

1.4 Minutes of the Meeting of the Customer Challenge Group

Monday 13 May 2019, 10:00 am

held at

Affinity Water Limited, Tamblin Way, Hatfield AL10 9EZ

| MEMBERS IN ATTENDANCE | | |
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| Teresa Perchard | <i>Chair</i> | TP |
| Gill Taylor | <i>Groundwork East</i> | GT |
| Tina Barnard | <i>Watford Community Housing</i> | TB |
| Karen Gibbs | <i>CC Water</i> | KG |
| David Cheek (from 12pm) | <i>Friends of Mimram</i> | DC |
| Caroline Warner (by phone) | <i>CC Water</i> | JJ |
| Rachel Nelson | <i>Environmental Agency</i> | RN |
| John Rumble | <i>Herts CC</i> | JR |
| AFFINITY WATER ATTENDEES | | |
| Siân Woods | <i>Minutes</i> | SW |
| Anne Scutt Webber | <i>CCG Manager</i> | ASW |
| Lena Patel | <i>Head of Public Affairs</i> | LP |
| Jake Rigg | <i>Director of Communications and Corporate Affairs</i> | JRi |
| Lauren Schogger | <i>Director of Change</i> | LS |
| Katie Taqvi | <i>Head of Customer Strategy and Experience</i> | KT |
| Chris Pollitt | <i>Customer Research and Insight Manager</i> | CP |

| AGENDA ITEM | MINUTE | ACTIONS | OWNER |
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| 1. | HOUSEKEEPING AND GOVERNANCE | | |
| 1.1 | TP welcomed members to the meeting. She explained that recruitment of a number of new members was ongoing. All current members who had agreed to continue as members would shortly receive correspondence from the company with revised terms of appointment to the CCG, as outlined in a recent email to members from Jake Rigg. | Issue member appointment letters | JR |
| 1.2 | Apologies were noted from David Cheek, Richard Haynes, James Jenkins and John Ludlow. | | |
| 1.3 | No conflicts of interest were declared. | | |
| 1.4 | The minutes of 13 March 2019 were APPROVED and would be signed by the Chair and published. | <i>Upload signed minutes to website</i> | ASW |
| 1.5 | It was noted that revised terms of reference had now been agreed by the Board and would be shared with members and published on the web site | <i>Email revised ToR to members</i> | ASW |
| | It was agreed to review proposed revisions to the protocol document at the next meeting. | <i>Protocol document to be reviewed</i> | ASW |

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| | Meeting dates for the sub-group on 'behaviour change' would be rescheduled. | <i>Set revised date for sub-group (behaviour change) meeting</i> | ASW |
| 1.6 | It was noted that no separate written Chair's report had been circulated as the April 2019 Loop contains all relevant actions taken. | | |
| | TP highlighted the following key areas of note: | | |
| | <ul style="list-style-type: none"> <i>The CCG 'Supplementary' report on AWL's responses to the IAP had been submitted to Ofwat on 1st April, having been slightly amended following the previous meeting;</i> | | |
| | <ul style="list-style-type: none"> <i>The Sub-group on the dWRMP were meeting following today's CCG meeting. TP highlighted that AWL emailing customers had generated significantly more responses than the 2017/18 consultation, and the additional quantitative research commissioned by AWL has enhanced the evidence of customer engagement.</i> | | |
| | <ul style="list-style-type: none"> <i>A report for the AWL Board evaluating the consultation and customer engagement process on WRMP was currently being drafted by TP. Submission of the revised dWRMP was now 7th June (as agreed with the EA) providing more time for the CCG to produce its report</i> | | |
| | <ul style="list-style-type: none"> <i>TP will draft a short annual report to be circulated ahead of the July meeting</i> | <i>Annual Report for the CCG to be circulated ahead of the July meeting</i> | TP |
| 1.7 | CW noted the solid improvements from Affinity Water. | | |
| | KG explained that the offer from Defra to support hardship funds has been received and is very welcome. | | |
| 2. | PR19 | | |
| 2.1 | <i>Summary of IAP Response to Ofwat:</i> LS updated the CCG and explained that AWL was still in a query process with Ofwat, | | |
| | The draft determination from Ofwat will be issued on 18 th July. After that AWL would have until 31 August to make any representations after which the draft determinations will be published. | | |
| | KG explained that CCWater will undertake a review of acceptability testing of the draft determinations and their results will inform Ofwat's final decisions. It was agreed that CCWater will share a copy of the findings, in particular the statistically significant numbers. JRi highlighted that the Company is currently considering a plan to brief the press. | <i>KG to share CCWater report on acceptability testing of the draft determination</i> | KG |
| | The KPMG paper submitted in the meeting documents was noted and TP noted that KPMG had stipulated that this should not be issued outside the CCG. The CCG asked for clarification on what aspects AWL expects to still be challenged on, based on the analysis from KPMG. LS explained that both costs, where AWL has not met Ofwat's requirements fully and performance commitments, which AWL is currently working on are expected challenges. | | |

