

## Customer Challenge Group

Minutes of a meeting held on  
13 December 2017, 1 pm  
held at

Pullman London St Pancras, Euston Road, Kings Cross, NW1 2AL

Members Present	Teresa Perchard (TP) Caroline Warner (CW) Karen Gibbs Gill Taylor Keith Cane (KC) David Cheek (DC) John Rumble (JR) Dr James Jenkins (JJ) Tina Barnard (TB) Jonathan Sellars (JS) Richard Haynes (RH)	Chair Consumer Council for Water <i>*via conference call</i> Consumer Council for Water <i>*via conference call</i> Groundwork East Town and Country Housing Group Friends of Mimram Herts County Council Hertfordshire University Watford Community Housing Environment Agency Up on the Downs
Attendees	Siân Woods (SW) Simon Cocks (SC) Mike Pocock (MP) Chris Offer (CO) Rob Hutchison (RH) Anne Scutt-Webber(ASW) Fiona Waller (FW) Ed Mallam Milo Purcell (MPu) Sue Penninson (SP) Caroline Knight (CK)	Affinity Water (Minutes) Affinity Water (CEO) <i>* departed at 1615</i> Affinity Water (Director of Asset Strategy) Affinity Water (Director of Regulation) Affinity Water (Head of Comms) Affinity Water Affinity Water (Head of Water Quality) Affinity Water DWI <i>* item 3 only</i> DWI <i>* item 3 only</i> DWI <i>* item 3 only</i>
Apologies	John Ludlow (JL) Scott Oram Chris Bolt	Glaxo Smith Kline Affinity Water , NED

<b>1.</b>	<b>HOUSEKEEPING AND GOVERNANCE</b>	
1.1	<b>Welcome &amp; Chair's Introduction:</b> the Chair welcomed everyone to the meeting which commenced at 1415 following a closed members' session.	
1.2	<b>Apologies:</b> were received from John Ludlow, Scott Oram, and Chris Bolt	
1.3	<b>Conflict of Interests:</b> There were no conflicts of interest	
1.4	<b>Minutes from 13 September 2017:</b> were agreed as a true and accurate record of the business discussed; The Chair duly signed the minutes and instructed the Secretary to upload them to the CCG website as a matter of public record  ACTION Upload minutes to the CCG website	<b>SW</b>
1.5	<b>Table of Actions:</b> were noted as completed or In progress. JJ reported that the company were yet to contact him to obtain advice on how the impact of 'Keep track of the Tap' and other behaviour	

	change initiatives could be improved, he remained happy to advise on this.	
<b>CHAIR AND MEMBERS' REPORTS</b>		
2.1	<p><b>Chair's Report:</b></p> <p>The content of the Chair's report was <b>NOTED</b> and there were no questions raised</p> <p>TP highlighted that once Ofwat's Aide Memoire on the issues CCG's needed to consider and comment on at PR19 had been it would be made available to all members.</p>	
2.2	<p><b>Member's Reports:</b></p> <ul style="list-style-type: none"> <li>✓ TB: reported that Watford Community Housing had given notice to the company that it would cease to collect water charges from tenants on behalf of the company. There was, however, an issue of concern regarding the payment options available to tenants dealing directly with Affinity. By paying via their landlord they had been able to make payments on a weekly basis but payments directly to the company needed to be paid in 10 'monthly' instalments during the year. The company should offer payment frequencies that are more in line with the tenants' income and budgeting.</li> </ul> <p>ACTION SC agreed to consider this with Jackie Welsh and qualify the reason behind it</p> <ul style="list-style-type: none"> <li>✓ DC: had attended a further seminar/event on customer engagement and customer participation hosted by Ofwat. He was not however sure that all the results from the behavioural change tests would be available in time to inform what companies do for PR19</li> <li>✓ JS: reported that the EA are reviewing the level of charges for their services and this will have an impact water companies. However, abstraction charges are not part of the current review. A Water Resource Management Plan has been submitted to DEFRA by Affinity and the EA was currently advising on this.</li> </ul> <p>There were no other updates from members</p>	<b>SC</b>
<b>3. DWI PRESENTATION</b>		
3.1	<p>TP welcomed the DWI members who were presenting on Water Quality. They were joined by FW from AWL.</p> <p>The presentation provided a high-level view of Affinity Water's water quality including an assessment of recent performance and any issues the DWI expected Affinity to consider for PR19 and reflect in their Business Plan.</p> <p>Key highlights noted were:</p> <ul style="list-style-type: none"> <li>✓ The DWI had no issues of concern related to Affinity Water's</li> </ul>	

