



CUSTOMER ENGAGEMENT FORUM

Meeting: Customer Engagement Forum
Date: 20 January 2016
Time: 10.30 – 15.00
Location: Thorpe Wood House, Peterborough

Present:

- . Bernard Crump - Chair (M)
- . Jeff Halliwell – Incoming Chair (M)
- . Adam Lines, Environment Agency (M)
- . Cllr. Colin Davie, Lincolnshire County Council (M)
- . Craig Bennett, Chair Environment & Climate Change Panel (M)
- . Gareth Dalglish, Natural England (M)
- . Gill Holmes, CCWater (M)
- . Martin Lord, CAB (M)
- . Peter Olsen, chair Hartlepool Panel (M)
- . Richard Tunnicliffe, CBI (M)
- . Steve Grebby, CCWater (M)
- . Jeremy Hawkins, Halcrow (O)
- . Graham Hindley, Halcrow (O)
- . Peter Simpson (O)
- . Jean Spencer, Anglian Water (O)
- . Alex Plant, Anglian Water (O)
- . Martyn Oakley, Anglian Water (O)
- . Chris Hayton, Anglian Water (O)
- . Neil Manning (guest)
- . Amy Wilson, Anglian Water (secretary role)

Apologies:

- . Stephen Meek (M)
- . Kevin Ensell (O)
- . Clive Harward (O)

Item		Action
2	<p>Welcome and minutes of the last meeting</p> <p>a. The minutes of the last meeting were agreed and accepted.</p>	
3	<p>Introduction of new CEF Chair</p> <p>a. Bernard introduced Jeff Halliwell as the new Chairman of the CEF.</p> <p>b. Jeff has a broad background in exec and non-exec roles including managing director positions at Foxes Biscuits, First Milk and Bernard Matthews. He is a board member at the Food Standards Agency and Chairs the Transport Focus independent transport user watchdog. Jeff informed the CEF that he will bring his experience from a consumer-challenge perspective to this role.</p>	
4	<p>Updates from partners</p> <p>a. <u>CC Water</u>: new regional and national chairs. Yve Buckland has completed her 4-year term; new national chair is Alan Lovell. Some CC Water regional offices have now closed, new improved system to handle complaints. Board meetings now held in various locations around the country; one in Peterborough in May. The public can attend meetings and CC Water has seen positive reaction to this in Wales in terms of building awareness of the support that people can receive.</p> <p>b. <u>EA</u>: main focus of activity over recent months has been response to unprecedented weather. River basin management plans are now in second cycle, publication expected soon. National environment programme in final phase.</p> <p>c. <u>Natural England</u>: Working on river basin management plans. Improvement plans for sites of international importance. As a result of public spending reductions, the organisation may need to charge for non-statutory services in future - may impact CEF – update at next meeting.</p> <p>d. <u>Lincolnshire County Council</u>: Involved in water resource planning with Greater Lincs LEP. AW has been involved. Aims to develop partnership approach to strategic planning.</p>	

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<ul style="list-style-type: none"> e. <u>Craig Bennett</u>: Involved in work with University of Cambridge to look at impact of flooding on habitats. f. <u>CBI</u>: New Director-General since November. Currently focused on potential impact of EU referendum. g. <u>CAB</u>: Looking at future funding; significant shift in sources of funding over recent years – 80% from LAs 5 years ago, now 23%. Focus on energy advice and moving to home energy visits. New delivery model of providing advice in GP surgeries. h. <u>Hartlepool</u>: Looking to have one meeting of the panel this year and more when further into the AMP. i. <u>Halcrow</u>: Graham Hindley taking over assurance for AMP 6. Currently auditing highest-risk ODIs. Phase 2 will involve more detailed reviews where required. Assurance function can also cover activity of CEF. 	
<p>5</p>	<p>Water 2020 update</p> <ul style="list-style-type: none"> a. Alex Plant talked through the latest updates on Ofwat’s Water 2020 programme, including upstream regulatory reform, non-household retail services, abstraction reform. Ofwat consultation document released in December, response deadline 10 February. b. Peter Simpson and Jean Spencer noted there has been positive engagement with Ofwat and good discussion around industry reform. Issues have been recognised with the previous approach and working groups have been created for key areas. So far the areas of opening are as expected and input from companies is reflected in Ofwat proposals. Not seen resistance from water industry to look at market opening. c. The group agreed a shift from RPI to CPI as a future approach to indexation was a big change and the transitional approach must be fair to investors and customers. d. The market for non-household retail is opening in 2017, key markets opening around new water resources and sludge.

