

Minutes of Meeting

Customer Forum Meeting 26th May 2016

Room G2/3, Livingstone House, Chadwick Street, Leeds, LS10 1LJ

Attendees:

Andrea Cook
Joanne Volpe
Janine Shackleton
Melissa Lockwood
Dave Merrett
Wendy Kimpton
Nicole Buckingham

Chair
Age UK
Consumer Council for Water
Environment Agency (EA)
Independent Member
Yorkshire Water (Acting Head of Regulation)
Yorkshire Water (Regulatory Project Manager)

Apologies:

Adrian McDonald
Alistair Maltby
Ruth Reaney
Adrian Kennedy
Gill Gibbons
Nici Pickering

Independent Member
The Rivers Trust
Natural England
Yorkshire Water (Director of Regulation)
Secretary
Citizens Advice Bureau (CAB)

Para No

1) Welcome

- a) The Chair welcomed Forum members to the meeting.
- b) The location for future meetings was raised and it was agreed that members were happy to continue to use Livingstone House and this would be reviewed in December.
- c) The Chair provided an update of Forum membership. Discussions are ongoing with Pennine Trust and potential business customer representation. It was agreed that Adrian McDonald, an independent member, should remain on the Forum membership and circulation although he was currently unable to attend meetings.
- d) Apologies were received from the Head of Regulation, an Independent Member, a representative of the Rivers Trust, a representative of Natural England, a representative of the Citizens Advice Bureau and the Secretary.

2) Review and Agree Minutes/Actions of the Last Meeting

- a) The minutes/actions from the meetings held on 17th March and 7th May were reviewed.
- b) A minor amendment was requested to the numbering on page 5 of the 7th March minutes.
- c) 17th March: the company had provided press cuttings of the floods – discussion took place re social media and the impact this can have. CCWater updated the meeting on its meeting with Director of Service Delivery to review customer complaints following the floods; cause of complaints were largely in relation to volumes and timing (as expected). CCWater confirmed there were no concerns and that things had been dealt with appropriately following the flooding.

ACTION 1: Company to follow up on providing Executive Summary/Lessons Learned Report following the Christmas floods

d) There were no comments or amendments requested to the minutes from 7th May.

Actions Review

- a) **17/03/2016 - Actions 1,5,7, 11, 13, 14, 15:** complete
- b) **17/03/2016 - Action 2:** The Chair is to write to Pennine Prospects
- c) **17/03/2016 - Action 3:** Chair to follow up on suggestions
- d) **17/03/2016 - Action 4:** Company to request details of CBI contact.
- e) **17/03/2016 - Actions 6, 8, 9, 12:** ongoing
- f) **7/04/2016 - Action 1:** ongoing - Company to arrange once new forum members are recruited
- g) **7/04/2016 - Actions 2, 9 and 10:** completed; **Actions 4, 5 and 8** will be completed as part of agenda items at 26th May meeting
- h) **07/04/2016 - Action 3:** company to update members following initial customer research and agree most appropriate response
- i) **07/04/2016 - Amendment to Action 6:** replace Company with CC Water. Circulate Ofwat's framework proposals for this
- j) **07/04/2016 - Action 7:** Chair to discuss directly with Director of Regulation

3) CC Water Business Group Meeting Update

- a) CCWater provided an update and paper on the latest Business Group Meeting held in May. These meetings are held twice a year, in May and September, to provide information on changes, hear concerns and discuss best practice with representatives of business customers.
- b) The key discussion point at the last meeting in May was water market forum. Concerns focused on data quality, retailer information (accounts, meter locations, billing) and visibility of retailer controls.
- c) CCWater are involved in real-world scenario testing and also working with Ofwat and account managers to ensure there is clarity on who is doing what and to avoid conflicting messaging.
- d) It was confirmed that Ofwat are considering introducing further protection for companies considered as 'micro' companies (ie less than 10 employees), such as longer cooling off periods. Members agreed this needed to be looked at as part of the wider vulnerability strategy work. Other areas discussed included the Data Integrity meeting with Ofgem on 23rd June, liaison with Scottish Water and Data Integrity, Code of Practice and system testing and role of the Market Operations Services Limited (MOSL).
- e) CCWater informed members they would be meeting with all companies including the company on 30 June to discuss their tariffs and charges schemes. This is the last year where there will be the opportunity for companies to rebalance their charges/tariffs and CCWater want to understand the impacts of any changes companies are planning to make to ensure these remain fair and reasonable, there is an appropriate transition offering, companies are funding such things themselves and to check any impacts on revenue.
- f) The impact on future price reviews by the changes to pricing/tariff models was highlighted. The company confirmed it is currently looking at how to support the Forum with understanding the changes and the increasing complexity of this area ahead of PR19.
- g) CCWater made members aware that the CCWater Consumer Issues Workshop and Northern Region Meeting will be held in September in Bradford.

