

SSEN DISTRIBUTION RIIO-ED2

STRATEGY FOR BUILDING A DIVERSE, SKILLED AND RESILIENT WORKFORCE FIT FOR THE FUTURE

RIIO-ED2 Business Plan Annex 16.3



Scottish & Southern
Electricity Networks

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1. EXECUTIVE SUMMARY

Our people are at the centre of everything we do. We take pride in the work they carry out and take care of them so that each day they get home safely.

The step change in the electrification of heat and transport facing industry and society in RIIO-ED2 (ED2) will challenge our business and our workforce as never before. To enable the take up of low carbon technologies, including mass Electric Vehicle (EV) adoption, and facilitate the connection of more low carbon distributed generation and energy storage to the network, we will be increasing investment and delivering greater volumes of work on average each year in ED2 compared to RIIO-ED1 (ED1). By the end of ED1, our workforce will number 3,974. In ED2 we will be proposing a workforce increase of 865 to 4,839 to deliver our base case business plan. This does not include Uncertainty Mechanisms but is aligned to our load-related baseline plan. The increase in workforce will ensure not only that we can continue to deliver our commitments safely, efficiently and to our customers' expectations, but also enable the transition to net zero. We will recruit around 285 apprentices and trainees, an increase of 57 above our ED1 levels. The cost detail associated with additional indirect workforce is contained within our **Operating Business Costs (Annex 15.6)**, the cost of our direct workforce is included in our unit rates within our Load/Non-Load and Network Operating Costs¹. We have also included further detail in our **Uncertainty Mechanisms (Annex 17.1)** on our proposed Opex Adjuster Uncertainty Mechanism, which accounts for the increased workforce requirements to deliver work contained within other Uncertainty Mechanisms, for example Strategic Investment.

Fig 1 Growth by Directorate with Role Mix and Driver

Directorate	Growth	Role mix	Driver
Non-Operational	519		
Asset Management	114	Design engineers, portfolio investment engineers, land consents specialists and asset data analysts.	Increased volumes, innovation, sustainability and whole system
Connections	100	Project Delivery, designers & quoters	Consumer Transformation, anticipated demand for EV connections
Operations SEPD	136	Commercial project and programme management, construction management and commissioning engineers, protection engineers and senior authorised persons.	Safety and operational efficiency, capital project delivery, IP connectivity and active network management,

¹ Indirect costs associated with uncertainty mechanisms are dealt with through our proposed Opex adjuster. Please see our **Uncertainty Mechanism (Annex 17.1)** for further details.

Directorate	Growth	Role mix	Driver
Operations SHEPD	38	Commercial project and programme management, construction management and commissioning engineers, protection engineers and senior authorised persons.	Safety and operational efficiency, capital project delivery, IP connectivity and active network management,
Performance	28	Data scientists and analysts, digital transformation and change specialists, and support for our enhanced regulatory environment.	Supporting transformational change regulation and knowledge and information management
System Operations	140	System and outage planning engineers, control engineers	Flexibility; increased need for system and outage planning; Whole Systems solutions, control room growth, new reporting requirements
Operational	290		
Operations SEPD	219	Front line craft roles, LV operations and maintenance, vulnerable customer contact centre staff	Increased volumes, enhanced vulnerability commitments, avoiding excessive overtime
Operations SHEPD	71	Front line craft roles, LV operations and maintenance, vulnerable customer contact centre staff	Increased volumes, enhanced vulnerability commitments, avoiding excessive overtime
Trainees	57	Apprentices, trainee engineers and graduates	Supporting growth with increased entry level roles over and above ED1 levels. New pipelines for data and digital skills apprenticeships
TOTAL	865		

Our initial top-down assessment of workforce growth was supplemented by a bottom-up build which gave us an increased workforce growth total of 865. There is a 5% efficiency built into the cost base. We have phased our workforce growth in line with known internal recruitment constraints and market demographic information, both local and national. This has resulted in a realistic and deliverable workforce growth for ED2.

This increase in workload, coupled with the requirement for us to develop new skills as we transition to net zero, will result in us needing to increase not only the size but also the skills of our workforce. Extending our pipeline, we'll help to grow the diversity of the recruitment base for our industry and contribute to wider social inclusion and mobility. Our workforce resilience strategy outlines how we'll keep our people safe and well, highly skilled and productive in an inclusive workplace where they can thrive and be themselves. We will do this in order to meet our stakeholders' expectations and provide value for our customers and communities. We'll keep doing all the good things we did in ED1; continued focus on driving efficiency to keep costs as low as possible, improving customer service, enhancing customer experience, and identifying innovative new solutions to keep the network safe, reliable and resilient. But we know that won't be enough in ED2, and that we'll need a strategy that supports our growth plans by tackling industry skills shortages that are already deeply rooted. In explaining how we'll increase the capability and resilience of our workforce we'll create confidence in our ability to deliver our business plan.

ED1 has been a modernisation journey; we have focused on supporting our employees with the right tools, equipment and training to allow them to deliver their work safely and productively. We have invested in IT systems which is providing our business and our people with new data, skills and ways of working. In the period of transition to ED2 following the recent COVID-19 pandemic and the resulting need for green recovery, we'll continue to support, train and develop our workforce. We will add new capabilities to satisfy the increased volume of work and the changing requirements of the network and our customers.

In developing our workforce resilience strategy for ED2 we have engaged with a wide range of stakeholders over the last 12 months, from trade unions and our employees through Local Authorities and various customer groups, to industry bodies and other Distribution network operators (DNOs). Our customers have told us that the transition to low carbon and net zero is an important issue for them, and that they want confidence that we will have the workforce capability to do this. We are increasing the size and skills of our workforce relative to ED1 in response. We will do this through attracting a more diverse and socially inclusive workforce to support our growth. Increased investment in our workforce is essential for the transition to net zero; growing our diversity will be positive for the people we employ and the communities we serve. We'll ensure we retain key skills we have built up over ED1. The new skills we need for ED2 we'll recruit, train and develop by delivering the inclusive culture that will be core to our innovation focus. By combining growth with diversity and inclusion as our workforce strategy we'll ensure that our progress toward net zero won't only be a technical leap forward, it will also contribute towards societal and economic benefit for the communities we serve.

Our existing People Plan priorities support Ofgem's Minimum Requirements for workforce resilience; as outlined in the diagram below. These will be the vehicle for delivery of our strategy.



Our workforce resilience strategy has 6 focus areas:

- 1. Improving inclusion, diversity and equality.** A step change in diversity across our business will improve its resilience and ability to innovate when these attributes are most needed to meet the challenge of a net zero future. Creating true workforce diversity will reflect the society we serve, and represent our customers, bringing understanding of their needs. We'll bring greater social inclusion, building the attraction of the industry overall for new entrants, particularly those from less well-represented groups. Less well-represented groups include women, people from minority ethnic backgrounds, people with disabilities, LGBT+, and also those who are disadvantaged socially by lack of opportunity.
- 2. Improving workforce satisfaction.** We'll continue listening to and valuing the voices of our employees, through our engagement surveys, unions and employee-led forums, and the feedback of our independent Engagement Director. Reflecting on feedback and suggestions and adapting our people strategies accordingly ensures we're acting on what our employees tell us they need as part of a great place to work, retaining talented people and enabling them to thrive in a culture which delivers excellent business outcomes for our customers.
- 3. Improving workforce motivation and productivity.** To ensure operational excellence, we're optimising working patterns to fit the needs of the customers and aligning the workforce skills to drive a better experience, whilst safeguarding our safety standards and increasing productivity. We're offering flexible working opportunities and attractive benefits, and modernising our pay progression model to reward the development of new capabilities needed in net zero. We're investing in our leadership capability through our leadership development programme, so managers are aware of their impact and the role they play in developing additional skills in our people to deliver more effectively in ED2.
- 4. Attracting people to the Energy sector and developing the skills needed for a technology-driven, low carbon energy system.** Increasing our learner pipeline through apprentices, graduates and trainee engineers, we're working with other DNOs to build our profile as an industry with an exciting focus on a better, greener future for everyone. We'll extend our attraction campaigns to those moving out of the high carbon energy sectors with transferable skills, or those with science, technology, engineering and mathematics (STEM) qualifications returning to the workplace.

5. **Upskilling and multiskilling the existing workforce.** Using our Ofsted²- accredited internal training schools to increase the capabilities of our workforce, we're building on existing core skill sets to ensure that they have a range of additional skills and competencies needed for a low-carbon technology future. Through developing the awareness and ability of our workforce to understand and deliver customer expectations we will transform our culture to align with our deliverability model. We will reward and motivate our people through our pay progression strategy designed in collaboration with our unions.
6. **Ensuring the health, safety and mental well-being of the workforce.** Our priority is to ensure that we all get home safe. Focusing our people strategies on a safe working environment, mental and physical health and wellbeing, fair and transparent pay, attractive benefits, work-life balance, flexible working opportunities, we'll create an inclusive, engaging workplace where everyone can be themselves, and be everything they are.

Our workforce strategy gives us the opportunity to contribute to thriving communities and reflect the range and diversity of demographic groups which we serve. Through it we'll help to build a sustainable society, delivering our commitments to our customers through being value-led and creating value. We'll maintain the confidence our workforce has in us as an inclusive employer by building life and work skills for our employees and new entrants to the labour market and by providing secure and long-term employment with fair rewards.

Our pay and reward structure within the organisation is aligned to the delivery commitments of our business plan. We set objectives for all employees with a clear "line of sight" to business performance goals and targets. Our pay models include a combination of skills-based pay under collective agreement and personal contracts with incentives for our management grades. Both are linked to performance and managed through a performance review process. Our annual incentive plan for managers is linked to business performance and our long-term shares-based incentive plan for our most senior level is linked to strategic performance. All employees are members of a pension scheme, and can be share owners through our share incentive plan and sharesave plan.

Robust resource planning and investment to meet our delivery commitments will ensure that we have a skilled workforce able to respond quickly and positively to change, whether new planned technological challenges, or unexpected societal and economic impact. We're increasing the breadth and diversity of our apprentice, graduate and trainee pipeline, opening our learning programmes to generate social mobility and help those who missed out on vital qualifications to find long term careers. To support our ambition, we'll invest in our school outreach programmes and help to open more doors to young people outside normal recruitment paths. We can't resolve the industry issue of an ageing employee base, dwindling skill levels, and increased competition for scarce resources overnight, but we can make a sustained difference over the coming years by creating new talent supply so that as ED2 progresses more school leavers turn to the Electricity industry for attractive long-term jobs.

² <https://www.gov.uk/government/organisations/ofsted>

We have developed a detailed methodology by taking the following steps:

- Refined our workforce modelling.
- Developed a sourcing strategy.
- Understood our new capability requirements.
- Engaged extensively with our supply chain.
- Carried out detailed workforce planning aligned with our supply chain.
- Provided a detailed workforce strategy, including metrics. Carried out a national recruitment market research exercise in partnership with EUSkills to understand opportunities, our strengths and where we need to act differently

We are a growth business driving an essential net zero agenda and creating value for the UK economy, but we are by no means the only one. There is considerable competition for skilled resource, and this creates risks to our workforce resilience in resourcing, training and retaining staff, and ensuring their safe and healthy working patterns. Risk mitigation has been built into every step of our workforce resilience strategy to protect our ability to deliver our business plan.

Our workforce is the cornerstone of our overall resilience strategy. Delivering on our six focus areas as part of our workforce resilience strategy will ensure we have a diverse, skilled, motivated and productive workforce to deliver a safe, resilient and reliable network for our customers.

Continuing to build an inclusive culture will ensure that we improve business performance during a period of unprecedented change. We'll support our workforce to be ready for and resilient to the behavioural change needed to transition to a collaborative delivery model. We'll create an environment where our workforce can develop to their full potential and thrive as themselves.

Our workforce resilience strategy complements our ***Deliverability Strategy (Annex 16.1) and Supply Chain Strategy (Annex 16.2)***. Our workforce combined with our supply chain will enable us to successfully deliver our Business Plan.

2. ENHANCED ENGAGEMENT



2.1 FINAL WORKFORCE RESILIENCE STRATEGY TESTING AND ACCEPTANCE

We have refined our final Workforce Resilience strategy based on Phase 4 of our Enhanced Engagement, which involved direct testing of the strategy with 1,635 stakeholders through 12 events. The table below sets out the clear line of sight of the changes between our draft and final Workforce Resilience strategy based on this engagement.

2.2 ENGAGEMENT EVIDENCE TRIANGULATION AND CHANGES BETWEEN DRAFT AND FINAL PLAN

The table below summarises the clear line of sight between stakeholder and consumer insights and our Workforce Resilience strategy. For our **draft Workforce Resilience strategy**, based on phases 1 to 3 of our enhanced engagement program, we demonstrated how engagement insights had informed our strategy using these keys:



Findings converge to support proposals.



Findings generate new insights that lead to further refinement of proposal.



The proposed approach diverges from the findings.

To demonstrate the line of sight between the scope of **change between draft and final**, based on testing our draft proposals with stakeholders and consumers, we use these keys:

Strategy/Output	Phases 1-3 Enhanced Engagement	Phase 4 Testing
<p>ENHANCED Workforce Resilience Strategy</p>	<p>Stakeholders said Stakeholders told us that the seven focus areas in our People Strategy (health and wellbeing; strategy workforce planning; inclusion and diversity; reward; inspiring leadership; modernising employee relations; and organisational capability and learning) remain appropriate but need to evolve and be enhanced for ED2.</p> <p>Our response</p>  <p>Our ED2 strategy will continue to be underpinned by the seven focus areas but we have reviewed our approach in each to meet the greater level of challenge we face in ED2. For example, we will target on additional aspects of diversity, and include mental health and wellbeing initiatives.</p>	<p>Stakeholders said Metrics in relation to building workforce resilience would enable ongoing assessment of progress.</p> <p>Our response We have developed a comprehensive strategy with workforce resilience metrics using feedback gathered and compared from a range of stakeholders, both internal and external. These views have helped us to build data-informed plans which will enable us to meet the net zero challenge, including addressing diversity, inclusion and equality.</p>

Strategy/Output	Phases 1-3 Enhanced Engagement	Phase 4 Testing
	<p>Stakeholders said Attracting and retaining staff will be a significant challenge during ED2</p> <p>Our response</p> <p> We will focus our efforts on attracting more people to the industry and to SSEN as an employer of choice, and we will retain talent by a forward-thinking pay progression model, our commitment to our regional training schools, and increasing inclusion and diversity to ensure that all of our current and future employees can be as productive and happy as possible in the workplace.</p>	

3. INTRODUCTION

We've developed our workforce plan by taking the following steps:

- Establishing what is critical to our stakeholders in building a resilient workforce.
- Working with other DNOs to develop transparent and comparative measures of progress.
- Understanding the delivery and efficiency ambitions in our business plan; and the new skills that we will need to develop.
- Researching the external market pressures and constraints on supply of skills.
- Understanding how our workforce characteristics will need to change to move from delivering ED1 to ensuring we have the capacity to execute our ED2 business plan.
- Planning for the cultural transformation the organisation will go through to deliver net zero.

Each step is detailed below as we lay out our ability and confidence to deliver the investment plan and provide value to our customers.

3.1 CONSUMERS AND COMMUNITIES

A major influence in deciding our strategy for renewing our workforce was our consumers' views. They are aware of the social value we have as an employer providing stable employment and jobs. They believe it is important that we develop the skills and capabilities to deliver our carbon neutral goals. Stakeholders in our communities value the role we play in building life and work skills for school pupils, especially those detached from the labour market through social inequality, educational attainment or limited access to employers.

Consumers raised the lack of resource and critical industry skillsets as a risk area for our strategic ambition. Increased workforce engagement was considered a critical enabler.³ As well as our attraction strategy, we're focusing on retention through making our roles, working patterns and workplaces more flexible and engaging to ensure that we offer attractive and inclusive environment to develop and grow in a career.

³ SSEN Virtual Stakeholder Event March 2020

3.2 EMPLOYEES

Listening to our employees is the best means of finding out what helps us to build a resilient workforce; this has been the most important source of stakeholder feedback in building resilience. We recognise that true insight in what engages and motivates our employees does not come from a single source which is why we triangulate multiple employee views in producing our overall assessment of their priorities. Our office-based employees have consistently told us how much they value being able to choose where they work. We believe it builds a more inclusive workplace because it opens doors to people who need to balance work and life more flexibly than working conventional office hours. However, there is also clear feedback that employees value the workplace for its sense of community and social interaction. We have been mindful that our front-line staff are under-represented in survey data and that we need to include their views gathered in open communication. That’s why we value leadership engagement sessions with our Directors who, in pre-lockdown times, visited our depots and sites to talk to all employees, and who have continued that activity more recently in online engagement sessions where feedback is welcomed both directly and anonymously through use of the Slido app.⁴

As we transition to ED2, we are creating a new integrated communication and engagement plan across all roles and individuals. In response to survey feedback from our September 2021 Great Place to Work survey, this plan will co-ordinate all existing activity through survey and through interactive sessions with managers, leaders and senior directors. It will not only ensure that our people have a voice but that they are confident to use it, believe they will be listened to and that action will be taken on what is heard. This will ensure that our people are involved in how to make their role, their work environment and their ability to serve the customer better and that they can take accountability for what they can influence and do.



Fig 3. Employee Voices – a co-ordinated communication and engagement strategy led by our Managing Director

⁴ Slido is a polling platform for live and virtual meetings and events. It offers interactive Q&A, live polls and insights about the relevant audience.

Our Great Place to Work annual employee engagement survey, has provided four sets of data in the time period during which our plan was in preparation, so we could assess our progress based on actions we took. It reports on up to 40 individual measures ranging across Communication, Strategy, Management and Leadership, Training, Reward and Recognition, Safety and Well-being, Inclusion, and doing the right thing as an employer. It also gathers qualitative data through free text comments. It benchmarks each directorate against the whole of SSE, utility industry norms, and wider industry norms. A granular report is issued at several levels: full business, directorate, region and site, and team etc. The report flags up results which deviate from the norm, from the previous year, and from the industry and corporate benchmarks. This makes recommendations on areas to address, as well as strong performance measures that should be maintained. Our survey has driven our understanding of employee satisfaction and given us important insights into the reasons we come together to work. Our COVID-19 exit strategy surveys, run at three critical points during the crisis, gave us insight into what helped the workforce to be resilient during a period of unprecedented change and what it means to be a work community; we'll make some changes as a result of what we learned. Our survey response rate has remained relatively steady, but we need to ensure that we continue to capture the views of front-line staff where we don't have such a high response rate.⁵

3.3 UNIONS

Our unions have emphasised the importance of focusing on the mental wellbeing of our employees, reducing stress and eliminating fatigue through proper management of working hours; and of having the right workforce numbers to deliver work volumes safely. Their feedback has supported and strengthened the insight we have built from our employees' feedback. They value the collaboration on skills-based pay progression, bringing more transparency to our skills-based pay than we have had in ED1, and motivating staff to learn new skills. Our unions want us to ensure that we are doing enough to prepare staff for upskilling and multi-skilling. They have specified that it is important that we have enough training budget to support employees through the pay progression frameworks and that we plan enough capacity in our training schools.

