

**MINUTES OF
 CUSTOMER ENGAGEMENT PLANNING FORUM MEETING
 HELD ON TUESDAY 11th June 2013
 AT 10.00 A.M. AT LONGHAM LAKES.**

PRESENT: Charles Howeson (Chair) – CH
 Philip Warr (Deputy Chair) - PW
 Roger Harrington (SBW) – RH
 Tracey Legg (SBW) -TKL
 Peter Bridgewater (SBW) – PB
 David Harrison (SBW) –DH
 Lindsay Cass (Christchurch & East Dorset BC)
 Jacky Atkinson (Drinking Water Inspectorate)-JA
 Jonathan Holyhead (Dorset Blind Association)-JH
 Ed Vidler (Consumer Council Water)-EV
 Alan Burrows (Environment Agency)-AB
 Alastair Elder (Jacobs & Reeves) - AE

Apologies Gillian Mayhew (Consumer Council Water)-GM
 Mike Holmes (Borough of Bournemouth) MH
 Douglas Kite (Natural England)-DK

Item		Action
1	<p>Welcome and Chairman`s opening remarks</p> <p>CH welcomed Alastair Elder to the meeting as the appointed report writer. He outlined the current position with Ofwat; Rob Powell contact at Ofwat; .</p> <p>Evidence is key to a successful conclusion to the process; challenge diary a pivotal component of this.</p> <p>Following a question from LC the chairman confirmed that in his view the minister, Richard Bernyon was having a positive impact on the way in which the economic regulation of the industry is changing.</p> <p>EV pointed out that written evidence to underpin the challenge diary crucial in order to achieve a good business plan.</p> <p>PW pointed out that SBW should not be tarnished with “industry bad news” eg current tax avoidance story in national press.</p> <p>CH advised that Ofwat wish company boards to be involved in CCG process and that he had met with SBW board recently.</p>	

2	<p>Minutes of last meeting</p> <p>These were AGREED and will now be published on the SBW web site.</p> <p>CH confirmed that the Action List was working well and should be continued.</p> <p>JH requested that going forward papers for meetings should be sent in more time and preferably in bite size pieces.</p> <p>There were no other matters arising.</p>	SBW
3	<p>Responses to queries form previous meetings.</p> <p>These were addressed in the Action List submitted pre meeting</p>	
4	<p>CEPF Report Writer- Alastair Elder</p> <p>AE summarised his work so far; he has built up a picture of the activities through the various papers placed on the web site and conversations with CH and GM; SBW had provided everything he asked for.</p> <p>Next stage is to assess CEPF members` satisfaction with the process by circulating his interim draft report and request feedback.</p> <p>Report has 5 headings to date: introduction; overview; engagement and challenge process; work and findings to date and activities to completion plus an appendix with documentary evidence.</p> <p>AB asked if AE felt that this group was representative and having a positive influence on SBW? AE responded by saying there was clear evidence of the CEPF input into SBW`s business plan, eg the structure of the research questionnaires.</p> <p>CH pointed out that questions to customers should be reflective of the levels of education on the subject (ie information). Ofwat should be aware that options have been tested by the pilot study (CPSC)</p> <p>EV advised that testing in theory should be done on uniformed basis to conform with proposals from CCW; .</p> <p>PW asked RH if the CEPF process has altered SBW`s thinking; RH replied most definitely and that he had found the process rewarding; he gave the example of our new communication policy which was directly influenced by the early customer research. Also our metering policy is likely to be modified as a result.</p> <p>JA asked if these thoughts were going to be included in the business plan? RH replied yes.</p>	

	<p>PW asked SBW to write a short paper on the influence CEPF has had on SBW decisions.</p> <p>LC pointed out that this group represents the community that SBW serve.</p> <p>AB suggested that business plan should reflect the CEPF involvement and also be written with the SBW “fingerprint” on it in order to differentiate it from others.</p> <p>CH asked what the CEPF should do with interim report. AB and JA would requested group’s permission to informally discuss the contents with their peers? Members and SBW happy with this as long as it is not distributed.</p> <p>CH asked if it should go to Ofwat? Group felt that on balance this would be a positive move; all members to “sign off” report before it does.</p> <p>SBW Gantt chart to be updated to reflect this.</p> <p>SBW to arrange meeting between their reporter (Halcrow) and AE to underpin assurance</p>	<p>SBW</p> <p>CEPF</p> <p>SBW</p> <p>SBW</p>
5	<p>Feedback on key items from April SBW board meeting</p> <p>EV asked about the board’s reaction to the aspirational bill level. RH replied it is still our wish to deliver the bills shown but we were still analysing the numbers. PB added that SBW needs to balance customer views and shareholder aspirations.</p> <p>EV questioned the shift in metering policy? RH replied that it is a matter of logistics; key point it’s not new investment, just bringing forward future investment; EV asked for documentary evidence of the 20% efficiency saving; SBW to provide</p> <p>EV asked about the risk probability of a single source failure; RH replied that it is very difficult to measure and involved professional judgement, but that SBW would fine tune details.</p> <p>EV asked for an explanation of the small company premium? PB replied that historically smaller companies have been regarded as facing higher risk and have therefore tended to have a weighting added to their borrowing costs.</p>	<p>SBW</p> <p>SBW</p>
6	<p>Provisional report on CPSC research</p> <p>EV advised this was very early feedback; numbers of participants on target, albeit NHH slightly short. Socio- economic spread good on HH, age band spread good but why are the student population seemingly under represented? SBW to find out.</p> <p>Environmental willingness to pay surprisingly low compared to PR09 ; TKL explained rationale for this likely to be the fact that in PR09 there was a specific issue with regard to The River Avon; in PR14 there are no specific environmental issues. AB concurred that this was an expected result.</p>	<p>SBW</p>

