

Notes of Meeting No.4 of the South East Water Customer Challenge Group held on 1st November 2017, at Mary Sumner House, – Princess Elizabeth Room 24 Tufton St, Westminster, London SW1P 3RB.

Present:

Zoe McLeod (Chair)
 Penny Shepherd (PS) (CCW)
 David Howarth (DH) (Environment Agency)
 Janet Hill (JH) (Swale Borough Council)
 Richard Lavender (RL) (Kent Invicta Chamber of Commerce)
 Caroline Farquhar (CF) (Citizens Advice)
 Karen Gibbs (KG) (CCW)
 Louise Bardsley (LB) (Natural England)
 Mairi Budge (MB) (Independent – research and behaviour change)
 Adrienne Margolis (AM) (Household Customer)
 Leslie Sopp (LS) (Independent – research and insight)
 Rupika Madhura (RM) (Independent – price controls)
 Steve George (SG) (SEW)
 David Hinton (DEH) (SEW)
 Oliver Martin (OM) (SEW)
 Alison Lee (AL) (SEW)
 Jo Osborn (JO) (SEW)
 Lee Dance (LD) (SEW)
 Jane Gould (JG) (Create 51)
 Rob Sheldon (RS) (Accent)

Apologies:

Veronica McGannon (VM) (Household Customer)
 Simon Mullan (SM) (SEW)
 Sheila Bowdery (SB) (SEW)

Notetaker: Nicola Blake (NB) (SEW)

Agenda Item no.	Notes and Actions
1. Introductions	Apologies were received from VM, SM and SB. The Chair welcomed back Richard Lavender and introduced Louise Bardsley from Natural England who has returned to the CCG.
2. Minutes from the last meeting and Challenge Log	<p>PS requested the minutes from the last meeting be updated to reflect the fact that due to train issues she was only in attendance at the meeting from item 5 on the agenda.</p> <p>There are currently two outstanding actions from the meeting which are as follows;</p> <ol style="list-style-type: none"> 1. CCG would like to invite a member of the Board to the January 2018 meeting. 2. The CCG would like to see the updates presented to the Board on engagement. <p>The Chair summarised the priority challenges on the Challenge Log. These are:</p> <ol style="list-style-type: none"> 1. Mapping of the Company's constituency - in terms of vulnerability/socio-demographics 2. Mapping the Company's key stakeholders in relation to aims. This information is needed to give the Group confidence that SEW is targeting its engagement in a strategic way and reaching all customers with its engagement. 3. SEW pulling together its existing evidence base in terms of what it knows about its customers. So SEW isn't unnecessarily reinventing the wheel. <p>LS asked the Company for an update on the CCG website, JO informed the Group that drafts of the website had been shown to ZM and comments received, the link will be circulated to the group for review and comment.</p> <p>Action: ZM to send CCG website link to the Group.</p>

