

## South East Water CCG's Consumer Vulnerability Sub-Group Note of meeting 9 held on 25<sup>th</sup> April 2018

**Present:**

Zoe McLeod (Chair)  
 Penny Shepherd (PS) (CCW)  
 Janet Hill (JH) (Swale Borough Council)  
 Adrienne Margolis (AM) (Household Customer)  
 Veronica McGannon (VM) (Household Customer)  
 Steve George (SG) (SEW – Customer Services Director)  
 Andy Clowes (AC) (SEW – Business Consultant)  
 Anne-Nöelle Le Gal (SEW – Non-Executive Director –  
 Shareholder - Hastings)  
 Sheila Bowdery (SB) (SEW - Channel Manager - Vulnerable  
 Customers)  
 Nicola Blake (NB) (SEW—Regulatory Programme Controller)  
 Dave Hinton (DEH) (SEW- Asset and Regulation Director)  
 Oliver Martin (OM) (SEW – Head of Regulation and Strategy)  
 Jo Osbourne (JO) (SEW – Head of Communications)

**Apologies:**

Caroline Farquhar (CF) (Citizens Advice)  
 Simon Mullan (SM) (SEW)  
 Laura Rafferty (LR) (SEW)  
 Jane Gould (JG) (Create 51)

**Notetaker:** Julia Gorman (JFG) (SEW - Asset  
 Regulation Manager)

Agenda Item no.	Notes and Actions
1. Introductions and Declaration of interest	<p>JFG was introduced to the Meeting and will be supporting NB with the admin work.</p> <p>Apologies were received from CF, SM, LR and JG.</p> <p>ZM conflict of interest relates to a business partner that specialises in Vulnerability support for businesses. This has been reviewed and does not conflict.</p>
2. Minutes from the last meeting and Challenge Log	<p>Action: ZM requested that the last two items on the minutes be added to the Action Log.</p> <p>Action: ZM informed the group that there will be a review of the Challenge log and Action log in the coming weeks and updated logs will be circulated to the group when ready.</p> <p>The Group agreed that the minutes from the previous meeting were an accurate record.</p>
3. Engagement Update	<p>AC updated the Group on the progress made on Horizon scanning and informed the group that a new consultant had been brought in to progress this work in the right direction. Following a review of the initial horizon scanning activities both ZM and SEW consider the report has a strong focus on data but not a strong enough a focus on the future including local developments. An updated Horizon Scanning report will be provided at the next Sub-Group meeting. Steve Brown is still supporting on data requirements as required.</p> <p>Action: Horizon Scanning updated report to be tabled at the May 30<sup>th</sup> Sub-Group meeting.</p> <p>Following further assessment of the company's stakeholder mapping there are still some gaps - work is still ongoing to fill these gaps. The company has contact information for around 80% of the chosen organisations. A Further phase has been requested from CAG, SEW will need to translate CAG data into a usable report and incorporate into phase 2 workshops.</p> <p>Action: The wider CAG research report is almost complete and is due to be sent to the Company by 04/05/18. This should be circulated.</p>

	<p>Stage 2 stakeholder event to test views on the vulnerability strategy is currently being planned, the Company is aiming to target 50 stakeholders to attend 3 workshops.</p> <p>ZM asked if SEW are working with other companies on the vulnerability data mapping project or leading on the CSE project. SG informed the group that the Company are attempting to lead on geographic mapping data sets. The Company is also looking at the possibility of mapping additional data directly into the Company's GIS system. They may do this instead if it adds further value over and above the CSE model.</p> <p>ZM asked if the Sub-Group would be able to look at the interactive maps and what the overall timescale of this would be. SG responded that legal were going through the contracts with CSE at the moment and that the build of the maps would be fairly quick after that.</p> <p>The industry common PSR codes are not yet fully finalised, the Company is involved in the System and Data workstream of this project.</p> <p>JH asked what would be trialled as part of the needs codes project – SEW said this is being established and will be confirmed by AC.</p> <p>DEH talked about what was realistic for the company to deliver by the price control submission deadline. SEW said that they were going to make a 'Credible promise' the means they will state the position the Company will aim to be in at the time of submission and will have developed a road map and delivery plan that is credible moving this forward. The Group accepted that given the time constraints this was a practical approach.</p> <p>SG updated the Sub-Group on the BSI accreditation process, the Company achieved a good phase 1, which is inclusive of services accreditation. SEW has to submit a corrective action plan, to show how the Company will change some processes. Some items that have come out of the process as suggestions are using local radio to promote braille bills. BSI commented that the Company has good processes, however the documentation of what is done is slightly lacking. This is one thing that will be written in to the corrective action plan.</p> <p>ZM asked what the next stage was. SG informed the Sub-Group that BSI will be coming back into the Business to carry out the phase 2 work in June. ZM asked if SEW was leading the water companies in terms of gaining the accreditation. AC confirmed that they understood that the Company were currently the front runner, as they had to work with BSI to make changes to make the scope so it was suitable for a water company.</p>
<p>4. Vulnerability Stakeholder Review</p>	<p>JO updated the Sub-Group on the stakeholder review currently underway - CAG are carrying out work to create a map which can be used by the company for engagement with stakeholders. The first working session showed differences in day to day engagement and engagement during an incident. The Freeze thaw lessons learnt report will be used to update this report.</p> <p>Action: The Company to update the stakeholder review document to include the lessons learnt following the freeze thaw incident.</p> <p>Challenge: SEW to outline how they will keep their stakeholder database up to date</p> <p>The Group suggested reviewing the stakeholder list on page 8 of the report to see get a more granular level view of stakeholders level of interest and influence. The Group discussed the MP level of influence and interest the general agreement was that this differs between MPS. The Company suggested splitting MPs into MPS and MP case workers to reflect the differing levels of interest. A Sub-Group member proposed using APPGs (All-Party Parliament Groups) in addition to individually targeting MPs. SEW informed the group that they had had contact with the APG for water. The Company assured the Sub-Group that the report will be an</p>

