

Notes of Meeting No.9 of the South East Water CCG Customer Research Sub-Group
25th April 2018, South East Water, Head Office, Snodland.
Present:

Zoe McLeod (Chair)
 Leslie Sopp (Independent – research and insight)
 Mairi Budge (MB) (Independent – research and behaviour change) via Zoom
 Oliver Martin (OM) (SEW – Head of Regulation and Strategy)
 Alison Lee (AL) (SEW – Economic Regulation Manager)
 Nicola Blake (NB) (SEW – Regulatory Programme Controller)
 Jane Gould (JG) (Create 51)
 Jo East (JE) (ICS)

Apologies:

Karen Gibbs (KG) (CCW)
 Laura Rafferty (LR) (SEW)
 Jo Osborn (JO) (SEW)

Notetaker: Julia Gorman (JFG) (SEW)

Agenda Item no.	Notes and Actions
1. Introduction	Julia Gorman was introduced to the group she will be supporting NB with the admin.
2. Declaration of Interest	The Sub-Group had no interests to declare at this meeting.
3. Minutes and actions from the last meeting	The Sub-Group agreed the minutes from the previous meeting. Action: NB to update action list on minutes from the 5 th March meeting with owners. Action: Challenge Log and Action Log to be review and updated by ZM.
4. WRMP update	JE provided a high level update of the WRMP research, a full debrief will be shared at the June meeting. Eight focus groups were carried out, split between the two company regions. Attendees included young people who were future bill payers. Before the focus groups the attendees were given a pre-task and had to have a cognitive assessment carried out before moving on to the focus group stage of the research. The group felt that the pre-tasks worked well, however, there was a need to ensure any detailed pictures are clearer in future sessions. The attendees seemed to understand the main issues to some degree. Members of the CCG attended six of the eight sessions. There was a general sense that customers in principle supported taking steps to reduce the risk of water cuts, but that many did not engage with the concept of the materiality of the shift from 1 in 100 to 1 in 200, but faced with the bill implications were happy to support. Consequently there was general support for 1 in 200 drought restrictions when presented with the bill impacts, however, the Sub-Group thought that customers struggled to understand the change in risk.

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	<p>At the Crowborough event most attendees had been affected by the recent freeze/thaw interruption. Customers commented that they felt the incident had been managed well and the feedback was positive. ZM asked if it made customers think more about their usage of water. OM asked for this to be pulled out in the WRMP reports. ZM asked if the freeze /thaw incident had made customers think more about their usage of water or affected the attendees' view of resilience. JG confirmed it had made them appreciate water and the quantity normally available. There was no mention of compensation from the attendees.</p> <p>Action: JE reported on the general outcomes from the meetings, these will be presented in detail in the WRMP update paper at June meeting.</p> <p>LS noted attendees were surprised at how low current leakage was, but not focused on the planned changes. They considered leakage in comparison with the cost of a cup of coffee, which was a useful way of looking at it. ZM noted the younger attendees were much less tolerant of restrictions. This was particularly true for one group. The sub-group questioned how many were part of the 'Me Myself and I' segment.</p> <p>Action: JE to check the segmental split of the Maidenhead focus group and feedback to the Sub-Group on this.</p> <p>It was also noted that some of the elderly were not able to carry the two litre water bottles, which were given out during the freeze/thaw event as they were too heavy. This will be added to the lessons learnt report by SEW.</p> <p>Next steps will be the recruitment and completion of the in-depth interviews (by phone). ZM noted that those customers without internet access had not seen some of the pre-task materials. Also some commented that they did not know what the leakage images were showing them.</p> <p>ZM noted that the impact of being without water was explored very well. It was not clear that customers fully understood what going from 1: 100 to 1:200 drought restrictions actually meant to start with but this was probed by the facilitator. Presentation of rota cuts was very good and helped with understanding this issue.</p> <p>Action: Thought will have to be given on how drought restrictions can be presented in the postal questionnaire as in focus groups customers had to be prompted to fully consider the implications of water restrictions.</p> <p>Action: It was suggested that more could be done on presenting the volume of leakage in terms that could be visualized by customers e.g. number of bath loads etc.</p> <p>Action: Need to spend time on the wording of questions for the survey.</p> <p>Workshops were able to cover this well and provide further explanation if required, but questionnaire won't have this ability</p>
5.	<p>AL set out the proposal to try to understand how much customers would be willing to contribute in addition to the current social tariff cross subsidy and whether there is a willingness to pay to fund us increasing the number of customers on the PSR.</p>

