

Minutes of the CCG held on at Affinity Water on 13 March 2019

CCG Member Attendees

Teresa Perchard	(TP)	Chair
Gill Taylor	(GT)	<i>Groundwork East</i>
Rachel Nelson	(RN)	<i>Environment Agency</i>
Tina Barnard	(TB)	<i>Watford Community Housing Trust</i>
Dr James Jenkins	(JJ)	<i>Hertfordshire University</i>
David Cheek	(DC)	<i>Friends of Mimram</i>
Karen Gibbs	(KG)	<i>CC Water</i>
Caroline Warner	(CW)	<i>CC Water</i>
Keith Cane	(KC)	<i>joined by telephone</i>

Affinity Water Attendees

Sián Woods	(SW)	<i>Assistant Company Secretary Minutes</i>
Anne Scutt Webber	(ASW)	<i>CCG Manager, Regulation & Corporate Affairs</i>
Lauren Schogger	(LS)	<i>Programme Director (Change)</i>
Chris Offer	(CO)*	<i>Director of Regulation (by telephone)</i>
Amanda Reynolds	(AR)**	<i>Customer Relations Director</i>
Katy Taqvi	(KT)**	<i>Head of Customer Strategy & Experience</i>
Marie Whaley	(MW)***	<i>Director of Asset Strategy (temporary)</i>
Doug Hunt	(DH) ***	<i>Technical Director Asset Strategy</i>

Key

*Item 4.1
**Items 4.3 - 4.5
***Item 3

Agenda Item	Minutes	Action points	Owner
1.	HOUSEKEEPING AND GOVERNANCE		
1.1	TP welcomed everyone to the meeting.		
1.2	Apologies were received from John Ludlow and Richard Haynes. It was noted that Gary Clinton and Scott Oram were no longer members of the group.	<i>Remove biographies of GC and SO from the CCG website</i>	ASW
1.3	No members declared any conflicts of interest with any items on the agenda for this meeting. It was noted that JJ had agreed to advise the company on its future behaviour change work, although the project had not yet started.		
1.4	Minutes of 19 December 2018: the minutes were agreed, and the Chair signed them.	<i>Upload signed minutes to the CCG website</i>	ASW
1.5	Matters Arising: the Committee noted that all outstanding actions were listed on the agenda. The Committee discussed the following matters arising from the 19 December 2018 meeting:		

Water Saving Programme: the CCG felt it would be helpful to have a written briefing on changes made to the programme. The CCG remained keen to provide advice and support to this programme and members had volunteered to form a sub group. The Draft terms of reference for that sub-group would be shared with the sub-group and ASW would arrange the first meeting.

Share draft Sub group ToR with members

ASW

1.6 **Chair's Report:** the Chair's report was noted.

1.7 **Members Updates:** KG highlighted that AWL is giving a presentation on its metering programme at a forthcoming CCWater regional event on water resources in the South East.

2. PR19 – CCG ROLE

2.1 **Approach to CCG additional report to Ofwat:**

the CCG **AGREED** the approach and timetable set out in TP's paper outlining a way to provide a report on actions raised by Ofwat in their Independent Assessment Plan ("IAP") of AWL's draft business plan submission within the limited time available. Members had already been consulted about AWL's approach to testing customer acceptability of its proposed bills. Comments on this, and a selection of AWL's responses to Ofwat, would be covered in a draft report which members would be asked to comment on by 22 March to enable engagement with AWL's Board before their responses and the CCG report were submitted to Ofwat on 1 April 2019.

Draft report to be sent to members by 18.03.19 for comments

TP

Comments to be sent by 22.03.19

Members

It was noted that today's session would provide an opportunity to ask the company questions on its submission.

3. rdWRMP

Marie Whaley joined the meeting

3.1 MW presented an update on the company's progress with and the status of the revised draft water resources management plan and its further consultation

Further consultation was underway adopting the following statutory 6-week process. A consultation paper had been published, 14,000 leaflets have been distributed and customer-facing staff had been trained on this area. In addition, AWL had commissioned research with a representative sample of customers using IPSOS MORI. Meetings are also taking place with external stakeholders and AWL was holding a Stakeholder Assembly on 11 April which would explore water resources issues. In parallel, the AWL team was meeting with the Canal and River Trust, Local Authorities etc

The CCG working group on the rdWRMP had pushed the company to increase the volume of contact with customers, for example by emailing customers individually about the

Speak to Information Officer to see what the hold

consultation, however, it appeared there was a data protection issue which might mean customer data could not be used for this purpose. SW agreed to approach AWL's Information Officer to expedite matters.

up is with regard to signing off the survey engine

SW

MW agreed to consider whether CCG members involved with particular networks and groups could help to get the message out to a wider area.

MW

- 3.2 The CCG challenged AWL on its timetable for agreeing a rdWRMP by the end of May, particularly whether enough time has been built in to allow **meaningful** consideration of responses from customers and stakeholder. MW confirmed that information about the responses received would be submitted to the CCG in early May to enable the sub-group to consider and evaluate the customer engagement.

Circulate a near final IAP response with tracked changes to the CCG

MW

It was noted that the bespoke PC on the environment projects was effectively 'disallowed' by Ofwat in its IAP. Members questioned how AWL intended to ensure the commitment goes ahead.

MW and DH explained that water resources and reservoir investment are currently under development in a collaborative partnership with other companies (UU, Severn Trent, Anglian, and Thames), and AWL is now looking for a staged and strategic approach for this area. TP noted that the focus groups with customers are strongly supporting the collaboration.