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<p>3. Chair's Report and Sub-Group updates</p>	<p>The Chair briefly updated the CCG on the activity of the Vulnerability sub-group and Research Methodology subgroup – see Paper 2 which was circulated before the meeting.</p> <p>Following an action from the Research Methodology away day in August the Group has drafted a paper detailing the CCG's thoughts on Co-Creation and Co-Delivery; this paper has been sent to Ofwat for review and comment to make sure the CCG's and Ofwat's thoughts are aligned on the matter. Once a response has been received ZM will share the paper with the Company.</p> <p>The Chair informed the Group that following attendance at the September CCG meeting she had met with Emma Gilthorpe from the Board and would update the Group further in the Private session.</p> <p>ZM asked OM to elaborate on the Board away day activities that were carried out in October. The Board were updated on the research activity and findings to date and also participated in a customer focus group activity. The write up of this focus group is currently underway and will be circulated to the Group once received. In response to CCG challenge, following the meeting OM has been tasked to create a programme of "in your shoes" activities for the Board members to take part in. This is help build the board's grass roots understanding of the business and issues faced by consumers. The Group are asked if they have any ideas to please email OM.</p> <p>JH mentioned a "back to the floor" day that is used at Swale Borough Council that could also be used (which SEW has recently undertaken). ZM mentioned that E.ON energy do customer immersion sessions which different board members sponsor and participate in so they hear directly from customers about their experiences of the business and what matters to them.</p> <p>CF asked if a member of the board will be taking the lead on engagement, particularly with vulnerable customers. DEH informed the Group that no single Board member is tasked with responsibility as the Board as a whole has collective responsibility for all aspects of the business, including vulnerability, and so would be wary about potentially diluting that collective responsibility. PS suggested there are different ways of showing the group that the Board has a focus on vulnerability, as they currently do not feel that this is being adequately demonstrated.</p> <p>Action: Update Challenge 42: SEW so that it is more appropriately nuanced to ensure the Board demonstrates how it ensures appropriate leadership on vulnerability as opposed to having a vulnerability champion person which the CCG recognised may not be the most effective approach.</p> <p>RM suggested that the Company might want to carry out a strategic exercise to explore if staff and board members appetite for engagement/priorities align. OM asked the CCG to consider the types of questions that could be covered for this specific survey, but also suggested much of the data (i.e. findings) already exists in the Company's staff survey. RM explained the intention was more about ensuring strategic alignment and understanding as much within the board as between the Board and that her experience of such exercises was that they could be very insightful. A number of CCG members however, were also interested in the staff survey results.</p> <p>Action: OM to circulate staff survey and results to group for information</p> <p>MB suggested the Company carry out analysis on the results they already have before commissioning new activity as this may provide the reassurance the CCG needs. RM does not think that the staff survey will fill this gap while CF wasn't sure if a questionnaire would show any gaps.</p> <p>Action: SEW to provide note from Board away day meeting on 12th October.</p> <p>Action: RM to draft note that clarifies the aims of the strategic exercise and the type of questions that should be posed or an alternative way to gain the assurance needed.</p>

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	<p>The Chair updated the group on meetings that she had attended since the last meeting, including with Ofwat to discuss segmentation for people in vulnerable situations.</p> <p>Action: ZM to circulate note from the UKRN event on data.</p> <p>ZM thanked the members of the Group who attended the Willingness to Pay teaching session. If any more members wish to have a session they should let the Chair know.</p> <p>The Chair informed the Group of upcoming events she would be attending.</p> <ol style="list-style-type: none"> 1. Ofwat Customer engagement seminar – 2nd November. 2. Catch up meeting with Marissa - 7th November. 3. Huntsford event on vulnerability best practice, ZM can no longer attend the event so offered her place to a member of the Group. PS said she would be interested in going. <p>RM informed the group of two events she is attending.</p> <ol style="list-style-type: none"> 1. Frontier economics event. 2. UKRN event on best practice on consumer engagement. <p>KG told the Group CCWater’s report on water supply performance will be published on 6th December, this report will cover, leakage, PCC and supply interruptions. CCWater also published a water saving research report on 20th September.</p>
4. PR19 update and discussion	<p>Paper 3 (two parts) was presented by OM at the meeting, which first outlined where the company is on its PR19 research programme and development of its outcomes. The willingness to pay research timings have slightly stretched due to discussions on the methodology to define the measures for testing with customers (subject of separate paper); the deadline for this piece of work is now the end of December.</p> <p>JG attended the meeting and presented the second element of the paper to the group, which is a visual to explain the thought process which led the Company to devise its PR19 engagement programme. JG explained the graphic addressed a specific challenge from the CCG to “see the wood from the trees” around the Company’s PR19 engagement strategy and evolved as a follow-on from the CCG Report (May 2017) and Engagement Sub Group Away Day (August 2017). JG added it is not intended to capture how business as usual engagement and wider insight is being captured by the Company – that is a separate graphic which is currently being developed to show the linkages, interdependencies and any gaps.</p> <p>DH commented that the graphic seemed focused more on impacts on ODIs and not how the findings are being used to make other decisions such as WRMP option preferences customers may have. The Company advised that the graphic would continue to evolve and would be updated to include those types of references.</p> <p>In addition, the Company has shared a paper (4a) that is starting to pull together its initial thoughts on how the engagement findings will feed into the business plan and Company’s decisions.</p> <p>The group welcome the graphic and agreed it was clear and useful and now provided the clarity it sought to understand the Company’s PR19 research journey. It was agreed that challenge 26 could be closed. The CCG highlighted however that the graphic only showed part of the process – the company’s research overview. They challenged the company to share their entire engagement strategy. The CCG have not yet seen this.</p> <p>Action: Challenge 26 to be closed.</p> <p>Challenge: SEW to share its engagement strategy (not just its research strategy)</p>

