



CUSTOMER ENGAGEMENT FORUM

Meeting: Customer Engagement Forum
Date: 31 March 2017
Time: 10:30 – 16:00
Location: Kingsgate Conference Centre, Staplee Way, Peterborough, PE1 5YT

- Present:**
- . Jeff Halliwell – Independent Chair (M)
 - . Bernard Crump, CCWater (M)
 - . Gill Holmes, CCWater (M)
 - . Helen Briggs, Rutland County Council (M)
 - . John Giles, Environment Agency (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)
 - . Ciaran Nelson (O)
 - . Darren Rice (O)
 - . Graham Hindley, ch2m (O)
 - . Ian Rule, Anglian Water (O)
 - . Jean Spencer, Anglian Water (O)
 - . Peter Simpson, Anglian Water (O)
 - . Amy Wilson, Anglian Water (secretary)

- Apologies:**
- . Craig Bennett, Chair, Sustainability & Resilience Panel (M)
 - . Cllr Colin Davie, Lincolnshire County Council (M)
 - . Gareth DalGLISH, Natural England (M)
 - . Martin Lord, Northampton CAB (M)
 - . Richard Tunnicliffe, CBI (M)

Item		Action
2	<p>Welcome and minutes of the last meeting</p> <p>a. Jeff noted apologies and welcomed Helen Briggs to her first CEF meeting.</p>	

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	<ul style="list-style-type: none"> b. Jean Spencer noted that from April 2017 she would be moving to a new role as Director of Strategic Growth and Resilience. She will not continue as a CEF member. Alex Plant will move into the role of Regulation Director and Darren Rice will join the CEF as Head of Regulatory Policy and Strategy. c. Minutes of the previous meeting were agreed with minor amends from John Giles and Nathan Richardson. d. Nathan Richardson suggested an item on the May agenda for him to present the summary of Blueprint for Water’s PR19 document. 	
Section A: The national and regional picture		
3	<p>Roundtable updates</p> <ul style="list-style-type: none"> a. Bernard gave a regional CCW update. Richard Powell, involved in CEF at PR14, has new role as LCA for Essex and Suffolk. Graham Dale has taken his place and Bernard will be introducing him to Anglian Water. Also there will soon be a new LCA for Cambridge and South Staffs. Derick Hall, Director of Policy, is retiring. An announcement on his successor will be made soon. Bernard noted CCW have recently been busy with many consultation responses and the end of the financial year. Historically, funds could be carried forward to following year but now not the case. The license fee is increasing for the first time in 15 years. Bernard recently attended the Ofwat customer engagement event and questioned how the wider/richer customer engagement activity will be evaluated – response was that Ofwat agreed it required consideration. b. Graham Hindley noted that he and colleagues were currently collating performance information. Will be reported in mid-May. In-year audits are being carried out for ODIs with largest financial impacts – looking at processes and methodologies. Also planning year-end data audits. Papers will go to the Board in May and Graham will update the CEF on findings at the next meeting. c. Peter Olsen noted that a date would be set for a Hartlepool panel meeting in the summer (looking at mid- 	<p>Graham update at next meeting</p>

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<p>June) as well as a date in November. Peter is also looking at options for a local business group to be represented on the panel. Peter is also looking at options to effectively engage panel members between meetings without placing undue burden on individuals.</p> <p>d. Chair's Report:</p> <ul style="list-style-type: none"> - Jeff noted that the report from the CEF will soon need to be drafted. With this in mind, Jeff has explored some options for independent report writers that could write the CEF report and invited Vicky Anning to undertake the task. Vicky will be attending future CEF meetings. - Jeff observed the 'Customer World' workshop at Peterborough for customers who did not have English as their first language. He noted the interesting perspectives of the group – including their sense of local community and concerns over wider political issues. - Jeff attended the AW resilience co-creation workshop in Ipswich and the CEF S&R panel earlier in the week - Ofwat event on customer engagement – Jeff felt this was a good event and showed genuine engagement from Ofwat. Lots of interesting perspectives from outside the sector. <p>e. John Giles noted that at PR14, Defra released a statement of obligations. This will not be released for PR19, instead will be launched in May from the EA and NE. Will be a list of statutory obligations. An iconic water site will be chosen as a launch venue. The first iteration of the NEP has been released, mainly focused on water resources.</p> <p>f. Gill Holmes has attended two CESG meetings since the last CEF and a presentation on the customer segmentation work, as well as a customer workshop in Norwich. She noted interesting insights from the customer group – they had busy lives which were a barrier to engagement but had some good ideas at for how we can get their views.</p> <p>g. Nathan Richardson noted that Blueprint for Water had put forward suggestions for resilience metrics to Ofwat. He noted that it was unlikely there would be a new Water Bill for at least 2-3 years and was unsure what it meant if</p>	<p>John to circulate NEP</p>