The CCG noted AWL's collaborative approach to the rdWRMP and will be able to state they have **reviewed and noted it in their response to Ofwat on the IAP.**

4. PR19 – BUSINESS PLAN UPDATE AND REVIEW OF RESPONSES TO OFWAT

CO joined the meeting by telephone

- 4.1 **Overview of Ofwat's Initial Assessment:** CO explained that in its IAP, Ofwat had produced a comprehensive list of actions. The company was responding by 1 April and would also be providing more justification for the proposed ODIs it had originally submitted.

The CCG were invited to submit questions to CO:

- **Is the bill proposal changing or will AWL progress the original proposal? If so, will AWL be able to update the CCG with regard to re-testing customers?** CO responded that the company was undertaking further testing with customers that Ofwat had asked for and is reviewing its proposals. It was possible the company would decide to propose a lower bill profile than submitted

Share bill change proposals for the resubmission of the Business Plan

LS

In September 2018, information regarding these proposals would be shared with the CCG;

- **How is all the work in the business plan being funded?** *items identified are part of the enhancement spend. Ofwat's view is that all companies should be able to deliver a 15% minimum reduction in leakage funded by their base costs. AWL will be pushing against this. Ofwat is asking companies to deliver more and take more risk, potentially occurring penalties at cost when we don't meet these;*
- *Can the CCG see the full response to have a clear summary of the issues AWL is being challenged on and the issues being agreed: CO confirmed there will be an executive summary that will clarify this*
- **What is happening with the environmental projects?** *Ofwat had not accepted the funding for this should be allowed in customer bills. AWL's response will highlight the research evidence showing that customers support it, so the company expects to maintain the commitment. It was agreed that AWL will share Ofwat's response to this performance commitment*

Share the Executive Summary with the CCG

LS

Share Ofwat's response to AWLs revised performance commitment regarding the environment

LS

Katy Taqvi and Amanda Reynolds joined the meeting

- 4.2 **AWL Responses to IAP Actions on Vulnerability and Affordability:** it was noted that documents showing the quantitative survey results had been circulated and the CCG forwarded questions to KT on these ahead of the meeting.

KT tabled updates to the circulated papers and explained that AWL was keen to enable the members to continue to challenge and question to ensure the members have a clear explanation.. KT highlighted the following **significant** changes were being made to the circulated documents:

- **AV3.4:** *AWL agreed with the CCG Challenge and have amended references to discussions with the CCG about recommendations on a performance commitment;*
- **AV.A4:** *AWL had noted in the revised document that the BSI assessor was content with AWLs progress in this area and have noted that we are 1 year ahead of schedule;*
- **AV.A5:** *AWL was making new proposal to exceed Ofwat's required Priority Services Register Growth ("PSR") target of 'at least 7% of [our] customer base' and have introduced a Performance Commitment on the take up of the PSR [by 2025] of 7.22% of customers*

- 4.3 **Response to Actions on Value for Money PC:** AWL intended to justify the discontinuation of the Value for Money ("VfM") Performance Commitment as we do not believe that it is an effective measure in its present form and it overlapped with the new CMEX measure.

The CCG suggested that it might be possible to continue the PC but change the way the survey is done. KT explained the current method and was happy seek advice from the CCG as to how to make this PC work. TP responded that it is a decision point for AWL as to how to take this forward. The CCG noted AWLs intention to make the current justification for ending the VFM survey more comprehensive. The CCG requested that the Company share the final draft evidence ahead of submission.

Provide the CCG with the final draft ahead of submission

KT

- 4.4 AWL Response to Actions on Vulnerability PCs:** KT explained that AWL was asked to measure separately financially and non-financial vulnerability and to set a higher target than the level originally submitted. The CCG had raised queries on the proposed method and what the current level of performance (customer satisfaction) is and KT confirmed changes have been made to the response based on this feedback in the tabled report.

Two measure have been proposed – ease of service and customer satisfaction. Volume of contact is different when we look at the two groups and just PSR groups in isolation. AWL would review at the end of the AMP as it is a new measure. The CCG suggested that it may be useful to have a diagram to explain how AWL apply the methodology to identify ‘vulnerable customers’ with an explanation as to what the numbers could be and how they are broken down.

Provide evidence of revised PC for VFM

KT

KT explained that a 90% target has been identified relating to the satisfaction rate we are aiming for, and this is made clear in the revised paper.

- 4.5 Results of Quantitative Survey on Bill Affordability:** KT tabled the material and explained that it is very similar to the previous years’ research with bar charts showing Bill levels without inflation. The CCG confirmed they are content to provide assurance that testing of the affordability of the proposed bills (September 2018) has taken place and confirm they reviewed the survey and highlighted its complexity.

5. AWL’S COMMUNICATIONS STRATEGY

- 5.1 Terms of Reference:** Draft revised Terms of Reference (ToR) had been circulated. The changes made had been to reduce references to the history of the CCG (back to PR14) and to simplify the CCG’s brief now that PR19 is substantively completed.

- 5.2** The revisions would support activity to recruit additional members to the Group in the next few months. Members were asked submit any queries or further proposed revisions for the ToR as soon as possible so that the AWL board could be asked to approve a revised ToR for the Group in April. Members asked if AWL could circulate a track change version of the document.

Comments on ToR revisions by 22 March 2019

All

Circulate track change version of the ToR document

ASW

Challenge Log: The Challenge Log was noted. There were no proposals to close any of the open items

6. AOB & CLOSING

6.1 **Date of next meeting:** 13 May 2019

6.2 **AOB:** TP noted that KC was stepping down and thanked him for his membership of the Group across two price reviews, and his advice and support. On behalf of AWL CO recorded his thanks to KC for the contribution he had made to the work of the CCG.

There was no other business and the meeting closed at 1:20 pm

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

Signature:

Taren PML

Date:

13 May 2019

Chair