



ACTING ON INSIGHT

2021-22

OVERVIEW OF EVIDENCE
STAKEHOLDER ENGAGEMENT
AND CONSUMER VULNERABILITY
SUBMISSION

PART

1



Scottish & Southern
Electricity Networks

ACTING ON INSIGHT

Welcome to Part 1 of our submission to Ofgem's Stakeholder Engagement and Consumer Vulnerability Incentive (SECV) for 2021-22.

Through our two licensed electricity distribution network areas, Scottish Hydro Electric Power Distribution (SHEPD) and Southern Electric Power Distribution (SEPD), we are responsible for safely and reliably maintaining the electricity distribution networks supplying over 3.8million homes and businesses across central southern England and the north of Scotland including remote island communities.

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

PART

1

PART 1: Introduces our Stakeholder Engagement and Consumer Vulnerability Strategies and outlines our approach to working with stakeholders and supporting consumers in vulnerable situations.

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PART 2: Highlights key achievements and benefits delivered through engaging with our stakeholders during the 2021-22 regulatory year.

PART 3: Features the incentives and outcomes we have delivered to support customers in vulnerable situations and fuel poverty during the 2021-22 regulatory year.

KEY INFORMATION

Over
3.8m
homes and businesses served by our networks

More than
768,000
customers on our Priority Services Register

Over
3,700
employees across the country

106,000
substations

Over
100
subsea cables powering island communities

130,000km
of overhead lines and underground cables



1.1 MANAGING DIRECTOR'S INTRODUCTION

More than ever, our engagement over the last twelve months has underlined that working in partnership with the customers and communities we serve is essential for us all to achieve our collective goals.

This last year brought big opportunities for engagement with our partnership role at COP26 providing a global platform. It was an opportunity we grasped, firstly putting local networks centre stage through the launch of an international stakeholder-led smart grid collaboration project at the heart of the conference and secondly, running a successful in-person and virtual event providing important insight on enabling a smart and inclusive transition to net zero.

We've brought real energy and embraced new initiatives this year and made good on our promise to accelerate key RIIO-ED2 business plan proposals in the current price control where stakeholders said it is a priority. We've accelerated the implementation of our supply chain sustainability school and driven through key digital service improvements over a year ahead of time.

I'm also proud of our leadership on key issues, listening and acting on behalf of our stakeholders to deliver more than we have before. We were the first DNO to be accredited by the Science Based Targets Institute (SBTi) for adopting a pathway consistent with 1.5 degrees and we led the way to become the first energy company to publish a Just Transition Strategy.

Of course, we've also experienced challenges as a sector and as a society. Our mature strategy has allowed us to hit the ground running and respond quickly and effectively to emerging issues. The cost-of-living crisis has deepened and widened fuel poverty impacts and we have acted quickly to seek views on how our vulnerability programmes can adapt. During a cost-of-living round table, experts urged me and my team to consider holistic benefit and income maximisation – it's now a core part of our customer support programme.

The last six months also brought an unprecedented winter storm season that disrupted customers in both our network areas. Although our focus on resilience has always been strong, our teams put in a massive effort and delivered swift

stakeholder-led improvement from storm to storm – directly answering immediate needs and leading to innovation and strong improvements in customer and stakeholder satisfaction. This has been possible thanks to our embedded engagement culture and the turnaround in our performance over the last few years.

The mandated SECV reporting process is coming to an end next year but we remain absolutely committed to continuous improvement in our engagement approach. That's why we are developing a rigorous post SECV assessment framework to ensure we continue to learn, evolve and exceed the expectations of all our stakeholders.

With the collective challenges ahead, it's never been more important for customers and stakeholders to have a strong voice in our decision-making and, as we accelerate on the road to net zero, we remain wholly committed to sharing the journey with everyone.

Chris Burchell,
Managing Director



1.2 A MATURE STRATEGY FOR ENGAGEMENT

Our Stakeholder Engagement strategy is fully embedded across our business and drives the delivery of outcomes that our stakeholders have told us they value. It has evolved alongside our understanding of the needs and challenges facing our customers, continuously improving the way we engage through learning-by-doing.

MISSION STATEMENT

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

INCLUSIVE



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

INSIGHTFUL



We conduct thorough engagement on issues that matter, in a way that generates meaningful discussion and debate, allowing us to capture clear and actionable feedback.

IMPACTFUL



Our engagement is transparent and meaningful, allowing participants to clearly trace their input and to genuinely influence our business activities and plans.

ITERATIVE



We conduct frequent and enduring engagement which evolves in line with best practice and continuous improvement. We are flexible to change and will incorporate learnings.

OUR ENGAGEMENT PRINCIPLES IN ACTION

We expanded the breadth of participation in the Resilience as a Service (RaaS) project by working with core local stakeholders to identify hard-to-reach voices.

See Part 2, page 6

We undertook our first holistic stakeholder perception survey to understand preferences for future engagement and set an experience benchmark.

Our plan to adapt to the rising cost-of-living crisis was co-created through an open, multi-layered approach, leading to key shifts in our vulnerability approach.

See Part 3, page 3

Post winter storms, we re-established resilience roundtables to check application of prior learnings and understand any changes in focus.

See Part 2, page 7

1.3 ENGAGEMENT THEMES FOR 2021-22

Our engagement during 2021-22 was holistic and strategic. Framed by our stakeholder-led priorities and embedded methods, our central engagement themes were further shaped by targeted engagement in each priority area with the maturity of our engagement strategy helping us to dial up insight in emerging issues, such as storm resilience and cost-of-living.



