

# MINUTES of the Customer Challenge

## Group

Held over Microsoft Teams  
On 27 January, 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
Peter Daw	Greater London Authority	PD
Dr Charlotte Duke	London Economics	CD
Baroness Grey-Thompson DBE, DL	ukactive	BGT
Councillor Adam Jogee	Haringey Local Authority	AJ
Kay Lacey	Pang Valley Flood Forum	KL
Sarah Powell	Environment Agency	SP
Tiger De Souza MBE	National Trust	TDS
Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
Councillor Doug Taylor	CCW	DT
Monica Wilson	HM Treasury	MW

### Thames Water:

Sarah Bentley	CEO	SB
Warren Buckley	Retail Director	WB
Nevil Muncaster	Strategic Resources Director	NM
Cathryn Ross	Strategy and Regulatory Affairs Director	CR
Caroline Sheridan	Engineering and Asset Director	CS
Kathryn Andrews	Executive Business Manager	KA
Lesley Tait	Water Resources Engagement Manager	LT
Jonathan Read	Director of Policy and Investigations	JR
Sian Padfield	Non Infrastructure Manager	SP
Jennifer Genevieve	Head of Regulatory Engagement & Policy	JG
Mariana Simpson	Stakeholder Relationship Engagement Manager	MS

### External visitors:

Stuart Cook	Managing Director, Complete Strategy	SC
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### Apologies:

Yvette de Garis	Head of Environmental Engagement	YdG
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Agenda Item No.		Action
1.	<b>Apologies / Declaration of interests</b>	
	This was first formal meeting of the newly re-formed CCG and designed to induct members into key aspects of the business. The agenda was comprised of a set of key topics to set the scene from SB, TW CEO and introductory presentations on C-MeX, Wider regulations, Business Planning, Water Resource Management Plan, Drainage Water Management Plan and Smarter	

	<p>Water Catchments. All presentations were based on material shared in advance of the meeting for review by the group.</p> <p>.</p> <p>Declarations of interest were noted from BGT and KL.</p>	
<b>2.</b>	<b>Scene setting</b>	
	<p>SB welcomed the CCG and provided insight into her role as TW CEO before sharing her focus on brilliant delivery for TW customers and communities they serve, TW's turnaround plan (fix the basics, raise the bar, shape the future). SB welcomed the opportunity the CCG will bring to the company given the diverse background and expertise of CCG members.</p> <p>The discussion was focused on customer service improvements, the scale of the challenge ahead and key incentives that will help TW to make progress. SB encouraged the CCG to share their views on what TW could do differently to help TW deliver its turnaround plan successfully. In terms of incentives SB highlighted the importance of the front line teams, values and behaviours which will help TW to succeed.</p>	
<b>3.</b>	<b>Introduction to Customer Satisfaction (C-MeX)</b>	
	<p>WB and KA presented on Customer Satisfaction (C-MeX), the measure, customer surveys which determine the C-MeX score, and past results including trends and targets.</p> <p>The discussion focused on TW's current performance issues and drivers, trends in C-MeX scores, balancing trade-offs while setting up targets, regional differences as well as potential differences between highest performing companies and Thames. WB explained that the biggest driver is perception of the company and for TW to improve its position, it needs to be customer focused, improve customer communication and start delivering on promises.</p> <p><b>Action:</b> TW to share the updated position on C-MeX and C-MeX analysis at 9 Feb meeting.</p>	
<b>4.</b>	<b>How TW is regulated / Introduction to Business Planning PR24</b>	
	<p>CR and SC gave a presentation on how Thames Water is regulated and introduced the approach to Business Planning (PR24).</p> <p>The discussion focused on how PR24 fits with the company's long-term Vision 2050, the insights the CCG can bring in terms of challenges and learnings from different sectors and the potential tensions between the Vision, required investment and affordability which can lead to companies to choose to do things more smartly and in different ways.</p> <p>The discussion also focused on Customer Engagement at PR19 and what could be done differently in PR24 to improve. CR explained that while Ofwat is more prescriptive on Customer Engagement this time around, and will be undertaking its own research, TW needed to deliver great customer engagement in two key areas: exploring how the Vision 2050 represents the views and priorities of its diverse customer base and assessing the affordability envelope for 2025-2030 to help TW to decide where and when to spend customers money and focusing on the things that matter to customers the most.</p>	
<b>5.</b>	<b>Introduction to longer term planning (Water Resources / Management Plan / Water Resources South East / Strategic Resource Options)</b>	
	<p>NM and LT presented TW progress to date on the Water Resources Management Plan (WRMP) covering an introduction to our current water supply, water resources planning, including the external context and the regulatory framework, developing a plan for the South East and engagement with stakeholders and customers.</p>	