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	<ul style="list-style-type: none"> e. The CEF agreed that competition would be beneficial where there are benefits for customers, and also important to consider the long-term view, with a particular focus on resilience. f. Adam Lines noted the EA are working to ensure that environmental obligations are still achieved and longer-term issues around resilience are covered in the reforms. 	
6	<p>Household competition</p> <ul style="list-style-type: none"> a. Alex Plant updated the group on the government decision to review opening of the household market. It was noted there are very short timescales for the review and for companies to provide balanced evidence to demonstrate potential impacts/outcomes b. The CEF agreed with AW concerns that the surprise announcement and the timing of the review (alongside NHH retail market opening) make it very difficult for companies to properly understand the implications in terms of implementation and impact on customers. Peter Simpson commented that although AW agreed that household market opening should be considered, he had publicly expressed his concern over the timing of the review, which leaves companies unable to deal with reforms through a sequence of progressive steps and lessons learned c. Bernard informed members that CC Water had consulted customers on opening the household retail market; a small majority was interested but substantial minority wanted to avoid it. Results will be available in May and will require further research for better confidence levels. Peter Simpson noted this research could be crucial in the debate around reform. d. Water is different to the energy market - customers cannot be disconnected and a large proportion of customers are not metered – could result in an outcome which is not better for customers and particular negative impacts on vulnerable households. Peter Olsen noted that the demographics of the Hartlepool area may mean there are limited opportunities for market opening to demonstrate any benefit for customers. e. Peter Simpson highlighted the importance for 	

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	<p>organisations other than water companies to share their concerns over the review if appropriate</p> <p>f. Craig Bennett noted that more detail/evidence was required instead of an assumption that market opening could offer a better deal for customers. He noted reforms could have a significant impact on longer-term investment and broader partnership activities.</p> <p>g. Martin Lord noted that messages to customers around switching could divert customer attention from water efficiency measures.</p> <p>h. CEF members noted it was unclear what level of impact on customer bills may mean they are interested in switching supplier, however it has been found that quality of service (rather than price) tends to have bigger impact on customer desire to switch.</p> <p>i. Cllr Davey commented that there is a case to be made at central government level to develop a better understanding of the impact on the ground relating to market reform, citing issues with reforms within electricity industry.</p>	
7	<p>Social tariff</p> <p>a. Neil Manning attended the meeting to present an update on this item – covering consultation that has been carried out prior to introducing the 'Lite' tariff, information on how the company has identified customers that could be eligible for the tariff and sign-up rates.</p> <p>b. CC Water is working with companies to provide guidance on demonstrating an 'acceptable' level of support for social tariff in the absence of specific guidance. The group discussed future sustainability of the scheme. Martin Lord noted that now there is an evidence base, this can be used to get better insight into how the scheme is working.</p> <p>c. Gill Holmes noted that AW had done well in identifying customers to go on to the tariff and there was a clear need for the scheme</p>	

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8	<p>Performance so far in 2015/16</p> <ul style="list-style-type: none"> a. Jean Spencer updated the group on household retail, water recycling and water ODIs. b. Current SIM position is 2nd, hoping to end the year in the top 3. Withdrawal of the SoLow tariff is causing an increase in complaints; the company has responded by extending the withdrawal period. c. Generally strong performance within water recycling. Significant over-performance for pollutions – this is actual outturn for the calendar year. Peter Simpson informed the group that this is due to AW adopting new national guidelines from the EA on reporting, but working with the EA to understand the reduction in incidents. d. It was noted that performance currently looks strong for supply interruptions, however so far the weather has been favourable for performance and a single incident can significantly influence the outturn, therefore cautious with the forecast. e. Performance appears poor for coliforms, however this has not impacted customers and performance is within the average for the industry. Some changes to how this is measured have meant comparisons are not like-for-like on last year, but improvement plans in place to reach AW's challenging target. f. Expect leakage figures to be around predicted target. Have recently adopted new methods of identifying leaks and have an integrated system with new telemetry. Amount of water going into supply has decreased in recent years despite pressures of a growing population. 	<p>Requested to bring out Hartlepool in performance figures.</p> <p>Further information on pollution and leakage for next agenda and also a session for next stakeholder group</p>
9	<p>Assurance and reporting</p> <ul style="list-style-type: none"> a. Jean Spencer updated the group on the development of the new assurance framework. The framework was tabled at the CEF meeting. b. Significant amount of work undertaken to assess risks and controls for all ODIs. Jeremy and Graham from Halcrow noted that this was the most comprehensive assessment of risks and controls they were aware of in the industry. 	<p>Feedback from CEF members welcomed on document</p>

