

# SSEPD Submission Document

## Part 1: Overview of evidence

1

2014/15

Ofgem Stakeholder  
Engagement  
Incentive Scheme  
2014/15

Placing stakeholders  
at the centre of our  
business

# Evolving our approach to engagement

## I am pleased to present Scottish and Southern Energy Power Distribution's 2014/15 Submission in relation to Ofgem's Stakeholder Engagement Incentive Scheme.

2014/15 has seen us engage with a **broad and inclusive range of stakeholders**. We engage on three levels to expand our engagement horizon: **strategic** (such as the step change in our engagement with MPs and MSPs), **organisational** (including our resilience planning work, which has received high profile public recognition), and **operational** (such as our recent increase in one-on-one time with our connections customers). We also use extensive consultation processes where appropriate to give as many stakeholders as possible the chance to have their say, as on the future of **Shetland's energy supply**.

Our geographic remit is unique among the UK's Distribution Network Operators (DNOs) as we cover two separate, distinct regions – central southern England including urban West London and the north of Scotland including remote islands. This diversity makes it especially vital that we **utilise a variety of appropriate mechanisms** such as the **Expert Panel on Consumer Vulnerability** that we set up in late 2014, and our **Customer Voice Groups** which I personally chair when they meet on a quarterly basis.

Underpinning all our initiatives is a solid engagement approach. Our stakeholder engagement feedback loop (see page 2) shows how we consider direct and indirect feedback from within and outside our business, act on it, check outcomes, and seek input on further improvements.

Of course, we must then act on the input and feedback we receive and deliver beneficial change to our stakeholders. This is something I believe we do particularly well.

I'm proud to say that our stakeholder engagement processes are **compliant with ISO 9001:2008** Quality Management System. In 2014/15, we also commissioned an **independent third party** (professional service firm, PwC) to help us articulate and quantify the outputs and outcomes of some of our strategic, organisational and operational engagement initiatives. I believe that

these independent assessments of how we manage our engagement activities provide confidence to our stakeholders that we engage in a way that efficiently delivers benefits.

Overall, I am firmly of the opinion that we have made significant progress this year - in the change we have delivered, and in the way we structure our engagement. We have listened even more closely to our stakeholders and acted on what we have heard whilst staying true to the solid foundations on which our approach is built.



*Stuart Hogarth*

**Stuart Hogarth**  
Director of Distribution  
and member of the  
SSEPD Board

### Summary of key activities in 2014/15

- Stakeholder engagement processes confirmed as compliant with ISO 9001:2008
- Independent audit confirmed that the overall control environment for our stakeholder engagement is effective
- Achieved the KPI target for SSEPD Board-approved business changes as a direct result of stakeholder engagement
- Strengthened our relationships through Customer Voice Groups in both our network areas
- Formed a new Expert Panel on Consumer Vulnerability to guide our approach in this area
- Embarked on a customer awareness campaign, designed to reach all 3.6 million demand customers
- Engaged PwC to compile an outputs and outcomes report on some of our strategic, organisational and operational engagement initiatives
- Embarked on consumer vulnerability training for more than 2,000 staff
- Completed our second annual survey to gain stakeholder endorsement of our activities
- Set a course to meet the criteria for BS 18477:2010 Inclusive Service Provision

## Submission Structure

**Part 1** shows how we gather and analyse the views of a wide range of stakeholders across a variety of topics. It explains the basis of actions we take to change our business plan, approach and/or communications to fit our strategy.

**Part 2** reports on examples of initiatives we put in place in response to stakeholder feedback or to proactively address their needs. We explain whose views informed the initiative, what actions we took, how we checked the responses, and any next steps to further improve our approach.

### Part 1

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# Our robust approach to stakeholder engagement

“Although the framework for the engagement we undertake is constantly evolving and improving, the foundations on which it has been built remain solid.”

– Gregor Alexander, SSE Executive Committee and Chair of the SSEPD Board

## Determining our direction: The SSEPD Board

The Board pays close attention to stakeholder engagement, recognising that this is at the heart of knowing what our customers and other stakeholders want and need from us.

The Board’s purpose is to set our strategic aims, supervise management of our activities, and to monitor and report on performance. Our strategy for 2014/15 was very much informed by the key concerns of our Board. These include:

- Is our interaction with customers right?
- Are we delivering to stakeholders the right value in the right places to drive the right benefits?
- Is our activity in line with policy direction and decision-making by regulators and political bodies?
- Are we in full compliance with relevant legislation and standards?

