engagement on a particular topic or issue, as well as relevant information from other sources. Collated in one report, synthesised data provides clear stakeholder feedback to make fully informed decisions. The process is outlined at the bottom of the page.

**Tools and processes**
– Introduction of synthesis reports `New`

## Co-create and prioritise actions

Whilst a wide range of stakeholder views are vital to the decision-making process, it is important that we consider additional information to ensure the best outcome possible for our customers and stakeholders. Introduced in 2019, we have formalised and embedded triangulation into our stakeholder approach to rationalise decisions and deliver proposals that satisfy the broadest segment of stakeholders while respecting other cost, engineering or regulatory constraints.

**Tools and processes**
– Formalising triangulation decision making `Enhanced`

## Translating feedback into action

Our stakeholder engagement process is only successful if the feedback we gather is acted upon and leads to meaningful outcomes. Introduced in 2019 and further embedded during 2020-21, we use our action tracker to monitor the progress of feedback-informed actions through to delivery. This year, we have refined the escalation process so it links to our metrics dashboard which is reported upon monthly.

**Tools and processes**
– Record all actions arising from stakeholder engagement `Embedded`
– Assign action owners `Embedded`
– Escalate issues where actions are not on track for delivery `Enhanced`
– Monitor the progress of feedback-informed actions through to delivery `Embedded`

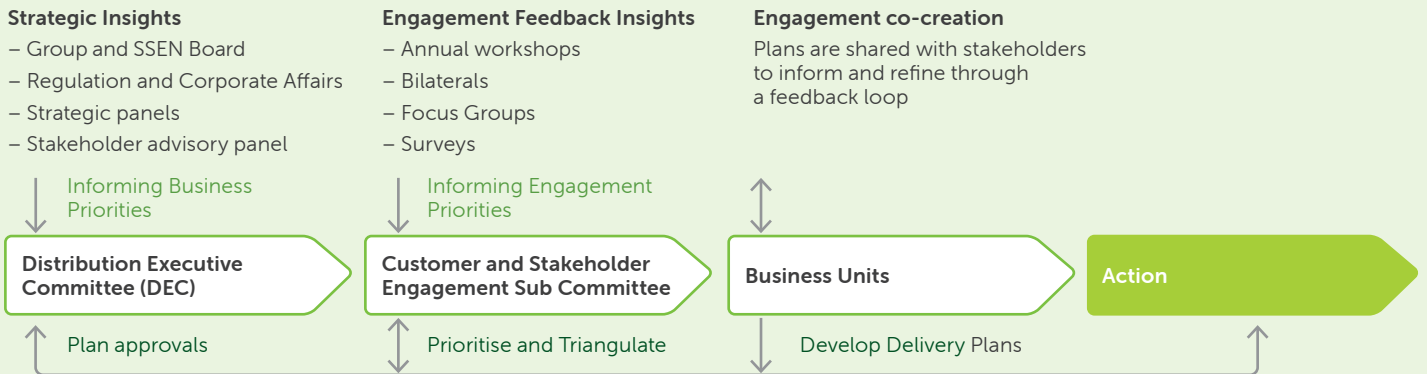| Stage | Stakeholder data | Processed stakeholder data | Synthesised data | Additional data | Decision and actions |
|---|---|---|---|---|---|
| Resource or activity | Insights Database | Tractivity | Synthesis report | Triangulation | Action tracker |
| How we gather information | We collect information from a variety of sources, including feedback from engagement, consumer insight activities and external research papers. | We use a relational database (Tractivity) that provides a consolidated source of insights and feedback received. Tractivity provides a single source of truth for all feedback. | Synthesis reports summarise key insights from all relevant stakeholder feedback. | We bring together all available information, which added to our stakeholder insight, allows us to make fully informed decisions that satisfy the broadest possible range of stakeholders. | Stakeholder-informed decisions from across our business are gathered together in our action tracker. Progress is monitored until each action is completed. |

