

Minutes of the Meeting of the Customer Challenge Group

Tuesday 22 June 2021, 10:00 – 13:00

Teams Meeting

CCG MEMBERS IN ATTENDANCE		
Caroline Warner	<i>Chair</i>	CW
David Cheek	<i>Friends of Mimram</i>	DC
Tom Perry	<i>Environment Agency</i>	TP
John Ludlow		JL
Bob Winnington	<i>Money Advice Liaison Group</i>	BW
Ana Maria Millan	<i>CCW</i>	AM
Tina Barnard	<i>Watford Community Housing</i>	TB
Richard Tunnicliffe	<i>CBI</i>	RT
Gill Taylor	<i>Groundwork East</i>	GT
Unette Spencer	<i>Mastercard</i>	US
Simon Morrison	<i>British Association of Dermatologists</i>	SM
GUESTS		
Aileen Armstrong	<i>Ofwat (until 11am)</i>	AA
AFFINITY WATER ATTENDEES		
Nicky Fomes	<i>Interim Director of Regulation and Strategy</i>	NF
Jake Rigg	<i>Director of Corporate Affairs</i>	JR
Joe Brownless	<i>Director of Customer Operations</i>	JB
Anne Scutt Webber	<i>CCG Manager</i>	ASW
Beatrice Ramelle Rigollet	<i>Customer Engagement Lead (PR24)</i>	BRR
Ed Barnes	<i>Head of demand management</i>	EB
James Tipler	<i>Head of billing and debt management</i>	JT
APOLOGIES		
Pauline Walsh	<i>AWL CEO</i>	PW
Richard Haynes	<i>Up on the Downs</i>	RH

AGENDA ITEM	MINUTE	Action
1.0	Welcome	
	<p>CW welcomed:</p> <ul style="list-style-type: none"> ➤ Aileen Armstrong Senior Director, Company Performance and Price Review at Ofwat to the meeting. ➤ Nicky Fomes, interim Director of Regulation and Strategy to her first meeting of the CCG. Nicky shared her background in the regulatory side of the water industry and had provided support to AWL for PR19. ➤ Beatrice Ramelle Rigollet, customer engagement lead for AWL. <p>Ana Maria Millan Villaneda, policy manager from CCW, who also attended the last meeting has replaced Karen Gibbs as CCW's representative to the group. Karen is focussing on her regional role and the environmental policy portfolio and is still active in the WRSE CCG regional group.</p>	

2.0	Strategic Direction Statement (SDS)	
	NF thanked CCG members for their involvement in the development of the SDS and their participation in the Indepen stakeholder workshops earlier in the year.	
	The SDS demonstrates the company's commitment to follow through a collaborative approach, working with communities to respond to future challenges. Research showed that customers and stakeholders expected AWL to lead on its strategy and also wanted to be involved in co-creation/ partnership working. The SDS which will be published shortly is seen as the start of an ongoing conversation.	
	DC suggested that the phrase "exceeding customer expectations for high water quality" in the customer ambition statement was too specific and that this should be much broader to also cover supply, pressure etc.	NF to change "water quality" to "drinking water"
3.0	PR24	
	CW raised on behalf of the CCG the feedback from the PR19 process around customer engagement which highlighted the late start and minimal use of existing insight. The CCG feels strongly that this needs to be rectified for PR24.	
	JB summarised the company's strategy to continually use insight to develop a deeper understanding of customers and use this to continuously improve plans and policies. AWL have brought the capability in to the business to develop this area internally. Any customer touch point is seen as an opportunity to gain insight into a customer's "world", their concerns, issues and how this could be improved. This may be through a phonecall, e-mail, home visit etc.	
	BRR explained the work being done with market research company "Given" to bring together current insight and review against external best practice, develop themes and carry out co-creation workshops to understand customers views more deeply.	
	An on-line community will be live in August/September and will be used to discuss business as usual issues as well as those more specific to PR24.	
	All these initiatives provide building blocks to provide a process which will become embedded as business as usual.	
	DC asked how the insight was going to be brought together and if this would be done continuously rather than a one off exercise. JB responded that the company was investing in a tool which could collate multiple data sources and produce reports on a continuous basis. Data will also be used to identify particular customer groups and through trends map any changes in behaviour over time.	
	BW shared his thoughts from a Financial Conduct Authority meeting where the focus was understanding customer outcomes – what do customers expect to see. JB agreed that this would be part of the customer strategy. AA confirmed that outcomes were also a focus for PR24.	
	US asked how insight from all areas of business was being integrated, such as HWECs, campaigns, social media etc. This is under development.	
	AA agreed that the customer engagement feeding in to the price review should be a subset of business as usual along with some specific topics.	
	Ofwat proposes a national collaborative approach to some engagement, this is still being developed with CCW and other regulatory bodies. Through collaborative working a much wider research pool can be accessed and best practice identified.	
	NF raised the question around sequencing of events to enable research data to be built on, and used effectively in companies' plans.	
	CW suggested looking at the bigger picture, "whole life" through a citizen's lens as water will be just a small part of their lives. She suggested that we collaborate with observers of communities and everyday life and how we can use this to pick up on changes in emotions, behaviours etc.	