	<p>evolving document and would be regularly reviewed. It was felt further work was needed on the definitions and categorisations following CAGs stakeholder mapping.</p> <p>JH noted that Officers and Councillors focus will tend to be very different depending on the phase of the election cycle. Some do very good work at ward level and can influence the Press. The Housing team covers private sector housing, so have a link with Water Demand. Homeless and welfare social services may have an interest. Resilience in terms of Emergency planning would be difficult to engage, the Kent resilience forum would be a better option. Long-term resilience is generally very reactive.</p> <p>The Company informed the Sub-Group that any project being undertaken will require bespoke Stakeholder mapping for that area, making the communication more targeted to match the project objectives. AM suggested building up case studies of customer types and how this works to help make different issues easier to understand? JO agreed.</p> <p>Action: The Company to think of case studies that could be written up on vulnerable customer stakeholder engagement to be used in engagement research.</p> <p>The Company informed the Sub-Group that this matrix shows the level of interest and influence of stakeholders at this moment in time. The Sub-Group thought it may be a good idea to create a “to be” version of the table to show where the company would like to be in a defined period of time. The communications plan would then be used to show how the company would get to the “to be”.</p> <p>Action: The Company to include a new table to show not just stakeholders current levels of engagement but SEW’s aspiration for the level of interest and influence they want for different stakeholders groups.</p>
<p>5. Update ODI meeting</p>	<p>ZM updated the Sub-Group on the Performance Commitments (PCs) meeting which took place last Thursday. Comments and views were received from Citizens Advice, Environment Agency and Natural England who were unable to make the meeting. ZM created a presentation which pulled together the Ofwat guidance and a proposed CCG checklist which the group which was agreed by the group to be part of a framework for assurance.</p> <p>OM advised that all vulnerability PCs will be submitted as being reputational ODIs in May, but that they will keep this under review. It may be the Rewards and Penalties research currently underway would show support for financial rewards, or financial rewards to be invested back into the company.</p> <p>PS felt there was a difference between financial Vulnerability non-financial vulnerability measures and commented that the financial vulnerability should not be rewarded, however dealing with non-Financial Vulnerability is very different and may be appropriate to Reward for going above and beyond performance. The sub-group had a discussion on the acceptability of financial rewards for vulnerability outputs – it was noted that the Group were split.</p> <p>The Sub-Group queried if rewards are introduced would this cause a problem with double counting of rewards in other measures (e.g. customer satisfaction common measure). The Company responded that there is a possibility for a customer to be surveyed for each measure but this is unlikely any overlap would be very small.</p> <p>ZM commented that they would like to see the measures be defined to encourage innovation. For example, not to limit the schemes that may be assessed in the performance commitments and leave opportunity for other support schemes to be introduced.</p>

ZM talked through the summary of the outcomes meeting on vulnerability. This included a summary of the research findings to date.

Challenge: Company to collate the learning on vulnerability from wider research e.g. Accent research, Brand Edge, WRMP feedback to feed into the triangulation process.