ACTION 2: CCWater to add Forum members to the invite for the September workshop

4) Regulatory Performance Overview

- a) The company provided an overview of performance against the performance commitments for year end 2015-16 which will be part of the Annual Performance Report sent to Ofwat and published on the company website on 15 July 2015. EA asked if this information could be made available prior to submission for the next Tripartite meeting.

ACTION 3: Company to check and confirm information to be made available to the EA prior to submission for the next Tripartite meeting

5) Performance Commitment reviews (by exception)

- a) The company presented the 'Working with Others' performance commitment review. This confirmed that the company had exceeded its performance commitment for 2015-16 of delivering three solutions, by delivering four solutions, and there would be a small reward gained for this of c£500. Members discussed how the Forum could best engage with/identify potential opportunities for the company in working with others.

ACTION 4: Company to discuss with the Delivery Assurance Group how best to engage with the customer forum on identifying solutions that Forum members could support and share with their networks

ACTION 5: Company to feedback the results of the high carbon emissions study being undertaken by HW Wallingford once completed

- b) The company presented on the Energy Generation performance commitment. This has out-turned below the agreed performance level of 12% at 11.3%, largely due to the impact of the Christmas Floods on the company's assets - most notably Esholt. It was noted that work to resolve the flooding damage was being undertaken and Esholt was expected to be back in operation during June 2016, however, recovering sufficiently to meet the 2016-17 commitment of 12% would be challenging. The company has future works and investment planned at Dewsbury and Knostrop, which should further improve performance against this commitment.
- c) The company provided a review of the company's pollution performance which, for Category 3 incidents, has outperformed the commitment and will earn a reward of c£5.4million. It was noted that while the definition of the performance commitment has put the company in reward for 2015-16, overall pollution performance has deteriorated in comparison to the previous year. The EA commented that there was ongoing discussion with the company on improving performance, however, how the company communicates this to customers will be a key concern to ensure clarity and transparency. The EA noted they are currently working to influence Ofwat on the plans for PR19 in terms of assessing performance and comparability across companies. Investment plans and future performance challenges were discussed, in particular the challenge to meet zero serious pollution events by the end of the year.

ACTION 6: Company to present project zero plan for pollution to the Forum as a future agenda item

ACTION 7: Chair to discuss at future Forum/CCG Chairs meeting the conflicting messages caused by some performance commitments/definitions and the expectations of Regulators

- d) The company provided an overview of performance against the Water Quality Compliance performance commitment. This is based on mean zonal compliance, where the quality of water is measured at customers' taps and is based on DWI parameters. The performance commitment out-turned at 99.954%, which was slightly below the 99.960 agreed performance level, although this was a slight improvement on last year's comparative performance.
- e) The iron and nickel failures at customer taps/fittings had the biggest impact on the failure of this measure, but metaldehyde is also a key risk area. There is a DEFRA consultation due on metaldehyde, following the EU referendum, which could signpost some key impacts for this area. There are a number of initiatives ongoing to improve performance following this year and ahead of 100% compliance required from 2017-18.
- f) The company presented the regulatory reporting requirements, products & processes.

ACTION 8: Company to circulate the brief for the proposed Customer Performance Report to Forum Members

ACTION 9: Company to share the final performance numbers following completion of audits and sign off

ACTION 10: Company and Chair to discuss publication of a statement to support publication of the Annual Performance Report on 15 July 2016

5) Customer and NHH Retail Opener Engagement Update

- a) The company presented an update on the Non Household Price Re-opener. Ofwat have now confirmed the expectations for responses. This will focus on minor adjustments within the non-household price control to the bill, however, Ofwat have requested uniform bands of tariffs which will impact on the company charging one tariff. There will be minimal impact to customers.
- b) The customer engagement plan for the reopener was presented. This will use both qualitative and quantitative research. Telephone interviews with a sample of 15 S/M/L business customers would be used initially to understand general views and introduce concepts. This would be followed up by 200 online interviews.

ACTION 11: Company to circulate guide and stimulus materials

- c) The Chair raised concerns around the timescale in which Forum members were being engaged/receiving information for this engagement work and potentially other pieces of research going forward. As a result, members were reacting to information rather than being involved in the planning and development stage. The company noted these concerns and flagged Ofwat timescales had impacted on this piece of work but noted that this should be taken into account for PR19 and future engagement work.
- d) Forum members questioned the appropriateness and benefit of undertaking the NHH engagement with customers in terms of what opportunities customers would have to challenge and shape the submission plans, or was this more around providing information if things weren't really changing. An appropriate level of support on bills and charging was confirmed through the PR14 process. The company advised that Ofwat's guidance requires a letter from the Customer Forum supporting the customer research approach taken.

