



# MINUTES of the Customer Challenge Group

Microsoft Teams

On 9 September 2022, 9am – 2pm

## Present:

Sukhvinder Kaur-Stubbs	Chair of Customer Challenge Group	SK-S
Jeremy Crook OBE	Action for Race Equality	JC
Dr Charlotte Duke	London Economics	CD
Baroness Grey-Thompson DBE, DL	Chair of Sport Wales	BGT
Councillor Adam Jogee	Haringey Local Authority	AJ
Doug Taylor	CCW	DT
Monica Wilson	HM Treasury	MW
Tiger de Souza MBE	National Trust	TDS
Sarah Powell	Environment Agency	SP

## Thames Water:

Andrew Burton	Customer Research and Insight Manager	AB
Jamie Elborn	Customer Research and Insight Lead	JE
Chris Pollard	Director of Customer Services	CP
Nina White	Director of Financial Customer Care	NW
Cathryn Ross	Director of Strategy and External Affairs	CR
Mick Clarke	Head of Drought Strategy	MC
Sarah Long	Interim Head of Media Relations	SL
Mariana Simpson	Stakeholder Relationship Engagement Manager	MS

## External:

Ryan Shellard	Sia Partners	RS
---------------	--------------	----

## Apologies:

Nisha Arora	Financial Conduct Authority	NA
David Brindle	Ambient Support	DB
Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
Peter Daw	Greater London Authority	PD
Jonathan Read	Thames Water	JR
Nevil Muncaster	Thames Water	NM

Agenda Item No.		Action
1.	<b>Apologies for absence / Declarations of interests / Matters arising</b>	
	Apologies were noted. Minutes from the previous meeting on 22 July were approved.	
	It was noted that updates to actions raised are being updated at the action tracker on the SharePoint site.	

	<p>AJ provided a short update on the action related to Stakeholder list with follow up conversation to take place week commencing 12 Sept with Stakeholder Lead.</p>	
<p>2.</p>	<p><b>Chair report and Members' feedback</b></p>	
	<p>Chair shared feedback from her recent conversation with the Chair of the TW Board noting the recognition of the CCG expertise and that TW Board is looking to the CCG to provide assurance that the quality of customer engagement is strong and the Ofwat minimum standards have been met. Further points from the discussion included the CCG need to ensure they are not bias to media interest / voice of current issues; discussion on ODIs and whether there is a scope for penalties which the company incur to be put to a better use and the Board is interested to understand CCG's views in this area; CCG potential involvement on large complaints, and trade-offs decisions</p> <p>MW provided short update on the recent CCG response to Ofwat's PR24 consultation which related to the CCG key focus areas. Key points covered: need to be evidence based, cost of living and taking cross industry view, inclusivity of customer engagement including proposed Open Challenge sessions. The CCG noted a few additional points e.g. recognition or incentive for marginal improvement and the timing of the consultation was not the best time. CCG noted that not all members have not seen the response ahead of submission.</p> <p><b>Action:</b> MS to investigate IT issues with the distribution email.</p> <p><b>Action:</b> Discussion on ODIs, rewards and penalties to be added to the future forward plan.</p> <p><b>Action:</b> MS to share TW final response to the Ofwat consultation (complete)</p> <p>MS shared an overview of feedback surveys taking part ahead of the 23<sup>rd</sup> CCG planning day looking at the TW staff views on the CCG report, TW presenters feedback on CCG engagement to date and CCG members feedback. MS will collate all views for discussion.</p> <p><b>Action:</b> CCG members to complete CCG feedback questionnaire by 16 September.</p>	
<p>3.</p>	<p><b>What Customers, Communities and Stakeholders Want v16</b></p>	
	<p>TDS introduced the session by acknowledging the breath and depth of the material provided noting that CCG is encouraged to see the responses to CCG previous questions. TDS set out discussion around three key points</p> <ul style="list-style-type: none"> <li>- How TW will manage divergence when it comes to making decisions and how this will influence the plan</li> <li>- It would be helpful if there was more detail around demographical and geographical differences and how TW will respond to them and potentially amplify the voices of those not always heard</li> <li>- Low awareness is re-accruing theme – how does this impact responses given during research and therefore influence decision made a later stage? Customer views are often presented as individualist, personal and short-term, with stakeholders views being more medium to long-term and more on a macro level.</li> </ul> <p>AB introduced JE from TW and RS from Sia Partners who are experts in applying customer engagement evidence in decision making. AB set out the flow of the information from customer engagement into decision making noting that at this stage aim is the surface the diversity of the</p>	