Strategic panels	Annual workshops	Annual stakeholder perception survey	Consumer prioritisation research	ED2 engagement programme
Targeted engagement methods	Our stakeholders told us to...	Key initiatives progressed	Core outcomes	
ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD				
<ul style="list-style-type: none"> Local Authority capacity workshops (bilateral meetings and workshops with c.50 LAs) Citizens Jury - Sustainability Sustainability workstream Sustainability consultation Equal EV research Strategic Panels Rising cost of energy survey COP26 workshops 	<p>"Take a customer perspective to net zero and be an enabler, not a constraint, in the transition."</p> <p>"Be ambitious on your own decarbonisation and bring others with you."</p> <p>"Take collaborative action in the roll out of smart services and DSO."</p>	<ul style="list-style-type: none"> Net zero consumer microsite Crowdflex project Island DFES LAEP planning Leading 1.5 degree SBT Supply chain awareness programme DSO Action Plan Oxfordshire real-world trials International Smart Grid Community 	<ul style="list-style-type: none"> Crowdflex moved to phase 2 Net Zero working group established for Isle of Wight Increased sustainability knowledge for 464 stakeholders First trial launched with 18 companies registered Learnings shared on a global platform 	
DELIVERING A SAFE, RESILIENT AND RESPONSIVE NETWORK				
<ul style="list-style-type: none"> Resilience roundtables (MPs) Black start workshops Storm LRP/LRF debriefs Storm Arwen workshops/research Resilient Communities Fund Consultation 	<p>"Seek opportunities to improve fault response and disruption, increasing sustainability."</p> <p>Enhanced in-year</p> <p>"Undertake collaborative resilience planning for crisis events."</p>	<ul style="list-style-type: none"> Communications review Enhanced data provision for Local Authorities Storm compensation review Enhanced Resilient Communities fund 	<ul style="list-style-type: none"> 32% increase in customers satisfaction with storm communications Additional £2.7m in targeted funding 	
PROVIDING A TRUSTED AND VALUED SERVICES FOR CUSTOMERS AND COMMUNITIES				
<ul style="list-style-type: none"> Internal employee research Citizens Jury – Innovation workstream Customer research on restoration Social listening Complaints data 	<p>"Deliver consistent service, improve your digital presence and think customer-first."</p> <p>Emerging in-year</p> <p>"Review restoration estimates during extreme weather events."</p>	<ul style="list-style-type: none"> Digital strategy PowerTrack enhancements Empowered to Care roll out Fleet EV guide New estimated time of restoration (ETR) strategy Enhanced communications 	<ul style="list-style-type: none"> Customer rating of 4.3 out of 5 on new website service 30% of customers surveyed noted an improvement 	
DELIVERING A POSITIVE IMPACT ON SOCIETY				
<ul style="list-style-type: none"> COP26 stakeholder event Internal employee research 	<p>"Use your influence to support a just transition for workers and consumers."</p> <p>"Drive inclusion and diversity, be reflective of your communities."</p>	<ul style="list-style-type: none"> "Just Transition: From Principles to Action" published Inclusive hiring practices rolled out Belonging groups 	<ul style="list-style-type: none"> 1 in 5 recruits have joined from high-carbon industries 50% of graduate applicants are from ethnic backgrounds 	
COLLABORATIVE ACTION ON CONSUMER VULNERABILITY				
<ul style="list-style-type: none"> PSR survey Consumer Vulnerability Workshop COP26 roundtable Rising cost of energy survey Partnership bilaterals 	<p>"Deliver fuel poverty partnership programmes at a larger scale."</p> <p>"Continue to identify and systematically close PSR gaps."</p> <p>Emerging in-year</p> <p>"Adapt and enhance your programmes in light of the cost-of-living crisis."</p>	<ul style="list-style-type: none"> Review of current partnerships and identification of new projects General awareness campaign shaped by stakeholder insight Tactical campaigns to reduce "criteria" gaps Review of partnerships to include additional services 	<ul style="list-style-type: none"> 8,762 households supported, 131.1% year-on-year increase 71.3% of PSR eligible households registered 8.1% reduction in "language barrier" gap Over £80k of client financial gain linked to benefit entitlement checks 	

OUR 2021-22 STAKEHOLDER ENGAGEMENT IN NUMBERS

36,400
stakeholders engaged through SSEN-led events, up from 31,000 in 2020-21

827
engagements held, 20% of which had a resilience focus

20
methods used

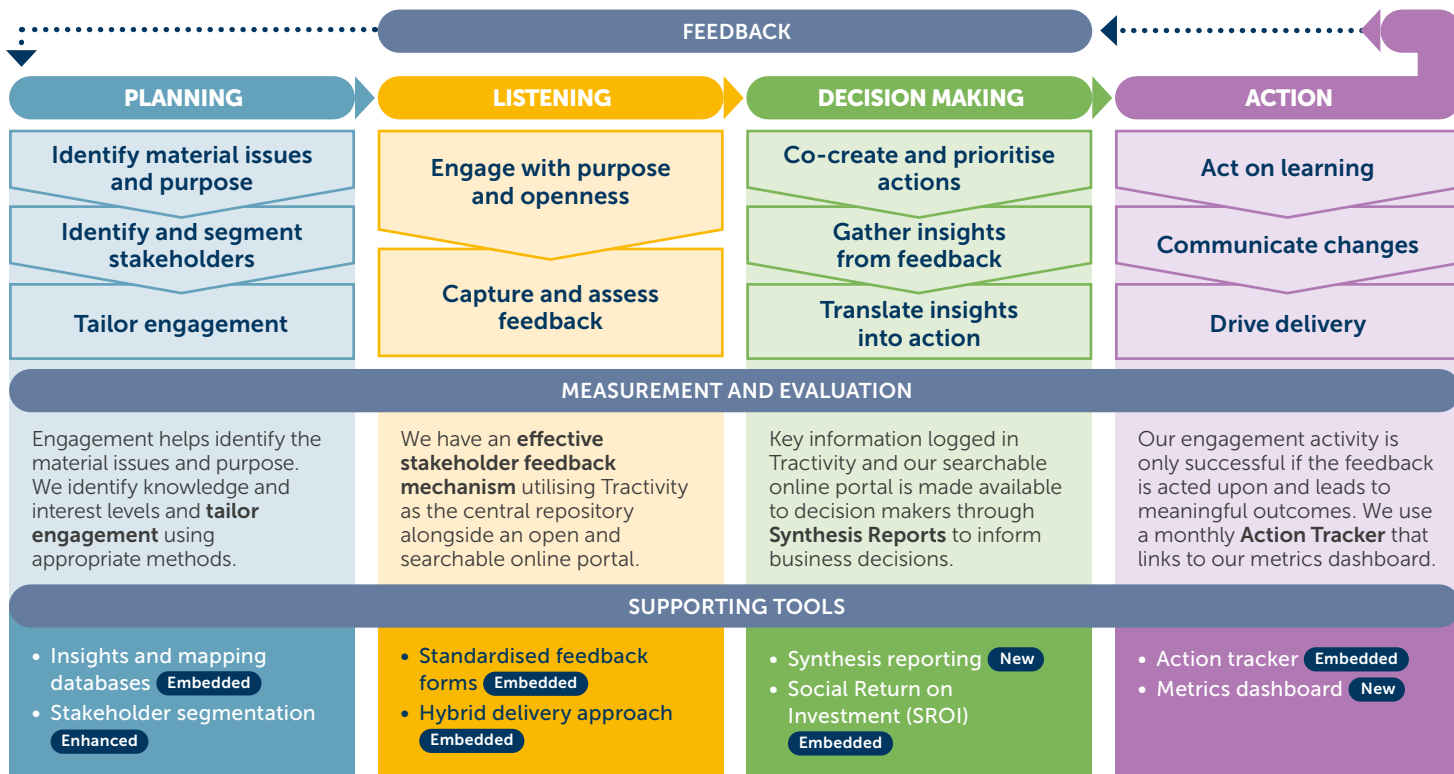
1:4
split of in person and digital engagements. Was 1:20 in 2020-21

