



MINUTES of the Customer Challenge Group

Camelford House

On 18 October 2024, 09:30am – 3:00pm

Present:

Sukhvinder Kaur-Stubbs	Chair of Customer Challenge Group	SK-S
Monica Wilson	Department of Education	MW
Dr Charlotte Duke	London Economics	CD
David Brindle	Ambient Support	DB
Sarah Powell	Environment Agency	SP
Catherine Jones	CCW	CJ
Jeremy Crook OBE	Action for Race Equality	JC

Thames Water:

Cathryn Ross	Strategy and External Affairs Director	CR
John Sullivan	Head Of Tideway Integration Group	JS
Demi Dean	Customer and Stakeholder Manager	DD
Przemek Milewicz	Director of Customer Strategy and Marketing	PM
Pete Cotton	Head of Customer Strategy	PC
Jonathan Read	Director of Regulatory Policy and Investigations	JR
Mariana Simpson	Regulatory Engagement Manager	MS

Apologies:

Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
Baroness Grey-Thompson DBE, DL	Chair of Sport Wales	BGT
Nisha Arora	Financial Conduct Authority	NA
Peter Daw	Greater London Authority	PD

Agenda Item No.		Action
1.	Apologies for absence / Declarations of interests / Minutes from previous meeting	
	Apologies were noted and no additional declarations of interests have been recorded. The minutes from the meeting on 18 September were approved subject to amendments made.	
2.	Thames Tideway Tunnel – including site visit	
	Following introductions, DD and JS stepped through presentation which focused on the plans for communication with the public as a part of the handover to TW in 2025. The campaign will focus on benefits delivered through the first two phases of the programme (first - upgrading five Thames Water sites, and two – building and connecting the Lee tunnel) and showcase the team's hard	

	<p>work and dedication to the project. Furthermore, there are plans for open days on public realm & app / trial walk through seven new areas of public spaces created along the river.</p> <p>The CCG recognised that the first two phases already delivered massive environmental benefits and thought TW should publicise it wider. It was noted that unfortunately, there is currently limited interest in positive news stories linked to TW.</p> <p>JS explained that due to some risk realisation through out the project, the cost of TTT has been revised from 4.2bn to 4.5bn.</p> <p>JS highlighted that the cumulative benefits for phases 1,2 and 3 are 90% reduction in the number of Combined Sewer Overflows (CSO's) from over 50 in a typical year to 5, and 95% reduction in volume discharged. In addition, the team is working on measuring the amount of plastic removed. Phases 1 & 2 have been already delivered through increasing size of the sewage treatment works and development of Lee Tunnel, Thames Tideway tunnel upcoming completion concludes the third phase.</p> <p>Further discussion focused on collaboration between Tideway and Thames Water and the overall story of the project. JS highlighted that Thames Tideway tunnel is a great example of long-term planning as the plans for the project started back in the 1990s. There was a recognition from the CCG that TTT is often used as a good example in discussions around investment in infrastructure. Looking into the future, JS outlined other projects for AMP8 alongside some potential innovative solutions which would deliver large benefits.</p> <p>Going back to communication, the CCG challenged TW on the primary way of communicating with customers online and via social media as people need to actively opt in. The CCG recommended that the campaign should be complemented with other information campaigns such as posters in tubes, adding information to the bill etc. DD noted that this is something being currently considered, alongside the ability to target communication at the right places. The CCG also recommended linking TTT pages to the river health page on Thames Water website alongside other key projects. It was agreed to have a follow up session on the communication plans.</p> <p>Action: Further session on TTT communication plans to be scheduled for 13 December 2024</p> <p>Action: TW to consider adding TTT plans to the river health page on TW website</p> <p>The presentation followed by a site visit and discussion on a range of topics. As a follow up DD shared a number of links below to provide further information.</p> <ul style="list-style-type: none"> • Information about the Albert Embankment site, the artwork and poetry - https://www.tideway.london/locations/albert-embankment-foreshore/ • Tideway's sustainability report 23-24 (around transporting via river) - https://www.tideway.london/media/6876/tideway-sustainability-report-2023-24.pdf • Tideway news press release – tideway continues its use of the river over road to build London's super sewer 	
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	<p>The Chair and CCG thanked JS and DD for their time and informative session. She encouraged them to take advantage of CCG networks with local communities and stakeholders as they developed their plans.</p>	
3.	<p>Customer Service Strategy</p> <p>Following introductions, PM stepped through the presentation, explaining the significant work that has gone into the Customer Service Strategy, primarily to ensure that as many people as possible were engaged as a part of the process and to encourage ownership. PM emphasised that the aim of the Customer Service Strategy is to cover all customer touch points across the business. On the back of extensive work, the intent which best reflected the credibility, visibility and also organisation structure was agreed as “Becoming the easiest water company to deal with”.</p> <p>PM talked through the details under the intent including metrics and objectives. To implement the strategy, there will be Strategy Implementation Cards, a dedicated forum (FOCUS) and dashboard which will be communicated to the Executive during monthly business reviews.</p> <p>The first part of the discussion focused on linking the customer service strategy with operational teams to enable delivery of accurate resolution to promised timescales. PM explained that while this is still in development, it starts with strengthening the collaboration between teams, having specific objectives which will help identify dependencies where help is needed to resolve issues. In addition, PC explained that with the current organisational structure and introduction of the Salesforce system, the teams are more connected as both the operational teams and contact centres are in the same business area. CCG would like to understand more details as the implementation cards are developed.</p> <p>Action: TW to share more details once the strategy implementation cards have been developed</p> <p>The CCG were pleased to learn that the Customer Service Strategy work built on the existing What Customer Want document which brought together all customer research and insights. The CCG also asked about relevant KPIs and their impact on customers. When discussing examples, the CCG challenged the proposed channel shift to get 75% customers online as it may potentially increase risk of excluding certain customer segments. PC clarified it is more about channel shifting 100% of customers who are happy to use online platforms rather than forcing all customers. It was noted that the way the KPIs are communicated may be misleading.</p> <p>Turning to company culture, the CCG were interested to understand how the Customer Service Strategy will be meaningful to all employees, especially the front-line staff. PM explained that in addition to communicating the strategy to all leaders within the business, and to all employees through all hands calls and strategy launch, it will introduce a concept of non-negotiables which will include list of simple principles that translate the strategy into everyday actions which can be used by all teams when making day to day decisions. The CCG thought that for the strategy to be successful, it needs to be visible from the start and keep it relevant to people across the business as well as monitoring results and outcomes.</p> <p>Reflecting on the overarching theme “becoming the easiest water company to deal with” and other options considered throughout the work, the CCG asked what things have been deprioritised. They have also noted that for customers, they only deal with one water company as it is a monopoly market so they were not clear on how this will be meaningful for customers. PM</p>	