4.0	Update from the Sub Groups	
	No meetings were held for the Inclusive Service or EIP sub groups this quarter as there were no significant updates to discuss. A brief written update was provided for review at this meeting.	
	<p>Inclusive Service</p> <p>A good response was received from the targeted messaging to those segments of customers identified as potentially being financially vulnerable, resulting in an increase to the Lift tariff of c.4,000.</p> <p>CCW has requested AWL to lead a pilot scheme which targets financial support messaging to those signing up to the Priority Service Register (PSR). The trial started at the end of April and only 4% click through rate has been seen. The trial is on-going and further analysis will be done.</p> <p>TB noted that the 48% take up rate from the Crisis Fund was less than expected given that these customers are known to be in financial difficulty. A review is taking place of the trial, including the option to use internal teams to manage.</p> <p>AMM asked if the white goods offered were water & energy efficient. This will be verified. Part of the review will assess if the supply of white goods is more beneficial than the debt relief.</p> <p>The company is looking to improve the flexibility of its payment options. Members suggested looking at what other organisations are doing. Are there any opportunities to collaborate to make it easier for customers? It is likely that customers who are struggling to pay their water bill will also be in the same situation for other utilities. National Debt Line provides central advice and is signposted from the company website.</p> <p>TB noted the need to accommodate seasonal workers whose ability to pay bills varies throughout the year.</p>	
	<p>Environmental Innovation Projects (EIP)</p> <p>The slides provide an update of the current progress of each project.</p> <p>A review of the assurance process is being undertaken with Ofwat.</p>	
	<p>Demand Management</p> <p>The subgroup met on the 17th June.</p> <p>The company has reported a 9% increase in PCC in 2020/21 (against a target reduction of 1.7%). Covid has had a high impact on PCC with customers staying at home using more water. To put into context, the range of increase in PCC across all water companies is 6 – 16%.</p> <p>20 projects are being undertaken focussed on reducing demand. All projects are measurable and the methodology for assessing the amount of water saved has been audited by the external auditor. Each project has a target saving and a review is undertaken every 6 months to measure its performance against target and its value re-evaluated. The evaluation framework also enables the most effective blend of projects to be undertaken.</p> <p>HWECs are showing a saving of 16-22l/p/d. AMM asked when this measure was taken. EB confirmed that follow up visits are undertaken and the measure is taken as an average over the 12 months post initial visit.</p> <p>Field techs are now all trained to also discuss inclusive service offerings for PSR and affordability.</p> <p>US shared her support for the end to end customer journey developed for the HWEC visits and the assistance from a plumber to fix internal leaks when identified. CW agreed that this would be perceived as extremely helpful to customers, promoting the principle “make it easy”.</p> <p>CW asked whether there was a link between the HWECs and the fixing of customer side leaks (CSL), also whether the company was considering promoting support to customers with a CSL, along the same principle. The CSL teams are now feeding in to HWECs and the company is considering its offering around CSLs.</p> <p>RT asked if there were any customer segments identified as having greater opportunity for savings. These have been identified and are being targeted.</p>	