46
stakeholder segments, up from 44 in 2020-21

12%
of new consented stakeholders represent Local Authorities

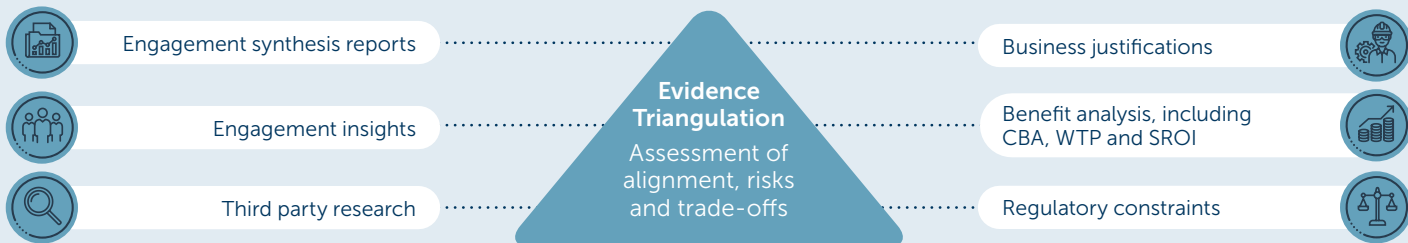
1.4 A HOLISTIC AND EMBEDDED ENGAGEMENT MODEL

Our mature approach is applied to all our planned activities, ensuring our stakeholder engagement is consistently delivered to a high standard and leads to impactful change.



TRIANGULATION PROCESS TO SUPPORT PROJECT CO-CREATION AND DELIVERY

Our embedded triangulation process evaluates insight from all our engagement activity, as well as from data and information from the wider operating environment. This holistic and transparent approach ensures all views are considered, with robust, justifiable and evidence-based decisions taken through consultation between subject matter experts and senior leaders.




DECISION TAKEN BASED ON CLEAR AND TRANSPARENT EVIDENCE

We've **enhanced our evidence assessment process** to review whether evidence is **methodologically sound, rigorously gathered** and **credibly interpreted**. A score between 0 and 3 is given which then forms an important input into the triangulation process and future engagement plans. The example below shows the weighting of three evidence sources used in developing our DSO Action Plan.

Event name	Methods	Stakeholder segment	Participants	Weighting	Explanation
Stakeholder research study (Regen): Enabling DSO Through Net Zero	Qualitative and quantitative research	Several segments inc. customers, local authorities, renewable/ EV/storage developers, major energy users, community and customer advocates, and unions	203	3.0	A broad spectrum of independently gathered evidence using a trusted range of methods, targeted to key topic. The qualitative analysis inc. trade-offs
Academic panel – DSO and Flexibility	Roundtable, with structured discussion	Academic experts in energy, mix of new and existing relationships	7	2.1	Relevant topic and robust method but limitations given not participants
Engagement on EV connections	Trilateral meeting, open discussion	3 EV installers and trade body	4	1.4	Relevant evidence obtained but single source and informal, DSO not key topic of meeting

“
We've always assessed feedback objectively but this process brings extra rigour to the stakeholder evidence inputs that drive our senior decision-making.”
Graeme Keddie,
Director of Corporate Affairs and Stakeholder Engagement



1.5 DRIVING CONTINUAL IMPROVEMENT IN 2021-22

We are a learning organisation and are always looking to improve our engagement practice, innovating and looking within and outside our industry to identify new and innovative ways to support delivery. Our annual stakeholder improvement plan is a mainstay of this and gives us the framework to regularly recalibrate and assess ourselves based on insight gathered from various sources including: stakeholders, strategic panels, the 2020-21 SECV feedback, our AA1000SES Healthcheck and the newly launched annual stakeholder perception survey.