## The SSEPD Board 2014/15

Members	
<b>Gregor Alexander</b>	Chair, and member of SSE Executive Committee
<b>Colin Nicol</b>	Managing Director of Distribution
<b>David Gardner</b>	Director of Transmission
<b>Stuart Hogarth</b>	Director of Distribution
<b>Steven Kennedy</b>	Director of Finance, Networks
<b>Aileen McLeod</b>	Head of Regulation
Non-Executive Members	
<b>David Rutherford</b>	
<b>Gary Steel</b>	

## Acting on input: Our feedback loop

In determining which initiatives we implement and how we do so in order to meet the direction set by the Board, we operate a stakeholder engagement feedback loop. This helps ensure that individual initiatives – and our overall approach – remain relevant to stakeholders’ needs and keeps stakeholders’ views at the forefront of our thinking.



## Our Stakeholder Engagement Policy

(Appendix 1)

Our Board-approved Stakeholder Engagement Policy (“our Policy”) has been developed in line with a long-standing set of values: Safety, Service, Efficiency, Sustainability, Excellence and Teamwork, which permeates all of our work, from Board meetings to induction events. Our Policy sets out our high level objectives for stakeholder engagement and establishes the values and core principles that shape the design of our stakeholder engagement activities.

In our Policy, we set out what we want to achieve through our stakeholder engagement activity: quite simply, we wish to ensure stakeholders are at the heart of our business. Consequently, a key objective of our Stakeholder Engagement Policy is to create the necessary conditions for the capture, recording, analysis, application and feedback of a representative range of customer views on an equitable, accessible and sustainable basis. In our Policy, we commit to undertaking our engagement with stakeholders in a way that is in line with the values of our parent company, SSE plc.

## Our Engagement Values

### Safety

We will undertake our engagement with stakeholders safely and responsibly.

### Service

We will engage with our stakeholders in a way that we are proud of and make commitments we can deliver.

### Efficiency

We will keep our engagement activities simple, do the work that adds value and avoids wasting money, materials, energy or time.

### Sustainability

We will undertake our engagement activities ethically and transparently and in changing our business in response to stakeholder views, we will take the long term view to achieve growth while safeguarding the environment.

### Excellence

We will strive to ensure that our engagement gets better, smarter and more innovative.

### Teamwork

We support and value our stakeholders and will work with them in an open and honest way; this will include actively involving our stakeholders in designing the engagement process.

Our Stakeholder Engagement Policy sets out the principles upon which our Stakeholder Engagement Strategy (Appendix 2) and Implementation Plan are built.



## Minimum Requirements Key

Ofgem identified four Minimum Requirements which our activities are measured against using the following key:



### Comprehensive strategy Informing stakeholders Enabling timely feedback

The network company has a comprehensive and up to date stakeholder engagement strategy, which sets out:

- how the network company keeps stakeholders informed about relevant issues, business activities, decision-making and other developments, and
- how the network company enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision-making.



### Broad engagement

A broad and inclusive range of stakeholders have been engaged.



### Variety of mechanisms

The network company has used a variety of appropriate mechanisms to inform and engage their stakeholders – these have been tailored to meet the needs of various stakeholder groups, and are fit-for-purpose in allowing a detailed analysis of a breadth of stakeholder perspectives.



### Acting on input

The network company can demonstrate it is acting on input/feedback from stakeholders.

# Our Stakeholder Engagement Strategy

“Our engagement strategy helps us to actively solicit the views and ideas of a broad range of stakeholders, and to do so in a timely manner that enables us to reach swift and effective decisions.”

– Lisa Doogan, Director of Network Services

## 1. Identifying our stakeholders

We have developed a list of stakeholders who we feel can add particular insight into our business and/or who have expressed an interest in doing so. We have a centralised stakeholder contact and record management system to enable us to actively manage engagement across the business. This is managed in accordance with our Data Protection Policy.

A B

**7,000**

Our database holds records of almost 7,000 stakeholders whom we feel can offer insight into our business.

Our database is regularly reviewed as new relationships are formed, existing relationships are strengthened or where relationships are no longer valid (for example, where individuals have moved jobs and no longer have a relationship with SSEPD).

Distribution Network Operators (DNOs). We have been engaging with them through an informal working group over the last year and have achieved the outputs listed in *Appendix 3*. In the future, this group will become a formal Energy Networks Association (ENA) sub-group with Terms of Reference and a work plan for 2015/2016 as described in *Appendix 4*.