ACTION 12: Company to test engagement approach through initial interviews and then review and discuss with Customer Forum to agree the most appropriate approach and confirm letter from Customer Forum

ACTION 13: Company to circulate Customer Engagement presentation slides

Para
No

- e) The company updated the Forum on Ofwat's customer engagement expectations for PR19.
- f) It was confirmed that Willingness to Pay (WtP) will remain a key driver for PR19, although the focus around customer preference research may change. There has been some discussion in the industry around looking at different/more innovative approaches to WtP, however, Ofwat have recently made it clear that they expect companies to have a more traditional 'Plan B' research case to submit if there wasn't sufficient confidence in the new approach.
- g) The company presented their plans for the PR19 customer engagement approach linking to the current campaign. The initial current high level timetable was also presented and the timescales for enabling the Forum to be part of the development were discussed.

ACTION 14: Company to look into organising a Customer Engagement focused day for Forum members to confirm details of current engagement approach and plans for PR19

6) AOB

ACTION 15: Company to circulate Water 2020 Briefing Note

ACTION 16: Chair to discuss the publication of Customer Forum minutes and papers on the company website with the secretary

ACTION 17: Forum Secretary to circulate minutes to members

7) Date of Next Meeting

- a) Thursday, 15th September 2016
Venue: Rooms G1, Livingstone House, Chadwick Street, Leeds, LS10 1LJ

The meeting closed at 15:00

Summary of Actions : 12th February 2015

No	Action	Comment
4	Forum members to put forward any suggestions for new members direct to the Forum Secretary asap	Carry forward
7	Chair to formally 'stand-down' any members unable to remain on the Forum	Carry forward

Summary of Actions : 11th June 2015

No	Action	Comment
7	Meeting Venues: Forum to review meeting venues from June 2016 onwards	Carry forward

Summary of Actions : 17th September 2015

No	Action	Comment
23	<p>Social Tariff & Customer Support Update: Company / Forum Secretary to organise a Forum group site visit to its Contact Centre in Bradford</p> <p>Post Meeting Update: Availability of the Managing Director is generally Thursdays/Fridays.</p>	Date to be confirmed

Summary of Actions : 17th December 2015

No	Action	Comment
2	Other Updates: Company to forward The Rivers Trust contact details to the Local Council & Drainage Board, so they can be included within the ongoing relationship to benefit Hull	Forum Secretary forwarded on 19/05/16 COMPLETE
5	Ongoing Engagement: Company to present results of digital segmentation research to Customer Forum at a future meeting	Discussed as part of Engagement Update on 26/05/16 COMPLETE
6	Ongoing Engagement: Company to hold individual telecon with Forum members in regard to any challenges the Forum think may present going forward	Discussed as part of Engagement Update on 26/05/16 COMPLETE
8	Look Forward: Company to update the Forum on the Water 2020 response at the next meeting	COMPLETE
10	Look Forward: Company to brief the Forum on any outcomes/impacts to customers on the PR19 Timetable, at the next meeting	Engagement Update on 26/05/16 COMPLETE

Summary of Actions : 17th March 2016

No	Action	Comment
1	Welcome: Chair and CAB to liaise in regard to identifying a replacement representative	COMPLETE
2	Welcome: Chair and company to discuss representation from Pennine Prospects	Ongoing – Chair has contacted, awaiting response
3	Welcome: An Independent Member to provide the Chair with the East Riding Councillor's details to approach as a potential Forum member	
4	Welcome: Chair to contact CBI to enquire about a replacement representative	Company to check
5	Minutes of Last Meeting: Forum Secretary to amend Minutes and remove Age UK as attending the meeting	COMPLETE
6	Performance Update – Christmas Flooding: Company to provide copy of any executive summary in relation to the internal incident review of the Christmas floods 2015	
7	Performance Update - Hull: Company to provide a summary of press cuttings (positive and negative) in relation to both the issues at Hull and the Christmas flooding event	COMPLETE
8	Performance Commitments Update – Drinking Water Quality: Company to investigate whether the industry liaises with Trading Standards in regards to cheaper branded taps and the issues these cause with nickel leaching into the water	
9	Penalties & Rewards Update: Chair to raise whether a Forum statement should sit in parallel to the Annual Report with Ofwat and other CCG Chairs	
10	Penalties & Rewards Update: Company to present options on the presentation of a Forum statement to sit alongside the Annual Report at the meeting convened for 7 th April	COMPLETE raised as part of 26/05/16 meeting
11	Company Monitoring Framework: Company to incorporate a glossary of terms into the 'Draft Assurance Plan: A Consultation' document	COMPLETE
12	Vulnerability: Chair to forward copies of Wessex Water literature on Vulnerability to Forum members and the company	
13	Date of Next Meeting: Forum Secretary to cancel the scheduled meeting on 12 th May from diaries	COMPLETE
14	Minutes of Meeting: Forum Secretary to distribute interim list of actions prior to the detailed minutes being circulated	COMPLETE: circulated 05/04/16
15	Minutes of Meeting: Forum Secretary to draft and circulate minutes to members	COMPLETE: Circulated 05/05/16

