



EMOTIONALLY
INTELLIGENT
COMMUNICATIONS

SSEN STAKEHOLDER ADVISORY PANEL: YEAR END REPORT

APRIL 2018



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INTRODUCTION

SSEN are very aware that they have an important part to play in securing the long-term social and economic health of communities and businesses in the north of Scotland and south central England. Stakeholder engagement helps SSEN to recognise its place in wider society. SSEN's engagement strategy is reviewed every year to keep pace with the rate of change in the industry and the issues affecting their stakeholders and their business. It is structured on three levels – strategic, organisational and operational – tailored appropriately to each issue.

The SSEN Stakeholder Advisory Panel was set up in February 2017 and meets quarterly to provide advice, counsel and challenge at a strategic level on relevant business decisions, and to ensure SSEN offer an inclusive service. The Stakeholder Advisory Panel is required to produce an independent assessment of the year, including areas for future improvement. The Panel is also required to give feedback to ensure that the Board meets the requirements and aspirations of stakeholders in respect of SSEN's performance under the RIIO-ED1 and RIIO-T1 price controls.

In its first year, the Panel has met in SSEN offices across the UK and have attended site visits to help them learn more about the company and its activities. The Panel is made up of six members: Tamar Bourne; Ian Hault; Norrie Kerr; Verity Murrucane; Mike Petter; and Doug McAdam. Their role on the panel is not to represent the interests of any organisations they may be affiliated to but to provide advice to the SSEN Board based on their own views and experience.

Panel meetings are chaired by Rachel McEwen, Director of Sustainability, and all Panel meetings are attended by SSEN senior leaders, including Colin Nicol, Managing Director. Presentations are given by SSEN personnel on a range of relevant topics; after which Panel members are asked to give their views. In 2017/18, topics for discussion have been varied and include Safety, Innovation, Sustainability, the Transition to DSO, Visual Amenity and Social Obligations.

This report has been produced by independent stakeholder engagement consultancy, EQ Communications, with content based on discussions with the panel members. Its purpose is to reflect on the work undertaken by the Panel in its first year, to identify key themes based on some of the topics discussed and to identify potential areas for improvement. This report will be shared with both the SSEN board and the senior leadership team.

REFLECTIONS ON THE YEAR

The overriding sentiment from all of members was that the Panel has had a very successful first year addressing and giving advice on several topics that are of great importance to the business. Some of the key themes raised by the Panel members, when asked to reflect on the year, are shown below.

EXECUTIVE BUY-IN

All members stated that the most positive thing about the Panel was how supportive and 'bought-in' the SSEN leadership team. This is demonstrated by the amount of time Board members, including the Managing Director, devoted to attending Panel meetings and the fact that outcomes of these meetings are now a standing agenda item at Board meetings.

"Having the right Senior Directors and members of the management team at meetings gives confidence that we will have the ear of the board" Mike Petter

WORKING COLLABORATIVELY

The panel felt that they had grown into an effective working group in a relatively short space of time. They merited the format of the panel sessions being conducted over two days with dinner in the evening allowing a blend of formal presentation and Q&A sessions with more industry topical discussions being conducted in a more relaxed setting.

"It was really good how we, as a group of unconnected individuals gelled quite quickly. What Rachel's done is exploited that and got us involved in the key parts of the industry where we can have a direct contribution." Ian Houlton

THE SCOPE OF THE PANEL

The SSEN Stakeholder Advisory Panel provides advice, counsel and challenge at a strategic level on relevant business decisions, and to ensure SSEN offer an inclusive service. The Panel is also required to give feedback to ensure that the Board meets the requirements and aspirations of stakeholders in respect of SSEN's performance under the RIIO-ED1 and RIIO-T1 price controls.

The Panel members saw their role as multi-faceted, providing scrutiny and challenge as well as giving strategic advice. There was an overwhelming sentiment that their advice was valued and that they had the ear of decision-makers within the company.