views. This will be used by the planning teams to make the decisions and will be shared with CCG in October meeting.

AB acknowledged challenge from CCG on whether they showed enough nuance in the customers views especially for different ethnicities. One of the ways to address this is the planned vulnerability deep dive research previously discussed with the CCG and TW will welcome CCG challenge and feedback as this progresses, which has been well received.

CCG thought that TW need to try articulating how multiple demographics may impact on somebody's perspective, specifically looking at the ethnicity and geography views combined. The CCG would welcome more details on how divergence and tensions are dealt with and the process of how TW navigate this in decision making.

Discussion followed around customers' low awareness and more broadly around customers low understanding of where water comes from, the design and use of research materials drawing out different views between different voices (e.g. household / non household) and customers views being influenced by topical issues and current media interest.

**Action:** TW to share more details on the process of how TW navigate through tension points in decision making.

Further discussion followed around affordability and customers struggling to pay. While TW completed initial research around Social Tariff subsidy, TW will complete more research around acceptability and affordability of proposed bills and bill profiles at later stage.

The Chair asked the Inclusivity focus group to work with TW team to report back to full CCG on:

- Assurance that the triangulation methodology used is robust and in line with Ofwat minimum standards
- Customers' relative priority of key Wants translated into a list that CCG would accept as the priorities that it would expect to see in the Business Plan (P8 of WCCW v16)
- Customers' relative priority of enhancement areas that it would expect to see represented in the plan (P9 of WCCW v16)

TDS stated that the CCG need to properly understand the Ofwat Draft Methodology and minimum standards for customer engagement, as this is critical to understanding the principles to apply to research and decision making, so that the CCG can hold TW to account.

CD highlighted that the recent key messages she heard at the Options research do not align with key messages in the WCCSW v16.

**Action:** Inclusivity focus group to have a follow up session ahead of the 7 October meeting to discuss

- The criteria and process TW has used to make decisions on the outcomes to be delivered as part of the AMP8 plan
- How customer insight fits into this process and what influence it has on decisions
- How TW has dealt with the tensions and divergence between the views from different customer groups in decision making

TDS thanked AB and the team for the comprehensive material and discussion recognising the scale of the challenge.

CCG noted that detailed feedback on Options research will be shared with TW Customer Engagement team in coming week.