## Triangulation process to support project co-creation and delivery

- Engagement synthesis reports
- Engagement insights
- Third party research

**Evidence Triangualtion**

- Business justifications
- Benefit analysis, including CBA, WTP and SROI
- Regulatory constraints

**Evidence used by decision makers to identify:**
– What the majority of insights suggest
– Identification of risks considered
– Any insights that contradict proposed approach
– Trade-offs involved

**Decision taken based on clear and transparent evidence**

# 1.5  Our stakeholder culture – commitment at every level

Our vision to **power change with every connection** embodies our commitment to listen to our stakeholders, understand their needs and place them at the heart of all our decision-making. This vision empowers everyone across the business, from our senior leaders to our frontline colleagues, to connect with and deliver for our customers and stakeholders.

## Our engagement cycle is embedded within the business and supports the design and delivery of our annual plan.

**Strategic Insights**
– Group and SSEN Board
– Regulation and Corporate Affairs
– Strategic panels
– Stakeholder advisory panel

**Engagement Feedback Insights**
– Annual workshops
– Bilaterals
– Focus Groups
– Surveys

**Engagement co-creation**
Plans are shared with stakeholders to inform and refine through a feedback loop

Informing Business Priorities

Informing Engagement Priorities

| Distribution Executive Committee (DEC) | Customer and Stakeholder Engagement Sub Committee | Business Units | Action |
|---|---|---|---|

Plan approvals

Prioritise and Triangulate

Develop Delivery Plans

### Key timings

**Sept/Oct**
Internal session with DEC and Customer and Stakeholder Engagement Sub Committee to present 'synthesis' of stakeholder insight and recurring/emerging issues and options for consideration. This shapes the issues/areas for engagement

**March**
Socialise the draft engagement plan with stakeholders for feedback

**April/Start of May**
Update the plan, publish and commence delivery

## Our culture and processes ensures engagement drives decision making

| Governance | Prioritisation | Impact |
|---|---|---|

**Customer and Stakeholder Engagement Sub Committee**
This key decision-making group, attended by the extended leadership team meets monthly to discuss, monitor progress and provide challenge on stakeholder-led initiatives. Funding decisions are also made on projects that have been shaped and endorsed by stakeholders.
This group also manages the live reporting framework against which projects are tracked and measured.

**SSEN board**
All papers and proposals to the Board and DEC include a mandatory section on stakeholder impact and engagement – papers are rejected if incomplete.

**Distribution Executive Committee**
Stakeholder engagement is represented at Director level and is reported upon regularly. Directors and their reports have a specific and measurable stakeholder engagement objective linked to performance.

**Delivery Manager**
Each stakeholder-led project on the Action Tracker is assigned a Senior Manager sponsor accountable for delivery.

### Giving our colleagues the tools they need to engage
While our leadership team engages regularly with stakeholders, most often in formal settings, it is our frontline teams who interact with customers every day. Below we detail what we've done to ensure we capture and capitalise on the valuable feedback from our colleagues;

### Business as usual feedback mechanisms
As well as our leadership conference attended by over 70 delegates, we provide a range of channels for our frontline teams to provide customer and stakeholder feedback

to our leadership team including our 'Great Place to Work' annual survey, internal Yammer channels and Q and A sessions which provide a creative flow of ideas and support across the business.

All stakeholder engagement is captured in our Tractivity database and reported monthly to the Distribution Executive Committee. Our Board also hear directly the stakeholder perspective through the SAP. This ensures that the stakeholder voice is heard right across the business, with every employee capable of learning, shaping and acting on those interactions.

"Setting clear and specific objectives has helped further enhance engagement across our business. My stakeholder objective for 2020-21 was to establish a clear co-creation channel in addition to our embedded workshop programme. Implementing our Expert Panels earlier this year has proved invaluable in developing a two-way dialogue and co-designing solutions with our stakeholders."

