

Customer Scrutiny Group

Purpose of Meeting:	Customer Scrutiny Group planned meeting Number 3	
Location:	Hub	
Date of Meeting:	3 December 2014	
Present:	Chair Robin Dahlberg	
	Jim Barker, EA Keith Cane, East Kent Housing Jill Thomas, CCWater Colin Fenn, WWF Karen Gibbs, CCWater Yolanda Rugg, HCCI John Rumble, HCC Hazel Smith, GlaxoSmithKline	
Observers		Presenters
Apologies:	John Fox, Tendring Council Damian Williams, Tendring Council	Nigel Beaven Chris Offer Naomi Kent and Lynne Tinsley Liz Allen
Advised for information	Jacky Atkinson DWI Allyson Broadhurst, Charis Grants	
Distribution:	As above and web site	
Originator:	Liz Allen	

No	Notes of Meeting	Action
1	<p>Introductions and apologies etc. The Chair welcomed Yolanda as a new member of the CSG.</p> <p>Chairs Report. The Chair commented on the two responses the CSG had provided to Ofwat on default tariffs and regulatory reporting; both provided after Ofwat had announced the CCGs had completed their tasks for the PR14 process. Ofwat has not given any indication of their future plans for CCGs (CSG). Karen Gibbs will be attending an Ofwat meeting for CCG Chairs in December on behalf of the Chair.</p> <p>Membership of CSG The Chair is seeking to refresh membership of the CSG and to strengthen local environmental representation. David Cheek, Chair, Friends of the Mimram will be joining the CSG from March 2015 and Dr Colin Fenn, representing WWF and BluePrint for Water will stepping down. The Chair wished to thank Colin for his support and detailed knowledge on water resource management which he brought to the CSG. An additional local environmental representative is being approached.</p> <p>The Chair felt that the refreshed membership will be able to comment and challenge on the key performance commitments and customer outcomes proposed in the Affinity Water Business Plan.</p> <p>The newly appointed members will be taken through an induction programme in early 2015.</p>	

	<p>Staff changes at Affinity Water were noted and assurances provided that the Affinity Water Board intend to continue to support and welcome the challenges from the CSG.</p> <p>Regulator updates Karen Gibbs, CCWater. CCWater have completed a piece of research on acceptability testing, after publication of the draft determinations, noting that the outcome could not be directly compared to the research on acceptability that each company carried out. CCWater are in the process of producing comparative summary reports of performance for all water companies which will be published in the New Year.</p> <p>Jim Barker, Environment Agency. The EA are in the process of reviewing Drought Plans with the water companies. They are working through internal management changes and state that local contacts may change. The future level of engagement with the CSG will be based on the proposed agenda and discussion with the Chair.</p> <p>Minutes The minutes from the meeting 17 September 2014 were accepted and signed.</p>	
2	<p>Asset Health Index (AHI), discussion based on paper, Tim Yearsley, Asset Delivery Manager. The CSG were taken through the rationale for the KPI and why it was a significant change from the conventional approach to monitoring and reporting asset status using serviceability. This is a new measure and will be developed at site, community and company levels over the next AMP. It is primarily designed as a management tool. Performance will be reported to Ofwat annually.</p> <p>Historically, asset performance measures were focused on ensuring and maintaining the production and distribution of high quality water. Increased investment in customer protection, over the previous AMPs, prevents any untreated water leaving the works. It is therefore appropriate to develop a measure to better reflect the health of the asset.</p> <p>The detailed measure takes account of 'readiness' and 'critical asset failure'. This approach aims to ensure that investment in operational and capital maintenance is focused on the right components and assets at the right time.</p> <p>The increased internal reporting of this AHI will support the desire to improve external reporting on performance. When applied at community level it can be used to explain different levels of investment to achieve defined levels of services in different communities.</p> <p>Progress against the development, deployment and use of this measure will be shared with the CSG in the future.</p>	
3	<p>Water Saving Programme (WSP), update Nigel Beaven, Head of Communications Revised versions of communication material were shared with the CSG. This included the 3 month advance notice leaflet that was changed in response to feedback from Customers at a workshop in October (attended by the Chair).</p> <p>In early December the first advance notice letters, about having a meter fitted, were sent to</p>	

