



MINUTES of the Customer Challenge Group

Microsoft Teams

On 22 July 2022, 9am – 2pm

Present:

Sukhvinder Kaur-Stubbs	Chair of Customer Challenge Group	SK-S
Nisha Arora	Financial Conduct Authority	NA
David Brindle	Ambient Support	DB
Jeremy Crook OBE	Action for Race Equality	JC
Dr Charlotte Duke	London Economics	CD
Baroness Grey-Thompson DBE, DL (via teams)	ukactive	BGT
Councillor Adam Jogee	Haringey Local Authority	AJ
Doug Taylor	CCW	DT
Monica Wilson	HM Treasury	MW
Tiger de Souza MBE	National Trust	TDS
Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
Peter Daw	Greater London Authority	PD
Sarah Powell	Environment Agency	SP

Thames Water:

Jonathan Read	Director of Regulatory Policy and Investigations	JR
Lesley Tait	Water Resources Engagement Manager	LT
Craig Boorman	Delivery Manager – Drainage and Wastewater Management Plan (DWMP)	CB
Pete Cotton	Customer Segments Manager	PC
Alex Nickson		AN
Mariana Simpson	Stakeholder Relationship Engagement Manager	MS

External :

Mike Woolgar	Chair of London Flooding IEG	MW
--------------	------------------------------	----

Agenda Item No.		Action
1.	CCG closed session	
	<p>The Chair:</p> <ul style="list-style-type: none"> - thanked the CCG members for the recent activity on focus areas. She reminded members to keep her and Mariana copied in on communications to enable her to co-ordinate overall efforts and help the group stay focussed on priorities. - shared her initial reflections around Ofwat methodology. MW offered to draft a response to the consultation on behalf of the CCG that could be annexed to the TW official response. CCG also thought it would be helpful to have further details from OFWAT on their Finance methodology. 	

	<p>- provided feedback from the CCW Central Oversight Group (COG). She had persuaded them to refer to the CCG's as Independent Challenge Groups rather than Local Challenge Groups. She had also provided feedback to ensure that the network continued to focus on strengthening the ability of Challenge Groups to scrutinise Company Plans. CCW were planning an audit of the CCGs to understand how they operate and are resourced in order to promote and support their independence. They had discussed the OPEN Challenge proposed by OFWAT in their new consultation and whether this should be chaired by CCW or the CCG or an alternative independent member. Concern was expressed about the way in which such forums tended to amplify already well pronounced views. CCG members wanted more information about the purpose of the open challenge and ensure their independence was maintained in the process.</p> <p>- Informed members that she had received a positive response from the Chairman Ian Marchant relating to their annual report and her covering letter. She would review and come back with details on any further actions or specific feedback.</p> <p>SP shared a high level view of EA performance assessment which has recently been published. It was noted that Thames Water was ranked 2 Start company (out of 4) for 2021. DB highlighted the high emotions from the Public and media reaction. There was a clear view externally that TW were not fixing the basics and needed to demonstrate more operational grip. CCG flagged up again their desire to blog about topical issues.</p> <p>Action: SKS/MS to follow-up on plans for a protocol and mechanism for CCG blogging.</p> <p>DB/JC/SKS provided feedback on the immersive research they had observed about leakage. They were all surprised with how much priority the participants gave to river health. They felt this need to be understood better to ensure it was reflective of the wider population and also check how it correlated with WCSCW.</p> <p>AJ/DB and others spoke about the difficulty that Cllrs and other key stakeholders expressed in getting hold of TW staff when there were leakages and incidents. MS agreed to circulate media comms with CCG members and also share comms on incidents. CCG members were reminded that they could come to SKS if there were any issues raised personally with them.</p> <p>CCG discussed plans for the CCG planning day on 23 September. This would be an away day to review the work of the focus groups, refine forward objectives and draft an evaluation framework for the work of the CCG. The CCG report for 2023 (which would come after the TW Annual Report) will be based on the key objectives of the framework.</p> <p>Action: Focus groups Leads to update their templates and plans by 10th Aug in advance of the work programming session that SKS/MS/JR were undertaking on 11th Aug.</p>	
2.	Apologies / Declaration of interests	
	There were no additional declarations of interest recorded.	
3.	Minutes and matters arising from previous meetings	
	<p>Minutes from the previous meeting on 16 June 2022 were approved.</p> <p>AJ provided an update on the action related to Stakeholder list inclusivity and he would continue to work on developing an inclusive schedule to Stakeholders that can be used across TW rather than having to consult with the CCG about who to liaise with on specific activities, this remains outstanding.</p>	
4.	Update on Ofwat PR24 methodology / Implications for Customer Engagement / Initial discussion around criteria for decision making	

