

Customer Scrutiny Group

Purpose of Meeting:	Customer Scrutiny Group planned meeting Number 4	
Location:	Hub	
Date of Meeting:	11 March 2015	
Present:	Chair Robin Dahlberg David Howarth, Environment Agency Keith Cane, Town and Country Housing Group (Video Conference Folkestone) Jill Thomas, CCWater David Cheek, Friends of the Mimram Karen Gibbs, CCWater Hazel Smith, GlaxoSmithKline Gill Taylor, Groundwork	
Observers	None	Presenters Chris Offer Nigel Beaven & Dan Tonkin Rebecca Carlisle & Joe Sanders Emma Grigson
Apologies:	John Fox, Tendring Council Damian Williams, Tendring Council John Rumble, HCC Yolanda Rugg, Herts Chamber of Commerce	
Advised for information	Jacky Atkinson DWI	
Distribution:	As above and web site	
Originator:	Adam Warner	
No	Notes of Meeting	Action
1	<p>Introductions and apologies etc. The Chair lead introductions for the new members of the group.</p> <p>Chairs Report. The Chair met with Executive Chairman Philip Nolan on 10 March 2015.</p> <p>Philip Nolan made clear how important it was for the CSG to remain independent and offered the CSG the opportunity to update the Terms of Reference (ToR).</p> <p>The Chair commented that while he would be happy to review the ToR, he was of the view that it was unnecessary at this time. The ToR was only changed last summer, and there was no obvious need to update it now. The CSG decided not to review the ToR at this time.</p> <p>The Chair noted the appointment of Chris Bolt to the Board, and Simon Cocks has been recruited as the new CEO. Simon Cocks is currently employed by Severn Trent, and is serving out his notice.</p>	

	<p>Regulator updates David Howarth, Environment Agency The EA have reorganised and moved away from a regional structure. This structure is being replaced by a national river basin management service.</p> <p>While there are less people, it gives the EA an opportunity to improve consistency at a national level.</p> <p>The technical advisory team is headed by Jim Barker.</p> <p>There are five account managers who are responsible for water companies, CSG's and panels. David Howarth is responsible for those in the South East.</p> <p>The Chair said that he hoped the EA and CCWater would continue to be involved with the Affinity Water CSG as their contributions had been invaluable.</p> <p>Karen Gibbs, CCWater CCWater are still awaiting the appointment of a National Chair.</p> <p>There are still vacancies to fill for regional Chairs.</p> <p>The organisation is reorganising its customer call handling. The regional offices will be centralised into two offices in Cardiff and Birmingham. Policy staff will continue to be active within the regions, but there will no longer be any regional offices.</p> <p>CCWater are currently undertaking research into customer representation. The resulting report should be ready by late summer.</p> <p>Minutes The minutes from the meeting held on 3 December 2014 were accepted and signed.</p> <p>Letter to the Board After all Affinity Water employees left the room, the CSG discussed their letter to the Board, which reported on the CSG's activities in 2014. The members proposed a number of amendments. The Chair was authorised to make the amendments and to sign the letter to the Board without the draft being circulated again to members.</p>	
2	<p>Management of Risk, Chris Offer, Head of Regulation The CSG were given a presentation on Affinity Water's approach to risk management and the key areas of risk which have been identified in relation to the CSG. The main potential risk for the CSG was that "[it] cannot provide the Board with adequate assessment of the materiality, completeness and responsiveness of the approach to engagement." This risk would be born out of Affinity not putting sufficient relevant information to the group in a timely manner for it to be able to comment.</p> <p>The bow tie analysis was explained to the CSG and then questions were taken.</p> <p>The main outcomes from the questions were:</p>	

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	<ul style="list-style-type: none"> • At the next meeting, the CSG would like Affinity Water to provide a presentation on training and stakeholder communication • The CSG asked that Affinity Water provide as much lead time as possible when requesting action from the members • Chris Offer said that while Affinity Water were able to provide third party assurance to the CSG, there needs to be some more thought given to the best way to present this information, as it is often very detailed and technical in nature • The Chair emphasised that the CSG should continue to focus on the company's engagement with its customers. 	CO
3	<p>Water Saving Programme (WSP) update, Nigel Beaven, Head of External Communications & Dan Tonkin, Programme Manager The presentation provided an overview on the initial delivery of the metering programme.</p> <p>Communication The communications programme, which was previously reviewed by the CSG, appears to have been successful initially because there was a lower than expected level of complaints. Communications materials will be continually reviewed and updated to further improve their effectiveness. It was noted that the first set of customers were given only one months notice prior to meter installation, and this will soon be increased to three months notice.</p> <p>In the future, the team will provide figures for WSP contacts to help gauge the effectiveness of the programme.</p> <p>The communications have been supported by increased training. Every operative working on the metering side of the water saving programme has been through a compulsory training course.</p> <p>Installations to date at 10 March 2015 221 meters installed.</p> <p>All meters will be read through "Drive By Automatic Meter Reading."</p> <p>The internal meter installation process was explained. Customers have the choice of a two hour slot at a sociable hour to avoid inconvenience. The contractor has been given discretion to go the extra mile to fit internal meters where internal pipe work proves more awkward. This has been built into the structure of the contract.</p> <p>Further information The CSG suggested that the map shown in the presentation should be provided to local parishes to help them better understand the progress of the metering programme in their area. Before this is done, thought must be given making the data anonymous to avoid the possibility that individual customers might be identified.</p> <p>The Amey gangs performing meter installations and home visits are not currently wearing Affinity Water PPE as it is not fire proof. New PPE will be introduced over the coming weeks when the correct specification is available.</p> <p>The CSG asked about the approach taken with vulnerable customers. It was explained that those who are registered as being at significant risk will have tailored communications. P N Daly, who are responsible for home visits, are able to offer advice and to help vulnerable customers on the company's behalf. They have information on tariffs and are able to assist customers to apply for LIFT without the need for further contact, thus simplifying the process.</p>	