One example of a group of stakeholders with which we have strengthened our relationship this year is other

## 2. Understanding our relationship with our stakeholders

A B

We have categorised our stakeholders based upon our existing relationships with them (e.g. public and private sector organisations, trusted intermediaries and customers affected by our network investment plans); the level of influence they have over our business plan and processes; and their interest in helping us shape it.

### Engaging on multiple levels

We consider engagement on three levels:

1. **Strategic** – this includes political engagement and activity with high level, multi-organisation groups
2. **Organisational** – this includes engagement with national organisations and regional bodies such as local authorities
3. **Operational** – this includes engagement with stakeholders who are impacted by our day to day activities. Our focus here is to engage effectively with communities and customers

### Engaging with the right people

Our stakeholders have told us that we need to understand their needs and interests, but that we should contact them only regarding issues that are relevant to them.

Our Influence/Interest Matrix separates stakeholders into four groups based on their level of interest and influence on a specific issue. It also indicates how we plan to engage with the stakeholders placed in each quadrant.

### Influence/Interest Matrix

High Influence/Low Interest – Quadrant C	High Influence/High Interest – Quadrant D
<p>These stakeholders may be temporarily less interested in our service (e.g. due to workload or other more pressing responsibilities).</p> <p><b>We will keep these stakeholders informed.</b></p> <p>If the context changes, and they become interested, they could move to Quadrant D.</p>	<p>These stakeholders are the key players.</p> <p><b>We will actively seek to engage them.</b></p>
Low Influence/Low Interest – Quadrant A	Low Influence/High Interest – Quadrant B
<p>These stakeholders are affected by our business plan.</p> <p><b>We will keep these stakeholders informed.</b></p> <p>If the context changes, and they become interested, they could move into Quadrant B.</p>	<p>These stakeholders are very interested in what we are doing.</p> <p><b>We will keep these stakeholders informed and start building relationships with them now.</b></p> <p>If the context changes, this group could move into Quadrant D.</p>

Min. Req. Key

A

Comprehensive strategy, Informing stakeholders, Enabling timely feedback

B

Broad engagement

C

Variety of mechanisms

D

Acting on input

## Our Stakeholder Engagement Strategy continued

We recognise that stakeholders aren't always aware of their interest in our business until they are adequately informed, which is why it is important to consider stakeholders in all quadrants, keep them informed, and move them if necessary.

For example, during our consultation on a new energy solution for Shetland, many of the stakeholders (highlighted in green in the matrix below) moved from quadrant C to quadrant D as engagement activity increased. By raising awareness of why the consultation was important to them, their interest in the process grew and they actively engaged with us.

The original stakeholder mapping exercise for establishing a new energy solution for Shetland

High Influence/Low Interest – Quadrant C	High Influence/High Interest – Quadrant D
<p><b>Strategic</b></p> <ul style="list-style-type: none"> <li>MPs and MSPs – rest of the UK</li> <li>Public/Voluntary organisations on Shetland (e.g. Shetland Islands Council, Highlands and Islands Enterprise, Citizens Advice Scotland)</li> </ul> <p><b>Organisational</b></p> <ul style="list-style-type: none"> <li>Smart Grid community</li> <li>Energy Market Participants (e.g. National Grid as GB system operator, electricity supply companies, other Distribution Network Operators)</li> <li>Potential bidders to provide services</li> </ul> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>SHEPD customers</li> <li>GB electricity customers</li> </ul>	<p><b>Strategic</b></p> <ul style="list-style-type: none"> <li>Ofgem</li> <li>DECC</li> <li>Scottish Government</li> <li>Westminster Government</li> <li>MP, MSP and local councillors for Shetland</li> <li>SEPA</li> </ul> <p><b>Organisational</b></p> <ul style="list-style-type: none"> <li>Innovation community</li> <li>Supply chain</li> <li>SHE Transmission</li> </ul> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>Large generation customers on Shetland</li> <li>Large demand customers on Shetland</li> <li>Domestic customers on Shetland</li> <li>Business customers on Shetland</li> <li>NINES participants</li> </ul>
Low Influence/Low Interest – Quadrant A	Low Influence/High Interest – Quadrant B
<p><b>Operational</b></p> <ul style="list-style-type: none"> <li>Media on UK Mainland</li> </ul>	<p><b>Operational</b></p> <ul style="list-style-type: none"> <li>Media on Shetland</li> </ul>



*At the outset of the Shetland project, there was very limited interest from parties who may eventually bid for the contract, which would have had a negative impact upon the expected cost and innovation-based advantages provided by a market-led solution.*

*Having identified this issue early on in the Shetland engagement process, SSEPD sought to vary the methods of communicating with stakeholders, and undertook some engagement activities targeted specifically at potential bidders."*

**PwC's outputs and outcomes report**

### 3. Actively engaging our stakeholders

We offer a range of ways to engage with us: interviewer administered surveys; written consultation documents; audio recorded focus groups with electronic audience response system; online surveys; structured interviews with stakeholders; stakeholder meetings, events, fora and workshops; our Customer Voice Groups. With our stakeholders in mind, we will continually monitor and evaluate our mechanisms of engagement to ensure they sustain constructive engagement.