"Whenever we ask questions and rip things apart, the people who present have never adopted a defensive stance; they're open to criticism. What you say appears to be listened to and taken in, it's very positive." Ian Houlton

"We either change your direction or reaffirm things you're doing." Verity Murrice

SUMMARY OF PANEL RECOMMENDATIONS

Challenge from SAP	Outcomes	Next Steps
<p>Increase the depth and breadth of engagement</p>	<p>SSEN have partnered with an engagement specialist to help shape future engagements, including independent facilitation.</p> <p>The Inclusive Service Panels have been created (both internal and external). The remit of the panels is to ensure SSEN not only support customers with additional service requirements, but that they continue to develop on their commitment to providing a truly inclusive culture across our organisation.</p> <p>An online community has been created to help SSEN engage with mainly domestic consumers. Since this tool is online and available 24/7, SSEN aim to reach stakeholders who are sometimes harder to reach due to working patterns, family commitments etc. or who simply prefer to communicate via this medium.</p> <p>Three large scale engagement events (two distribution and 1 transmission) have been designed and delivered. These sessions were well attended by both internal and external stakeholders with representation from Ofgem, Scottish Government, Energy Action Scotland, National Energy Action, Citizens Advice, developers, other DNOs, charities and other interested parties. Stakeholders have clearly stated that reliability and safety are their top two concerns. Stakeholders also highlighted that SSEN should use community engagement when looking to improve safety.</p>	<p>SSEN will continue to work with EQ Communications to shape future engagements.</p> <p>19 actions have been created from the first meeting with many either complete or in flight. SSEN will complete the remaining actions and continue to look for opportunities to improve.</p> <p>The focus for 2018/19 is to increase membership, participation and keep the content varied and accessible.</p> <p>SSEN will aim to create five events in 2018/19 (one in SHEPD, four in SEPD) to further enhance their insight from stakeholders.</p> <p>SSEN will use the newly developed “Power Pack Pals” to engage school children on safety in and around our network.</p>
<p>Consider colleagues as stakeholders</p>	<p>The SSEN Transmission business have created two staff advisory panels, consisting of approx. 20 people. The remit of these panels is to provide challenge and advice on proposed initiatives and ways of working.</p>	

	<p>An internal variant of the Inclusive Service Panel (ISP) has also been created consisting of 16 members.</p> <p>A stakeholder project review board was created to share best practice and increase efficiencies across the stakeholder teams within SSEN.</p>	<p>Continue to embed the ISP and apply findings for the benefit of the consumer.</p> <p>Continue to run the PRB monthly.</p>
<p>Ensure you keep the reader in mind when creating communications</p>	<p>SSEN have started to make greater use of the Plain English service. SSEN have also tailored communications, where appropriate, making greater use of visual representations. An example of this is through the 17/18 winter campaign.</p> <p>Key content on the SSEN website is now available in 12 languages with additional languages available through a translation service.</p> <p>SSEN continue to look for new ways in which to communicate with our consumers.</p>	<p>SSEN will continue to improve the clarity of communications with the recipient in mind.</p> <p>During 2018/19 the SSEN website will include the use of an accessibility toolbar allowing users to change content into many languages, increase font size and change text colour to suit their needs.</p> <p>The use of webchat will be trialled on SSEN power loss pages during 2018/19 with a view to rolling this out further if successful.</p>
<p>Consider using the safety tagline “Look up and Live”</p>	<p>After consideration, SSEN have opted not to use this tagline in favour of remaining with “Look up look out”. “Look up look out” is used by the wider DNO community through joint working with the Energy Networks Association (ENA) which gives increased awareness.</p>	<p>SSEN will continue to work with other DNOs, through the ENA, to promote farm safety through the “Look up look out” tagline. This will not only address stakeholder concerns about safety but through increased awareness, and hopefully a decreased strike rate, it should also improve reliability and availability.</p>
<p>Ensure fairness for all through the transition to DSO</p>	<p>SSEN consulted stakeholders at the engagement events, as well as through several DSO specific events with the overwhelming feedback supporting the view of the SAP.</p>	<p>SSEN will look to ensure that they lead all DSO work with principle of fairness for all at the forefront.</p>

KEY THEMES

The following key themes, relevant to both Distribution and Transmission, were discussed by the Panel.

