



# MINUTES of the Customer Challenge Group

Ms Teams

On 21 April 2023, 9am – 12pm

## Present:

Sukhvinder Kaur-Stubbs	Chair of Customer Challenge Group	SK-S
Baroness Grey-Thompson DBE, DL	Chair of Sport Wales	BGT
Jeremy Crook OBE	Action for Race Equality	JC
Doug Taylor	CCW	DT
Dr Charlotte Duke	London Economics	CD
Monica Wilson	HM Treasury	MW
Nisha Arora	Financial Conduct Authority	NA
David Brindle	Ambient Support	DB
Peter Daw	Greater London Authority	PD
Councillor Adam Jogee	Haringey Local Authority	AJ
Tiger de Souza MBE	Samaritans	TDS

## Thames Water:

Andrew Burton	Customer Research & Insight Manager	AB
Jamie Elborn	Customer Research & Insight Lead	JE
Heather Marshall	PR24 Stakeholder Manager	HM
Ian Jones	Head of Regulatory Programmes	IJ
Nicola Fomes	Assurance SME	NF
Mariana Simpson	Stakeholder Relationship Engagement Manager	MS

## Apologies:

Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
Sarah Powell	Environment Agency	SP

Agenda Item No.		Action
1.	<b>Apologies for absence / Declarations of interests / Matters arising / Chair update</b>	
	<p>SKS welcomed everyone to the meeting and noted apologies. Minutes from the previous meetings on 31 March were approved subject to additional information included in the Smart metering section or appendix.</p> <p>SKS introduced the day explaining an amended agenda which will focus on Your water, your say challenge session, questions regarding Affordability and Acceptability Testing and Enhancement Cases research before turning to Assurance.</p> <p>SKS shared feedback from CCG Chairs' meeting which focused on challenges regarding Acceptability and Affordability Testing and the level prescriptive guidance. She also shared her work on drafting the CCG report, which is progressing and will be shared with the CCG in coming week. Today's discussion will focus on CCG outcomes and what the success would look like.</p>	

	<p>Following on from the previous meeting SKS highlighted some key points coming out of the government's new plan for cleaner and more plentiful water noting Thames Water also have shared some initial views which will be circulated to CCG for information.</p> <p><b>Action:</b> MS to share TW initial view on government's new plan for cleaner and more plentiful water. (complete)</p>	
2.	<p><b>Your water, your say update</b></p>	
	<p>HM provided an update on the development of Your Water, Your Say (YWYS) including examples of promotional material, website, and engagement plan for promoting YWYS. To promote inclusivity, TW included consistent messages in their promotional and stakeholder communication, including among the Vulnerability network, to encourage engagement with customers and communities who do not have access to IT. Customers and stakeholders can register for the event via the Eventbrite page. Currently over 100 customers and stakeholders have registered for the event.</p> <p>Ofwat and CCW guidance requests CCGs to specifically review and comment on company specific briefing for Independent Chair as well as company presentation used at YWYS. HM explained that both documents will be shared with CCG by end of the day (21/04).</p> <p><b>Action:</b> HM and MS to share company briefing and presentation with CCG for comment (complete)</p> <p><b>Action:</b> CCG to review and provide comments on YWYS documents by 28 April</p> <p>Discussion focused on CCG interest in ensuring inclusivity and what could be done to increase it especially in terms of customers who do not have access to IT or English isn't their first language. CCG suggested that looking at available data, TW could identify locations where in person engagement would be most beneficial and explore use of libraries and community centres. CCG felt that for engagement being meaningful, effort needs to be made to be more inclusive.</p> <p>In response to the CCG question, HM explained that TW is planning to publish a recording of a 15 min presentation alongside a written report from the YWYS, however due to GDPR they will not be able to publish a recording of the Q&amp;A session.</p> <p>CCG raised a question over the timing of the session vs number of attendees and how TW will make sure that each attendee will get their opportunity to have their say and no question will stay un-answered. HM suggested to take the question back to Ofwat and CCW, however the initial view was that independent Chair (supported by CCW in the background) will collate and streamline questions.</p> <p>In terms of Stakeholder engagement, SKS reminded CCG of an ongoing outstanding request for TW to compile a comprehensive stakeholder list which would adequately represent the full diversity of community interests across the region. CCG members noted that this continues to be outstanding and will look to progress it.</p> <p>Discussion followed around the Expert panel which is going to represent company at YWYS and the diversity of region, with CCG suggesting TW should explore possibilities to make the panel more representative of the region.</p>	

	<p>AB reminded the CCG of the purpose of YWYS in the context of wider customer, stakeholder and community engagement and that given this is a single event, consisting of a short 15 min presentation and 60 min of Q&amp;As, it is very unlikely that this will be representative or cover all issues which are important to customers. TW still consider it a valuable public engagement opportunity that fosters transparency and will make the most of it.</p> <p>CCG suggested that TW could explore other solutions which would help to fill the gap and offer more customers the opportunity to provide their feedback.</p> <p><b>Action:</b> HM to explore opportunities for wider outreach especially to the communities who are usually harder to reach</p>	
3.	<p><b>Affordability and Acceptability Testing (AAT) and Enhancement cases (EC) research Q&amp;A</b></p>	
	<p>CCG shared feedback from recent engagement on AAT and Enhancement cases research, highlighting their questions over time constraints, prescriptiveness of AAT research, and comparability of results from research completed at various points across the year. AB addressed CCG questions in detail.</p> <p><b>AAT</b></p> <p>The CCG asked i) what constraints Ofwat's and CCW's guidance placed on Thames Water's delivery of this research compared to how much of the scope could be addressed flexibly, ii) how meaningful the research will be and iii) to what extent it had to be bespoke rather than part of ongoing engagement with customers.</p> <p>AB explained that the guidance is quite extensive with methodology broadly sound in his professional opinion. While some things could be done differently, it is mainly a matter of judgement. Ofwat and CCW have extensively tested this methodology and they say it works. AB highlighted constraints over recruitment, but flexibility on choice of face-to-face or online and ways to talk to certain types of customers (e.g. with health vulnerabilities).</p> <p>AB recognised that the mandatory info (like the charts, explanation of the water industry, how performance is measured, penalties and rewards, etc) may be quite taxing for customers – in terms of the volume of information and its complexity. However the research will be meaningful, and the prescribed approach will ensure comparability across the industry – which is one of the key lessons Ofwat drew from PR19.</p> <p>It gives customers choices about discretionary elements in order to reveal their preference and it provides diagnostic information about the features of the packages that are influencing their opinion.</p> <p>AB explained that AAT had to be bespoke. This research is about trade-offs between packages of services, many of which customers are unfamiliar with. A bespoke study like this is essential.</p> <p><b>Enhancement options</b></p> <p>Given customer research studies on the enhancement cases have been completed at different times across the year and given different external circumstances (e.g. cost of living crisis) CCG was interested how TW compare the results from both rounds of research and requested a reminder on triangulation.</p>	

