

Method Statement: Engagement With Customers

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Executive Summary

Water Resources South East (WRSE) is developing a multi-sector, regional resilience plan to secure water supplies for the South East until 2100.

We have prepared method statements setting out the processes and procedures we will follow when preparing all the technical elements for our regional resilience plan. We are consulting on these early in the plan preparation process to ensure that our methods are transparent and, as far as possible, reflect the views and requirements of customers and stakeholders.

Figure ES1 illustrates how this engagement with customers method statement will contribute to the preparation process for the regional resilience plan.

Customer engagement is an important part of developing the South East (SE) regional plan and water companies respective WRMP24s.

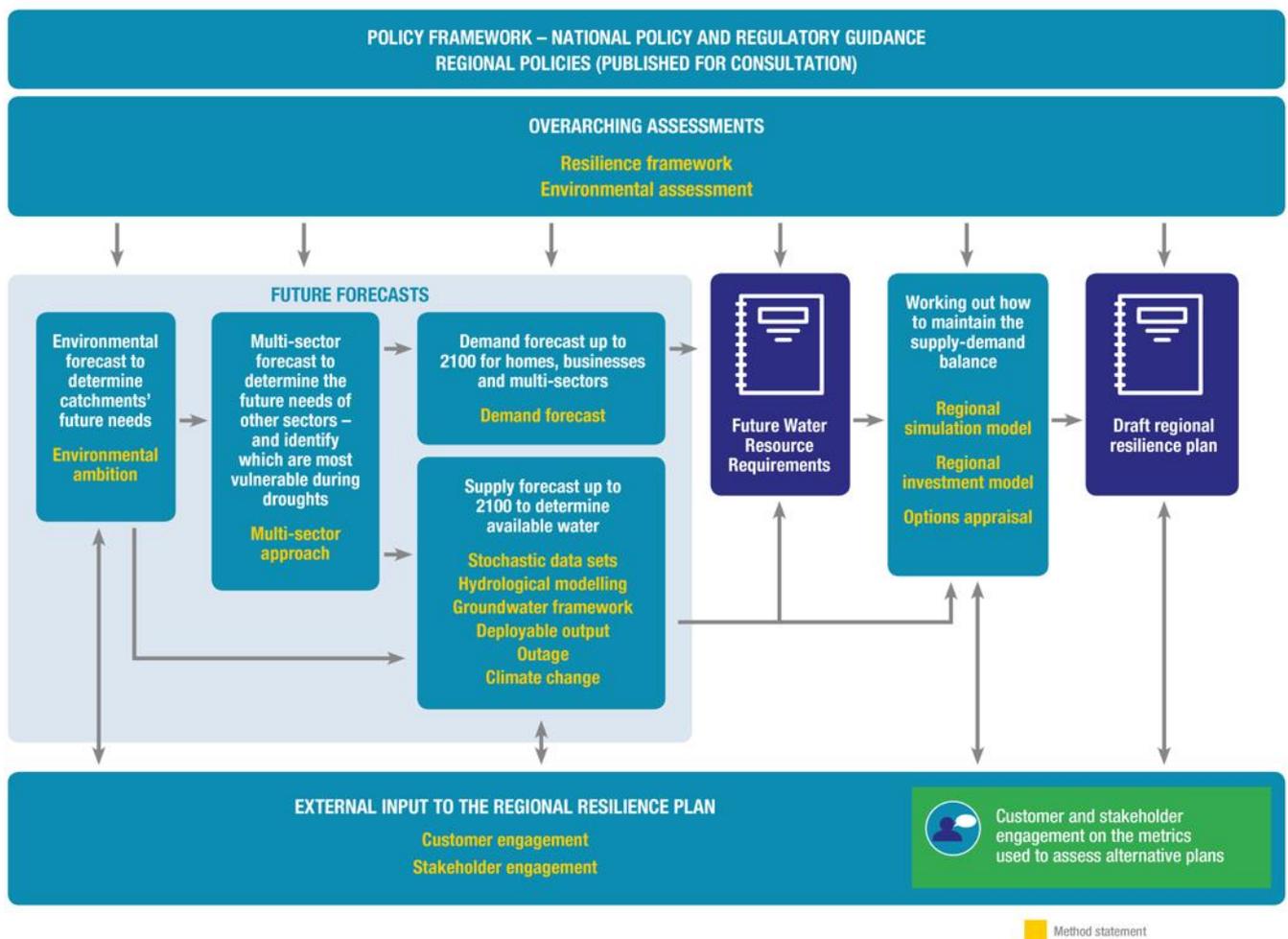
The aims of our customer engagement is to:

- Inform the development of the regional resilience plan and test with customers their views on planning policies, potential solutions and the metrics to determine the best value plan; and
- Provide customer evidence that will support Strategic Resource Option (SRO) (Gate 1) submissions.