SAFETY

Safety is the number one priority of SSEN, highlighted with each meeting of the Panel beginning with a 'safety moment' and as a recurring theme when discussing both Transmission and Distribution topics. Over the course of the first year, Panel members have brought their own experiences on the topic of safety to meetings, commenting that, in some sectors, companies have cut corners due to time and financial pressures; something that should never be allowed to happen at SSEN.

During business updates, major safety incidents are highlighted and discussed with the panel consistently commenting that SSEN must avoid ever becoming complacent on safety. The advice of the Panel was that SSEN should reach out to other industries to learn best practice to improve overall safety record. It was also advised that the company engages with RoSPA (Royal Society for the Prevention of Accidents) to understand if there is already work going on in this field that SSEN could either lend support to or learn from.

A new safety initiative, 50 x 20, was explained to the panel. This initiative is aimed at reducing injuries, for both SSEN staff and contractors by 50% before 2020. The 4 main areas of focus for the initiative are: contractor safety; culture; language; and engagement around safety - including the launch and embedding of a behavioural safety programme. In addition, an initiative to enhance supervisory skills, known as 'License to Supervise' was discussed. This was also supported by Panel members who pointed out the effectiveness of moving from instruction-based safety initiatives to an awareness-based approach.

Earlier in the year, the Panel had met in the aftermath of the Grenfell tragedy. Members reflected on this, particularly in terms of how communications were dealt with by the local authorities. It was advised that SSEN should have a plan in place to handle misinformation through social media channels and that protocols should be adopted to ensure that hard to reach consumers are engaged in the event of an emergency. SSEN agreed to raise this issue with the corporate affairs department.

COMMUNICATIONS

The topic of how SSEN engages and communicates with its stakeholders has been a recurring theme throughout the year across the Distribution and Transmission arms of the business. It was highlighted early in the year that generally domestic customers don't know the difference between transmission and distribution, or who their DNO is, which presents a challenge to the company. Panel members emphasised the importance of targeted engagement; engaging with the right people in the right way and ensuring that the company focusses on those stakeholders who can truly influence the business to ensure that engagement is always meaningful and never a 'box-ticking' exercise. Members urged SSEN to ensure that colleagues are also meaningfully engaged with as they, too, are important stakeholders resulting in the creation of a staff advisory panel. In addition, the Panel urged SSEN to take a leadership role in influencing government policy on issues that are important to the business such as embedded energy storage and DSO.

Members repeatedly cited the importance of using clear, jargon-free language at all times as it was commented that the industry tends to overuse acronyms and initialisms, which are not understood by the average customer. It was recommended that SSEN seeks to address this in all their future communications, writing reports and other materials with the reader in mind.

“SSEN is taking engagement seriously. [They] need to value engagement in its own right, not in terms of money to be made under an incentive.” Norrie Kerr

PEOPLE

The Panel have been keen to offer advice and guidance to SSEN on issues relating to the company's workforce, relevant to both Distribution and Transmission. The panel were advised that reducing staff turnover and sick leave were a key focus of the SSEN team and praised the pilots that have been introduced as part of the behavioural safety programme to help colleagues identify and assist with mental health indications. There was also support for the health and wellbeing initiatives the company is undertaking as part of the 50 x 20 initiative.

Following instruction from the regulator to review the way the company manages defined benefits pension the Panel were advised of SSEN's approach to stakeholder engagement to find the most suitable solution for SSEN employees and the business. Whilst the Panel praised SSEN's approach, they advised that the company works to assess any potential negative impact on employees. The Panel were firm that SSEN's approach of engaging with trustees of the pension fund and seeking views of the panel was the most appropriate stakeholders to gain feedback from.

TRANSMISSION

The Panel heard presentations from a number of personnel from the Transmission business over the year. The Panel were interested to learn about the scale of the Transmission business and the complex and multi-faceted challenges it faces to deliver much needed infrastructure whilst taking into consideration the views of a wide range of stakeholders. The positive impact that the Transmission business had had on upskilling people living in the north of Scotland was noted and welcomed by the Panel.