	<p>compliance with water quality standards. The company's 'mean zonal compliance' was at or above the industry average for the past three years;</p> <ul style="list-style-type: none"> <li>✓ The DWI monitors consumer contacts and complaints about water quality issues. The presentation showed the total number of contacts received by each water company in England and Wales between 2011 and 2016 relating to appearance, taste and odour of drinking water. Affinity's total number of contacts was towards the lower end of the range for the period;</li> <li>✓ DWI considered Affinity dealt with the customer contacts well and provided a good response to customers with concerns about appearance, taste and odour of their drinking water.</li> <li>✓ In relation to PR19 there were two quality issues the CCG would see reflected in Affinity Water's business plan - Metaldehyde and Lead. On Metaldehyde the company was expected to continue with activities relating to catchment management and on Lead continuation of targeted replacement of communication pipes in high risk areas.</li> <li>✓ Members raised a number of queries about the extent and nature of the lead problem in Affinity Water's area and noted that the DWI aim in the long term was to eradicate this and in the short term DWI were looking for companies to trial new technologies (lining/treating the lead pipes etc); and</li> <li>✓ The CCG challenged the DWI on the introduction of new reporting metrics (CRI and ERI) and queried how these will be reported to customers, whether they would be easier for customers to understand than simple % compliance and whether there had been any testing of customer understanding of CRI.</li> </ul> <p>DWI expressed the view that they regard these metrics as an improvement over existing measures</p> <p>The Chair thanked the members from the DWI for the presentation and FW for attending.</p>	
<p><b>4.</b></p>	<p><b>COMPANY UPDATE</b></p>	
	<p>The report was noted and RH clarified that it contains information from across the last quarter.</p> <p>Highlights noted were:</p> <ul style="list-style-type: none"> <li>✓ Social media supported the incidents reported and Ofwat was interested in how we managed the Baldock event;</li> <li>✓ DC commented that his personal water bill did not show his usage, which seemed to be a missed opportunity to provide feedback to metered consumers about the link between their use and cost. RH said the company were looking to add functionality to the Statements and Billing to provide customers with comparative analysis of consumption;</li> </ul>	

	<ul style="list-style-type: none"> <li>✓ Keep track of the Tap campaign: consumer awareness across the area was still low but the campaign will continue to run given the underlying position with water resources and low levels of groundwater recharge during the early part of autumn and winter;</li> <li>✓ MP explained that AWL is currently designing the detail of the next leaflet drop to customers.</li> </ul> <p>ACTION Affinity agreed to provide the CCG with more information about the evaluation of the campaign and next steps in its behaviour change campaigns and seek advice from CCG members with expertise in this area. This should be available early 2018.</p> <p>ACTION the CCG offered to set up a short life working group of members to help the company evaluate and plan its behaviour change campaigns. Members would be asked to express interest.</p> <ul style="list-style-type: none"> <li>✓ Social Media Sentiment: RH presented the report that highlights 'peaks and troughs' based on customer comments, and also provides a simple over view.</li> </ul>	<p><b>ASW</b></p> <p><b>ASW</b></p>
<b>5.</b>	<b>PR19</b>	
5.1	<p>The Committee noted the documents in the pack and they were taken as read.</p> <p>ASW tabled the revised Timetable which highlights the key decision points and includes the Regulation Committee and Board meetings. The CCG discussed the timetable and activities expected in January – March 2018.</p> <p>ACTION TP agreed to provide an update to members on changes arising from Ofwat's final methodology document.</p> <p>The CCG noted that the Business Plan (BP) public consultation would take place from beginning of April and the next CCG meeting in March 2018 would be a key opportunity for the company to outline what it is proposing to customers and how it plans to engage with them on the whole of the plan/proposals.</p> <p>CHALLENGE the CCG expressed the wish to see a succinct and accessible summary of the evidence and insight gathered from customers and other research. It was agreed that the phase 1 triangulation meeting in January 2018 would address this.</p> <p>ACTION AWL to provide a succinct summary as to what has taken place to allow the CCG to comment.</p> <p>The <i>IPOSOS MORI</i> Report on Phase 1 was due to be received by the company on 14 December 2017. It would be circulated prior to the triangulation meeting on 11 January 2018.</p> <p>In January 2018, there should also be more detail available relating to the draft Water Resources Management Plan ("WRMP")</p> <p>ACTION Following review of the timetable and progress with producing the business plan the CCG agreed to consider whether to extend the</p>	<p><b>TP</b></p> <p><b>ASW</b></p> <p><b>TP</b></p>

