

PR19 CCG Research Methodology Sub Group

Meeting number: 4

Meeting Date: 23rd November 2017

Paper No: 4

Agenda No: 4

Title: PR19 resilience engagement

Author: Alison Lee

Printing: This document does contain graphs or pictures and therefore does require you to print in colour.

What is this paper about:	PR19 resilience research
What is the context of this paper:	Resilience is one of the four key themes that Ofwat expects companies' business plans to address; it is an important consideration in our PR19 engagement and eventual business plan submission and so we would like to test a number of wider resilience concepts with customers (beyond the WRMP-specific options already tested) relating to this broader issue.
What is the relevance of this paper:	This paper provides a background on the concepts that we plan to discuss with customers and a copy of the research proposal that we have received.
Action needed from the CCG:	The CCG research subgroup is asked to: <ul style="list-style-type: none"> • Comment on the research proposal • Provide suggestions on how we can co-create the resilience dialogue and solutions with customers

PR19 resilience research

There are two parts to the resilience customer research that we plan to undertake:

- We would like to discuss with customers our approach on how to assess the resilience of our water supply operations and the factors that we need to consider
- The concept of becoming a resilient or engaged customer.

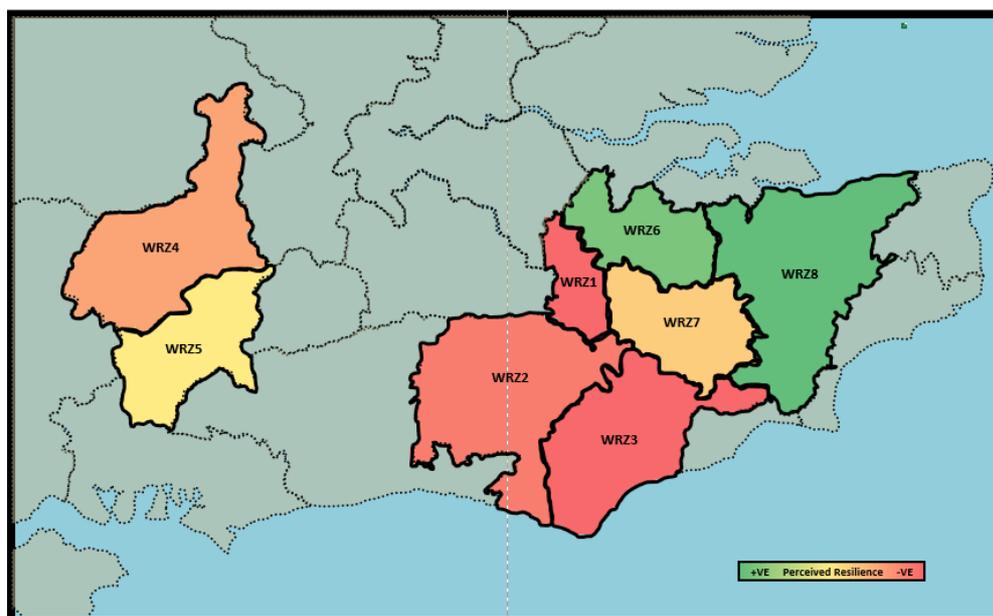
This paper will be split into sections based on the above.

How we assess resilience

Our assets team have developed a wide ranging list of metrics which can be assessed to establish how resilient each of our water resource zones are. Examples of these metrics include impacts associated with:

- Flooding
- Drought
- Power supplies
- Security (including cyber security)
- Geological issues e.g. a landslide
- Properties which are only linked to one water supply source

From generating this list a matrix has been developed which considers the impact of each of the factors and assigns a weighting and subsequently a RAG (red-amber-green) assessment; this has then been collated into water resource zone level and the results of the resilience assessment can be displayed as a map, as shown:



Key aims for research

Our key aims for this section of the research is to test:

- Whether there are any resilience factors which customers think we have not duly considered
- Whether customers are happy for there to be areas that we supply which are classified as red i.e. that zone has a greater resilience risk while some are amber or green
- Whether customers believe that all areas should have the same level of resilience risk and whether they would be willing to pay more (or indeed less) to ensure this was the case
- If customers specifically were in a high resilience risk area (red), would they want to pay more to improve the classification i.e. to amber or green.

Short presentations will be delivered to explain the above information and then there will be breakout sessions with facilitators. There will be interactive voting to enable customers to provide their feedback at different stages of the research (more detail is provided in Accent's proposal).

The concept of a resilient or engaged customer

Details of this concept were sent by email to the CCG by Oliver Martin on 8th November and are included as an appendix to this paper.