Overall, the outcomes from this engagement will help define the customer constraints for identifying the best value plan, covering aspects such as level of service/risk of severe water use restrictions, environmental ambition, resource options, demand management measures – including per capita consumption (PCC) - and cost/affordability.

Beyond the resilience plan and SROs, the customer evidence can also input to the next round of water resource management plans that companies are preparing for 2024 (WRMP24).

Figure ES1: Overview of the method statements and their role in the development of the WRSE regional resilience plan



1 Introduction

- 1.1 Customer engagement is a critical part of developing the South East (SE) regional plan.
 - 1.2 Customer engagement will inform:
 - The policies and preferences that will be used to develop the regional planning of water resources in the South East – specifically around key areas such as environmental ambition, risk acceptance (resilience) and the use of drought orders and permits.
 - The WRSE regional investment model – setting out the customer ‘constraints’; specifically around (i) the affordability* envelope and understanding the customer drivers for that ceiling (ii) preference for solutions or mix of solutions by value or rank (iii) a preferred programme of delivery linked to cost acceptance and policy achievement.
 - Customer preferences for the Strategic Resource Options through determining customer views on solutions, acceptability, and preference of solution by value or ranking; while also understanding customers views on connectivity within and outside of region.
- *Note: affordability will be explored in the context of total bill value and will look at the confidence interval around that affordability envelope.*
- 1.3 In Spring 2021 we are currently planning a second iteration of customer engagement to test customer preferences on a variety of best value plans once the investment modelling stage has been completed the plan for this work is still in development.
 - 1.4 Customers will also be to participate in the consultation of the regional plan allowing an additional step to ‘play back’ and test customers views on the plans proposed.
 - 1.5 In addition, the customer engagement will need to ensure a clear line of sight or ‘golden thread’ between the regional plan, company WRMP and business plans as they are developed.
 - 1.6 WRSE, and the member companies, are working collaboratively through the Engagement and Communications Board (ECB) to ensure engagement activity is coordinated, inclusive and effective.
 - 1.7 WRSE is convening regular updates with company Customer Challenge Group (CCG) representatives and CCWater to challenge and test the approach and materials being used.

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- 1.8 We have established an engagement programme which will be undertaken alongside, and support, the development of the regional plan. We aim to share information in a timely way and provide the opportunity for interested stakeholders and customers when relevant.
 - 1.9 The approach complies with the expectations set out in the National Framework (March 2020) which puts the onness on the regional groups 'to decide how and to what extent they engage with customers at the regional level'. and the early draft WRPG (May 2020) which requires us to take account of customers' preferences and the costs and benefits for customers. It has also been designed with the expectation of a public inquiry on company's WRMP24s and planning applications for new infrastructure. It was presented and approved at the SLT meeting (April 2020).

2 Method/approach

2.1 The broad approach to our customer engagement is set out in Table 1. Requirements (I) and (II) are for the regional resilience plan. Requirement (III) relates to the SROs, although the evidence developed under (I) and (II) will also feed into (III) since the SROs are critical aspects of the regional plan.

