



**Customer Scrutiny Panel (CSP)**  
**Thursday 29 April 2021**  
**Virtual meeting via MS Teams – from 10:00am**

**Present:**        **Graham Hanson\* (Chair) (GH)**

**Karen Gibbs\* Consumer Council for Water (KG)**  
**Chris Hoskins\*, Nutfield Conservation Society (CH)**  
**Helen Mouldsley\*, Independent (HM)**  
**Alison Thompson\*, Independent (AT)**  
**Janet Wright\*, Independent (JW)**  
**Steve Crabb\* (Replacement Chair) (SC)**

**Ian Cain – SES Water Chief Executive Officer (IC)**  
**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)**  
**Cat Holland – SES Water Head of Communications (CaH)**  
**Laura French – SES Virtual EA & minute taker (LF)**

**Apologies:**

**Tom Perry\* - Environment Agency (TP)**  
**Jaime Ali\*, Independent (JA)**  
**Simon Bland\*, Reigate & Banstead Borough Council (Deputy Chair) (SB)**  
**Deborah Jones\* - Citizens Advice Mole Valley (DJ)**  
**Amy England\*, Independent (AE)**  
**Martin Hurst\*, Independent (MH)**

**\*Denotes CSP member**

**The CSP held a private session before the main session of the meeting.**

The CSP Chair's summary of key areas of focus and action following the meeting are as follows:

**Performance:** SES management provided a helpful summary of the end year performance, estimated penalties and initial view of 2021/22 targets. The CSP shared the managements disappointment at the balance of under versus over performance against the customer commitments, although recognised as previously, that Covid restrictions have had a negative impact on water companies across the country, and that SES Water were not an outlier in comparison to the general trends on such as PCC being above target due to people being at home more. Conversely there were positive outcomes relating to the leakage, mains repairs, and first contact resolution commitments being achieved, plus the significant overachievement of supporting customers in financial hardship. The CSP also accepted that there were a few individual issues which impacted on some of the missed targets e.g., the Elmer capital works upgrade that impacted water softening, and one specific



burst that was the main impact on the supply interruptions. In discussing the impact of the penalties, in response to the CSP challenge, SES confirmed that the financial impact would not cause any key programmes to be curtailed. Overall, the key shortfall remains in the CMex/DMex performance, as below, which will continue to be a major challenge and focus for SES going through 2021/22, as well as driving the other areas of missed commitments to ensure a significant improved outcome in 2021/22.

**CMex/Customer Transformation programme:** At the start of 2020/21 SES set a challenging target for CMex/DMex and have put significant effort into the programme to improve their understanding and analysis of the root causes and key actions to drive up performance. SES have achieved the highest change in customer satisfaction score, which illustrates that positive progress is being made, but the company still ended up significantly below their upper quartile targets. The CSP have continued to receive detailed regular reviews of the CMex programme progress and recognise that SES are progressing significant improvements in their customer analysis and reporting (e.g., via the Insight programme and ACORN data) to support the CMex/DMex improvements. The Customer Transformation programme is also an important component supporting the improvements, and the CSP were updated on the recent positive progress that means SES are now confident that they are on the last lap towards a July go live.

**Social Purpose:** As we progress through 2021/22, and also begin to work towards PR24 activity, SES are putting considerable effort into reviewing their overall strategy, and how this will embrace a social purpose agenda plus ESG/sustainability components. The CSP again re-iterated their keenness to continue to be involved (along with the ESP) in the customer/community considerations of this important work.

### **Chairman's welcome**

GH mentioned that SC had been welcomed in the private session but asked IC if he would like to say a couple of words about SC's appointment.

The apologies for absence were noted.

IC took time to welcome SC highlighting SC's wealth of relevant experience, in particular around the vulnerable agenda, understanding of social purpose, good connections within the regulatory environments and individual stakeholders. IC also mentioned SC's background in journalism which we help in terms of how SES position themselves with customers, how that will translate into the business and how we translate that back into the business.

IC then took the floor to publicly thank GH for his tenure as Chair from 2016 to now, which IC was extremely grateful for.

GH responded saying thank you for the kind words and that he had enjoyed his time at SES and was glad to extend the tenure. He had always been given great support and received excellent engagement from the senior management team and was happy to hand over to SC who has the right calibre and experience and to do things differently and GH has every confidence in that going forward.