This year our improvement plan focused on the following five themes:

Theme	Delivered through
1 Improving the thread between engagement and decision making	<ul style="list-style-type: none"> The creation of a formal suite of reporting, delivered to decision makers, Distribution Executive Committee (DEC) members and the Board, which includes synthesis reports, results from AA1000 Healthcheck and insights from the annual stakeholder perception study. Increased participation by the Head of Stakeholder Engagement at the Customer and Performance Sub Committees and Extended Leadership Team meetings.
2 Further enhancing senior leadership visibility and governance	<ul style="list-style-type: none"> Appointment of a designated non-executive Director to sponsor stakeholder engagement. We formally meet with Gary Steel three times per year to discuss stakeholder insights and review our forward engagement plans and approach. Formal attendance at the Inclusive Service Panel on an annual basis by both our MD and Director of Corporate Affairs and Stakeholder Engagement. In addition, members of the DEC are invited on a rotating basis to attend intervening meetings.
3 Improving the depth and reach of our Partnerships	<ul style="list-style-type: none"> Identifying opportunities to increase collaboration across sectors e.g. enhanced collaboration with SGN to increase the number of common projects in the consumer vulnerability space. Proactively sharing our knowledge and expertise e.g. our leading role in the International Smart Grid partnership, which is designed to collaborate and share knowledge to deliver net zero and help improve community involvement and action. Using education to support and inspire others. For example, we delivered six sustainability sessions for businesses and charities in partnership with Supply Chain Sustainability School, aimed at supporting others on their journey to net zero.
4 Improving project delivery and enhanced measurement	<ul style="list-style-type: none"> The identification, and inclusion, of appropriate stakeholder led KPIs in monthly reporting to the DEC with appropriate time given to discuss the progression of stakeholder initiatives and set priorities. Dedicated, in-house resource identified to increase the measurement of social impacts and ensure consistent and widespread application of SROI, allowing us to include SROI measurements in all investment papers submitted to the DEC and the Board.
5 Increasing the scale of households supported with fuel poverty	<ul style="list-style-type: none"> A commitment to a 30% year-on-year uplift in the number of households supported through fuel poverty support and referral. Introduction of new activities including an Energy Advisor project in conjunction with Centre for Sustainable Energy (CSE) and an Energy Advice App supported by Energy Saving Trust.

ENGAGING HARD-TO-REACH STAKEHOLDERS

We define hard-to-reach stakeholders as those that are typically under-represented or have limited capacity, appetite, or awareness of our business, they may simply think their participation won't make a difference. We work hard to ensure all stakeholders have their voice heard. Examples of supporting hard-to-reach stakeholders in 2021-22 included:

- Partnering with Local Authorities to engage on winter storms and resilience to reshape our storm procedures and help customers increase their personal resilience.
- Contacting all 8,500 of our contracted suppliers to understand their approach to Science Based Targets and any barriers they may have in setting their own.
- Working with the Hindu Council UK to shape a PSR promotion in our Thames Valley region which helped close both a needs code and geographical PSR gap.

EXTERNAL ACCREDITATION OF OUR ENGAGEMENT STRATEGY

Our strategy continues to align to the AA1000Stakeholder Engagement Standard (2015), an internationally recognised best practice framework for stakeholder engagement, and its principles of inclusivity, materiality, responsiveness and impact.

The successful delivery of our continuous improvement plan, which was influenced by AA1000 feedback, has been rewarded with a 7% increase in our AA1000SES Healthcheck scores, rising from 64% in 2020-21 to 71% in 2021-22 and demonstrating how we have firmly embedded our "Accomplished" status.

71% ↑ **7%**
"Accomplished"



Year-on-year, SSEN has raised the profile of senior leadership involved in and committed to stakeholder engagement activities, which ensures that decisions at the highest level are informed by stakeholder needs and drives the business to be a truly stakeholder-led organisation."

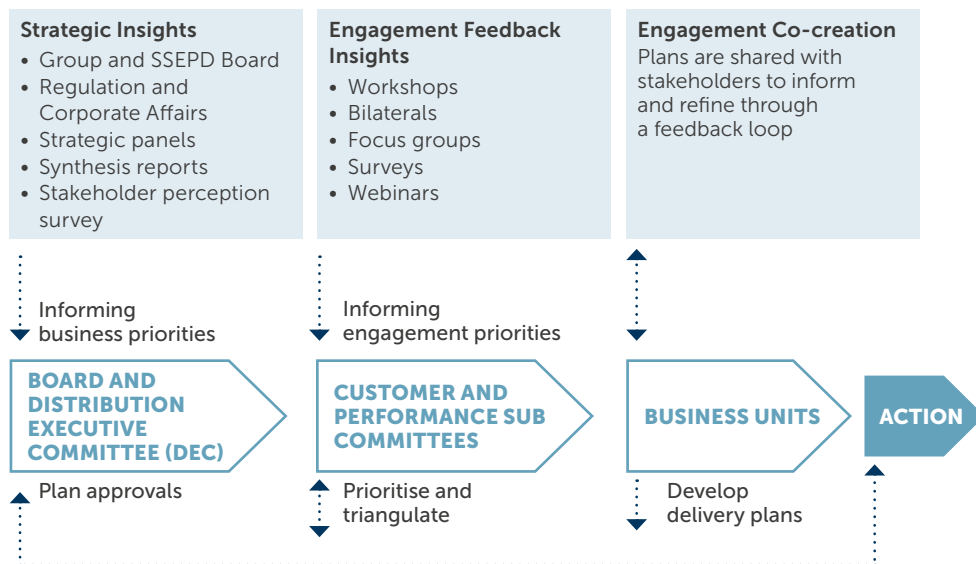
Daniel Metzger,
AccountAbility



1.6 STRONG GOVERNANCE UNDERPINNING OUR ENGAGEMENT

Our vision to **power change with every connection** empowers everyone across the business, from senior leaders to 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.



Led by the SSEPD Board and Executive Committee, we have clear governance and rigorous processes which are thoroughly embedded across our business and in all teams

Independent and strategic stakeholder panels – an active voice on the SSEN board

- Our independently chaired Stakeholder Advisory Panel (SAP) has direct access to our Board and acts as the voice of our stakeholders. The SAP Chair attends the SSEPD Board annually with the ED2 CEG Chair, and quarterly SAP meetings include the MD, Director of Corporate Affairs and Stakeholder Engagement and other Directors.
- Our Inclusive Service Panel (ISP), chaired by Trisha McAuley, OBE, challenges and inspires our approach to ensure we continue to deliver progressive, inclusive, and accessible services to all our customers. Our MD and Director of Corporate Affairs and Stakeholder Engagement attend annually and other DEC members join the intervening meetings.