3.4 CONSUMER ENGAGEMENT GROUP

Our Consumer Engagement Group (CEG) has provided valuable insight, encouragement and critical appraisal during the evolution of our strategy.

We have engaged with them throughout the process of developing our workforce resilience strategy. The CEG advised that the workforce plan should be sufficiently forward-looking to encompass the skills, capabilities and resourcing requirements to achieve our ED2 ambitions including diversity. We've responded with a complete review of how we built our strategic workforce plan in ED1 and the creation of an innovative, collaborative and data-driven new workforce planning process that explores comprehensively the capabilities that we need to deliver our strategic objectives and commitments and ensure that we can operate sustainably in times of change, increased demand and uncertainty. We have embedded our equality, diversity and inclusion strategy into our resourcing and retention plan to ensure that our actions support building a better future for our employees and communities.

⁵. Source: SSE Great Place to Work Ways of Working Survey May 2021.

3.5 INDUSTRY WORKING GROUPS

Ofgem gave guidance on areas of focus through the outputs of the Safety, Resilience and Reliability Working Group, with unions and other DNOs, which met during the first half of 2020 to discuss priorities and metrics for workforce resilience.⁶ The Group emphasised the need to increase gender and ethnic diversity, and numbers of employees with disabilities as a better mirror of our society. It called for consistent reporting of workforce characteristics across the industry and an associated narrative setting out the key steps taken to improve all metrics.

Engagement with Sustainability First and working with other utilities in the Fair for the Future Project emphasised the importance of the part we play as an employer in providing sustainable solutions to improve social and economic wellbeing. We've reflected the responsibility we have as a sustainable employer in our Sustainability Strategy, which includes our Just Transition commitment⁷ all of which recognise the role we want to play in being an advocate for future excellence in these areas.

We set up a work placement with a final year university student to research the attraction of our SSE brand and our DNO business to young people, involving comparison with other businesses and industries which are regarded as employers of choice by those leaving higher education. This work provided insight to what drew young people when searching for innovative and diverse organisations for their careers, but also into what was important to retain them into the longer term.

Ofgem's Inclusion, Diversity and Equality Conference 2021 highlighted that increasing diversity is fundamental if we are to understand customer needs. It was a call to employers in an industry which needs to achieve a step change to recognise that they must act at every level in the organisation to remove the systematic barriers to inclusion. The whole industry can then ensure not only that it recruits more diversity but that it keeps those who join. The critical importance of inclusion to employee satisfaction and motivation was clear, and it was emphasised that simply continuing what we have done so far is not enough; we need to set ourselves more challenging goals and act intentionally to achieve them.

We sought insight from data commissioned with Energy & Utility Skills (EUSkills)⁸ and discovered from common industry reporting that the issue we have in collecting ethnicity data is a common one. As we collaborate with other DNOs we are learning how to overcome the challenge of collecting data on personal characteristics. We are also taking advice from our unions on how to overcome issues in data collection that are specific to us, for example, ease of access for front line staff to the reporting tool.

⁶ Source: Ofgem Safety Resilience and Reliability Working Group Weekly Update 26 March 2020

⁷ Contained within **Section D, Accelerated progress towards a net zero world, Chapter 13, Environmentally Sustainable network**

⁸ <https://www.euskills.co.uk/>

4. WORKFORCE RESILIENCE STRATEGY

4.1 WORKFORCE RESILIENCE METRICS

We have been working with other DNOs to discuss ideas/best practice and to identify a suite of metrics to measure our workforce resilience, and continually improve the quality and visibility of our data to inform industry-wide decision making.

As a group of DNOs we have agreed common metrics in the five key areas which are central to ensuring delivery of net zero.

1. Gender pay gap
2. Increasing gender, ethnicity and disability workforce diversity
3. Increase workforce diversity in STEM-related and leadership roles
4. Improving workforce satisfaction to help in delivering a better service for customers and an improved employee experience
5. Improve employee well-being and targeted support measures for mental health

We will report annually on these metrics and use the ENA's Diversity, Equality and Inclusion Committee to agree common definitions of metrics and as a forum for ongoing collaboration. As agreed, we will not report in common on measures of workforce satisfaction but will use our metrics as part of sharing insights and good practice. For the other key areas, we will continue our current methods of reporting, both regulatory and external and internal for our employees. We have concluded that we will continue to adopt the existing SSE Group targets for diversity in the interim, whilst we build up data on diversity in the workforce. In common with other DNOs we acknowledge a challenge in being able to build a comprehensive profile for workforce diversity. We are dependent on employee self-disclosure to build a truly reflective understanding of our current diversity and thence of the opportunities for improvement in our inclusion. Whilst we will continue to set strategy based on the qualitative feedback we receive through our annual Employee Engagement Survey and from the "Belonging" employee groups and our Distribution Inclusion and Diversity Working Group, we will work to improve reporting so that we can track the progress of our strategy effectively and target the right areas for improvement.

We are committed to the National Skills Academy for Power (NSAP) pilot to develop a set of common metrics for workforce resilience across attraction, skills development and retention, in collaboration with EUSkills. With several working groups and collaborative forums in place in which SSE participate, we will align with the agreed working group to explore the findings of the reporting which we provide. We are confident that sharing results against measures will be the best way to benefit employees, consumers and future employees across the whole industry.

Our recruitment metrics are a key part of our workforce resilience measures. These are already growing more sophisticated in terms of diversity reporting, but we have scope for further refinement to allow for increased regional targeting, which we will be developing in line with our partnership work with EUSkills of building the diversity and skills of our workforce. We will be enhancing our metrics around levels of sickness absence relating to mental health, particularly stress in the workplace. We will be developing metrics around uptake of our mental health aids and tools, together with high level reporting on cause of absence, which we already share on a monthly basis as part of our HR Reporting suite.

We recognise the importance to our stakeholders, particularly our union partners, of having transparency and consistency in metrics and in working together with shared interest in key areas around diversity, engagement and mental health resilience.

Figure 4 Workforce Resilience Metrics

Focus Area	Metric	How we will drive our resilience strategy from the metric
Diversity data	Reporting on our gender, minority ethnic, disability workforce diversity and our age profile	Understanding our diversity, so that we can target actions to increase gender, ethnicity and disability workforce diversity
Gender pay equality	Gender pay gap	Reduce gender pay gap
Sickness absence	Number of unplanned absence days vs available working days	We will additionally track the cause of absence so we can monitor mental health. We will also track use of company-provided free to user occupational health services e.g. counselling, mental health and wellbeing sessions, use of the Thrive app etc. to ensure that our provisions for mental health are effective
Recruitment data	Number of applicants per vacancy; average time to fill vacancy; % of vacancies filled by internal/external	We will focus on ensuring fair, transparent, equal and inclusive recruitment practices. We will overlay this data with recruitment market data from annual EUSkills surveys to ensure we are progressing with our representation of our regional demographic
Training data	% of workforce on a structured training programme; employee participation in upskilling; multi-skilling; new skills	We will match our training and career development offering to business requirements and workforce need especially in areas of new skills
Workforce renewal	Median retirement age; annual voluntary staff turnover rates; average length of service on leaving; reason for leaving	We will build understanding of our workforce renewal profile to aid workforce and pipeline planning
Succession	Number of critical roles with at least one successor, timeframe to succession and effectiveness of successor development process	We will build understanding of our succession health: understanding our succession effectiveness rate; and succession readiness rate

4.2 OUR SIX FOCUS AREAS

- Improving Inclusion, Diversity and Equality.
- Improving Workforce Satisfaction.
- Improving Workforce Motivation and Productivity.
- Attracting People to the Energy Sector and Developing the Skills Needed for a Technology-driven, Low Carbon Energy System.
- Upskilling and Multi-skilling the Existing Workforce.
- Ensuring the Health, Safety and Wellbeing of the Workforce.

4.3 IMPROVING INCLUSION, DIVERSITY AND EQUALITY

Our employees tell us that what is critical to them is wholeness – being able to bring their whole selves to work. We are committed to driving out the impact of bias on gender, background, age, disability, sexual choice and ethnicity, whether in systems and processes, actions and decisions or in everyday workplace conversations.

We've made progress on increasing the representation of diverse groups and helping them be more successful. It's a vital part of our People Strategy in the coming years, and a key component of our ability to resource our strategic business plans. But we know that we've so much more to do to create a diversity transformation in ED2; our plans and commitments need to create an organisation in which everyone can, and wants to, thrive and belong. This is where value lies for our employees and our business, and for the customers and communities we serve.



Fig 5 Our Strategy for Improving Inclusion, Diversity and Equality

Key Commitments

The key commitments of our Inclusion, Diversity and Equality Strategy are:

- Work collaboratively as a sector to drive change, challenging ourselves to do things differently, by sharing best practice and delivering sector priorities.
- Focus on inclusion in its entirety but take targeted sector action to start by increasing gender, minority ethnic, and disability workforce representation.
- Measure and be transparent about progress in our individual organisations and as a sector.
- Ensure we create the culture we need to attract the workforce of tomorrow.

4.3.1 CREATING AN INCLUSIVE CULTURE

Our Inclusion index score is 83%, seven points above the Utilities sector and a three point increase on September 2019. However, to achieve more we need to understand more.

Diversity on its own doesn't make a team perform well; feeling part of an inclusive working culture does. We recognise that employee culture is not transformed by one workshop, a quick fix or one-off initiative, and that real inclusion and diversity is much more than a series of initiatives. We recognise that we've a key role to play in enabling the transformation of the workplace into a welcoming place for everyone, regardless of their gender, racial background, choice of lifestyle and sexual preference or physical and mental abilities. Inclusion is not limited to gender, ability, preference or ethnicity and race; it is a way of thinking and being. The more we understand about our workforce, the more we can aspire to and the more insight we build to inform what we do. 84% of our workforce recorded diversity data through the Great Place to Work survey, but only 21.9% share their diversity data through our confidential and secure online employee record tool. We are working to understand why we have this discrepancy and how we can address it, including a root and branch review of how we communicate the need to record diversity information, how we explain how we use it, people's motivation for recording it, and the process by which they do so. If we can reach 30% completion by the start of ED2 we will have better data to inform our decision-making, allowing new initiatives such as modelling an ethnicity pay gap.

Being better informed will help us to assess where we can make a breakthrough on the effectiveness of our current actions.

- We actively identify and remove bias within performance management, succession planning and mentoring and coaching protocols.
- We've created inclusive behaviour-focused 'bite size' education modules written by and for colleagues, as well as establishing an 'Inclusion Hub' for all employees to access materials to grow their own awareness of aspects of diversity and how to boost inclusiveness.
- We carry out exit interviews when colleagues leave the business, to gain an honest insight to their experiences within the company.
- We collaborate in annual external initiatives for valuing diversity and run our own internal initiatives such as our Inclusion moments in team meetings.
- We train managers and leaders on conscious inclusion and all our staff on what it is to be diverse and inclusive.
- Our extended leadership team has said that it wants to welcome "diversity of thought"; a welcoming of everyone's freedom to bring their whole self to work. We're creating an accountability shift in our leaders through their leadership training so that they are enabling process changes, behaving inclusively & encouraging challenge and promoting the benefits of diversity. Changing the nature of our leadership journey and leadership values to drive out patterns of unintended bias and exclusion is a critical part of our future Inclusion and Diversity strategy. We want our leaders to have the courage to challenge exclusion and the humility to admit when they've got something wrong and to do it better next time.

- We've enabled employee-led "Belonging" groups with common aims:
- To Bring people together – by encouraging open and constructive employee-led discussion, allowing people to connect, communicate and collaborate
- To Access latest thinking – by employees sharing relevant and topical insights and knowledge, as well as external articles, studies and thinking
- To Support each other – by offering peer to peer support and advice amongst those with similar lived experiences
- To Educate each other – by shining a light on the realities of others that may be different to ourselves

These communities include:

- Black & Ethnic Minority
- Working Parents
- LGBTQ+
- Menopause
- Taking care of ourselves and each other
- Armed Forces
- Chronic Health & Disabilities

Each community is visible to all SSE colleagues who are encouraged to read and respond to Yammer posts. Each community is championed at senior level by a member of the leadership team who participates in the community group meetings.

- We have an Inclusion and Diversity Working Group which meets on a monthly basis to focus on improvements, initiatives and communications. For example, the #Nowrongpath campaign, spotlighting and celebrating employees' career and personal journey, serves a dual purpose of increasing inclusiveness in the organisation and attracting greater diversity in the recruitment market. As a company we are represented on a wide range of influential inclusion and diversity forums including the following: Powerful Women Energy Leaders Coalition; EUSkills; and the United Nations Global Compact.⁹
- We also adopt publicly available measures and rankings including the Royal Academy of Engineering Measurement framework, the Hampton Alexander Review, the Parker Review and the Bloomberg Gender Equality Index Ranking.¹⁰ Valuing Difference

We know that greater diversity brings broader debate which leads to better decision making and ultimately better business delivery.¹¹ Companies with more diverse leadership teams report higher innovation revenues – 45% as opposed to 26%. Creating greater diversity will help us to be more innovative and achieve greater productivity by adapting to our changing environment and achieve better business outcomes for their consumers.

⁹ <https://powerfulwomen.org.uk/>; <https://www.unglobalcompact.org/>; <https://www.bloomberg.com/gei>

¹⁰ <https://www.raeng.org.uk/>; <https://www2.deloitte.com/uk/en/pages/audit/articles/the-hampton-alexander-review-final-report.html>;

¹¹ McKinsey research demonstrates that companies in the top quartile for gender diversity are 15% more likely to outperform their peer group; for every 10% increase in gender diversity there is a 3.5% increase in EBIT; companies are as much as 35% more likely to outperform their peers if they are ethnically diverse. <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters?>

Our success in creating a diverse company with true equality of opportunity for all employees has a direct benefit on the society we serve, and having a diverse workforce ensures we reflect the views and backgrounds of the customers and communities we serve.

We're committed to sharing our progress against our Group diversity targets transparently even when we've not made the progress we wanted, because only by doing that will we drive real change. We've made a good start on gender diversity and achieved real progress. We've extended our focus to ethnic diversity in preparation for ED2. We've taken two significant actions to create transformation in our approach to Inclusion, Diversity and Equality. Our Inclusion, Diversity and Equality Workgroup has diverse representation from all our teams in so we can gather ideas and opinions of people from all backgrounds, ages, ethnicities and genders. With input directly from the workgroup, representing the views of their colleagues, we are creating a Distribution Inclusion, Diversity and Equality Strategy specifically to allow us the flexibility to tailor our goals, set challenging targets and reflect in our strategy the voices of the employees we have. We have made progress in this area, but we know that we need to accelerate significantly in ED2.



From our internal results we know that 85% of employees believe they can be themselves at work without worrying about how they will be accepted by colleagues.¹¹



85% of minority ethnic employees and 84% of female employees took up training and development opportunities in the financial year 2019 – 2020.



Our female senior hires (that's our highest-level leadership roles) are tracking at 37% as of March 2021.¹³



We've made progress in male/female gender diversity, achieving 50% female graduate trainees starting in 2021.¹⁵



Whilst female employees still make up only 20% of our workforce, since 2017 the number of females has increased by 40%.¹⁶

4.3.2 BETTER INCLUSION OF WOMEN

Our commitment to building gender diversity for women in the industry starts from the foundation. We're a signatory of the Tech She Can Charter - a commitment by 170+ organisations to work together to increase the number of women working in technology roles in the UK. The charter aims to tackle the root cause of the problem at a societal level, through inspiring and educating young girls to consider a career in technology.

Since 2014 we've been reviewing and acting on the most impactful gender equality initiatives we can make; we've been identifying where there are blockages in the talent pipeline; and we've been establishing the best gender diversity measures to assess the effectiveness of initiatives.

OUR DIVERSITY TARGETS



We were proud in 2018 to be the highest-ranking utility in the FTSE Women on Boards Leadership Index Series. The Index is designed to represent the performance of companies that have a higher proportion of women on their boards and have strong social policies as defined by the FTSE Russell ESG Data Model. The targets we set help us to produce results by ensuring we have a constant review of open selection and advertising techniques for new hires, succession planning and shortlisted candidates, generating broader thinking on what is really needed in order to do any role well, and supplying data for understanding the barriers and motivators for employee progression. However, they are not an end in themselves. A holistic approach is required to create a truly inclusive culture.

We've also signed up to Equal by 30, which commits organisations to work towards equal pay, equal leadership and equal opportunities for women in the clean energy sector by 2030 as part of our 2030 commitment to the decent work and economic growth Sustainable Development Goal.

We remain committed to closing the gender pay gap to mirror our success in closing the equal pay gap. We have had a strong track record in this direction, since 2018 we've reduced the gap and seen a trend for increased female representation in the upper middle and upper quartile.

The COVID-19 lockdown has increased inequality in society and disadvantage in the workplace, because part-time roles have been disproportionately impacted, and more women are in part-time roles. We'll play our part as an employer in addressing the imbalance that the crisis has left for women in work.

We will act with intention in our attraction, recruitment and selection processes to ensure that we bring more women into roles at all levels of our workforce. And we will maintain our focus on our targets for female representation to ensure that we can recover lost ground as a society and move forward into a more inclusive workplace.

4.3.3 BETTER INCLUSION OF MINORITY ETHNIC PEOPLE

We're still some distance away from where we want to be on representation of less well-represented groups from minority ethnic communities.

Whilst we've some areas of success in minority ethnic recruitment for senior engineering roles, particularly in System Planning where a third of our engineers are from a minority ethnic background, we've much lower levels of diversity in other teams such as the control rooms. Across our two licence areas, there are more people from minority ethnic backgrounds in the South, which is in line with the demographic profile across the UK. Minority ethnic representation in London for example is 38% compared with 3% in Scotland. Successful minority ethnic attraction is therefore most likely if we target our approach to where we know we've the best chance of success. For example, we know from the local Enterprise Agency that there is currently 8% diversity in the M3 corridor, and we've a higher number of minority ethnic employees in our offices in this location. By using candidate data on diversity we'll build a targeted attraction strategy to reach less well-represented groups, particularly minority ethnic, by location. Hence the work we've started with EUSkills to understand our regional challenges and opportunities for resourcing with better reflection of our communities. We'll then work with a range of partners who specialise in targeting minority ethnic groups at universities and in local communities. We'll establish what the perception of our "employer brand" is in those communities and the actions we need to take to strengthen it.

