



Agenda Item no.	Notes and Actions
	<p>Action: ZM to circulate documents and tools that came out of the New Pin event that ZM presented at once they have been published.</p> <p>ZM caught up with LB before the meeting due to LB not being able to attend.</p> <p>There is a SEW Board meeting tomorrow which ZM will be attending.</p> <p>ZM will be attending the Essential Services Action Network (ESAN) empowering customers cross sector event taking place next week. Also next week ZM will attend the vulnerability strategy co-creation session with stakeholders.</p> <p>ZM reminded the Group that CCWater will be holding their regional meeting in public on 21<sup>st</sup> March in London.</p> <p>Ofwat has invited Companies to individual meetings post the 3<sup>rd</sup> September business plan submission; the Company has invite ZM to attend its Ofwat meeting on 28th September.</p> <p>ZM updated the Group on the two Sub-Group meetings held earlier in the week.</p> <p><u>Vulnerability Sub-Group</u> The Sub-Group remains concerned with the slow progress in the Company mapping customer vulnerability in the now and future.</p> <p>There are further concerns around the timetable for vulnerability research. The Company shared with the Sub-Group its current staff training material at the last meeting, and the Sub-Group has now challenged the Company to benchmark itself against good practice.</p> <p>The Sub Group is pleased the Company has BSI auditing now scheduled to review the accessibility of its services for customers in vulnerable situations. This is with a view to be accredited.</p> <p><u>Research Methodology Sub-Group</u> The Sub-Group discussed changing the level of attendance needed for the Research Methodology Sub-Group to be quorate due to members' workloads causing difficulty to attend; going forward the Sub-Group will go ahead where there is at least 50% membership present.</p> <p>The Sub-Group continue to challenge the Company on the representation of its customer base among those who attend workshops and respond to surveys. The Sub-Group also raised questions on the procurement process carried out by the Company. The Company will be producing a one page document that will clarify the rationale, approach and assessments etc for each piece of research it has carried out, and is still to carry out.</p>
5. PR19 update and discussion	<p><u>Engagement forward look summary</u></p> <p>The Company shared its high level, forward looking engagement programme (already shared at the Research Sub-Group which has been asked for detailed comments) and explained some aspects of the planned, additional research areas.</p> <p>PS asked the Company if it was looking to getting the fair tax mark and added that this is a particular area of expertise for her and AM. The Company responded that it would consider this.</p>

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	<p>CF echoed concern from the Vulnerability Sub-Group that the vulnerability research was moving at a slower pace than the rest of the programme. The Group discussed how the company would use the outcomes of this research and the extent to which SEW would be able to progress the Vulnerability Strategy ahead of submission of the assurance report. The Company conceded that it had not yet considered funding for the vulnerability work but that it could build in flexibility into the business plan to enable them to respond to any late emerging proposals. KG reminded the Group that companies were required to engage with CCWater on any changes it planned to make to its social tariff so this would need to be built into the timetable.</p> <p>The Group discussed the aims of the Outcomes research and that the company will be seeking customers' views on reward and penalties. ZM thought that the company should be careful to not set unrealistic expectations for customers i.e. should the Company be asking customers about the principle of applying rewards and penalties, when that is expected by Ofwat (and has been the subject of discussion between the regulator and CCWater via correspondence).</p> <p>LS reiterated concerns raised at previous meetings around the tight timetable as well as how the Company has settled on the methodology it was selecting for research; this has been discussed in more detail at the Sub-Group and the Company will be producing a one page document that will clarify the rationale, approach and assessments etc for each piece of research it has carried out, and is still to carry out.</p> <p>Action: AL and LS to discuss the one page summary document for each piece of research undertaken by SEW.</p> <p>Action: The Company will create and share a timetable for upcoming research and when the research materials will be shared with the Group.</p>
6. Board Engagement	<p>The Group discussed the Board engagement programme. PS asked for the company's views on the stakeholder and strategic relationship work element. The Company considers that it has a good working relationship with its community stakeholders but would like to develop a more strategic approach to partnerships; this is in the early days of being developed.</p> <p>NS informed the Group that this kind of Board engagement activity has been carried out by a number of the Board members before and was viewed positively by the Board. NS advised that the programme would be discussed further at the next board meeting. The intention was to increase sign up to the events, other constraints permitting (not all the events listed would be attended). Due to the infancy of this programme the value of it could not yet be seen as this only started at the beginning of the year. ZM queried how the company would be measuring the impact and what good looked like. The Company are considering how best to evaluate this. One option may be to capture learning/take aways.</p> <p>LS would like to see a new column added to the table to show who attended the event and not just who signed up for it.</p> <p>Action: The Company to add a column to the Board engagement programme to show who attended the event.</p> <p>NS informed the Group that LR has created a feedback form for Board members to complete following an event to gain their insight from the experience.</p> <p>AM asked the Company if any progress had been made on responsible business since her meeting with JO. The Company has set up a steering group, which DEH chairs.</p>