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	<p>this was now not happening. Alex Plant responded that AW were trying to have a conversation with Defra on the subject.</p> <p>h. Helen Briggs noted that it would be useful for her to consider how she could represent the wider views of Local Authorities on the CEF. She will discuss this with Jeff.</p>	
4	<p>Defra Strategic Priorities Statement Consultation</p> <p>a. Alex circulated a note to CEF members with a brief update on this item. In summary, AW are pleased that the statement emphasises important issues for longer-term resilience and makes clear reference to the national study</p> <p>b. CEF members discussed whether it was appropriate to submit a CEF response. They concluded a response from the CEF was not appropriate but that responses would be sent from many member organisations. Areas of concern included the uncertainty of impacts on those in vulnerable circumstances and the legislation around tariffs. There were likely to also be cumulative impacts of a number of factors which raised living costs for customers.</p> <p>c. Jeff noted a NAO report on vulnerable customers had very recently been released. Alex commented that the report referenced housing – AW has spoken to the LGA regarding resource efficiency in new housing – this could be an area for future discussion.</p> <p>d. Peter Simpson noted the 2012 drought showed we needed a fundamental re-think on the resilience issue and it was very important that if organisations supported the statement, they responded to the consultation to demonstrate this.</p> <p>Additional item: opening of HH market</p> <p>a. With market opening imminent, Alex provided an update on market opening. Anglian Water has partnered with Northumberland Water to form a new retailer of water and water recycling services called Wave – which is subject to regulatory clearance.</p>	<p>Alex to share company response with CEF</p> <p>Helen to explore responses from LAs and concerns over increasing HH bills</p>

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	<ul style="list-style-type: none"> b. Ian Rule noted that AWB were entering the retail market after many months of work in response to a fundamental change in the industry. As a wholesaler, AW now has retailers as a new group of customers and systems/processes in the Wholesale Service Centre have been developed to reflect this. c. It will be critical to maintain contact with end users – for example incase of any emergencies or for broader customer engagement activity to support the business planning process. d. Peter Simpson noted it was a fantastic achievement for the industry and the formation of MOSL demonstrated companies not acting in a monopolistic way e. There was discussion around the CEF’s role, and CCW’s role in the new market. Bernard noted it was important to have default tariffs and there should be engagement around this. There are also risks around handling serious incidents (where it is critical that communication reaches the end user) or where companies fail. Graham noted that AW had made a key change in its incident management team, with a new role for retailer liaison. 	
5	<p>Direct Procurement</p> <ul style="list-style-type: none"> a. Ofwat would like companies to use direct procurement for large, discrete projects with totex costs over £100m. b. AW worked with Thames Tideway and Severn Trent to commission an independent report into the approach, which suggested contracts for these projects could be large and burdensome. c. Over the lifetime of a project, £100m is not an overly large amount – one of the recommendations of the report is to review this and consider using capex costs or financing requirements instead d. Discussions will continue as more work is required 	
6	<p>Ofwat priorities for PR19</p> <ul style="list-style-type: none"> a. Ofwat has recently released a video outlining their priorities for PR19 	

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<p>b. These are in line with previous Ofwat statements</p> <p>c. AW are increasingly using video as a customer communication tool and will be using a variety of media channels as the customer engagement programme develops</p> <p>Additional item: Strategic Direction Statement Consultation</p> <p>a. This document was first produced in 2007 and is now being updated and refreshed to reflect the long-term forward look for the company. It will provide a framework for PR19 business planning.</p> <p>b. Peter Simpson noted that the original SDS had talked about issues such as population growth and climate change, before these issues came to the fore. It also covers aging assets and affordability.</p> <p>c. It also covers some long-term aspirations for the company, such as carbon neutrality and digital transformation</p> <p>d. The board has approved the draft for consultation. Responses will be considered in July and any changes incorporated by September.</p> <p>e. The CEF noted that a July workshop would be useful to consider consultation responses and the reflection of customer priorities in the final version.</p>	<p>Amy set date for July workshop</p>
Section B: Anglian Water approach for PR19	
<p>7</p>	<p>Sustainability and Resilience Panel</p> <p>a. In Craig’s absence, Jeff updated the group on the progress of the S&R panel.</p> <p>b. Earlier in the week, panel members had visited the innovation centre at Newmarket in the Shop Window area.</p> <p>c. Peter Simpson explained the Shop Window was an area where many different innovative approaches, processes and equipment was being trialled in one place to develop</p>

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	<p>the 'water company of the future'. Many of the approaches and technologies will be implemented elsewhere in the area over time as their success is evaluated.</p>	
8	<p>Hartlepool panel</p> <p>a. Peter Olsen provided relevant updates under item 3</p>	
9	<p>Customer engagement strategy update</p> <p>a. Carolyn provided updates on some elements of the customer engagement programme. Slides were circulated to members.</p> <p>b. Segmentation work is ongoing – segments have been identified and work to look at each segment in more detail is progressing.</p> <p>c. Customer world focus groups have now been completed and the final report is imminent. A key recommendation is the way to engage with customers on climate change. Helen Briggs noted that the agricultural sector can provide powerful evidence on the impacts of changing weather patterns and the words 'climate change' do not need to be used when engaging with customers on this issue.</p> <p>d. The nature of 'vulnerability' and what puts customers in vulnerable circumstances is being explored. AW is likely to end up with a larger proportion of customers in this category than previously, and would need to take care with how to describe these groups. Helen questioned whether the work was reaching customers that were in very rural locations.</p> <p>e. Linked to the vulnerability work, the next CEF stakeholder forum will be held in May and will focus on two key issues that have arisen during the initial phases of the customer engagement programme. It will explore the results of the vulnerability work and get wider stakeholder feedback on the results, as well as discuss ways to build better links between customers and the environment, for mutual benefit. The stakeholder forum will be a half day event, with a CEF meeting following lunch.</p>	<p>Carolyn check locations of customers and circulate note</p>