**Andy Huthwaite,**
Director of Connections

## 1.6 Adapting and improving our engagement

As a result of the pandemic, the way in which we deliver stakeholder engagement has transformed. Previously preferred engagement methods such as face-to-face workshops were no longer fit for purpose yet our desire, and need, to engage has never been greater. Despite a reduction in local engagement, often delivered in person with local community groups, we delivered over 870 engagements during 2020-21, using a range of methods tailored according to the knowledge and interest levels of our audience. By tailoring our engagement in this way, we have been able to reach our stakeholders more effectively and maximise outputs from our engagement activity.
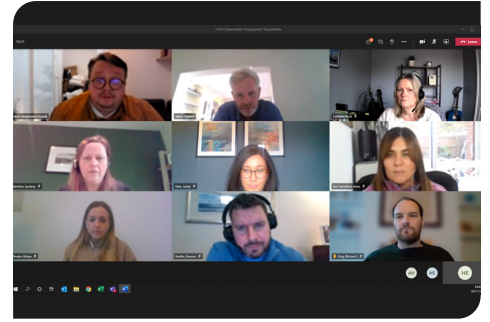


### Delivering accessible engagement in a pandemic

In light of COVID-19, this year we initiated and led an industry-wide online workshop focusing on "delivering Stakeholder Engagement during the pandemic" with the purpose of understanding issues and working collaboratively to establish good online engagement practices. The session explored:

- Digital platforms for engagement
- Changing stakeholder behaviours such as fatigue and lower attendance rates; and
- Enduring learnings

Learnings from the workshop, which was attended by representatives from both the DNO community and beyond sector, have been incorporated into our stakeholder planning and shared industry-wide through working groups and beyond using digital channels.

The implementation of these changes has seen us connect with stakeholders who were previously harder to reach such as smaller charities who found travel times and costs a barrier to attendance. There has also been an increase in participation from elected officials and local government representatives who have found it easier to attend with the removal of travel time.

#### Embedded learnings following collaboration event and stakeholder insight

- Subject-specific workshops for targeted and focussed discussion
- Shortening the duration of all online engagements since the event to no more than 2 hours to keep interest levels and energy high
- Explored new and utilised innovative engagement platforms such as Learning Tree – Anyware and Speakeasy to provide "the face-to-face conference experience" but virtually
- Telephone calls offered to stakeholders unable to engage digitally
- Accelerated the implementation of technology to enable more collaborative working across and outside the business such as introducing Teams breakout rooms to enhance co-creation
- Greater consideration given to timings of events to increase participation rates e.g. starting and finishing events to avoid school runs
- Providing recordings of presentations on YouTube so they can be accessed at a time that suits, allowing stakeholders unable to attend the event an opportunity to be informed

"

The session was really helpful and great to chat to a group of peers who are all working through the same challenges! I would find it beneficial to keep in touch with the group."

**Attendee from charity sector**

#### Advocating for equality

As part of our commitment to inclusion, we have introduced a policy to never host or participate in an engagement event with all male panels/speakers or a lack of diverse representation, where alternatives exist. For more on our Inclusion and Diversity approach see Part 2, page 10.

### Embedding learning on engagement and co-creation

As more of our colleagues engage with stakeholders in their daily roles, it is important they have the skills and capabilities to meet our customer and stakeholders' evolving needs and are fully aware of the tools and methods at their disposal.

In light of our refreshed approach to stakeholder engagement (page 04) we built on our existing awareness programme, engaging an external training partner to support the roll-out of a bespoke training programme of participative workshops. Over 200 colleagues – from directors through to apprentices – took part in tailored coaching and facilitation sessions to:

- Embed shared understanding of stakeholder engagement and its importance

- Get a deep dive into our enhanced approach, including revised tools and methods
- Undertake scenario-based exercises – exploring how 'co-creation' opportunities can be applied.
- Improve understanding of innovative approaches to engagement by sharing good practice

At the sessions, a co-creation scale was introduced, showing how engagement outcomes can be delivered through various forms of co-design, from asking stakeholders to select choices to adopting a 'blank' page approach. This was further strengthened at specific co-creation workshops where delegates applied the scale to help plan out future engagements.