VISUAL AMENITY

The Panel stressed that environmental issues are not always the same as issues relating to visual amenity and to be mindful of the differing and potentially conflicting needs of different environmental groups. The Panel urged SSEN to take a leadership role in the debate regarding visual impact and to ensure that the issue of visual amenity did not take precedence over other factors such as economic development, resilience, and, importantly, costs.

SUSTAINABILITY

The review of the company's 11 previously defined sustainability drivers was welcomed by the Panel. It was felt that aligning these drivers with those of the wider business was the right approach, although the Panel advised that the contribution the company makes to UK plc should be recognised as part of its future sustainability ambitions. It was also suggested that resilience ought to be included as part of the 'connecting for society' ambition.

The sustainability ambition 'growing human capital' was criticised by the Panel. Whilst members were of the view that the sentiment was correct, they did not agree with the phraseology, and asked the company to review this.

When reflecting on SSEN's sustainability strategy there was some disagreement on whether the aspirations of the company went far enough. The Panel recommended that SSEN works to integrate these ambitions into the business, advising that every business director takes responsibility for embedding them across the whole company.

STAKEHOLDER ENGAGEMENT

SSEN's stakeholder engagement scores had fallen year on year which caused both SSEN and the Panel concerns that this could pose a reputational risk ahead of the transition to RIIO-2. It was noted that, in the past, SSEN's approach to stakeholder engagement within Transmission had been too narrow and project-focussed. The Panel were keen to see a step change in how the company engages with its stakeholders and it was advised that the purpose of stakeholder engagement must be to help build a better business, rather than just to gain monetary incentives, an aspiration the Board is very supportive of.

It was commented by members that a different approach to stakeholder engagement was needed, as was greater clarity in terms of roles and responsibilities. The Panel were introduced to SSEN's proposed actions to improve stakeholder engagement which has a

renewed focus on stakeholder satisfaction outputs and the ambition to achieve a score of at least a '6'.

The Panel reviewed SSEN's KPI's and how they are measured. The Panel recommended that 19 KPIs were revised to reflect the current challenges of the business and the wider industry. Members advised that SSEN should learn how to make good stakeholder engagement part of the company's culture; learning from its own approach on safety.

PLANNING FOR THE FUTURE

The Panel were presented a range of future energy scenarios. The Panel considered the issue of locational pricing, considering subsidies and their effects. It was discussed whether there may be a push for large demand customers to locate to the North of Scotland increasing energy consumption locally and reducing losses and energy transport costs. The Panel questioned how closely SSEN works with partners on these issues, suggesting that the company works with Energy UK to address time-of-use and tariff issues.

The Panel discussed whether socialisation of costs was sustainable and whether it was fair for all consumers to, for example, pay for the few who adopt electric vehicles. The Panel were of the view that regulation is needed to protect consumers but that there should be more dynamism in the market to give more control to them. It was the Panel's recommendation that SSEN takes a leadership role on the issue of socialisation of costs and the transition to DSO.

It was also recommended by the Panel that the industry looks at mentoring to ensure that those consumers with mental health difficulties as well as the less digitally engaged are not disadvantaged. It was the firm advice of the Panel that SSEN should aim to be active in influencing policy in this area.

DISTRIBUTION

Over the year, the Panel viewed several presentations and offered their guidance on a range of topics relating to the Distribution arm of the business.

INNOVATION

Further to a presentation regarding future energy trends, the Panel urged SSEN to be flexible in its approach, emphasising the importance of horizon-scanning.

The Panel discussed how success in receiving incentives on innovation could reduce costs however it was explained that the reward the company receives from the regulator is much less than the 'value' to the customer of the activity driven by the incentives; therefore, rewarding innovation ultimately keeps costs down. The Panel were of the view that SSEN should do more to convey the real value of innovation to customers, especially future customers, although it was noted that this is not always easy as consumers have more contact with their suppliers than DNO.