	<p>The discussion focused on demand management within the overall programme and TW's confidence to deliver what is required within the current framework as well as the required buy in from government and other agencies to help make future houses water efficient. TW acknowledged the risk around delivery on the aggressive targets for demand management and recognised that for the plan to be successful, the role TW can play in terms of investment (e.g. smart metering) and helping customers to reduce consumption and encourage different behaviours, needed to happen alongside the work on leakage reduction etc..</p> <p>TW explained the sequencing of water resources planning, with the regional plan being developed first and its outputs feeding into individual company plans.</p>	
<b>6.</b>	<b>Introduction to longer term planning (Drainage and Wastewater Management Plan)</b>	
	<p>CS and SP presented TW's progress to date on the Drainage and Wastewater Management Plan (DWMP) focusing on the process alongside the engagement approach and activity so far. SP explained the main drivers were the National Infrastructure Commission's desire for a clear and consistent view of long-term infrastructure risks and an industry-wide vision for a shared ownership structure for drainage which would enable other risk management authorities to work together.</p> <p>The discussion focused on prioritising solutions (e.g. reduction of sewer flooding and environmental protection) and some of the terminology (e.g. vulnerable properties).</p> <p><b>Action:</b> TW to explain how outcomes from all of the customer research connect with company performance (e.g. C-MeX) and how the feedback from customers will help to inform customers and deliver the right outcomes for customers.</p> <p><b>Action:</b> TW to explain how it will ensure that customer research / feedback includes views from customers who are generally hard to hear from / customers in vulnerable circumstances?</p> <p><b>Action:</b> CD offered to review the use of the term 'vulnerability' in the context of the work of the CCG.</p>	
<b>7.</b>	<b>Introduction to Community Engagement (Smarter Water Catchments)</b>	
	<p>RA and HS presented an introductory session on community engagement – smarter water catchments explaining Catchment Partnerships, TW's engagement strategy and the smarter water catchments initiative. EN explained opportunities in the future.</p> <p>The discussion focused on differences between Catchment Partnerships, volunteering and the involvement of citizen science and connecting with outdoor sports governing bodies (e.g. canoeing)</p> <p>RA explained Catchment Partnership capacities are driven by available resources - TW is looking how they can support each partnership with various resources such as webinars, training and helping to share lessons learnt.</p> <p><b>Action:</b> RA and TDS to explore opportunities to grow volunteering following a deeper understanding of challenges and roles.</p>	
<b>8.</b>	<b>AOB – CCG only</b>	

CCG members reflected on their first formal meeting and shared their feedback

### Understanding the scale of challenge for TW ahead

Acknowledging the scale of the challenge to reconcile all different objectives.

Acknowledgment by Thames of where they are, that PR24 will not be perfect but will hopefully be better than PR19 and good enough.

Link 2050 vision with the business plan - how that will work its way into the plan and remain adaptable.

Deep seated mistrust based on the history which causes customer disengagement and challenge point back to managing expectations.

The priority for Thames Water is to get the basics right. Meeting environmental regulation is not an add on, it is the law and the investment required needs to be paid for. Affordability can be tackled through innovative tariffs - many customers can afford to pay more.

Population and Climate change – plans are based on future projections, but 2050 population prediction has been changing. Government paper on climate adaptation, flooding and rainfall suggests that natural solutions are the only infinitely scalable options.

### Trade-offs

Understanding trade-offs – what does the CCG think is most important (e.g. public value, long term investment vs affordability, customers preferences and what they may want for themselves vs the environment, understanding the right balance.

Understanding trade-offs / how strategies and long-term plans link together (e.g. how does C-MeX inform WRMP)

### Workforce / behaviours and values

Understanding the workforce linked to SB's mention of behaviours and values - it would be good to understand what proportion of frontline staff are employees vs subcontractors and whether that impacts on service delivery. Do problems get resolved in one visit etc.

Embedding behaviours and values – customer centric values through the company.

### Affordability

Understanding opportunities for Customers who can pay and would be happy to pay more once they understand the difficulties / challenges and need for investment. Balance between customers who can and can't afford and how the ones who have affordability issues would be supported e.g. via social tariff.

How do we help more customers to care about what we do – customer panels often self-selecting. 'Vulnerable' as a term – can gloss over lots of terms – look at alternatives

### CCG outputs / Customer Comms

How we as the CCG are going to respond to Thames but also share our conclusions externally.

Looking at how problems are framed for customers to enable them to get proper handle of the problems rather than be led into the conclusions.

Communications and C-MeX – what information gets sent out to customers. Joint approach not just internally but engaging externally with customers, also point on vulnerable customers.

In a follow-up email, SKS highlighted the following points:

- identifying the right milestones - managing immediate expectations of the public with the time required for a solid turnaround.
- customer participation - joining up the knowledge within TW on customer perspectives and feeding information back to customers to reinforce positive behaviours.
- customer priorities - framing the questions and debate from the customer perspective rather than the needs of asset managers or regulators
- community engagement - potential in catchment areas for people to become more informed of water challenges and less inclined to take it for granted
- trade-offs - weighing up and calibrating competing interests in particular affordability, environmental enhancements and future customers.

She also noted follow-up actions:

- JC had offered to lead discussion with the HR team on workforce issues.
- SKS/NA/DB looking at defining some outputs/quick wins for the CCG
- CD looking at approaches to willingness to pay