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5. Engagement update and discussion	<p>OM presented paper 4a to the group, which collates the Company's initial views on the findings of the research programme so far.</p> <p>CF questioned the Company on the term 'resilient customer', OM explained that this is a concept being developed by SEW (and highlighted in the Company's presentation to Ofwat which was shared with ZM) to deliver greater resilience with the help/support of customers. This has been the subject of an interview with DEH in the Water Report. PS commented that a take away from the CCWater research was that customers expect the company to be resilient.</p> <p>Action: ZM to send Company's Ofwat presentation to Group for review.</p> <p>Action: OM to send water report article on interview with DEH on the 'resilient customer' concept.</p> <p>OM advised that Accent are currently working on triangulating CCWater research findings (around water values) with the Company's own segmentation research findings.</p> <p>AM asked if the Company considers environmental and energy innovation? DEH explained that during the selection of WRMP schemes an environmental impact assessment is carried out to highlight areas where innovation could deliver the solution.</p> <p>The Group discussed the Company's proposal to have a 'tool kit' of possible innovation ideas (the what) to help deliver its outcomes but without defining the how - for example, the behavioural science tools that could be used to lower PCC.</p> <p>A discussion was had on the definition of innovation with members having differing views. LS suggested innovation should not just be thought of as technical innovation but more widely such as using data held in an innovative way.</p> <p>Action: a note to be drafted by the Group to reach a definition of Innovation to make sure everyone is clear on the meaning.</p> <p>LB asked what the Company's strategy was on tapping into sources of innovation - universities were given as an example. The Company informed the group that this type of partnership approach would be part of the 'tool kit' it is developing.</p> <p>Action: SEW to define the range of 'tool kit' measures and share with the CCG for review.</p> <p>RS from Accent attended the meeting to present the Willingness to Pay (WTP) metrics paper. A short summary note was produced by OM; the CCG was asked to comment on the proposed approach and the proposed metrics. Following the circulation of the paper the Company has held a meeting with Frontier Economics on outcomes and requested the following three new metrics be tested.</p> <ol style="list-style-type: none"> 1. Single source of supply – proportion of households that only have one water supply source 2. Partnering with landowners to improve the environment – proportion of farmland included in partnership working 3. Protecting wildlife and increasing biodiversity – number of hectares of land enhanced to increase biodiversity (need to then define hectares and also biodiversity). <p>Action: SEW to circulate an updated metrics paper.</p>

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	<p>CF asked if the Company was moving away from using customer satisfaction as a measure as they were not included in the paper. The Company responded that customer satisfaction will still be an integral part of the business plan and delivery of its outcomes; however as Ofwat has now prescribed many of the performance measures that need to be achieved (and which will be confirmed in its final methodology) the customer satisfaction elements will be reputationally-based performance commitments (ie non-financial) and will therefore not need to be included in Willingness to Pay research.</p> <p>There are two workshops planned with customers for testing of the language being used around the metrics and the different packages.</p> <p>The group discussed a number of questions on the water resources metrics which were deferred to later discussion and could be answered once LD was in attendance.</p> <p>RM did not think that the paper was clear on where the Company had come from since PR14 and why it was changing its methodology for PR19. The group discussed ways of giving a quick background on the papers, LB suggesting adding a box on the covering sheet for scene setting/ context.</p> <p>Action: SEW to add new context box on coversheets.</p> <p>KG was surprised at the inclusion of standpipes and rota cuts as other companies were not including this in their research/plans. This was discussed further later in the meeting (see next section). KG wanted to make sure that the wording of these questions – and the implications of what was being tested with customers – was absolutely clear. The Company assured the group that the wording of the questions will be shared with the Research Sub-Group which KG attends for comment.</p>
<p>6. WRMP update and discussion</p>	<p>LD attended the meeting to present Paper 5a. This paper has been written to explain the water resources planning process and to cover challenges about the WRMP engagement raised by the CCG in previous meetings.</p> <p>The Group discussed the multi-stage screening process undertaken on options. The Company uses the UKWIR best practice guidelines and follows the WRMP methodology to carry out the screening of all unconstrained options before publishing for consultation its preferred options. LB assured the group that SEW was following the same course as all other companies, that is it would consult on its preferred options rather than the unconstrained options list, as many of these were conceptual in nature eg towing icebergs and the list was too expansive to provide meaningful engagement.</p> <p>The Group asked what engagement had taken place prior to the consultation (who and what) being published and what the role of the EFG had been. Also how the company had built in scope to adjust the approach given feedback from the consultation.</p> <p>The company reported that it had carried out an online and postal survey to help formulate its demand forecast, and received 14,000 responses; this is circa 4,000 more than for the last WRMP.</p> <p>The Company informed the Group that a new Community Engagement Manager had been appointed in the last month and it would be their role to help with future engagement around strategic plans. The first piece of work will be to review who was engaged with last time on the WRMP and undertake a gap analysis to determine if a more targeted approach needs to occur to increase interest and representations. The Group welcomed this approach.</p> <p>The questions that were asked in the previous item were discussed further at this point of the meeting.</p>

