



CUSTOMER ENGAGEMENT FORUM

Meeting: Customer Engagement Forum
Date: 20 January 2017
Time: 10:00 – 15:00
Location: Main Boardroom, Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, PE28 6XU

Present:

- . Jeff Halliwell – Independent Chair (M)
- . Bernard Crump, CCWater (M) (By phone until item 9)
- . Gareth Dalglish, Natural England (M)
- . Gill Holmes, CCWater (M)
- . John Giles, Environment Agency (M)
- . Martin Lord, Northampton CAB (M)
- . Nathan Richardson, RSPB/Blueprint for Water (M)
- . Peter Olsen, Chair Hartlepool Panel (M)
- . Alex Plant, Anglian Water (O)
- . Carolyn Cooksey, Anglian Water (O)
- . Cat Carlon, Anglian Water (O)
- . Graham Hindley, ch2m (O)
- . Ian Rule, Anglian Water (O)
- . Jane Taylor, Anglian Water (O)
- . Jean Spencer, Anglian Water (O)
- . Peter Simpson, Anglian Water (O)
- . Amy Wilson, Anglian Water (secretary)

Apologies:

- . Craig Bennett, Chair Sustainability and Resilience Panel (M)
- . Cllr Colin Davie, Lincolnshire County Council (M)
- . Helen Briggs, Rutland County Council (M)
- . Richard Tunncliffe, CBI (M)

Guests:

- . Andrew Snelson, Anglian Water
- . Andy Brown, Anglian Water
- . Ben Hayman, Given
- . Ciaran Nelson, Anglian Water
- . Darren Rice, Anglian Water

Item		Action
2	<p>Welcome and minutes of the last meeting</p> <ul style="list-style-type: none"> a. Jeff noted apologies and welcomed Nathan Richardson as a new member of the CEF. b. Jeff informed members that Helen Briggs, CEO of Rutland County Council, was pleased to join the CEF but was unable to attend this meeting. Jeff informed members that a council executive perspective would be valuable to the CEF c. Nathan introduced himself to the CEF. He has spent 30 years in the water sector across a range of research, industry and consultancy roles – addressing problems and challenges. Previously chair and secretary of CIWEM, currently working at RSPB and involved with Blueprint for Water partnership. d. Jean Spencer noted that from April 2017 she would be moving to a new role as Director of Resilience, with a strategic focus on growth and long-term resilience. She will be stepping down as a CEF member. e. Alex Plant will be taking Jean’s role as Regulation Director. Darren Rice will be moving to Alex’s role of Head of Regulatory Market Reform Policy and Strategy, and will be attending future CEF meetings. f. The minutes of the last meeting were agreed as an accurate reflection. g. Jeff noted that updated version of Terms of Reference were now online. h. Jeff asked Jean for an update on the National Resilience work. Jean noted there had been lots of engagement since the report was published. The EA Board had welcomed the report and it had been presented to the CBI, and it will go to the National Infrastructure Commission. Defra are currently considering their National Policy Statement, and Ofwat will have to act in accordance with this. It is expected there will be a heavy emphasis on resilience. Jean is presenting at the Ofwat board at the end of February. i. Gareth Dalglish asked if there was an update on item 7h from the minutes of the last meeting, regarding 	<p>Amy publish online and send to Ofwat.</p>

