



Customer Scrutiny Group

Purpose of Meeting	Customer Scrutiny Group – Meeting 9	
Location	Affinity Water, Tamblin Way, Hatfield	
Date of Meeting	16th March 2016	
Present	Chair: Robin Dahlberg Chair David Cheek Friends of the Mimram Karen Gibbs Consumer Council for Water Yolanda Rugg Herts Chamber of Commerce David Howarth Environment Agency	
Presenters	Chris Offer Director of Regulation Adam Warner Community Stakeholder Manager Nigel Beaven Head of External Communications Amanda Reynolds Director of Customer Relations Tim Charlesworth Operating Performance Manager Simon Cocks Chief Executive Officer Rob Hutchison Interim Head of Corporate Affairs	
Apologies	Damian Williams Tendring Council John Fox Tendring Council John Rumble Environment, Herts County Council Keith Cane Town and Country Housing Group Gill Taylor Groundwork Hazel Smith GlaxoSmithKline Jill Thomas CCWater	
Distribution:	As above	
Originator:	Adam Warner	
No	Notes of Meeting	Action
1	Private session for CSG members to discuss the draft of The Chairs Report	

<p>2</p>	<p>Introductions and Apologies The Chair noted apologies for absence and welcomed those present.</p> <p>Chairs Report The Chair noted that Ofwat has told companies they expect them all to have CCG's and will expect the CCG's to report directly into the regulator for PR19.</p> <p>Ofwat will take ownership of CCGs, scheduling quarterly meetings with CCG chairs to help control the process.</p> <p>Ofwat are going to specify as a minimum seven areas they expect CCG's to report on.</p> <p>Appointment of a new CSG chair Affinity Water have appointed a new chair for the CSG to replace the current chair for the PR19 process.</p> <p>This will be formally announced during the week commencing 21/03/16</p> <p>Actions Log Affinity Water have produced an action log for future meetings with a view to planning future CSG activity.</p> <p>The Chair requested that Affinity Water produce a forward plan for agenda items and identify standing agenda items.</p> <p>AW to distribute this before the next meeting and CSG to provide comment.</p> <p>Regulator Updates David Howarth, Environment Agency DH noted that the reorganisation of the EA 18 months ago has been successful and has removed the regional tier, with a new national approach.</p> <p>The EA continue in their efforts to recruit a new chairman.</p> <p>The borders of the EA's areas have been aligned with Natural England's.</p> <p>Karen Gibbs, CCWater Laura Willoughby has resigned from her position for personal reasons. CCWater will recruit a replacement as soon as possible.</p> <p>CCWater are undertaking research with Household customers on retail competition and noted that the preliminary findings suggest that people are positive about the prospect of competition but are disappointed that bills will not go down markedly. KG will share the results of the research when they are available</p> <p>CO noted that some companies, not including Affinity Water, have commissioned some research to explore the impacts of competition on distribution.</p>	<p>AW</p> <p>AW</p> <p>KG</p>
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	<p>DWI, The Chair The DWI Inspector will be invited to the October meeting to present the Chief Inspector's annual report as far as it relates to Affinity Water.</p> <p>The Chair noted that the DWI have recruited a new Chief Inspector.</p> <p>CO noted that DWI's involvement in the CSG will be reviewed.</p> <p>Natural England, The chair The group discussed Natural England's future involvement with CCG's. AW noted a conversation with Natural England that suggested if CCG's wanted more regular attendance from Natural England representatives, then companies would have to pay for this.</p> <p>Natural England's involvement in CCG's will be reviewed.</p> <p>Minutes The minutes from the meeting 2nd December were approved and signed.</p>	<p>AW</p> <p>CO</p> <p>CO</p>
<p>3</p>	<p>Community Engagement Update – Chris Offer & Adam Warner</p> <p>CO presented the forward programme for engagement and requested CSG input in future.</p> <p>CO noted that the new CSR team are working on a reporting framework to support the production of a customer friendly approach to annual reporting</p> <p>CO explained that the company is looking to engage customers and the CSG in the production of the Strategic Direction Statement. While the outcomes of this engagement are not expected to be greatly different from the engagement in 2012 in terms of the outcomes, the context has changed and it is important to look at the next steps in water consumption reductions.</p> <p>Yolanda Rugg asked how much engagement would be taking place with Non Household Customers and whether business customers were being targeted for water efficiency. CO noted that the company has some funding for water efficiency with businesses but explained the difficulties associated with this through being viewed as anti competitive. CO will speak to the retail side of Affinity Water about consulting with business customers and report back at next meeting</p> <p>AW presented future engagement activities and recapped a customer event which took place in the Pinn community on the 9th. The key point was that customers wanted performance information to be contextualised at a national level to aid understanding. Affinity Water are looking into this. AW to share the output of this with CSG.</p> <p>AW to extend invitations to future events to CSG members as early as possible.</p> <p>AW is set to organise the Value For Money workshop with Blue Marble for the CSG on 16th May. In the invitation, he will request CSG members to send their questions for Blue Marble in advance. (update: 01/06/16 – this has been moved to coincide with the next CSG meeting)</p>	<p>CO</p> <p>AW</p> <p>AW</p> <p>AW</p>