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Social Tariff and PSR research	<p>LS asked if we should check acceptance of the current amount and possible increase. OM noted that South East Water were not intending to re-testing current level but that this could be explored to find out if there was greater willingness to pay for either financial or social support.</p> <p>Challenge: Explore higher amounts in WTP for social support. Separate out WTP for priority services register type services and financial support.</p> <p>MB asked about focus of those who are recipients of the schemes and those who are non-recipients. OM confirmed and noted that some questions would relate to financial help and some to non-financial help.</p> <p>MB asked what the maximum presented increase would be? OM advised about £4 per year. MB asked about the value/cost effectiveness of doing this further research, if the value is so low and if SEW already have some research covering customer Willingness to Pay (WTP) for this area.</p> <p>OM advised that the latest research was from five years ago and therefore we should re-test this as views had likely changed in that time.</p> <p>Action: Social Tariff - OM to review top limit for bill increase for financial support and PSR support as customers may have different WTP for each</p> <p>OM asked if the proposed increase should be presented as an increase per year or per month.</p> <p>ZM suggested presenting the increase in line with frequency of most bills was reasonably but that they could trial different approaches, e.g. 6 monthly or monthly based on direct debits. LS agreed.</p> <p>ZM confirmed she agreed with proposed starting point of no reduction, only options which increased the amount of support, as this was in line with the Government's expectations that all water companies should have a social tariff.</p> <p>ZM asked about transient vulnerability and how this affects their WTP. OM noted that the focus groups will cover this. ZM noted that in the WRMP focus groups most people had not thought about what might make them vulnerable and did not really think about people's additional needs. However, their attitudes changed when a series of possible scenarios were presented to them. The presentation and questions the social tariff work would need to be considered carefully as to not emotionally lead the customers.</p> <p>MB again put the challenge of whether this research was cost beneficial. OM noted that this research was required by Ofwat to justify any increase to a company's social tariff.</p> <p>Action: OM to identify how much of an average bill relates to the social tariff and include how many customers in vulnerable situations are helped by the scheme.</p> <p>Action: All to review the final proposal and provide feedback by 04/05/18.</p>

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	<p>OM asked if the group was happy with using Accent. LS considered it was too late to retender.</p> <p>Action: OM to review what other companies have done and how this compares.</p> <p>OM and AL advised that Accent have already undertaken research for other companies. ZM questioned how the group could ensure innovation in Accent's approach, as they are so established in this work. The Group disappointed for example that the business research they did, did not appropriately consider what segmentation would be meaningful for the company.</p> <p>AL commented that Accent have introduced a new method of approaching customers who do not regularly participate by undertaking surveys within the community for areas with lower social grades. AL confirmed the work won't be commissioned until the group agrees with the methodology. LS thought the approach appears ok. Did not agree with the proposed removal of SEW and CCG representative from the groups. All agreed SEW should not to attend, but CCG members should as they are independent from SEW.</p>
<p>6. Corporate reporting and transparency research</p>	<p>SEW reported that the Brand Edge proposal for responsible business will be circulated shortly, similar format proposed to the resilience workshops.</p> <p>OM informed the group that the focus would be on what and how customers wanted financial information presented. For example, they weren't intending to explore what customers thought were fair returns for companies or bosses pay.</p> <p>The Sub-Group called for SEW to tackle some of the more contentious issues e.g. 'fat cats' pay; tax havens alongside presentational aspects. All felt it would be valuable to position the corporate reporting within the context of the companies' wider responsible business research. This would directly address issues raised in the media and political climate.</p> <p>Challenge: to tackle contentious issues that matter to customers in the financial transparency research.</p> <p>All agreed that the challenges to improve the research and related changes made outside of the meeting should be collated and recorded.</p> <p>This should be rolled out for all papers and applied retrospectively. ZM questioned whether the company should consider consulting customers on acceptable levels of profits.</p> <p>OM identified that Ofwat sets a lot of these in the final determination and are therefore outside of the company's control. SEW would like to focus on what customers would like to see, to help with transparency and improve customer trust and confidence. SEW also wanted to draw out how much more confidence each of the proposed changes would give.</p> <p>ZM asked if this was just a PR exercise. OM advised that SEW genuinely wants to improve the ability of the customers to be able to make informed judgements of the company and if customers feel they can't judge, what would they need to be able to do so or who would they want to assess the company on their behalf.</p>

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	<p>The Group proposed that the workshops could be used to cover more than just corporate information. OM confirmed SEW needs to test if customers are interested in these corporate issues. LS/ZM agreed it would be good to start with a review of responsible business.</p> <p>LS suggested a breakdown of the attendees into small groups and have short sessions on individual topics, as this was likely to get much better engagement. OM agreed this was a good idea and will discuss with Brand Edge.</p> <p>Action: OM to discuss breakout style workshop with Brand Edge and to add responsible business issues to the topic guide.</p> <p>LS suggested presenting extremes of views to grab the attendees' attention and get them thinking. Need to set out what the options and possible outcomes are.</p> <p>OM thought there was some really good input from the Sub-Group and suggested this discussion be continued in a separate meeting to agree an approach. All agreed co-creation with the CCG would be good. ZM asked to see the extremes that would be considered.</p> <p>Action: Corporate reporting - AL to arrange a two hour meeting with Brand Edge, Dave from Sensemaking and to invite all CCG members to consider how best to approach this. There should be a strong focus on more deliberative engagement.</p>
<p>7. Bill profile research discussion</p>	<p>AL referred to proposed questions to be used and that the question on resilience is quite long. The intention is to get the customers to rank the options. LS asked what the format will be AL advised it will be via postal service. LS noted that it would be harder for customers to prioritise in a post survey than it is online. AL agreed, but noted that a postal survey would help reach more customers that would not be able to access an online survey. Customers will be directed to online survey they can undertake if they wish to.</p> <p>LS will review the one page summary and advise on the legal issues relating to the use of a prize draw in the terms and conditions.</p>
<p>8. Research update</p>	<p>Supercharge research</p> <p>AL advised that there had been a good up take up of Supercharge research. 1,697 in total of which 1,340 were via Accent email and 345 were gained through hall tests by Springboard going to local shopping centres. 50,000 emails were sent, and 5 days of shopping centre hall tests, including a Saturday. Accent and Alison received 68 contacts with minor issues which all have now been resolved. There was a good demographic range of people reached with a wide range of occupations and age.</p> <p>Action: A debrief will be held in mid-May and this will include a comparison with the stated preference survey.</p> <p>Action: Supercharge - ZM noted that the SEW presentation of different research findings at the joint water company event was very good. JE to review with LD and see how this can be used in the quant research.</p>