The purpose of this element of the research is for us to work with customers to understand if it resonates with customers; and if so how we can bring the concept to life to begin to co-create and co-deliver solutions with them i.e. how can we develop plans, strategies, products and communications with customers?

Appendix 1 – Email from Oliver Martin

From: Martin, Oliver

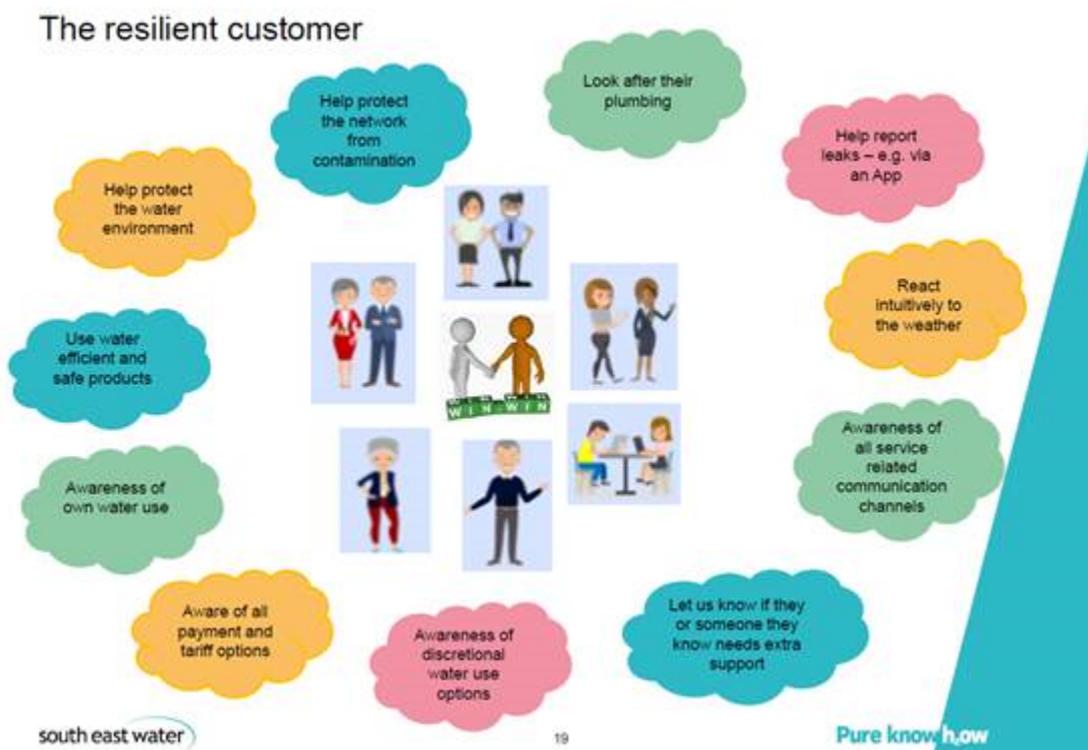
Sent: 08 November 2017 17:41

Subject: Development of the 'resilient customer' concept

All

As discussed at the last CCG meeting we are developing a concept of a “resilient customer”. I believe Zoe has recently emailed you the presentation we did for Ofwat on the subject. The concept is summarised in the picture below.

The purpose of this email is to outline the work we are doing to develop this concept and also in relation to the ‘toolbox’ we mentioned at the last CCG meeting. Please note we will be discussing this concept further with you at the CCG meeting in January so we’ll be able to explain it in more detail then.



The concept is designed to develop a win-win relationship between SEW and the customer where there is a mutual benefit of working together on each of the “attributes” included in the picture above. To do this we are developing a ‘behavioural change toolbox’ that we want to

Commercial in confidence

trial next year and include in our business plan. Essentially the toolbox will be a list of ideas/schemes/techniques that we can use in different ways to help work towards a more partnership approach with the customer on any of the “attributes” above. We anticipate this will include simple things like tailoring of messaging through to the use of behavioural science techniques such as social norming (for example our Advizzo water efficiency project).

To help build the toolbox we have engaged with 2 consultants - Corporate Culture (who worked with Ofwat on their Tapped In customer participation event) and Waterwise. The work is progressing well and we hope to be able to show you a first draft toolbox at the CCG meeting in January so that we can get your ideas and feedback.

We also plan to run some qualitative customer research on this concept in early January and will be discussing a proposal for this with the CCG research sub-group later this month.

I’ve attached a copy of the Water Report which includes an article on this concept on pages 20-21 which helps to describe it further.