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	<p>The Group were pleased with the progress that has been made on this and ZM was pleased to see a variety of Board representatives already signed up. ZM would like to discuss the possibility of CCG members attending some of the activities on the list.</p> <p>Action: ZM to contact LR to discuss the possibilities of CCG members attending relevant activities on the Board Engagement programme.</p>
<p>7. Engagement Dashboard</p>	<p>Following comments received by some members of the Group an updated version of the engagement dashboard was presented to the group. A one page summary dashboard had been added to show key facts and figures. An additional page had been added following a request from ZM for more detailed data on vulnerable customers; this will be populated further in due course.</p> <p>Data relating to the new website was included in the dashboard including the figures for the most popular languages used by the 'recite me' tool, of which Spanish was the highest one; this was a surprise for the company so it will interrogate the data behind this to better understand the need for this service.</p> <p>AM thought that the one page summary was a good idea - however in practice it was hard to read and digest and so the design should be revisited.</p> <p>ZM suggested that internal and external data are distinguished in some way for ease of absorbing. Also ZM would like to see a short explanation of what the Company is taking away from any insight received.</p> <p>Action: The Company is to update the Engagement dashboard with the suggestion given and present a new version at the May CCG meeting.</p>
<p>8. Triangulation and WRMP assurance and gap analysis</p>	<p>The Company has used ICS to undertake an assurance/ gap analysis review of the triangulation approach used in stage one (the what) by the Company and to provide recommendations on the process to be used for stage two (the how). ICS has also carried out a similar assurance/ gap analysis review of the WRMP engagement carried out to date and recommended where additional research may be necessary to provide a more robust evidence base on which decisions will be made.</p> <p>The challenges and issues raised by ICS are relatively well aligned with the company's own assessment of the current strengths and weaknesses and those raised by the CCG.</p> <p>CF asked the Company how it weights each piece of work as part of the triangulation exercise; the Company responded that there is no guidance for how the weighting should be applied but it is envisaged this is where ICS' expertise will be deployed.</p> <p>LS suggested the creation of an evaluation framework to help with the weighting issue.</p> <p>Action: JG and LS to discuss the process and creation of an evaluation framework for pieces of work being selected for triangulation.</p> <p>In relation to the draft WRMP, ICS have recommended the Company carries out further qualitative and quantitative research for the draft WRMP; this is supported by SEW as it was already recognised as being required e.g. having further deliberations with customers on leakage and PCC ambitions. The Company is currently awaiting a further research proposal from ICS which it will share with the Research Sub-Group as soon as it is available.</p>
<p>9.</p>	<p>The Company shared its draft outcomes definitions with the Group which have remained largely unchanged since they were presented at the December meeting. The only additions are</p>