#### Co-creation scale

| Audience research | Modification | Co-designing | Collaboration |
|---|---|---|---|
| We ask stakeholders to answer predetermined questions and decide which ones to consider | Stakeholders propose modifications to an existing service based on set criteria | We put forward several options for a new service and a selection of stakeholders choose the best option | Stakeholders collectively develop ideas for a new service or improvements to an existing service without any criteria |

# Our engagement principles in action

**870** engagements held ▲

**16** methods used ▲

**31,000** stakeholders engaged through SSEN-led events

**>95%** digital engagement

**44** stakeholder segments identified ▲

## Impactful  Partnership pays dividends

February 2021 saw a period of unsettled weather across our network area in the north of Scotland, with the UK's lowest temperature in 26 years of -22.9C recorded in Braemar. Drifting snow and freezing temperatures made travel to remote areas extremely challenging, with assistance from local resilience partners invaluable in gaining access and restoring supplies to our customers.

Leveraging an existing positive relationship, we called on the support of the Braemar Mountain Rescue team to work alongside our engineers, helping to access damaged overhead power lines. Using their specialist off-road machinery, they were able to provide vital access for our engineers and their equipment to carry out repairs.

**Impactful** relationships like these are built over the years through local engagement, with our regional teams embedded within our communities. Local resilience partnerships provide critical links, helping us work collaboratively to deliver the best service possible for the local communities we serve.



## Inclusive  Dedicated Vulnerability Workshops

In 2020-21, we held our first dedicated Consumer Vulnerability virtual workshop, recognising the additional impacts of COVID-19 required a different approach to previous years where vulnerability issues has been explored as part of the annual stakeholder workshops. Giving careful consideration of the event timing and platform used, we delivered an **inclusive** engagement that saw us joined by 57 informed stakeholders from 50 organisations, with many delegates joining us for the first time having previously found time or cost of travel a barrier or were dissuaded by a broad agenda. As well as round-robin discussion groups, where 25 pieces of engagement evidence were derived, a virtual artist captured key discussion points.

Exploring topics such as new priorities in response to COVID-19 and addressing under representation on our PSR, insights gathered have led to:

- an enhanced use of data to identify and support those affected by social isolation
- a refreshed channel mix of our annual PSR awareness campaign
- significant reductions in identified PSR gaps through even greater targeting
- feedback on our development of the Smart and Fair? programme exploring social justice in the energy system



## Insightful  Thematic Consumer Engagement

This year we launched a programme of direct qualitative engagement with customers. Using a range of methods including ethnographic apps, focus groups, and 1-1 in-depth interviews delivered by independent experts Accent, the events explored four topics – the future of vulnerability, supply interruptions, worst-served customers and connections – with SME and domestic consumers (including those in fuel poverty and other vulnerable situations) who had relevant personal experience.

We were delighted by the quality of the feedback, which has been truly **insightful** and enabled us to understand the 'why' behind the results of our quantitative surveys and to co-create solutions with confidence that they will truly meet customers' needs. One 'quick win' from these actionable insights was that we have updated our Priority Services page in response to feedback from eligible consumers who told us they were unsure if the services are free. The wider value of these insights will be seen in the coming year, and as thematic customer engagement is incorporated fully into our approach.

## Iterative  Resilience Roundtables

This year, we evolved our approach to political engagement by holding virtual Resilience Roundtables across our network areas, engaging with key elected officials including MPs, MSPs and Council Leaders on the impact of the coronavirus pandemic on their constituency areas.



With a focus on energy, our virtual roundtables explored and identified ways of improving the essential services and support we provide for our customers, attracting 17 key stakeholders and representatives of the constituencies we serve.

Our agile approach resulted in a marked increase in engagement with elected officials as they no longer have to factor in travel time for site visits. Following on from the success of the roundtable events, we've also seen an increase in follow-up engagement from those in attendance.