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	<p>ZM suggested that schematics are good way of presenting information. ZM asked if SEW had kept track of all the changes made following CCG comments on the reserach. As agreed about these would be collated and included in the cover sheet for all papers.</p> <p>Action: Challenges and related changes to the research approach should be collated and recorded in the one page summary for old and new research pieces of work.</p> <p><u>ODI research</u></p> <p>AL presented that 58 interviews have been undertaken. The survey is currently 15 minutes long, as opposed to the planned 10 minutes which resulted in 20 customers dropping out during the main part of the survey. ZM asked if this is the right tool for the purpose. AL considers this is still the best option, but with a slimmed down front message duration.</p> <p>Results presented by AL:</p> <ul style="list-style-type: none"> • 85% agree that customers should pay based on the service that they receive • 59% supported more of the interruptions compensation going to those directly affected • 24% supported SEW not receiving financial benefit for exceeding stretching target on supporting customers in vulnerable situations • 59% thought there should be rewards if SEW exceeded their target and with this being invested into relevant schemes <p>Non-household customer (nHH) survey will be the same, with minor tweaks.</p> <p>ZM highlighted concerns about the quality of engagement with NHH sector and queried if the stated approach would be sufficient. She reported at the joint suppliers' forum this had been recognised as a problem faced by a number of companies.</p> <p>ZM recognised SEW's primary duty in relation to public health but said that some customers may welcome local businesses being protected from water cuts during shortages if it supported local jobs, the economy, employment or meant that businesses didn't go bust. The company has not consulted on this. The company should explore protection to stop business being overly impacted especially water dependent firms.</p> <p>Action: OM/AL to review issue raised and whether future research can be amended to pick up any potential gap.</p> <p>OM advised that an overall review will be undertaken to show where it affected the Business Plan and how many times an issue comes up. This will Identify issues and if more questions are required to cover this area.</p>
8. AOB	None
9. Private session	The Sub-Group discussed progress by the company and concerns about the condensed timescale.

Summary of actions

Action	Owner
NB to update Action List on minutes from the 5 th March to make clear who owns each action.	NB
Challenge Log and Action Log to be review and updated by ZM and AC.	ZM
WRMP - JE reported on the general outcomes from the meetings, these will be presented in detail in the WRMP update paper at June meeting.	LD/JE
WRMP - JE to check the segmental split of the Maidenhead focus group and feedback to the Sub-Group on this.	JE
WRMP - Thought will have to be given on how drought restrictions can be presented in the postal questionnaire as in focus groups customers had to be prompted to fully consider the implications of water restrictions.	LD/JE
WRMP – It was suggested that more could be done on presenting the volume of leakage in terms that could be visualized by customers – e.g. number of bath loads etc.	LD/JE
WRMP - Need to spend time testing the clarity of wording of questions for the survey.	LD/JE
Social Tariff - OM to review top limit for bill increase for financial support and PSR support as customers may have different WTP for each	
Social Tariff - OM to identify how much of an average bill relates to the social tariff and include how many customers in vulnerable situations are helped in the topic guides	OM
Social Tariff - All to review the proposal and provide feedback by 04/05/18.	ALL
Social Tariff - OM to review what other companies have done and how this compares.	OM
Corporate reporting - OM to discuss breakout style workshop with Brand Edge and to add responsible business issues to the topic guide.	OM
Corporate reporting - AL to arrange a two hour meeting with Brand Edge, Dave from Sensemaking and to invite all CCG members to consider how best to approach this. There should be a strong focus on more deliberative engagement.	AL
Supercharge - A debrief will be held in mid-May and this will include a comparison with the stated preference survey.	AL
Supercharge - ZM noted that the SEW presentation of different research findings at the joint water company event was very good. JE to review with LD and see how this can be used in the quant research.	JE
ODI research - OM/AL to review issues raised and whether future research can be amended to pick up any potential gap	OM/JE
General - Challenges and related changes, should be collated and recorded in the one page summary for old and new research pieces of work.	OM/NB

Challenge
Explore higher amounts in WTP for social support. Separate out WTP for priority services register type services and financial support.
To tackle contentious issues that matter to customers in the financial transparency research.