SOCIAL OBLIGATIONS

The Panel praised SSEN's Community Resilience Fund as a good initiative. The work the company had undertaken to map vulnerability and to use this data to inform future investment was also supported. The Panel called for SSEN to focus on the social return that derives from investment in certain areas and to create formal partnerships with small charities and housing associations.

The Panel considered the role that DNOs have in working to address fuel poverty. It advised that SSEN should recognise, understand and then sign-post those consumers in fuel poverty to the appropriate local sources of assistance. There was also a note of caution from the Panel, further to the publications of a report from Citizens Advice, that the company does not try to do too much in this area on its own. The advice given was that it should ask the ENA to provide leadership so that funding is provided by all DNOs.

THE TRANSITION TO DSO

The Panel also discussed consumers in vulnerable situations when considering SSEN's transition to DSO. The company was urged by members to ensure that social justice is achieved in terms of those who 'benefit' from this transition and those who 'pay' for it.

The Panel felt strongly that SSEN needs to lead the way and should not just look for easy wins. It was noted that communication is key as this is a highly complex issue. The Panel urged using social media and working in partnership with relevant bodies to ensure that all consumers are adequately informed, not just early adopters.

CONNECTIONS

The Panel were asked to consider a number of industry wide challenges facing SSEN in connections, including the license conditions that the company has to work under and the difference between contestable and non-contestable works. Initiatives to improve customer service on connections were welcomed by the Panel.

The Panel wanted to hear more about any potential recourse if it is found that contestable work undertaken by a third party is found not to be to the required standard. There had been a recent incident at Heathrow Airport (which is on an IDNO network) that certain people may have assumed was the fault of the DNO. The Panel advised working with Corporate Affairs to ensure the company is prepared for such eventualities and that it has a plan in place for how it communicates on this.

The Incentive on Connections Engagement (ICE) was discussed with the Panel informed that a significant amount of engagement had taken place to establish how stakeholders wished to be engaged on connections. Panel members commented that it was important to ensure that the primary purpose of engagement is to build a better business and to ensure this is at the forefront of all engagement activity.

BUSINESS PLANNING

The panel were introduced to the current business plan commitments (BPCs) and the annual BPC report for 2016/17. The Panel made several suggestions for improvement, including using year-on-year tracking to show areas of improvement or reduction in performance and the use of a RAG status against each of the commitments. The panel felt that future safety issues should be cited as part of the company's BPCs, recommending that horizon scanning be undertaken to understand potential hazards to the company's assets.

When discussing visual amenity, the Panel made the point that and BPCs should be supported by information regarding measures undertaken to reduce visual impact, not just undergrounding. It was also advised that SSEN works with relevant partners such as resilience forums to make communities more resilient.

It was felt that the Panel would benefit from meeting more key external stakeholders such as Citizens Advice, Age UK, and Ofgem. This was arranged to allow a full triangulation of issues to be carried out and is something that will continue to be built on in future panel sessions.

LOOKING TO THE FUTURE

The Panel were incredibly positive about their work over the past year and praised the time commitment senior personnel at SSEN had made to listen to their advice.

When asked about their aspirations for the next year and potential areas of improvement, it was commented that members would like to do more 'future-gazing' at a strategic level, and potentially be given a project or a challenge to consider on behalf of SSEN. The Panel was also interested in exploring the differences that exist between and how the company operates in Scotland and Southern England to suggest potential improvement areas.

"It might be useful to do more long-term visioning work with the SSEN team. It appears that the team have benefitted from being able to take a step back to reflect on their approach and strategy with input from the panel." Tamar Bourne

It was also noted that how SSEN engages with landowners is a big part of its business. A member who represented landowners was suggested as a way of ensuring that these voices were heard. A new panellist with experience working with landowners has since joined the panel.

It was also suggested that more site visits would be a good idea as they enable members to gain a greater understanding of SSEN's business activities, putting them into context.

In conclusion, the Panel has enjoyed a productive first year providing a great number of recommendations which resulting in successful outcomes embedded into the business. In terms of its scope and remit, members were of the view that they, alongside SSEN, had got the balance right. All members were very keen to be involved through the coming year and looked forward to future meetings providing advice and guidance to the SSEN team.



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