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	<p>performance reporting. Peter Simpson noted that work was ongoing to look at how customers can find more detailed information. Alex Plant added that the online performance dashboard was also live, with links to company performance pages. There was an action to continue to look at this to provide more detailed information.</p> <p>j. Jeff asked Jean for an update on PR16. Jean noted that the company recognised the tone of the original submission could have been better, but the determination is unchanged and the matter is now closed. Peter Simpson noted there were no additional costs to customers with this determination, however the industry as a whole had an issue with companies absorbing an overall cost.</p> <p>k. Ian Rule noted that with the upcoming non-domestic market opening, work was ongoing on who customers should contact if there was a serious problem. Alex Plant added it was also important to maintain conversations with business customers around issues such as increasing demand and resilience.</p>	<p>Alex to update at next meeting</p>
3	<p>Meeting venue</p> <p>a. Jeff informed members that future meetings will not all be held in Peterborough; they could be held in Huntingdon or moved around the area.</p> <p>b. Peter Simpson suggested some meetings could be held at AW sites and combined with site visits.</p>	<p>Peter/Jean to suggest meeting venues</p>
Section A: The national and regional picture		
4	<p>Roundtable updates</p> <p>a. Jeff Halliwell informed the group that he had attended a number of meetings of CCG chairs and Ofwat. Jeff was pleased to note Ofwat seem very engaged.</p> <p>b. Jeff informed members that for future meetings, he would circulate a Chair’s Report prior to the meeting with details of meetings and events attended</p> <p>c. Gareth Dalglish informed members that Natural England’s new strategy, Conservation 21, was available at https://www.gov.uk/government/publications/conservation-</p>	

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	<p>21-natural-englands-conservation-strategy-for-the-21st-century The strategy sets out how Natural England will operate in the future and its involvement in PR19.</p> <p>d. Martin Lord noted that volumes of customers had increased and processes were running more efficiently. The CAB had more robust information on additional income secured for applicants - £506k since October. The data prior to October is currently being gathered – looks to be in the region of £3million. The potential for referring customers to other schemes, such as energy saving, is currently being explored. There is a proposal to work regionally with other organisations to fast-track referrals.</p> <p>e. Bernard Crump noted it would be helpful to see data on final figures for benefit income once this was available. Bernard also questioned whether a map could be produced to show Lite tariff customers. Jane will provide this to Bernard in their next update meeting.</p> <p>f. John Giles noted draft technical guidance is being released from the EA, setting out new ways of working and details of new teams. Will come out over the next few months. The EA is also looking at water resources and sustainable catchment guidance, annual performance figures and company meetings. A sustainable business report is due for release in July. The CEF noted it would be helpful to go through the environmental performance assessment.</p> <p>g. Gill Holmes informed the group she had been looking at water quality communications. She has been attending the monthly Customer Engagement Steering Group meetings and has been impressed with the breadth and depth of the customer engagement strategy. She had attended the recent vulnerable customer workshop (part of the 'customer world' focus group sessions) and found it humbling to listen to the issues they raised. The results of the CCW debt assessment for AW are currently being discussed.</p> <p>h. Nathan Richardson noted there was an event in May – bringing Ofwat, government and companies together to discuss PR19. There will be wider engagement after this event, with another event later in May. The new Water Bill is due soon and will include abstraction reform. The</p>	<p>Martin Lord and Jane Taylor to produce map</p> <p>Amy add EPA presentation to May agenda</p>

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	<p>command statement may feature in the Queen’s speech in April.</p> <p>i. Alex Plant commented that a draft of the command statement should be available in the next few weeks. Anglian Water have worked closely with Defra to push for reforms. Jeff questioned whether this would require any customer engagement. Alex responded that it wouldn’t at this stage, however the underlying principles would affect customers and engagement may be required in future.</p> <p>j. Bernard Crump noted that conversations are continuing on HH and NHH competition. CCW are waiting to hear from the government on this. Currently CCW are preparing their response to the Ofwat consultation on ODIs. Jeff Halliwell attended the most recent public meeting of the CCW board. Bernard noted that the public meeting next scheduled for the AW area is February 2018 and suggested the meeting should be held in the Shop Window area as an opportunity for stakeholders to see innovation on the ground.</p>	<p>Amy to add to forward plan</p>
5	<p>Ofwat consultation – outcomes framework</p> <p>a. Alex summarised the proposals in the consultation document and noted AW agreed with the general direction of travel – which is consistent with that seen previously. The AW response is still being finalised.</p> <p>b. Issues raised about comparing ‘apples and apples’ across companies and the choices of 10 core measures – questions over whether these are misleading or use the right metrics. Not clear how measures can allow for different starting points and the nature of the area.</p> <p>c. More use of in-period payments is proposed and AW is cautious about this – it is felt a longer-term look at performance is required for multiple reasons.</p> <p>d. The response is due at the end of the month, and dialogue will continue to refine the measures.</p> <p>e. Jeff asked if the AW submission can be shared</p>	<p>Alex to share final</p>