ZM highlighted the range of research still to be complete and that she had had concerns that there was insufficient evidence on which SEW could base its outcomes. However ZM stated that having reviewed the findings to date there is a sufficient enough reasonable evidence base to use to submit the performance commitment definitions to Ofwat but noted some may need to be amended on the back of more data been made available. ZM considers the 'Golden thread' is there – particularly if the changes are made e.g. to resilience/on responsible business so broadly happy with this. Summary document is available from ZM. There was a widespread discussion on the outcomes and their rationale.

PS noted vulnerability support and concerns that there was an eligibility 'Cliff edge' with those with incomes over a certain level not getting any support and subsidising others. SEW said this approach had been taken to ensure the tariff was simple but recognised the challenge.

ZM queried if the company had looked at areas of consumer vulnerability where they had the highest number of complaints to consider a risk based approach to setting outcomes. SEW confirmed it would look to see how this could be incorporated into the performance commitments where possible

Challenge: SEW to explore how their areas of highest customer complaints are directly addressed by their business plan proposals/performance targets.

OM raised issue of Financial vulnerability measure and the outcome of water poverty. PS asked what defined water poverty. Currently Water Poverty is where water billed/income is 5% or greater. SEW wants to look at reducing the number of customers in this category. Difficult to review this as an on-going basis. Experian data set can be used, but lots of factors would need to be taken account of, so it is suggested a surrogate is used to track progress. PS asked should water poverty measure look at total income or disposable income. A wider discussion on the appropriateness of financial vulnerability measures was had.

Challenge: AC/OM to look at how to quantify those in water poverty and those above and below £16,000 threshold that is used for the Social Tariff eligibility.

Action: AC/OM to look at customer complaints for those on PRS.

General discussion on what should be included in addition to the social tariff and agreement for CCG to review the list of financial assistance schemes, therefore allowing innovation in the development of new schemes.

ZM asked about help to stop customers getting in debt and could the company do more? SEW outlined the range of payment schemes and support schemes in place and discussed the where the boundary between a vulnerability PC should be so that it does not end up being a debt recovery measure. ZM felt there should be a strong focus on taking proactive action to prevent debt build up in the first instance – this was in everyone's interest – company, customers, the vulnerable customer.

DEH noted Ofwat framework links funding with Level of debt and OM agreed that Ofwat provides a strong challenge on this and are looking at increasing this.

PS noted the measure could be about reducing bills or increasing income, rather than just helping them pay. AN noted some won't ask for help as don't want to be considered vulnerable.

PS asked about how the level of future water poverty will be assessed to ensure an appropriate target is set. PS suggested assessing what we expect to affect this across the period, so targets set by year, but set at start of AMP. ZM suggested discussing this with Hugh Strickland of Citizen Advice Bureau and will provide details of the contact.

It was discussed about what schemes should be included in the financial vulnerability measure and was agreed that WaterSure should be added as this reduces a customer's bill. OM commented that the Helping Hand scheme is a one-off grant which is focused on the customer's debt and therefore it would not be appropriate to include. ZM was keen to ensure that any approach did not preclude more innovative approaches being developed in the future.

Action: ODI – baselining – SEW to contact Citizens Advice Chief economist to get his five/ten year predications on affordability issues – ZM to provide details

Action: AC/OM to pull in WaterSure data, as well as Social tariff in the Performance Commitments. OM to produce link with water poverty.

PS asked that if the measure is just a count of customer numbers is there an incentive to encourage helping more customers by small amounts, rather than a few customers by larger amount. OM noted eligibility rules are robust, and if changed would affect the Satisfaction Score measure, so would prevent this situation from occurring. Financial support given would depend on customer support.

ZM asked would SEW reduce the total amount given, or just the number of customers. DEH would not commit to this, at this stage, as Customers may not support the total level of subsidy. OM noted that they could be in a prior approval from the CCG/Customer panel before any changes were made to the measure.

JH asked what % of social tariff customers were in water poverty? AC noted that the social tariff reduces a customer's bill by c30 to 40%, and that the measures may help reduce this level, but not necessarily remove them from water poverty. OM noted if the numbers of those in water poverty was too high, it could badly affect the stakeholder score.

ZM muted the idea that SEW could consider self-reported customers in financial difficulty as the % of those who consider the bill is not affordable and could then target these customers. AM suggested satisfaction review of those who got help, would be more focused. OM proposed this should include anyone who contacts and applies, so we can review to see if this is missing people.

ZM asked about the total amount of support to be provided, to be linked to WTP and could this be included in the narrative? SEW confirmed the results of the customer research would be included in the business plan.

OM discussed the number of customers with non-financial vulnerability and PSR being used to provide customer a proxy for those with additional needs for. The Group said it was important when setting the metric to consider the % of customers SEW should have on the PSR including considering the horizon scanning. ZM requested a breakdown of categories of the PSR to show that customers were coming off and on it – it was capturing transient vulnerability.