We're incorporating these learnings into our rolling programme of political engagement and commit to continuing this type of virtual roundtable event on an **iterative** basis going forward.
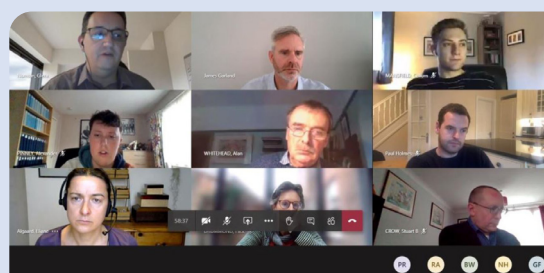
# 1.7  Consumer vulnerability strategy

Our consumer vulnerability strategy is built on championing the individual needs of our customers and striving to provide an excellent service, wherever they live, whenever they need us, and whatever their requirements might be.

We are genuinely committed to engaging with all consumers, and the trusted organisations who represent them. This has never been more important, as the number of people finding themselves in vulnerable situations rises, many of whom may never have thought of themselves as vulnerable pre-pandemic.

We are active participants in several partner forums such as the National Energy Action and Energy Action Scotland Business Supporter Groups, the Joint Utility Working Group and conduct annually a dedicated survey of our PSR customers.

This year, we broadened activity, hosting an online Consumer Vulnerability workshop, inviting 57 stakeholders from 50 organisations identified through our segmentation tool, as having a specific interest and knowledge level in the area of consumer vulnerability.

We continued to strengthen both our Inclusive Service Panels (ISPs). Our External ISP, with expert stakeholders bringing a wealth of experience and challenge; and our Internal ISP, comprising of passionate and insightful employees from across our business. Now in its third year, during 2020-21 we appointed a new independent Chair, Trisha McAuley OBE, a leading expert in consumer policy to help drive fairness and inclusivity in our low carbon transition.

> "SSEN is very committed to receiving and acting on feedback to ensure it is continuously improving. There is always an opportunity for open conversation and the team works very closely with the Panel members. SSEN goes the extra mile when it comes to supporting vulnerable customers."
>
> **Trisha McAuley,** Chair of SSEN Inclusive Service Panel

Through this engagement we continually develop our understanding of a complex, and at times very personal issue, to ensure our strategy continues to be holistic, effective and progressive.

**Our approach to consumer vulnerability is based on the following principles:**

1 Understanding the needs of customers
2 Using data to deliver tailored support
3 Partnership and collaborative working to help deliver services
4 Embedding knowledge and learnings and sharing best practice
5 Tracking performance against KPIs to ensure our efforts remain effective.

Our consumer vulnerability strategy is endorsed by our stakeholders. Each year members of our strategic panels, the Stakeholder Advisory Panel and Inclusive Service Panels review our strategy and delivery programme to ensure it continues to meet the developing needs of our customers and stakeholders.

This year our panels told us that our four stakeholder-led objectives should remain. They recognised our work to lead the fairness agenda in low carbon adoption, supporting our stance of going beyond simply 'not leaving customers behind' to embedding fair and inclusive practices in our projects and initiatives from the very start. Our External ISP in particular challenged us to stay ahead of the industry in ensuring that everyone can benefit from the drive to net zero. We listened, and in response have delivered a number of activities aligned to each of our stakeholder-led objectives, a selection of which can be seen below.

| | |
|---|---|
| **Expand on fuel poverty and energy efficiency activities** | • Based on customer insight, launched a gap funding programme to improve take up of low carbon technology grants in our SEPD licence area. The scheme funds the costs of preparatory works which are perceived as a barrier to accessing opportunities such as Green Homes Grants.<br>• Reviewed the referral touch points to increase the number of customers being referred to Home Energy Scotland and YES Energy Solutions for energy efficiency support leading to a 305% increase. |
| **Widen our partnership network and collaborative activities** | • Led in the project to create PSR Scotland, a one-stop shop for consumers in Scotland to register for PSR with their electricity DNO and water supplier.<br>• Shared our customer mapping tool data with third parties such as Highland Council to enhance their targeting of energy efficiency interventions, in support of their HEEPS and EcoFlex Programs. |
| **Drive forward Priority Services Register provision and promotion** | • We continued our focussed work to reduce identified PSR gaps through enhanced data usage, the creation of partnerships with parties such as NHS Scotland and an increased use of local radio given the restrictions on face-to-face community engagement at the present time. We now have 68.5% of eligible customers in our licence areas registered for PSR.<br>• Strategically used the Customer Mapping Tool to build on the successful identification of PSR-eligible customers in our focus areas. This led to a 25% increase in registration of consumers who experience mental ill health. |
| **Ensure our services are inclusive and accessible now and in the future** | • Enhanced our Customer Mapping Tool by adding new data such as Universal Credit Claimants, giving greater insight into linkage to future fuel poverty as a result of COVID-19 impact, and improving the algorithms for the community resilience index to ensure it remains industry-leading.<br>• Proactively worked with third parties such as Disabled Motorists UK to understand the impact of electric vehicles on those with disabilities as we transition towards net zero. |

