



MINUTES of the Customer Challenge Group

On 13 December 2024, 09:30am – 3:00pm, Hammersmith Depot

Present:

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

Thames Water:

Nina White	Director of Income	NW
Danny Leamon	Performance Director - Waste	PG
Demi Dean	Customer and Stakeholder Manager	DD
Jimmy Locke	LTT Controller of Premises	JL
Jonathan Read	Director of Regulatory Policy and Investigations	JR
Mariana Simpson	Regulatory Engagement Manager	MS

Apologies:

Councillor Dr Pete Sudbury	Oxfordshire County Council	PS
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Agenda Item No.		Action
1.	Apologies for absence / Declarations of interests / Minutes from previous meeting / Chair update	
	<p>Apologies were noted and no additional declarations of interests have been recorded. It was noted that the minutes from the meeting on 15 November will be shared for a review in January 2025.</p> <p>The Chair updated the group on her recent wide engagement with Ofwat, CCW, Stakeholders, TW Board as well as with TW Executive ahead of the upcoming finance restructure plan court hearing on 17 December and publication of the Final Determination on 19 December. SKS shared with the group the recognition from TW's Board Customer Service Committee highlighting they found the work of the CCG very valuable.</p>	
2.	Q2 performance	
	NW recalled for the CCG how the retail structure enables clear end-to-end accountability and easier cross teams' collaboration which in turn help to deliver better outcomes for customers.	

	<p>Moving to affordability, NW reflected on the imminent price rises and highlighted that this time around TW is aligning the tariff principles and methodology for both Household and Non-Household customers. It was noted that the actual price increase will be known after the Final Determination is published, however work is underway to establish how TW can leverage tariff cross subsidy in more impactful way to support customers who need it the most. NW explained how with improving customers contact data, TW will be able to proactively target the customers in need rather than relying on customers coming forward.</p> <p>Discussion focused on the availability and quality of customer data. It was noted that the water industry as a whole held less rich customer data than for example financial services, which is a driver to lower collections rates on debt. TW is focussing on collecting more data as a part of home move process as well as use of the third-party information and data sharing in a helpful way to ensure customers information is sufficient including validation. Having sufficient information will also help to identify customers who are eligible for the PSR.</p> <p>Action: Future session to include more details on data collection including success rate of data sharing.</p> <p>Action: NW and PD to discuss data collection and how GLA can support with messaging.</p> <p>CCG asked for details how TW will communicate price increases to customers and what they will be getting for their increased bills.</p> <p>Action: January meeting to include holistic session on bill messaging, business comms around bill increases and comms plans on keeping customers up to date (this may need to move to February depending on FD analysis etc)</p> <p>CCG suggested that TW may want to use trusted third parties in communicating with customers such as Martin Lewis, charities and using more visual comms.</p>	
3.	Q2 – operational performance	
	<p>DL provided an update on Q2 operational performance based on material shared in advance.</p> <p><u>Leakage</u></p> <p>Performance is slightly off track but also represents TW's best ever performance – this is achieved by a combination of factors such as investment in main replacements and expanding the metering program helping to better understand and target interventions on demand and water usage. Work is also happening to adjust water pressure to prevent bursts. It was noted that these improvements are possible through minimal adjustments that are not noticed by customers. In parallel, the teams continue to focus on finding and fixing the largest leaks. DL added that the water side of the business also benefited from the favourable weather.</p> <p><u>Supply Interruptions</u></p> <p>Stable performance which is result of continuous hard work on managing incidents, however one-off large events can have a significant impact on the overall performance, especially if it happens in the Thames Valley region where the supply network can't be easily re-routed. The discussion</p>	

	<p>focused on better liaison with customers during supply interruptions and preparation for planned work including increased tankering program and investment in maintenance.</p> <p><u>Blockages</u> Blockages remain the main challenge in terms of the cause of both pollutions and flooding in TW waste system. This is mainly caused by misuse in the system including wet wipes, nappies, sanitary products along with fat, oil and grease etc. To reduce blockages that lead to floods and pollutions, there is a large proactive programme of interventions such as proactive sewer cleaning, use of sewer depth monitors, educating customers including school children and targeting food service establishments to make sure they have the right equipment in place to prevent fat and grease getting down into sewer.</p> <p><u>Pollutions</u> The level of pollutions remains high, despite the significant amount of work in this area including investment in sewage treatment works and sewage pumping stations. TW is currently facing challenges in recruitment and retaining workforce within the waste area and more investment is needed to improve asset health (as set out in TW's PR24 business plan, and beyond). It was noted that level of pollutions is also impacted by weather. DL shared weather related insights and highlighted that 21 of the last 26 months have seen above average rainfall. Prolonged rainfall, and bursting riverbanks often impact our sites which usually located near rivers and result into pollutions.</p> <p>Discussion turned to the impact of climate change, with CCG highlighting that the weather patterns will continue into the future and therefore building the resilience to climate change both in the wastewater and water network will remain critical to the way the company operates. DL acknowledged that long term balanced plan with sustainable investment over the next 20-30 years will deliver large improvements.</p> <p>Action: Future session to include further information on internal sewer flooding, misconnections and groundwater infiltration including what has been included in the FD.</p> <p>The CCG Chair thanked DL for his time.</p>	
4.	PR24 update	
	<p>JR shared an update on a number of current topics.</p> <p><u>PR24</u> The Final Determination (FD) will be published on 19 December 2024. While there is expected to be an intensive media coverage, TW is planning to acknowledge it, but it will not comment on it until full analyses are complete. Companies have two months to decide whether they will accept the FD or request Ofwat to refer the FD to the CMA.</p> <p>CCG on 17 January 2025 will include initial FD analysis including potential customer impacts.</p> <p><u>New Equity</u> Following confirmation of creditors' approving the extension to their liquidity runway, JR explained how the financial restructuring application has been submitted to court with first hearing taking place next week and should be concluded in January 2025.</p> <p><u>Additional equity</u></p>	

