

**INDEPENDENT CUSTOMER CHALLENGE GROUP
– SOUTH EAST WATER**

**RESEARCH METHODOLOGY SUB GROUP
TERMS OF REFERENCE
Last updated April 2018**

1. INTRODUCTION

This Terms of Reference for South East Water's Customer Challenge Group Research Methodology Sub-Group (RMSG) has been developed by the main Customer Challenge Group (CCG) and agreed by them.

This document should be read in conjunction with the Terms of Reference for the main CCG.

2. ROLE

The RMSG has the following distinct functions:

- a) To support the main CCG in its duties in relation to the challenge and assessment of South East Water's PR19 engagement as set out in Ofwat's May 2016 customer engagement policy statement¹ and related guidance².
- b) To undertake a more detailed review of South East Water's engagement approach – including research methods, topic guides and questionnaires that are included within the Company's research programme and any reports that are produced.
- c) To have sight of and input into the development of research proposals.
- d) To share knowledge and insight with CCG members and South East Water on other external research methods and good practice studies that may be relevant to the Company's engagement programme.
- e) To provide comments to South East Water to help get best value for money of the research programme

¹ https://www.ofwat.gov.uk/wp-content/uploads/2015/12/pap_pos20160525w2020cust.pdf

² <https://www.ofwat.gov.uk/publication/aide-memoire-customer-challenge-groups/>

The following items will remain in the scope of the main CCG:

- a) Review and critique of South East Water's overall research and engagement programme; its aims and objectives; the outputs of each stage of the research and any conclusions that are being drawn from it.
- b) Review and critique of the findings from each stage of the research programme and how they are used to inform the next stage of research or business planning.

3. RATIONALE

- The timetabling of South East Water's engagement programme means the volume and pace of engagement activity in 2017-18 is too substantial to enable meaningful scrutiny from the main CCG alone.
- The CCG recognises the design and delivery of research can have a substantial impact on the end findings and conclusions.
- South East Water does not have an experienced consumer research and engagement function so this area warrants particular scrutiny to ensure the best outcomes for customers.

4. AUTHORITY AND POWERS

As outlined in Section 2 the RMSG will provide feedback to South East Water on its proposals in relation to suggested research methods, topic guides and questionnaires.

Any significant changes to overall engagement programme or the aims and objectives of the programme will be discussed with the main CCG to allow all members to provide comment and challenge.

The Company is not obliged to adopt all of the recommendations or act in response to the challenges from the RMSG however it should provide a reason to the RMSG for any substantive changes not made. The RMSG or CCG may escalate issues to the South East Water Board if needed. Where this is the case, and the Board rejects taking action, it will publish its reasons.

5. CHAIR

The Chair of the main CCG will act as the Chair of the RMSG, unless otherwise agreed with the members of the RMSG.

In between meetings of the RMSG, the Chair will be the principal link between the Group and the Company but will ensure that all Group members are kept informed and involved.

6. MEMBERSHIP

The RMSG should have a minimum of four members expert in this area including the Chair with the quorum necessary being 50 per cent of the Group.

The Chair shall determine the appointment of CCG members onto the RMSG.

In the absence of the Chair, the Chair may nominate a deputy to chair a meeting. If the Chair is unable to do so, the members may elect a Chair for the meeting.

7. DURATION, FREQUENCY AND LOCATION OF MEETINGS

The RMSG will meet monthly from April 2017 to September 2018. Meetings will also be convened when a specific and agreed need arises.

Meetings will be held either by conference call, webex or in person. The format of each meeting will be agreed with the Chair in advance of each meeting.

Communication and decisions will also take place remotely including by telephone and email between meetings as necessary.

8. SECRETARY

To ensure its efficient operation South East Water will provide sufficient secretariat function for the RMSG.

9. NOTICE OF MEETINGS

Meetings of the RMSG, other than those regularly scheduled as above, shall be summoned by the Secretary of the CCG at the direction of the Chair.

Meeting dates, times and venues shall be advised wherever possible, no less than 21 days in advance of the meeting. In exceptional circumstances, meetings can be called at shorter notice, at the discretion of the Chair.

Unless otherwise agreed, any agenda of items to be discussed and supporting papers shall be forwarded to each member of the RMSG and any other person required five days in advance of the meeting.

10. MINUTES OF MEETINGS

The Secretary shall provide summary minutes of all meetings of the RMSG highlighting any challenges made, key issues discussed and any other actions.

Minutes of the meeting will be provided to the main CCG and the Chair will provide an update to the main CCG on key issues or points of discussion at each CCG meeting.

11. CHALLENGE LOG AND FEEDBACK

Challenges made by the RMSG will be recorded on the main CCG Challenge Log. This includes challenges made outside of the formal RMSG meetings. South East Water will also document substantive advice given and the impact of this.

12. STYLE AND CONDUCT OF MEETINGS

It is expected that:

- Group discussions will be robust and challenging but should always be conducted with civility and respect.
- All participants both the Company and the members, contribute fully and candidly to all discussions.
- Wherever possible the RMSG will reach a consensus position. Where this is not possible the divergent views will be captured. It will not prevent a member or organisation represented from making direct representations to the Company or regulators.

13. ATTENDEES AND OBSERVERS

Two members of South East Water will normally be in attendance at RMSG meetings and discussions but will withdraw whenever the Group needs to deliberate without company representatives.

Other company staff may attend the RMSG for particular agenda items where they have relevant responsibility or knowledge by agreement with the RMSG Chair.

Organisations other than South East Water - such as Ofwat and consumer or community groups - will attend meetings by invitation where this would facilitate the work of the Group.

14. MEMBERS RESPONSIBILITIES

- All members will act in an independent capacity in carrying out the duties of the RMSG as outlined in this Terms of Reference.
- RMSG members should never substitute their views for customer views.
- While members are not asked to sign a formal agreement, RMSG members must maintain appropriate commercial, intellectual property and personal property data confidentiality. South East Water will flag documents and information shared which is sensitive.
- All conflicts of interest must be declared. A conflict of interest register and policy will be maintained and published on the website. This will be updated annually by the Secretariat. Members will be invited to declare any specific conflicts of interest arising at each meeting.
- The RMSG will take responsibility individually and collectively to ensure members have a good understanding of the main obligations, issues and priorities needed to carry out their role on the RMSG.
- All members will ensure any challenges they have made is captured in the Challenge Log.
- All members will work collaboratively, proactively sharing relevant learning and information.

15. GOVERNANCE

The RMSG shall be responsible for periodic reviews of its operational performance to ensure it is operating at maximum effectiveness. Changes can be recommended by any CCG or RMSG member, South East Water or Ofwat and will be agreed by the CCG and the RMSG.