Key governance processes embedding stakeholder engagement

- The SSEPD Board receives a monthly stakeholder engagement report within its papers as part of Directors' Duties, and an annual report from our independent SAP and Inclusive Service Panels.
- SSEN's DEC is the senior decision-making body with delegated authority from the Board to make decisions relating to our engagement strategy.
- The Director of Corporate Affairs and Stakeholder Engagement reports quarterly on engagement priorities and stakeholder feedback, and monthly on engagement delivery.
- The Central Stakeholder Team monitors, coordinates and supports engagement across the business.
- Distribution MD and Group CEO lead regular discussion on stakeholder engagement and reporting at SSE PLC Board.
- All DEC members have stakeholder engagement as part of their annual objectives and linked to remuneration through performance reviews.
- Our Stakeholder Working Group coordinates engagement activity across networks to ensure it is complementary, efficient and avoids stakeholder fatigue.

PREPARING FOR POST-SECV

SECV reporting ends with RIIO-ED1 but our commitment to delivering and acting on holistic stakeholder engagement is greater than ever and will remain a key priority for our executive team and all levels of our organisation.

We will build on the good practice and evolution in stakeholder engagement delivered over recent years to ensure **stakeholders remain an influential voice that informs, critiques and inspires our performance**. We have committed to a robust internal assessment framework, informed by stakeholders, that will provide accountability and transparency in our approach.

We will continue to engage with stakeholders, including SSEN Transmission and SGN, to refine our approach for the start of RIIO-ED2. Our current proposal consists of:

- ✓ Annual AccountAbility AA1000 Stakeholder Engagement Standard independent healthcheck **Embedded**
- ✓ Regular synthesis reporting: At least three reports per year to consolidate stakeholder engagement **Enhanced**
- ✓ Annual stakeholder perception survey: our first survey provides a baseline to track our continuous development **New**
- ✓ Stakeholder 'pulse checks' taken after every event **Enhanced**
- ✓ SSEPD Board reporting through non-executive Director, Gary Steel, nominated Board sponsor for stakeholder engagement **New**
- ✓ Our ED2 Customer Engagement Group (CEG) will provide engagement scrutiny via an annual SECV-style submission process **New**



I was delighted when SSEN asked me to provide external oversight of their extensive stakeholder engagement activities. Clearly, I hope I am providing value and challenge to the team in this vital area, but it's even more important that this relationship continues to strengthen the link between stakeholder views and strategic decision-making at Board level."

Gary Steel,

Senior Non-executive Director, SSEPD Board



1.7 OUR EMBEDDED CONSUMER VULNERABILITY STRATEGY



From the services we provide and the way in which we deliver them to the investments we make, we understand that some customers require additional support and that is why we have a dedicated Consumer Vulnerability Strategy. Our well established strategy has been in place for several years and has proven to be agile in the context of the cost-of-living crisis.

Mission statement: We will champion the individual needs of our customers and use effective partnerships to support them wherever they live, whenever they need us, and whatever their requirements might be.

Our embedded consumer vulnerability strategy is underpinned by 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 STAKEHOLDER-LED PRIORITIES

Driven by our mission statement and principles, we developed four stakeholder-led priorities in 2018-19. Each year we re-test these with stakeholders, including our Inclusive Service Panel (ISP) and Stakeholder Advisory Panel (SAP) to ensure they continue to meet the needs of our customers and stakeholders.

This year, our strategic panels reaffirmed the continued relevance of our priorities and helped us refine elements including setting targets for fuel poverty activity. In November 2021, as the cost-of-living crisis became apparent, we re-engaged with our panels and other stakeholders to understand how our plans could continue to drive the required impact.

They told us our strategy remained relevant but to broaden its focus to help consumers not only save money through energy efficiency but to increase household revenue through Income Maximisation opportunities delivered through our outreach work. As a result, we reviewed our priorities through the lens of **"understanding and adapting to the cost-of-living crisis."**

UNDERSTAND AND ADAPT TO THE COST-OF-LIVING CRISIS

This year, all four stakeholder-led priorities were also viewed through a cost-of-living lens to ensure we provide consumers with additional support through this period of economic uncertainty.



EXPANDING OUR FUEL POVERTY AND ENERGY EFFICIENCY ACTIVITIES



WIDENING OUR PARTNERSHIP NETWORK AND COLLABORATIVE ACTIVITIES



DRIVING FORWARD PRIORITY SERVICES REGISTER PROVISION AND PROMOTION



ENSURING OUR SERVICES ARE INCLUSIVE AND ACCESSIBLE NOW AND IN THE FUTURE

Setting robust and challenging targets

We acknowledged the panel's feedback from the 2020-21 SECV assessment, that more focus was required on expanding the scale of our fuel poverty and energy efficiency programmes. This focus was echoed by stakeholders through RIIO-ED2 engagement and reinforced by data from consumer prioritisation research commissioned by SSEN in May 2021 involving **1,161 participants** representing both licence areas.

In setting delivery targets for 2021-22, we looked at all available data – reviewing our historical achievements against our projections to enable delivery of our RIIO-ED2 ambitions. Data indicated that a **30% year-on-year uplift of households supported was needed for the next two years**. This assessment was reviewed by our ISP who noted that although it is currently a challenging target given COVID-19 and its impact on service delivery, it should be kept under review,

with the caveat that it was a floor and not a cap. Opportunities to exceed this target should be actively explored and acted upon. The ISP also advised us to look at other ways of engaging digitally with customers in vulnerable situations.

To meet this ambitious target, we recognised the need to **expand our partnership network** as collaboration would be the most effective pathway to success. The led to the following targets being co-created with our DEC and approved by our Board.

KEY TARGETS DELIVERED

Improving the scale of delivery of our fuel poverty programme to ensure positive comparison to peers and alignment with pathways to deliver support for 50,000 households in RIIO-ED2.