	<p>DC requested that AW send questions proposed for Online Panels in order to see if it aligns with SDS.</p> <p>CO noted that Customer friendly version of the Annual Report will aim to contextualise information where possible.</p>	AW
4	<p><u>Amanda Reynolds introduction</u></p> <p>AR introduced herself and described her experience.</p> <p>She explained what she was doing to improve the retail customer relations department and gave details on the recruitment of new roles to head up various teams.</p> <p>AR emphasised that this was a transformation of the department, how it operates and the culture within it.</p> <p>YR asked what actions were being taken to change the culture. AR stated that the focus is on training and shifting the mentality from simply transactional to putting the customer first.</p> <p>AR is to give a 6 monthly update to the CSG on the department and what has changed.</p>	AR
5	<p><u>CEO & company narrative update – Simon Cox and Rob Hutchison</u></p> <p>CEO update SC explained that over his first 100 days, he had changed the companies operating model.</p> <p>This was done because he found that the company was not working collaboratively as a unit. He explained that there has been a shift to putting the emphasis on accountability. This in part has been achieved with the recruitment of a new executive team.</p> <p>He noted that the business was financially strong and, in the most part, performing very well, citing only supply interruptions and leakage as areas for improvement. He also noted the desire to be seen as a challenger brand with a focus on supporting the innovation of new products to the market and being ahead of the regulatory curve.</p> <p>Company narrative RH introduced the new corporate narrative. He explained that a staff survey indicated that there was a very low acceptance and understanding of the company's previous passions and narrative.</p> <p>The Chair and wider group noted that there was also a low understanding amongst customers over what communities meant. CO and SC noted that this was something that was being considered and looked at as we develop the brand.</p> <p>RH introduced "The Affinity Way" as the new company narrative and explained its development through collaboration with around 100 managers across the business.</p> <p>Several CSG members raised questions on how this narrative will develop for customers and suppliers. RH noted that it is a constantly evolving piece of work and that the external facing narrative will follow.</p>	

	<p>The chair noted that anecdotally, brand recognition appeared to be improving. However, he noted that customers still seemed to believe that the company supplied sewerage services.</p>	
<p>6</p>	<p><u>Communications update – Nigel Beaven</u></p> <p>Annual billing NB presented the CSG with the new design for customer bills. The key changes this year are</p> <ul style="list-style-type: none"> - Highlighting who provided the sewerage services - Changing the shape and paper stock of the leaflet - Simplifying the content. <p>The group discussed the presentation of the bills and challenged some elements of the layout. NB explained that customer research had informed the presentation of the bills and that he will be monitoring customer feedback.</p> <p>NB is to send the next iterations of bills to the CSG for review.</p> <p>WSP update NB explained that the target for new meter installations was 43,000, but the current number of installs are 23,600.</p> <p>He noted that contact for the programme remains low.</p> <p>Home Water Efficiency Checks have had a positive response and a high take up with 12,000 having already taken place.</p> <p>NB stressed that while we are behind, the plan is to have the programme back on track by the end of next year and this early learning has ensured that contact has remained low.</p> <p>NB's regular CSG slot to be moved forward to ensure there is enough time to cover his material.</p>	<p>NB</p> <p>AW</p>
<p>7</p>	<p><u>Regulation update – Tim Charlesworth</u></p> <p>LIFT Tariff TC updated the group on the progress with the LIFT tariff. So far there are 37,210 customers on the tariff, and there is funding for 50,000 people. The company is reviewing its options on how to slow the update of the tariff. The Chair noted that the low income threshold was higher than may be necessary. The company will update the CSG during the decision process.</p> <p>AIM TC explained Ofwat's progress with the Abstraction Incentive Mechanism. He noted that there are issues Ofwat are facing in terms of scope. DH noted that there is a role for the Abstraction Incentive Mechanism in sustainability reductions where environmental benefits can be found. The first year of measurement will be 2016/17.</p> <p>Egham learnings TC stated that the key learnings from the Egham incident come from communications and using targeted, paid for social media. He also cited the importance of using the incident webpage in a more open and interactive way, using photos and a more customer friendly tone.</p> <p>SIM The Chair asked where the company sits in SIM compared to 2 years ago. TC noted that while there is not a direct comparison, in terms of rankings, the company has seen a relative</p>	<p>TC</p>

Customer Scrutiny Group

	improvement from 16 th out of 19 companies to 13 th out of 18 companies.	
8	<u>Any Other Business</u> N/A	
9	<u>Next meeting</u> Wednesday 22 nd June at the Hub, Hatfield	

Minutes of CSG 16th March 2016

Approved by: _____

Jane Fern, Chair

Date: _____

22 June 2016