SC said thank you to IC for his kind words and re-iterated what he has said in the private meeting in that GH will be a hard act to follow and was thankful for the support, advice and guidance and was excited to be building on the work that GH and panel have done to date.

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

### **Performance update**

Focus was to begin with the bad news and penalties, which were born out of a challenging year for the company, reflecting on Q4 and the different ways of working and Health & Safety.

IC spoke about the context of the year and moving forward, of the significant number of vulnerable customers that SES Water is supporting, the impacts of Covid, extreme weather patterns and of the high demand challenge, which was particularly difficult, as well as the continued refurbishment of Elmer resulting in the penalty around softening.

IC went on to talk about investments that have been made in key areas – Aptumo (billing system), One Serve (workflow management system) and digital capability across the network.

Focus then turned to the future:

- View on the organisation's delivery plans to get back on track
- Reconfiguration of the Capex spend across entire AMP
- Stabilising performance in key areas
  - Aptumo
  - CMEX
  - Smart Metering
  - Leakage
- Strategically
  - IT Roadmap
  - Digital Roadmap
  - Net Zero Roadmap
- Look at the PCC and how to half it.
- Comms transformation
  - Customer
  - Purpose
  - Core Values

### **CMEX Programme update**

KT led the group through the raw data slide and explained the fact that SES had held 13<sup>th</sup> position in Q3 through to Q4.



KT informed that SES had improved their score every quarter, but that 13<sup>th</sup> position was not where the team wanted to be and that no one was resting on their laurels. It was said that SES were the single most improved water company. The team would be looking at what they do differently, better and reflect on what they do well as they do have plenty of satisfied customers.

KT then talked through Slide 2 & 3 showing that customers were not scoring SES so highly and more neutrally – 7 or 8.

Highlighted themes that came through were.

- Efficiency
- Communications
- Digital & Website

KT expressed that empathy & caring for the customers are at the heart of what the team want to do and refresher training will be run to take care of these issues.

A new Outbound calling team is now in situ to deal with dissatisfied customers and to analyze where the gaps are.

## **Retail Performance and Customer Transformation Update**

### **Operational Performance Update**

KT explained that the final quarter of the year has been very challenging from a performance perspective. From disappointing call stats, build up of emails and slower response times. These have been driven by a number of issues and productivity within the contact centre.

- Change in mix
- Incoming volumes i.e., sadly more bereavement calls, lengthy and distressing for the agents
- Massive spike in home moves – due to the stamp duty holiday
- Onset of annual billing

In light of this Operational Standards program was put in place to support.

- Introduced phone opening hours – reduced for the team to work on the written backlog, reviewed weekly and will return to normal hours again very soon
- Right mix of experience across the team and cross trained
- Channel shift & channel strategy
- Sign posting customers to website
- Robotic process automation – Aptumo & self-service world

Exciting improvements in customer data and insights. A lot of work is going on to return the operation to stability.

Looking to sharpen the performance management of agents. Innovations that the team are excited about and need to be introduced to help drive that step change and the customer experience journey.

In regard to the root cause analysis this needs to be faster and what's in the pipeline needs to be considered by CS and her team of one person.



### **Aptumo Go Live Plan**

DL gave a summary of where SES are with Aptumo, an overview of where they are, what's been happening and what's left to complete.

Slide 1 showed w/c 19<sup>th</sup> April with the red lines showing the critical path. Challenges were closed and concluded at the end of March. ETL (Extract, Transform, Load). A number of tests and reconciliation files have been worked through and will now be ready for go live to move the customers from High Affinity to Aptumo with success.

The final test cycle (TC16) will be run in the coming weeks which is a huge milestone. The core product and processes are billing accurately, and the team are feeling confident. On Monday 5<sup>th</sup> July the team are expecting to use Aptumo live in the operation. After conducting a 30-day time in motion study – 57 core processes can be completed 75% faster in Aptumo than in Higher Affinity so the user experience will be greater.

GH asked if there is anything that the customer will see on the 5<sup>th</sup> of July when it changes.

DL explained that the customers will feel the difference- speed of response but won't specifically see any changes apart from bills and correspondence which may have subtle changes but overall, the same look and feel as the current templates but a defined format.