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Outcomes definitions	<p>those that have arisen from new requirements determined by Ofwat for measuring companies' performance around void properties and gap sites.</p> <p>The Company has been in discussions with the EA and Natural England in relation to the environmental Outcomes.</p> <p>The group discussed the spread of incentives and the effect of RoRE (Return on Regulated Equity) on customer bills - KG specifically asked what impact a 2% RoRE would have on customer bills. OM would provide the bill impact for that scenario.</p> <p>Action: The Company is to provide the Group with the impact of 2% RoRE on customers' bills.</p> <p>CF asked the company to clarify how upper quartile performance will be calculated - would it be a set figure for the five year period or would it change year on year? The Company responded that companies were expected to aim for an annual upper quartile performance figure.</p> <p>JH queried what definition of water poverty was being used for the vulnerability Outcomes. The Company confirmed it will be trying to develop a common definition for the industry, and would also be testing this with stakeholders during the co-creation workshops.</p> <p>The Group discussed if there is any correlation between its social tariff and a reduction in water poverty; the Company commented that as the main factor in water poverty is someone's level of income, it has limited control over that. CF challenged the limitations of using a correlation between social tariff and level of deprivation as a measure for a vulnerability outcome.</p> <p>ZM raised concerns that the outcomes had been developed while the engagement is still ongoing and therefore they are not able to inform the business plan. The CCG will be seeking assurances and evidence that there is a 'golden thread' from the issues identified as customer priorities in the research and wider engagement and those selected by the company. The Company responded that all the outcomes proposed can be traced back to the initial research to explore customers' priorities, while also addressing Ofwat's requirements to standardise many of the measurements of performance across the industry.</p> <p>Action: The Company to create a matrix to show which Outcomes have been selected due to Ofwat requirements and how customers' priorities have also helped shape them. This should also clarify which customer segments the Company has engaged with on each Outcome.</p>
10. Debriefs	<p><u>Willingness to Pay (WTP)</u></p> <p>RS and PM attended the meeting to debrief the Group on the willingness to pay (WTP) survey that the company had undertaken. 1,100 surveys had been carried with household customers, and following 56 cognitive interviews.</p> <p>The group had strong views that the weighting methodology used, 61% men to 39% women, using the research standard for a male head of household/bill payer, was not acceptable or necessarily representative of SEW's customer base or whose views were most pertinent in WTP discussions. Accent explained that this was industry standard practice but agreed with this view agreed with this view and supported the request to re-weight the results to be more representative of the company's customer base based on gender 49:51 male to female.</p> <p>Action: Accent to re-weight the willingness to pay on gender to ensure accurate representation of the company's customer base.</p>

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	<p>Action: LS and Accent to highlight the issue of the gender weighting being based on a male head of household to the Market Research Society.</p> <p>Action: ZM to highlight the issue of gender weighting based on a male head of household to the CCG Chairs meeting.</p> <p>The Group discussed the high number of customers who felt able to draw comparisons and understand what they were being asked to do. JH queried whether customers had been honest in their responses i.e. they didn't want to admit they didn't understand the survey.; ZM added she had attended some cognitive interviews and was despite initial scepticism as to the complexity of the approach was pleasantly surprised at the level of understanding customers had for the survey.</p> <p>DH commented that there were differences in the descriptions used for environmental measures. OM explained this was based on the December version of the outcomes presented to the CCG and the Company will need to carry out some work to convert the values for the new descriptions.</p> <p>The Group found the results by segments very interesting and asked the Company how it would use this information. The Company will be clarifying its thoughts on that in due course, having only received the full debrief in the last few days.</p> <p>The group would like to see the segmentation results spilt out by geographical location and income if possible.</p> <p>Action: Accent to assess the data to see if it is possible to show the segmented results for geographical locations and income bands.</p> <p>Action: the CCG to hold a special 'Outcomes' meeting to allow for a deeper dive in this area.</p> <p><u>Resilience</u></p> <p>Action: AL to circulate the full Resilience debrief slide presentation to the group for information.</p> <p>ZM informed the group that the Sub-Group felt that further steps needed to be taken to provide assurance that customers were making informed choices on some of the longer terms solutions; having sat in one session ZM said some customers where stating they did not feel able to give an informed view around whether the risks and impacts for some resilience solutions that had been identified by SEW.</p> <p>The Group discussed data and security as part of resilience and noted that cyber security should be added to the presentation as an action point.</p> <p>Action: Accent to add cyber security as an action point on the data and security page of the debrief.</p> <p><u>Non-Household</u></p> <p>Action: AL to circulate the full Non-Household debrief slide presentation to the group for information.</p> <p>This research was carried out with different sized NHH customers in SEW's supply area; however large companies were not included and will be addressed in another piece of research.</p>