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	<p>customers. This included the updated 3 month leaflet. The WSP team will continually review feedback from customers and can make changes as needed. The report from the event will be circulated.</p> <p>Other communication material was shared with the CSG, including the bill comparison material which is still under development. CCWater asked to be consulted.</p> <p>Contact with local groups including Councillors was well underway with more than 500 contacts made. The CSG recommended that when the programme reaches an area additional communication was directed at elected members.</p> <p>The CSG were supportive of the material and the approach being taken, including the expansion of the education programme and asked to be kept updated on activity, especially any learning to take from the current pilot water saving programme in St Albans.</p>	
4	<p>Value for Money (VFM) survey and metric development, Researchers, Blue Marble, Naomi Kent and Lynne Tinsley. Blue Marble took the CSG through the research carried out to identify the drivers which influence customer perception of Value for Money.</p> <p>The findings, from 1900 surveys, were analysed and detailed statistical models applied. The research revealed that there are no dominant drivers influencing perception of Value for Money and that a majority of customers had no problems and had no contact with the company. (Findings that were consistent with research from PR14)</p> <p>A set of 8 variables were identified; half of the factors (2 positive and 2 negative) are under direct control of Affinity Water the others reflect broader contextual matters which have a high correlation to VFM.</p> <p>Each of the variables is weighted, according to the relative contribution they make to the 'considered' value for money score. These weightings are then applied to the findings from the questionnaire and a figure can be calculated. The baseline VFM Index will be between 0-100.</p> <p>The CSG supported the methodology and challenged the use of variables that were outside of the control of Affinity Water. Blue Marble reinforced the appropriateness of using other variables by making comparisons with best practice in Market Research and referred to earlier research from Affinity Water.</p> <p>The draft baseline VFM index will be proposed to the Board in early 2015 and reporting will start from April 2015.</p>	
5	<p>Dashboard Development, Liz Allen, Stakeholder Manager The CSG were advised of the development of a reporting system that would allow for operational levels of service to be viewed alongside performance in the community.</p> <p>The aim is for the dashboard to take the assured outputs from the regulatory reporting on ODIs and show it along side summarised performance against a number of communication and community metrics.</p> <p>Alignment of assurance and decisions about external reporting will strongly influence the development and scope of the reporting.</p> <p>The CSG will be kept updated on progress for community based reporting.</p>	
6	<p>Regulatory update, Chris Offer, Head of Regulation The Final Determination from Ofwat will be published on 12 December. Affinity Water is not</p>	

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	<p>anticipating any surprises. This will not be the end of discussion with Ofwat as a few items will still require on-going dialogue.</p> <p>Market Reform Progress is being made with understanding the detailed requirements and implications of Market Reform. The retail non-household competitive market will open from 1/4/17. The Scottish competitive market design is being used as the framework, however, the difference in having multiple wholesalers (rather than one in Scotland) is requiring significant development.</p> <p>Current activity in Affinity Water is focusing on having detailed data available in the right format to ensure appropriate separation of costs and activities by 2016.</p> <p>Tariffs Following on from the discussion with the CSG at the last meeting, an outline of the proposed tariffs and summary of changes, supported by Ofwat, were shared.</p> <p>Final submission, with assurance from the Affinity Water Board would take place after the RPI was published in December. The CSG were invited to pass on any comments to CCWater who would be holding discussions with the company.</p>	
7	<p>Forward Planning An outline programme for future meetings was made available.</p> <p>The Chair and CSG expressed their thanks to Liz Allen, for supporting the CSG and helping to build a constructive relationship with the Affinity Water Management Teams, and wished her well for her future.</p>	
	<p>Next meeting. 11 March 2015 at the Hub.</p>	

Minutes of CSG 3rd December 2014

Approved by *[Signature]*

Date 11 March 2015