We've taken specific actions in our graduate and apprentice recruitment process to drive out bias and make everything we do welcoming and inclusive. We have reacted to data taken at every stage of the resourcing process for graduates which showed that a higher proportion of applicants from a minority ethnic background don't make it through to the final stages. These actions have been identified from issues raised through feedback from our applicants, and from perceptions from new starters and validated by market research which shows that they are effective to increase applications from a diverse candidate base:

- We're committed to strengths-based recruitment for our graduates and apprentices, where we select not on qualifications but on abilities.
- To avoid unconscious bias, all applicants get through to the final stages on their own merits and we don't look at CVs till the final stage interviews.
- We're holding events (virtual at this stage) for everyone to help applicants from less well-represented backgrounds on making online applications, what the application process looks like, what to expect and how to prepare. This means there are friendly faces for those who attend selection events.

For our wider recruitment process:

- We have an inclusive role profile template with prompts to challenge excluding language or characteristics. We use plain English, gender neutral pronouns and focus on what matters to do the job. We only advertise for competencies essential for the role.
- We include wherever possible on our adverts the “Happy to Talk Flexible Working” policy logo. To encourage managers to think in terms of working flexibly, the option is now mandatory on our advert booking form, prompting challenge if it is not selected.
- On all our adverts, we have the Resourcing Consultant’s name and email address so that candidates have a human point of contact should they wish to discuss any adjustments they need to submit their application.
- Focus on inclusive recruitment by seeking to achieve a diverse shortlist for all vacancies and carry out broader market searches to attract a diverse candidate pool.
- Ensure all jobs which can apply working differently are advertised as such and we will review on a quarterly basis to increase the range of roles where this is applicable as far as we possibly can.
- On all our adverts we have an Equal Opportunities Statement “SSE is an equal opportunity employer. We encourage diversity and are committed to creating an inclusive environment for all employees”, but we want to go beyond this so that each applicant has a positive inclusion experience from their very first contact with the business.
- We’ll ensure that our interviewing panels have at least one person who has diverse characteristics.
- We’ll monitor our succession for senior roles to ensure that we’re representing the diversity of our communities and the diversity we want to see in our workforce mix.
- Our interviewing managers and leaders will all be trained in recognising and avoiding bias in their interview technique, selection methods and decision-making.
- We’re introducing questionnaires for candidates on their experience in applying to us so that we can better understand what makes us an attractive employer and avoid losing talent.

4.3.4 BETTER INCLUSION OF PEOPLE WITH DISABILITIES

In the UK, people with disabilities are 28.6% less likely to be in employment than people without disabilities. The gap for those with a learning disability is much wider still — as much as 76%. Yet 21% of the UK population has a registered disability. This difference, often referred to as the disability employment gap, is a major indicator of the employment inequalities disabled people can face, highlighted in a report created last year by the Trades Union Congress (TUC). To us it represents an untapped source of huge potential. We already demonstrate a commitment to understanding disability through the inclusive customer service panels that are in place.

We've now joined the Valuable 500¹², with a commitment to increase opportunities for people with disabilities to become part of our workforce and enjoy progressive career opportunities. We've reviewed current practices around the recruitment process, new starter onboarding, education and training. We've trialled selected roles to understand how our existing processes could be amended to enable the attraction and retention of disabled talent. Working with our expert advisors Equal Approach we have developed several actions:

- Increasing the inclusion of our role profile and job advert with hiring managers.
- Creating a support guide for hiring managers.
- Increasing communication about disabled talent, including case studies to demonstrate benefits and to raise awareness and confidence.
- Disability inclusion training to all hiring managers in.
- Opening up entry level roles to those with a disability. As part of our ED2 plan, we have developed a relationship with the first of our assisted special needs schools, in Glasgow; a mix of both neuro-diverse and physical needs. We will build content to help the community understand future industry development but also with a view to opening doors to careers with us.

4.3.5 BETTER INCLUSION OF LGBTQ+ PEOPLE

Part of our inclusion activity is that the forums we build are not just for minority groups but also for their allies. Our Belonging in SSE Communities bring people together so that they can build understanding and inclusion of different experiences. The energy industry represents 619,000 jobs, 5% of GDP and over 2% of all jobs in the UK. But despite this we are behind equivalent industries in key indices such as Stonewall, which campaigns for acceptance without exception of lesbian, gay, bi-sexual and transsexual people.¹³ We've included learning how to be an effective ally to LGBTQ+ people in our online Inclusion, Diversity and Equality training. All employees undertake this training when they join the company and every two years thereafter. We believe that by understanding the issues, not making assumptions, and confronting our own bias, we can all create a more inclusive workplace for LGBTQ+ people by challenging inappropriate behaviours and being a positive role model.

4.3.6 BETTER INCLUSION OF PEOPLE FROM LESS ADVANTAGED BACKGROUNDS

Social mobility goes beyond a strategy for ensuring inclusion in the workplace; it is about ensuring people from all backgrounds can join, develop and progress within the wider organisation. Our Social Mobility Pledge involves an Opportunity Action Plan to help with economic recovery through investment in the green economy so that as we accelerate towards net zero we can work to limit social inequalities.

¹² Valuable 500 is a global movement putting disability on the leadership agenda by campaigning to get 500 national and multinational private sector corporations to act as the tipping point for change by tabling disability on the Board agenda; making at least one firm commitment to action; sharing their commitment internally and externally.

¹³ Energy UK, Pride in Energy Forum; energy-uk.org.uk

We're focusing on increasing the numbers of young people entering the employment market through existing programmes such as our Barnardo's employability programme for 16-24 year-olds which we'll be supporting with additional mentors to increase the success for young people transitioning into the workplace. We'll be introducing new routes into SSE for those who may have been impacted by the COVID-19 crisis. We're working closely with organisations like Skills Development Scotland to develop guidance for people looking to transition into renewable energy. In 2021 we're running a 12-week 'STEM Returners' pilot to help people with STEM skills restart their career, with all returners taking part being given the opportunity to gain a full-time position with SSE.

We'll keep engaging with young people and inspiring a more diverse uptake of STEM learning and careers. Having established 25 priority SSE locations throughout the UK and the Republic of Ireland, we are working with education and career advisory partners to identify the feeder schools and colleges who need employer engagement most. The selection is being made on various indicators including areas of deprivation, minority ethnic, attainment or lack of employer access. We'll work with schools to understand their needs in a strategic and local relationship; offering curriculum-aligned content to help contextualise the learning and bring to life the opportunities within the Electricity sector. In addition to this strategic partnership approach we offer pre-recorded content for all schools, colleges and families to access in order to inspire many young people into STEM and our growth sector. Each school has a local STEM leader assigned so they apply SSE content which is bespoke for local needs. We create inclusive inspiring sessions to showcase career opportunities. We're particularly proud to be supporting them in the development of free, educational resources to support teachers in the classroom, and more recently parents and carers who are home-schooling, to educate children aged 10-14 on how technology is used in different sectors. Our own people are our best advocates: we have internal resource for our STEM programmes through our STEM volunteers; employees within the organisation who act as STEM ambassadors, and willingly give their time to help schools with activities. We also ask all our trainee engineers to do at least one STEM activity a year, designed into their learning programmes.

4.4 IMPROVING WORKFORCE SATISFACTION

Improving workforce satisfaction as a critical tool for retention recognises the critical impact a motivated workforce has upon productivity and a better service for our consumers. Our strategies include:

- Meaningful engagement at all levels with our trade union partners through our various dedicated forums (Joint Business Committees, Joint National Committee, Local Joint Committees) is a vital part of how we motivate and engage employees, as well as resolve issues.
- Involving our employees in the decision making process through being participants in joint working groups with management; for example, Pay Progression where a JBC sub-committee has been focused on the development and testing of the associated pay progression matrices.
- Making decisions that affect colleagues with their involvement, input, with clear explanations and rationale.
- Opportunities for employees to make representations through various forums, including JBC, LJC and JNC.

- Monitoring the engagement of our employees through the multi-faceted Great Place to Work Survey tool.
- Refreshing and Modernising our Leadership Blueprint. In recognition of the well-evidenced fact that great leadership increases employee motivation and workforce satisfaction and therefore productivity, work has begun to renew the leadership blueprint within SSE. A range of sources have been drawn on to inform current thinking including KornFerry Hay, Forbes, HBR, Deloitte, McKinsey and Ashridge. This commitment has been led from the highest level. The process has included a mapping exercise of the new proposed Mindset statements to the existing leadership blueprint to understand how our programmes can be modernised to reflect the changing nature of leadership in a digital future more broadly, in addition to changing needs in SSE towards inclusive, performance-focused, action orientated leadership as part of our business plan

4.4.1 RETAINING OUR PEOPLE

Retaining and developing the talented people that we have will provide a strong foundation of core roles and new skills for the future. We've several strategies for retention to ensure that our people want to stay with us because they have rewarding roles, career-focused development, inspiring leaders and clear understanding of their valuable role in achieving our strategic objectives. In May 2021, we saw our Great Place to Work Sustainable Engagement Index grow to 84%, up 7 points from October 2020, with improvements across all nine measurement categories as we implemented our learning. Results from our September 2021 Workforce Engagement Survey which included 2,558 colleagues showed that our Sustainable Index had grown 3% to 74% since 2019.

86% of employees
are committed to SSE's Vision to be a leading energy company in a net zero world.¹⁴

Key highlights were that colleagues felt positive about Inclusion and Diversity, and had a strong sense of doing the right thing and safety as the number one priority. They understood the business strategy and the contribution they made to climate change. There was a 23% increase (to 86%) in commitment to SSE's vision to be a leading energy company in a net zero world and 19% improvement in open and honest communication from senior leaders. However, colleagues wanted better communication on things that mattered and a clearer connection between strategy and their day-to-day work. They also continued to have concerns around total reward and benefits.

As we transition to a new way of working flexibly, which was in response to feedback from employee engagement during the pandemic, 25% of our colleagues are unsure how they will be supported during transition. This will need to be an area of focus for us because there is a difference of 24% in views on inclusion between those who can work flexibly and those who cannot. We know that getting flexibility right will help us attract and retain key skills for ED2.

¹⁴ Great Place to Work Survey 2021

This clear difference between how field colleagues and those who have remained working in offices feel compared to those who have worked from home matters hugely to our senior leadership team when it comes to inclusion. Our managing director has started monthly Connect sessions encourage face-to-face, open and honest communication. We will continue to look at other ways to make it easier to have proper conversations and 2-way interaction with our colleagues as key stakeholders.

In terms of gauging the mood of our employees on the threshold of ED2 we are proud to say that 8/10:

- Are able to balance work and personal priorities and have the energy to get through their working day
- Believe that SSE has a positive impact on communities
- Are proud to work for SSE and have a sense of accomplishment in their work
- Are working productively and able to collaborate with colleagues
- Are confident contributing their views and opinions

These are great signs that our people want to be with us, and help the business to deliver its ambitions, but we want it to be even better. So, we'll be taking the following steps for ED2:

- As we build our pipeline, we're ensuring that we focus on keeping our graduates after their training period. The last Institute of Engineering and Technology audit highlighted that development for our graduates dropped off after completion of the initial graduate programme. Feedback from the business and internal tracking showed that retention of graduates is a concern in all areas once graduates have completed the programme. Within the five-year window after completion of the programme, we're losing our talent outside the organisation. So, we'll be providing a clear development path beyond the Graduate Programme, support to progress to Chartership, clarity of financial reward on progressing on from the programme. This is in response to the feedback from graduates, both those who left and those who are still part of the business.
- Our pay progression project is a vital aspect of our retention of key skills. It'll give our people clarity on how they can progress their pay and their career prospects with support from our training facilities. This will help them stay with us for the long term and fill the roles such as Senior Authorised Person where we need our most experienced people with training. This will be rolled out in 2021, in response to employee survey feedback that we need to improve transparency of reward and perception of fairness of pay. It also supports our equality measures by removing perceived inequities that can lead to attrition.
- In order to retain our vital engineering talent, we've set up the Engineering Professional Development Forum. Its purpose is to support candidates of all Engineering Institutions' accredited schemes to achieve professional status. The importance of Chartership across the industry is becoming more prevalent and increasingly valuable for the larger engineering projects that all areas of SSE are undertaking. Structured intervention throughout the programme will focus on skill development and attainment of Chartership requirements and is tracked by the Engineering Professional Development Forum.
- In response to feedback from our employees about improving visibility of training paths, we're introducing a role-based training strategy. We're increasing accessibility of information about available training and clarifying progression of training for our existing roles.

This strategy will support our pay progression work by sharing information on mandatory training for each role, supplemented by the training available for those wishing to progress their skills within their current positions, and enhance their pay through gaining more skills. This will help us to retain our apprentices and trainee engineers as they move from training into roles in the business and ensure we can continue to offer them rewarding career development.

- We'll use appropriate mechanisms to retain scarce talent. We expect competition for skills, pressure on wages and changes in the workforce to continue to increase expectations from our employees, particularly in the South, but we'll manage these through our collective agreement and pay deals and ongoing collaboration with our recognised trades unions to monitor salary increases and stay aligned with market rates, especially recognising the higher cost of living in proximity to London, which we address through a specific supplement for those based in affected regions.
- We've several inclusive management and leadership programmes for our employees at different levels. These programmes focus on developing self-awareness, how to create an inclusive culture for all employees and how to lead and motivate employees by supporting their team members' aspirations, capabilities and goals, as well as understanding and communicating our strategic objectives in an engaging way. By encouraging our people managers and leaders to prioritise the ability of their people to be all they can be, we'll not only increase the range of talent available to us but also develop engaging managers and inspiring leaders who play an active role in retaining our talent for the future.
- Mentoring programmes support a wide range of organisational and individual needs, including colleague engagement, greater inclusion and specific support to diverse groups. We see mentoring as a key development offering to support retention and development, especially towards overall leadership capability. Mentor training is inclusive; it's available to everyone according to need. Offering this investment in our people supports our aims of ensuring consistency in the messaging of the role of mentoring and the standards in the skills and competence we ask of all Mentors. We also have the flexibility to tailor the content to ensure that we meet the needs of specific groups, for example, Graduate Mentors. Mentee training is available, focusing the learner how they can drive greatest value from a mentoring relationship. Reverse Mentoring is currently being explored in partnership with external providers who are experts in exploring issues with diversity, including the support mentees need before and during the mentoring relationship.
- Formal Mentor and Mentoring training opportunities are complimented by self-led content hosted on our internal learning platform, My Learning, and Ashridge Business School's online learning platform, promoting continual self-led learning and self-development as a retention tool. The latter is available to senior leaders, leadership development programme participants and Graduates.
- Building the inclusivity of our workplace, so that everyone feels that their voice is heard, that they are valued for their contribution, and that they are free to bring all that they are to the workplace, and to grow in skills and experience, will be our most valuable retention strategy. Ensuring that our succession plans and talent selection processes represent the vibrant and creative diversity of the UK is underlined by adding to the number of role models for people from less well-represented backgrounds in what they too can achieve.

4.5 IMPROVING WORKFORCE MOTIVATION AND PRODUCTIVITY

Understanding what our employees tell us about what motivates them to do their best gives us insight into what will improve their productivity. Employees who are valued feel well-rewarded and recognised for their contribution, with the ability to contribute more through learning new skills and being paid fairly for their skills, and have access to first-rate inclusive training programmes.

4.5.1 REWARDING AND MOTIVATING OUR EMPLOYEES

Our employees tell us that feeling rewarded and motivated is about more than just the salary they are paid. Therefore, we take a holistic approach to reward mechanisms, which includes the following:

- The Way We Work – inclusive working practices and support with home working equipment to enable everyone to perform at their best by working in the best way for them.
- Benefits – responding to what employees have told us they value and need to meet as inclusive a range of lifestyles as possible.
- Generous sickness benefits and health and wellbeing support to aid employees during times of ill health, extending to 6 months on full sickness pay for those who need it.
- Generous and maternity and paternity benefits, supporting families by offering 6 months' full maternity pay, and supportive career break, phased maternity return 100% salary for 80% hours, flexible working and emergency leave policies to ensure employees can balance parenthood and work.
- Joint Agreement – a collective agreement supported by our unions which ensures fair, transparent and equal working arrangements for all.
- Great management – managers trained and supported to coach and engage their teams, receiving and acting on feedback and encouraging and rewarding ideas and initiative.
- Call-outs and recognition – in meetings, through Yammer and through one-off recognition payments to thank people for extra commitment over and above their objectives and day jobs, for helping out colleagues or teams in other areas, and for covering periods of hard work.

To ensure we continue to offer a competitive reward package that retains and motivates our staff, we'll ensure that salaries reflect the external market. Our benchmarking has included reward practices from more diverse groups which share our characteristics of being consumer facing and operational, with union involvement, and in a regulated industry. We know that we're in competition with these companies for scarce resource, and that the situation is exacerbated by the impacts of major projects such as HS2. However, we'll continue our strategy not to inflate the market by paying more than the mid-point of the range. Instead we'll focus on ensuring that our pay progression scheme helps us to retain talent once recruited.

4.5.2 IMPROVING WORKFORCE PRODUCTIVITY

In preparation for ED2 we've conducted three operational reviews: our target operating model in 2019, and regional operating model and flexible operating model in 2020. All of these have explored how we achieve better productivity through efficient use of our existing workforce, minimising cost for our customers and ensuring best possible value for money. They have included multi-skilling impacts, ensuring our front-end processes are better loaded in terms of capability so that we can reduce Customer Minutes Lost, improved working patterns and scheduling and digital enablement. We've improved our data-driven decision making on asset management, knowing that better work programmes on inspection and maintenance will improve our return on investment in three years' time. We've looked at how we use all work types to improve asset health whilst maintaining consumer supply because we know that a seamless transition from ED1 to ED2 will ensure better overall network health in the future. We've increased our planning capabilities, because this allows our procurement teams to look at optimal cost efficiencies for materials and allows us to maximise our training centre capacity and skills progression to "grow our own" staff, which has a beneficial effect on retention. Increasing our understanding of the volume and type of work through capacity modelling has allowed us to manage overtime and travel time through better planning and increase skills utilisation by better deployment. With fatigue management and working safely as our number one objective we've established optimal working hours and work patterns. As a result, we're in a better position than we've ever been to understand what drives our unit cost and how to control it. This has produced the foundation for the next stage in our productivity work – the workforce planning model which supports our strategic workforce planning

We will build productivity into our workforce model through:

- Effective partnerships with recruitment suppliers, contractors and specialist providers to keep cost levels down through ensuring that demand is matched with skilled supply.
- Improved efficiencies leading to improved network performance and building on the already ambitious efficiencies set for ED1.
- Having the agility to respond to a range of alternative scenarios for the future.
- Controlling churn particularly where we've invested most heavily e.g. apprenticeships and technical staff.
- Using our reward strategy to achieve targets that matter to our stakeholders.
- We're likely to continue with our 'multi-contractor' model which has reduced our risks and increased resilience by reducing our exposure to contractor failure. However, we recognise our contractors have been exposed to the same tough labour market conditions as we have, and this has increased contractor costs. We expect these tough conditions and cost pressures to continue and we'll therefore continue to keep under review the balance of contract-to-direct resources to ensure we're managing risks effectively and delivering our programmes as cost-effectively as possible.
- Any decreasing workload trends will be monitored in advance so that we can maintain our commitment not to reduce direct workforce, resulting decline in standby provision and skills drain. Direct employee reduction programmes may well result in significant costs (particularly when dealing with final salary pension members), cause disruption and uncertainty within our company, reduce employee engagement and commitment and reduce the overall resilience of our workforce. Retention of our existing direct operational workforce will enable us to better maintain our current commitments to safety and consumer service. It will also provide a greater resilience for maintaining our standards of service during periods of high demand.

