

## PR19 Customer Challenge Group

**Meeting number:** 8

**Meeting Date:** 4<sup>th</sup> April 2018

**Paper No:** 2

**Agenda No:** 5

**Title:** Research Programme update and PR19 Programme update

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**Printing:** This document does not contain graphs or pictures and therefore does not require you to print in colour. If you need a printout please let Nikki know.

|   |   |
|---|---|
| <b>What is this paper about:</b>            | <p>This paper provides an outline of the customer research that we are planning to undertake in the future.</p> <p>This paper also contains the PR19 Programme update.</p>              |
| <b>What is the relevance of this paper:</b> | <p>This paper summarises the research that has been undertaken to date and provides the groups with a clearer understanding of the timing and high level scope of the work planned.</p> |
| <b>Action needed from the CCG:</b>          | <p>This paper is for information purposes.</p>  |

# Shared know h<sub>2</sub>ow – Our engagement strategy

## Our future counts – Strategy, governance and leadership

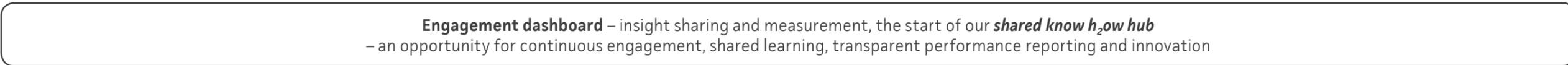
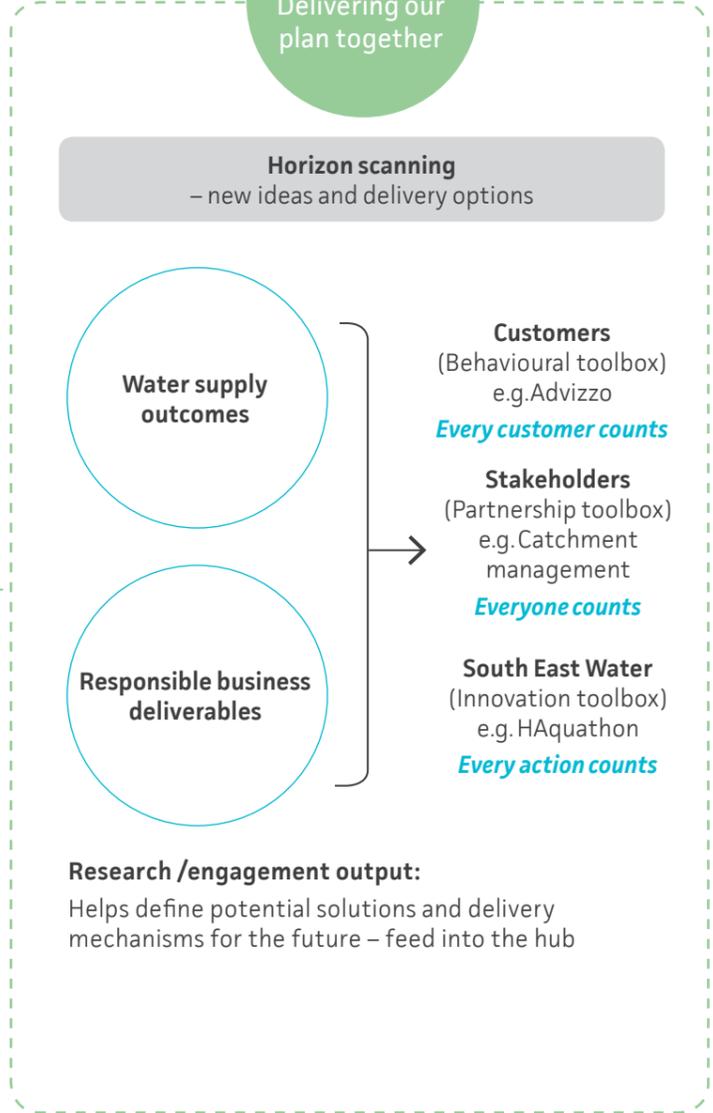
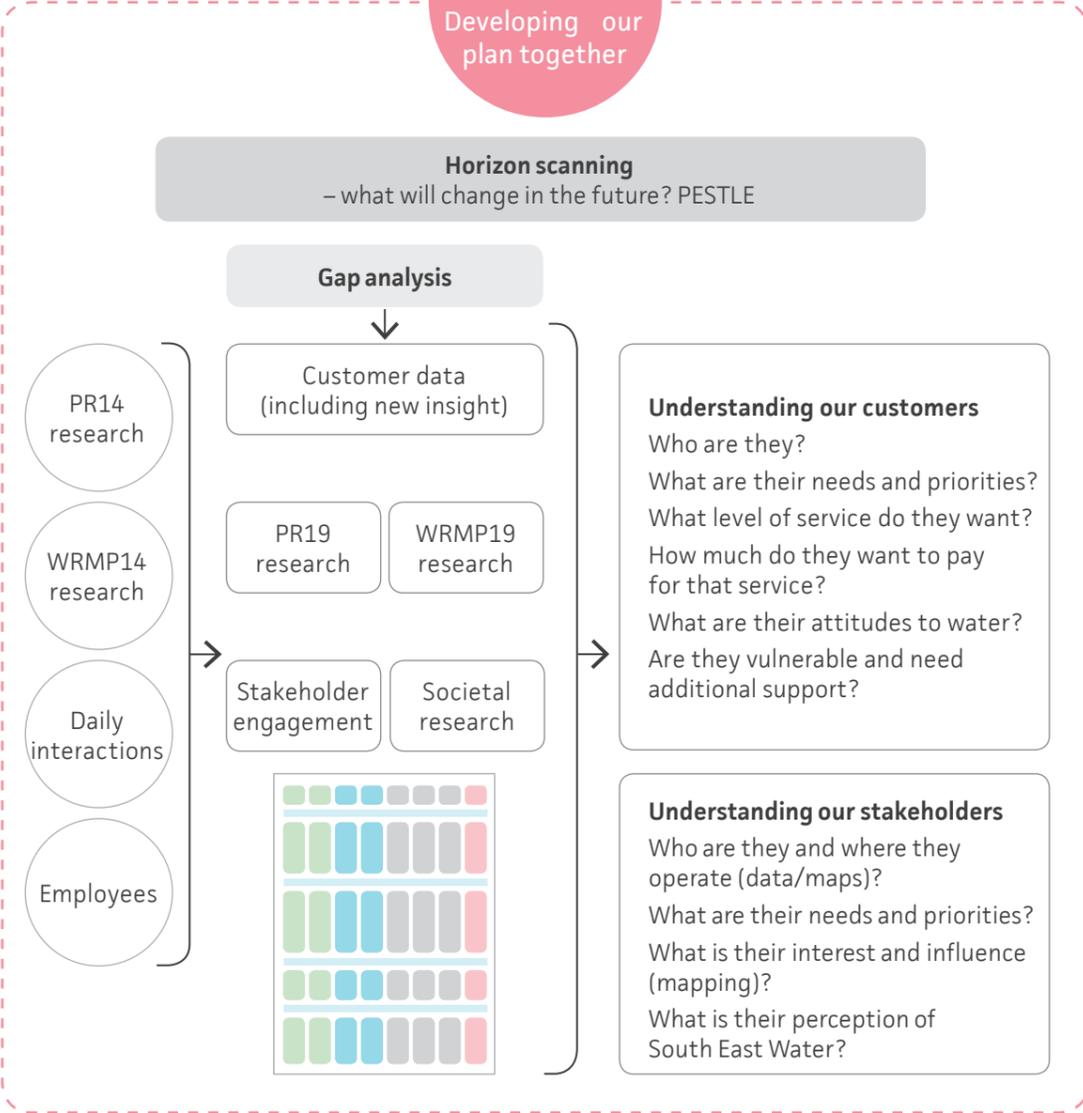
**Our purpose** – To produce and deliver a reliable supply of high quality drinking water that customers consider good value for money

**Our company vision** – “To be the water company people want to be supplied by and want to work for”

**Our engagement vision** – “Shared know h<sub>2</sub>ow creates a sustainable legacy”

## Communications plan

Good communication is a foundation of effective engagement – We ensure our communication plan influences every step from developing the plan, communicating the plan and delivering on the plan



Items in italics are South East Water programmes of work.