In 2014/15, we continued to offer our stakeholders a range of ways to engage with us, tailored to their wishes. Continuing with the Shetland example, once our stakeholders were identified, we developed our 'Programme of Listening', using a variety of mechanisms to listen to stakeholders' priorities.

General Stakeholder Consultation: 213 Responses

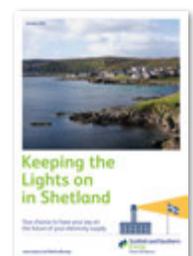


Potential Partner Consultation: 89 Responses



**Other examples of engagement mechanisms in practice**

- Customer Voice Groups
- Expert Panels
- Our Annual Survey 2014/15
- Connections surgeries
- Conference participation
- Exhibition presence
- National events



Min. Req. Key	<b>A</b> Comprehensive strategy, Informing stakeholders, Enabling timely feedback	<b>B</b> Broad engagement	<b>C</b> Variety of mechanisms	<b>D</b> Acting on input
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## Our Stakeholder Engagement Strategy continued

### Acting on input

The views we heard during the programme have enabled us to develop an improved process to deliver a solution for Shetland, and is an example of our feedback loop in action:



### Actively engaging our Customer Voice Groups

These fully independent scrutiny panels comprise representatives from our key stakeholder groups. We have one in Scotland and one in central southern England. Members include major demand customers, electrical contractors, consumer advocates, connections customers, renewable energy customers, universities, charities (social, environmental and fuel poverty) and others.

Panel members give us access to a wealth of cumulative knowledge. They:

- Help us establish what our stakeholders' priorities are around safety, customer service, supply reliability, connections, social obligations and the environment

- Critically evaluate our stakeholder engagement strategy, policy, implementation plans, business response to stakeholders' views and our annual stakeholder engagement plan
- Draw on their professional networks to support and facilitate discussions with other groups on key issues of current or emerging stakeholder concern
- Act as scrutiny panels for our new ideas and offer advice

The panels, which meet on a quarterly basis, are invaluable sources of honest feedback on what we do. They have direct lines to our Board as they are chaired by our Director of Distribution, Stuart Hogarth.



*At first I thought it would be a talking shop with neither real impact nor results. However, my conclusion is that SSEPD really does listen to the Customer Voice Group (Southern England) and senior management has taken decisions as a result of issues raised by the group."*

**Graham Rose,**  
Member of the Customer Voice Group in central southern England

## 4. Informing our stakeholders

A B C D

We will produce and regularly update our stakeholder engagement and communication plan which will provide stakeholders with enough information, and in a format they want, to enable them to participate in key debates.

It is impossible to do our job without speaking to the people to whom we provide a service. We speak every day to people about new connections to our electricity network; about our plans to replace or repair cables in their area; and about how to be safe around overhead lines and substations.

We are keen to understand what our stakeholders expect from us in the longer term, giving them the opportunity to guide how we do things. Our internal **Implementation Plan** (see *Appendix 5*) sets out the topics and the ways in which we intend to capture their views so we can shape our business procedures, policies and plans accordingly.

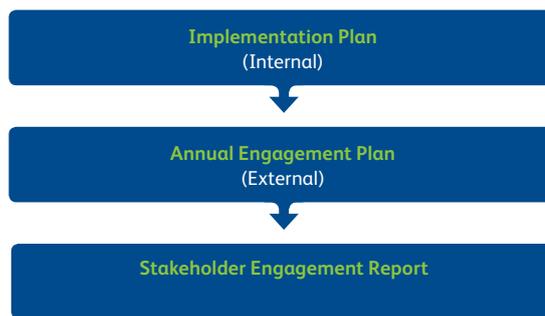
We publish an external-facing **Annual Engagement Plan** that is informed by our internal Implementation Plan to give an overview of what we plan to do over the course of the year to ensure that stakeholder voices are heard. The plan, which is approved and endorsed by our Customer Voice Groups, provides stakeholders with advance information about a variety of activities and events that SSEPD will be attending or hosting over the course of the year to enable us to:

- Keep stakeholders informed about aspects of our business, and the wider industry, that we believe will be of interest to them
- Share news about the activities that our business is undertaking
- Make well-informed and sustainable decisions

Looking ahead, our 2015/16 Annual Engagement plan includes long term, strategic engagement as well as short to medium-term engagement. For example, the engagement we are undertaking around electrification of rail and the undergrounding of subsea cables is part of our longer-term strategy to keep customers' bills low. Although some of the engagement activities will be undertaken during the plan period, the outcomes and benefits of this engagement may arise at a later date.

