



# CUSTOMER ENGAGEMENT FORUM

**Meeting:** Customer Engagement Forum  
**Date:** 5 October 2017  
**Time:** 10.30 – 15.30  
**Location:** Lancaster House, Ermine Business Park, Huntingdon, PE29 6XU

- Present:**
- . Jeff Halliwell – Independent Chair (M)
  - . Bernard Crump, CCWater (M)
  - . John Giles, Environment Agency (M)
  - . Gill Holmes, CCWater (M)
  - . Nathan Richardson, RSPB/Blueprint for Water (M)
  - . Peter Simpson, Anglian Water (O)
  - . Carolyn Cooksey, Anglian Water (O)
  - . Kevin Ensell, Anglian Water (O)
  - . Graham Hindley, ch2m (O)
  - . Natalie Jones, Anglian Water (O)
  - . Alex Plant, Anglian Water (O)
  - . Darren Rice, Anglian Water (O)
  - . Ian Rule, Anglian Water (O)
  - . Andrew Snelson, Anglian Water (O)
  - . Jane Taylor, Anglian Water (O)
  - . Vicky Anning, CEF Report Author (O)

- Apologies:**
- . Craig Bennett, Chair, Sustainability & Resilience Panel (M)
  - . Helen Briggs, Rutland County Council (M)
  - . Cllr Colin Davie, Lincolnshire County Council (M)
  - . Peter Olsen, Chair, Hartlepool Panel (M)
  - . Martin Lord, Northampton CAB, Chair, Vulnerability & Affordability Panel (M)
  - . Richard Tunnicliffe, CBI (M)
  - . John Torlesse (M)

| Item |  | Action           |
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| 1    | <p><b>Minutes</b></p> <p>The minutes of the meeting held on 31 July were approved. Vicky to check with Peter Olsen re outstanding action from last meeting and to liaise with Natalie Jones (newly appointed Anglian PR19 engagement coordinator) re updating CEF web pages.</p> | <p><b>VA</b></p> |

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| 2   | <p><b>Chair's Report: Jeff Halliwell</b></p> <ul style="list-style-type: none"> <li>a. Jeff reported that the CEF would be moving into a more proactive phase of scrutinising and critiquing the company's Customer Engagement programme, starting with a CEF-only session that afternoon. He reported that Vicky Anning would act as an independent CEF board secretary going forward.</li> <li>b. He reported that CCG chairs have now received an Aide Memoire from Ofwat (circulated to CEF members) that clarifies expectations for CCGs. This would be discussed in more detail at the CEF-only session.</li> <li>c. Jeff had attended a recent Ofwat event on <a href="#">Resilience in the Round</a> and circulated the report to CEF members.</li> <li>d. Jeff also highlighted the current political environment – from Labour Party policy on renationalisation to articles in the <a href="#">Financial Times</a> and <a href="#">Daily Mail</a> about watchdog roles.</li> </ul>   |        |
| <b>Section A: The national and regional picture</b> |   |        |
| 3   | <p><b>Roundtable updates</b></p> <ul style="list-style-type: none"> <li>a. Bernard reported he had circulated CCWater's response to Ofwat's draft methodology to the CEF. CCWater is concerned that the proposals around direct procurement could be confusing for customers and could make it hard for customers to engage (particularly if appointed providers are delivering contentious projects).</li> </ul> <p>CCWater have published a report on <a href="#">complaints</a>, in which Anglian came out well. Another CCWater report is due to come out in November on waste water services.</p> <p>There is a CCW regional committee meeting on 9 Nov focusing on drinking water quality. CCWater wants to understand what companies are doing about their position on the DWI risk index (Bernard flagged that the new measure puts Anglian in highest risk group). He stressed the importance of CEF members understanding this issue.</p> <ul style="list-style-type: none"> <li>b. Nathan reported that Blueprint for Water had also responded to Ofwat's draft methodology (circulated to CEF members). He had attended a catchment management</li> </ul> |        |

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| <p>meeting with water companies that also included representatives from Ofwat, Defra and DWI so they could see firsthand best practice and some of the challenges in terms of polluting activities. He also reported that Wildlife and Country Link had published a report on future farming, including a substantial section on water:<br/> <a href="https://www.wcl.org.uk/sustainable-farming-and-land-management.asp">https://www.wcl.org.uk/sustainable-farming-and-land-management.asp</a></p> <p>c. John reported that the Environment Agency had also responded to Ofwat's draft methodology and this had been circulated to CEF members. He said it was good to see a focus on resilience. Challenging targets for leakage were welcomed and performance commitments should be stretching for those companies facing the greatest challenges (high levels of leakage in water stressed areas). The EA expect to see common performance commitments for pollution incidents mirror the metrics used in the Environmental Performance Assessment (EPA). Higher rewards for very high levels of performance are supported but this should not compromise the delivery of regulatory obligations.</p> <p>John also reported that the joint EA/NE Water Industry Strategic Environmental Requirements (WISER) document was due out imminently and would be circulated.</p> <p>The second iteration of the Water Industry National Environment Programme (WINEP2) was released to companies on 29 September. For AWS, this contained in excess of 2000 lines and a large amount of uncertainty. The EA will now work with companies to refine the information ahead of final release of WINEP3 in March 2018.</p> <p>d. Graham reported that there had been three submissions since the yearbook (performance information for Anglian):</p> <ol style="list-style-type: none"> <li>1) Cost assessments using comparative information across water companies</li> <li>2) UKWIR has produced three standard methodologies and ch2M is running a trial to report against these. Anglian complies fully with new requirements, except: <ol style="list-style-type: none"> <li>i. Sewage (action plan is in place)</li> <li>ii. Leakage, which is very complex and AW has an action plan in place (Alex reported a 1% increase over previous methodology)</li> <li>iii. Bioresources submission before new price</li> </ol> </li> </ol> | <p><b>JG to share with VA/CEF</b></p> |

