



**Affinity Water**  
Customer Scrutiny Group

<b>Purpose of Meeting</b>	<b>Customer Scrutiny Group – Meeting 8</b>																			
<b>Location</b>	Hub																			
<b>Date of Meeting</b>	2 <sup>nd</sup> December 2015																			
<b>Present</b>	Chair: Robin Dahlberg  <table border="0"> <tr> <td>Adam Warner</td> <td>Community Stakeholder Manager</td> </tr> <tr> <td>David Cheek</td> <td>Friends of the Mimram</td> </tr> <tr> <td>Gill Taylor</td> <td>Groundwork</td> </tr> <tr> <td>Hazel Smith</td> <td>GlaxoSmithKline</td> </tr> <tr> <td>Karen Gibbs</td> <td>Consumer Council for Water</td> </tr> <tr> <td>Tim Charlesworth</td> <td>Operating Performance Manager</td> </tr> <tr> <td>John Rumble</td> <td>Environment, Herts County Council</td> </tr> <tr> <td>Laura Willoughby</td> <td>CCWater</td> </tr> <tr> <td>Keith Cane</td> <td>Town and Country Housing Group (video conference Folkestone)</td> </tr> </table>		Adam Warner	Community Stakeholder Manager	David Cheek	Friends of the Mimram	Gill Taylor	Groundwork	Hazel Smith	GlaxoSmithKline	Karen Gibbs	Consumer Council for Water	Tim Charlesworth	Operating Performance Manager	John Rumble	Environment, Herts County Council	Laura Willoughby	CCWater	Keith Cane	Town and Country Housing Group (video conference Folkestone)
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<b>Distribution:</b>	As above and web site																			
<b>Originator:</b>	Adam Warner																			

No	Notes of Meeting	Action
1	<p><b>Introductions and Apologies</b> The Chair noted apologies for absence and welcomed those present.</p> <p><b>Minutes from previous meeting</b> Minutes from 16<sup>th</sup> September 2015 have been signed by the Chair</p> <p><b>Chairs Report</b> The Chair circulated the Chairs report, updated the group on progress and asked for comment at the end of the session</p> <p><b>Actions Log</b> The Chair advised that the agenda for the next meeting is full so will take until 4pm</p> <p><b>Regulator Updates</b> <b>Karen Gibbs, CCWater</b> No updates <b>EA</b> David Howarth, previously informed the chair there were no updates.</p>	

<p>2</p>	<p><b>Community Engagement Update – Adam Warner</b></p> <p><b>Dashboards</b> AW explained that the comments from the previous meeting have been taken into account and has distributed hard copies to all present members.</p> <p>Electronic copies will be sent out in the weeks following the meeting.</p> <p>Laura Willoughby questioned how customers would be able to feedback to the business on the dashboard. This is something AW will review and intends to add into the dashboard when it goes live.</p> <p>The Chair raised concerns about including the total bill rather than just the water only element and also raised concerns about South east regions bills being significantly higher.</p> <p>The online panel that was planned for the dashboard has been cancelled because the website will be undergoing an overhaul which will change the look and feel of the dashboard. The current version will be published early 2016.</p> <p><b>VFM</b> AW presented Q2 findings from the VFM survey in which 489 interviews were carried out. He noted that there has been a reduction in performance. This can be attributed to generally lower perceptions of value for money across utilities and a lesser score for high quality water customers can trust. We do not know whether this is a trend until we receive Q3 and Q4 results.</p> <p><b>Community Event</b> AW presented to the group the top line summary findings of a qualitative research event in Hemel Hempstead which sits within the Misbourne community.</p> <p>The event saw a representative group of 21 customers state what they believed was great customer service and what they would expect in scenarios such as having no water, reporting leaks and billing.</p> <p>The initial top line results suggest that customers want to be able to communicate more flexibly with the company on their terms, they wanted the offer of a similar service to retail market leaders such as John Lewis and they wanted Affinity Water staff to take ownership of problems.</p> <p>AW stated that Affinity Water would be reviewing its Business Plan commitments across all engagement pieces.</p> <p>The Chair requested that Affinity Water present this as an update in the next meeting with the CSG.</p>	<p>AW</p> <p>AW</p> <p>AW</p>
<p>3</p>	<p><b><u>Half Year Accounts – Tim Charlesworth</u></b> TC took the group through the headlines of the latest half year report including details on meters installed, stress testing to ensure readiness for market reform; the new pesticide</p>	

	<p>treatment solution at North Mymms; the lead pipe replacement programme; and the mains flushing being undertaken at Romney Marsh.</p> <p>It was stated that due to the number of large incidents that Affinity Water have experienced, they will not meet the target for unplanned disruption to customers over 12 hour and have already hit the ODI limit. TC also noted that issues outside of incidents have been due to failure to warn customers of disruption. Affinity Water believe they can perform better on this. HS questioned whether Affinity did not understand their network. TC responded that no companies network models are perfect due to the age of the assets below ground. Affinity Water is continually working to improve its modelling.</p> <p>The CSG asked about the LIFT tariff. Over 30,000 customers are now on LIFT. They questioned at what point Affinity Water would reach their maximum target and the cross subsidy would hit its limit. They also questioned what the impact on the business has been in reducing bad debt and whether it has been self financing.</p> <p>CCWater raised concerns about the funding of the project being through a percentage of customers water bills rather than a fixed amount. LW mentioned that this meant that it could disproportionately burden those companies on low incomes with large families.</p> <p>The chair asked that Affinity Water cover this off in the next meeting in March</p> <p><b>Egham incident</b> TC gave a brief summary of the Egham incident and noted that the location of a speedbump over the inlet pipe had lead to the failure. The CSG requested that Affinity Water update them on how they have changed their communications policy following the incident.</p> <p><b>SIM Scores</b> TC noted that Affinity Water were 16 out of 18 on the most recent SIM tables. The new director of Customer Relations, Amanda Reynolds, is treating improving this as a top priority.</p> <p>The company has established a task force to help improve SIM and is improving bills to help reduce customer contact.</p> <p>The chair asked that TC find our how SIM compares to the score 2 years ago.</p> <p><b>Asset Health Index</b> TC explained that Affinity Water are still in the process of collecting data and will have its first set in March 16. The development of the index is on target and an update will be provided in the June CSG meeting.</p>	<p>TC</p> <p>TC</p> <p>TC</p> <p>TC</p>
<p>4</p>	<p><b><u>Leakage – Progress on reporting accuracy – Joe Sanders</u></b> Joe Sanders presented the progress on leakage to the group. He explained that the programme is 6 months ahead of schedule and there is now two and half years of back data by community.</p> <p>He noted that November marked the lowest monthly leakage in 4 years and, assuming that this winter is average, Affinity should meet its leakage targets.</p> <p>JS covered how previous calculations of leakage, included industrial night time usage. He</p>	