4.6 ATTRACTING PEOPLE TO THE ENERGY SECTOR AND DEVELOPING THE SKILLS NEEDED FOR A TECHNOLOGY-DRIVEN, LOW CARBON ENERGY SYSTEM



Fig. 8. Attract, Train, Develop and Retain Skilled People for RIIO-ED2 – and Keep Them Safe and Well

The need to take urgent worldwide action on climate change, flexible energy solutions and low-carbon technology gives our industry considerable potential to attract new entrants. Being a principal partner in the COP26 Climate Change Conference in Glasgow in 2021 allows us to showcase our energy innovations and the exciting profile we have as an employer committed to act with others for a positive future for climate change.

We have a number of internal and external net zero campaigns already launched. Through a cross-functional working group, we will align our COP26 campaign and our inclusion and diversity stories, already brought to life internally and externally, to create an attraction strategy. As we transition to ED2 we will be doing further employer brand development aligning our inclusion message to net zero campaigns.

Our Principles for a Just Transition include 4 principles for good, green jobs:

1. Guarantee fair and decent work
2. Attract and grow talent
3. Value employee voice
4. Build Inclusion and Diversity

They are a key part of our commitment to building better long-term career prospects for our employees and for new recruits to the industry. Our Just Transition Employee Survey showed that our employees valued us over other industries not only for better long-term career prospects, but also for environmental considerations, the opportunity to work on exciting projects and learning new skills and more family time. The survey focused on informing our understanding of how we support workers' transition into the industry through helping them develop skills needed for low carbon roles. They told us that areas we could improve on were providing more information about the types of skills needed, increasing training and development and providing more information on what a career in SSE looks like.

Action around these areas in response to the stakeholder feedback will not only increase our potential to

“There is the opportunity to make a real and tangible difference. There are lots of different roles available, for lots of different skill sets. It’s a rewarding career option, both financially and in terms of personal fulfilment”

attract workers from traditional high carbon industries but also to target new entrants who have not previously considered our industry or SSE as a potential employer of choice ¹⁵

Our stakeholders have told us we need to transform the image of our business from what is perceived to be traditional and colourless to future-focused and bright¹⁶. The passion that everyone, but particularly the younger generation, has for a sustainable green future, gives us the opportunity to offer future employees the chance to be part of creating it. As part of our transition to ED2, we will be working on our brand image as an employer to bring together:

- our sustainability and track record as an employer.
- our history of developing people and building long-term careers.
- our focus on future energy flexibility.
- our investment in leading-edge technological advance.
- the valued role we have in society.

¹⁵ Insert correct reference SSE’s Just Transition Employee Survey September 2021

¹⁶ Employee Engagement Group Session 5 Workforce Resilience May 2021

We believe these five characteristics blend what is best about our past with what offers exciting potential for our future. We'll use them to encourage people to make a conscious choice to join us, either as they leave education and make decisions about their careers, or transfer from other industries, or return to work after time away.



Fig 6 Recruitment Methods

Our attraction strategy is focused on increasing conscious choice to join us, emphasising that we want to retain people for the long term, and building the foundation of available skills from the beginning to ensure we are meeting industry-wide workforce availability challenges. We believe it is a more sustainable and socially responsible approach which will also maintain affordability and balance market demand with new supply:

- We're moving to a pro-active forward view on anticipating future skills demand, rather than reacting to individual vacancies. We'll be directing potential talent to our social media sites and "landing pages" for specific skills areas. This will increasingly supplement our direct advertising approach so that we can build a receptive new entrant market for our vacancies.
- We're increasing our employee-led "stories" and "faces" and "day in the life of" advertising posts. We know this benefits diversity and helps us increase the percentage of our new hires that come from previously untapped sources, particularly those outside the Electricity industry.

- We're bringing people into our organisation from the oil and gas industry and from other industries where skills are transferable. We know that we can get longer-term commitment and engagement from people whom we can bring up to speed (usually in as little as 6 - 12 months) rather than hire within the Electricity industry at higher salaries which inflate the market and increase competition rather than create and sustain supply.
- We're emphasising our strengths-based selection process to attract those without formal qualifications. We'll ensure that we make our pipeline robust, diverse and representative of a broad social mix to avoid a skills shortage deficit. This will ensure that learning opportunities continue despite the interruptions to practical experience which have occurred due to the COVID-19 crisis. We'll suit our recruitment advertising to social media, and particularly to those platforms which we know are frequented by younger people.
- We're building in-house strength for the future in emerging skills areas through our new apprenticeships and to review the progress of these individual apprenticeships with a view to increasing numbers and refining the learning experience as our understanding of the emerging skill develops. A dedicated working group will support this, led by our Smart Networks specialist.
- We're building our understanding of what makes our job roles attractive to people. We know that flexibility of working is a major factor, together with the chance to contribute to a clean energy future. We'll emphasise the long-term sustainability of our industry; our ability to offer continuing careers in uncertain times and our continuing fast-paced progress towards low-carbon generation and the importance of this to society and the economy. Our strategy will continue to be to pay at the median of the market rather than base our attraction on high salaries. Instead we'll emphasise our opportunities and the scope for diverse careers that our breadth of businesses offers.
- We're continuing our partnership with the Armed Forces Covenant; committed to a package of support for serving and ex-forces personnel, military spouses and other family members. It includes additional leave for training, support for those with family away on service and recruitment efforts to support ex-servicemen and women considering a career in the Electricity Industry, many of whom come ready equipped with the skills we're looking for.
- We're increasing our support to those young people whose situation has worsened as a result of Coronavirus, and as a result seen their 'disadvantage gap' increased. As part of our commitment to continue to provide education and employability support for young people, we've recently highlighted our commitment to the Young Persons' Guarantee, our Social Mobility Pledge, Just Transition and Green Jobs. We're extending our employability programme with Barnardo's, offering a blend of mentoring, personal development and work experience to help young people gain and sustain full time employment. We've increased the range of locations where we offer placements to Reading and more areas within Scotland.
- We're developing a higher-level apprenticeship programme with Loughborough University offering Electrical Power Network Engineering Apprenticeships for external and internal candidates which are adapted to maximise STEM or engineering qualifications they already have and allow us to fast-track their development with a combination of in-workplace and learning institution study.
- We'll maintain our commitment to Just Transition, Fair Tax, a Living Wage and an inclusive culture committed to diversity, because we know that more people want to work for an ethical employer. We've added a commitment to Living Hours. This will apply for all staff, not just to those in receipt of the Living Wage, to avoid a two-tier workforce and ensure we act as a responsible and inclusive employer

TARGET SECTOR	ATTRACTION STRATEGY
Building Social Mobility & Increasing Pre-employment opportunities	STEM activity in Schools Barnardo's Employability Programme Internships Foundation Apprenticeships
Entry Level	Core Skills Apprenticeship Programme Trainee Engineering Programme Graduate Programme Strengths-based selection Social Media attraction Emerging Skills Apprenticeships Electrical Power Network Engineering Apprenticeships
Transferable Skills	STEM Returners Armed Forces Partnership Traditional Power Sector
Existing Skilled Workers	Inclusive Management and Leadership Programmes Skills-based Pay Progression Range of lifestyle benefits Flexible Working Opportunities Inclusive Working Culture Engineering Professional Development Forum and Chartership opportunities

Fig 7 Attraction Strategies by Target Sector

4.7 UPSKILLING AND MULTISKILLING

We need to continue to attract and retain our valuable core skilled workforce in technical/operational roles; (Jointers/Linespeople/Fitters). Our workforce renewal pipelines are well established, but we do see geographical hotspots, i.e. the South/Thames Valley, where turnover is higher than elsewhere. This is likely to get worse due to strong competition from within the industry and due to opportunities in other industries that may appear a more attractive career choice to our potential pipeline. Our approach to multiskilling and upskilling supports our resourcing efforts by developing skills internally where needed. In the North, all our apprentices are multiskilled to support operational flexibility and efficiency. In the South we use a multiskilling approach regionally, for example by developing linespeople to be jointers. Our approach to multi-skilling is on a business-need basis in order to ensure that competencies remain current, our people can operate safely, and we achieve the best efficiency out of our training resources.

Widening the diversity of the people we recruit will help us to meet the demand for new skills but it will result in people joining us with fewer existing skills. Therefore, to support our strategy to attract new entrants and the need to upskill them, we have based our training cost assumptions on needing to upskill up to 80% of our workforce in the South and up to 60% of our workforce in the North. Our retention strategies will help us to keep these vital skills we are developing in our workforce in the long term.

Our training costs are included in our **Operating Business Costs (Annex 15.6)**.

4.7.1 PAY PROGRESSION

Skills-based pay will form the basis for pay progression for a significant portion of our staff from April 2021. This decision was reached in consultation with our unions via our Joint Business Committee and in response to consistent low ratings in employee feedback on pay and reward. The current employee pay is equally distributed above and below the range midpoint but there is significant clustering at the bottom and top of salary ranges. The primary objective of skills-based pay progression is a fair, consistent, transparent system so that employees can see what is expected of them and what they need to do to progress. Skills-based pay progression will enable those employees not occupying the top of the salary range to progress through the range over a period of time. Key elements of skills-based pay will include up- and multi-skilling our employees. We anticipate that traditional mono-focus roles will expand in order to broaden the business' skill-set, enhance employee opportunities, provide greater operational flexibility and enhance productivity with a consequent benefit to our consumers.

Our pay progression project has been a process of end to end co-creation with our unions, reflecting a comprehensive understanding of the skills required for all our roles. This understanding will inform our ED2 Capability work by allowing us to understand what skills have changed and which roles are impacted by the gaps. This in turn will make our ED2 transition easier by informing training strategy and training requirements so that we can reflect not just volume growth but also upskilling and multi-skilling requirements. This is critical to meet our consumers' concerns that we have the skills for the future.

4.7.2 MAINTAINING OUR TRAINING SCHOOL CAPABILITY

We've two internal training schools, located in the North and the South of the UK. These facilities are externally accredited and subject to Ofsted review. They make a vital contribution to our productivity by ensuring that we have skilled people available to fill roles with no delay as vital skills leave our business through retirement or churn. By managing the development of these skills in-house we can ensure that we have people trained effectively and safely who are productive as early as possible.

Our staff training teams and internal assessors for apprentice training give us a great foundation and flexible capability to rise to the challenge of skills for now and the future. We are already doubling the number of jointing bays in our training schools to create capacity for new jointers. Although we will continue to use external training as and when required or appropriate, we are not reliant on external providers for delivery or capacity. Investment in our training schools will be scaled to suit our ambitions around apprentice, graduate and trainee engineer numbers. We're investing significantly in operational training, including further extensions to our training school capacity to meet our growth ambitions.

Our training schools also provide our management and leadership programmes, and our mandatory training modules both through e-learning and direct training and we're investing in non-operational training.

We'll continue to support existing employees to move into learning programmes as trainee engineers. This offers internal employees the opportunity to gain professional qualifications and allows us to retain business knowledge and experience with a career route that offers succession throughout the organisation up to the most senior levels. Our training schools will support our extension of our apprenticeship programme in this area to bring people in with part-qualified status who are transferring either internally or from industries with related skills. This is an important part of our strategy to resource future skills because it is a new route for us, reaching an untapped audience. It will feed directly into our high-demand, low-supply roles in engineering design and system and network planning.

One of the positive comments Ofsted made about our training was that "Senior leaders have a good understanding of the challenges faced by the managers responsible for the apprenticeship programme. They have a detailed knowledge of operational issues. They support managers to make decisive changes, such as changes in subcontractors to improve performance. The close attention paid by our senior leaders to the training schools extends to frequent communication sessions with our trainee population and an active mentoring programme.

We're confident, therefore, that we can continue to offer an industry-leading training provision to underpin our workforce resilience strategy.

4.8 ENSURING THE HEALTH, SAFETY AND WELLBEING OF THE WORKFORCE

The safety of our workforce is, and always will remain, our number one priority. Certainty in our workforce that their safety and wellbeing is their manager's and colleagues' first responsibility is a critical part of retaining our most valuable people resource. Commitment to everyone's safety is number one, no matter what.

We report performance against our safety measures daily at local level, monthly at business level and annually to public, regulatory and Safety, Health and Environmental forums. We don't just benchmark against industry standards, we go beyond that – our unwavering commitment is for everyone to get home safely.

We've a safety license that was implemented across the business in ED1: 'If it's not safe, we don't do it'. This gives all our employees the license and authority to stop any work at any time to protect the safety of themselves, the safety of colleagues, and the safety of the public. Our directors and senior managers carry out routine site visits to role-model that licence, stopping work or unsafe practices and giving feedback on improvements. We'll be running an Empowering Supervisors programme specifically to create a shift in mindset from process to people. This will build on the Influencing Behaviours programme we ran in ED1 but with an emphasis on helping our supervisors understand how teams work together and what makes people feel empowered. We expect this to increase the readiness of our people to use the safety license to stop unsafe practices. As our work volumes grow and we face new technical and operational challenges the safety of our people will always be our number one priority.

Sickness absence directly affects productivity. Targets are set and tracked against monthly to ensure we understand the impact of sickness absence and pursue wellbeing approaches which also target areas where there is an increasing incidence of sickness absence, as we've done with mental health. Our top cause of absence is stress, anxiety and depression. Our strategy based on recent feedback from surveys and from deriving insight from our data is to increase our focus on supporting mental health. Apart from our mental health and wellbeing standards and policy, we have a range of health and wellbeing offerings. These include formal support programmes from Nuffield and Medigold¹⁷, and a professionally staffed Employee Assistance Programme. They also include our partnership with industry leading provider Offload¹⁸ in a unique programme, and our range of interactive offerings such as Mental Wellbeing Cafes (run as a virtual chat room to allow access to everyone), and the Thrive wellbeing app. To ensure face to face personal support we have our growing team of trained mental health first aiders in the workplace. We are proud that our managers regard keeping their teams safe and well, including their mental health, as their number one priority, and that all of them have completed training in identifying and providing the right support to mental health issues. Where sickness occurs, we've a wide range of supportive approaches to bring employees back to work as quickly as possible to avoid the additional impact of long-term exclusion from or isolation from the workplace. Engagement with our stakeholders has shown that a key outcome for the future is to support our employees in developing mental health resilience pro-actively. Informed by our understanding of what contributed to workforce resilience during crisis from listening to our employee voices, we'll continue to build accessible online support sources. This will ensure that employees can choose a range of ways to develop mental health resilience before problems develop and absence becomes unavoidable.

The best way to build our mental health resilience, however, is in keeping a focus on inclusion within our workforce. We know the toll that isolation takes on mental health, and that forced social isolation resulting from COVID-19 has increased the risks to everyone's mental wellbeing.¹⁹ The emphasis our managers have placed on keeping in online contact with every member of their teams has been critical to our resilience as a workforce during recent months. As we move out of lockdown and move towards the working arrangements for the future, we'll keep focused on asking the important questions about wellbeing, and listening for the answers to be sure that we are providing the right range of support.

Responding to a Health and Safety Executive industry-wide consultation over long working hours, we'll ensure that we've the right balance of skills, working conditions, working hours and shift patterns to ensure that fatigue is eliminated, and work-life balance maintained for our employees. Since August 2020 work has been going on to look at how we manage our out of hours working and safeguard our people against the safety risks of fatigue. As part of a cross-industry initiative, we've carried out a fatigue management risk assessment to determine if members of our frontline staff should continue working after their daily shift. We've joined a joint industry working group targeting fatigue. We'll continue to review our shift patterns and working hours, working collaboratively with our unions and employee representatives to ensure that we have an optimal working pattern to support employees to use their skills, be productive and feel rewarded and motivated to perform.

¹⁷ <https://www.nuffieldhealth.com/about-us>; <https://www.medigold-health.com/>

¹⁸ <https://youtu.be/LjJb75hyHOE>

¹⁹ Loneliness, isolation, and social support factors in post-COVID-19 mental health. *Psychological Trauma: Theory, Research, Practice, and Policy* 2020

5. DEVELOPING OUR WORKFORCE PLAN

5.1 UNDERSTANDING THE INDUSTRY CHALLENGE AND THE OPPORTUNITIES

Our industry faces a scarcity of traditional skills, resulting in increased competition inflating market rates. There is a need for new skills especially where there is rapid technological advance. Supply of these skills is limited,²⁰ and in high demand across other industries which are seen to have a more attractive recruitment profile. At the same time, the highly skilled and experienced workforce which is the bedrock of the industry is nearing retirement age.²¹ The problem is long-standing and has not yet been successively resolved. Our stakeholder engagement forums have repeatedly emphasised their concern over skills retention in the industry and the importance of developing the skills needed for the future.

As a large national employer, we've both opportunity and responsibility to improve social inclusion and mobility, to increase employability and offer more opportunities. Again, our stakeholder engagement forums have emphasised the opportunity they see for us to provide a wider range of employment opportunities to a more diverse range of people, with particular focus on young people.

National Grid's Future Energy Scenarios suggest that 400,000 people will be needed by 2050 to work in 'net zero' workforce, 117,000 by 2029. There is an opportunity to increase diversity by taking innovative steps to widen the pipeline. NSA Power Sectors sources reveal that whilst the 2019 annual population survey records 47% of the UK as female, the Power Sector only has 27% women, with operative and craft roles much less gender-diverse at less than 5% women.²² Planning for workforce requirements over a much longer timeframe will allow us to act intentionally to meet our diversity targets and create greater inclusivity for our workforce. We currently plan pipeline resourcing and skills development 5 years in advance; we'll extend this forward view to 7 years so that we have visibility of the pipeline throughout ED2. This gives us increased opportunity to bring people into the pipeline to replace leavers so that they have a substantive role awaiting them at the end of their training.