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	<p>f. Bernard noted that CCW are responding, and the response timescales are tight considering the topic is long and complex. CCW are ambivalent on the in-period issue as there is some concern that rewards could add up to a significant amount to go onto customer bills at the end of the period.</p> <p>g. CCW would like to see more prominence on a measure of customer trust or something similar – incentive for companies to act in a way which builds confidence.</p> <p>h. Gareth Dalglish welcomed the inclusion of environmental measures and the suggestion that comparative information on biodiversity or natural capital could be included. John Giles noted this was an opportunity to iron out flaws in the current system and the EA response would be shared with the CEF</p> <p>i. Peter Simpson noted that consideration should be given to what behaviours the performance measures drive. Measures that AW customers think are important could be different to the comparative measures. There are also issues where upper quartile levels could be set in years where the weather is good and then they are not reachable again, and risks of different companies being used to set upper quartiles for different measures, but one company would not be able to be top across all of them. It is important to get the balance right, without prescribing too much.</p> <p>j. Bernard noted the importance of checking unintended consequences as customers would be penalized if this occurs.</p> <p>k. The CEF felt this matter needed further consideration</p> <p>l. Jeff informed the group that CCGs generally did not feel it was within their remit to submit their own responses. CEF members agreed.</p>	<p>AW response</p> <p>Bernard, John, Gareth and Nathan to share their responses with the CEF</p> <p>Amy to add item to agenda for March meeting</p>
Section B: Anglian Water approach for PR19		
6	<p>Sustainability and Resilience Panel</p> <p>a. In Craig’s absence, Amy provided a brief update. Minutes of the panel meeting held last November were circulated with CEF meeting papers. The next meeting is planned for early March, before the next CEF meeting.</p>	

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	<ul style="list-style-type: none"> b. There was a brief discussion around how the work of the panels is recognised by the CEF. Members considered that any items that the panels wished the CEF to consider should be clearly identified in the minutes, but also felt the 'softer' work of the panels was more likely to be recognised by Ofwat during this business plan period. c. Alex Plant noted that Anglian Water and the Cef can facilitate the flow of information, but it needs to be two-way and requires input and expertise from external partners – it should not be AW-led. 	<p>Jeff to feed back to Craig</p>
7	<p>Hartlepool panel</p> <ul style="list-style-type: none"> a. Peter Olsen noted the last panel meeting had been held last summer. There have been emails updates, and good communication by email during a recent burst in the town. b. The panel has 12 people from local businesses, councils, wildlife trusts, CCW and local government c. Now that the customer engagement strategy has been finalised, work will be done to assess which activities in Hartlepool can align with the overall plan. 	
8	Coffee break	
9	<p>Customer engagement strategy</p> <ul style="list-style-type: none"> a. Carolyn Cooksey provided some background on the development of the customer engagement strategy b. It was recognised when starting work to develop the strategy that the company needed to demonstrate a step-change in its approach but was not starting from a blank sheet – the PR14 work provided a solid foundation c. Need more two-way conversations and to make better use of day to day contacts. d. Given London had been appointed by Anglian Water to co-create the customer engagement strategy in June 2016. The final strategy was presented to the Board in December 2016 and it is now being delivered. e. Important to note that it will deliver PR19 but support 	