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| 2.2 | <p><i>Phase 2 Customer Research:</i> KT explained that a full update on this research was not yet available to circulate as the results had just arrived. The report of findings will be provided to the CCG, prior to Ofwat receiving it. The Committee requested a summary sheet to be included with the data to highlight key differences from the previous Bill document produced. The Summary will also highlight additional questions raised in the survey</p> | <p><i>Provide CCG with research results and a summary</i></p> | KT |
| | <p>CCG members suggested that it may be useful to get more in-depth reporting in key areas, such as hardness of water. CP explained that qualitative research was commissioned last week based on feedback from vulnerable customers and will now engage with customers via focus groups and home visits. Top line results will be available by 24 May 2019 and AWL will share the data with the CCG</p> | <p><i>Share top line data from research/focus group work</i></p> | KT CP |
| 3. | <p>2018/19 PERFORMANCE</p> | | |
| 3.1 | <p><i>Value for Money Survey:</i> KT explained that AWL is seeking the CCGs advice and agreement on the approach to the revised performance commitment on measuring customer views of value for money which Ofwat had asked AWL to retain. TP reminded the members that AWL had previously agreed to retain a measure of VfM but would be changing the methodology. The historic challenge from the CCG has been for AWL to show how they were using the data from the VfM survey to drive business improvements, as envisaged in the PR14 business plan.</p> | | |
| | <p>KT explained that the revised VfM tracker will be called <i>Customer Perception Survey</i> ("CPS"). Following assessment of the data from the VfM Survey, it had been difficult to obtain any clarity on how the results could be used. The CCG agreed that the new method selected needed to provide meaningful figures going forward. It was noted that in its IAP response the company had said it would work with the CCG to identify and agree a revised/new method for measuring VfM.</p> | | |
| | <p>Following discussion KT agreed to convene a separate meeting for interested CCG members to discuss the detail of AWL's proposals on this more fully.</p> | <p><i>Members to be invited to customer research working group meeting in July</i></p> | ASW KT |
| | <p>The CCG noted that from the existing VfM survey there had been a positive increase in the ratings of trustworthiness and a decrease in the perceived bill size which accounted for the slight increase in the index amongst customers who know their bill size.</p> | | |
| 3.2 | <p><i>2018/19 performance communications and proposal for annual report:</i> LP and JRi set out ideas for the structure and content of the "Our Year in Review" report and requested thoughts from the members.</p> | | |
| | <p>LP and JRi noted that it is clear AWL will miss its 2018/19 target for leakage reduction. Members advised that AWL needs a clear message on what they are doing to improve and how this will be communicated.</p> | | |
| | <p>TP agreed it will be helpful for the draft CCG Our Year in Review to have a communications strategy/plan and timeline and asked what input the CCG can give to this.</p> | <p><i>Provide Comms framework and timeline to CCG alongside a summary request of</i></p> | LP |

| | | <i>Input required from the CCG</i> | |
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| | The CCG advised that AWL needed to acknowledge that it is a company under significant scrutiny, and that might mean the report needs to provide more assurance than previous reports, the challenge will be how to explain the leakage performance without coming across as making excuses. | | |
| | The CCG asked for clarity with regard to the objectives of the report: | | |
| | <ul style="list-style-type: none"> • <i>who is it for;</i> • <i>how will it be used; and</i> • <i>how will its success be measured.</i> | | |
| | The CCG members made the following observations and suggestions on the proposed report: | | |
| | <ul style="list-style-type: none"> • <i>Publication date:</i> confirm this • <i>Audience:</i> define the audience for the infographics and data, how it will be distributed and how you intend to measure your communications' objective; • <i>Narrative:</i> agreement needed on the approach to communicating the technical content to a wide non-industry audience.; • <i>Water resources:</i> the report should cover water shortages/plans with reference to the reservoir; • <i>Terminology:</i> ensure terminology is clear and in plain English; • <i>Comparisons – how does this compare to other companies; and</i> • <i>Set the BP story:</i> agree now how the messages will be conveyed, for example, a micro site with a lot of photos (a summary with a link). Look at Discover Water for example. | Confirm date for the Report | JRi |
| | AWL had held a stakeholder assembly attended by circa 60 people, it was agreed that it worked well and was useful. The team are currently looking at the feedback across the supply area from the 48 different organisations who attended. There was a good spread of organisations (councils, water companies, local river groups, construction companies, golf club and a representative from a fisheries). The Report consolidating the event notes, will be sent to the delegates and will include all invitees, not just attendees. | Distribute Report from stakeholder assembly to all invitees | ASW |
| | AWL also attended a consultation event with Thames in March (hosted by CCWater) and TP highlighted that it was positive to see the two companies working together. | | |
| | A Public Policy <i>#whynotwater</i> campaign started where an 8-ton block of ice was placed outside St Alban's Cathedral. The campaign reached to over 17.6 m people, most of whom will be within our customer base. Five different local planning authority representatives attended and are now encouraged to look at their local plans to assess the 1/10 target set for water saving. | | |
| | With all the changes taking place at senior level within the organisation TP requested a current senior EMT chart | JRi to provide the CCG with a current Senior Management/EMT chart | JRi |
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| 4. | CCG ANNUAL REPORT | | |
| | TP noted that the CCG needs to have a report on its activities up to March 2019, ideally for publication in July 2019. The Report will cover areas that were not 'PR19' and will refer briefly to the PR19 reports that the CCG has had sight of. | | |
| | TP will circulate a draft for comments ahead of the final draft for approval at the July 2019 meeting. | <i>TP to circulate the draft Annual Report ahead of the July meeting for members' comments.</i> | TP |
| 5. | CHALLENGE LOG | | |
| | Open items on the Challenge Log were discussed and it was agreed they will remain as open. Members agreed to refer the rdWRMP challenges for review at the sub group meeting that afternoon. | | |
| 6. | AOB | | |
| | There was no other business and the meeting closed at 12:36 am. | | |

I confirm that the Minutes of 13 May 2019 are a true and accurate record of the business discussed and agreed.

Signature:  Date: 11 July 2019

Chair