	<p>It was noted that while there is an interest in future investment at TW, investors will not make any decisions ahead of the FD.</p> <p>Discussion focused on the potential sequence of events which may lead to different scenarios. CCG urged TW that they will provide full details of customer impact when available.</p> <p>The final part of the discussion focused on questions which CCG would like TW to explore as a part of the FD analysis. Where possible, these will be covered at the 17 January 2025 meeting. On social tariff, CCG questioned how much of the cross-subsidy of low-income households was funded by customers outside London. This would be a key issue in any future consideration of redrawing service boundaries.</p>	
5.	<p>CCG forward plan</p> <p>JR shared the proposed initial forward plan based on proposed focus areas and key lines of enquiry for 2025. The forward plan provided a view of topics to be covered across the year to make sure all focus areas are covered.</p> <p>It was noted that that the Final Determination as well as publication of new policies and guidance will have implications on the key areas and the lines of enquiries will therefore need to be revisited in the New Year and beyond where needed.</p> <p>Diary invites were sent to the members continuing into the next year.</p> <p>Action: Future forward plan to include key dates such as annual report etc</p>	
6.	<p>TTT</p> <p>Following introductions, DD reminded the CCG of the key points from October's session which focused on the plans for communication with the public as a part of the handover to TW in 2025. The campaign will focus on benefits delivered through the first two phases of the programme (first - upgrading five Thames Water sites, and two – building and connecting the Lee tunnel) and showcase the team's hard work and dedication to the project. Furthermore, there are plans for open days on public realm & app / trail walk through seven new areas of public spaces created along the river.</p> <p>DD and JL shared their latest engagement from digital wide range of posts (e.g. world tunnel day) to the local engagement with specific communities such as Chelsea pensioners which will turn into regular engagement over time.</p> <p>The discussion focused on strengthening communication on the impact of the tunnel and the benefits it brings with wider audiences.</p> <p>Suggestions included:</p> <ul style="list-style-type: none"> • Potential collaboration with Met Office linking to big storms forecasts • Work with schools to hold competitions with basic resources which will help educate but also promote what has been achieved • Annual competitions on campaigns linked to environment based on the circular communication that you can see visually • Customer research to understand why people come to open days 	

	<ul style="list-style-type: none"> • Targeting influencing wider voices e.g. councillors / MPs, House of Common / House of Lords <p>CCG praised the project and its benefits but were mindful that with the company’s future investment across other parts of London and, that the story does not end with TTT. CCG therefore encouraged TW to think about how to tell the wider story capturing the work which will continue to improve waterways across the region so all customers can connect with it.</p> <p>The final part of the discussion focused on the communication once all sites have been activated from social media posts to a launch event and letter to promote. It was agreed that DD will share the letter so CCG can help to connect with audiences. CD offered further help with insights into comms.</p> <p>The CCG Chair thanked DD and JL for their time.</p>	
7.	AOB	
	<p>CCG reflected on the meeting and raised concern around impact of climate change within the performance and whether the gravity of the climate crisis was sufficiently understood and embraced at senior levels within TW,</p> <p>Action: Future meeting to include more information on impact of climate change on performance.</p> <p>EA representative shared a view on the environment performance which is currently very poor and noted that TW failed to deliver WINEP especially in Oxford where the predicted completion is 2031.</p> <p>Action: Future meeting to include session on WINEP</p> <p>Action: Future meeting to include deep dive on pollutions – exact questions to be agreed ahead of the meeting</p> <p>The CCG Chair thanked to all members for all their hard work over the last three years acknowledging how much learning have been done by in the process. Going forward she hoped that the representatives from EA, GLA and CCW will continue to be part of the CCG alongside of DB and CD whose expertise in communication and behaviour economics will remain vital to the CCG going forward.</p> <p>The Chair thanked the members whose term is ending at the end of 2024 and shared with the group that she started search for new additional CCG members directly through linked in but also with the support of Whitehall Industry Group. She hoped that new appointees will start in February 2025.</p> <p>Next CCG meeting on 17 January 2025.</p>	