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	<p>longer-term aims of the business.</p> <ul style="list-style-type: none"> f. Strong focus on how the strategy effectively reaches customers in vulnerable circumstances g. There is a need for appropriate triangulation of data from multiple channels and sources to develop a 'rich picture' of customer insight, as well as a level of customer insight that is proportionate to the level of investment. h. Ben Hayman from Given London gave a presentation to CEF members to summarise the research done to develop the strategy and an overview of the activities, along with a strategy booklet i. Gareth Dalglish noted that as the activities reach a broader audience later in the plan, it will be important to maintain a focus on vulnerable customers. Consideration should also be given to how to reach people who are non-English speakers or have English as a second language. j. Bernard noted that the direction of travel for the customer engagement work was positive – the elements of the plan are good, but there is a risk it could be tricky to extract specifics for Ofwat. However, group agreed it was right direction not to have too much focus on WTP and it was what a good business should be doing. k. Jeff noted that the CEF will need more detail on some aspects of the plan at certain points – not yet clear when and what, but will be done as the submission is developed and how customer engagement will feed into it. l. Nathan commented that the plan looks like a 'start-finish' approach – need an indication of longer-term activity m. Peter Simpson noted it was important to identify insight we are getting now that can inform business action – we don't need to wait for a regulatory cycle 	
10	<p>CEF Meeting programme and members</p> <ul style="list-style-type: none"> a. Amy Wilson tabled copies of a forward plan that will be used to plan CEF activities for the rest of the AMP. b. The calendar will have detail added as more information 	Amy to add

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	<p>becomes available from Ofwat. The Shop Window event/CEF meeting will be added for February 2018.</p> <p>c. The CEF welcomed the plan and noted it was useful to have a forward view</p>	to plan
11	<p>CEF updates</p> <p>a. Amy Wilson noted that on the CEF timetable, the meetings were not at regular intervals due to the nature of the CEF remit and the regulatory programme. Therefore the members were asked for their thoughts on an online system to share information and ideas between meetings.</p> <p>b. The CEF welcomed this idea and felt something that offered more than just a file share would be helpful. Jeff requested that this was progressed and the CEF should be updated at the next meeting.</p>	Amy to update at the next meeting
12	Lunch	
Section C: Current performance/matters		
13	<p>Company Monitoring Framework</p> <p>a. Jean Spencer gave a brief presentation (for information) on the Company Monitoring Framework and explained the areas where Ofwat had expressed minor concerns – some of which related to issues with system changes in 2003</p> <p>b. Graham Hindley noted that he was unsure what further action the company could have taken to avoid Ofwat’s concerns, but should continue to strive to work in an open and transparent way</p> <p>c. Andrew Snelson informed members that Ofwat currently do not say that AW exceed expectation, but this is the position the company would like to be in. Work will be undertaken to improve the way performance is communicated and published – the aim is to have ‘dynamic and vibrant’ communications</p>	
14	<p>Strategic dashboard and company performance</p> <p>14.1 Discover Water Website – Alex Plant</p> <p>a. Alex Plant gave members a demonstration of the</p>	

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	<p>Discover Water website. Alex had been on the water UK Steering Group to develop the site. He commented the site is not perfect but is a good start – still some concerns over ensuring figures are truly comparable while being set in the right context for customers to understand the factors influencing differences in performance. Will be updated annually.</p> <p>b. Site gives generic sector information then option to drill down into performance for individual companies – with links to the companies’ performance pages</p> <p>c. Jeff questioned whether CCW had looked at consumer attitudes to this work – Gill Holmes said she would check this</p> <p>d. Martin Lord asked if there would be usage statistics available, and what success would look like. It was a helpful conversation starter with customers – could there be a link on the CAB website?</p> <p>e. Gill Holmes asked how much consideration so far had been given to ensuring truly comparative figures were available. Alex responded that a lot had been done in short time, but there was more work to do to decide which measures to use. Jean added that some further work will require investment – for example, some companies do not have the telemetry systems to measure interruptions in the same way as AW</p> <p>14.2 Communicating AW performance – Ciaran Nelson</p> <p>a. Ciaran Nelson gave a demonstration to the CEF of the sorts of keywords customers might search (either through a search engine or on the AW site) to find out about company performance</p> <p>b. Nathan Richardson noted that it would be good to have a summary infographic, showing high-level areas performing well/less well – Ciaran noted this was in progress</p> <p>c. AW has 14,000 followers on Facebook, with an engagement rate of 10% against a 2% average</p> <p>d. Media team is focusing on producing soundless, short videos that have subtitles, linked to sources of further</p>	<p>Gill to check with CCW</p> <p>Alex to check with Water UK</p>