# 1.8 Collaboration, partnership and best practice

**Our aim is to create lasting outcomes, and additional value for customers and stakeholders, by delivering collaborative services through the use of trusted third parties who are experts in their field.**

We work with experts and organisations to deliver services that benefit our customers and stakeholders in the most efficient and impactful way. Based on stakeholder feedback, we refreshed our processes on the identification, onboarding, management and resting of partnerships. This has strengthened our partnership framework which is based on the principle that partnerships are co-created, so that projects deliver better outcomes than if we had acted alone.

**Our partnership principles are;**

**To develop partnerships that are purposeful** and in line with the needs, wants and requirements of our stakeholders

**To develop relationships with partners** who share our values and aims and understanding that our aims must deliver tangible outcomes.

**To work closely with our partners** throughout to monitor and quality assure outputs so that services and provisions are consistent for all.

**To regularly evaluate the partnership relationship** to ensure it continues to deliver in line with stakeholder feedback

Using our framework and partnership principles, during 2020-21 we have developed a number of new partnerships, enhanced existing partnerships and taken the decision to rest others.

## Case study — Young Carers (Rested)

Following a successful pilot in 2019-20 where we collaborated with several partners from the water sector and NEA to help young carers stay safe and warm at home, we took the decision to rest the project in 2020-21. Due to the restrictions COVID-19 posed, the effectiveness of the programme was significantly compromised. Originally a face-to-face delivery, alternative proposals to deliver this virtually, through the gamification of the content were assessed. However, due to the likelihood of digital fatigue and the impact of increased caring responsibilities for the participants, along with development timescales, it was agreed the most effective course of action was to rest this project until such time as restrictions are eased and the programme could be delivered in person.

## Case study — Shetland Telecom (New)

Prompted by stakeholder requests to use our subsea cables to provide enhanced broadband services, we worked to identify a suitable partner with a shared vision. In Shetland Telecom, we found a partner who was able to deliver our stakeholders' need of access to superfast fibre broadband, rolling it out to 21 public sector sites including schools, medical centres and council buildings across Shetland.

Longer term, substations across the isles will be connected via the fibre network, providing remote visibility of the electricity distribution network powering the islands, giving the opportunity to detect and prevent faults before they occur and enable the faster restoration of supplies during power cuts.

## Case study — Home and Well (Enhanced)

Originally launched in March 2020 the partnership continues to help patients leaving hospitals to go back home safely, with a package of financial support, and practical advice from SSEN, water companies and Citizens Advice.

The project has gone from strength to strength despite required adaptations for infection control purposes. We invited SGN to make the project truly cross-utility, adding gas reconnections after prolonged hospital stays, CO detectors and locking cooker valves to enhance patient safety and fuel poor gas networks connections.
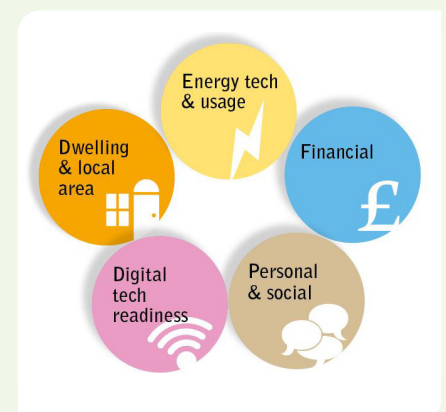
## Case study — Enhancing our data

In an industry first, we commissioned Regen to forecast the action required to roll out the energy efficiency measures required to meet the UK and Scottish Government's net zero targets and the scale of how this is likely to offset expected increases in electricity demand at a regional level. Currently available on our website, plans are in place to share the reports directly with local authorities, regional stakeholders, and the UK and Scottish Governments to help shape policy application and delivery with the ultimate aim of reducing costs for all.