We also publish a **Stakeholder Engagement Report** which reports on the previous year's engagement. This allows stakeholders to see how, by taking part in our planned engagement activities, their views have helped shape our plans and improve our processes.

### Our information flow



## 5. Listening and responding to stakeholders

A B C D

We publish key themes arising from our stakeholder consultation processes and our response to them so that our stakeholders know what action we will be taking to improve our internal processes and business plans.

Examples of our publications in response to stakeholder consultation processes include:

1. **A Plain Guide: Our Plans and Commitments for Generation Connection Customers for 2014/15**
2. **Reconnecting with our Customers:** Our response to the 2013/14 storms consultation (*Appendix 6*)
3. **A New Energy Solution for Shetland:** Summary of stakeholder feedback



### Acting on input: Creating a workplan that has been influenced by our stakeholders

In 2013/14, we delivered a detailed and comprehensive programme of engagement with our Generation Connections customers. This enabled us to identify four key areas for improvement: customer service; information provision; the application and connection process; and ease of choice in connection provider.

We identified 12 initiatives for 2014/15 that would address these four areas. We then undertook a focused survey of more than 125 customers and other stakeholders to ensure that these were truly supported by a broad and inclusive range of stakeholders. This feedback was used to further tailor our plans which are detailed in **A Plain Guide: Our Plans and Commitments for Generation Connection Customers for 2014/15**, published in October 2014.

Min. Req. Key

A

Comprehensive strategy, Informing stakeholders, Enabling timely feedback

B

Broad engagement

C

Variety of mechanisms

D

Acting on input

### Our annual stakeholder survey

We conduct a large-scale annual survey of a fully representative sample of our domestic customers in both our licensed areas (SHEPD and SEPD). The survey provides us with a robust and statistically reliable assessment of customer attitudes, knowledge and behaviour in relation to a range of issues affecting our business. The survey is undertaken independently by Social Market Research (SMR) and in accordance with ISO 20252: 2012 Market, opinion and social research – Vocabulary and service requirements.

The 2015 survey is based on a sample of around 2,700 customers. When reporting the survey findings for both licensed areas combined, the survey is statistically weighted to reflect the greater number of our customers in the SEPD region. The survey is designed to be fully representative of our domestic customer population in terms of key characteristics such as: age; gender; social class; and area of residence.

The survey is based on in-home face-to-face interviews using Computer Assisted Personal Interviewing (CAPI). Given the relatively large sample size the survey provides us with an opportunity to segment our customer feedback by a range of factors including: licensed area; age; gender; social class; vulnerability etc. This allows us to more accurately identify and respond to the needs of specific groups.

The survey is a very important barometer of customer opinion and provides us with trend analysis over time. As well as allowing customers to give their views on our business plans and priorities, it is an important vehicle for identifying emerging issues among all of our customer segments as well as providing statistically reliable evidence on our performance as a business.



*Amongst those consulted, there was a high degree of satisfaction with the consultation processes used and the vast majority found the consultation process enjoyable and useful and perceived SSEPD as effective at engaging with them."*

**Social Market Research (SMR)**

## 6. Being accessible to our stakeholders



We are committed to being open and easy to talk to.

Across stakeholder groups, we recognise preferences change. This is why we made the following commitment in our business plan for 2015-2023:

*"You'll be able to contact us in more and more ways that suit you; by Twitter, Facebook or however you want to talk to us."*

To deliver this, we've reinforced our resources over the past year, hiring into a newly created Head of Communications position and expanding our digital and website teams. Showing strong early results in our social media presence, we reached more than 1.2 million Facebook users in 2014/15 (up from 171,000 in the previous year) while the number of users who 'liked' us rose six-fold. Our number of Twitter followers meanwhile rose by 31% in 2014/15 and we received almost 8,500 mentions.