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	<p>information. These are easily viewed and shared on social media. The videos are filmed on phones and edited in house.</p> <p>e. Lateral endorsement through social media; ease of linking to partner pages and sites</p> <p>f. There is a piece of work currently being undertaken to look at all AW digital services, however this is a large piece of work, so in the interim a performance portal will be produced in time for the 2017 ARA.</p> <p>14.3 December company performance – Andrew Snelson</p> <p>a. Andrew provided an overview of performance figures for the top ten ODIs to the end of December 2016</p> <p>b. In particular it focussed on the impact of a higher number of burst mains, which is impacting water contacts and leakage, and its plans to achieve continued improvements in its SIM score.</p> <p>c. Water quality contacts are currently above target, more proactive communications will be undertaken</p> <p>d. Peter Simpson noted the programme of inspecting and repairing tanks was now having an impact – coliforms measure is back to showing an improvement. Peter also noted a step-change in pollutions performance, with a large reduction in incidents</p> <p>e. The CEF were provided with a current view of likely financial rewards and penalties for the year-end, which comprised rewards of £1.9m for leakage (approximately £1 per customer) and £2.4m for pollution incidents.</p> <p>f. The CEF were reminded that whereas rewards and penalties for other ODIs would be reflected in bills from 2020, rewards for 2016-17 leakage performance could be recovered within the AMP period and added to bills in 2018-19.</p> <p>g. The company also reminded the CEF that the in-period ODI was the mechanism agreed at PR14 whereby the company would recover some of the substantial investment it had to make to achieve its ambitious leakage targets. The CEF noted the difficulties of</p>	

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	<p>explaining to customers why it costs money to reduce waste.</p> <p>h. The company and CEF noted the importance of working with others, in particular on measures such as bathing water quality, where multiple organisations can have an impact on outcomes</p> <p>i. Graham Hindley noted that in-year audits will be conducted over the next 4-5 weeks – will focus on areas where ODI performance is lower than expected, or where an audit has not been carried out for more than three years. Will focus on processes and data collection.</p>	
15	<p>ODI Matters</p> <p>15.1 Community perception – Ofwat feedback</p> <p>a. The CEF considered the feedback from Ofwat on the proposal to use a single question from the survey of community perception as the measure of performance under this ODI.</p> <p>b. The company set out its view that the proposal had the benefit of simplicity. Furthermore it served the purpose well because it left the respondent to interpret what (s)he understands by caring for the community rather than suggesting the company’s interpretation, and it was easy to understand when performance for the measure was reported back to customers.</p> <p>c. The CEF supported the use of this single question as the ODI measure. They acknowledged the range of customers’ responses provided by the survey and suggested that the company could provide further detail about customers’ views when publishing the results.</p> <p>15.2 Environmental compliance (wastewater) ODI</p> <p>a. The company explained to the CEF the nature of and reason for the change to the ODI.</p> <p>b. The CEF acknowledged that the change represented an improvement for customers, in that the company would pay a greater penalty for each scheme that was not delivered than would have been the case had the final determination been drafted in full knowledge of the final</p>	<p>Andrew to respond to Ofwat</p>

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	<p>National Environment Programme.</p> <p>c. The CEF supported the company’s proposal not to seek a reduction in the penalty rate. Furthermore it considered that engagement with the wider stakeholder base on this matter would not be necessary given the scale and nature of the change. The CEF did not consider engaging with customers on this matter would be in their interest.</p>	
16	<p>AOB</p> <p>a. There were no items of AOB</p>	