Summary of Actions : 7th April 2016

No	Action	Comment
1	Welcome: Chair and company to arrange a formal induction for new Forum members	ONGOING – To be arranged once new members convened
2	Price Re-opener Overview / Update: Company to respond to Forum to show what percentage of a NHH bill is currently the retail element	COMPLETE
3	Price Re-opener Overview / Update: Chair to draft a response for the company to submit with its own response to Ofwat’s draft statement on method and data table	The company to update and discuss with Chair following initial customer research results
4	Price Re-opener Overview / Update: Company to present its customer engagement plans at the next Forum meeting, scheduled for 26 th May 2016	COMPLETE
5	Price Re-opener Overview / Update: Company to share with the Forum any concerns/risks it feels could impact on it due to the opening of the market	COMPLETE
6	Price Re-opener Overview / Update: Company CC Water to propose a consistent complaints strategy for all companies for the Non-Household going forward	Company to circulate Ofwats framework.
7	Look Forward: Chair and Director of Regulation to liaise with regard to membership from the Small Business Federation and others to fill current vacancies	Ongoing
8	Look Forward: CCWater to present an update on its regular Business Customers Group meetings at the next meeting, scheduled for 26 th May 2016	COMPLETE
9	Minutes of Meeting: Forum Secretary to distribute interim list of actions prior to the detailed minutes being circulated	COMPLETE
10	Minutes of Meeting: Forum Secretary to draft and circulate minutes to members	COMPLETE

Summary of Actions: 26 May 2016

No	Action	Comment
1	Welcome: Company to follow up on providing Executive Summary/Lessons Learned Report following the Christmas floods	ONGOING – To be arranged once new members convened
2	CCWater Business Group Meeting Update: CCWater to add forum members to the invite for the September workshop	
3	Regulatory Performance Review: Company to check and confirm if regulatory information can be made available to EA prior to submission for the Tripartite meeting	
4	Regulatory Performance Review (Working with Others) : Company to discuss with the Delivery Assurance Group how best to engage with the customer forum on identifying solutions that forum members could support and share with their networks	
5	Regulatory Performance Review (Working with Others): Company to feedback the results of the high carbon emissions study being undertaken by HW Wallingford once completed	
6	Regulatory Performance Review (Pollution): Company to present project zero plan for pollution to the Forum as a future agenda item	
7	Regulatory Performance Review (Pollution): Chair to discuss at future Forum/CCG Chairs meeting the conflicting messages caused by some performance commitments/ definitions and the expectations of Regulators	
8	Regulatory Performance Review (Annual Reporting Processes): Company to circulate the brief for the proposed Customer Performance Report to Forum Members	
9	Regulatory Performance Review (Annual Reporting Processes): Company to share the final performance numbers following completion of audits and sign off	
10	Regulatory Performance Review (Annual Reporting Processes): Company and Chair to discuss publication of a statement to support publication of the Annual Performance Report on 15 July	
11	Customer and NHH Retail Opener Engagement Update: Company to circulate customer research guide and stimulus materials	
12	Customer and NHH Retail Opener Engagement Update: Company to test engagement approach through initial interviews and then review and discuss with Customer Forum to agree the most appropriate approach and confirm letter from Customer Forum	

Continued / ...

Summary of Actions: 26 May 2016 / ... continued

No	Action	Comment
13	<u>Customer and NHH Retail Opener Engagement Update</u> : Company to circulate Customer Engagement presentation slides	COMPLETE Circulated 26/05/2016
14	<u>Customer and NHH Retail Opener Engagement Update</u> : Company to look into organising a Customer Engagement focused day for Forum members to confirm current details of current engagement approach and more about the engagement plans for PR19	
15	<u>AOB</u> : Company to circulate Water 2020 Briefing Note	
16	<u>AOB</u> : Chair to discuss the publication of Customer Forum minutes and papers on the YW website with the secretary	
17	<u>Minutes of Meeting</u> : Forum Secretary to draft and circulate minutes to members	