Here are other examples of what we've done this year:

### Making progress to meet the requirements of BS 18477:2010 Inclusive Service Provision

This standard demonstrates that a company meets the requirements for identifying and responding to consumer vulnerability. By attaining it, we hope to provide our stakeholders with confidence that our services are accessible to all consumers equally – regardless of their personal circumstances. This year, an auditor from the British Standards Institution (BSI) completed a desktop review of our processes against the BS 18477 requirements. The review concluded that the right processes are in place and recommended we should progress to a full audit. For our Board, this voluntary

standard gives an independent assessment of where we are on our journey towards our vision, and is a measure of our success in engaging around consumer vulnerability.

### Acting on input: Setting up an Expert Panel on Consumer Vulnerability

We need critical friends who can share insights when we identify and address vulnerability among the fuel poor, older people and those who are ill or otherwise in need. In late 2014 we set up the Expert Panel on Consumer Vulnerability. Members include Age UK, Macmillan Cancer Support, British Red Cross, Energy Action Scotland and National Energy Action. They have helped us begin forming:

- Training to help our staff understand, identify and sensitively respond to vulnerability
- A catalogue of information and organisations we can refer vulnerable consumers to when we lack in-house expertise
- Research to help map where fuel poverty and climate change is impacting customers and how we might respond
- A communication plan to tell more of our customers about our PSR service



“We apply an extremely robust stakeholder engagement process. Our stakeholder engagement feedback loop is just one example of how we ensure what we hear is translated into follow-up and action.”

– Billy Fraser, Head of Stakeholder Engagement

### A robust process

We have a robust process in place to record our engagement with stakeholders and the journey of their input through the ways in which:

- Their views are considered within SSEPD
- We change our business as a result of our stakeholders' views and suggestions
- We complete the loop by subsequently seeking views from our stakeholders on the action we have taken

### Reaching out to stakeholders

Our engagement process in summary:

1. Our business teams interact with stakeholders directly, supported by our Stakeholder Engagement Team. We also have a structured research programme, facilitated by an external market research organisation, which is designed to provide a more formal platform for allowing stakeholders to influence or be part of the solution to emerging issues and challenges
2. We use the information from these interactions to assess how or whether we could change our business to better meet stakeholder needs
3. We review and develop the proposals with the relevant business teams – some ideas will be identified as not feasible, or as conflicting with wider stakeholder opinion, and some will be agreed to be feasible

4. We liaise with our stakeholders; either proposing what can be done to better meet their needs or explaining why we are unable to comply with their requests
5. We implement feasible proposals; proposals likely to have a significant impact on the business will first be submitted for Board approval

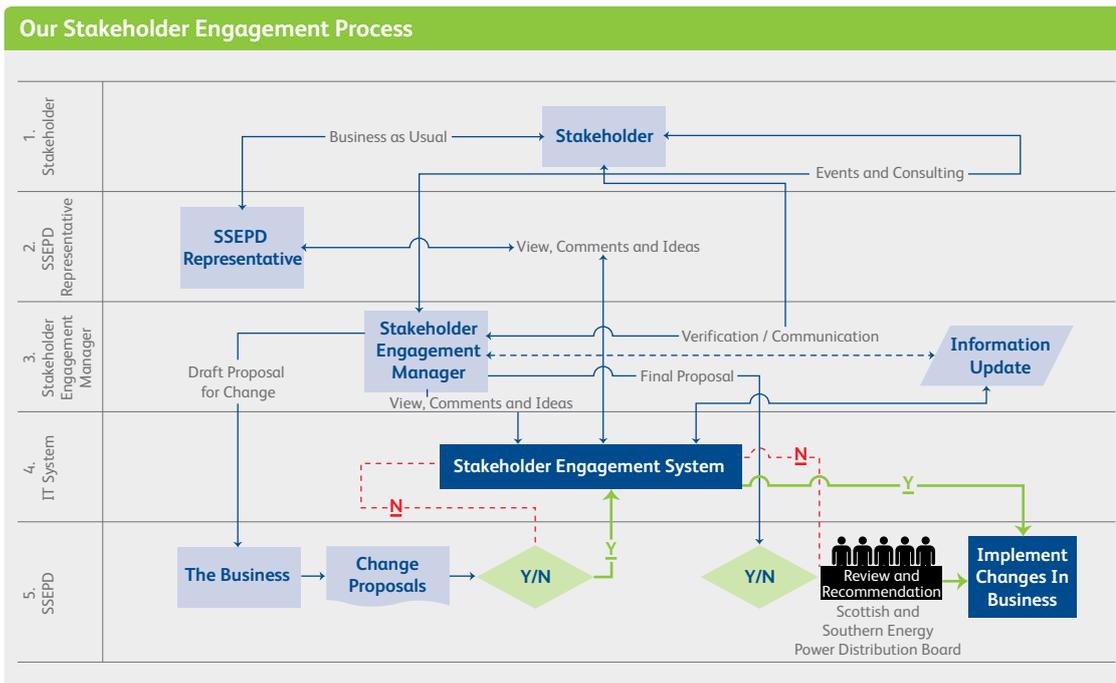
### Improving our process: Business Sponsors

We amended our process in 2014/15 to help smooth the implementation of change brought about through stakeholder engagement. We now appoint a Business Sponsor for all of our change proposals, which aids the speedy adoption of engagement-driven ideas as business-as-usual.