	<p>Vulnerable customers on the social tariff will not receive the standard communications materials on metering. They will receive a different letter explaining that a meter will be fitted and then their cost comparison will be between measured LIFT and unmeasured LIFT.</p> <p>The CSG requested that the draft supply pipe policy was provided to both CCWater and the CSG for review.</p> <p>Points outstanding from the previous CSG meeting The CSG was informed about leaky loo strips. It has been decided that these are not practical due to the cost of the strips and to the low volume of toilets which actually leak.</p> <p>The CSG asked whether the IT systems were still impeding the progress of the programme. It was agreed that a progress update would be provided to the CSG at the next meeting.</p>	<p>NB</p> <p>DT</p>
<p>4</p>	<p>ODI Measurement for AMP6 Leakage, Joseph Sanders, Leakage and Network Strategy Manager Joseph Sanders described the approach being taken to leakage and the methodology for calculating it. It was explained that 65% of a District Metered Area's (DMA) leakage is in the network.</p> <p>Each water and sewerage company has a different way of calculating leakage due to historical reasons. However, each company produces broadly comparable results as they must be within 5% of the input and output imbalance calculation. Assurance on Affinity Water's calculations comes through third party auditors. The new fast logging recording technique, which is being installed across all of the DMA's, will improve accuracy in the future.</p> <p>Leakage reporting is improving, but there are areas where further improvement is needed. These figures will improve in accuracy next year when more DMAs have been metered. The reporting is currently accurate across the three regions, and by April 2016 the same calculations will be able to be done at community level.</p> <p>The CSG were interested in how Affinity Water are going to make this type of information available to customers, and how it will be reported. This was described as an issue which is under review. Ofwat are looking at ways to help customers understand leakage performance across companies. CCWater will also be producing an annual report to highlight performance against commitments.</p> <p>The Chair asked for an updated presentation to be delivered at the December 2015 meeting on the progress in reporting accuracy.</p> <p>The Chair also asked for a region by region report to be provided to the CSG meeting scheduled in June 2016.</p>	<p>JS</p> <p>JS</p>
<p>5</p>	<p>Sustainability reductions, Rebecca Carlisle, Asset Engineer The CSG was given a presentation on the current progress and technicalities of the sustainability reductions which were committed to in AMP6.</p> <p>Progress was shown on the abstraction reductions already made and on those being planned in the near future.</p> <p>Stevenage was focused on as an area affected by sustainability reductions, and the action plan to ensure resilience was presented. It was explained that the peak abstraction figure was only achieved during certain extreme conditions, and it was far above the average</p>	

	<p>abstraction levels. To reduce this peak figure would add significant asset and production costs.</p> <p>Finally, the CSG were given a presentation on river and habitat restoration. This is of particular importance to the Chilterns, which is classified as an area of outstanding natural beauty. This work is supported by a comprehensive environmental monitoring programme which assesses the benefits and cost effectiveness of the measures being taken.</p> <p>The CSG will be kept updated on progress throughout the AMP.</p>	RC
6	<p>Dashboards, Chris Offer, Head of Regulation</p> <p>Chris Offer explained to the CSG that the dashboards are still a work in progress. The team are working with Asset Management to look at what kind of information will be included and how best to present it.</p> <p>The CSG will be kept up to date with the progress on this.</p>	
7	<p>Value For Money (VfM), Emma Grigson, Head of Corporate Affairs</p> <p>The CSG were informed that Blue Marble started the VfM surveys in April 2015.</p> <p>The Chair asked for the survey results to be reported on at the CSG meeting scheduled for 16th September 2015 and 22nd June 2016.</p>	EG
8	<p>Regulatory updates, Chris Offer, Head of Regulation</p> <p>The CSG were informed that the Final Determination will not change the Business Plan. They were updated on Bristol Water's appeal to the Competition and Markets Authority, but were again assured that this should not impact Affinity Water's Final Determination.</p> <p>Chris Offer updated the CSG on Ofwat's progress on the production of a reconciliation rule book. Affinity Water are supportive of this and see it as a helpful step in understanding how Ofwat will perform their reconciliations in PR19.</p> <p>The CSG were told that Affinity Water (and South West Water) had been classified as "Self Assured." This means that no further assurance, beyond what is already required, will need to be done. This can change if Ofwat's expectations are not met. To ensure this status is not lost, it is important that performance information continues to be reported regularly and accurately to both Ofwat and Affinity Water 's stakeholders.</p> <p>Affinity Water are continuing to progress Open Water and the Retail Non Household market, and it still looks like they will begin in April 2017.</p>	
	<p>Communications Update – Emma Grigson, Head of Corporate Affairs</p> <p>Emma Grigson explained that the annual billing booklet had now gone out, and that these were, as agreed, tailored to each community. In the future, Affinity Water hope to have leakage included as a metric.</p> <p>The social tariff continues to be a success with 17,000 customers participating, which is well over the first year target. Affinity Water will now have the opportunity to put customers directly on to the Thames Trust Fund scheme. Affinity Water are working with Thames Water to secure greater alignment of social tariffs.</p> <p>The Thames Tideway Tunnel communications materials have gone out, and the level of contact has not been as high as anticipated despite the increased sewerage charge.</p>	



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Next meeting 17 th June 2015 at the Hub.	
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Minutes of CSG 14th March 2015

Approved by

Robin Dilley

Date

17 June 2015