**Supplementary Questions – SSEN Transmission**

1.      Page 1 of Part 2 of your submission refers to 'a transformation' of your business culture on engagement. Please provide clarifications of the following:

a)      The ways in which this transformation was informed by and in response to stakeholder feedback?

b)      How this is evident to your stakeholders and customers in the way that you now do business.

2.      A co-creation approach is noted in various parts of your submission. Please explain the basis for adopting this approach and how this has improved your approach to project planning and management.

3. The COVID-19 pandemic has changed both the ways of working and how stakeholder engagement is conducted. Please provide responses to the following:

a)      How have stakeholders helped you put in place new ways of working for the COVID-19 pandemic?

b)      What new methods of stakeholder engagement have you found useful and why?

c)      What learnings from the pandemic are enabling you to deliver more for customers and stakeholders?

4.  Many companies are using technologies such as Artificial Intelligence to improve stakeholder engagement.

a)      Please explain what steps have been taken to use technologies such as Artificial Intelligence, Big Data and others to improve stakeholder engagement, deliver benefits to stakeholders and improve services to vulnerable customers.

b)      What data sets have you made available to other stakeholders?

c)      What help, if any, are you giving these stakeholders with using the data?

**Q1 a)** During our 2017 business strategy review, stakeholders told us that we were not meeting their expectations on engagement. They identified pockets of excellence (community engagement and future energy scenarios), yet perceived our engagement as inconsistent, sometimes arrogant and uncollaborative. Stakeholders felt that we engaged too late, limiting their influence. As a sustainable business needs to be stakeholder-led, we worked with stakeholders through an 18-month engagement programme to co-create an ambitious new strategy. Stakeholder expectations were: (1) increased accessibility (including digital and social engagement); (2) more opportunity to input at an earlier stage; (3) more collaboration and consensus decision making to make trade-offs visible and acceptable; (6) that options were provided; and that (7) we advocate for them in arenas where we have influence. They asked for better visibility of how their input was applied. Stakeholders advised we needed to deliver a cultural transformation by: (4) developing new processes and governance to ensure consistency and put stakeholders at the heart of decision making, and (5) employee training and stakeholder focused objectives. We successfully delivered our transformational change programme in 2018 and 2019.

**Q1 b)** Stakeholders will have noted the volume and quality of our engagement in 2018 and 2019 (34,360 engagements). Accountability have verified that tools and processes are in place for consistent engagement, and we methodically respond on feedback with online publication of post engagement reports (25 publications this year) demonstrating how we have acted on stakeholder views. Our appetite for early engagement and the desire to achieve mutually acceptable outcomes (2, 3)* is visible in the scale of our co-created strategies and policies which have an industry-wide impact (Biodiversity Net Gain, Future Energy Scenarios and the Sustainable Supplier Code; initiatives 5.2, 5.3 and 2.3) (6). Increased openness and accessibility (1) is visible through the new user-friendly content on our website (including more open access data and contact details) and our increased digital media activity (90 posts). We are delivering advocacy for our stakeholders (7), with stakeholder input forming responses to government consultations, for example BEIS Contracts for Difference. This year we have given our stakeholders increased confidence in the quality of our engagement; AA1000 Healthcheck 'Mature' rating and 'Exceed' result in the Engagement Strategy Audit. Our Stakeholder Satisfaction Survey Score of 8.4 was a notable improvement from 8.2 in 2018/19.

Accountability said we have, "made a number of changes in the past year to further embed stakeholder engagement into a number of areas of the business, inspiring all employees to recognise the value of stakeholder engagement in their day-to-day roles." 84% of staff attending stakeholder engagement training said they would now find it easy to apply their new skills in their role.


*numbers correspond to Stakeholder Expectations listed in 1 a)

**Q2** We adopted a co-creation approach due to stakeholder feedback that a consultative approach offers them limited scope to influence our approach to projects. This is because many decisions are made before consultation stage. A co-creation approach involves stakeholders in defining and informing the strategies and policies that drive our decision making at the earlier stages of project planning.

We introduced co-creation on strategic and organisational engagements where we were forming strategies and policies that now apply across all projects on a consistent basis. The new strategies and policies had to be mutually acceptable to ourselves and stakeholders so that our project planning and management delivers business requirements and consistently meets stakeholder expectations. By applying these co-created strategies and specifications we get increased consistency of treatment across projects rather than variable decisions from individual project teams. This allows engagement within specific projects to be lighter, reducing the engagement burden on stakeholders when their involvement is ongoing across multiple projects.

Co-creation is particularly important when we are working in new areas of innovation or where we are not the subject matter expert. We need the expert input to inform the strategies to make sure they are ambitious but also achievable. Co-creation partners also contribute best practice from other sectors that they work with.

We consistently adopt a co-creation approach in the development of strategies or policies where successful delivery is dependent on third parties e.g. the supply chain, original equipment manufacturers and statutory consultees. Designing with these experts ensures common understanding and commitment to the outcomes.  For example, our science-based decarbonisation targets and waste targets for the supply chain, developed with them, are now applied through bespoke contracts as new standards for all project development and planning. When we identified a need for suitable SF6 alternatives and our expert partners said that there was no market to develop these, we collaborated on a standard which required these alternatives across all our projects – creating a market, with timelines based on the Research and Development timelines of the partners, and defined specifications which expand this market across our industry. Our work on biodiversity net gain combined our project development expertise and the expertise of biodiversity experts to develop a new sector leading methodology, commitment and targets now applied to all projects in development.