## Case study — PSR Scotland (New)

Following feedback from stakeholders, including NHS Scotland, that we needed to make it easier to register for PSR, we established a partnership with SP Energy Networks and Scottish Water, to create PSRScotland.com, a one-stop-shop where customers across Scotland can learn about the free help available in their area. The website, which provides direct links to each company's PSR registration page, will simplify the registration process and make it easier to raise awareness of the PSR across geographic licence areas. This will be monitored to ensure the partnership delivers in line with stakeholder expectation. This has already been shared with over 26k users of the Neighbourhood Watch Scotland scheme.

## Case study — Sharing best practice

In addition to effective partnerships, we firmly believe in the power of shared learnings. This is a position that is fully supported by our stakeholders, including our Stakeholder Advisory Panel. During 2020-21 we shared our insights and learnings in a number of ways.

Findings from the Smart and Fair? project were shared with the Just Transition Commission in Scotland as well as with over 100 delegates at a recent Energy Action Scotland conference and 57 delegates at our Consumer Vulnerability Workshop. This resulted in an increased appreciation of the types of interventions that may be needed to reduce the likelihood of some being left behind in the transition to a net zero world and was highlighted in the March 2021 publication of "Just Transition Commission A national mission for a fairer, greener Scotland " report.

Energy tech & usage

Dwelling & local area

Financial

Digital tech readiness

Personal & social

# 1.9　Measuring the impact of our delivery

As a regulated business, we strive to ensure that each pound we spend delivers the maximum possible value to our customers, stakeholders, and the wider society we serve. To achieve this ambition, we combine several benefits evaluation techniques – both quantitative and qualitative – to measure the impact of our actions. During 2020-21 we have further embedded and expanded this approach across the business, using it to both screen projects prior to delivery and to measure the impact of 15 projects delivered.
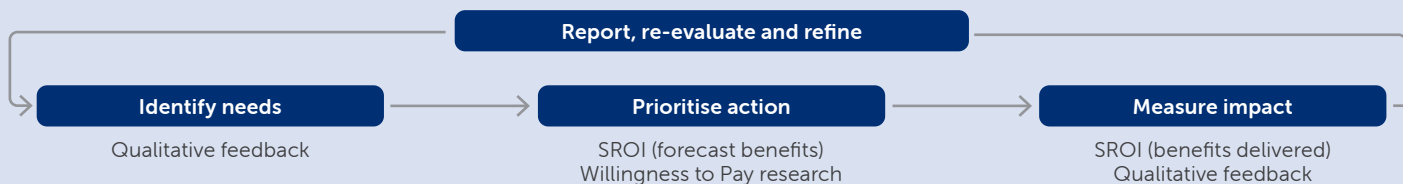
**Our benefits valuation framework**
Last year, we presented our enhanced approach to measuring impact by introducing a benefits valuation framework combining three tools – Social Return on Investment (SROI), Willingness to Pay research and qualitative feedback.

This approach achieves two key objectives:

**1) Forecast value and prioritise action** – forecast the value of actions we could take prior to delivery, ensuring we identify and prioritise specific actions that best meet stakeholders' needs while maximising our impact relative to cost.

**2) Measure value delivered** – to assess the holistic impact of projects underway, demonstrate value delivered and assess how actual results deviate from forecasts.