*Our future counts* – This is how we plan effectively for the long term. We have strong leadership and governance programme to set our strategy and support the development and delivery of our plans.

*Your water, your say* – This is where we develop our plans with customers and stakeholders. We carry out research, analyse our ongoing engagement (daily interactions and employee feedback) to identify gaps in our knowledge. Where we find gaps we carry out further research and engagement to help us understand our customers, stakeholders and investment priorities. The outputs from this stage help define the aims and objectives of our plan, determine preference of investment priorities, help set measures and target, help define wider commitments we should prioritise as a responsible business.

*Shared know h<sub>2</sub>ow* – Our engagement vision is that shared know h<sub>2</sub>ow creates a sustainable legacy. We have seen through our experience during our 2015-2020 plan that engagement makes a difference. Our ongoing satisfaction surveys and continued review and learnings from our daily interactions with customers and employee feedback has helped us keep improving and be recognised for it. We want to build on this through 2020-2025 and beyond. To do this we begin with our engagement dashboard. However we have an ambition that this will develop during the five years to become a ***shared know h<sub>2</sub>ow hub***. We see that the hub will be an opportunity for a key channel for our ongoing communication and will support our continuous engagement, shared learning, transparent performance reporting and innovation.

*Count me in...* – Once we have a plan we need to deliver it. Our “Count me in...” programme was developed to engage with employees about our business commitments during 2015-2020.

We want to expand this to improve on our engagement to make this programme something we work collaboratively with our customers and stakeholders too. We believe the more we engage the more successful the delivery of our outcomes and responsible business commitments will be. Continuous feedback will be provided back into our engagement cycle through the ***shared know h<sub>2</sub>ow hub***.

*Every customer counts* – Our programme of work to meet our commitments to customers. Our customers’ priorities lie at the heart of everything we do. We want to expand this to build on our learning about behaviour change, such as our experience with Advizzo, to create a behavioural toolbox.

*Everyone counts* – Our programme of work to inspire and motivate our people and partners. We will expand this to include a partnership toolbox, such as developing our work with farmers on catchment management.

*Every action counts* – Our operational performance is safe, effective and efficient. Safety has always and will always be our priority ahead of every action we take. This is how our customers trust us to supply water that is safe to drink and our colleagues know we will keep them safe as they do their work. But we must also ensure our work is effective and efficient to ensure we provide good value for money. We know we can do this through innovation therefore our programme of work will include an innovation toolbox to help us continue to drive continuous improvement in our business.

# PR19 – research programme update



# Update on key engagement/research activity

| Area                                    | Update   |
|---|--|
| Household (HH) customer priorities      | Research completed – debrief presented previously  |
| HH service recovery                     | Research completed – debrief presented previously  |
| HH bespoke services                     | Research completed – debrief presented previously  |
| HH WRMP research                        | Research completed – debrief presented previously  |
| HH Willingness to Pay                   | Research completed – debrief presented previously  |
| Resilience and resilient customer       | Research completed – debrief presented previously  |
| Non-household (NHH) customer priorities | Research completed – debrief presented previously  |
| Supercharge – WTP triangulation         | Gamification approach to obtain additional WTP values for triangulation.<br>Research to be undertaken in April.  |
| Co-creation of vulnerability strategy   | Key activities <ul style="list-style-type: none"> <li>▪ Internal workshop with Customer Care Team completed</li> <li>▪ Customer depth interviews to be undertaken in Feb/March</li> <li>▪ Co-creation workshops with stakeholders in March</li> <li>▪ Research debrief to CSVG.</li> </ul> |