	<p>Analysis tool looked very useful and gave a measure of acceptability. Noted that there was some varying response on social tariffs.</p> <p>EV asked for members' opinions on acceptability testing of the business plan.</p> <p>RH replied for SBW that this is still to be formulated.</p> <p>EV advised he was aware that SBW preferred a qualitative approach but CCW expected that a quantitative approach is used.</p> <p>TKL pointed out high cost and time implication of quantitative compared to qualitative but wanted to work with group. TKL also pointed out that the modelling produced by Nuance included a very useful tool to assess customer's opinion of different combinations of outcomes based on the qualitative work already done.</p> <p>PJB suggested that the CEPF reviewed the need for acceptance testing on a risk assessed basis once the business plan was produced. This was accepted as a good way forward</p> <p>AB and JA both felt that qualitative was best route for SBW</p> <p>SBW to arrange conference call to include GM to reach a satisfactory solution.</p> <p>CH is concerned about the 80% indicator which CCW are using as a benchmark for customer acceptance; PW agreed that such a rule should not be arbitrary.</p>	SBW
7	<p>Presentation of preliminary business plan proposals</p> <p>CH suggested that this be deferred until after the SBW board meeting on the 12th of June and that SBW circulate an amended paper to reflect the board's reaction.</p>	SBW
8	<p>Measures of success and outcomes delivery incentives</p> <p>Questions invited from members on the paper circulated pre-meeting.</p> <p>EV in MOS 6.3 he would wish to see more work on education and measure to reflect the effectiveness of education.</p> <p>LC questioned the time measure in charity work; RH replied it is SBW time.</p> <p>EV asked when these will be finalised; TL advised in time for next meeting 6th August.</p>	SBW
9	<p>Meeting held at Ofwat on 13th May</p> <p>RIH and EV attended; no major revelations but some good practice thoughts. Ofwat not prepared to give any description of what would</p>	

	constitute a “good plan” .EV and RH further reported that two companies had given presentations on their individual approaches which had given some useful feedback.	
10	<p>Your Water</p> <p>TKL outlined the rationale of SBW`s decision not to publish at start of PR14, but rather wait until customer research was underway so that it reflected customer views. Asked for members` comments.</p> <p>EV questioned the phrase “metering for all”? TL said that this was “long term”, not “medium term”</p> <p>EV felt that the term “financially sustainable” was not consumer friendly and asked for the customer and shareholder chapters to be split</p>	SBW
11	<p>AMP 5 performance to date</p> <p>Questions invited from members;</p> <p>EV asked if SBW was intending to run another metering campaign in AMP; RH replied no specific campaign was planned.</p> <p>JA pointed out that the issue of occasional coliform detections at Alderney TW was the subject of an Undertaking.</p>	SBW SBW
12	<p>Water Resources Management Plan</p> <p>AB advised the members that he would be a making a formal response on behalf of the EA and would share that response with CEPF.</p> <p>EV asked if SELL needs to be squared with the aspirational level of bills; RH explained that it is inappropriate to allow leakage to rise, and this would be the starting point for the business plan.</p> <p>EV felt the plan was optimistic given SBW`s seriously water stressed, moving to moderate,; RH explained the background to this advising that SBW was the only water co to be downgraded, but we will not be water stressed.</p> <p>RH also advised meeting that numerous future uncertainties , inc abstraction reform, upstream competition, water trading. WE SBW have offered water under WRSE but no interest shown.</p> <p>AB confirmed that EA look at info presented via its QA programme to ensure accuracy of plans; relationship with the water cos is part of the process.</p>	
13	<p>CEPF Gantt Chart</p> <p>Chart to be updated and re-circulated;</p> <p>JA advised that the DWI submission was due shortly.</p>	SBW SBW
14	<p>Meeting closed at 12.55</p> <p>Date of next meeting 6th of August at 10.00am Longham Lakes</p>	