	<p>explained that while for customers it is about being easy to deal with, internally the teams need to continue to strive to do better than others.</p> <p>The session concluded with focus on complaints reduction. It was noted that the Customer Strategy KPIs take into consideration existing plans which will also contribute towards reduced complaints such as proactive case management.</p> <p>Finally, CCG suggested that TW should consider whether the Customer Service Strategy should have explicit links to the Customer licence condition.</p>	
4.	PR24 update	
	<p>CR shared an update on a number of current topics.</p> <p><u>Independent Monitor</u></p> <p>Ofwat has appointed the consultancy firm, L.E.K. Consulting, as an ‘independent monitor’ to review TW’s progress and compliance to the undertakings TWUL has made to Ofwat. LEK’s role will include:</p> <ul style="list-style-type: none"> • Reviewing TW’s progress on the undertakings • Alerting Ofwat to developments that might impact TW’s ability to deliver its undertakings • Make Ofwat recommendations on additional steps TW might need to take to meet its undertakings <p><u>PR24</u></p> <p>Ofwat’s PR24 process continues with the Final Determination (FD) still planned for 19 December 2024. TW has received over 100 queries on its Draft Determination (DD) response, with most queries being mainly clarificatory, with a key focus on Wastewater enhancement cases.</p> <p>It was noted that Ofwat is consulting on a new “Outcomes Adjustment Mechanism” which is unusual at this stage of price review.</p> <p>TW is undertaking preparatory steps in the event that the Board makes the decision in February to seek a CMA referral.</p> <p><u>Equity runway</u></p> <p>There is intensive ongoing work with financial advisors on the equity raise, with expectation of formal investor briefings likely to commence in upcoming weeks. However, it was noted that any investment will be conditional on the FD.</p> <p>The discussion focused on current liquidity, with CCG noting from previous discussions that customers’ bills will <u>start</u> in AMP8 based on the FD regardless of whether TW will accept the FD or appeal to CMA.</p> <p><u>Water company performance report 2023 – 24</u></p> <p>On Tuesday 8 October, Ofwat released its Annual Water Company Performance Report. This measures the performance of all the water utility companies in the UK on their performance against regulatory targets in 2023/2024.</p> <p>The report shows TW’s performance is improving and the turnaround plan is having a positive impact and their rating has increased to ‘average’. TW has achieved the largest reduction in financial penalties across the industry and are one of only four companies to improve its performance over the year. CR highlighted that TW is making progress in many of the areas that matter most to their customers. Particular progress was made on leakage that is now at its lowest</p>	

	level on the network and water quality (CRI) where the performance in 2023/24 saw TW ranking 5th in the industry compared to 17 th in 2022/23. However, in some areas, such as pollutions, leakage and supply interruptions, TW missed its regulatory targets. These are all areas which form part of the turnaround plan.	
5.	CCG evaluation	
	The CCG reflected on the year and their work towards their objectives so far. SKS reminded group that the plan is to publish the CCG annual report by the end of the year. SKS would welcome all CCG members input through the annual evaluation process.	
6.	AOB	
	Next CCG meeting on 15 November 2024	