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	<p>f. The community ambassador scheme has been approved and is progressing. It is anticipated they will be appointed and trained by June.</p> <p>g. The SDS consultation is focused on four key questions. It will be sent directly to stakeholders. There will also be quantitative acceptability research, which is currently being developed. CEF members noted it should be sent to S&R panel members.</p> <p>h. Online community is progressing well. This is a trial but will seek to move it into BAU. The first topic of discussion is the SDS – Alex Plant has presented a short video on the platform to introduce this to customers. The community offers a quick and easy route to check or verify customer views.</p> <p>i. A micro-site is being developed to share information on all elements of the customer engagement programme. Details will be circulated for comment when appropriate.</p> <p>j. There was discussion around how all the work can be synthesised into a plan that reflects the diversity of views and support.</p>	<p>Carolyn send to panel members</p>
9a	<p>CEF Assurance</p> <p>a. Darren Rice asked the CEF for their views on whether Halcrow should continue to provide assurance for the CEF or whether they would like to reappoint an assurance company.</p> <p>b. Graham noted that Halcrow would like to continue working with the CEF and had sufficient resource to do this. The CEF noted no issues and agreed to continue with Halcrow.</p> <p>c. Bernard noted that he felt this made sense and he had been involved in the procurement. He noted that at PR14, part of the CEF meeting had been held without AW colleagues and Halcrow raised issues where required.</p>	
10	<p>CEF Stakeholder Forum</p> <p>a. The subject was covered under item 9e</p> <p>b. Venue will be confirmed shortly – likely to be</p>	

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	Peterborough area to be convenient for stakeholders across the region.	
Section C: Current performance/matters		
11	<p>Company Performance</p> <ul style="list-style-type: none"> a. Alex Plant updated the CEF on performance exceptions. b. There had been a high number of bursts in the north and east of the region – contributing to higher interruptions figure and higher numbers of contacts for turbidity/quality. AW is investigating reasons for bursts but noted the end of the summer was very dry and is likely to have been an influence. c. Gill noted that at the last meeting, more proactive contact with customers around cloudy water had been discussed. Ian responded that the company had started to see an improvement, but then seen high numbers of bursts so contacts had increased. Still hoping to see a net improvement. d. Bernard questioned how to get views on the value of improvements – should customers who have been affected be approached? Carolyn noted that an upcoming customer workshop would be held with customers who were affected by a major outage in Lincolnshire. e. Ian summarised the recent event – a mains burst underneath a river near Horncastle left around 1200 customers off water for around 4 days. The company undertook a large and complicated operation to restore supplies and improve resilience by installing a dual main. Extensive tankering and distribution of bottled supplies helped to ensure customers had water. 	
12	<p>Company performance reporting</p> <ul style="list-style-type: none"> a. Alex noted that the company was developing a more user-friendly site with information on company performance. Ciaran noted that as this is developed, versions of the site will come to the CEF for feedback. b. There was some discussion around the Water UK site. Bernard noted that even if hits on the site were not high, it was useful that the site existed, but CCW are still concerned about how to get meaningful comparisons. 	

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	<p>c. A report is due shortly from UKWIR on the development of 5 or 6 common measures</p>	
13	<p>Community perception survey</p> <p>a. The CEF discussed a report with details of the community perception survey annual results.</p> <p>b. Year 2 has shown a significant reduction in the proportion of customers that believe Anglian Water cares for the communities it serves – although Hartlepool shows a significant increase.</p> <p>c. A meeting is planned for mid-April to discuss the results, look at comparisons across years 1 and 2 and discuss changes to the questionnaire for year 3.</p> <p>d. Jeff noted that Ofwat had previously questioned the methodology for measuring the ODI and asked if Ofwat had responded to the reasoning AW had provided.</p> <p>e. Bernard noted that CCW track trust in AW in terms of affordability, fairness and value for money and conversely, these had all shown an upward trend over the past year.</p> <p>f. There was some conversation about the measure being linked to a sense of identity with a local area. Water companies that serve a geographic area which customers identify strongly with often do better in these types of measures.</p>	<p>Andrew Snelson to update CEF</p>
14	<p>AOB</p> <p>a. Nathan questioned whether there had been any progress on a water company customer experience measure. Bernard responded that there wasn't any decision yet but might hear more in June. There is a lack of clarity on a measure that would be suitable.</p>	
15	<p>Customer workshop</p> <p>a. CEF members were briefed on a customer workshop that was going on in an adjoining room.</p> <p>b. Members joined the workshop to observe the customer</p>	

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	presentations of ideas to engage them on some of the 'big picture' issues to gain first hand experience of the workshops and final outputs from customers.	