<p>5.1b</p> <p>5.2</p> <p>5.3 &amp; 5.4</p> <p>5.5</p>	<p>duration of the 11 January 'triangulation' session or hold an additional half day session in January. The Chair would consult all members on their preferences and availability.</p> <p><b>Outcomes:</b> CO explained that AWL would revisit its earlier proposals in light of the development of its performance commitment framework to ensure there is alignment between the performance commitments and outcomes proposed in the next business plan.</p> <p><b>Sub working Groups and bespoke commitments:</b> ASW thanked the members that had taken part in the 2 working groups. The company was now proposing to run a customer satisfaction survey on vulnerability to gather insight to enable an assessment of how the company is doing in this area.</p> <p><b>ACTION</b> The company agreed to reconvene the sub-groups in the Spring to look at the company's conclusions and proposals in each area and ensure that account is taken of Ofwat's final methodology publication.</p> <p><b>Performance Commitments – engagement process for ODIs</b> CO presented a paper setting out the company's proposed approach to assessing customers' willingness to pay. CO explained that AWL was proposing to derive its willingness to pay data for the PR19 business plan from surveys carried out in PR09 and PR14, appropriately updated. It would use other published data to benchmark against as part of broad approach to understanding customer preference and valuation. The company considered this was consistent with Ofwat's expectations for companies to broaden their evidence base.</p> <p>The CCG noted the proposal to not commission further stated preference willingness to pay research but that acceptability testing, as the principle quantitative statistically representative research, would be commissioned to coincide with the draft business plan consultation in April 2018.</p> <p>CHALLENGE whilst noting the Company's decision to not commission any new <i>willingness to pay</i> research at PR19 the CCG asked if the company had assurance from Ofwat that the approach they were pursuing was going to be acceptable. The CCG noted that it would need to consider whether the company had satisfactory evidence to show that customers support the proposed business plan and performance commitments and are both willing and able to pay for what is proposed.</p> <p><b>WRMP</b> The company reported that the draft plan was sent to the Secretary of State on 1 December 2017. A DEFRA response was expected at the end of January 2018.</p> <p>The company needed to complete the consultation document aimed at customers and plan out the consultation process, including the consultation questions. Work in progress drafts of these were provided</p>	<p>ASW</p>
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	<p>to the CCG with the proviso that the CCG would be asked to comment on a further iteration at the January 2018 triangulation session.</p> <p>CHALLENGE Noting the draft questions for customers on the Draft WRMP as 'work in progress' the CCG challenged the company to ensure that it was clear to customers whether their response could influence the plan and to what extent. The document did not currently show clearly how a customer's opinion could influence what was in the plan.</p>	
<b>6.</b>	<b>GOVERNANCE AND DEVELOPMENT</b>	
6.1	Challenge Log Noted and no amendment were requested.	
<b>7.</b>	<b>AOB &amp; FORWARD PLAN</b>	
7.1	<b>AOB</b> There were no items for AOB	
7.2	<p><b>Forward Agenda:</b></p> <p>The meeting ended at 1800</p> <p>Over a working dinner the CCG discussed the company report on its approach to community engagement which outlined learning from activities undertaken in 2017 and proposals for the future approach which was designed to improve the impact and reach of these activities.</p>	

I confirm that the minutes above are a true and accurate reflection of the business discussed and agreed at the meeting held on 13 December 2017.

Signature 

Date 28 March 2018