	<p>AB explained that TW will pay particular attention to identify any potential issues but at this stage they don't believe doing the research in waves has invalidated the research but will look out for any shortcomings especially at the triangulation stage. AB reminded CCG that TW have done four main enhancement focussed research projects. Two looked at individual ECs and two looked at packages, which do trade off different cases.</p> <p>Broadly the two deep dives didn't make comparisons between enhancements, they looked at the merits of individual cases (and corresponding solutions). The package research completed last summer, and the latest AAT do make comparisons.</p> <p>CCG were interested to know about progress with vulnerability research – AB explained that it had just concluded, and the plan is to share it with CCG together with planned actions resulting from the research in May 2023</p> <p><b>Action:</b> MS to arrange a session with a subset of CCG to provide briefing on vulnerability research ahead of 19 May CCG meeting.</p>	
4.	<b>PR24 Assurance approach</b>	
	<p>Following introductions, IJ shared a short update on the overall programme highlighting the purpose of today's session will focus on the PR24 assurance approach.</p> <p>Discussion focused on Board assurance including to what extent are Board looking for assurance from CCG, Board assurance statement and where customer research assurance fits in. NF explained that given Ofwat is not as prescriptive over CCG role as in previous price reviews, and therefore their role is taken more as challenge rather than assurance, however their role is very important as in order for Board to be able to sign Board assurance statements they need to satisfy themselves that the plan has been assured and challenged. Part of the evidence for the Board will be CCG challenges and management response including the improvements made to the plan.</p> <p>NF explained the assurance approach including three lines of defence, Board assurance, internal and external assurance and supporting audit trail. NF shared a subset of the Board Assurance statements required by Ofwat highlighting ones which will be most important to CCG.</p> <p>Discussion focused on condensed timeline and sequencing of events. Addressing CCG concerns, NF explained that given the time pressures agile approach will be key, to make it easier for the Board, the team will map each Board assurance statement through to the topic, challenges and how they have been addressed.</p> <p>SKS reminded CCG that she has agreed with TW Board and Committee Chairs to hold a workshop on assurance later in the spring / early summer.</p>	
5.	<b>Customer Engagement assurance</b>	
	<p>AB introduced the topic, highlighting that Savanta have been commissioned by the separate Assurance workstream, and they will complete assurance over Customer Research as well as Challenge arrangements. To SKS's challenge over lack of involvement in agreeing the proposed scope, AB explained that the scope for the Customer challenge element has not yet been defined and will be agreed with the CCG Chair. Involvement from wider CCG will be agreed at a later date by the Chair.</p>	

	<p><b>Action:</b> MS and AB to set up introductory session for CCG Chair and Savanta. (Complete – intro session scheduled for 28 April)</p> <p>CCG questioned the timing for completing independent assurance over the customer research at later stage and were interested in the value of completing assurance on customer research design and methodology retrospectively.</p> <p>AB explained different lines of assurance starting with research experts at Thames and Customer Research agencies, followed with further scrutiny from colleagues and the CCG, plus some internal assurance. External assurance is the final step to comply with Ofwat expectations and enable the Board to sign the necessary assurance statements.</p> <p>External assurance was also intended to be at a programme level and not for individual projects, and not something that would be done for each project ‘in flight’, which would instead be addressed by the first line of assurance. The aim was to leave the external assurance to the end, when the team had a chance to develop a rounded programme of engagement/research, but with enough time to address any significant issues ahead of submission. Starting six months ahead of submission seemed like optimal timing.</p> <p>Discussion also focused on potential areas of disagreement from the Board or CCG which may result in inability to sign Board assurance statements. NF explained potential implications could include either plan not being submitted – in practice this has never happened, or plans being submitted with specific listed exceptions attached to the Board assurance statements.</p> <p>SKS reminded CCG that one area not progressed is to agree on a mechanism in place where there is a disagreement between CCG and the company.</p> <p>Final discussion focused on the importance of Line of Sight and its assurance. CCG raised concerns over the time constraints but also over lack of clarity how this piece of work will be completed</p> <p><b>Action:</b> TW to provide more clarity and timetable over engagement on Line of Sight</p>	
6.	<b>Refining CCG outcomes – CCG discussion</b>	
	<p>CCG discussed CCG outcomes in two groups, one focusing on outcomes under performance and inclusivity while other group focused on people, affordability, and choices. The discussion focused on defining what success looks like for each outcome. It was noted that all outcomes are represented in the CCG challenge log slides.</p>	
9.	<b>AOB</b>	
	Next meeting 19 May 2023	