

**SES Water**  
**Minutes of a Meeting of the CSP**  
**Thursday 28 April 2022**

**Held at Bough Beech and on Teams, commencing at 10.00 am**

<b>Present:</b>	Steve Crabb	ST	(Chair)
	Alison Thompson	AT	
	Ian Cain	IC	
	Kate Thompson	KT	
	Paul Kerr	PK	
	Simon Bland	SB	
	Helen Mouldsley	HM	
	Amy England	AE	
	Chris Hoskins	CH	
	Dan Le Roux	DLR	
	Tom Kelly	TK	Joined for Future Land Use

**Apologies:**

**Action  
Points**

**1. Call Listening**

The panel listened to a selection of interviews with happy and unhappy customers conducted by the research agency Explain.

**2. Chairman's Welcome**

SC opened the meeting and the panel introduced themselves for the benefit of new attendees.

**3. General Business**

IC gave an overview of general business performance, which has been broadly better than the previous year.

He called out three core things the company has done really well – supporting vulnerable customers, supporting customers generally, and being there for our colleagues and increasingly for our communities but in a more purposeful way.

Significant highlights include supply interruptions and the lack of disruption caused to customers, with an industry leading level of performance. We support a high number of vulnerable customers relative to our customer base, although the challenge will continue. Water quality and compliance in delivering water quality also stand out for us. Although we are red on TOD contacts we are in the top three performers within the sector and performance itself is really strong.

There is work to do on voids, but we have really started to drive this number down over the past two months and expect to see it drop significantly over the coming year.

The company's leakage result is outstanding, with a saving of approx. 1.8Mld - the largest reduction in any single year that SES Water has ever delivered. This is truly sector leading.

Last year we incurred approx. £1.1. million in penalties last year, this year we expect it will be around £300,000 - £400,000 through a combination of

reduced penalties for better performance and rewards for some areas. The numbers have not gone through final assurance yet however, so we will update the panel when they have.

Overall gaining momentum and laying the foundations for future success; we've rolled out of our intelligent networks, delivered Aptumo which has now successfully run its first annual billing exercise, made good progress on our net zero plan and fleet electrification, increased focus on diversity and inclusion, and strengthened our financial resilience.

SC asked how awareness of customer support schemes is measured. KT replied that it is measured across total customer base. SC felt it would be interesting to understand what this looked like across customers who are specifically eligible for the schemes.

SC also expressed that it is great to see how well we are doing on PSR penetration but that we would need to think in the future about how we shape our long-term ambition in this regard, giving consideration to the requirement to re-contact/re-permission customers who are on the register.

KT observed that it looked as though company obligations in respect to supporting vulnerable customers may be moved to a new customer focused license condition in PR24. PK described this as part of a desire from Ofwat to move towards more common, macro PCs and away from bespoke PCs.

### **CMeX**

KT updated that SES Water finished 12<sup>th</sup> in the league table in Q4, the second quarter in the year that we have achieved this position, but will finish 15<sup>th</sup> for the full year. We were 8<sup>th</sup> in the reputational survey which accounts for 50% of the measure. We are targeting a score of approx. 81 overall in the year ahead to move towards the middle of the table.

IC asked what we know about the design of CMeX in PR24. KT replied that they have indicated that it will remain but we are awaiting further information on how it may evolve.

KT observed that we see consistent themes in our customer feedback around key themes. We have to be easier to do business with, ensure we have finished the job in our customers' eyes, drive more first time resolution and communicate more clearly and more proactively. We are also seeing the increased importance of offering a good digital service, and launching our new self-service platform is a key priority for this year. Finally we know that we need to work harder to build our reputation at a brand level.

AT commented that the ESP had discussed how best to improve the company reputation and felt that talking about nature and our purpose was the obvious way to do this, so they would like to see more of that in our messaging. This reflects the fact that we will need customers to change their own behaviour in future to support the delivery of key performance commitments such as PCC.

KT explained how we are tackling current email backlogs as an example of the operational metrics we look at as a company and how we are approaching bringing this back to an acceptable performance level.

AE asked how many emails SES is able to deal with on a weekly basis and how many new ones come in each week, and therefore how long it will take to reduce the overall volume. She observed that as a customer

she expects to wait 2 days at the most for a response, and prefers to be able to self-serve wherever possible.

CH asked whether company size and/or demographic makes a difference to CMeX scoring and whether this has been discussed. KT commented that we had discussed the role of possible regional differences but that this was the measure that Ofwat had said and at an absolute level we have a job to do in delivering better for our customers. IC agreed that it is an important point to consider as we improve our performance and consider investment priorities. SC highlighted the importance of moving away from email to other digital channels, such as web chat, or the phone which are more dialogue based.

KT went on to describe some of the longer term work we are doing to build a lasting customer culture.

#### **4. Purpose**

IC provided an updated on our work to take our purpose forward, taking steps now to bring it to live through the actions we take and the stories we tell as well as being conscious that purpose need to be enduring and inform our long term strategic ambitions feeding through into our PR24 thinking and beyond.

As an example, in the short term volunteers from across the business will be helping to build a water efficient garden for the Orpheus Centre in Godstone next month, we have now secured our second biodiversity award and are making progress on our future land use plans which TK will update on later while we are holding our first ESG committee shortly too.

IC also shared his strategic vision for the company and advised that we were running a series of engagements with our senior leadership team to build momentum and take this thinking forward. Water remains at the core of what we do but our purpose encourages us to set some bold goals and think about the broader impact that we have, for example in the area of partnering with other organisations to help eliminate water poverty in our supply area or through targeting ourselves to become climate positive. He described a number of approaches and things that we would need to do differently to achieve these bold targets over time, and that we are now working through as a group.