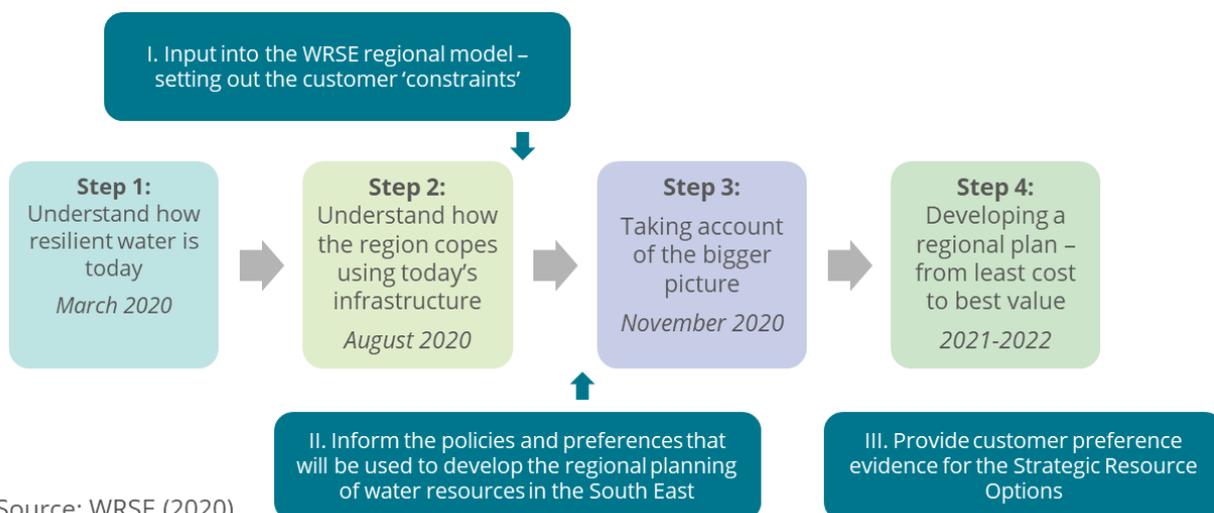
Table 2: Customer research requirements for resilience plan and SRO (Gate 1)

Requirements	Description	Purpose
(I) Input into the WRSE regional model by defining the customer 'constraints'	(a) Indicators (metrics) used to compare alternative plans, including <ul style="list-style-type: none"> • Definition of indicator(s) from customer perspective; and • Relative importance of indicators. 	Supports comparative assessment of alternative plans
	(b) Acceptability (incl. affordability) of overall plan, in terms of: <ul style="list-style-type: none"> • What is the maximum cost (bill impact) customers would support; • Key drivers for customer support; and • Support for enhancements to plan (added value vs. cost/bill impact). 	Provides constraint to aid identification of best value plan(s)
	(c) Preferences for solutions (incl. inter- & intra-company transfer): <ul style="list-style-type: none"> • Acceptability of the solutions (including level of risk); and • Value / ranking for solution. 	Provides constraint to aid identification of best value plan(s) plus informs SRO (Gate 1)
	(d) Preferences on the programme of delivery: <ul style="list-style-type: none"> • Timing of policies / solutions; and • Trade-offs between timing and cost. 	Supports comparative assessment of alternative plans
(II) Inform the policies and preferences that will be used to develop the regional plan	Understand customer perspective of the key policies of the plan, including: <ul style="list-style-type: none"> • Environmental ambition; • Risk acceptance vs. resilience (reliability, adaptability, evolvability); • Demand-side policies; and 	Tests / ensures breadth of customer view (needs and priorities) are reflected in planning approach

	<ul style="list-style-type: none"> Connectivity – intra-company (i.e. self-sufficiency) vs. intra-regional vs. inter-regional. 	
(III) Customer evidence for Strategic Resource Options (SROs) Gate 1	<p>Customer views on</p> <ul style="list-style-type: none"> Solutions – in particular acceptability, if there are any areas that are not supported and value/ranking of the solutions. Connectivity – within the region (i.e. inter-regional) and outside of the region (i.e. intra-regional). 	

2.2 The various strands of evidence will feed in at different points in the WRSE planning process (Figure 1), which corresponds to the process for developing the regional plan.

Figure 1: Customer evidence inputs into South East regional plan



Source: WRSE (2020)

2.3 Table 1 and Figure 1 outline the broad requirements for the customer evidence base that will support the resilience plan and SROs. The specific needs for the research will be defined by a set of customer evidence research questions that will be answered through review of existing evidence and new research with customers¹.

¹ Note, these are not questions that will be directly posed to customers, but rather will assist with the synthesise evidence and helping to define and develop the topic guides and survey questions in Packages B and C (which will use customer friendly language).