### Key Performance Indicator (KPI)

We have a target for Board-approved initiatives that have been identified as a direct result of stakeholder feedback. The target is to achieve a minimum of one per licensed area per quarter. In 2014/15, we met this target. This is one of the ways in which we keep the Board closely informed of the changes we deliver through our engagement with stakeholders.

Examples of Board-approved initiatives are the SSEPD Awareness Campaign, our enhanced social media offering and more accessible communications for our vulnerable consumers.



**Our People**

To deliver an effective programme of stakeholder engagement, ensuring that stakeholder views are integrated into our decision making, we have created a multi-disciplinary team that provides a strong mix of communication skills, project management experience, stakeholder engagement expertise and change management skills.

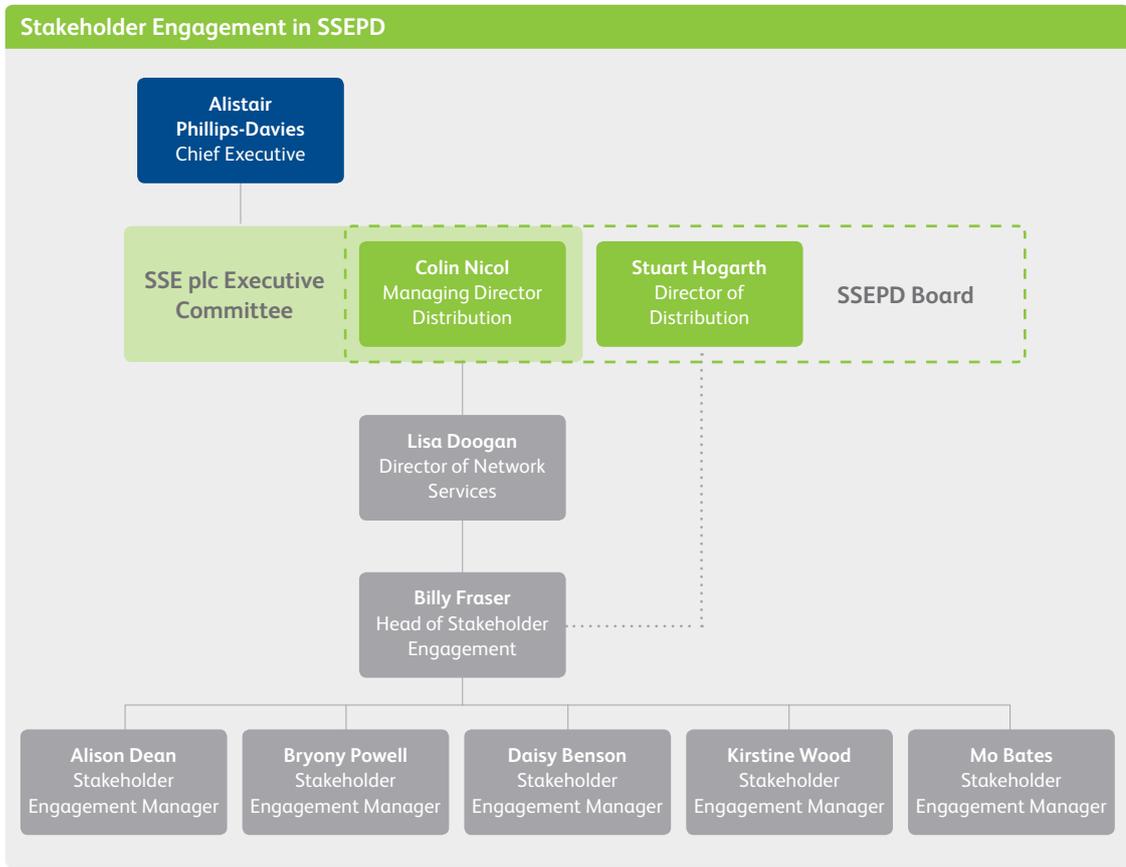
**Strong lines of command**

Stakeholder engagement is embedded within our management structure. Our Head of Stakeholder Engagement reports to our Director of Network Services who, in turn, reports to our Managing Director of Distribution.