The effect of co-creation on our project planning and management has been consistent application of stakeholder expectations based on policy rather than project by project decisions. It has also driven earlier agreement and less late changes to our plans, which carry more cost. In turn we have seen an increase in stakeholder confidence, reduced engagement burden, and cost/time savings.

**3 a)** At the onset of COVID-19, we safely paused all works while we reviewed government guidance and engaged with stakeholders and affected communities. At our sites in Skye and Argyll, we spoke to elected members, community liaison groups and others to establish a mutually agreeable framework for maintaining development and construction. We collaborated with contractors, supply chain and unions to agree a safe return to all sites, ensuring appropriate precautions were in place and PPE was available, and addressing challenges with availability of materials and plant as a result of the pandemic. Responding to community concerns, we adopted above expected safety measures such as enhanced PPE; socially distanced catering; avoidance of local petrol stations; additional vehicles and staff to enforce social distancing. This alleviated concerns and we have applied these measures at all our sites. For office staff, our IT partners helped us achieve an overnight switch of 450 employees to home working.

**3 b)** With traditional face to face engagements undeliverable during lockdown we adopted new virtual engagement methods for example, a bespoke online consultation tool for "town hall" events accessed via our website, with interactive videos, exhibition and live chat for stakeholders to ask questions and share views on proposals. Virtual events cost around £3K when compared with a similar physical event in 2019 (£19K), proving this to be cost-effective way of providing accessible and comprehensive engagement online. The virtual approach enabled us to continue with planning consultations and avoid project delays that could impact customers and outage plans (no projects delayed); increased digital and social media campaigns and radio advertising to broaden our reach as traditional advertising in local community buildings was inaccessible (web hits 2800 in a week compared with pre COVID-19 average of 200); video calls for community liaison group meetings and round table discussions (all scheduled engagements delivered); and, increased internal engagement including live video briefings from our Managing Director to all employees with Q&A to keep employees informed and involved, and wellbeing surveys with resultant improvement actions implemented (71% participation in our recent staff survey).

**3 c)** Following the success of 6 recent consultations and 2 community liaison groups (CLG), we recognise the efficiencies for our stakeholders and will continue to utilise this virtual approach in future. It helped us engage with customers who normally struggle to attend events, such as those in remote areas or for our harder to reach stakeholders. For instance, in Argyll we held a virtual CLG, increasing accessibility and reach. Similarly, it improved the range of participants with more input from Statutory Consultees (some of whom previously had financial barriers to travelling). The virtual tool has resulted in more regular stakeholder contact earlier in project development, allowing for more impactful input.  The pandemic has shown us that we can operate effectively with significantly reduced travel, with resultant cost and carbon savings.

**4 a)** Big data is being applied to share our asset condition data with stakeholders through online maps. The data is gathered by field staff and drone footage, and uploaded to the accessible website for stakeholders to access. This data is used by contractors to inform project planning, reducing the need for additional site surveys with associated savings. We utilise Artificial Intelligence (AI) to identify trends in asset condition data, informing decisions about when or how we upgrade or repair assets. Now we act when the data points to a need for this, avoiding rolling quarterly surveys bringing time and cost savings (around £50,000 per annum). This trend analysis enables strategic approaches to asset maintenance, refurbishment and replacement leading to savings in contract costs and reduction in total outages required reducing the impact on connected customers. AI is more successful at identifying trends than traditional manual checks, improving the effectiveness of our defects process to increase reliability which is the number one priority of our stakeholders. Consumer groups tell us reliability is particularly important to vulnerable consumers as their vulnerability can increase the detriment associated with supply interruptions.

In our digitalisation strategy, informed by stakeholders and the Energy Data Task Force, we have a roadmap of data and analytics projects. Active projects include an AI driven predictive model for asset faults to improve efficiency and reliability. We are currently implementing GIS mapping which will enable us to make asset location and capacity data openly available online to all stakeholders in an easy to navigate map format. This will increase is accessibility to broader stakeholder groups such as landowners, communities and developers. It also meets an ask of connections customers for capacity heat maps that will allow them to self-select connection locations.

**4 b) and c)** We have made operations and asset management data available to international network companies to enable benchmarking on costs and performance. To support the analysis, we explain factors which affect comparison e.g. topography and voltage. We have made our Future Energy Scenarios data and energy trends analysis (including forecasts of renewable energy, electric vehicle and heat demand) available to other network companies, the system operator, Government and academia to support development of whole system energy scenarios. We provide supporting resources such as: stakeholder insights; methodologies; models for analysis including assumptions. We share data on available network capacity with connections customers to assist identification of areas for connection or services. This data is published within the Electricity Ten Year Statement and we assist customers by providing: specific extracts tailored to their requirements; guidance on interpretation; initial views on feasibility; and, contact details for experts at the System Operator. As a member of the ENA modernising data working group, SSE Group IT are developing a 'data lake' - enabling easier, faster and more consistent sharing of data with stakeholders.