



MINUTES of the Customer Challenge Group

Microsoft Teams

On 26 January 2024, 09am – 2:45pm

Present:

Sukhvinder Kaur-Stubbs	Chair of Customer Challenge Group	SK-S
Jeremy Crook OBE	Action for Race Equality	JC
Monica Wilson	Department of Education	MW
Baroness Grey-Thompson DBE, DL	Chair of Sport Wales	BGT
Nisha Arora	Financial Conduct Authority	NA
David Brindle	Ambient Support	DB
Sarah Powell	Environment Agency	SP
Peter Daw	Greater London Authority	PD

Thames Water:

Giles Stevens	Director of Reg, Strategy & Innovation	GS
Sarah Holland	Director of Operations Service & Control Centre (OSCC)	SH
Caroline Murdoch	Director of Communications	CM
Steve Spencer	PR24 Wholesale Programme Director	SS
Jonathan Read	Director of Regulatory Policy and Investigations	JR
Pete Cotton	Head of HH Customer Strategy	PC
Adam Harmon	Chief Economist	AH
Armenak Antinyan	Behaviour Economist	AA
Mariana Simpson	Regulatory Engagement Manager	MS

Apologies:

Dr Charlotte Duke	London Economics	CD
Councillor Adam Jogee	Haringey Local Authority	AJ
Councillor Dr Pete Sudbury	Oxfordshire County Council	PS

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.	
2.	Lessons learnt from Guildford	
	Following introductions, GS and SH stepped through presentation shared in advance of the meeting covering: <ul style="list-style-type: none"> the Guildford and Godalming water supply area – noting this area is an island self-contained supply zone which is bordered predominantly by other water companies. explanations of what happened during the supply interruption incident – Impact of storm Ciaran resulted in multiple power dips impacting water treatment sites combined with a 	

large number of sediments in the river throughout the incident impacted the water treatment process. It is imperative that the water quality does not get compromised. As a result, customers experienced loss of water supply for a number of days. SH explained some of the challenges that teams faced with providing alternative water supply to customers including logistics, supporting local hospitals and customers who need extra help while keeping everyone informed.

- Emerging key lessons learnt and priority actions – Detailed review of the incident was completed by the teams resulted in a number of actions which will help TW with any future incidents. These actions relate to better support for customers who need extra help, communication with customers during and after an incident, provide clear compensation policy and improve the resilience of the Guildford water supply system.

The first part of the discussion focused on customers' impact, highlighting potential further impact on customers with young families where nurseries or schools may need to close. CCG were interested to understand more about the scale of the investment in the area and its dependency on PR24 Final Determination – it was noted that a large part of the investment is already planned for the current AMP7.

Further discussion focused on supporting schools, nurseries as well as customers who need extra help – SH explained that water was delivered to all customers on Tiers 1 and 2 of our PSR, however the team is looking to complete further exercise to provide better understanding of customers on the PSR as their needs may be different. It was also noted that future collaboration with local groups may be used to maximise the help. SH acknowledged that supporting schools and nurseries is a big challenge as the company needs to balance logistics as well as prioritise while taking on board for example agricultural considerations.

Action: Future session to include learnings from Guildford incidents and what changes TW may make to PSR to help to provide more effective help during incidents.

Action: TW to share more information on how we work with local stakeholders to ensure bigger resilience and our response to Incident Management more generally

Given extreme weather incidents occur more frequently, CCG raised their concerns whether TW is sufficiently planning for climate change and embedding it into their emergency planning. GS and SH explained that the planned £93m will address both the current asset problem as well build the future resilience. TW is working through various scenarios as a part of their long-term planning such as WRMP taking into account climate change, population growth etc to ensure the company has adaptive plans. It was noted that while there is more to do, the company continuously learns from past events such as East from the Beast which feeds into emergency planning. In addition, TW is working with Defra leading on national exercises around emergency planning, predominantly around catastrophic risk.

Final part of the discussion focused on communication. CM shared her experience as a Comms Director joining the company during the incident and learning the complexity of the incident comms with stakeholders and customers. CM recognised that timely and factually accurate communication during an incident is extremely important. While not responsible for customers' comms, CM is keen to work with the teams across the business to improve incident comms, one example is developing a series of playbooks to support colleagues. This will help teams to share