We will target a 30% year-on-year uplift in the number of households supported. This will be achieved through sustained support for existing initiatives, as well as the commissioning of new projects.

Target exceeded
131.1%
year-on-year uplift achieved

Improving the depth and reach of our partnerships, targeting areas of focus and linking to priorities.

We will actively expand our current partnerships to ensure we continue to increase the number of households supported whilst enhancing the offer for consumers.

Achieved

5 new partnerships

4 enhanced partnerships

EXPANDING OUR STRATEGIC APPROACH TO FUEL POVERTY SUPPORT

Our embedded, "balanced portfolio" approach to fuel poverty continues to produce solid results. Throughout the year we complemented our established programme of referral and outreach projects with the introduction of an interactive self-serve tool, allowing customers to assess how they can make energy efficiency savings.

As the cost-of-living crisis emerged, we were quick to engage with partners, customers and stakeholders. This insight led us to re-focus some partnerships, broadening the offer to include critical services such as income maximisation and benefit entitlement checks, and ensuring support was available in areas where the price cap offers limited consumer protection, such as homes heated by oil.

1 Referrals for customers we already engage with

We train our teams on fuel poverty, how to spot signs someone may need help and how to refer people for specialist, independent advice and support.

Customers are called back directly from Home Energy Scotland or YES Energy Solutions.

2 Outreach partnerships to support customers who are harder to reach

We work with partners who undertake outreach initiatives in communities we identify as having high fuel poverty rates and lower engagement levels.

We look to address wider social issues and add value to society as well as tackling fuel poverty by promoting the PSR in areas of lower take up.

3 **New** for 2022 our interactive self serve tool

Developed with the Energy Saving Trust and based on their popular mobile app, we have launched our interactive online self-serve tool for anyone in our licence areas to use.



Our Home and Well initiative was recognised at the 2021 Utility Week Awards, winning the Customer Vulnerability Category with the partnership praised for its 'amazing determination' in this 'untapped' area.



The insight from our engagements with stakeholders, partners and customers during 2021-22 has driven the re-shaping of existing, and the formation of new, partnerships. This has delivered a significant increase in the number of households we have supported, both with PSR and fuel poverty, recognising the additional impacts of the rising cost-of-living."



Eliane Algaard,
Director of Customer Operations, SEPD

Data-driven decisions

During 2021-22 we engaged on the cost-of-living crisis. Stakeholders were clear that we have a role to play in supporting customers with this challenge. To ensure our support is impactful, we sought data to understand the potential impacts in each of our seven regions, however we found that no credible data was available.

We commissioned research by CSE to forecast likely impacts to customers on a 10%, 20%, 30% or 40% rise in energy costs. **We used these results to identify customers and communities where the impacts will be most felt, which has in turn informed decisions for suitable partnerships.**

Our research highlighted that customers off gas grid in rural regions and households with a fixed income e.g. pensions, were deemed understandably vulnerable.

As a result, we have partnered with SGN to support and lead on several projects and initiatives as detailed in **Part 3, page 5.**

A targeted approach to PSR promotion

Our approach to PSR promotion is well established. Using our Customer Mapping Tool (CMT), we use data to identify the vulnerabilities in each of our regions, identifying the geographical locations which are underrepresented on our PSR. This approach allows us to ensure our focus is clear and is truly embedded in the business having been introduced in 2017.

Working with the CSE, refreshed data was used to inform our priority areas for the promotion and awareness of our PSR service. **This work confirmed that our PSR gaps are in the areas of mental ill health; language as a barrier; hearing loss; those using electrically dependant medical equipment and post hospital.**

Using this insight, we refined our awareness campaign, targeting the post hospital gap with the inclusion of hospital radio and bus liners on hospital routes in Perth, Dundee, Bournemouth, and Portsmouth. This resulted in a **8.9% increase in registration of hospital leavers.**

8,762

homes helped to be more energy efficient – a 131.1% uplift from last year

1st DNO

to launch interactive energy efficiency tool in partnership with Energy Saving Trust (EST) demonstrating to customers how to make energy savings in the home via small, simple changes

71.3%

of PSR eligible customers registered

AVERAGE SOCIAL VALUE CREATED

£8.52 per £1 spent over the next five years on nine initiatives measured

1.8 COLLABORATION, PARTNERSHIP, AND BEST PRACTICE

Working with experts and trusted organisations, our aim is to create sustainable, lasting outcomes and additional value for customers and stakeholders. Our cross sector and outside sector relationships with charities, other network operators and utilities ensure we tackle industry wide issues collaboratively. By sharing best practice, we avoid duplication and respond to challenges with a united approach. In doing so we deliver services that benefit our customers and stakeholders in the most efficient and impactful way.

OUR PARTNERSHIP FRAMEWORK

Our partnership framework is based on the belief that partnerships can deliver better outcomes than if we acted alone and is underpinned by the following principles:

Developing partnerships that are purposeful and in line with the needs, wants and requirements of our stakeholders.

Strengthening relationships with partners who share our values and aims and understand that our aims must deliver tangible outcomes.

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

Regularly evaluate the partnership relationship to ensure it continues to deliver in line with stakeholder feedback.

TRIGGERS FOR INTERVENTION

Framed by a review of our partnership strategy with our external panels, we co-created a set of “trigger” points to help us better monitor and support our partnerships. These triggers can be used to instigate interventions by either party. By regularly reviewing our partnerships against our framework and triggers we proactively identify trends, both positive and negative. **This informs next steps, whether that be re-shaping, replicating or stopping partnerships, ensuring we continue to deliver value.**

DEVIATION

A significant deviation from forecast or current benefit realisation, including both under and over performance.

EXTERNAL CHANGE

A change in external circumstances e.g. increasing commodity prices and the subsequent impact on cost-of-living.

STAKEHOLDER INFLUENCE

Using insight from stakeholders to influence our partnerships e.g. reviewing all partnerships to pause the supply switch element of outreach work and replace with income maximisation.