Analysis of risks to maintaining a skilled resource has indicated that less than 1% of our Distribution workforce is subject to European immigration regulations and we've supported those individuals through early applications to ensure that they can remain. We have seen Brexit cause issues over available skills in the UK in other industries so we are not complacent about our position. We will be increasing our international recruitment efforts. The Resident Labour Market test has moved to a points-based system which is considerably broader in terms of the roles which we may open to any other national, globally. However, there is obviously still a visa requirement. To protect against risk of having insufficient licences, we've applied for 50 licences to sponsor in 2021-2022; if this request is justified then our risk will be well-mitigated and we will continue this level of sponsorship.

²⁰ NSA Power Sector Workforce Requirements of the UK Power Sector for ED2 and Beyond March 2021 reports the overall technical workforce as 15,511 with an increase of just 1,127 since 2015. A considerably higher increase is likely to be required to meet the challenges of net zero, but the workforce is being eroded by a number of factors, principally retirement.

²¹ Ibid:9% of the workforce are aged 60 and just 4% are aged 16-24. 11% of the workforce are expected to retire over the remaining 2 years of ED1, and a further 16% are expected to retire in ED2, with particular hotspots in telecoms technicians for the remainder of ED1 and specialist engineers in ED2. With a reduction of 14% in the age group 40 to 54 and an increase of 12% in the age group 30 to 39 there is a demographic shift but without the younger generation throughput to maintain the increase in the 30-39 age group and with increasing statistical likelihood that a reducing retirement age will continue to drain the supply at the higher age range where most experience lies.

²² Ibid. Just 4% of women are in apprenticeships across the industry but 28% of first degree starts on utilities-relevant STEM courses in 2018 and 2019 are female. So there is an opportunity to convert those graduates to recruits to the industry.

We anticipate that the tightening of right to work checks won't have a major impact on us, though may be more of an impact on our supply chain. However, we've moved to one supplier for third party services instead of using multiple suppliers; this will give us better governance and improved management through having one instead of many service level agreements.

The Power sector records just 11% ethnic diversity.²³ Improving and sustaining ethnicity diversity is considerably more challenging for the industry, hampered by the fact that most DNOs are at the stage of collecting ethnicity data from new starts only and hoping to build the dataset over the coming years.²⁴ The diversity of the younger workforce in the UK is increasing. They are also dictating the pace for the workforce of the future because they want to be accepted for who they are and know it is good to be different. Given that they are the most technology-focused of the employment market, these are the people we want in our organisation.

As with female entrants to Higher Education, the proportion of those from an ethnic background is 28% but this plummets to just 6%²⁵ of new entrants to the Power Industry being from an ethnic minority, again revealing the opportunity to meet the challenge for new skills from an available and qualified source that just needs to be given a way in and a desire to be in the industry. With nearly 3,000 new appointments expected in the industry across the remaining two years of ED1, and more than 5,500 new appointments expected across the full period of ED2²⁶, we have opportunity as never before to break down barriers in inclusivity and open doors to a rich source of new ideas, skills and diversity of thinking and experience. As Distribution System Operator (DSO) requirements, the Government 10-Point Plan and Grid expansion further increase the growth rate, we've a real opportunity as an industry to respond to community interest in green energy, environmental sustainability and innovative new sources of power with the offer of an exciting long-term career.

5.2 UNDERSTANDING OUR EXISTING WORKFORCE CHARACTERISTICS

Our current workforce is greater than 3,700 and will grow to 3,974 by the end of ED1, with a North:South ratio of 34:66, split between two geographic DNOs (1,364 North and 2,610 South). Structured around three regions in the North and four in the South serving communities that range from remote and rural to large towns and population hubs, are our front-line roles, including operational and connections delivery, safety and protecting, maintaining and developing the network. They work alongside the communities they serve, experiencing many of the challenges that those communities face. Supporting them are engineering, technical, commercial, analytical, planning and administrative staff, ensuring that they are enabled to do their work as safely and productively as possible.

We have diverse regional characteristics across our seven regions and differences between our North and South licence areas. This creates a range of different challenges for us to manage, which is why it is extremely important for us to continue to engage with our workforce at a regional and local level, and to be able to report and analyse our survey results right down to depot detail to enable us to take data-driven local action.

Our latest survey engagement index in the North is 85% and in the South 83%²⁷. Both are high engagement scores which we are proud of.

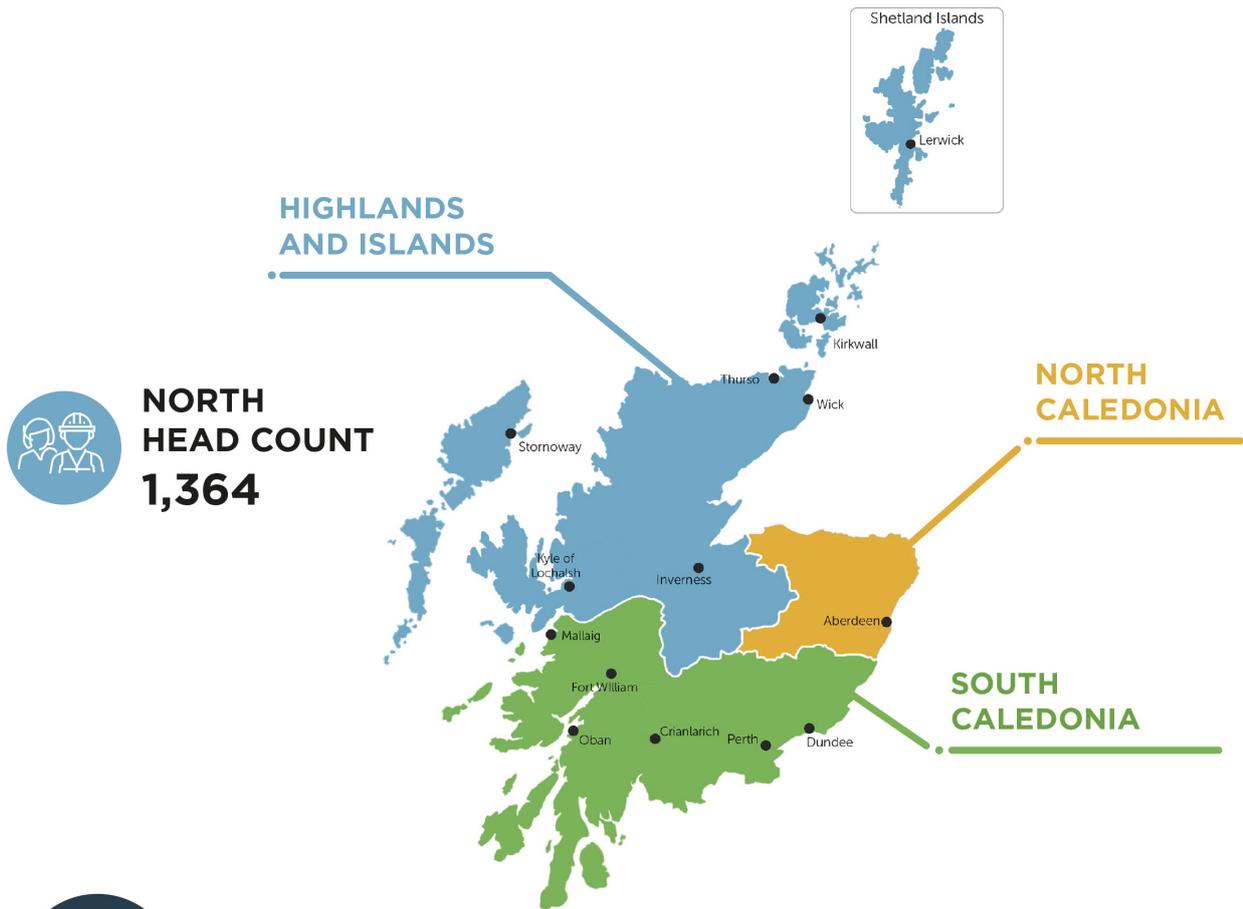
²³ Ibid.

²⁴ Ibid. In the report ethnicity data was only provided for 40% of the workforce. SSE's current completion level for employees voluntarily recording their diversity data is just 20%

²⁵ Ibid.

²⁶ Ibid.

²⁷ Great Place to Work Survey May 2020



3,974
TOTAL HEADCOUNT ACROSS ALL REGIONS

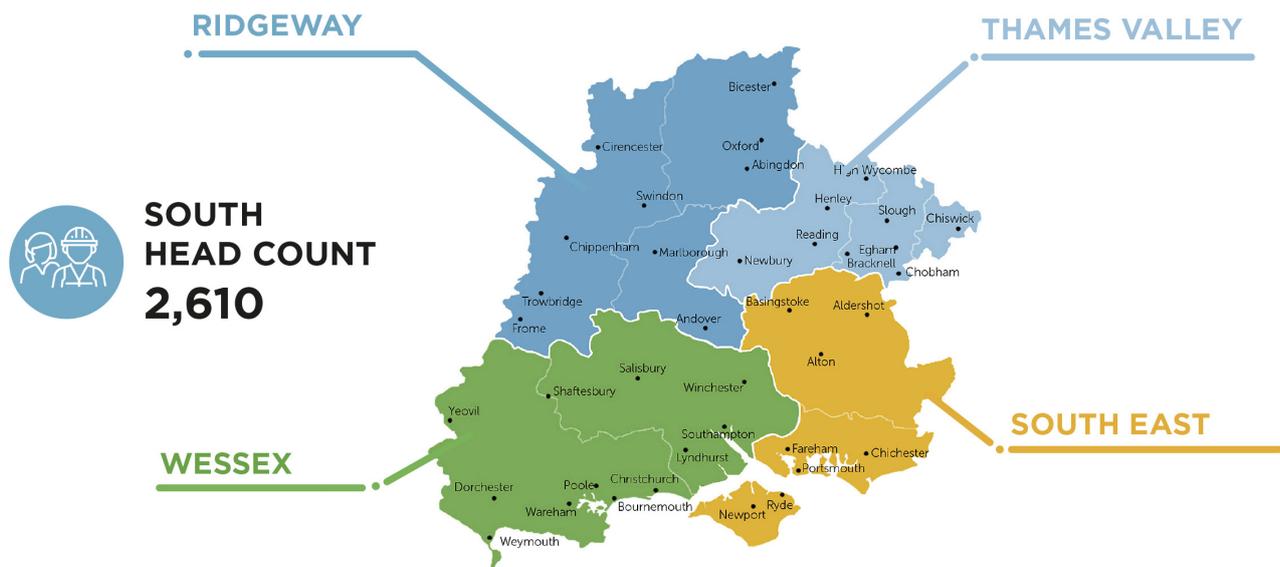


Fig 9. Regional Distribution of Staff

Most engineers and apprentices are male, and white. The industry has been sowing the seeds of change in this area and is starting to see signs of growth in numbers of women, and minority ethnic people. Numbers of women in craft roles are very low indeed, and representation from people from an ethnic background across our organisation are low, so we know we have a lot to do to help us move forward. . The average length of service of our employees is 13 years. The data shows that those joining us as trainees are much more likely to stay with us throughout their careers than those who join at a later stage in their careers. Whilst we expect to see a slightly earlier retirement age as a result of pensions changes, we know that our retention rates for apprentices continue to be high, and we anticipate that the introduction of pay progression will result in improved retention. The average retirement age of our employees is 60. We have seen this reduce slightly in the last couple of years from 61. Therefore, the need to renew our existing workforce already dictates that we must extend our attraction strategies and grow our entry level pipelines. Our growth strategy to enable our workforce to deliver our ED2 commitments accelerates this need.

Throughout ED1 we had a policy for formal flexible working, but in 2019 we introduced a new “Working Differently” flexibility which allowed for informal arrangements. This initiative grew in popularity in terms of flexibility around working hours and locations, but the period of lockdown arising from the COVID-19 epidemic transformed the workplace in ways which could not have been anticipated. In our September 2020 survey to understand how the 2020 period of lockdown due to COVID-19 had changed us, our employees told us that 75% want to work in the office 2 days a week or less. This data needed to be triangulated against response levels: the response rate was 46% instead of the steady 70% or more response rate to our annual surveys over the course of ED1. Nevertheless, there were meaningful trends: female colleagues found working from home significantly more beneficial than male colleagues, and those over 50 years old or with 20 years or more service found it significantly less beneficial. Colleagues in Scotland missed the office environment significantly more than those in the South East of England.²⁸ It is also significant that 94% of respondents had laptops. This is a reflection on how quickly and effectively we were able to roll out IT equipment to people who otherwise would have been unproductive, isolated at home and unable to work effectively. The workforce will emerge from ED1 enabled to work from home, wanting to work from home at least part of the time, and wanting to have the choice about where to work depending on their personal preference, changing circumstances or work roles. This feedback has significantly influenced our understanding of workforce resilience, as we learn and adapt for the future.

Our key observations on our current workforce are:

- **Since 2016 we have sustained a steady level of direct labour. Overall Churn (Regretted leavers, not retirees) has remained steady at an annual average of 65 people, but dropped by half in 2020, due to the Coronavirus impact.**
- **Whilst the workforce is still predominantly male, and we know that we’ve lots of room to improve, we are starting to make progress in increasing the representation of women at management and leadership levels, and, critically, at entry level in order to ensure a pipeline for the future. See Figure 10.**

²⁸ SSE Great Place to Work Pulse Survey September 2020

- Over 60% of our direct workforce are the age range from 35 to 64 and only a minimal number of employees work beyond age 65. However, we've a vibrant and dynamic apprenticeship and graduate programme, (we're rated second in the industry for our apprentice and graduate training). We're confident that this, together with the quality of our Ofsted-approved training schools, will ensure that we can scale up our activities to meet the challenge of an ageing workforce.
- 70% of our direct labour are linespeople, jointers, fitters, cable layers and tree cutters or multi-skilled craftspeople. Our multi-skilled craftspeople are overwhelmingly based in Scotland.
- We have a workforce balanced across age groups, with a third aged 16 to 34, a third aged 35 to 49 and a third 50 and older.
- 61% of our direct labour is based in the South East, creating greater challenges with recruitment and retention than we have in the North.

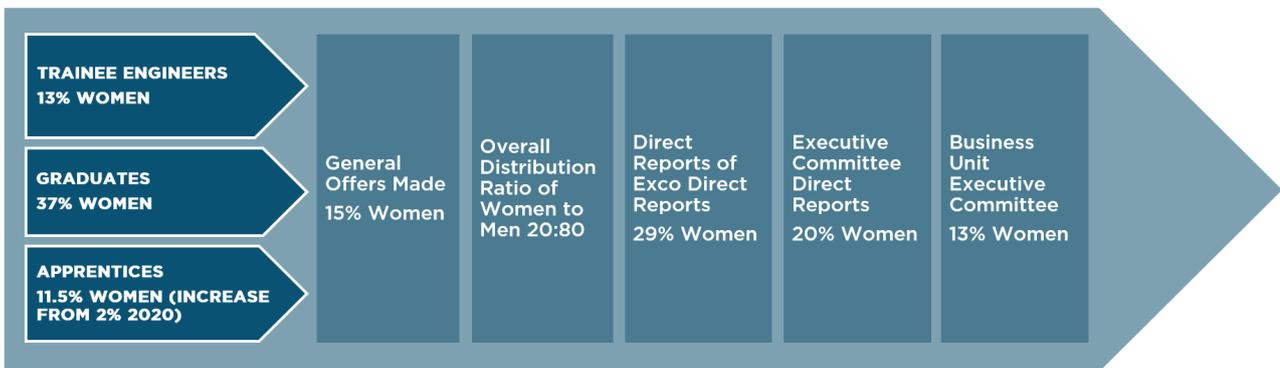


Fig 10 - Q1 2021 Distribution Gender Statistics show that at trainee programme intake level we can most positively influence increased representation of women to continue positive development into leadership

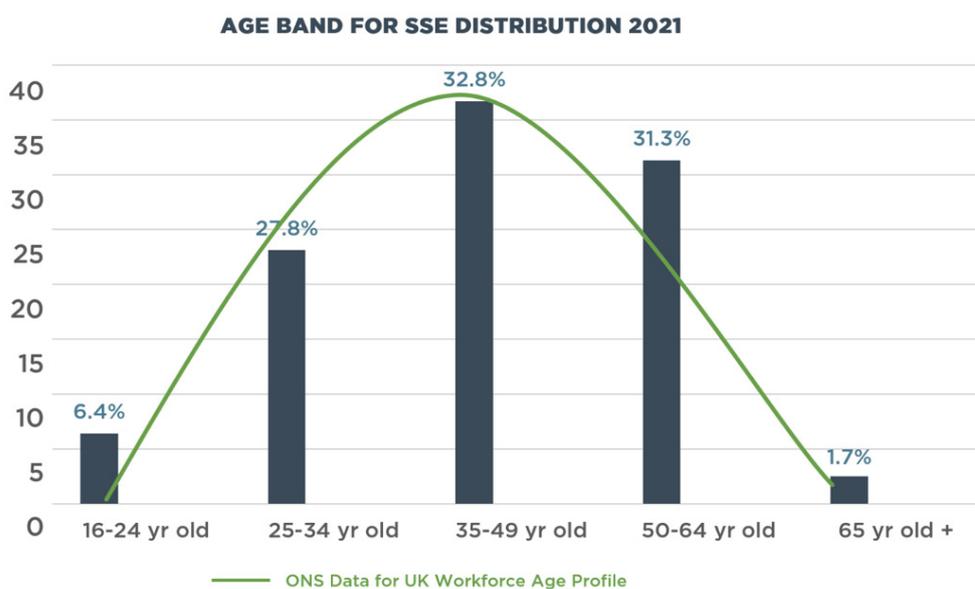


Fig 11 Age Profile for Distribution

5.3 CREATING A METHODOLOGICAL WORKFORCE PLANNING PROCESS

We needed a comprehensive understanding of the challenge involved in transitioning to ED2. We created an innovative data-driven process to make collaborative and robust assessments of our volume requirements, costs, efficiencies, organisational capabilities and the skills we would need for ED2. The step by step approach included:

- Comprehensive, end to end data collection and business needs analysis in collaboration with over 40 business leaders and subject matter experts. Informing our decisions with customer understanding and actively seeking stakeholder engagement for our plans.
- Testing and comparing data sources to ensure they are robust and evidence-based. During ED1 we've concentrated on making data gathering work for us: deriving insight from our existing data, making data-driven decisions and verifying our decisions with comparative research and best practice models.
- Sensitivity analysis to make the best choice based on consumer value. We're also thinking in terms of the value we bring to society, not to ourselves.
- Understanding existing workforce characteristics and trends. We carried out scenario planning to enable flexibility to uncertain requirements which might otherwise stress the supply chain and lead to inefficient use of the workforce and excessive overtime at high cost and high risk of workforce fatigue.
- Rapidly developing our thinking around the value of digitalization in enhancing service provision, flexibility, and choice for the customer and reducing the cost impact on energy bills. Planning how our culture will change.
- Identifying and incorporating efficiencies and productivity gains such as working patterns and multi-skilling to reduce headcount growth by deploying existing workforce effectively. Using cost information effectively – cost and workload forecast, historic cost trends and cost drivers around demand, asset condition etc, evidence of efficiency of costs – market testing or benchmarking.
- Analysis of the gap between the shape of the current workforce and the workforce required in the future.
- External employment market data and collaboration with other DNOs to understand common challenges. Replacing competitiveness with collaboration: developing agility and responsiveness in a future where we work in co-dependent networks with a wide variety of local communities and stakeholders.
- Analysis of future capabilities and skills, and the organisational enablers we need to prepare the existing workforce for new technologies and ways of working.