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	<p>JH asked the company why, when asking about hosepipe restrictions did it state only from May - September? LD informed the group this reflected the period time it would most likely have an impact on demand; however DEH confirmed that this text would not be included in the final survey design.</p> <p>KG asked the Company on its reasons for including testing the use of standpipes as part of its levels of service and why it was included in the Willingness to Pay survey. LD responded that due to Defra requesting companies to test more drastic drought events than the previous 1:100 years event, and to assess the resilience of the Company's assets to those more extreme events, this requires the Company to look at standpipes as an option and demonstrate the impact of that, however unlikely. The group agreed that the messages and language used to test this with customers was very important. Work has been done on the preferred language to explain the 1 in X number of years concept as this is hard to get customers to understand what this could mean for them.</p> <p>LB informed the group that shoreline plans were currently being consulted on and suggested the company look for any lessons learnt around the language used to test different ranges of flooding events from this process.</p> <p>RS presented paper 5b, a debrief from the qualitative WRMP research. There were two comprehension sessions before the main focus groups to make sure customers were able to understand the subject matter. RS informed the Group that community groups were used to test geographically based views on location-specific community issues. Representatives from all six segments were included in the focus groups. The research has now moved in to its quantitative phase with 600 surveys being undertaken.</p> <p>LB was surprised by some quotes relating to standpipes and asked the Company if it was clearly articulated what the impact would be if standpipes were brought in i.e. businesses and schools closing due to inability to flush toilets.</p> <p>LB also noted that there was an interesting change in preferences from WMRP14 with Effluent reuse, Desalination and underground storage now not having a lot of customer support. The company reiterated that this was just qualitative research and the quantitative phase is still a couple of weeks away from being completed. The results of this will be shared with the Group as soon as they are ready. Additional work will be carried out during the triangulation stage to look at the language used for the last WRMP research phases to see if this has had any impact. MB asked the Company if a joint report will be created once all the WRMP research is complete, the Company agreed this would be done.</p> <p>LS asked the Company if this research was used for tracking views and if so, is the questionnaire the same as last time. The Company responded that this research was not tracking views and the questions would differ as it was attempting to understand specific issues around resilience and levels of service etc.</p> <p>The Company discussed with the group that the findings from the WRMP research will also be used to shape and input to the Vulnerability research programme. The Company will also compare its WRMP findings with the previously undertaken futurologist research (where future water options were discussed) and carry out a gap analysis to determine any differences.</p> <p>RM would like to see the link between the WRMP and PR19 better explained; JG advised this will be covered off in a separate graphic that is being developed.</p> <p>Action: SEW to create graphic to show linkages between the WRMP and PR19.</p> <p>CF would like to receive updates on the issues discussed with customers around standpipes. The Company informed the group that this will be covered off further when discussing Cost Benefit Analysis (CBA) in the Outcomes updates.</p>