REPUTATION

Both positive and negative reputational impacts are considered in partnership selection and interventions.

THIS YEAR OUR FRAMEWORK AND TRIGGER POINTS LED TO:

Case study

Increasing value through an adapted approach

Established in March 2021, our partnership with Centre for Sustainable Energy supports fuel-poor households through the provision of holistic, whole house support delivered through dedicated Energy Advisors. The original project scope included supply-switching, access to energy efficiency advice and onward grants including Warm Home Discount.

During 2021-22, as commodity prices increased, liquidity in the supply market reduced and the cost-of-living crisis started to unfold, we held targeted engagements with partners and several highly informed stakeholders. Our stakeholders were clear that we should seek to support consumers through the introduction of Income Maximisation



opportunities, ensuring we make use of benefits already available to the consumer but not yet being taken advantage of.

All partnerships, including the CSE Energy Advisor project, were reviewed in line with this insight. The review concluded that due to the reduced client financial gain available from supply switching, the project was unlikely to achieve the forecast SROI. It was also concluded that benefit entitlement checks (BECs) and Income Maximisation activity would become a standard offering. The CSE Energy Advisor project commenced BECs and Income Maximisation activity in December 2021.

1,130
households supported in 2021-22

£107,615
client financial gain achieved, with over £9k generated through BECs

SOCIAL VALUE CREATED

£3.77 per £1 spent
over the next five years

Case study

Sharing engagement opportunities

Following the winter storms we were keen to engage with affected communities. Understanding that our customers were in some cases also impacted by a loss of water and telecoms, we invited Scottish Water, Aberdeenshire Council and Angus Council to join our sessions, ensuring they had an opportunity to present, shape questions and participate in facilitated discussions. The findings from these sessions, along with consumer research have been shared and has led to further co-working.



1.9 MEASURING THE IMPACT OF OUR DELIVERY

Understanding the social impact our activities can achieve is key to ensuring we continue to make informed decisions and deliver maximum societal value.

The use of Social Return on Investment (SROI) is a practical way to demonstrate one of our strategic priorities “Making a positive impact on society”. As a regulated business, we are determined to ensure that each pound we spend delivers the maximum value for customers,

stakeholders, and wider society. **SROI is now central to our measurement approach and is used as part of an established and clear decision-making process** where no single piece of measurement or analysis is used in isolation (see page 3).

Now firmly embedded in our business, SROI ensures that we assess the full societal impact of our initiatives. Our benefits valuation framework uses SROI along with qualitative feedback and consumer prioritisation research where appropriate. By using this approach, we can:

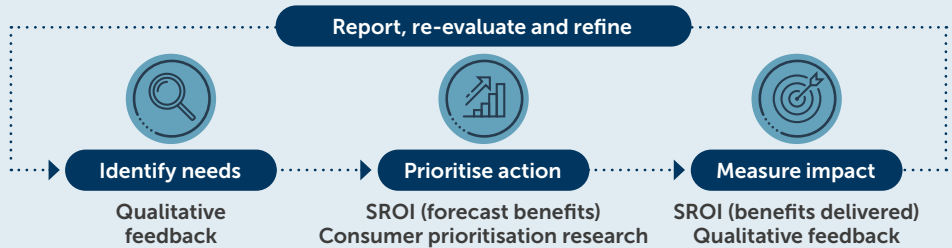
Demonstrate the holistic value from our actions: Demonstrate, for every pound spent on a service, the net benefit created for our customers and wider society.

Forecast benefits over time: Measure potential impact into the future or demonstrate value that has been delivered in the past.

Make decisions based on holistic impact (rather than only financial): Ensure projects chosen will deliver the largest possible network, customer and societal value for the smallest possible cost.

We ensure our SROI calculations are robust and objective by applying:

- Deadweight
- Optimism bias
- Attribution
- External assurance



STRENGTHENING IN-HOUSE EXPERTISE

This year we have further strengthened our approach to SROI by:

- ⇒ **Appointing an SROI analyst** in our Performance directorate to enable a cost-effective, sustainable way to expand the use of SROI. This will create a **fourfold increase** in the number of initiatives measured in future years and signifies the importance placed upon the use of SROI in our decision making.
- ⇒ Utilising the common DNO proxy bank.
- ⇒ Undertaking **dedicated, tailored training** to upskill additional resource in the practice of SROI measurement. The training was extended to partners in Transmission and Gas Distribution companies.
- ⇒ Ensuring all measurement continues to be **externally assured** by an independent expert, SIA Partners, giving increased confidence to the rigour and accuracy of measurement.



This year we have further embedded the knowledge, and use, of SROI across our business. We now have a dedicated in-house resource, allowing us to significantly increase future measurement capacity and give us another practical way to bring one of our four strategic priorities, making a positive impact on society, to life.”

Paul Gavan,
Head of Project Management Office



HOW SROI HAS INFLUENCED OUR DECISION-MAKING

Introducing our Supply Chain to Climate Academy



Decision to be made

Should we fund the education of our supply chain on climate action?

Alignment to strategic priorities

- Positive impact on Scope 3 emissions
- 81% of SMEs surveyed concerned about rising energy costs
- RIIO-ED2 ambition – 35% of our supply chain to have set Science Based Targets by 2026

Other considerations

- Stakeholder support to accelerate this work

Forecast SROI **£2.26**

Actual SROI achieved **£4.04**

Outcome

- Proceed based on the forecast SROI with a focus on enhancing this through increased participation

Reshaping support for the Isle of Wight community



Decision to be made

What is the optimal mix of activities to increase reach and drive best value?

Alignment to strategic priorities

- Target to increase households supported by 30%
- Isle of Wight has highest proportion of fuel poverty in our SEPD area
- Increased demand on service

Other considerations

- Ongoing COVID-19 restrictions

Forecast SROI **£4.56**

Actual SROI achieved **£10.35**

Outcome

- Whilst the combined SROI was relatively high, analysis identified activities within the programme with lower SROI. We re-shaped the programme to focus on high return activity such as telephone services

Re-assessing our Warm and Safe Wiltshire project



Decision to be made

Should we continue to fund the Warm and Safe Wiltshire project?

