

# Southern Water Customer Challenge Group Advice Note 2: Target 100



# Summary

The Customer Challenge Group (CCG) is enthusiastic about the Target 100 (T100) proposals that will be central to the Business Plan. Significant work in this area is clearly and strongly supported by customers and stakeholders. However we think there is a considerable challenge for Southern Water Services in moving from small scale pilots to a major cross-organisational programme. We are therefore asking for a thoroughgoing plan based on learning to date, as would be prepared for major CAPEX projects.

This needs to make it clear how the programme will be designed and delivered, including:

- what the phasing will be
- how the different components will contribute to the achievement of the target
- how the work will be mainstreamed throughout the organisation.



# Background

This Advice Note brings together and enhances the guidance delivered in a number of CCG meetings. It focuses on the development and widespread adoption, of a comprehensive behavioural change programme to deliver the significant demand reduction target that Southern Water has set.

It is clear that Target 100 is going to feature as one of the major 'transformational schemes' within the PR19 Business Plan. Behaviour change will play a central part in this programme.

Research and engagement shows that customers and stakeholders are strongly supportive of ambitious activity in this area. As a result, the CCG has taken a strong interest in this part of the Plan and have been encouraging the business to be ambitious and innovative.

There has been some excellent pilot work in the field of demand reduction over the AMP6 period. These activities go a long way to showing what works, and what doesn't, with different segments of the customer base. They provide a basis for establishing solid plans for different types of activity and also give a sense of the cost and resources required. This data should allow the company to develop a clear set of plans for how it will scale up step-by-step and work toward transformational targets in AMP7 and beyond.

It is clear that the scale of transformation needed to effect real change will be achieved only if this work is mainstreamed across the business to become part of its DNA. Until now, the work on behavioural change has been delivered by a few expert staff, working to one side of the 'business as usual' part of the organisation. We would like to see all staff and teams engaged in this programme.

In summary, much preparation will be required between now and the start of AMP7 to ensure the company is able to deliver against its promises in this area. With this in mind we offer the following advice to the company.



# Advice

The CCG advises Southern Water to:

- Utilise the company’s planning capability to use the data so far collected to build a clear, costed and time-bound plan for scaling pilots up across the region.
- Define what the target is: does T100 mean gross or net water consumption? Or if this is not possible, articulate clearly what it means against both measurements.
- Embed objectives derived from the Company’s water efficiency strategy within each of the different Directorates to ensure shared ownership.
- Support for achieving T100 should be included in team operational objectives linked to senior management Key Performance Indicators.
- Embed a mainstream programme across the region of rewards linked to evidence of water saving and positive water use behaviours by individual customers, businesses and communities.
- Support customers, business and communities to fully engage with water efficiency through:
  - increasing the relationship with their meter through the use of smart devices and online tools to give them better access to usage data and comparative information
  - mapping water efficiency into all customer interaction programmes across the business.
- Support customers in vulnerable circumstances to achieve change and reduce their costs by providing appropriate, integrated and targeted water efficiency support, including home visits, ahead of transferring any customer onto a water support tariff.
- Harness the potential of industry leading programmes of gamification-linked activities and communications across the various customer communication channels.
- Monitor and report progress, including what is and is not working, through a dashboard or means of other visual display tools.
- Capture learnings and data to build the broader evidence base both across Southern Water and across the region and sector.

Finally, we recommend keeping the water efficiency strategy under regular review, to allow for flexibility if and when some activities prove to be more effective or successful than others in the progress toward achieving T100.

The CCG recognises that there are some public policy changes that could make it easier for SWS to achieve its ambition in this area and encourage the Board to continue to lobby for such change.