

## Note of collaborative customer research steering group meeting

10 January 2022

### Terms of reference

The updated terms of reference for the steering groups were circulated ahead of the meeting. At the meeting, the attendees agreed their adoption.

[UPDATE: A final version of the terms of reference was emailed to all companies following the meeting.]

**Action:** CCW/Ofwat to share the names of other stakeholders on the steering groups with companies.

**Action:** CCW/Ofwat to share the slides used at this meeting with steering group members. COMPLETE.

**Action:** CCW/Ofwat to check attendees list on calendar invitations for future meetings.

### Update on ODI rates research

The current thinking in relation to the direction of travel for the ODI rates research was presented to the group. This includes:

- Adopting a centralised approach to the research fieldwork
- Preferred sampling approach is to use postal address files for households and retailer lists for non-household customers
- Base sample sizes of 500 household and 200 non-household participants – where every participant is asked about both water and wastewater services
- The relative impact on customers of changes in a set of outcomes/incidents would be estimated from responses to a series of questions asking respondents which would have the greatest impact from pairs of choices. These relative impacts would then be monetised using two pivot questions. Monetised estimates of impact are mapped into the common PCs for which ODI rates are to be estimated from the research.

Attendees were supportive of a centralised approach to the ODI rates research, although a number of clarification questions in relation to the approach were raised and discussed within the group.

**Action:** CCW/Ofwat to consider the reputational impact of the use of a financial incentive to encourage participation in the research.

[UPDATE: As incentives have commonly been used in the past, and the research will be branded CCW and Ofwat, we do not believe this will have a reputational impact on companies.]

**Action:** CCW/Ofwat to share the details of the mapping of company sample sizes with the steering group.

## Update on common performance commitments research

An update was given on the current qualitative research being undertaken on common performance commitments. The research was done to test whether the common performance commitments reflect what is important to customers, determine if there were any significant gaps and to test that the current wording was understandable to customers.

Indicative findings have been shared with CCW and Ofwat, although more analysis is needed. Topline results suggest:

- People relate more to the service areas that affect them
- People are sensitive to the environment
- Older people can engage more with the service areas, future bill payers found this harder
- The current metrics are difficult for people to relate to - they want to know how they will be affected
- Fairness, affordability and resilience were areas that people spontaneously said were important
- An evaluation framework has been created, which suggests that the most important areas are unplanned water supply interruptions, the appearance, taste and smell of tap water, and internal sewer flooding.

The final report will be shared with the group and published online.

**Action:** CCW/Ofwat to consider how research can be shared with the Steering Groups.

[UPDATE: Research materials and reports will be shared within the group and if any further discussion is required, this can be scheduled.]

### Next steps

Ofwat is continuing to work with companies and other sector stakeholders to develop the standards for challenge, assurance and high-quality research, alongside CCW developing its ideas for future consumer representation models. Ofwat is aiming to publish a related document at the end of January/early February.

There is a meeting with 'CCG chairs' on the 14 January to discuss the Central Oversight Group and views on standards for challenge, assurance and high-quality research.

The tender for the econometric modelling is now expected to go out in February/March.

The ODI rates research phase 1 report and draft research materials will be issued to Steering Group members next week. The second phase – testing and piloting, now scheduled for February through to April - will then start.

We will write to companies in early February setting out our proposed approach to the procurement and financing of centralised fieldwork. The tender for the fieldwork for the ODI rates research is due to be published in February.

The next meeting will be on the 14 February.