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	<p>RL and AM gave feedback from the NHH focus group they had attended where there did not seem to be a wide variety of businesses sizes; there seemed to be a disproportionately high percentage of small business represented. The majority of the businesses were also not aware of business retail competition; and in general the water supply service was not seen as a priority. AM raised concerns that NHH customers felt their complaints were not seen to be dealt with in the same way as household customers complaints.</p> <p>PS also raised concern that the representation of the company's NHH customer base did not seem to fit with those in the focus group attended by her. High water users did not seem to be included along with larger businesses. The Company responded this gap would be addressed with the additional research (surveys) being planned with large users and retailers.</p> <p>ZM echoed concerns raised earlier in the meeting regarding NHH customers being unable to form informed views during their discussions and felt that any conclusions drawn from the research should be caveated with that and not relied on as a robust evidence base on which to assess support for future options.</p>
<p>11. Supercharge Demo</p>	<p>AL carried out a live demo of the Supercharge web game that has been developed for the Company to further 'triangulate' the main WTP results. The web link will be sent to the group for testing also as it is currently being tested by SEW staff before going out to customers.</p> <p>The explanatory text currently in the game is still draft and AL will send out an updated text file for the Group to review before the next update.</p> <p>Action: AL to circulate the Supercharge web link along with a text file of the explanatory text.</p> <p>The Group were happy to see the development of the Supercharge tool and anticipated future meetings post the business plan submission could be used to discuss its future development and wider roll out.</p>
<p>12. AOB</p>	<p>NS gave a short explanation of his role on the SEW board and a brief history in the water industry. The Group asked NS a number of questions.</p> <p>PS asked for a comparison between SEW and previous water companies he'd worked for. NS responded that the challenges are the same – it's largely about scale and proportion. With SEW being a water only company it meant the size and scale of work is different to that of a Water and Sewerage company. SEW was the only company to retain its self-assured status for 2 years in a row so regardless of size, is a clear demonstration that it is a well-run company.</p> <p>DH discussed the Company's ambition in the draft WRMP to reduce leakage by 15% over 60 years which did not seem very ambition or represent stretching performance. NS commented that the company should be realistic in its approach and keep in mind future demand for water, as deciding to bank all possible reductions in saving water via leakage is very risky when operating in a water stressed area with a significant supply demand deficit. NS emphasised that he was not saying that a 4% reduction over 60 years was the only position the company should take either, and so there needs to be further consideration of the risk to customers' supplies to go beyond this.</p> <p>ZM asked what NS's personal view is of CCGs and the value around engagement they bring to companies. NS responded that it is important to have CCG scrutiny of what water companies do and fully supports their role and challenge.</p>
<p>13. Private Session</p>	<p>The Group discussed the company's progress of the engagement activity and the key messages to be communicated to SEW's Board in the CCG's update.</p>

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14. Meeting Close	The next meeting will take place on 4 <sup>th</sup> April 2018 11:00 am – 4:00 pm at Mary Sumner House, London.

### Summary of Actions and Challenges

Actions	Owners
SEW to circulate the PPP document and highlight the bill break down in the document.	NB
The Company is to share the report of lessons learnt from the bad weather incident with the CCG when it is ready.	SG
ZM to circulate documents and tools that came out of the New Pin event that ZM presented at once they have been published.	ZM
AL and LS to discuss questions to be covered in the one page summary for each new piece of research proposed.	AL & LS
The Company will create and share a timetable for each piece of research and when research materials will be shared with the Group.	AL
The Company to add a column to the Board engagement programme to show who attended the event.	LR
ZM to contact LR to discuss the possibilities of CCG members attending relevant activities on the Board Engagement programme.	LR
The Company is to update the Engagement dashboard and present a new version at the next CCG meeting.	LR
JG and LS to discuss the process and creation of an evaluation framework for pieces of work being selected for triangulation.	JG & LS
The Company is to provide the Group with the impact of 2% RoRE on customers' bills.	OM
The Company to create a matrix to show which Outcomes have been selected due to Ofwat requirements and how customers' priorities have also helped shape them. This should also clarify which customer segments the Company has engaged with on each Outcome.	OM
Accent to re-weight the willingness to pay on gender to ensure accurate representation of the company's customer base.	Accent
LS and Accent to highlight the issue of the gender weighting being based on a male head of household to the Market Research Society.	LS & Accent
ZM to highlight the issue of gender weighting based on a male head of household to the CCG Chairs meeting.	ZM
Accent to assess the data to see if it is possible to show the segmented results for geographical locations and income bands.	Accent
AL to circulate the full Resilience debrief slide presentation to the group for information.	AL
Accent to add cyber security as an action point on the data and security page of the debrief.	Accent
AL to circulate the full Non-Household debrief slide presentation to the group for information.	AL
AL to circulate the Supercharge web link along with a text file of the explanatory text.	AL

Challenge