

Customer Challenge Group
 Minutes of a meeting held on
 13 September 2017
 at
 Affinity Water, Tamblin Way, Hatfield, AL10 9EZ

Members Present	Teresa Perchard (TP) Caroline Warner (CW) Keith Cane (KC) David Cheek (DC) John Rumble (JR) Dr James Jenkins (JJ) Richard Haynes (RH) Gill Taylor (GT)	Chair Consumer Council for Water Town and Country Housing Group* <i>via conference call</i> Friends of Mimram Herts County Council * <i>joined at 10:40 am</i> Hertfordshire University Dover District Council Groundwork East
Attendees	Siân Woods (SW) Chris Bolt (CB) Chris Offer (CO) Rob Hutchison (RH) Anne Scutt-Webber (ASW) Amanda Reynolds (AR) Katie Stallabrass (KS) Adam Warner (AW) Andrew McIlwraith (AM) Nic Gilbert (NG) Michelle O'Callaghan Fiona Waller (FW) Kevin Barton (KB)	Affinity Water (Minutes) Affinity Water Limited, Non Executive Director Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water Affinity Water
Apologies	Karen Gibbs Tina Barnard Scott Oram Jonathan Sellars Gary Clinton	Consumer Council for Water Watford Community Housing Glaxo Smith Kline Environment Agency Age UK

1.	PURPOSE & CONSIDERATIONS	
1.1	Welcome & Chair's Introduction: the Chair welcomed everyone to the meeting and introductions were made. TP explained the purpose and format of the meeting, specifically to discuss with AWL how they will develop more stretching targets and welcomed Chris Bolt, a non executive director from the AWL Board	
1.2	Apologies: were received from Gill Taylor, Karen Gibbs, Tina Barnard, Scott Oram, Jonathan Sellars and Gary Clinton	
1.3	Conflict of Interests: There were no conflicts of interest	
1.4	Minutes from 14 June 2017: were agreed as a true and accurate record of the business discussed; The Chair duly signed the minutes	

1.5	<p>and instructed the Secretary to upload them to the CCG website as a matter of public record</p> <p>ACTION Upload minutes to the CCG website</p> <p>Table of Actions: were noted as completed or in progress</p> <p>ACTION TP to circulate after the meeting the protocol amendment</p> <p>ACTION CCWater confirmed providing the report on customers' willingness to pay can be closed. Information is all available on the CCWater website</p> <p>ACTION JR to share Herts County Council's Report of Water Resource Planning</p>	<p>SW</p> <p>TP</p> <p>SW</p> <p>JR</p>
CHAIR AND MEMBERS' REPORTS		
2.1	<p>Chair's Report: The content of the Chair's report was NOTED</p> <p>Key areas of note highlighted:</p> <ul style="list-style-type: none"> • Forthcoming activities meeting with all the CG chair groups • Ofwat are holding a Customer Engagement seminar on 2 December <p>ACTION circulate Customer Engagement event information to members. Add to SharePoint and include in future reports</p> <ul style="list-style-type: none"> • Nov 29 AW Regulatory Group meeting • January 2018, TP invited to speak at the Customer Service Conference 	<p>TP</p>
2.2	<p>Member's Reports:</p> <p>DC highlighted that the first engagement session with Ofwat and four different groups has taken place with a further session still to take place. Information has been shared with AWL;</p> <p>CW: Consumer Council for Water publication has highlighted the increase in demand for social tariffs and the Report available on the CCWater site. The consumer insight for AWL has increased and the data is currently being assessed. CCWater has been working with the team at AWL this week looking at best practice regarding incidents. AWL is triangulating the information from incidents to ensure continued improvements and it is pleasing to be able to note that there has been significant improvement between the June and August incidents; complaints are down and AWLs incident teams are collaborating more effectively with blue light services and councils. Text updates are now offered which has had a positive effect.</p>	
3. COMPANY UPDATE		
3.1	<p>Affinity Water Report the content of the Report was noted and RH highlighted the following key areas:</p> <p>The challenge for AWL regarding 'track the tap' is to keep up the momentum of the recent success. The campaign has led to a substantial increase in requests for water saving devices. JR highlighted that the <i>Drought Management Stakeholder Group</i> may provide a source of further information</p>	