**Report, re-evaluate and refine**

| Identify needs | Prioritise action | Measure impact |
|---|---|---|
| Qualitative feedback | SROI (forecast benefits) Willingness to Pay research | SROI (benefits delivered) Qualitative feedback |

## Qualitative feedback
First, we use a range of channels and engagement methods to find out what our stakeholders and consumers value, gathering feedback on the strategic areas that customers would like us to focus on before digging deeper to **identify specific wants and needs**. This forms the baseline for our decision making, informing our focus for further testing of potential actions.

## Willingness to pay (WTP)
We then use WTP research to **determine our consumer priorities on a range of actions** grouped under strategic areas of our business. Ahead of 2020-21 we tested 13 different attributes with consumers split across customer support, education, smart networks, and sustainability by asking consumers the portion of their bill they would allocate to each area.

The findings from WTP provide us with insight on the relative priorities our customers place on certain actions, however, we acknowledge that the attributes tested aren't always at the same level of granularity as our specific initiatives. We therefore use WTP as an indicator of consumer priority, rather than a measure of 'actual benefit' delivered.

## Social Return on Investment (SROI)
To determine this next level of detail, we use SROI to assess and compare specific initiatives both to prioritise action and to measure the expected impact of the chosen initiatives. The approach is based on guidance from government in the HM Treasury Green Book.

SROI enables us to quantify the value of financial (e.g. customer bill savings from installing energy efficiency measures or switching to a cheaper tariff) and societal outcomes (e.g. positive environmental impact due to our actions taken to deliver net zero or additional wellbeing benefits to our vulnerable customers as a result of our tailored support) using proxies. We assess these benefits against the costs to deliver,

enabling us to **quantify the combined financial and societal values into a holistic net benefit per £ spent** for each initiative.

We evaluate all our initiatives on a 1-year and 5-year basis, ensuring we consider the near- and long-term benefits when making decisions. In certain instances, it may not make sense to proceed with an initiative based on a 1-year view alone, however, when considering longer term benefits, the analysis may indicate it is the best course of action as benefits build up over time.

In applying social value, we always aim to be conservative by applying several weightings to our calculations. These include:

**Deadweight** – we do not claim for outcomes that may have happened without our intervention

**Attribution** – we accurately assign a portion of value to external partners based on their inputs

**Optimism bias** – we apply a confidence factor to the proxy values based on the relation to the outcomes

Prior to delivery, we run all potential initiatives through this framework and forecast the likely benefits from each. We then triangulate this evidence with WTP results and qualitative feedback to ensure we are focusing our efforts on the set of actions that are shaped by the needs and priorities of our stakeholders and that deliver the highest possible benefit to customers and society relative to cost. In Part 2 and 3 of the submission, we discuss specific examples of the approach driving decision-making.

## Measuring our impact
Upon delivery of the selected initiatives we measure the benefits again, allowing us to report the actual financial and societal value delivered versus cost invested, and to assess how these results deviate from our forecasts. This process of comparing

forecasted to realised benefits allows us to continuously improve our ability to identify the best possible initiatives and report on the holistic benefits delivered.

The chart below provides a summary of the overall impact of the 15 initiatives we assessed through SROI. This reflects the actual value delivered in 2020-21 as well as the forecast value over 5 years.

### Financial benefits

| £1,603,096 delivered in 2020-21 | £2,463,180 forecast over 5 years |
|---|---|

### Societal benefits

| £2,060,638 delivered in 2020-21 | £3,284,229 forecast over 5 years |
|---|---|

Looking ahead to RIIO-ED2, as part of our Business Plan preparations we collaborated with other DNOs and Ofgem to develop a joint social valuation methodology. The common approach builds upon the core elements of our already embedded benefits valuation framework and we welcome its adoption across the sector which will allow for greater consistency and comparability of benefits.

> "The embedment of SROI has truly influenced our fuel poverty programme. As well as influencing the choice of projects, SROI has allowed us to fully demonstrate the wider financial and social benefits for our customers and communities, not just today, but in years to come."
>
> **Simon O'Loughlin,**
> Consumer Vulnerability Lead
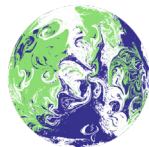
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