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|   | <p>period comes in. Graham reported it was very challenging to gather that information and Ofwat's requirements are ambiguous in places – but overall they were able to confirm compliance and assure that Anglian had met requirements.</p> <p>On point 2ii, Bernard said this needs to be scrutinised and it's a pity this has come so late. He said Ofwat expects a 15% improvement in leakage, which is a big jump.</p> <p>Darren R replied that Ofwat is still consulting on this issue and it remains to be seen how it will pan out.</p> <p>e. Gill had been to two Customer Engagement Steering Group meetings since the last CEF. She had also attended a Customer Focus group run by ICS, which was very well run and interesting. She had attended a local water quality meeting, which took attendees through the DWI report as it affects the Anglian region.</p>  |                        |
| <b>Section B: Anglian Water approach for PR19</b> |   |                        |
| <b>4</b>  | <p><b>Sustainability and Resilience Panel updates</b></p> <p>Craig dialled in to give his report on the work of the S&amp;R Panel. He reported on a September field visit to Northrepps in Norfolk where Anglian has created a wetland site to polish water from a small water treatment plant. This has been a real success and has created natural capital and a biodiversity asset that's cost much less money than hard engineering solutions.</p> <p>On 17 Oct, members of the S&amp;R panel will be attending an Anglian event on Natural Capital. The panel will then meet without Anglian to finalise input on AW's SDS.</p> <p>The panel will meet again in January to pull together wider views on sustainability and will submit these views end of Jan/early Feb for eventual inclusion in the wider CEF report.</p> <p>Alex mentioned that Northrepps might be a good model to look at in future in terms of community benefit of natural capital projects like these.</p> | <b>CC to follow up</b> |
| <b>5</b>  | <b>Vulnerability and Affordability Panel update</b>   |                        |

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|          | <p>Jeff gave an update in Martin's absence on the V&amp;A Panel. Martin had been assembling members, including Groundwork, two local authorities, local Citizens Advice, Alzheimers UK, Age UK, Carers Trust, Mind, CCWater and voluntary sector organisations. Meeting dates have been proposed for 23, 26 or 31 October.</p> <p>Martin has had discussions with Sam Ross from Anglian, who will be supporting the group.</p> <p>Jo Giles from Cadent will be presenting at first panel meeting about utility sector approach to Priority Services Registration.</p> <p>Martin had also met with Macmillan to discuss support for those affected by cancer, including LITE tariff, assistance scheme etc.</p>   | <p><b>GH to check meeting dates with Martin</b></p> |
| <b>6</b> | <p><b>Ofwat methodology: Industry response</b></p> <ul style="list-style-type: none"> <li>a. Darren updated the group on the industry's response to Ofwat's draft methodology. There was quite a lot of consensus from industry (with around 60 responses). Anglian has shared their response with CEF members. Ofwat will publish final draft on 13 December.</li> <li>b. In general, the emphasis on resilience was well received but there were question marks over the methodology itself reinforcing whether companies can make a step change in resilience. Questions and challenges included balances between risk and reward (and timings of penalties) and evidence of Ofwat assessing totality of proposals.</li> <li>c. In terms of direct procurement, Darren suggested the case hasn't been made whether this is beneficial for customers.</li> <li>d. There was a discussion about ODIs. Darren said Ofwat was looking at simplifying and reducing the number of ODIs and reported there was some discussion about whether environmental ODIs were strong enough.</li> </ul> <p>Bernard expressed concerns that linking all ODIs with penalties and rewards as a default could lead to too much volatility – the longer term outlook needed to be taken into account. Bernard had also expressed the view to Ofwat that data on willingness to pay should draw on triangulated rather than raw data.</p> |   |
| <b>7</b> | <b>Strategic Direction Statement update</b>  |   |