# Update on key engagement/research activity

| Area                   | Update   |
|------------------------|--|
| Societal research      | Stakeholder workshop in March.<br>Research debrief in May.   |
| NHH willingness to pay | Research completed – debrief at April meeting.   |
| NHH WRMP research      | Research in progress, debrief in May.  |
| Retailer engagement    | Short survey emailed to retailers in March.<br>4 responses so far out of 20.<br>At present no-one has taken up the offer for a more detailed interview.  |
| dWRMP engagement       | Further engagement on dWRMP during March – April to include: <ul style="list-style-type: none"> <li>▪ Community exhibitions</li> <li>▪ Stakeholder and community presentations</li> <li>▪ Website and social media</li> <li>▪ Qualitative and quantitative research to cover – overall dWRMP acceptability, leakage, PCC, resilience levels</li> </ul> |

# Future engagement/research activity

| Area                                | High level scope/requirements   |
|-------------------------------------|---|
| Rewards, incentives and penalties   | <p>Type of research: Quantitative<br/>Timing: April/May<br/>Key questions to answer / areas to cover:</p> <ul style="list-style-type: none"> <li>▪ Should company performance be penalised/rewarded?</li> <li>▪ Should there be enhanced rewards/penalties?</li> <li>▪ Should there be caps/collars?</li> <li>▪ What should overall size of rewards be (to support RORE range)?</li> <li>▪ Should rewards be in part/full reinvested into vulnerable schemes, community schemes?</li> </ul> |
| Financial and non-financial support | <p>Type of research: Quantitative<br/>Timing: April/May<br/>Key questions to answer / areas to cover:</p> <ul style="list-style-type: none"> <li>▪ Willingness to pay for non-financial support for customers</li> <li>▪ Cross-subsidy for social tariff</li> </ul>   |
| Bill profile                        | <p>Type of research: Survey<br/>Timing: April/May<br/>Key questions to answer / areas to cover:</p> <ul style="list-style-type: none"> <li>▪ Customer views on bill profiles over 5, 10, 15 years</li> <li>▪ Research to support PAYG/run off rates</li> </ul>  |
| Large non-household customers       | <p>Proposed type of research: Survey<br/>Timing: May<br/>Key questions to answer / areas to cover:</p> <ul style="list-style-type: none"> <li>▪ Customer priorities</li> <li>▪ Views on service level changes</li> </ul>  |

# Future engagement/research activity

| Area   | High level scope/requirements   |
|--|---|
| Transparency of reporting and corporate/financial structures | <p>Type of research: Qualitative<br/> Timing: May/June<br/> Key questions to answer / areas to cover:</p> <ul style="list-style-type: none"> <li>▪ How should we report performance during 2020-25</li> <li>▪ How would customers gain confidence in number of subjects – including dividends, group structure, Board pay, tax etc</li> <li>▪ Options of how we would could improve trust and confidence – e.g. self reporting, third party review, sign up to external ‘code of conduct’</li> </ul>                    |
| Acceptability of the plan                                    | <p>Type of research: Quantitative<br/> Timing: June/July<br/> Key questions to answer / areas to cover:</p> <ul style="list-style-type: none"> <li>▪ Are the performance commitments targets stretching enough?</li> <li>▪ Acceptability of the plan overall</li> <li>▪ Acceptability of the plan for key components – bill, service, targets, rewards/penalties</li> <li>▪ Customer affordability of the plan</li> <li>▪ Need to combine acceptability and affordability of combined bill included sewerage</li> </ul> |
| Cost adjustment claims                                       | <p>Case to be made in business plan that any cost adjustment claims we make are due to Ofwat model not appropriately allowing for certain variables and costs – therefore no customer evidence required.</p>  |