	<p>SKS and JR introduced the session with a reminder of the key CCG questions raised over the last few weeks:</p> <ul style="list-style-type: none"> • To what extent are there real options on the table (relates to understanding discretionary spend) and options within that discretionary spend? • Testing how the insights from the consumer engagement will be triangulated and fed into the investment choices framework • Timing of customer engagement - risk of 'Silver Squeezing' • Inclusivity of customer engagement • Testing how Thames will weigh the insights/priorities that inform the investment choices set-out in the business plan. <p>This was followed by JR walking through a summary of the Ofwat Draft methodology, focusing on the four key areas (Customer Engagement, Outcomes & Costs, Affordability / Vulnerable Customers, Business Plans assessments & timelines).</p> <p>The discussion focused on customer engagement including collaborative research and open challenge session, outcomes & costs – further publication planned for 2023 and how it may impact further planning, affordability – and the potential for bespoke PCs, and business plan assessment – noting the scope of assessment is narrower than at PR19.</p> <p>The CCG thought that there is an opportunity for Ofwat to share their thinking directly with CCG in future sessions especially around outcomes / efficiency and affordability.</p> <p>CCG discussed progress in the focus areas of Choices and discretionary spend. CD thought there was a better understanding that the CCG would still like to know more detail in line with the silver plan in autumn. A follow up discussion focused on the timing of CCG Customer engagement and customer research to provide enough opportunity for challenge.</p> <p>Action: CCG- Choices focus-group call on options research to be set up in August to provide opportunity for challenge on material and options used as a part of the customer research (complete)</p>	
5.	<p>Feedback from WRMP / WRSE & WRMP / DWMP Customer Engagement</p>	
	<p>BGT provided an overview of the recent WRMP and WRSE engagement session noting some of the sessions tend to be very technical.</p> <p>LT and CB shared an overview of customer and stakeholder engagement as part of strategic planning for water (Water Resource Management Plan – WRMP) and wastewater (Drainage and Wastewater Management Plan – DWMP) drawing out the similarities and differences in developing the plans and engagement. CCG was invited to visit the DWMP consultation which is currently live online.</p> <p>The discussion focused on collaboration, range of ongoing feedback received from stakeholders and customers and stakeholders, as well as timescales of challenge. PS praised TW for the changes made to WRMP since consultation, and detailed the criticism taken on board.</p> <p>Action: LT to share draft WRSE consultation questions when available</p> <p>Action: LT and BGT to arrange session on WRSE comms engagement to discuss progress and future input from the CCG.</p>	

6.	<p>Affordability – feedback from the affordability subgroup / Update on social tariff modelling</p> <p>JC shared key insights from the recent media about the rising cost of living and the percentage of the population now in fuel poverty (struggling to pay bills). CCG focus is on challenging TW to ensure they have dived as deep as possible into the understanding of any ethnic minorities, and any other minority groups who may be disproportionately affected. CCG felt that the diversity of London and higher proportion of poverty needs to be better reflected in the research. They encouraged TW to undertake customer research with involvement that reaches those groups, which may require a specialised agency.</p> <p>CCG acknowledged that it was unclear what impact the proposed national single social tariff may have on TW customers. However, policy makers favoured objective of targeting those paying more than 5% of their net equivalised income after housing costs does consider the environment in London and the South East to ensure our customers get the support they need.</p> <p>The discussion focused on the cost of the living crisis and the support TW offer (e.g. more flexible payments plans, online channel to simplify the Income and Expenditure review process). Best practice in sharing Income/Expenditure assessments with other institutions and/or working with community partners was raised. TW would explore this and come back with longer term options.</p> <p>PC shared an update on the development of a social tariff with Defra proposing cross subsidy of current state (c£7) and additional £10 and modelling completed by Frontier Economics.</p> <p>CCG wanted to understand better, the calculation used for getting support, complexity of the targeting and the potential impact of a single social tariff on the Thames Water customers.</p> <p>TW will keep CCG up to date on developments of the Single Social Tariff and how it will be implemented and integrated to the approach of the money advice sector.</p> <p>Action: PC to share Frontier Economic document with modelling outputs (complete)</p> <p>CCG Focus Group on Affordability to target attention specifically to proposals for the Single Social Tariff and their impact on TW Customers.</p>	
7.	<p>Interview with Mike Woolgar on the London Flooding Independent review</p> <p>AN provided a brief overview of the London flooding independent review, covering the cause, process, experts appointment, as well as activity to date, concluding with the final report recently published which brought together 28 recommendations grouped under 5 key categories: Evidence, Funding, Communication, Strategic Plan and Delivery. Extensive engagement taking place to discuss the recommendations with industry. CCG expressed a concern that the conclusions may already have been overtaken by events to some extent.</p> <p>The discussion facilitated by TDS focused on points of greatest relevance to customer:</p> <ul style="list-style-type: none"> - how TW should respond to the risk of similar weather events happening more frequently based on recent extreme weather, - the welcome proposal for a Strategic Body to co-ordinate and help direct customers who are affected - partnership efforts to prevent surface water entering the sewer systems and customers potentially playing a more active role in tackling flooding, 	

	- and the importance of inclusion because of those who are disproportionately affected by lack of insurance.	
8.	AOB	
	No AOB raised	