



**Customer Scrutiny Panel (CSP)
Thursday 19 July 2021
Virtual meeting via MS Teams – from 10:00am**

Present: Steve Crabb* (Chair) (SC)

**Chris Hoskins*, Nutfield Conservation Society (CH)
Helen Mouldsley*, Independent (HM)
Alison Thompson*, Independent (AT)
Janet Wright*, Independent (JW)
Jaime Ali*, Independent (JA)
Simon Bland*, Reigate & Banstead Borough Council (Deputy Chair) (SB)
Amy England*, Independent (AE)**

**Kate Thornton – SES Water Chief Customer Officer (KT)
Dan Lamb – SES Water Head of Retail Services (DL)
Cate Searle – SES Water Customer Experience Manager (CS)
Katie Mason – SES Affordability & PS Lead
Laura French – SES Virtual EA & minute taker (LF)**

James Mackenzie – CCW (JM)

**Apologies: Tom Perry* - Environment Agency (TP)
Deborah Jones* - Citizens Advice Mole Valley (DJ)
Martin Hurst*, Independent (MH)
Ian Cain – SES Water Chief Executive Officer (IC)
Cat Holland – SES Water Head of Communications (CaH)
Alice Laycock - CCW Policy Manager (AL)**

*** CSP member**



Chairman's welcome

The register of interests had been circulated prior to the meeting and no conflicts identified.

Ofwat paper on PR24

PK (SES key contact for Ofwat) summarised the regulator's first paper on PR24, explaining that this was a PR24 initial framework, not Ofwat's detailed methodology; that would come about in 2022/23. This was an opportunity for companies and stakeholders to offer feedback very early in the process.

Two of the key recommendations in this paper as far as customer engagement, assurance and triangulation was concerned were:

- CCGs will not be mandatory in PR24, but companies will still be expected to demonstrate that they have put in place robust processes for customer scrutiny
- Collaborative customer research will be important to understanding customer views; this may be through national research, or a national research framework which each water company will be expected to apply

There has been a mixed reaction to the framework from within the sector; SES would be particularly focusing on the need for direct engagement face-to-face rather than prolonged exchanges of documents, for example.

One of the key issues to be addressed in PR24 will be base costs. AT asked PK how they compare with the starting point at PR19. PK said SES was satisfied with the final position on wholesale but not in retail. The original gap of £45m reduced by £10-12m, but this was almost all in retail. PK therefore expected PR24 base costs to again be close on wholesale, with a gap on retail. SES now has an in-house modeler, Vang Dang, who used to work at Ofwat. AT said it was very helpful for new members to understand where SES are with the base costs.

KT emphasised the importance of early and ongoing engagement with customers, triangulating feedback on pricing.

CCW papers on PR24 and future of customer engagement

JM presented on CCW's two recent papers, which raised a number of questions:

- What is the right platform for company level scrutiny?
- Is the CCG model the right one or were there potentially alternatives?
- What independence and governance are needed?
- What information do local groups need to compare company performance?
- Are CCG's listened to both by companies and Ofwat, and what impacts did they have on companies and Ofwat?

CCW's preferred solution, which they will be urging Ofwat to adopt, was a three-step structure funded by the water companies but co-ordinated centrally by CCW, which would hold all the budget. This would consist of:

- A Central Organising Group, or COG, to oversee the process
- Company level stakeholder panels
- Company level expert customer panels



AT asked whether CCW would be taking a view on incentives, remuneration and diversity in the broader sense. JM said the Blue Marble research looked at why people would want to get involved and the main response was remuneration.

JW stressed the importance of ongoing engagement, ensuring that engagement includes hard-to-reach customer groups, and diversity.

AT said we need to understand the difference between customers, consumers, and citizens at a community level.

Deep dive into vulnerability (inc CCW's paper on affordability and Ofwat's consultation on ability-to-pay guidance)

KM explained how SES were supporting customers in vulnerable circumstances, proactively contacting around 3,000 customers to see what extra support they might need.

KM particularly highlighted a number of focus areas:

- Accessibility (particularly online)
- Increasing customers on the Priority Services Register
- Affordability

AT asked how SES were supporting staff who might be affected either personally by COVID or by having tough conversations with customers in vulnerable circumstances. KM said line managers and mental health first aiders are on hand to support, and extra check-ins have been provided.

SC mentioned the digital accessibility tool ReciteMe (www.reciteme.com), which allows website visitors to customise the fonts, point size, colour scheme, language and alphabet to meet their needs. KM said that SES were planning to introduce this.

SC also questioned how SES was engaging with customers in the Gatwick area, where people might have less experience of the value of disclosing vulnerability. KM described how digital awareness support and pro-active field teams were focusing on affordability in that area. and specifically looking at our furlough end campaign.

KT thanked AT for recognising KM and the team for the heroic job they have done over the past year; she said this was very high on ELT's agenda, while needing to be mindful of balancing doing the right things for our customers and our people. Debt recovery activity was on pause, but SES were now looking at this again now, with a new colleague brought in from a financial and healthcare background working through to create a dedicated vulnerable debt function. SC stressed the importance of teams working on financial and non-financial vulnerability being closely aligned.