### **Customer experience update**

CS took the group through the slides to show the new Monthly report, Call drivers reporting which is used in the retail arm and in operations to understand why customers are contacting SES.

Billing, Home moves and making payments are being looked at in more detail. Also improvements to the website i.e. call to action on the home page.

Priorities were as follows:

- Email reporting to look at contact drivers – call v emails – correlation of trends.
- Metering – water efficiency – ESP and CSP work together to support SES

CS said that SES had recently purchased ACORN data which shows household level details, which enables the team to drill down who are customers are, helping SES who want to become more customer driven.

The data highlights the age profile of most customers at over 35, living in 4 plus detached houses, prefer email and postal mail for marketing. CS revealed that SES has also purchased additional vulnerability data.

The data also showed that the affluent are more likely to be dissatisfied with billing issues and the less affluent are more likely to be dissatisfied with water issues.

CS then went on to talk about the results from the PULSE Survey. CS commented that overall SES had done a good job, that customers want to be kept informed and are open to virtual



visits in the future. There had also been a positive reaction to the engagement and communications across the organisation.

CH then gave an update regarding Customer consultations. Starting with a VOC re-cap which started in April last year which is a continual and evolving program.

There has been four pieces of consultation.

- Our drought plan
- Our route map to net zero
- Climate change adaption
- Systems based resilience

CH stressed that SES would welcome the involvement of the CSP and ESP in this work at all stages.

### **Complaint's update**

SJ then joined the meeting and introduced herself to the group as the Customer Experience Assurance Lead who looks at tactical and strategic projects which support CS.

SJ firstly gave a quick recap over 5 main areas.

- Team performance
- Inter department and SLA on complaint responses
- Review of complaints procedure document
- VOC & root cause analysis
- Monthly meetings

SJ moved on to highlight the work done by the team since the last update.

- Post complaints survey
- Stakeholder engagement
- Complaints Working Group
- Response to CCW and Ofwats joint recommendations
- The Customer complaints improvement workstream has been handed over to the newly appointed Customer Relations Team leader
- Customer Complaints – Life Cycle analysis

### **Metering Programme update**

MS then joined the meeting and introduced himself having only been with the company for 7 weeks was looking forward to being a part of the meetings going forward when required to do so.

MS covered the following points in his summary.

- Recap on metering – scaling up to supersede the target to hit 90% by end of 2025
- Development of UMP strategy -Towards end of stage 3, had to adapt to Covid, learnings identified, and target is July. Step up the smart metering element so it stays aligned to original goals that were put in place.
- Programme governance – a structure has been put in place to make sure appropriate and full representation is in all workstreams.



- Key milestones- Smart metering trials continue into 2022
- Raven Housing Trust Pilot – update was that there has been a 40% completion rate so far, 94.7% have completed account set up, 76% have been accepted onto social tariff and 61.7% have been put on the PSR (Priority Services Register)
- Next steps
- Smart meters
- Customer engagement and behavior change
- Meter installation approach
- Affordability & tariffs
- Current 2021 timeline

#### **Any other business**

- **Customer Side Leakage policy launch** – due to time KT suggested that the slides should be circulated and any additional should be as well and then this can be revisited later in the year.
- **Purpose project update** - KT said that the next stage at the integration was moving forward by her speaking to SC and AT about the sup group to see where they are. KT remarked that some great work had been done in the form of:
  - 3 Customer focus groups
  - Sessions with the local Citizen advice bureau, housing association and charities
  - Co- creation session with SES Senior Leadership Team

They were looking at valuing water, sustainability, and the role of nature to bring them together under one framework 'Natural Environment' to capture the environmental and social aspects.

Over the next few weeks KT said they would re-engage with the CSP.

GH added that he would like to join the May meeting as will still be around.

AT was then invited to give a one-minute update around ESP. AT said that critical things were moving forward with sustainability and ESP Strategy and will be circulating the presentation. AT was delighted that SES are doing something really radical re: Smart metering. AT followed on to say that joined up thinking needed to be done around the comms and customer engagement and that everyone needed to be mindful of all these things.

GH went on to give final thanks to all and closed the meeting. IC said that he wanted to say another thank you to GH, highlighting the fact that yes it was GH's last meeting but as always GH gave great focus, kept the meeting to time and was a true professional.

**Next meeting 27 July 2021**