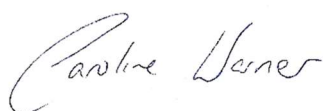
	<p>DC asked about the objectives of the SOS campaign, EB confirmed that it was a long term project</p> <p>CW asked whether it is possible to estimate the demand figure without the impact of Covid. It is estimated that we would have seen a reduction in PCC of 1.5%.</p>	
5.0	Performance Review 2020/21	
	NF provided a summary of the 2020/21 performance against the 28 commitments.	
	Exceeding our Interruptions to supply target was a great achievement, having failed targets previous years. Significant work has gone into a 'water always on' mind set, and this is reflected in the years performance.	
	The company is reviewing its methodology for reporting low pressure to understand why it is an outlier in this area.	
	The company has made good improvements in its C-MeX score and have now created distance between ourselves and the poorest scoring companies. Improving our score, particularly in the area of customer experience is a priority for 2021/22	
	<p>There is a high focus on leakage and a revised plan is being put in place this year, this includes trialling sensing technology through an innovation project. PW chairs the national leakage innovation group where companies are working together to tackle the issues.</p> <p>DC asked whether the changes in weather and higher demand had had an impact on leakage. Studies are taking place to look at this.</p> <p>It was agreed to look at leakage in more depth at the next meeting.</p>	Leakage improvement plan to be discussed at Sept meeting (NF)
	DC asked whether the company was still measuring the MZC (mean zonal compliance) figure for water quality as the new CRI score was meaningless to a customer. This had been discussed at previous CCG meetings. JR confirmed that the company's CRI performance was in the upper quartile. The company still reports MZC and will include in the next report.	Include MZC in next performance report (ASW)
	<p>DC remarked that companies were reviewing the benefits of smart metering. JB confirmed that AWL is reviewing its metering strategy.</p> <p>It is proposed to share and discuss the proposal at the next meeting.</p>	Update and discussion on metering Strategy at Sept meeting (JB)
6.0	Feedback from WRSE Regional CCG	
	<p>CW updated the group of the work done by the regional CCG over the last 6 months. The WRSE group is looking at the long term future of the supply/demand balance for the south east region and is working with the 6 companies.</p> <p>The regional CCG has a representative from each of the company CCGs and looks at the research and communications through a citizens lens. This is particularly difficult as the concepts and scheme options are not easily understood by an uninformed citizen.</p> <p>The regional CCG has pushed for a research tool be co created with customers. Members are able to observe the questions and answers being put to the panel. As citizens will be asked for trade offs/ preferences they have also requested a representation of willingness to pay in the research.</p>	
	<p>Insights from research so far show that citizens expect water companies to provide a high quality water supply and protect the environment. They also support collaboration between companies.</p> <p>There is a reluctance to accept interventions/restrictions to supply unless they are time bound.</p> <p>Customers are showing more support for increased bills to protect the environment and improve resilience. There is also an appetite to support low income customers.</p>	

	This will be an important discussion for PR24 and the possible segmentation of WTP research.	
	TP sits on the WRSE advisory group. He shared some of the discussions that are being held around the cost of the bill and the proportions that are dedicated to improving the environment. There is also a discussion around the scale of change, when do we want to achieve the changes by?	
	7.0 Water Quality - Hardness	
	JR summarised the history of water softening at the Debden Road treatment plant which supplies the Saffron Walden area.	
	Two on line public meetings have been held with residents and 1,500 have responded to the consultation. There is a very strong feeling amongst residents in the area that the water is softened again and customers are showing a willingness to pay for this treatment.	
	The hardness of the water is high in many areas of the AWL region and is accepted in most cases. The issue at Saffron Walden is driven by the change in perception of the water by customers who were used to receiving softened water and therefore not seeing scaling on their kettles etc.	
	The company will review the feedback from the consultation and feed in to the analysis of options. TP proposed that the environmental impact of individual water softeners and higher kettle replacement was taken in to account in the analysis.	
	8.0 Update from CCG members	
	The discussion - changes in customer behaviour as lockdown has started to ease, and what changes your organisations are making to adapt - will be held at the September meeting when lockdown should have been fully eased.	Action: carry forward discussion item to next CCG meeting

I confirm that the Minutes of 22 June 2021 are a true and accurate record of the business discussed and agreed.

CCG Chair

AWL Director of Regulation and Strategy




Signature:

Signature:

Date: 20th July 2021

Date:

15th July 2021