	<p>explained how fast logging and proactive leakage monitoring was being undertaken at a community level. This approach has allowed the company to identify industrial users of water during the night time. JS also noted that small and medium sized leaks are becoming increasingly difficult to find and in certain areas District Metered Areas are being divided up in order to report on leakage more accurately.</p> <p>The CSG were interested in how this community data was going to be reported to customers. JS noted that the team were working on the best way to include this in community reporting dashboard. The CSG questioned whether this reporting would be included on bills and how the dashboard would be proactively briefed to customers.</p> <p>The Chair requested that the approach to briefing this to customers and what the commitment in Affinity Waters Business Plan is covered off in the March meeting.</p>	<p><b>AW</b></p>
<p><b>5</b></p>	<p><b><u>WSP and Communications update – Nigel Beaven</u></b></p> <p><b>Water Saving Programme</b> Nigel Beaven gave a verbal update to the CSG on the progress with the Water Saving Programme. He noted that while the plan was behind schedule, a second stream of work has been opened up in order to catch back up to the target by March 2016. This will be achieved by working more closely with our contractors and the bringing in of extra planning resources.</p> <p>So far, there has been 1 contact for every 450 letters sent out. Some of this is wanted contact and NB will provide a more detailed summary of this in the March meeting.</p> <p>Following a programme of successful stakeholder engagement in Luton, the team are looking to ramp up stakeholder engagement activities and are developing an approach to adult education.</p> <p>Customer comparison bills will be being sent to customers W/C 7<sup>th</sup> December 2015</p> <p><b>Bills and bill development</b> Affinity Water are currently in the process of redesigning their bills following negative feedback from customers about the last design. The key issues seem to stem from the labelling of communities with customers not identifying with these labels; the lack of clarity around sewerage responsibility; and the amount of content included with the bill.</p> <p>NB explained that Affinity are moving over to a digital print solution which will give greater flexibility. It should also enable e-billing which has been discontinued due to the high cost. On this subject, NB noted that Affinity need to do more in terms of e-commerce and are using the learnings from other industries.</p> <p>In regards to billing on behalf of Thames and Anglian Water, the group questioned whether this was a good option for Affinity due to the negative impacts this has on SIM. NB stated that it was something that was under review.</p> <p>NB presented different bill designs. The designs separated out the sewerage element more clearly. He also noted that research showed having 8 separate billing booklets was not effective.</p> <p>The group suggested that Water Saving Programme bills and normal customer bills should be more aligned in design and feel. NB will update the group in March on the progress of bill designs.</p>	<p><b>NB</b></p>

6	<p><b><u>Regulation update – Tim Charlesworth</u></b></p> <p>Tim Charlesworth updated the group on Affinity Waters submission for Ofwats Water 2020 consultation. The consultation looks at the regulators methodology in future price reviews.</p> <p>He summarised the consultation document and noted Ofwats view of an increased role for CCG's in the future following their successes in PR14. Affinity Water are proposing that CCG's have more power and that companies negotiate their business plans with these groups and they are then signed off by Ofwat.</p> <p>The chair noted that in recent months, Ofwat has been increasing its engagement with CCG chairs.</p> <p>After the new Chair is appointed, the Chair and the Board may need to consider whether to amend the CSG's Terms of Reference, including taking into account any changes in Ofwats requirements for the CSG.</p> <p><b>Retail competition</b> Following the Chancellors Autumn Statement, the industry is looking at the introduction of household retail and upstream reform around 2020 at the earliest.</p> <p>In terms of Retail non household competition, the project is ongoing and is on track. TC stated that we have a compliance strategy and we will be compliant by market opening. However, the business has not yet decided on its business strategy.</p> <p>The group wanted to know whether the CSG was representative of commercial customers and asked Affinity Water to review how Competition will impact on the terms of reference.</p>	TC
7	<p><b><u>CSG Private session (this section has been drafted by the chair)</u></b></p> <p>The CSG held a private session where Affinity Water employees were invited to leave. The CSG members discussed their letter to the Affinity Water Board on the CSG's activities in 2015. The Chair agreed to circulate a revised draft in January. The CSG also discussed the agenda for their meeting in March 2016, and asked the Chair to make several changes.</p>	
8	<p><b><u>Any Other Business</u></b></p> <p>The meeting in March will run until 16:00 as there will be a substantial agenda</p>	
9	<p><b><u>Next meeting</u></b></p> <p>Wednesday, 16<sup>th</sup> March at the Hub, Hatfield</p>	

Minutes of CSG 2<sup>nd</sup> December 2015

Approved by: 

Date: 16 March 2016