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	<p>PS asked the Group if societal impact was part of the CCG remit. The Company responded that it is and they are currently working to define what societal impact means and are having a meeting (following a suggestion from ZM) to discuss this further next week.</p> <p>Action: AM and JO to meet to discuss community engagement.</p> <p>Action: SEW to set out how it is doing / planning on WISER.</p>
<p>7. Engagement Dashboard</p>	<p>JG presented Paper 6 to the group for comment. The dashboard will be used to bring regular updates to the group on the insight and learnings the Company makes from business as usual interactions and engagement. The Dashboard was welcomed. The explored how the dashboard would differ from the insight hub.</p> <p>It was suggested that the insight hub would be used as the data machine that intelligently collates and analyses insight and learnings which is then used to populate the dashboard. The 'where has it reported' column provide clarity on where in the business the data is being shared and discussed, and at what level of management.</p> <p>The Group discussed the possibility of a traffic light system to show how the Company was feeling about the measure but there is concern this may overlap with the separate reporting of actual performance metrics; while it was suggested a space for comments be allowed to provide context about the dashboard findings. ZM stressed the importance of the dashboard capturing qualitative insights and highlighted the value of capturing learning beyond the company.</p> <p>LS commented that he felt a disconnect between the title of the conversation slide and the content as the list was entirely comprised of the satisfaction surveys which were not conversations – he felt these should come under a title of surveys or feedback. The company agreed with this comment and would change the title on the next version.</p> <p>Action: SEW to change title of conversation to surveys/feedback. Next draft to the group with data for next meeting.</p> <p>LS asked the Company about the timescale of getting the insight hub up and running. The Company said that having devised and agreed the engagement dashboard it could now translate that to a clearer scope to be built; as this was likely to be complex it would be completing it in stages. LS expressed concern that this will not be undertaken until the next PR24, however the Company reassured the group it would start progressing the work while recognising it may not be achieved in its entirety ahead of the PR19 business plan submission.</p>
<p>8. Q2 performance report</p>	<p>AL presented paper 7 to the group for comment. The paper updated the Group on the Company's performance against its regulated ODIs.</p> <p>PS commented that water restrictions was the only ODI that was currently green, meaning the Company was in reward, which could be a benefit of the weather rather than anything the Company was specifically doing. A discussion was had that this could be the same for other measures such as burst water mains and leakage.</p> <p>DH commented that the number of daily abstraction breaches seemed very high and asked the Company to confirm if this was correct; and, if so, had the Company informed the EA? The Company responded that it would check the figures and provide clarification/update.</p> <p>Action: SEW to check if the number of daily abstraction breaches is correct.</p>

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	CF requested that going forward more explanatory text is added to the report for those measures that are colour-coded red on the dashboard. Action: SEW to include a fuller explanation of measures that are in red status.
9. AOB	There was no other business discussed at this meeting.
10. Private Session	The CCG discussed the operation of the Group, engagement principle to deliver societal outcomes, progress on the WRMP engagement, and the interim company scorecard and engagement with the Board among other areas.
11. Meeting Close	Date of next meeting is: Wednesday 10th January 2018. This meeting will take place in Snodland, South East Water Head Office.

Actions
ZM to send CCG website link to the Group.
Update Challenge 42: SEW so that it is more appropriately nuanced to ensure the Board demonstrates how it ensures appropriate leadership on vulnerability as opposed to having a vulnerability champion person which the CCG recognised may not be the most effective approach.
OM to circulate staff survey and results to group for information
SEW to provide note from Board away day meeting on 12 th October.
RM to draft note that clarifies the aims of the strategic exercise and the type of questions that should be posed or an alternative way to gain the assurance needed.
ZM to circulate note from the UKRN event on data
Challenge 26 to be closed.
ZM to send Company's Ofwat presentation to Group for review.
OM to send water report article on interview with DEH on the 'resilient customer' concept.
A note to be drafted by the Group to reach a definition of Innovation to make sure everyone is clear on the meaning.
SEW to define the range of 'tool kit' measures and share with the CCG for review.
SEW to circulate an updated metrics paper.
AM and JO to meet to discuss community engagement.
SEW to set out how it is doing / planning on WISER.
SEW to change title of conversation to surveys/feedback. Next draft to the group with data for next meeting
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