4.	Q1 Retail Performance	
	<p>CP and NW provided update on the Retail performance for Q1 2022-2023.</p> <p>Initial discussion focused on C-MeX and complaints performance including building on the understanding the measure and plans for improvement, with more details shared around CSS Billing element where the gap is currently highest. The current reduction in complaints shows improvement in handling the initial point of contact with customers however it was recognised that it is the root causes for the complaints which need to be resolved going forward. To improve the Billing C-MeX element, CP shared the 10 high level focus areas including next steps for each of them. CCG was keen to have a deep dive into bill accuracy and staff training.</p> <p>CCG were keen to understand more about regional reporting in Operations for London and Home Counties.</p> <p><b>Action:</b> Regional reporting to be included in Q2</p> <p><b>Action:</b> CP to share the internal the CSAT targets</p> <p><b>Action:</b> Deep dive on bill accuracy including Billing strategy to be included on forward plan</p> <p><b>Action:</b> Deep dive on staff training and values to be added to the forward plan (could be linked to Company values on 3 November)</p> <p><b>Action:</b> Share information on “action line complaints proposal” with open line for family and friends</p> <p>NW focused on performance and progress in vulnerability area.</p> <p>With the cost of living crisis TW anticipate more people will potentially struggle with paying their bill and will need to assess any help available. Since CCG visit to Walnut Court in May, TW made progress in capturing Income and Expenditure from customers and from October will be moving to digital solution which will provide much more flexible approach to customers as an interim solution. Going forward digital solution is being developed which will enable customers to go through the process digitally at their choice. CCG was interested in further opportunities for data sharing with DWP although recognising not all customers who will require help will be claiming benefits.</p> <p>NW shared directional update on TW work for social tariff noting that the work is in progress which still need to be formally approved. Over the summer TW completed additional customer research which tested the appetite for a higher cross subsidy which would extend the reach of our social tariff. Discussion followed on how the customer research regarding social tariff and its correlation with the WCCSW, funding arrangements and the current wider situation. CCG were interested in understanding whether there is a potential for any bespoke performance commitments around vulnerability. NW also shared information on pilot “boots on the ground” which aim to connect with more customers in Islington community to provide more support.</p> <p><b>Action:</b> NW to share details of the research findings alongside key number points</p> <p><b>Action:</b> Session to be arranged with Vulnerability subgroup to understand:</p> <ul style="list-style-type: none"> <li>- more in detail the financial aspects of the Frontier Economic research and its financial implications (include Pete Cotton and input from James Lancaster for tariff implications);</li> </ul>	

	<ul style="list-style-type: none"> <li>- Single Social Tariff including any information on potential pilot scheme; understand what business would be as usual and what would CCG expect to see in the Business plan as a result</li> <li>- View whether there anything specific in London poverty map which may warrant any potential specific ODI to help ensure that needs of the most vulnerable are adequately met</li> </ul> <p><b>Action:</b> Forward plan for 2023 to include update on “boots on the ground” project as part of partnership focus</p>	
<b>5.</b>	<b>Q1 Wholesale performance</b>	
	<p>Apologies were noted from NM. Wholesale performance report circulated ahead of the meeting was taken as read. Additional meeting to discuss operational performance have been offered.</p> <p>The CCG used the time to discuss their concerns related to current performance, focusing on the environmental areas and future environmental programme requirement.</p> <p>Further discussion focused on the lack of clarity around statutory requirements and potential discretionary spend which have been discussed with TW previously at formal and informal meetings. CCG is keen to understand more detail around discretionary spend over and above the statutory requirements, approach to engineering and other solutions, and sequencing.</p> <p><b>Action:</b> Meeting to be arranged for NM and Choices focus group to discretionary spend over and above the statutory requirements in line with WINEP, approach to engineering and other solutions, and sequencing aspects.</p> <p>The Chair noted that Board as well as CCG will request the information on customer preferences in trade-offs decisions</p>	
<b>6.</b>	<b>Drought update / topical issues</b>	
	<p>CR introduced MP and SL and set out the context of the current drought, highlighting the responsibilities of key workstreams including planning, operations, assets, demand management, leakage reduction and media.</p> <p>MC provided update on the current drought which was largely caused by prolonged hot weather and unprecedented customer demand. The update focused on the implementation of the drought plan, media campaign, current measures, and customers’ demand.</p> <p>The discussion focused on lack of understanding around drought and need for replenishment as well as customer communication. SL shared various stages of media campaign starting with water efficiency messages in May 2022 through to the introduction of hose pipe ban. It was noted that although rain have returned at times and the demand is returning to standard levels, extensive rain for three months is needed to replenish storage.</p> <p>Follow up discussion focused on the timing of the hosepipe introduction, customer communication and education; and planning assumptions based on the weather volatility. There was an acknowledgment that the hosepipe ban could have been introduced sooner however better story needs to be told to customers around water cycle, leakage, and water usage.</p>	
<b>7.</b>	<b>AOB</b>	

	No AOB raised	
--	---------------	--