- Identifying sourcing options for volume increase and new skills and finalising commercial strategy with insource/outsourcing decisions.
- Quantifying apprentice, graduate and trainee engineer requirements to match uplift in work volumes.
- Applying optimal ratios for closely-associated indirect roles.

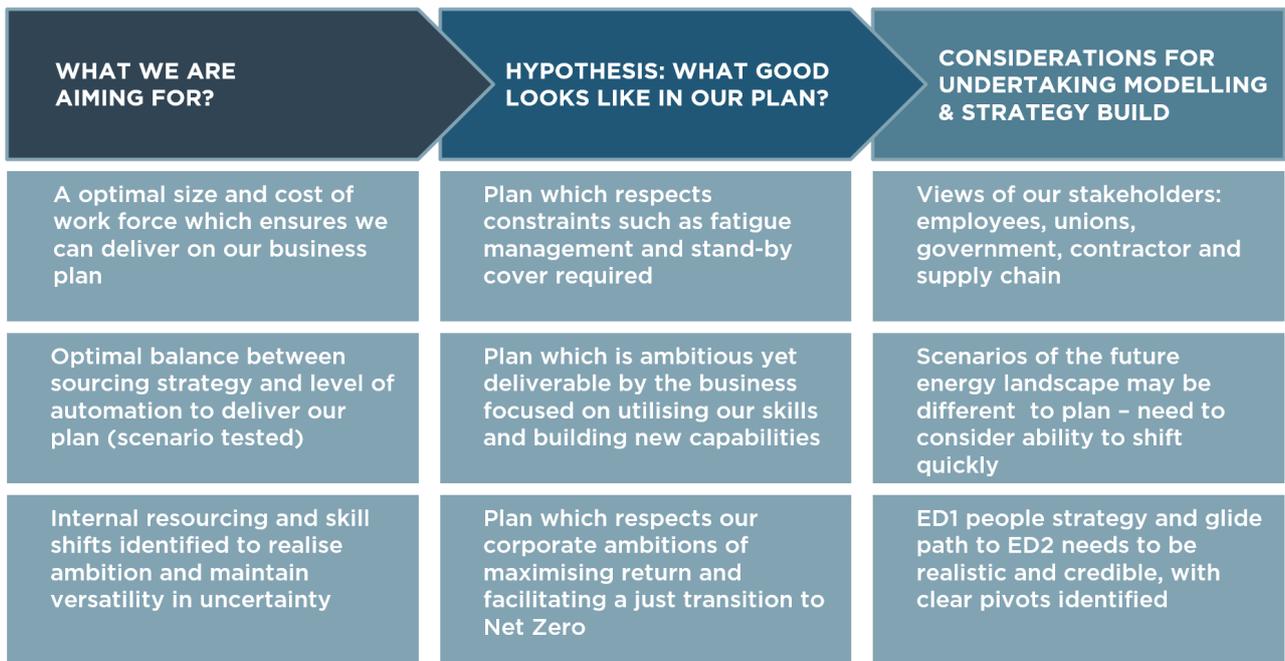


Fig 12. Our Workforce Planning Objectives

6. ED2 WORKFORCE PLAN

6.1 WORKFORCE GROWTH

The output of the workforce planning process described above is that in order to deliver our ED2 business plan we will increase our headcount.. Our workforce numbers will increase over the course of ED2 from 3,974 to 4,839.

We have phased our workforce growth in line with known internal recruitment constraints and market demographic information, both local and national. This has resulted in a realistic and deliverable workforce growth for ED2.

Quality of service to customers has been the key consideration in our growth plan. Growth will deliver for our customers the electric vehicle connectivity they require, with enhanced customer service support at the times that they need it. It will allow them to benefit from digital technologies and innovation. Our vulnerable customers will be better supported by new, specially trained customer service staff, ensuring that we can deliver a service that is responsive to individual need. Increases to our front-line staff will allow us to meet the vital need to reduce workforce fatigue whilst still being able to provide a prompt response to reduce the frequency and duration of power interruptions. Delivering for our customers new heat pump and EV connections will increase need for jointers, always a critical resource for us, and network expansion will require more overhead lines-people. Growth to our teams of protection engineers and operational technology experts will ensure a better protected network resilient to the pace of change. More system planning staff will deliver for our customers flexible connection options and better forecasting of the complex demands of renewable energy and storage, keeping pace with change and ensuring best use of innovation. Growth across our design teams will ensure that our customers' connectivity and usage needs can be understood and met with lowest cost and efficiency. There will be growth also in supporting teams around data, monitoring, analytics and forecasting to support increased system complexity. Lastly, we will grow our pipelines, increasing our intake at entry level by 25%.

We serve a wide geography and that gives us a widely diverse range of customers with different needs. We want every customer on our network, whether they are in a city in the South East of England, or a remote Scottish island, to enjoy the same flexibility and reliability of a carbon-neutral energy source, with connections and usage options to meet their expectations and lowest cost energy supply to protect the fuel-poor. This is how we will create a fair deal. Achieving our workforce growth ambition will help us to ensure that the transition to net zero is fair, equitable and affordable for customers. It will allow us to support the opportunity for job creation provided by fast-growing low carbon technology and play our part on a green recovery, supporting the UK economy to escape the impact of the pandemic as quickly as possible.

Workforce growth at a time of shortage of skills is challenging and creates risk that we might not get key skills in time to deliver our ambitions for our customers. We have therefore worked with EUSkills to provide a role by role, region by region risk assessment. This incorporates not only our growth, but also our current vacancy levels and our predicted rate of churn (leavers for any reason including retirement). We have then mapped each role and skill requirement with a strategy for delivery, using either an existing or new pipeline, a fast-track upskilling approach, our anticipation of what the international recruitment market can provide or internal succession.

Each strategy is based on our experience over the last five years, together with a forward view, itself de-risked for churn rate. This gives us confidence that we have a resourcing strategy for each role we need. We have already increased resource in our recruitment team to meet this unprecedented challenge because we recognize that a fast start to ED2 is essential. We have employed staff with experience in attracting diverse applicants and transitioning from high carbon industries. We have also already upskilled our HR, resourcing and relevant programme management and finance teams in strategic workforce planning to enable them to transition their thinking to increased future planning, long term skills growth through succession, and taking a community-based approach to diversity in recruitment.

We have built a role by role list of capabilities required for ED2 and when and how we will build recruitment strategies, we have taken the following additional steps to manage risk around our growth plan and retention:

- Re-phased our work plan so that we have more time to create pipelines and can manage a gradual increase against work plan demand.
- Created a geographical region by region strategy to take full advantage of the diversity of our communities by specific targeting, including disability and minority ethnic sources of talent which we have not previously reached.
- Adopted strengths-based assessment to break down barriers for those who missed out on formal qualifications.
- Extended our employability and outreach activity in schools to ensure that we are creating interest and engagement to feed our pipeline.
- Balanced demand with continued use of contractor workforce in key skills areas in the first one to two years of ED2. Working in partnership with our contractors to give them reassurance of longer-term commitment will help to ensure security of contractor provision.
- Committed to an on-going partnership sharing data with EUSkills so that we can map our growth continually against UK supply and demand by the geographical locations we cover, understanding constraints and competition for skills.
- Exploring strategies to build our employer brand around diversity and inclusion, taking impetus from interest and commitment to climate change for all.
- Generating pipeline growth to our traditional craft apprenticeships.
- Creating new apprenticeships in key digital and data skills for ED2.
- Creating new pipelines for key roles through the EPNE partnership with Loughborough University.
- Supporting growth with increased training capacity to ensure we can create maximum potential for internal growth and upskilling.
- Establishing career development paths and pay progression to help us retain the skills we have, and those we bring in from the external market.

- Increasing flexibility of working to ensure that we remove barriers for people trying to balance lifestyle and location with work demands, helping to ensure that we maintain critical skills and experience by enabling people to return to work after maternity leave, as well as for those who manage other caring responsibilities.
- Increasing the range of benefits which we know our employees value, including the ability to buy additional holiday.
- Continuing commitment to mental health and long-term sickness support to ensure that disruption to people's careers and skills growth caused by illness is minimised.
- Creating an inclusive workplace that will retain people by ensuring that they feel free to be themselves in the workforce for the net zero future we are creating.

6.2 WORKFORCE GROWTH BY DIRECTORATE

6.2.1 ASSET MANAGEMENT – THE MANAGEMENT OF OUR ASSET HEALTH

In Asset Management we will grow by 114 over the five-year period of ED2, made up of design engineers, portfolio investment engineers, land consents specialists and asset data analysts. The reason for growth is that asset investment is at the beginning of our work flow and our ability to ensure that work packages are ready for delivery is key to meeting customer expectations on the transition to net zero. We will be building skills in asset data understanding and analysis to aid decision making. We will be ensuring we can continue to manage our complex land consents requirements. For our customers and consumers we will deliver increased volumes, innovation, sustainability and whole system planning to ensure continued asset health and best value decisions. Efficiencies arising from new technology and digital solutions have allowed us to keep this growth number to a minimum

6.2.2 SYSTEM PLANNING – SECURITY AND PLANNING OF NETWORK, INCLUDING CONTROL ROOMS

In System Planning we will grow by 140 over ED2, made up of system and outage planning engineers, control engineers and specialists in operational technology. The reason for growth is that system planning is, like asset investment, at the earlier stage of our workflow and we need to forecast energy usage ahead of need to get the best option for the network of the future. Increased need for flexible options and increased regulatory requirements also drives growth. We will be building skills in operational technology around cyber security projects, IP connectivity, serial communications and active network management drive growth. Control room engineering is a key skill for us and will be a long-term growth area as control room capability will need to grow in alignment with network complexity. We have not assumed growth in this area in relation to a potential transition from network operation to system operation, as this is not in the remit for ED2 growth planning. For our customers and consumers we will deliver flexibility of connections, whole system solutions and network integrity and security of supply. For customers needing to discuss flexible options there will be increased availability of knowledgeable, qualified and experienced staff for direct engagement.

6.2.3 CONNECTIONS – THE MANAGEMENT OF NEW NETWORK CONNECTIONS

Connections will grow by 100 over the period of ED2, mostly in the first 3 years, made up of design engineers, quoters and project delivery staff. The reason for growth is the anticipated increase in demand for connections to meet our Consumer Transformation scenario, particularly around electric vehicle uptake. New technology around managing connections requests has allowed us to keep this growth to a minimum and we have allowed for upskilling of existing staff to create re-deployment. This helps us with one of the key skills which will increase, which is design engineering. We have training programmes to help us develop staff internally and this is factored into our growth number. For our customers there will be fast, reliable service in delivering connections with reduced time to quote and time to connect.

6.2.4 CUSTOMER OPERATIONS SEPD AND SHEPD – OPERATIONS MAINTAINING NORTH AND SOUTH NETWORKS AND CUSTOMER CONTACT CENTRES

Our customer operations team in the South will grow by 355, with 219 operational staff and 136 non-operational staff. In the North the customer operations team will grow by 71 operational staff and 38 non-operational staff. Operational staff include all our craft roles; key skills such as fitters, jointers, cable layers, and overhead lines people who are vital to the growth, maintenance and protection of the network. These will be a key area to protect and increase, given the UK-wide age profile, lack of diversity and high competition for people with these skills. In the North, the remote locations are an additional challenge in securing resource. The reason for growth is the pace of change to deliver net zero, but also the need to ensure our workforce can deliver the work programmes without excessive overtime. Fatigue management is a key commitment for us to ensure safety and well-being of our workforce. For our customers and consumers, growth in operational craft roles will ensure we can deliver new connections, ensure asset maintenance and protection and repair faults quickly, all combining to minimise interruptions in service.

To support our existing pipeline for craft roles we will increase our apprentice and trainee engineer intake by 25%, including our new pipelines for data and digital skills apprenticeships. Wherever we can, we will accelerate learning opportunities so that we can have more people ready to support the network more quickly. This will give our customers and consumers reassurance around a key concern they have expressed in stakeholder sessions which is ensuring we have the skills for the future.

Our non-operational roles in customer operations in the North and the South include commercial project and programme management, construction management and commissioning engineers, protection engineers and senior authorised persons. One reason for growth is to ensure the right ratio of managers to craft roles for both safety and operational efficiency, and to build skills in commercial project management to support our capital delivery organisational model. Having enough senior authorised persons to support our teams is a critical safety requirement and we will be increasing our capacity to train internal people to deliver these roles, which will have a knock-on effect on our pipeline in terms of backfilling to support increased SAP capability. Having the right ratio of operational and non-operational staff in these teams will give our customers the best value for money in ensuring the most effective deployment of craft roles on the network, operating most productively and safely.

6.2.5 PERFORMANCE – ASSURANCE, BUSINESS IMPROVEMENT AND LEARNER PIPELINES

Our Performance team will increase by 28, made up by data scientists and analysts, digital transformation and change specialists, and support for our enhanced regulatory environment. This also includes a small increase to assessors and learner managers to maintain the quality of learning support for our pipeline growth.

Our workforce growth to deliver our base plan will ensure that we deliver our ambitious targets by the end of ED2 whilst increasing the speed and efficiency of service and network reliability that our customers and consumers expect. We recognize the challenges that workforce growth presents at a time of shortage of skills, but we believe that, supported by our pipeline strategies and our targeted regional attraction campaigns, we will deliver a better future for the whole industry through job creation and growth. Not only will our plan facilitate the delivery of a decarbonized smart network at the lowest cost; growth is a key enabler of our strategy to attract, develop and retain a diverse workforce and support long term careers in the communities we serve.

Fig 13 Summary of Growth by Directorate

Directorate	Growth
Non-Operational	556
Asset Management	114
Connections	100
Operations SEPD	136
Operations SHEPD	38
Performance	28
System Operations	140
Operational	290
Operations SEPD	219
Operations SHEPD	71
Trainees	57
SUBTOTAL	903
Less the re-deployment of ED2 business plan team	-38
TOTAL	865

6.3 PIPELINE GROWTH

Growing our pipeline through schools engagement and attraction strategies in further education institutions, on a sustained and long-term basis is a cost-effective solution. It is less expensive than recruiting fully qualified people for craft roles from an over-stretched resource at relatively high salaries. We benefit from greater retention, greater safety standards, better knowledge of our business and therefore higher performance levels. Young people are more environmentally aware, have a greater knowledge of new technology particularly around social media communications and digital solutions, and bring a new source of innovative thinking to organisations. Vitally, we build skills in the sector, a reliable and flexible resource of future capability for the industry. Increasing the diversity of our pipeline at the same time will bring a positive societal benefit and grow value for money for our customers and other stakeholders.

Demand from the energy industry, pressure from other industries on common skills resources and competition with contractor organisations over salaries and skills erodes our supply base. Therefore, long term value for money lies in developing and growing our own pipeline, with the important provision that we must then retain the people we train so that we have a long-term return on investment. Our pay progression and training strategies, together with our continuous professional development for our engineering population helps us to do this. We'll develop visibility of career pipelines and articulate the training needed to progress to each stage, as well as being transparent about how we reward the skills that people gain and use. By doing this, we will demonstrate to people how they can develop themselves and increase their earnings without moving from company to company.

Our existing apprenticeship programme is well-established and serves its purpose of renewing our workforce. Apprentices move into the business with a better breadth and depth of knowledge, and better awareness of safety practices and tend to stay with us longer than employees who join us through other routes. They are a strong source for our future technical and management succession planning needs. Engagement with community groups representing vulnerable people has reinforced the importance of creating career opportunities for the younger generation, with all of those engaged with seeing it as a vital role for SSE.²⁹ The same stakeholders confirm the value of the programmes provided to the younger generation in providing a way to take positive action in the direction of greater diversity.

Our ambition is to reflect the diversity of the communities we serve in terms of gender, ethnicity and those with physical and learning disabilities. Our pipeline strategy has been created in partnership with EUSkills to achieve the following:

- improved understanding and ongoing tracking of our regional customer diversity.
- Improved regional profiling and measurement of the diversity of our workforce.
- targeted strategies based on the demographic of our 6 regions and their sites. Where we are under-representative in terms of the local community in a particular area we will focus our attraction and recruitment routes on schools, colleges and communities which provide greater diversity in our workplace and new sources of future employees.

²⁹ SSEN Customer Service and Consumer Vulnerability Business Plan Consultation September 2021

We have consulted our Stakeholder Advisory Panel on our strategy to gather their views on what resourcing approaches they've seen working well in the community and what industry-wide resourcing growth approaches they have valued. This group of six external experts of varying backgrounds has commented favourably on the comprehensive nature of our approach, and its potential value to UK sustainability.³⁰

We'll analyse industry benchmarking statistics relating to workforce structure, age, gender, ethnicity against the locally available workforce. We'll review the demand for similar skills from other energy, utility and infrastructure sectors – both nationally and specifically within each of our licence areas. We'll understand the supply of skills available in the local area and the future output from various levels of educational institutions (principally STEM-related secondary, further and higher education provision). We'll then establish the actual (and potential) entry routes used by the business in the following areas:

- Trainees (e.g. Apprentices, graduates, other types of trainees).
- Internal moves (e.g. up-skilling, cross-skilling, etc).
- External recruits (e.g. from the external labour market, other sectors, ex-forces, etc).

These assumptions will be applied to the analytical model to produce resourcing plans for each licence area to be used as we transition to ED2. These will incorporate the ethnic, gender and disability mix of the communities we serve, the available workforce, the sources of demand on that workforce, the gap with our current workforce and how we can target appropriately to make the most of the opportunity in each region. We'll run this market survey annually to track what we are doing and ensure our decision making is informed by latest data. Our new resourcing system which allows us to map our applicants by location will allow us to derive meaningful insight to supplement this activity and to set data-led ambitions for representing regional diversity.