	<p>ACTION JR to arrange for local government member to communicate with regard to 'Keep Track of the Tap'</p> <p>AWL is developing a paper setting out recommendations on how to take forward its Community Strategy to deliver its vision. We are working to establish a framework to evaluate, prioritise and communicate more effectively what AWL is doing and could be doing to promote its vision to be the leading community focussed water company. At the end of the month the AWL Board will see a paper on the recommended approach which we will be happy to share this with the CCG after it has been approved and finalised. TP noted that it is still appropriate for the CCG to continue to challenge on the delivery of this as it is still on the current business plan.</p> <p>ACTION the paper on Community Strategy to be circulated once endorsed by Board (meeting scheduled 01 November)</p> <p>ACTION CCG to be included in any planning for customer engagement activities in relation to delivery of the Community Strategy.</p> <p>A discussion took place regarding the Baldock burst which had a high number of people affected and the CCG asked what effect this sort of incident has on performance for the year on unplanned interruptions. CO confirmed the Company has breached the performance commitment and explained that creating as much resilience, both operationally and within IT is a top priority within the business that is well communicated to all staff</p>	<p>JR</p> <p>ASW</p> <p>CO</p>
4.	PR19	
4.1a	<p><i>Forward Programme:</i> the members noted the activities during the PR19 customer engagement process shown in the summary table. Key areas highlighted were:</p> <ul style="list-style-type: none"> • The activities have been reflected in the forward programme for the CCG at Item 7.2 Key • <i>Milestones before the final submission:</i> work is now completed and the approach to the outcomes is currently in a draft working proposal and part of the framework and underlying proposals. During October, November, and December will be looking at developing AWLs performance commitment framework and TP noted that there is an expectation regarding vulnerability • A significant part is dictated by Ofwat's methodology and sets out 8 common performance commitments for AWL. The timetable should provide a framework of performance commitments informed by engagement with customers via engagement workshops <p>CO clarified that it is a high level timetable which sees AWL make key decisions in the company reference outcomes for its performance commitments and associated delivery incentives, and the acceptability of these by Customers. The plan is a package of performance commitment levels that have impacts and AWL will be consulting and engaging throughout the process.</p>	

	<p>TP asked how stakeholders will be consulted (public bodies etc) and CO confirmed that the engagement will happen as part of the whole package of the performance commitments.</p> <p>ACTION CO agreed to provide feedback to TP from discussions with Investors and the Board on the positioning of the Business Plan.</p> <p>TP summarised to members that the timetable fits in with CCG meetings and will identify issues to look at going forward. There was concern from some members on AWL achieving the time frame outlined, however, JR felt that the programme looks better at this stage than it did last time, and it is still only at the preparation stage - the final plan won't be visible until the end stage. He suggested to CO that it would be useful to know what the big issues are as the CCG does not have a sense of this from the timetable.</p> <p>CO confirmed that the timetable is the important part and it will inform the development of the document. The CCG and Stakeholders will have a high level view by Spring 2018.</p> <p>4.1b <i>Commitment to Working Groups:</i> TP noted that AWL is looking to form 3 working groups to challenge and advise the company on Vulnerability and Affordability, Environment and Resilience, which are bespoke performance commitments requested from Ofwat. AWL has already indicated a likely timetable of 2 meetings/exchanges and a discussion took place regarding the proposal. Members noted the draft brief in the pack and AGREED the proposal that there should be working groups on the development of the bespoke commitments, and confirmed their interest to join these once dates have been set.</p> <p>4.2 <i>Outcomes:</i> CO tabled a paper at the meeting asking the members to:</p> <ul style="list-style-type: none"> i. note the objectives and conclusions of <i>Phase 0</i> of the <i>Customer Engagement Programme</i>; ii. review and discuss the evolution of the PR14 outcomes into the PR19 proposals; and iii. endorse the recommendation to not carry out any additional customer research. <p>It was highlighted that the conclusions contained within the report are supported by customers' views and that the existing outcomes correlate to Ofwat's requirements; the conclusion is there is no strong evidence to warrant change them.</p> <p>A discussion took place on the proposals in the <i>Report</i> and TP highlighted two issues:</p> <ul style="list-style-type: none"> i. the drafting of the outcome statements; and ii. the recommendation to not test these outcome phases with customers <p>The CCG need to give an opinion as to whether engagement on the outcomes has happened if they are easy to understand and if the</p>	<p>CO</p>
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	<p>customers support them and that they relate to performance commitments and is concerned the Report's recommendations are not aligned with these areas.</p> <p>A full discussion took place regarding the <i>Report</i> and other members had strong views, in particular regarding the <i>Customer Charter</i> which is AWL's commitment to customers and where the outcomes are aligned with the corporate identity and continue to promote the community vision.</p> <p>Further areas of concern highlighted by the CCG members were:</p> <ul style="list-style-type: none"> • <i>high quality</i> water is not necessarily 'safe' –further engagement may be necessary to ensure the language used has clarity, purpose and is not misleading; • PR14 is much clearer and the proposed PR19 outcomes are not; • where is the evidence to prove customers understand these outcomes – cannot see how AWL will do this with no additional research; • the CCG will be looking for evidence that customers understand the outcomes; • the outcomes should reflect customer expectations, but those listed in the <i>Report</i> appear to be from AWL's perspective and not the customer; • it is not compulsory to change the outcomes at all - the challenge is to provide evidence and research to show customers understand them and members does not see evidence of this in the as the <i>Report</i> stands; • do customers know about the Customer Charter, has it been tested • there is an acceptance that the PR14 outcomes are well are supported and understood; if changing the language, AWL should provide evidence that customers understand it and that the expected benefits are understood; <p>After a discussion, the CCG proposed that AWL combines Resilience and Environment rather than keep as separate groups. CO agreed that it sounded like a sensible option</p> <p>ACTION all members to receive scope of Environmental & Resilience working group and possible dates</p> <p>WRMP Process: the report was noted and it was agreed that CO would take questions during lunch on:</p> <ol style="list-style-type: none"> i. The development of AWLs draft Water Resources Management Plan ("WRMP"); and ii. The implementation of solutions for the WRMP that will underpin the next regulatory Business Plan <p>Water Quality: ATP welcomed Fiona Waller, AWLs Head of Water Quality and asked her to talk about any issues AWL is facing:</p> <ul style="list-style-type: none"> • <i>New Performance Measures:</i> the DWI is introducing new standards which are complex and hard to understand. Current 	<p style="text-align: center;">ASW</p>
4.3		
4.4		