	with customers details around how the company is responding to make it more relatable to customers.	
3.	Corporate Comms Strategy	
	<p>CM started by setting out the context for the session, noting that while she is focusing on Corporate Comms, TW needs to stop differentiate between the customer and corporate comms. CM shared the purpose of the corporate comms strategy is to try and rebuild trust and confidence in TW, to give the company the space to deliver the turnaround plan and show people that TW is delivering their promises.</p> <p>CM set out the external context which TW operates in including upcoming General Election, with the water industry and especially pollution continuing to be in the spotlight, alongside of the ongoing cost of living crisis. Internally, TW also faced a number of changes with new Chairman starting last year and the new CEO just joining at times when the company continue facing scrutiny around finances, refocused turnaround plan and upcoming PR24 determination later this year to name a few.</p> <p>Turning to the audiences, CM recognised that TW have a huge number of insights and good understanding of what each audience need based on extensive engagement, however the company needs to respond more efficiently. Focus forward should be around what improvements the company is making to deliver on their purpose and delivery for the customers, linking it to the refocused turnaround plan, rather than focusing on structures and finances. Further focus will be on showcasing Our people – celebrating all they do to provide this essential service to millions of customers as well as linking to the future TW's plan to share England's water future for generations to come.</p> <p>Discussion focused on potential learning from other sectors from e.g. incident comms, speed of response, use of all possible channels, or compensation. When discussing compensation, it was noted that customers are automatically compensated for bad performance through issued penalties, however it was noted that this is done on a full customer base. CCG suggested there will be links between incident response and the new Customer Licence Condition which is going to be discussed later.</p> <p>Further discussion focused on the aim of explaining to customers all the investment TW makes every single week, what service improvements it will deliver etc. CCG raised the importance of company being joined up not only in their comms but also understanding of all requirements and potential consequences of company working in silos. CCG thought more investment and resources should be potentially targeted at joining company together and improving communication. It was noted that benefits could come from using existing resources more efficiently and using stakeholders to amplify key messages etc.</p> <p>Action: Future meeting to include session on comms and ops to explore progress of joining up / cross functional working.</p> <p>Action: TW to share further information on compensation approach / process</p>	
4.	PR24 update	
	JR and SS provided an update on PR24 developments, reminding CCG that the business plan submitted in October 203 was aimed at finding the right balance between performance, statutory compliance and long term resilience which was both deliverable and financeable. However as	

	<p>previously noted, the plan was not fully compliant with all legal obligations, specifically with regards WINEP, IED and SEMD. Since the submission TW continue to extensively engage with regulators on clarifying the understanding of the full statutory requirements and to explore opportunities where some aspects of the plan could be reduced in scope.</p> <p>Discussion focused on the regulatory developments where the company is being required to deliver more and the potential trade-offs between statutory compliance obligations and customer priorities, as well deliverability, financeability and affordability.</p>	
5.	CCG Chair update / minutes from previous meeting	
	<p>Minutes from the previous meeting on 24 November 2023 and 8 December 2023 were approved. Chair. It was noted that progress against all actions is being updated at the action log. It was agreed for MS to reshare the link post meeting.</p>	
6.	Customer Licence Condition – progress (incl Behavioural Economics)	
	<p>PC shared TW’s review and interpretation of the scope of the principles of customer care, existing policies that demonstrate alignment with the principles and set out how TW will demonstrate delivery of these principles, such as sharing updates on performance. There was a recognition that there is an ongoing programme of releasing guidance, some which will come through upcoming consultation. Other areas such as vulnerability already have guidance in place, however there is no guidance referring to proactive communication. To address the gap, PC outlined what TW’s interpretation of what a responsible company should do to meet the principle. Linking it to earlier session on corporate comms, the team are planning to align corporate and customer comms into a single plan.</p> <p>PC recognised that while TW believe they are compliant with the licence condition, standards of customer care are not consistently high. Improvements are being focussed on areas identified by customer complaint root cause analysis such as Incident Communications, increasing ease of contact with digital channels, or improving a number of customer journeys.</p> <p>AA shared how behavioural economics can benefit Customer Licence condition by:</p> <ul style="list-style-type: none"> • reducing frictions that make it harder for customers to make the right choices, • introducing subtle changes in customers journeys, communication context etc to influence people to make optimal decisions and • Go further with behavioural interventions such as design and evaluate informational campaigns. <p>AA included an example in the vulnerability and affordability area and how the above steps linked to specific care principles would support the planned increase PSR update to 75% of eligible population and increase awareness of financial support.</p> <p>CCG were interested in TW’s strategic plan linking to clear outcomes and timings as well as understanding how TW will monitor the progress and how they are going to make sure that all is embedded and joined up throughout the whole organisation. PC confirmed that in terms of timing, the only known date is 12 February when the licence goes live but there may be further timescales for guidance and context to Ofwat published later on. In terms of Customer Strategy, the starting point in PR24 customer strategy which is based on What Customers, Communities and</p>	

	<p>Stakeholders Want document which combines all of the customer insights. TW is currently recruiting for Director of Retail Strategy within Retail to lead this.</p> <p>Action: TW to confirm timings and scope for next CCG updates to check on progress and intro for Director of Strategy. (Suggested timing March / April to share progress)</p>	
7.	CCG look ahead	
	<p>CCG reflected on the work programme up to date and focus areas going forward. Given ongoing changes and challenges to TW, CCG asked for updated structure including priorities. It was noted that the company's priorities remain around refocused turnaround plan which was shared with CCG in December 2023.</p> <p>Going forward CCG values having leads for each topic to facilitate the discussion on behalf of CCG. It was noted that these need to be assigned well in advance of meeting to maximise the value.</p> <p>Action: MS to reshare a link to the turnaround presentation and updated forward plan Action: Forward plan to include introduction to TW CEO, current structure and priorities</p>	
6.	AOB	
	<p>Nothing notified. Next CCG call 23 February 2024</p>	