

Customer Challenge Group

Purpose of Meeting:	Customer Challenge Group planned meeting Number 11	
Location:	Hub	
Date of Meeting:	21 May 2014	
Present:	Chair Robin Dahlberg Jim Barker, EA John Fox, Tendring Council Colin Fenn, WWF (deputising for Kathy Hughes) Karen Gibbs, CCWater Hazel Smith, GlaxoSmithKline Jill Thomas, CCWater	
Observers		Presenters Mike Pocock Christopher Offer Vince Muldoon Liz Allen
Apologies:	Jacky Atkinson DWI Allyson Broadhurst, Charis Grants Keith Cane, East Kent Housing Tim Hutchings Kathy Hughes, Blueprint for Water Mark Tomkins, Heathrow Airport Ltd Damian Williams, Tendring Council	
Distribution:	As above and web site	
Originator:	Liz Allen	

No	Notes of Meeting	Action
1	<p>Introductions and apologies The Chair welcomed newcomers to the CCG. The Chair thanked Mark Kibble for his support and involvement with the CCG over the last 18 months. In addition to his valuable role on the CCG, he helped to improve the working relationship between Dacorum Council and Affinity Water and promoted the Social Tariff to Dacorum residents and the CCG asked the Chair to write to Mark on their behalf expressing their appreciation. Mark stepped down from the CCG due to change of employer,</p> <p>The minutes of the last two meetings were approved. The Chairs report included matters that were covered in the agenda</p> <p>Regulator updates CCWater reported they were undertaking some acceptability testing on the draft determinations for the two enhanced companies and would be doing so for each draft determination as they were announced. They would use the findings to form the basis of their response to Ofwat's consultation.</p>	
2	<p>Update on resilience and flooding Mike Pocock, Physical Asset Strategy Manager, Affinity Water.</p> <p>An update on actions taken since the last CCG briefing was given. This included a summary of lessons learned and an update of the planned flood resilience investment.</p> <p>Independent audits for the SEMD (Security and Emergency Measures Direction) and findings</p>	

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	<p>from lessons learned reviews, of activities at all the different command levels, have been useful in identifying opportunities for improvement.</p> <p>The actions taken include the rescheduling of planned capital works for flood protection for 1 in 100 year + 20% incidents. This work can be accelerated due the flexibility of the investment plans and the early completion of some capital projects.</p> <p>The use of bottled water, the supplier of that water and the mutual aid arrangements with other water companies would be thoroughly reviewed in the coming period. Included in this work will be a review with Defra and the EA about the acceptability of current emergency provision of limited quantities of bottled water.</p> <p>Questions were raised about the understanding of flood pathways and whether the provisions being made were adequate to address the risk. In response it was cited that there were two routes, direct flooding from the river Thames and from Groundwater. The mitigation actions to maintain access to and protection of key assets addressed both pathways.</p>	
3	<p>CCG and Transition Liz Allen, Stakeholder Engagement Manager</p> <p>A commitment was made in the Business Plan to develop an independent assurance panel to maintain accountability to customers. The CCG were invited to provide comments about the purpose, scope and responsibilities of the revised group to help Affinity Water develop new Terms of Reference (ToR).</p> <p>Affinity Water staff left the meeting for the discussion.</p> <p>The Chair recorded comments to be circulated separately for review before being shared with Affinity Water.</p> <p>Affinity Water would like to gain approval for new ToR from the AW Board in July.</p>	
4	<p>Water Saving Programme Dan Tonkin, Project Manager and Nigel Beaven, Head of Communications</p> <p>The CCG were taken through a presentation outlining all the main activities of the metering plan which is a core component of the Water Saving Programme. The CCG pointed out the importance of launching wide ranging communication and engagement activity, well in advance of any activity on the ground, and ensuring that information provided was consistent with customer needs. The first phase of installation is expected to start in January 2015.</p> <p>Members offered their help in reviewing and testing literature and information in advance of the roll out.</p> <p>Progress with plans and the roll out of activities will be regularly provided to the group.</p>	
5	<p>Update on Social Tariff Vince Muldoon, Director of Customer Relations</p> <p>The customer take up of the Social Tariff, from its launch at the beginning of April, has been very successful with around 3500 households confirmed or in the process of being approved. Almost all individuals applying for the tariff have been accepted (to date only 1 had been rejected). The target is to get 7000 people onto the tariff in the first year, rising to 30,000 by 2016/2017.</p>	