Scope – Customer Engagement

- 2.4 The overall scope for our customer engagement involves consolidating existing insights and analysis, and conducting new research with customers to support the specific requirements of the WRSE regional plan and SROs. The project will be implemented through four inter-linked work packages:
- **Research Framework:** provides the basis for compiling and consolidating customer insight evidence base that will inform the development of the regional plan and SROs. The framework is being developed as part of the scoping phase of work and consultation with WRSE, the resilience plan modelling team, water companies, and the WRSE Customer Challenge Group (CCG). Initially the framework with help to define the customer evidence research questions and determine how to address these in the subsequent work packages (see below). The framework also provides the structure for ‘triangulating’ the customer evidence that will be drawn from a variety of sources, which will underpin the project reporting.
 - **Part A – Evidence Review:** compiling insights from companies’ PR19 and WRMP19 customer research literature. Findings will also inform the context and customer research materials that will be developed in Parts B and C.
 - **Part B – Qualitative Research:** to address gaps in the evidence base, particularly in relation to WRSE’s broader strategic planning context and the policies and preferences for the regional plan. The research will be carried out through a set of deliberative groups with customers. Findings will also inform the design of the customer survey in Part C.
 - **Part C – Quantitative Survey:** to provide customer evidence on the level of support for the regional plan, in terms of the ‘best value’ plan for customers, along with an understanding of the key drivers of customer support (e.g. cost, options, PCC, level of risk/resilience, environmental outcomes). The survey will also assess customer preferences for alternative options, covering both resource options and demand levers.
- 2.5 The research activities cover both household and non-household customers accessing public water in the South-East of England supplied by the six partner companies: Affinity Water, Portsmouth Water, SES Water, South East Water, Southern Water, and Thames Water. In addition, the research includes the Severn Trent Water region and United Utilities – as a donor of water via strategic resource options - within the assessment of existing research and the new qualitative research undertaken (Part A and B). All

of the new research activities (Part B and C) will also be conducted under the current social distancing measures in place under Covid-19.

- 2.6 Given that the regional plan will shape each water company's Water Resource Management Plan (WRMP) and input into the Strategic Resource Options (SROs), a particular aspect of the research will be to understand potential intra-regional differences in customer views and priorities. These additional, regulated requirements of the research also mean that the customer engagement research will come under further stakeholder (and regulatory) scrutiny.

Customer Engagement Best Practice

- 2.7 A review has been conducted to provide a broad view on the principles and current guidance for developing customer evidence in the water sector. Although there is no *specific* guidance or statement of expectations for customer engagement for the regional resilience plan, the main points of reference for stakeholders are likely to come through from the principles set out prior to WRMP19² and PR19 and the lessons learnt.
- 2.8 Overall, the variety of principles and guidance provide useful checklists that we will use to help steer the various components of our customer engagement – through, for example, segmentation, content and process of undertaking deliberative groups and content of the online survey, and consolidating the customer evidence and insight through 'triangulation'. There is, however, currently no good practice guidance identified on how customer research should be undertaken during the global pandemic.

Customer Engagement Segmentation

- 2.9 It is important that large-scale customer research is implemented with a representative sample of the customer base. Segmentation is an important means of testing the consistency of needs and priorities across the customer base, but the appropriate approach is context-dependent. Based on consultation with the water companies involved in this project and the CCG group, Table 2 summarises the dimensions that have been identified as segments that evidence from Parts A-C will need to consider.

² It is understood that the guidance for WRMP24 is currently out for consultation among water companies.

Table 2: Overview of segments

Type of segment	Sub-segment	Definition		
Geography	Region	Overall South East region		
	Water resource zones (WRZ)	<ul style="list-style-type: none"> 31 WRZs within the region 15 WRZs within Severn Trent Water 		
	Water company	<ul style="list-style-type: none"> Affinity Water Portsmouth Water South East Water SES Water 	<ul style="list-style-type: none"> Southern Water Thames Water Severn Trent Water United Utilities 	
Type of customer	Public water customer	<ul style="list-style-type: none"> Household 	<ul style="list-style-type: none"> Non-household 	
Socio-economic and demographic characteristics	Socio-economic group	<ul style="list-style-type: none"> SEB AB SEG C1C2 ('just about managing') SEG DE (economically vulnerable) 		
	Future customers	<ul style="list-style-type: none"> 16-18 	<ul style="list-style-type: none"> 18-21 	<ul style="list-style-type: none"> 22-30
	Urbanisation	<ul style="list-style-type: none"> City 	<ul style="list-style-type: none"> small town/suburbia 	<ul style="list-style-type: none"> rural
	Gender	<ul style="list-style-type: none"> Male 	<ul style="list-style-type: none"> Female 	<ul style="list-style-type: none"> Other
	Age	<ul style="list-style-type: none"> Under 30 	<ul style="list-style-type: none"> 31-55 	<ul style="list-style-type: none"> 56+
	Ethnicity	<ul style="list-style-type: none"> White BAME 		
	Customers in vulnerable circumstances	tbc		