Also, since Zoe sent round the presentation we did for Ofwat, Caroline has emailed me to suggest we may want to call it this concept the “engaged customer” as this would be more receptive to customers and stakeholders and better show the win-win relationship we are trying to develop between the company and the customer. In our dialogue with Ofwat we had initially called this the resilient customer as we wanted to emphasis the part we think customers can play in the overall resilience of the industry as we think customers have been missed from any discussion about resilience to date. However, we agree that the “engaged customer” will work much better when we discuss the concept with customers and therefore we’ll be moving forward with this idea for the research.

If you have any queries or ideas in relation to the concept that you’d like to discuss before our next meeting please do not hesitate to give me a call or email me.

Thanks
Oliver

Customer Research
Exploring Resilience Options & Making the Resilient Customer
A proposal by Accent



Background

SEW is well advanced with their PR19 engagement programme with HH customers. This has included a number of qualitative studies to explore:

- Priorities (next AMP and to 2050)
- Service recovery
- Response to different resilience options (supply and demand) to feed into the development of SEW’s WRMP.

Across this work customers have expressed a desire to become more considered and educated water consumers and are looking to SEW to help them understand what [more] they can do to achieve this goal. In addition, customers are keen to understand more about what SEW is and can do to ensure the company is water efficient.

SEW would like to commission a qualitative study to help them:

- Understand customer responses to a wider range of resilience options (than that which was tested in the WRMP work)
- What actions they can take to encourage customers to become more considered in their water usage and attitudes
- How they can help customers become more resilient (outlined in the graphic below).



Outline Approach

Stage 1: SEW Workshop

As a first stage we suggest a workshop lasting 3 hours split into two key areas. The first half will be spent with the team to talk through the resilience metrics and understand the different elements in detail. This would ensure that the project materials we develop for the qualitative fieldwork cover all areas of interest to the team as well as the level of detail required.

The second half of the workshop will be with the team leading the Resilient Customer work.

During both of these sessions we would seek to have a clear understanding of:

- The objectives for each element
- The outputs required
- Any limitations on what can be delivered by SEW
- How the outputs will be used within SEW (this will ensure the programme materials are designed in the most appropriate way).

This workshop will be attended by the core Accent team members – ie: Rob Sheldon (Account Director), Rachel Risely (Account Manager) and Nancy Curzon (Qualitative Lead).

Stage 2: Customer Workshops

We are proposing covering two large scale deliberative customer workshops. These sessions will last for three hours and consist of approximately 36 customers per workshop. Locations will be agreed at inception workshop but will be one in the East supply area and one in the West.

These sessions will provide customers with the opportunity of discussing the subject areas in small, intimate groups whilst also having input from the SEW team. They will also have the opportunity of open floor debates with larger number of customers bringing together a range of diverse views and opinions (and, hopefully, creative energy!).

Sample structure:

Running workshops with 36 customers will allow us to recruit 6 customers from 6 different segments – ie: 6 customers per workshop from:

- Global Thinkers
- Mindful Optimists
- Keeping it Simple
- In the Dark
- Not on my Radar
- Me, Myself & I.

Structure

The first half of the sessions would cover the resilience options that SEW wants to test. We envisage this part would include a short number of presentations followed by breakout sessions where participants would then discuss a single resilience option in detail. The options would vary between the different breakout sessions. Each breakout session would last for approximately 20 minutes and would give participants the opportunity of an in depth discussion and exploration of the specific option.

At the completion of each breakout session the participants would come together to present a summary of their individual session and discuss this more widely with the rest of the participants. Using this structure we will be able to cover a greater number of measures per session.

Interactive voting could be employed throughout the sessions so that we can track individual responses. This provides an interesting dynamic for participants but also an additional source of data that will be analysed after each event to assess how customer views change (or not) when provided with the opportunity to discuss a measure in detail.

The sessions would be structured to include breaks for participants so that they remain refreshed and engaged.

The second half of the workshops would focus on the resilient customer concept. We envisage this being a co-creation session with representatives from SEW working with customers (and assisted by the Accent moderators) to develop plans, strategies, products and communications that will be most effective in helping the different SEW customer segments become more resilient in their attitudes and behaviours.

Both workshops would be attended by four Accent moderators and representatives from SEW.

Outputs

An interactive working debrief is suggested which would start with a presentation of the results from the Accent team. Results will be discussed within the context of PR19 requirements as well as from a business as usual perspective.

Outline Timeline

Preparation – development of workshop materials: November 2017

Workshops – December 2017

Debrief – January 2017.

Deliverables:

2 deliberative co-creation community events (36 customers at each lasting three hours – four moderators required for breakout sessions)