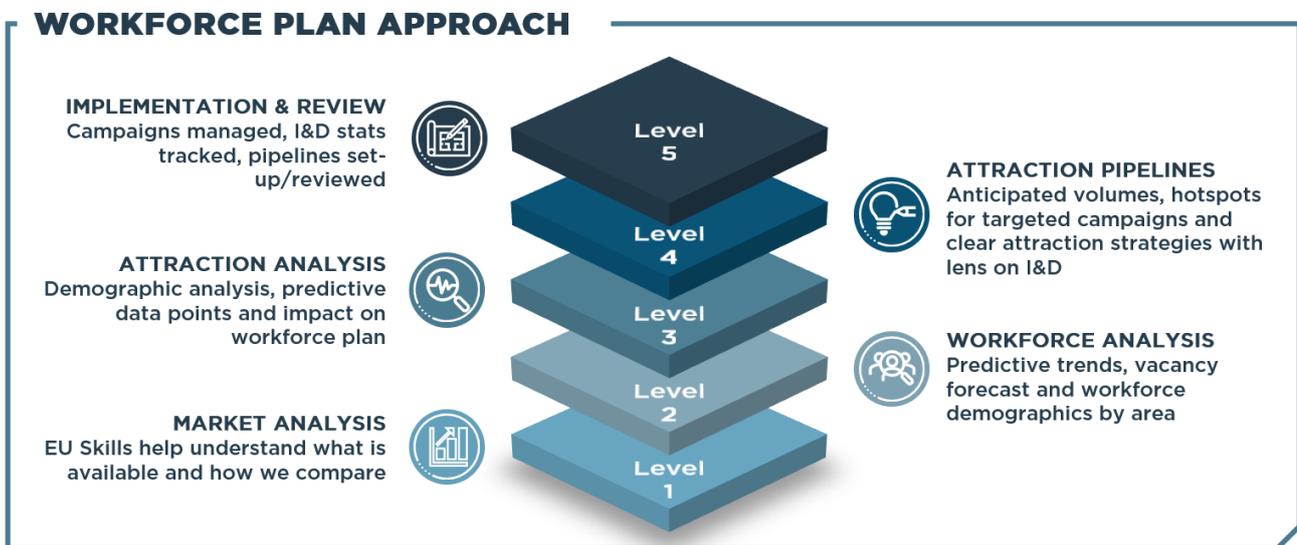


Fig 14 Workforce Planning Approach

³⁰ Stakeholder Advisory Panel Meeting November 2021

ED1 experience has shown us that maintaining our pipeline consistently is vital to ensuring that we've a steady supply to meet our churn rate, particularly due to retirement. This will ensure that we don't face a situation where skills and experience are in short supply with the consequence that work parties are made up of inexperienced employees who are at more risk of working unsafely. In line with our social mobility pledge and growth plans to support our deliverability we're increasing the number of apprentices recruited in 2020 and introducing new routes into our business for those who may have been impacted by the crisis, such as removing qualification entry requirements for apprentices and the introduction of strengths-based criteria, making the programme much more inclusive to those who've faced barriers to learning. We'll be uplifting our existing forecasts for pipeline renewal for apprentices, graduates and trainee engineers. This will help us to supply the skills and workforce needed to deliver the volume uplifts in load and non-load.

80% of our apprentices will be in our South-based teams on our 3-year programme. The remaining 20% will be located with our North-based teams on a 4-year multi-skilled programme. In addition, our trainee engineers will be on a 3-year programme. We'll plan to manage any capacity risk to our apprentice programme through this uplift by careful phasing to ensure that our apprentices can train safely with appropriately qualified supervisors. We are also looking at the potential for targeted options to support specific succession planning for our critical job roles. This is in areas like system planning where we have higher turnover, and in the control rooms where we have a greater need of experience-based knowledge to ensure we can run our network safely. These targeted options will be supported by a part-qualified programme which we'll open to our existing employees and STEM Returners to allow them to transfer onto the programme with existing knowledge and reach the stage of full productivity more quickly

With this enhanced pipeline strategy, we'll be able to improve our succession planning, working over a 5-year time frame and meeting the demand of an earlier anticipated retirement age. Linking pipeline to demand, we'll create greater productivity more quickly. This will protect and enhance the supply of skills to meet our ED2 ambitions. But it will also give us greater scope to reach young people from diverse backgrounds and those who have missed out on educational opportunities due to the COVID-19 pandemic but are essential if we are to contribute to the green recovery. Working with our existing partnership to provide employment for those transferring out of the armed forces, and our new STEM Returners initiative, we'll be able to increase diversity and social mobility. With our Barnardo's employability programme, our STEM activity in schools and our Foundation apprenticeships providing the equivalent of a Higher Education qualification with a combination of in-school learning and time with an employer, we can broaden our social inclusion and provide a long term pipeline for core skills for ED2.

Our Schools Outreach programme focuses on schools in areas where there is one or more of the following factors:

- low employability
- high levels of English as a second language
- high ethnic mix
- low educational attainment

The programme has benefitted from high levels of employee participation, either as schools’ ambassadors or in preparing and leading sessions on aspects of the industry. We have noted particular enthusiasm among young people for renewable energy strategies and we are building on this to increase not only our employer attraction but also our sector attraction. This schools programme is particularly valuable in terms of our pipeline strategy because attracting women and minorities into the utilities sector is notoriously challenging. The UK demographic shows that the population is increasing but that there are fewer young people. However, those from an ethnic minority background represent an increasing proportion. By targeting the very earliest stages in the pipeline, extending our programmes even into primary schools, we can have a major impact on young people’s thinking about the potential attraction of the industry. This will support us not only in ED2 but through to ED3 and beyond.

In partnership with MyKindaFuture(MKF), we held a focus group to support development of our ED2 business plan by engaging with future consumers. Two virtual focus groups were held with the target audience. Students involved in these focus groups took a deep dive into our intended outputs for 2023-2028, with the aim that we would learn from future SSEN consumers who would help to inform SSEN’s goals. As part of a general discussion about sustainable energy we asked what students would like to see to promote them to consider careers in the sector. Students told us:

- “Use social media to communicate with us. TikTok is our platform of choice.
- Show us people doing their jobs; what the job is like day to day, together with routes into the industry.
- The message that excites us is having a big impact on people’s lives
- We are passionate about Sustainability and Climate Change. We don’t know how to have a personal impact on those.”

The consumer message we took away from this interaction for the future is to engage with future consumers in a personable way, grounding our marketing and messaging on ethical concerns that will resonate with Generation Z. We can use that message in the same way to create critical pathways for this target market into the industry, building their knowledge of employability skills and their desire to gain them. Continued engagement with this part of the population will inform our goal prioritization for 2023 to 2028.

Fig 15 New Entrants Strategy

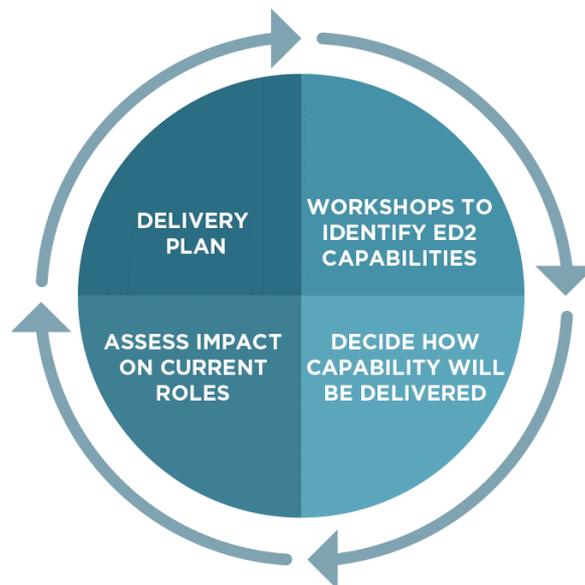
Creating new industry entrants	Strategy for creating employee pipeline
Ex-armed forces	Fast-track conversion programmes to build on transferable skills
Minority ethnic	University and college attraction programme targeting minority students to increase the awareness and appeal of SSE as an employer
People with disabilities	Valuable 500- increasing range of attractive and suitable roles and building awareness among managers on sensitivity to neuro diversity
Schools Engagement	Extending schools Outreach programme targeting schools in areas of deprivation, high minorities, or English as a second language, attainment issues or no other employer provision. Developing content for primary schools
STEM Returners	Designated roles with fast track conversion for those with STEM qualifications seeking a return to the workplace
Engineering Apprenticeships	HNC programme of 15 entrants a year from 2021 to end of ED2 to provide pipeline for field engineers, system planning engineers, asset design engineers.

Creating new industry entrants	Strategy for creating employee pipeline
Digital Apprenticeships	10 apprenticeships a year 2021 to 2025 to build up a pipeline for data scientists, cyber security and IT specialists
Graduate/Degree Apprenticeship	A range of programmes for new entrants and existing staff to increase pipeline of skills and future talent in areas such as engineering, business management, civil engineering, digital and data
Operations Apprenticeships	25% increase on intake to ensure renewal to meet increased retirement rate, using strengths-based selection.
Foundation Apprenticeships	Engineering Foundation and Business and Creative Media Apprenticeships in Scotland and Digital T Level apprenticeships in England building early loyalty for potential future employees
Adult Learner	Fast tracking to get earlier productivity by enabling learners to start working on LV work under supervision whilst still learning
International Entrants	Increased number of sponsorship visas to facilitate bringing in experienced engineers especially in system planning to balance pipeline growth

6.4 NEW ED2 CAPABILITIES

As we transition out of carbon-intensive technologies, we recognise that in addition to the core skills which we've relied on in ED1, we'll need new technical skills and changes in the ways we work and the attitudes and behaviours we need. We have followed a sequential process to understand the new skills and capabilities we will require in ED2

- Workshops with HR SME's (Training, Resourcing, Reward, ER) to brainstorm solutions to resource requirement
- Deliverability assessment with timeframes and dependencies
- Link with Supply Chain Strategy and Deliverability



- Collaborate with business leads and SMEs to ensure balance solutions
- Differentiate between enablers which are needed now and skills which will be required in future
- Create definitive list driven from our ambitions and how we drive business value

- Summarised business impact assessment produced for each business area
- "Heatmap" the major impact areas where significant upskilling or redeployment is required
- Consider overall organisation structure to ensure "fit for purpose"

- Identify how and where the capability will be delivered
- For internal capabilities, assess impact to existing structure and roles

Fig 16. Process for creating organisational transition to ED2 Capabilities

6.4.1 INCREASE IN CONNECTIONS VOLUMES

Electric Vehicle uptake projections under our Consumer Transformation scenario³¹ will drive a significantly increased volume in load checks and increase in load jobs for domestic connections. Increase in connections volumes (LV in particular) and future network access and charging arrangements will also create a huge uplift in volumes of work. We also project that the volume of heat pumps will increase significantly. We have already made efficiency savings in our Connections team through IT improvements in our Connect and Notify and Load Check and Record System.³² This will remove all simple notifications that don't need manual intervention, and accommodate the extra volume of connections, generating a headcount avoidance. However, we will still need additional designers and quoters in each licence area. This is a high churn area for us because it is an entry route for engineers, and our people develop good skills in these teams and progress through our internal development training route to engineering design roles elsewhere in the business. Predicted churn has therefore been built into our headcount volumes, knowing that we will be able to progress people within our organisation.

6.4.2 DATA SKILLS

We know we'll need to increase data skills generally, whether in the management, collection, governance, security, cleansing, or analysis and reporting of data. We've identified an appetite for both a strong central data analytics capability, and localised data management skills. Capability upgrades across all these areas are needed to meet ED2 challenge. We'll do this through building data capability in key areas and key roles in the business in the lead up to ED2. This will allow us to share skills in the organisation as widely as possible but still benefit from building highly knowledgeable and agile specialist small teams to ensure that we can derive insight from our data as we build it. We are also improving our workforce skills in data governance, data-dependent decision making and communication technologies.

We know we'll need data analysts not only to enable the business to derive insight from its existing data sources, but to maximise opportunities for machine thinking to improve our consumer experience. We're setting up an apprenticeship programme and using dedicated Foundation apprenticeships to help meet future demand for technical data solutions and provide understanding of data structure, systems and procedures. Data scientists are technically skilled but require business understanding as well as IT experience. Therefore, we anticipate that the best solution is developing our own people to help us meet this new demand over the coming years as any market supply will be in high demand from all industry sectors and competition will limit availability and drive up costs.

6.4.3 INCREASING CHANGE IN AUTOMATION AND DIGITAL ENABLEMENT

Across our business we're already creating in-house programmes to help staff to be comfortable with change, to work over longer time horizons and to improve cross-business alignment. As we adapt to higher volumes of connections and new contracting models, we're improving our partnering capabilities and supporting our employees to improve understanding of how to engage with stakeholders and use the data to drive decision making.

³¹ See Chapter 9 of our Business Plan - Forecasting and Scenarios, for further information

³² See Chapter 10 of our Business Plan- Our Network as a net zero enabler, load and connections, for further information

As our managers and teams adapt to automation and digital enablement, we are supporting them not only with technical training but also with development in how to work with scaled processes supported by technology so that they can achieve greater efficiency. Our leaders are developing the skills to forecast headcount based on the Consumer Transformation scenario and efficiency assumptions.

6.4.4 FIELD TECHNOLOGIES

Changes in field technologies such as single gateway business automation and the introduction of biometric and point of use applications will require us to upskill our field staff. This is underway already as ED1 work management systems are extended to include business information modelling, and advanced management systems for outages and inventories. Further enabling technologies for working flexibly are anticipated, and our digital programme team are working on an ongoing basis to assess and plan for the safe and supported introduction of these digital improvements to efficiency and customer service.

We've already started our move to a fully Digital Workplace and will progress this even further during the rest of ED1. In ED2 we'll advance our Digital Workplace,³³ embracing all forms of Digital technology that offers benefits to our various stakeholders, and improves the safety, health and welfare of our staff, who remain the most important part of our organisation. In ED2 we'll extend the use of field based digital technology, including phones, tablets and wearables. Our plans for these have been set out in our Fieldwork project. However, to support the Digital workplace we'll improve communications, in the field and depots, as well as ensuring our staff have the right facilities and tools to work from any location. This project covers such areas as communications in depots and other key sites (e.g. substations), rearranging and equipping offices and depots for flexible working, suitable equipment for working remotely (e.g. at home), as well as simpler, safer, and more secure ways for staff to access sites based on their current authorisations.

6.4.5 FLEXIBILITY

Forms of energy generation that depend on natural elements such as wind and water are a massive part of the transition to green energy. They are supply-driven rather than demand-driven, creating peaks and imbalances which require a more flexible energy system, matching supply and demand more effectively in an affordable and accessible manner.³⁴ As part of this transition we'll have new skills requirements across the flexibility lifecycle. These will include investment planning, solutions assessment and option generation, flexibility and whole system investment and market and whole system engagement. Flexibility will bring its own commercial, data and operational requirements. High level objectives and resource requirements for each skill have been mapped. Work has begun on how we will embed whole system and flexibility requirements into our existing functional areas, and the resulting skills training will take place over the transition period from now until the start of ED2. We expect that existing staff will be upskilled to take on these new capabilities in their current roles. Where there is headcount increase driven by volume, we expect to be able to support this by offering opportunities to re-skill engineers internally to fill these roles.

We'll develop data confidence in front line staff, understanding the impact of technological advancement on front-line staff and how best to enable them to work productively with new technology to improve their work experience and ability to deliver great customer service.

³³ See Chapter 5 of our Business Plan, IT and Digitisation, for further information

³⁴ See Chapter 10 *Our Network as a Net Zero Enabler*, Flexibility for further information

Revised working patterns will require a new approach to co-ordinating planned work and we'll need to improve planning skills in our scheduling staff so they can support the front line to build a resilient network.

6.4.6 CUSTOMER SERVICE SKILLS

Demand for skills to support and implement digital operations and digital transformation projects is increasing as we seek to maximise productivity. We're increasingly supporting service users through online and digital channels, as we develop omni-channel approaches to meeting consumer needs, deflect traditional telephone and face-to-face contacts and reduce costs. New job opportunities will exist here. We'll need a more tailored approach to customers and their needs; with specialist Priority Service Register roles and better generalist service skills and options. Our customer service teams will be trained in a new three-phase Empowered to Care programme to support them in enhancing service excellence through both training and cultural change. This programme will offer them internal certification to help with development and pay progression. Additionally, they will be offered the chance to gain an Accreditation in Energy Awareness and Efficiencies. We'll help them develop their skills in handling challenging interactions with confidence and increase their ability to help vulnerable customers with training in Autism awareness and Deaf awareness. We'll also be delivering training in Energy Advice and Fuel Poverty skills for our Priority Service Register advisors.³⁵

We must represent and understand our customers to provide improved customer service, so we'll increase the number of customer service employees from less well-represented backgrounds, ensuring we know and share what it is like to be part of a minority, or suffer from a disability such as blindness or deafness or be neuro-diverse or in an older age group.

6.4.7 PROJECT MANAGEMENT AND ENGINEERING SKILLS

Demand for project management, leadership and technology-specific technical/ engineering skills remains common across all the higher-level skilled occupations. The uplift in connections workload will increase the demand for experienced project managers, especially for those with IT and capital project experience. The demand will also extend to site supervisors. We'll need more project management skills to support projects of all levels, driving efficiencies and best practice across all projects and programmes and mitigating group risks. We'll also need more commercial and service quality-focused project managers if we outsource work packages to ensure that we have appropriate governance and support for our partners and third parties.

We'll need enhanced control rooms with additional automation and flexibility capabilities and new market-based commercial functions. Degree and Higher National Diploma qualifications are particularly important for the sector, where many of the workforce require STEM-related skills necessary for the planning, operation, maintenance and upgrading of network infrastructure. Therefore, up-skilling of existing employees, at all levels of the workforce, is becoming an increasingly important element of the industry's resource plans. And the development of training programmes to meet demand for higher level skills is critical for the delivery of this workforce renewal programme. We've increased our training provider capacity in critical areas like project management, starting further qualification courses earlier in the graduate and apprenticeship programmes and increasing flexibility in working hours and support to those requesting to study whilst working.

³⁵ See Chapter 4 A Trusted and Valued Service for Customers/Communities, for further information

6.4.8 CYBER SECURITY

We know we'll need more cyber security specialists to implement cyber security mechanisms and apply cyber security procedures and controls. We've created a cyber apprenticeship pipeline programme already to provide us with new entrants in this vital skill area as this is likely to be a skill in limited supply in the market, at potentially high cost. We've also introduced a new Operational Technology apprenticeship with the same objective; to grow our own skills internally. Our Cyber Security plans are discussed briefly in **Chapter 7 (Maintain a resilient network)** of our Business Plan, and in more detail in two confidential annexes provided directly to Ofgem, **(Cyber Resilience IT Plan Annex 7.4)** and **(Cyber Resilience OT Plan Annex 7.5)**.