Our Head of Stakeholder Engagement also has a reporting line to our Director of Distribution. The Director of Distribution and the Managing Director of Distribution are both members of the SSEPD Board.

This arrangement helps ensure that the views of stakeholders, elicited from stakeholder engagement processes, are considered at the highest levels within our organisation.

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**The Stakeholder Engagement Team**

Our Stakeholder Engagement Managers work with the business to develop our Implementation Plan. The team supports the business in delivering those activities to ensure that any planned engagement fits with our strategy, with a particular focus on delivering engagement at a level appropriate to the issue being covered.

To complement our existing expertise, we have this year actively recruited from outside our industry and hired two new Stakeholder Engagement Managers – a former local councillor and employee at HS2, and an experienced stakeholder engagement professional who helped to drive an excellent customer experience at the London Olympics.

Our team is headed up by Billy Fraser, who brings more than 30 years of management experience in the energy industry. Billy was our Head of Performance Improvement from 2006 until 2012.

“It is not good enough for us to simply be confident that our approach is fit for purpose. It is necessary to gain an external perspective to ensure that we are as good as we can be.”

– Colin Nicol, Managing Director of Distribution

## Independent audit

In March 2015, our stakeholder engagement processes were audited by SSE plc’s Networks Compliance team (part of the Group Compliance function) in a comprehensive review.

Group Compliance is an independent function which reports directly to the SSE Group Executive Committee through the Managing Director, Corporate and Business Services. This ensures impartiality in its activities which are focused on the key areas of risk appropriate to each individual business area.

The overall objectives of the review, as agreed between Lisa Doogan, Director of Network Services and the Networks Compliance team, were to identify the key

regulatory and reputational risks associated with Distribution and Transmission Stakeholder Engagement Management and to assess the effectiveness of controls to manage these risks.

A summary of the key actions with responsibilities and dates for completion is contained in the Final Report (*Appendix 7*) and these are being progressed within the required timescales.

The review concluded that “the overall control environment for **Transmission and Distribution Stakeholder Management** is effective and the processes and controls in place are sufficient to provide the necessary assurance relating to SSEPD’s engagement activities.”



*It is considered that the overall control environment for Transmission and Distribution Stakeholder Management is effective and the processes and controls in place are sufficient to provide the necessary assurance relating to SSEPD’s engagement activities”*

## SSE Group Compliance



## ISO 9001:2008 – Quality Management System Accreditation

A successful management system certification audit (*Appendix 8*) was carried out by an external accreditation organisation, SGS, to ensure that our stakeholder engagement processes are compliant with the ISO 9001:2008 Quality Management System. This demonstrates our commitment to working effectively to meet the needs of customers and other stakeholders while simultaneously meeting the following relevant statutory and regulatory requirements relating to our activities. The objectives of the audit were to confirm that our:

- Management system conforms with all the requirements of the audit standard
- Organisation has effectively implemented the planned management system
- Management system is capable of achieving our organisation’s policy objectives

This audit covered our quality management processes including Board level commitment and Senior Management involvement in the approach that we

have taken, the benefits and outcomes for customers and communities, the allocation of budget and resources in a cost effective manner, and the documented procedures and processes of our engagement.

The audit concluded that “the organisation has established and maintained its management system in line with the requirements of the ISO 9001:2008 standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organisation’s policy and objectives.”



*Key aspects to develop positive and beneficial stakeholder engagement were evidenced in both Distribution and Transmission business activities. The commitment from SSEPD staff to deliver a continually improving performance and service to their stakeholders was evident through all the audited areas.”*

## SGS Auditor



## Making progress to meet the requirements of BS 18477:2010 Inclusive Service Provision

This standard demonstrates that a company meets the requirements for identifying and responding to consumer vulnerability. By attaining it, we hope to provide our stakeholders with confidence that our services are accessible to all consumers equally – regardless of their personal circumstances. Our progress is detailed on page 7.

## Reviewing outputs: PwC’s outputs and outcomes report

We value an external perspective. This year, we engaged professional services firm, PwC, to review some of our strategic, organisational and operational engagement initiatives.

The initiatives they covered include:

- Winter awareness campaign in late 2014
- Consumer vulnerability

- Building community resilience and providing a better service to communities during power cuts
- Shetland New Energy Solution

PwC was engaged to review these initiatives in order to help us articulate and quantify the outputs and outcomes of these activities, and to provide recommendations to allow for better output and outcome identification and quantification in the future.