2.10 This list of segments is still in development and will be adjusted as we develop the detailed research materials.

Customer and stakeholder consultation

- 2.11 We will publish the draft Regional plan in early in January 2022 for comment. This is not a statutory consultation, but we are intending to follow best practice as far as feasible within the timeline. We will design an engagement programme to ensure it is accessible to interested customers, communities and technical stakeholders and will produce a formal response to the consultation, this will not be in the format of a statutory Statement of Response, but will clearly summarise the key issues raised, and our consideration and response.
- 2.12 We have procured an online engagement platform (EngagementHQ) to support the engagement work and provide a “one stop shop” for stakeholders. It also enables WRSE to keep robust records of stakeholder interaction. We plan to utilise this platform for customer engagement to support the Spring 2021 iteration of customer engagement when we plan to test customers’ preferences for the overall least cost and alternative best value plans and/or objectives within plans and well as the regional consultation.
- 2.13 We will prepare a report, which will be part of the draft regional plan, and will set out the approach applied and how the engagement activity has input to the plan development.

3 Summary

- 3.1 Water Resources South East (WRSE) is developing a multi-sector, regional resilience plan to secure water supplies for the South East until 2100. We are taking a long-term view and considering the water we need to use at home and at work, as well as that required by agriculture, to generate electricity, for industry, recreation, the environment and to support the well-being of society.
- 3.2 Customer engagement is an important part of developing the South East (SE) regional plan and water companies respective WRMP24s. We need to understand, and take account of, both customers and stakeholders' priorities and preferences in developing a balanced regional resilience plan which ensures a secure water supply for customers and other water users, whilst protecting the environment.
- 3.3 In this customer engagement method statement, we have set out the process by which we will engage with customers and the packages of work that will support the triangulation of customers views. We will do this taking account of best practice and feedback from CCG and CCWater representatives to ensure this engagement is inclusive and effective.
- 3.4 Our approach will evolve both in response to strategic and technical developments and also feedback from stakeholders.
- 3.5 Companies' WRMP24s will be closely aligned with the regional plan. It will be important for the companies to clearly set out this alignment, and any changes or deviations from the regional plan and the reason for this, in their WRMP24s. This will aid customers and their representatives to maintain a line of sight through the stages of engagement and consultation. Companies will manage the statutory consultation on their draft WRMP24s in line with legislation

4 Next steps

- 4.1 We are consulting on this method statement from 1st August 2020 to 30th October 2020. Details of how you can make comments can be found here [consultation website](#).
- 4.2 We will take into account the comments we receive during this consultation process, in updating the Method Statement. Alongside this, the Environment Agency will shortly be publishing its Water Resource Planning Guidelines (WRPG) on the preparation of regional resilience plans. We may need to update parts of our method statements in response to the WRPG. We have included a checklist in Appendix 1 of this method statement which we will use to check that our proposed methods are in line with guidance where applicable.
- 4.3 If any other relevant guidance notes or policies are issued then we will review the relevant method statement(s) and see if they need to be updated.
- 4.4 When we have finalised our Method Statement, we will ensure that we explain any changes we have made and publish an updated Method Statement on our website.

Appendix 1 Checklist of consistency with the Environment Agency WRMP24 Checklist

The Environment Agency published its WRPG on XXXXXX 2020, including the WRMP24 Checklist. The following table identifies the relevant parts of the checklist relating to this Method Statement, and provides WRSE’s assessment of its consistency with the requirements in the Checklist.

No.	Action or approach	Method Statement ref:	WRSE assessment of consistency