	<p>standards of are, broadly speaking, quite easy for people to understand, however, the new metric, called the <i>Compliance Risk Index</i> ("CRI") is not so clear. Under the new metric system, companies can score highly but still not necessarily be a good company for consumers and this is going to be very difficult to communicate to customers and ensure they have an understanding of what will be reported. This is an industry-wide problem and AWL are currently in shadow form until January 2018 when it goes 'live'. The industry is currently considering how best to inform consumers about the quality of their supplies. This will have implications for the development of performance commitments and the new Business Plan. FW confirmed there is a meeting due to take place in October with the DWI to discuss the proposed CPIs</p> <ul style="list-style-type: none"> • <i>Exposure to lead:</i> drinking water, which is taken up from lead pipes in the system is an emotive issue. The DWI is keen for exposure to lead to be reduced, and other companies have gone for a complete ban but this is not the case in the UK. AWL have programmes in place to meet regulatory standards with a long term objective to remove sufficient lead pipes and fittings so we can end the need to 'treat' the water. • <i>Private Water Supplies:</i> currently looking at various options which AWL is intending test with customers <p>ACTION the CCG asked FW to bring provide information on how water quality investment is communicated to customers</p> <p>ACTION follow up with the CCG on any agreed customer engagement following the DWI meeting on the introduction of CRI</p> <p>ACTION TP to seek views on reporting against CRI for water quality from other CCGs</p> <p>TP thanked FW for her update and confirmed the CCG will be very interested in the engagement process with customers that may arise following the DWI meeting in October on the CPIs</p>	<p>FW</p> <p>FW</p> <p>TP</p>
<p>5.</p>	<p>GOVERNANCE AND DEVELOPMENT</p>	
	<p>Outline Report of the PR19 CCG Report: The <i>Report</i> asks members to discuss and agree the draft outline structure of the <i>CCG Report</i> required on AWLs Business Plan:</p> <p>TP explained that the approach and content headings has been set out for the members to review. Members thanked TP for the document which they felt was very helpful and clear.</p> <p>The members AGREED the process set out in the paper.</p> <p>Challenge Log: tracked version was an adopted good practice process from other CCGs, however, now that it has been in place for 12 months, we have an opportunity to refine it and merge some items into formal challenges.</p> <p>The CCG AGREED to the changes in updates on the Challenge Log subject to the <u>amendment</u> noted.</p>	