	<p>The CCG were interested to know how many Affinity Water customers accepted onto the LI&T tariff were also accepted on the Thames Water WaterSure Plus tariff. Also were they keen to understand how many applications had been driven by the billing booklet and how many had been in response to information from Advisers. A further question was raised as to whether Thames Water carried out any debt collection in the Affinity Water area. ACTION - VM agreed to provide an update for the CCG.</p> <p>Work is underway to develop a customer support scheme for those in debt and struggling to pay. The pilot phase for the proposed 'Affinity Assist' support scheme is being planned for a launch later in the year.</p> <p>Regular reviews of the process and audits of eligibility for LI&T will be completed throughout the year. Work with the waste water service providers continues with the aim of minimising confusion for customers who have to apply for two different tariffs.</p> <p>Affinity currently manages the billing on behalf of Thames Water and Anglian Water. The Thames contract is currently under review.</p>	<p>VM July 2014</p>
<p>6</p>	<p>Verbal update PR14 Chris Offer, Head of Regulation</p> <p>The Draft Determination (DD), received by Affinity Water, was in line with the discussions and representation made to Ofwat during the process to award Affinity Water enhanced status. The final position, with regard to average customer bills, is a 1.4% reduction each year over the AMP (before inflation). The ODI's reward (maximum available across all measures) is +0.81% (meaning that bills will always go down by at least 0.59% pa). The penalties that could be applied are a maximum of - 3.23% which could mean a reduction of 4.6% pa. The final balance of rewards and penalties will be applied to the RCV at the end of the AMP.</p> <p>These performance measures and the associated banding where rewards or penalties are applied are different from the Business Plan.</p> <p>The AW representation on the DD will be to clarify some technical elements, around profiling of financial arrangements, tax and retail ACTS (average cost to serve). These adjustments, should Ofwat accept them, are unlikely to effect customer bills in AMP6. AW needs further information from Ofwat before finalising its response.</p> <p>The Chair said he met with Ofwat and he told them that the CCG would not be writing to Ofwat again about the DD unless there were some significant new developments. The CCG's last letter to Ofwat on the revised ODI's still represents the CCG's position.</p> <p>CCWater are carrying out some research on the acceptability of the DD for customers, starting with the two enhanced businesses.</p> <p>CCWater advised that they will and EA advised they may be making representation to Ofwat on the DD. It was also suggested that Natural England would be commenting on 'in combination' effects where implications of environmental impacts extend across company boundaries.</p>	
<p>7</p>	<p>Value for Money Survey Liz Allen, Stakeholder Engagement Manager</p> <p>The AW Business Plan commits to deliver four customer outcomes. The performance measure for the outcome 'providing a value for money service' will be developed this year. One of the components will be outputs from a value for money survey.</p>	

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	<p>The CCG were invited to comment on both the content of the survey and the methodology to be developed to define the performance measure.</p> <p>The CCG provided some very helpful feedback in the approach and timetable that AW presented. This included making greater use of the CCWater tracking survey, by extending the sample size in the Affinity water area, considering how to make use of surveys conducted by others, such as WHICH.</p> <p>Work is still needed to evaluate the benefits and challenges of using a single annual survey or a combination of survey outputs to realistic determine Value for Money.</p> <p>A pilot survey will be taken to the on-line panel to gain some feedback about different types of questions. These findings will be used to shape the specification for the baseline survey which will be carried out in the Autumn.</p>	
8	<p>Thames Tideway Tunnel Liz Allen, Stakeholder Engagement Manager</p> <p>In the Business Plan Affinity Water made a commitment to develop an effective communication and engagement programme related to the Thames Tideway Tunnel and that the CCG would be invited to comment.</p> <p>An outline plans and timetable were shared.</p> <p>The CCG were advised that the commercial contract where AW bill for the waste water services on behalf of Thames Water was under review. The scale and scope of the engagement and communication activity would be informed by the outcome of the contract discussions.</p> <p>The CCG were advised that a decision should be made before the next CCG meeting when more detailed planning could be discussed.</p>	
9	<p>The CCG expressed a preference for short papers to be circulated in advanced.</p>	

Minutes of 11th CCG meeting held on 21 May 2014

Approved by Robert Ollibon

Date 23 July 2014