SSEN-D ISG Assurance Statement

Overall summary

- The ISG has clear terms of reference and governance arrangements, and its members have the relevant range of skills and experience to perform its role.
- SSEN-D took an open approach to its business planning process, with work concentrated in the later stages. Ofgem's decision to bring forward the deadline further compressed the timetable, leaving the ISG with less time to contribute to the final stages of plan development, particularly to comment on strategic options and trade-offs in key areas while they were still under consideration.
- SSEN-D has taken a comprehensive and considered approach to stakeholder engagement, and this has shaped the final outcomes in the business plan.

An ISG has been established by the DNO with clear terms of reference, governance and membership in accordance with the BPG

- The ISG has clear terms of reference which follow the updated BPG. These are reflected in its governance arrangements and membership. This information, along with minutes of its monthly meetings, is published on the ISG's microsite and reflected in the ISG's interim and annual reports.
- The ISG has the full range of experience required by Ofgem. Two new members were appointed to fill identified skills gaps in January 2026. When the BPG was changed to include the need for the ISG to review the Connections Strategy, a separate session was held with the independent Chair of the NESO Connections Process Advisory Group to get their expert input. The Chair of the ISG regularly meets with the Chairs of SSEN'Ds DSO Advisory Board and Inclusive Services Panel to understand the views of those groups on key ED3 topics and they have attended relevant ISG sessions.
- The ISG has kept a challenge and action log which has been reviewed at each meeting. All the challenges raised, and relevant ED3 actions, have been addressed.

The ISG has been fully engaged in the development of the DNO's business plan

- The ISG met all key workstream leads and discussed their early thinking. However, this wasn't followed up with more targeted and granular engagement and information until late in the process.
- ISG members reviewed and provided comments on 14 of the 19 early draft business plan strategies and elements of the Islands Strategy. As guided by Ofgem, the ISG did not review the cyber security and IT and technology strategies or the cost assessment/finance annexes. The ISG reviewed the near final versions of the Vulnerability, Connections, Environmental Action Plan and Innovation Strategies and were able to see that their previous challenges had been addressed and, particularly with the EAP, that they had shaped the plan. Some of the other draft strategies were incomplete at the time of review and of variable quality (e.g. the LCT Roll-Out Strategy gave insufficient focus to the different license area contexts and did not fully explain the evidence base for change. The NAMs strategy lacked supporting evidence). These issues were addressed in the final 100-page plan.
- The ISG was involved in the development of the principles of an options framework. Following challenges around the need to see the trade-offs being made, at a late stage, a sample of EJPs were shared for specific schemes. These appeared to be sufficiently robust. Although the ISG was not engaged in the key choices between the alternative packages of investment/outcomes that shaped the plan (e.g. optimisation of load/non-load expenditure and the £200 million flexibility reduction), the Group were pleased to see that associated trade-offs were reflected in the final plan.
- Significant changes were made to the plan very late in the process. This made it difficult to identify whether some trade-offs made were appropriate. For example, the approach to the Scottish Islands.
- The ISG was engaged in the development of SSEN-D's overarching narrative for the business plan and concluded that this was appropriate to the supporting documentation.
- The ISG reviewed the business plan commitments. As a result, these became SMARTer. ISG feedback that they needed clearer contextual information, including baselining and benchmarking data to demonstrate that they were ambitious, was taken on board. However, the targets/metrics supporting some of commitments changed very late in the process without sufficient explanation of the thinking (e.g. those relating to the number of households supported in fuel poverty were substantially increased without providing a clear basis for the extent of the change in numbers).
- The headline business plan investment numbers were shared with the ISG but without supporting information that would have enabled full review. The Business Plan Data Tables were not shared.
- SSEN-D shared its early thinking on smoothing bill impacts and economic modelling. The Group was able to see how this work shaped final proposals on the phasing of cost recovery.

- The latest data on SROI was only included in the plan days before submission. The ISG accepted that the new SROI data would still play a role in shaping and monitoring partnership work on vulnerability.
- Following ISG in-put, the final business plan became more focused on SSEN-D's specific issues, different license areas and customer and stakeholder base. The plan became more coherent and silos between workstreams were bridged, including in areas such as innovation and affordability.

The DNO has provided the ISG with information and evidence that has enabled the ISG to monitor how consumers and stakeholders have been engaged

- SSEN-D provided the ISG with full information and evidence as to how it engaged consumers and stakeholders. Regular updates on this activity enabled close monitoring of this work.
- Members of the ISG have been able to challenge the engagement activity and this input has been taken on board in the design and delivery of the programme (e.g. ISG guidance led to the deliberative engagement groups taking account of behaviours and the sampling approach to business customer research changing). Members of the ISG have been able to meet and question Create Clarity, SSEN-D's research agency, and have been able to observe deliberative research sessions in person and on-line and take part in online stakeholder workshops. The ISG has been able to comment on the structure of Create Clarity's research and engagement triangulation report.
- The ISG notes that some of the engagement activity that has taken place has come relatively late in the process which, without having seen final versions of all the strategies, makes it challenging for the ISG to conclude that these results have been embedded. For example, the engagement with digitally excluded customers and the acceptability testing can only be used to verify existing research and fine tune communications, rather than to refine decisions. Although no 'red flags' were identified, if these had been, it would have been difficult to respond to at this late stage. The extent to which these late insights are used to shape delivery will need monitoring.

The DNO has provided the ISG with information and evidence that has enabled the ISG to monitor how this engagement has affected the development of the ED3 business plan.

- The ISG has taken part in dissemination calls where stakeholder engagement and consumer research insights from the Create Clarity triangulation report have been shared with the wider business.
- The ISG's review of the 14 draft strategies that fed into the business plan included assessing how each of these was shaped by stakeholder engagement and consumer research. The ISG noted that many of the draft strategies did not give sufficient weight to the trade-offs stakeholders and customers made in considering investments and the differences in their views, particularly between the two SSEN-D licence areas. These points were addressed in subsequent drafts. The ISG was able to identify clear examples of where engagement was reflected in the plan, including the overall framing of the plan and the timing of load investment.
- The ISG commented on the brief for SSEND's stakeholder engagement assurance work. This assessed the extent to which engagement shaped business plan decisions and whether there was a golden thread between them. The ISG considered how to make this assurance process sufficiently independent. As a result, an independent reviewer was appointed to challenge the methodology and findings and provide a statement summarising this approach. The ISG accepted this assurance.
- The ISG noted that of the 21 case studies examined in the assurance report, in September eleven had a high level of assurance of how engagement supported the development of the plan, seven had a moderate-high level and three a moderate level (meaning that engagement had influenced the direction of travel but there were gaps in documentation/quantification of being able to demonstrate exactly how insight had changed the final proposal). The three moderate level examples were in community energy, decarbonisation of the fleet and generation and worst served customers. The ISG also noted that there were gaps in direct engagement with vulnerable customers at risk of being left behind and that the Data and Digitalisation Annex contained little engagement evidence.
- The ISG reviewed the consumer research and stakeholder engagement decision logs and was able to see the links between these, the stakeholder engagement assurance statement and the primary evidence of how this had shaped decision making and business plan commitments. If the logs had been shared earlier, it would have made it easier to trace engagement to choices and trade-offs.
- The ISG considers that SSEN-D's ED3 business plan was more grounded in stakeholder engagement than the company's ED2 plan.

This statement is based on an assessment carried out by the ISG, based on the information provided by the DNO, and the version of the business plan shared with the Group on 13th November.