KM explained in summary that CCW's affordability review has 10 key recommendations, including a national social tariff potentially funded by a 50p per month levy on every bill payer, and 40 actions; SES are already doing seven of the actions.



SES are working on joint projects with Raven and Croydon Social housing, focusing on team training and sharing vulnerability data across company systems, while also focusing on the actions SES aren't currently doing – eg a hardship fund, more accessibility with the new billing system, simple support forms for customers in paper and digital versions.

Company Performance inc CMEX, bespoke commitments etc

KT took the panel through the May data and explained that the June performance data was not ready yet. It is proving to be a challenging first quarter and first year in the AMP. Vulnerability and Water Quality are performing well, but Leakage, Voids, CMEX and DMEX are major focus areas. SES had had a better May than forecasted because of the rain.

CMEX raw data for Quarter 1 contains a mix of good news and challenging news; the satisfaction score is down, potentially due to seasonal factors. The billing score has climbed, but there has been a drop in the Water section of the sample. NPS score has also gone down.

SC asked why people predominantly get in touch, and whether SES has sufficient understanding of the drivers and their relationship to the detractor score. KM said there was a broad range of issues driving calls, including understanding the bill, and her team were working on a detailed analysis of the drivers.

Common problems with customer satisfaction included:

- Clarity of communication
- Keeping customers updated
- Response and resolution
- Attitude, empathy and rudeness (the latter relating to a contractor)

Field teams are meeting more aggression from customers, and SES are making sure our teams can deliver empathetic responses.

A CMEX Deep dive would happen at a future CSP meeting.

Aptumo Go Live Plan

DL explained where SES are with Aptumo, what's been happening and what's left to complete. This work is nearly complete, following some final Dfit fixes tests. Final end-to-end testing saw 2000 tests with 95% or above pass rate. Two dress rehearsals on Cutover have been executed with successfully loaded all the data of 67 million records with a 97.99994% success rate. 1.2 million pieces of data to get us to this point. Overall debt reconciles to the exact penny with final re-tests concluding this week and early next week.

SC congratulated the team on their work but cautioned that one system can't change everything – that requires wider cultural change. DL assured CSP that Aptumo it is a large and capable tool that will allow SES to move forward hopefully successfully, but it is not regarded as a magic bullet.

Customer research since last panel



CS played recordings of customer feedback and asked for questions or comments. KT said it really emphasised the challenges involved in driving up customer satisfaction.

CS then went through recent customer engagement conducted in-house and by customer voice agency Explain. Since the last CSP a quarterly deep dive had been conducted and a survey, IVR research, customer consultations and panel research had all begun. CS said she would like CSP's input on a range of these exercises.

CS talked about the CMEX analysis summary results showing:

Full year CMEX rankings

Full year CES rankings

High level results

- Account enquiry
- Change of address
- Cash/card payment

CS highlighted key areas of dissatisfaction with Water, including Leakage (end to end journey) High consumption, Reinstatement, Defective apparatus, Suspected comp leak, and she explored the key issues impacting the scores - eg, finish the job.

AT asked to what extent internal alignment was a common problem? CS replied that internal communication was a problem, as was external comms to our customers.

SC suggested benchmarking with Portsmouth Water and other companies that score highly on CMEX. CS is going to reach out to counterparts and customers in Portsmouth, and KT will look to do similar in Northumberland. KT said cross-industry benchmarking is interesting and SES is very open to it, but this is potentially constrained by the competitive nature of the CMEX league table.

CS & SC agreed to discuss the summer customer consultations on net zero, drought and water resilience offline.

Metering Programme update

MS then joined the meeting and gave a high-level re-cap on:

- Targets
- Customers journey with metering
- Raven Housing Trust update
- Q2 Key Milestones.

MS confirmed that the targets had not changed; still aiming for 90% penetration for household customers by 2025. Customer journey has been re-mapped with an environmental feel, and a trial will be rolled out so feedback can be used for future roll out. New web pages will show the benefits of smart meters and allow customers to book appointments online, and new systems have been brought in to look at customer engagement, taking learnings from Anglian and Thames Water. Raven installations will be finished mid-August, and learnings will be used



to improve the processes. Testing and piloting will take place at the end of this year, and SES would like everyone to have a smart meter by 2030.

MS also said that SES were working closely with Cert on a programme of river walks for the end of August; it was hoped that local MPs would be involved.

HM urged SES not to forget district and parish councils in stakeholder engagement.

Any other business

- **Update from ESP** – AT gave an update on a full year of ESP working on the long term environmental, social governance and sustainable strategy, focusing on how we can drive that change. She highlighted that there is sometimes a resource ambition gap, and a need to be really mindful to find long term optimal solutions re: resources and customer engagement. AT said there are some interesting themes coming across the two panels.

AT will be presenting to the board on the coming Wednesday, and that will be circulated afterwards.

Next meeting 22 October 2021