ZM's views set out in the report and includes the concern that SEW is not encouraged to take people off the PSR list when no longer vulnerable e.g. when children have grown up. Also it does not show whether support has in practice been provided. SEW has significant problems with the quality of its PSR data and the metric should identify them not just to increase the numbers on the PSR but to make sure they accurately capture customers additional needs. In addition, data sharing would mean that numbers on the PSR would be expected to increase with the company doing nothing. ZM also flagged lessons learned in the energy industry where companies put anyone over 60 on the PSR regardless of whether they were vulnerable or not.

What are the effects of population increase? OM proposed that a range of supplementary metrics could be published alongside the performance commitment to show whether customers have actively used the additional services and what category of the PSR the customer is registered for.

DEH noted ZM concerns about incentive to increase the numbers in PSR were balanced by: firstly that the data would be audited and checked for removals and additions; secondly, if the service provided was poor, this would come through in the satisfaction survey; and lastly, if a lot are added who do not directly benefit, these will be visible in supplementary metrics breakdown. Target will be set as a total, but reporting would be able to identify those who are using it. ZM noted the importance of active and non - active customers.

AC raised concerns with data sharing, when this comes in, and how it will affect the overall quality of the data. Other organisations may have different requirements for the same data. ZM said focus should be on quality of data, not quantity and sought reassurances as to how SEW collect vulnerability data and keep it up to date.

SEW outlined that the stakeholder measure is intended to ensure the company has the right schemes in place to help the right customers and increase coverage of help to vulnerable customers and reduce the gap between the most vulnerable and where we are helping them.

In response to CCG challenge - SEW outlined a new proposed performance commitment in relation to satisfaction with the company during a supply interruption – specifically for vulnerable customers. This builds on feedback from CAG. Interruption affected the most vulnerable and protections should focus on where there is most significant risk to customers, so propose that when Ofwat supply interruption measure is triggered, that a review of customers on the PSR and those affected is undertaken. Satisfaction survey with set of questions and with an overall satisfaction score in relation to the supply interruption.

Challenge: ODI - New supply interruption satisfaction measure to be written up by OM.

ZM proposed a link to resilience measure is needed from this. PS flagged issue of how you get customer voice on this issue, as it may be difficult to obtain the view from the most vulnerable customers. AM inquired if SEW could ask what would make customers vulnerable.

PS noted Thames water experience with a new-born baby where the mother couldn't get out to pick up the water needed.

ZM noted the need to check the satisfaction score and that the questionnaire was not self-selecting just focussed on those in receipt of measures who would likely have higher satisfaction that the majority who had not received any help. OM noted the CCG would be involved in the design of the survey and the questions to be asked.

OM outlined that the submission to Ofwat will only state the company has engaged with the CCG, and that further work is underway on detailed points on some of the measures.

6. AOB	There was no other business.
7. Private Session	Discussed the next steps on the vulnerability outcomes and reviewed the meeting.

### Summary of Actions

Action	Owner
ZM requested that the last two items on the pervious minutes be added to the Action Log.	NB
ZM informed the Group that there will be a review of the Challenge log and Action log in the coming weeks and updated logs will be circulated to the group when ready.	ZM
Horizon Scanning updated report to be tabled at the May 30 <sup>th</sup> Sub-Group meeting.	AC
Stakeholder engagement - The wider CAG research report is almost complete and is due to be sent to the Company by 04/05/18. This should be circulated.	AC
Stakeholder review - The Company to update the stakeholder review document to include the lessons learnt following the freeze thaw incident.	JO
Stakeholder review - The Company to think of case studies that could be written up on vulnerable customer stakeholder engagement to be used in engagement research.	JO
Stakeholder review - The Company to include a new table to show not just stakeholders current levels of engagement but SEW's aspiration for the level of interest and influence they want for different stakeholders groups.	JO
ODI - AC/OM to look at customer complaints for those on PRS.	AC/OM
ODI – baselining – SEW to contact Citizens Advice Chief economist to get his five/ten year predications on affordability issues – ZM to provide details	ZM
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Challenge
SEW to outline how they will keep their stakeholder database up to date
Company to collate the learning on vulnerability from wider research e.g. Accent research, Brand Edge, WRMP feedback to feed into the triangulation process.
SEW to explore how their areas of highest customer complaints are directly addressed by their business plan proposals/performance targets.
AC/OM to look at how to quantify those in water poverty and those above and below £16,000 threshold that is used for the Social Tariff eligibility.
ODI - New supply interruption satisfaction measure to be written up by OM.