	ACTION Amend Item 20 and move the water saving to Item 22 under 'Behaviour Change' and publish.	ASW
6.	AMP 6 – REVIEW <i>Caroline Warner left the meeting at 2:30 PM</i>	
6.1	<p>Water Saving Programme: TP welcomed AMI and NG to the meeting and the presentation slides which specifically answered CCG challenges were taken as read. The following key areas were discussed and noted:</p> <p><i>No Access Customers:</i> 22% of properties not meter-able so have introduced innovative technology that allows installation of an external meter and will re-survey all current 'no access' properties using tracing techniques to fit meters externally.</p> <p><i>Water saving and useage:</i> data provided to customers is bespoke to each household and allows customers to understand their water consumption. Customer side leakage is 3 times what had expected and efficiency checks had limited results. The main challenge is that water bills are already quite low so we are looking specifically at behavioural changes.</p> <p><i>Bill Impacts:</i> Communications to customers about their water useage has had positive benefits.</p> <p>ACTION CCG would like to continue to be informed of numbers</p> <p><i>Home Water Efficiency Checks:</i> Have offered free repairs but the pipes create a further leak at the weakest site and this continuous deterioration will be an issue beyond AMP7.</p> <p><i>Customer Engagement:</i> follow up of engagement after events with questionnaires and the capture of data, is enabling AWL to measure success. Introduction of a <i>Community Champion Programme</i> in partnership with Groundworks is also going well. Hubbub is a new approach to tackling customer behaviour to save water and 40 households in Watford and Harlow that have water meters are now aiming to cut their water consumption by 20% with support from AWL and create a reputable model that can be used long term.</p> <p>The CCG had significant concerns that current billing practice (billing customers 6 monthly) does not help to feed these sorts of changes.</p> <p>The CCG noted that the Website is not really clear and informative for the customer with regard to water saving tips. It could be smarter and drive home efficiency with information related to water efficiency products like washing machines with possible subsidies or bill incentives if a customer does this.</p> <p>ACTION set up a group with CCG members using their expertise to look at communications on water saving and changing behaviours of customers.</p> <p>TP thanked the team for their discussion and the helpful information provided.</p>	<p>NG/AMI</p> <p>NG/AMI</p>

<p>6.2</p> <p>6.3</p>	<p><i>Kevin Barton joined the meeting to answer CCG challenges and present on Billing</i></p> <p>Billing Inserts: TP welcomed KB and confirmed that a number of members would like to help brainstorm over the Billing in a separate session which could then form a working group with information going out to all members that didn't attend. KB confirmed that there will be a customer focus group.</p> <p>ACTION Clarify a timetable and any insight and what you would like to do with the new design. Liaise with the CCG members over the next 2 to 3 weeks. The Chair thanked KB for his report.</p> <p><i>Amanda Reynolds and Katy Stallabrass were welcomed to the meeting</i></p> <p>Customer Experience: information provided in the pack was noted by the members and KS and AR highlighted key areas of note:</p> <p>WAVE 1 SIM results due next week but this only provides a snap shot. SIM is just a snap shot. The period it will cover is the main billing period when we usually have a large amount of contact. <i>Billing:</i> the score dipped as previous WAVE 1s – we look at the data at a granular level listening to the call that was made or reading the email to allow us to triangulate the information and see why the customer gave the score they did. We also look at happy customer responses too. <i>Customer Service Performance:</i> we have recently seen higher levels of customer service and are assessing CIMEX as a new platform for customer service. CO explained that customers see themselves as 'consumers', not just 'users' and we are developing our final strategy for the Business Plan on how to make stronger commitments to drive a change in customer behaviour</p> <p>ACTION share Community Insight Information with the CCG</p> <p><i>Digital Workplace:</i> this is a major initiative across the business and is going well <i>Public Affairs:</i> we recently terminated the contract with Bell Pottinger We have capability in-house in Public Affairs and a Stakeholder Plan is currently being put together <i>Incidents:</i> the Baldock burst produced very positive feed back. Communications were regular and the social media teams in AWL are highly skilled in responding</p> <p>ACTION provide the physical stats for water saving devices</p> <p>TP thanked KS and AR for their contributions</p>	<p>KB</p> <p>KS</p> <p>AWL</p>
<p>7.</p>	<p>AOB & FORWARD PLAN</p>	
<p>7.1</p>	<p>AOB There were no items for AOB</p>	
<p>7.2</p>	<p><i>Forward Agenda:</i> `</p> <p>Work on Vulnerable People and Social Tariff has transferred to PR19</p> <p>Milo Purcell will be attending the next meeting to discuss Water</p>	

	Quality	
	The meeting ended at 1625	

I confirm the Minutes above for the meeting held on 13 September 2017 are a true and accurate record of the business discussed and agreed.

Signature.....*Tuan Perm*.....

Date.....*13 December 2017*.....

Chair