| Item     |   | Action                               |
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|          | <p>Alex gave an update on the SDS, reporting that the deadline for responses had been extended until after the Natural Capital event on 17 October. Customers had been consulted through a number of different routes about the SDS – including through acceptability research, emails, face to face etc. One recurring theme was that customers expect AW to doing business digitally; Alex suggested that the digital transformation ambition may be revised accordingly to make clear digital technology is an enabler rather than long-term goal.</p> <p>Alex will take proposals to the board in November with the aim of publication by end November as a framework for the new five-year business plan.</p> <p>Bernard commented that customers should nevertheless be aware that digital issues are important.</p>  |                                      |
| <b>8</b> | <p><b>Customer Engagement Strategy update</b></p> <p>a. Carolyn updated the group on the progress on implementing Anglian’s customer engagement plan. The initial plan ran from August 2016 to August 2017 and most planned activities have been carried out (except digital dashboard and customer board, which will go forward into next plan). Anglian is now assessing what’s needed going forward and will develop a Gantt chart through to June next year. Given London have been taken on for the customer engagement work. Strategy workshops were due to take place over the next week and a report will be circulated to CEF members by the end of October. A small customer focus group will look at engagement around the business plan. Carolyn reported that the next phase of the customer engagement plan will inform Anglian’s business plan.</p> <p>b. Carolyn reported that using platforms such as the online community allows customer engagement to be an on-going conversation. A two-year contract has now been signed for the online community after a successful trial with 300 members (now extended to 500 people).</p> <p>c. A synthesis of customer engagement issues has been commissioned (and shared with CEF members). This will be continually updated and shared with Anglian portfolio</p> | <p><b>CC to circulate report</b></p> |

| Item |   | Action   |
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|      | <p>holders.</p> <p>d. Carolyn also reported on Anglian’s Community Ambassador programme, which will see 50 Anglian staff go out into the community to deliver talks on issues such as catchment management, climate change, surface water removal etc. Anglian will source a range of different groups and demographics through 130 local contacts. Customers will be given the chance to vote using iPads. (Trials have been successful and presentations have been tweaked according to feedback).</p> <p>e. Carolyn also reported back on Anglian’s H2OMG public event on water supply resilience at the Forum in Norwich over the summer, which surpassed all targets –attracting 33,000 visitors and 347,000 social media interactions. There were some surprises in customer priorities, which showed leakage as the top priority and effluent re-use as the second choice, with transfer at the bottom of the priority list. Carolyn suggested this was possibly due to distance from potential sources.</p> <p>f. Ofwat has invited Anglian to talk about customer engagement plans in Jan/Feb 2018 – date TBC.</p> <p><b>Questions:</b></p> <p>Gill asked if CEF could see a list of topics discussed by online community. She acknowledged the synthesis was helpful but suggested it would be helpful to know what was coming up.</p> <p>Bernard was pleased to see lots of engagement activities and the synthesis report as a way of trying to make triangulation happen. However, he pointed out that most companies struggled to engage customers around trade-offs and asked where in the plan that would happen (willingness to pay vs prioritising areas for investment). Carolyn reported Anglian is planning research around ODIs and performance commitments in January. Bernard cautioned on using outputs for valuation to calibrate ODIs.</p> <p>Jeff expressed concern about time available between publication of final Ofwat methodology and WRMP and Anglian draft business plan in terms of consulting with customers.</p> | <p><b>CC to confirm date of Ofwat meeting</b></p> <p><b>CC to follow up</b></p> <p><b>DR to consider</b></p> |

| Item   | Action                                    |
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| <p>It was suggested that the next CE Steering Group meeting on 10 Nov could be extended to include additional CEF members for the first hour and a report could be produced by CESG members Gill and Bernard as part of CEF scrutiny.</p> <p>Graham responded that Anglian customer engagement was excellent and significant compared to work being done by other companies.</p>   | <p><b>VA to take notes at meeting</b></p> |
| <p><b>9 RCV allocation</b></p> <p>Alex reported that this issue had been covered in Graham's board report.</p>   |   |
| <p><b>Section C: Current performance/matters</b></p>   |   |
| <p><b>10 Company Performance</b></p> <p>a. Peter Simpson reported on Anglian views on the compliance risk index and events risk index. Peter illustrated Anglian's concern due to the company's experience with small levels of metaldehyde in surface waters. This adversely impacts Anglian's comparative performance under the new measures in a region with heavy use of pesticides containing metaldehyde, although there is little health risk or environmental risk associated with these low levels. The engineering solutions to remove small levels of metaldehyde would be extremely costly (both financially and environmentally). A meeting was planned with Michael Gove and ministers to discuss options.</p> <p>b. Andrew provided an update on performance. SIM was looking very good at present, with Anglian scoring 4.65/5 (top among water companies). Anglian scored less highly on water recycling (due to flooding incidents this quarter) and leakage (target 182 vs actual 186 megalitres/day).</p> <p>c. Andrew reported that a report on cost modeling had just been published to inform the business plan, and would be circulated to CEF members.</p> <p><a href="http://www.anglianwater.co.uk/about-us/thinking-about-our-future/">http://www.anglianwater.co.uk/about-us/thinking-about-our-future/</a></p> | <p><b>AS to circulate report</b></p>      |
| <p><b>11 AOB</b></p> <p>a. None</p>  |   |



| <b>Item</b>  | <b>Action</b> |
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| Next CEF meetings: <ul style="list-style-type: none"><li>- Friday, 8 December 2017</li><li>- Tuesday, 16 January 2018</li><li>- Tuesday, 6 March 2018</li><li>- Tuesday, 5 June 2018</li><li>- Tuesday, 31 July 2018</li><li>- Tuesday, 13 November 2018</li></ul> |               |