Alignment to strategic priorities

- Target to increase PSR eligible households registered to 74% by April 2023
- RIIO-ED2 ambition – 1 million PSR customers by 2028

Other considerations

- Identified PSR Gaps not specifically addressed through this project
- Reducing SROI, £10.49 in 2020-21

Forecast SROI **£8.62**

Actual SROI achieved **£2.67**

Outcome

- In-year monitoring highlighted diminishing SROI returns, leading to the decision to pause the project

1.10 EMBEDDING AGILITY IN OUR STAKEHOLDER-LED CULTURE

Our rapid response to the COVID-19 pandemic has given us the insight, experience and confidence to apply our engagement strategy to the emerging cost-of-living crisis, helping us to address the expected increase in the numbers of customers experiencing fuel poverty.

Our pandemic experience has accelerated cultural change; it has heightened our understanding of customers' needs and expectations and placed stakeholder concerns even more firmly at the forefront of our employees' minds.

We continue to harness and grow this stakeholder-centric culture, and deliver tools, processes and training that reaches every employee.



Our embedded governance structure ensures everyone across the business has the opportunity to influence, and be influenced by, engagement activity, ensuring our business decisions, plans and actions are stakeholder led."

Andrew Scott,
Director of Connections



Bespoke training informed by stakeholder insights

Stakeholder inputs have driven the creation of a suite of new training materials and opportunities, including:

- New stakeholder engagement training modules on our learning management system (LMS)
- Stakeholder Engagement Induction Packs for new joiners
- Webinars responding to colleagues' requests for specific content areas
- Bitesize videos detailing tools and processes driving improved stakeholder outcomes
- A stakeholder engagement portal to provide a "one-stop shop"

Cultural change with Empowered to Care

This year we have extended and accelerated the roll out of Empowered to Care, an IoCS accredited customer service training and cultural change programme aimed at providing our teams with the right skills, knowledge, and behaviours to empower them to provide world class service.

More information in **Part 2, page 9**.

COVID-19: enduring practice to improve our response

In a follow-up workshop held this year to understand customer preferences for engagement and ongoing concerns as pandemic restrictions eased, stakeholders recommended we maintain the good practices adopted during 2020-21. **By developing a hybrid approach post pandemic, we are reaching the widest possible breadth of customer representation and improving our response to future issues**, such as the rising cost-of-living. This hybrid approach includes:

- Providing subject specific workshops delivered either face-to-face or online
- Recordings of presentations made available on YouTube for stakeholders to watch at their convenience
- Live streaming of events where appropriate: we hosted an international audience at COP26



- Being smart about timings of events to increase participation and diversity of stakeholders attending
- Keeping online engagements to two hours or less
- Aligning stakeholder preferences with new processes such as regular reviews and 'pulse checks'

Between 2020 and 2022, 200 colleagues received tailored training to become **SSEN Stakeholder Champions**, taking innovative approaches, knowledge and skills back to their teams to cascade and further embed good practice, understanding and improved performance.

Fostering an agile improvement culture

Our "COVID-19 exit ways-of-working" project gave us first-hand experience of how the best ideas can often come directly from colleagues anywhere in the business. Led by our MD with responsibility across the senior leadership team, it **generated over 200 ideas** about how we could do things differently going forward.

We have now introduced an easy to use process for capturing and bringing to life fresh ideas so that continuous improvement becomes a fully embedded mindset. Employees completing our internal staff survey, along with our Stakeholder Advisory Panel, support the idea of a continuous improvement philosophy as a simple but effective way to drive incremental improvements involving everyone working together.

ENGAGEMENT IN ACTION



"I've thoroughly enjoyed working with SHEAP to deliver the surplus heat initiative. After collaborating on several ideas, we've delivered a viable project which is benefiting the community - partnership working in action."

Darren Hitchen, Team Leader Lerwick Power Station

"We had a very good collaboration with the Lerwick Power Station team on this project. Working together with local engineering contractors we created a high quality connection which now delivers energy into our heat network serving the community in Lerwick."

Derek Leask, Executive Director of Shetland Heat Energy and Power



"Our work with Oxford City Council, particularly through ZCOP*, has brought a new dimension to our thinking by challenging our ways of working, helping us to focus more locally and pushing us to think outside of the box to meet expectations."

Mel Bryce, Project Director, SSEN

"We have worked closely with SSEN to co-create and deliver a workstream that supported ZCOP organisations in developing understanding of flexibility markets. Working towards a common goal has helped build stronger and mutually supportive relationships both between ourselves, and other local organisations."

Ruth Harris, Local Energy Oxfordshire Project Officer, Oxford City Council



*ZCOP = Zero Carbon Oxford Project

"I have been impressed by SSEN's approach to continuous improvement and measurement, to help meet the changing needs of those who rely most on their critical service. SSEN delivered an immediate response to the cost-of-living crisis, leveraging in the expertise and lived experience of the Inclusive Service Panel to ensure that its actions and approach are as fair as they can be."



Trisha McAuley OBE,
Consumer Advocate and SSEN Inclusive Panel Chair

"In the past year, we have been building relationships with DNOs as key players in the flexibility space, and our engagement to date has been promising. SSEN, in particular, have been instrumental in supporting a project for customer assurance in the domestic flexibility sector. They have been proactive in identifying synergies and leveraging the innovative work that they have been doing with their stakeholders."



John Bryant,
Head of Business Development,
The Association for Decentralised Energy

"Dundee City Council continue to benefit from SSEN's collaborative approach both on a strategic level to provide insight and direction to the Dundee Climate Leadership Group and operationally through its RESOP project to develop a partnership approach to the city's energy management planning and net-zero infrastructure investment."



Bryan Harris,
Sustainability and Climate Change Manager,
Dundee City Council

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