We're planning for increased need for certain direct skills: protection engineers to work on our LV cable replacement and automation engineers and technicians to support the network. We continue to need system and network planners, particularly in the South where our turnover is high due to competing demands in the Electricity industry. We also anticipate needing data network engineers to support the programme to replace copper connections with fibre connections by 2025 when the Public Switched Telephone Network is switched off. Engineering and connections design roles could be a potential supply concern due to increased industry workload. We're setting up dedicated training programmes to create a pipeline for critical engineering roles, which we can use for existing employees selected to move onto the programme or part-qualified new entrants from sources like the armed forces or STEM Returners or those with transferable skills from the oil and gas industry. These "fast-track" engineering apprenticeships will make best use of people's existing skills through tailored programmes which will bring them up to speed and allow them to be productive more quickly.

7. CREATING THE CULTURE FOR NET ZERO

We know that as we transition towards net zero, we will have to evolve and change and that includes our business culture. We have established a number of projects and working groups to enable that cultural shift. For the remainder of ED1 we will take four tactical mobilisation steps to set us up for the strongest start in terms of transitioning our organisational culture to match our delivery models.

ED2 TACTICAL MOBILISATION



Fig 17 ED2 Tactical Mobilisation

Our People Strategy is the vehicle through which we will deliver the cultural and organisational changes required to transition our network and our service to a net zero future. Its governance and direction rests with our People Forum of directors and business experts. This team is responsible for determining the strategic approaches we will take to ensure that changes that will impact our people over the period leading up to and during ED2 are developed and implemented in a cohesive way. The Forum is also responsible for providing the necessary people resources and capabilities for future sustainable and successful operations of our business as it transitions out of ED1 and into ED2. The People Forum will continue to work on the People Change Programme during the period of transition until 2023.

THE PEOPLE CHANGE PROGRAMME



Fig 18 The People Change Programme

The People Change Programme will help us not only to deliver our business plan but also the strategic goals which will support the resilience of our workforce.

ED2 PEOPLE STRATEGIC GOALS



Fig 19 Our People Strategic Goals

- Working with our communications team on employee communications and learning sessions to increase awareness of the importance of the transition to net zero and understanding of the business’s strategy to deliver it. Emphasising the part of each individual in delivering the key objectives, but also the personal actions they can take to help us succeed.
- Anticipating and planning for the challenges facing a new “hybrid” workplace, combining teams working from the office and from home in recognition of the value that our workforce has placed on flexible working.
- Through our ED2 Capability Workstream, building a sustainable and resilient workforce for the next price control period by anticipating future capabilities needed and delivering the right balance of internal and external options. This will ensure that the right capabilities are defined and delivered for the start of ED2. Developing a prioritised plan at role level for current workforce with key enablers and timeline highlighted.
- Through our Training Workstream, developing a training by role strategy for either volume or key roles within our business. We will initiate the delivery of an enduring training & development plan to improve employee capability across the business and optimise annual training planning and budgeting.
- Reviewing progress and delivery on our Fatigue Management initiative, which is monitoring actual hours worked by staff & taking steps to ensure employees are not adversely affected by fatigue.
- Reviewing progress and delivery on our Working Patterns initiative which is intended to improve response time to meet customer demand, improve performance and reduce unit cost. Create a

solution that better matches workload demand with supply, including during variable peak workload times such as storms.

- Continuing supervision on the Pay Progression Workstream. This will provide clarity of job requirements & associated pay; visibility of clear professional career paths through progressive skills development & subsequent consistent use of attained skills. It addresses the need to upskill, develop and retain skills to meet business needs and support retention and recruitment by improving perception of pay and conditions for front line employees.
- Continued review, analysis and action planning on the gender pay gap.
- Organisational capability and succession planning: aligning workforce requirements directly to ED2 business plans with a look-ahead of at least 5 years on a rolling basis; establishing succession plans for each area with an annual review throughout ED2 to remain current and future-focused.
- Forum for approval on programmes for developing leadership attributes and behaviours at a collective level, working with leading industry practices and our internal experts, to expand the capacity of individuals to support our most valuable resource – our people.
- As part of a dedicated Inclusion, Diversity and Equality Strategy, the People Forum will target and monitor our investment in building a better, broader foundation of industry skills and pathways to meet ED1 and ED2 capability/skills requirements. The Forum has initiated a labour market survey to inform decision making on recruitment and attraction through understanding demographics for our communities. It will apply the findings to early careers pipelines and broader sector skills transferability, and responsible for ensuring our regional attraction and recruitment strategy is revised accordingly.
- Having agreed our apprenticeship strategy for new technical skills roles, and specialist engineering roles, the Forum will monitor the performance and quality standards of the new routes of entry. This will ensure they are delivering a return on investment and offering rewarding learning and development opportunities, as well as ensuring that cross-sector conversion courses are fit for purpose.
- The Forum will also monitor and govern the activities of our **Digitalisation Investment Plan (Annex 5.1) and Digital Strategy Action Plan (DSAP) Annex (5.2)** which is designed to review the digital capabilities, change impact, processes, training and support required to create Digital transformation of our workforce.

8. CONCLUSION

Our Workforce Resilience Strategy for ED2 details how we will target our six focus areas to ensure we:

- improve inclusion, diversity and equality.
- Improve workforce satisfaction.
- Improve motivation and productivity.
- Attract people to the energy sector and developing the skills needed for a technology driven low carbon energy system.
- Upskill and multiskill our existing workforce.
- Ensure the health, safety and mental wellbeing of our people.

We know that as we grow we have to attract more people from more diverse backgrounds than ever before, whilst continuing to retain, upskill and multiskill our current workforce. Our workforce resilience plan outlines how we will do this. Not only do we need to grow in numbers, we must develop new skills and capabilities to ensure our workforce can deliver the challenges of transition to net zero. In ED2 there is a significant business plan for our workforce to deliver. This requires continued investment in our people and focus on their ability to remain resilient. We have adopted a set of resilience metrics to report and measure progress and ensure we can collaborate with other DNOs to understand how we attract and retain more employees from a wider range of backgrounds and lifestyles. We are confident that the workforce strategy we have outlined will ensure that we have a modern, diverse, high quality, well-trained workforce fit for the future,

APPENDIX A: ENHANCED ENGAGEMENT

- Overview: A sustainable workforce strategy is vital to delivering the ED2 strategic outcomes in our business plan; having a diverse, engaged, highly-skilled and motivated workforce will enable us to enhance our ability to provide a valued and trusted service for customers and communities, deliver a safe, resilient and responsive network, further our progress to a net zero world.

RIIO-1 context

ED1 has been a modernisation journey; we have focused on supporting our employees with the right tools, equipment and training to allow them to deliver their work safely and productively. We have invested in IT systems and technology which is providing our business and our people with new data, skills and ways of working.

Moving into ED2, we will continue to support, train and develop our workforce whilst adding new capabilities to prepare for the increased volume of work and the changing requirements of the network and our customers. We will be working over the remainder of ED1 to prepare our workforce for the major cultural change in ways of working needed to deliver our ED2 Business Plan.

ENGAGEMENT SYNTHESIS

Stakeholder engagement

Engagement details	Insights derived
<p>Unions</p> <p>We engaged on ED2 with Prospect via a bilateral to understand their priorities, and with Prospect and Unite at a dedicated learning and discussion session with Joint Business Committee members on our strategy for workforce resilience. We also engaged with Unions at a general stakeholder online consultation about our Draft Business Plan.</p>	<ul style="list-style-type: none"> Key issues for the workforce resilience strategy are: mental wellbeing; fatigue management; working hours; equality, diversity and inclusion; flexible working; training and skills development; and pay progression [E134] Competition for different kinds of IT skills will intensify. [E151]
<p>DNO-EU Skills</p> <p>We are co-creating a common set of workforce resilience metrics with the other DNOs and Energy & Utility Skills at an</p>	<p>Draft metrics have been proposed to be included in our Plan including: diversity and inclusion; workforce demographics; STEM-related roles; workforce demographics; leadership roles; workforce satisfaction; mental health. [E146]</p>

ongoing series of fortnightly workshops

DNOs, trade unions, Citizens Advice, EU Skills

We took part in Ofgem's Safety, Resilience and Reliability Working Group which met regularly in 2020 to understand Ofgem guidance and what Ofgem were seeking in an ED2 workforce resilience strategy

- Surveying employees using a range of to test the company's workforce resilience against an independent benchmark is important
- Areas of consideration to be included in workforce resilience strategy: workforce satisfaction; diversity and inclusion; health and safety; and mental health. [E108].
- The energy transition requires improved workforce diversity, multi-skilling; increased productivity and more advanced technology skills.
- Associated narrative setting out key steps taken (or to be taken) is needed to demonstrate how to improve all metrics.

Current and future employees

We engaged with colleagues via our annual Great Place to Work Survey to understand satisfaction and co-create areas for improvement, and via our ED2 Employee Engagement Panel. The ENA's expert findings on fatigue management also informed our plan. Later, we engaged employees on the **acceptability** of the Workforce Resilience strategy in our Draft Plan via surveys, and school-age students via online focus groups.

- It is vital that we hire *and keep* sufficient headcount and skills to deliver the ED2 plan, and Pay and Reward and Working Differently are key enablers of this. [E142] [E078].
- Measuring, recording and tracking hour worked by employees, and mechanisms for monitoring and intervening when patterns of excessive overtime are detected is the most significant control to manage risk of fatigue[E105].
- Facebook, Twitter and TikTok were suggested as mechanisms to use for attracting. [E158]
- An increase in staffing levels should be a commitment in Customer Service to help achieve the targets set. [E172]

SSEN Leadership team

Leaders from throughout the businesses explored workforce readiness and desired outcomes for ED2 at a strategic workshop with employees

- Increased workforce engagement was a critical enabler of ED2 ambitions. [E076]

Energy & Utilities Skills Research

We used external research undertaken to provide a

- The EU Skills assessment of the power sector's skills and labour suggested monitoring indicators of diversity and inclusion. [E077]

<p>detailed assessment of the power sector's skills and labour requirement over the course of this decade</p>	<ul style="list-style-type: none"> • Effective management of the transition from incumbent to replacement, especially in critical job roles is important in the sector. [E077] • The transition from DNO to DSO will require different workplace skills including: forecasting and data management; outage planning and “whole system” co-ordination [E077]
<p>Local Authorities</p> <p>We engaged stakeholders via a BAU Distribution Stakeholder Workshops in Oxford aimed at gathering feedback on set topics, and a customer vulnerability expert workshop to co-create our Business Plan</p>	<ul style="list-style-type: none"> • Engage with young people through information sessions in schools to inform about careers and apprenticeship opportunities. [E013][E009] • Diversification of workforce can also increase engagement within diverse communities [E047]
<p>Infrastructure representative</p> <p>We engaged with a wide range of stakeholders at Workshops in Dunblane and Reading to conduct audience research on set topics</p>	<ul style="list-style-type: none"> • Collaborate with Energy and Utilities Skills Accord to identify skills among the younger generation. [E013][E009] • We could have a greater impact on gender equality given the large SSEN workforce and play a supporting role to encourage young girls in STEM subjects [E013][E009]
<p>Connections customers</p> <p>Feedback gathered from a series of connections engagement touched on some issues that are relevant for future workforce planning. The stakeholders engaged during these events include ICPs/IDNOs and major connections customers</p>	<ul style="list-style-type: none"> • Service delivery is dependent on appropriate staff training this and will be key going forward [E022] • Additional resources are needed for the connections process as currently there are bottlenecks with project managers[E021][E020][E038]
<p>Vulnerable customer representatives, Water, Charities, Community interest groups, Local Authorities, Academic institutions, Supply chain</p> <p>We engaged stakeholders via surveys to test a wide range of our Draft Business Plan outputs.</p>	<ul style="list-style-type: none"> • "How important is it for SSEN to create career opportunities for the next generation, through engagement with schools and colleges (with 10 being this is a vital role for SSEN)?", scored of 8.9/10 [E159] • “Thinking about the diversity of our communities, how important is it that SSEN create a targeted diversity recruitment strategy (where 10 is very important)?”, stakeholders gave an importance score of 8.8/10. [E159]

	<ul style="list-style-type: none"> Suggested improvements in workforce resilience included cultural transformation across SSEN; and Skills and training, both inside the organisation and with other. [E162]
<p>National Government</p> <p>We engaged MPs and MSPs via bilaterals about our Draft Business Plan</p>	<ul style="list-style-type: none"> MP for Dundee West was also interested in SSEN's Just Transition noting that the strong skills base in Dundee and North Sea workers should be utilised. [E166]
<p>Domestic customers</p> <p>We gathered consumers' views about our Draft Business Plan via online surveys</p>	<ul style="list-style-type: none"> Customers prioritised providing career opportunities for the next generation as 7.5/10. [E173] Workforce diversity was scored 7.5/10 as a priority for customers and further engagement on this issue would be beneficial. [E173]

EVIDENCE STATISTICS



ED2 ENGAGEMENT EVENTS

29



INSIGHTS

246



STAKEHOLDERS ENGAGED

7,163

STAKEHOLDER SEGMENTS ENGAGED

CONSUMERS	Domestic customers	Customers in vulnerable situations	Transient customers	Next generation bill payers	SMEs	Major energy users	
CUSTOMERS	Distributed generation customers	Builders and developers	Community energy schemes	Landowners/farmers			
POLICY MAKERS AND INFLUENCERS	Government	Research bodies, policy forums and think tanks	Media	Consumer groups	Regulators		
COMMUNITIES AND LOCAL DECISION MAKERS	Local authorities	Charities	Academic institutions	Housing associations			
	Vulnerable customer representatives	LEPs	Emergency response	Healthcare	Community interest bodies		
WIDER INDUSTRY AND VALUE CHAIN	DNOs	Transmission	GDNs	Water	Telecoms	IDNOs	
	ICPs	Consultants	Energy suppliers	EV charging	Other supply chain	Storage and renewable providers/installers	Transport and highways agencies
PARTNERS AND ENABLERS	Current and future employees	Contractors	Service partners	Shareholders	Investors	Business advisers	Trade unions

EVIDENCE ASSESSMENT

ENGAGEMENT SCORING KEY

The engagement score assigns a weight to each source accounting for the robustness of the engagement event and the relevance of the feedback to the topic.

Score	Description
1-1.66	Limited evidence of good event planning, methodology or data collection. Feedback provided is high level with tangential relevance to the topic.
1.67-2.33	Good evidence of engagement planning and discussion of data collection methods, but limited depth of feedback and range of opinions. Feedback not necessarily fully aligned to the topic and only provides a limited insight and thus moderately useful.
2.34-3	Well conducted, trustworthy event with highly relevant feedback. Specific, clear and relevant information with clear link to the topic discussed and high value added.

Phase	Date	Event ID	Event name	Key stakeholder groups	Number of stakeholders engaged	Engagement score
Phase 4: Testing and Acceptance	Oct-21	E153	Employee Consultation Document Engagement on Draft Plan	Current and future employees	3	2.3
	Oct-21	E155	Stakeholder Consultation Document Engagement on Draft Plan	Community interest groups, storage and renewables suppliers, emergency response, healthcare and highways agencies	19	2.3
	Sep-21	E151	Consolidated Outputs and Costings Event	Contractors, Consultants, Local Authorities, National Government, Storage and Renewables suppliers, Supply Chain	106	2.5
	Sep-21	E158	Future Consumers Event	Future Customers	26	2.5
	Sep-21	E170	Microsite survey on Costed outputs	Domestic Customers, Vulnerable Customers and Future Customers	1,298	1.7
	Sep-21	E173	Customer Service Survey on Draft Outputs	Domestic Customers	3	2.5
	Sep-21	E175	Flexibility CVP Expert Event	Community Energy Schemes, Charities, Local Authorities	31	2.0

Phase	Date	Event ID	Event name	Key stakeholder groups	Number of stakeholder s engaged	Engagement score
	Aug-21	E159	Customer Service and Consumer Vulnerability Bilateral and Survey on Draft Outputs	Consumer groups, Local Authorities, Research Bodies, Vulnerable Customer representatives, Charities, Water and Energy Suppliers	21	2.5
	Aug-21	E162	Digital Strategy Action Plan workshop	Academic institutions, consultants, community energy schemes, contractors, local authorities, Supply chain, storage and renewables suppliers, energy suppliers, vulnerable customer representatives	25	2.3
	Aug-21	E166	Corporate Affairs General Bilateral	Government, Storage and renewables providers	25	2.0
	Jul-21	E167	Sustainability Strategy consultation	Vulnerable customer representative, A storage and renewables representative and Community Interest Group	4	1.5
	Jul-21	E172	Customer Service and Consumer Vulnerability Internal Engagement	Current and future employees	74	2.5
Phase 3: Business Plan Refinement	May-21	E134	Workforce Resilience bilateral with Prospect Union	Trade unions	2	2.5
	May-21	E142	ED2 Employee Engagement Group	Current and future employees	9	2.5
	May-21	E145	Joint Business Committee meeting on ED2 strategy	Trade unions	5	1.7
	May-21	E146	Joint DNO-EU Skills collaboration on ED2 Workforce Resilience Metrics	DNOs	12	2.5
	Mar-20	E108	Ofgem's Safety, Resilience and Reliability Working Group	DNOs, Regulator and Consumer groups	16	3.0
Phase 2: Co-creation	Feb-21	E022	Major Connections Customer Expert Panel	Distributed generation customers, builders and developers, local authorities, ICPs and IDNOs	9	1.5
	Jan-21	E093	Supply chain survey: sustainable procurement	Other supply chain	80	1.5
	Jan-21	E020	Connections ICE Engagement - BAU and ED2 Survey	Distributed generation customers, builders and developers, local authorities, ICPs and IDNOs	16	1.3
	Dec-20	E078	Employee engagement: Great Place to Work employee Survey	Current and future employees	3,245	2.7
	Dec-20	E021	Connections engagement - ED2 focus groups - Distributed Generation	Distributed generation customers	6	1.3
	Nov-20	E038	Connections ICE Engagement - BAU Expert Panel - ICPs/IDNOs	ICPs, IDNOs	2	1.5

Phase	Date	Event ID	Event name	Key stakeholder groups	Number of stakeholders engaged	Engagement score
Phase 1: Open Discovery	Sep-20	E047	Consumer vulnerability expert workshop	Local authorities, housing associations, charities, consumer groups	50	2.5
	Jun-20	E105	Fatigue management	Research bodies, policy forums and think tanks	1	2.0
	Mar-20	E076	SSEN Leadership workshop	Current and future employees	16	2.5
	Feb-20	E077	EU Skills Research	Research bodies, policy forums and think tanks	1	3.0
	Aug-20	E019	ED2 Customer Priorities Survey	Wider industry & value chain, ICPs, Supply chain	2,031	2.0
	Mar-20	E015	SSEN Distribution ED2 Online Workshop - Northern Scotland	Wider industry & value chain, Consultants, ICPs	27	2.0