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	<ul style="list-style-type: none"> c. Jean Spencer provided an update on how we have worked with customers to ask them what information they would like about AW and how they would like to receive it d. The CEF viewed a draft performance dashboard that will be used for internal and external audiences. Members felt it was a good infographic and useful to engage customers via social media/digital routes. e. Craig Bennett noted that although the performance report was useful, it would be good to also see the longer-term picture. f. Peter Simpson noted that AW are currently looking at ways of using the Annual Reporting process to engage customers on company performance and build a continual dialogue. This will help to develop a conversation with customers on the longer-term picture. 	
10	<p>Water Resources East Anglia Project Update</p> <ul style="list-style-type: none"> a. Jean Spencer presented information on the WREA project to the group, including the governance, background, issues arising b. WREA is an evolution of previous initiatives – including work done through the Cambridge Institute for Sustainability Leadership. c. Gareth Dalglish asked what the outcomes will look like for the project; Jean explained the project is at early stages and aims to build genuine collaborative approach to water resources management in the longer term. Leadership Group will be helping to shape the scope of the project over coming months. d. Gareth noted that it would be good to see habitats of international importance as a headline area of work for WREA; significant reliance on ground water for some of these. e. The CEF discussed how the forum should link with the project – suggested that when the economic panel is re-activated this should link in. The environment panel should be in the wider consultative group. 	<p>Terms of reference for WREA to be circulated</p>

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12	<p>National Resilience Project Update</p> <ul style="list-style-type: none"> a. Jean Spencer updated the group on the work of the Ofwat Resilience Task and Finish Group and the Water Resources Long Term Planning Framework b. Task and Finish group set up by Ofwat to advise on how it should interpret new resilience duty. Produced definition of resilience; ToR available on website c. T&F group concluded Ofwat needed broader view of resilience and step-change approach to building resilience through partnerships. Final report included 10 recommendations. d. Long-term planning framework: looking at world-class approach to water resource planning, at least 50 years ahead. Goes beyond using historical data to predict future weather patterns and produce portfolio of options for future scenarios. Will report summer 2016. e. The CEF will be kept updated on progress 	<p>Amy Wilson to send link to report to CEF</p> <p>Update item on next agenda</p>
13	<p>UKWIR Customer Engagement Report</p> <ul style="list-style-type: none"> a. Amy Wilson summarised key points from recent UKWIR review of customer engagement in PR14 and relevant points from latest Ofwat Water 2020 consultation document that link to the research b. Noted that some important feedback from companies around timing of Ofwat interventions and remit of Customer Client Groups has been picked up in latest Water 2020 consultation document c. The CEF considered three questions in the Ofwat consultation which relate specifically to customer engagement. Members felt the CEF should submit a response to Ofwat as significant improvements could be made in terms of the relationship between Ofwat and CCGs that existed in PR14. Deadline for consultation is 10 February. 	<p>Bernard to draft a response and circulate to CEF members</p>

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14	Approach to customer engagement in PR19 a. Amy Wilson informed the group that AW will be developing an engagement strategy for PR19, with a focus on building a 'rich picture' of customer insight using multiple consultation and engagement methods to understand preferences and priorities among various customer groups and localities b. CEF members discussed reviving the AW internal steering group on customer engagement with a representative from the CEF to attend.	Plan of engagement activity to be discussed at June meeting

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