The timing for this work is good as it enables us to marry this long term strategic thinking centred on our purpose with PR24.

SC asked if IC had written his vision before taking it to the team session. IC said that he had written it in advance to share his thinking with team in advance. It is not the final answer – through working with the team we will strengthen some areas and pivot in others.

SC commented that he loves it. AT said that it is an exciting and compelling pitch. She asked IC what excites him the most and how the panel can help. IC replied that he had been waiting for a long time to have the right conversation in the right way with the team about the long-term, and is excited that as a team we are ready to lean into it in a more positive context than would have been possible earlier in the AMP. With regards to help, the engagement of CSP and ESP in providing the right level of stakeholder challenge on behalf of our customers will be key.

KT updated on plans to continue the conversation with a wider section of the company and invited CSP and ESP members to be part of those sessions if they would like.

## **5. PR24**

PK updated on the work that the company has done to take PR24 planning forward since the last meeting and the external support that has been put in place to support the internal team. He drew attention to the importance of the long term delivery strategy work as a key element of this planning process which is very different to PR19.

Ofwat have continued to have workshops on what the long term delivery strategy planning requirement really means – not because of company pushback on the approach but because it is new and the sector is keen to get it right. We feel we have what we need to crack on now, while awaiting the final methodology statement in July. It is complex so we plan to produce a high level strategy document in October, and then use that as the basis for subsequently developing detailed pathways and associated planning and funding scenarios. That means we will be looking for CSP input into the document in August/September.

PK also commented that as part of this work an externally validated ESG strategy rooted in a materiality assessment will be key.

DLR updated on the development to date of Ofwat's collaborative research work to inform customer outcomes and how we are working as a company to design our approach to customer engagement throughout PR24 to complement this.

SC asked for clarification if we are looking at two separate streams of engagement – one delivered through Ofwat's collaborative approach and one managed by SESW separately. DLR confirmed that this is the case.

SC commented that it was still unclear to what extent the Chairs of customer challenge groups would be involved in scrutinizing the quality of the Ofwat research through the COG, but Ofwat have made it clear that they expect customer challenge to be in place to scrutinize the quality of the rest of customer engagement used to inform plans. Through the COG mechanism will also be able to share best practice back with SESW.

## **6. ESP Update**

AT advised that ESP are in the process of finalizing their annual report. Delighted that SESW have taken their steer in developing ESG strategy and materiality assessment, with set up of ESG Committee. Delighted that SESW is the first company in the sector to introduce a smart network and see this as a great leap forward in driving leakage reduction. Pleased to see nature at the heart of company purpose and pleased that company has been awarded second biodiversity benchmark although has challenged the company to take more of a landscape scale approach to nature recovery in the future.

AT noted that the company had not hit its' resilience target but this was not a major concern now and there had also been some debate about softening. ESP's biggest concern is SESW customers' increased water consumption, which really matters in the context of the long term water resource challenge that we face in this part of the country. The company's Universal Metering Programme helps address this and the ESP hopes that the company will be able to increase its ambition around smart metering in AMP8.

ESP will be scrutinizing company plans in the context of the urgent climate and nature recovery channels. Working with CSP to consider what efficient long term investment looks like in this light will be key.

IC noted that our softening performance has been much better this year, but it is becoming more difficult to deliver due to issues with the supply chain for chemicals required. There is an interesting question whether the cost, financial and environmental, of softening will outweigh the benefit in the future and so whether it is sustainable.

IC provided some insight into why we had not been able to complete our planned resilience work on the A22 this summer and committed to address this in the future. SC thanked him and noted that CSP would like to see more focus on operational measures, alongside the focus on the contact centre, in the future.

SC commented on a recent issue where water from Bough Beech was supplied to a different area, resulting in a small number of customers being alarmed by a slight change in water colour. This is an excellent opportunity for the company to engage customers in a conversation about how their water is produced and related issues.

## **7. Future Land Use**

TK joined the meeting to update on plans to open up sites to more customers and broader usage, in alignment with our purpose. Work is focused on two sites – Fetcham Springs near Leatherhead where we are looking at how we can open the land to our customers while also supporting our operation, and Bough Beech in Kent, where we have a larger scale opportunity in partnership with a local educational charity Bore Place who share many of our interests. TK met with the local council to discuss the partnership proposal today, and they expressed their full support, as do the SESW Board.

CH commented that he had seen other examples of reservoirs being opened up where as public use of the area increased, there was a risk of conflicting priorities and we would need to be aware of how to manage those pressures.

TK acknowledged this point but reassured the panel that the intention was not to commercialise the site but to ensure that any plans recognised and protected the natural legacy of the site, with the partnership to be run as a not for profit organization.

SC praised the concept, and felt it says a lot about the journey that the company is going on.

## **8. AOB – Update on Westwood incident**

TK summarized the findings of our detailed wash up into the precautionary boil notice that was issued to customers in the Westwood incident last autumn. Some of our key learnings related to challenges surrounding our ability to communicate quickly with all of our customers through the Royal Mail as required by our regulator and the need to improve the penetration of digital contact details that we have for our customers and become more effective in using those channels to communicate.

He also summarized our initial findings on the root cause of the incident, which have been shared with the DWI as part of their investigation. We expect their report to be published shortly and will share the findings with stakeholders at that time.

## **9. Chairman's Close**

Thank you and close, with site tour for those able to stay.

**Next Meeting Redhill – 28<sup>th</sup> July 10:00**

