

Independent Chair: **Richard Lacey**

c/o **Bournemouth Water Ltd**
George Jessel House, Francis Avenue,
Bournemouth, BH11 8NX

Tel: 01202 722663 / 07836 374980
Email: richard@thelaceys.co.uk

**MINUTES OF
CUSTOMER VIEW GROUP
HELD ON WEDNESDAY 19 APRIL 2017
AT 16:00 AT BOURNEMOUTH WATER HEAD OFFICE**

Present:

Richard Lacey – Chair (RL), Ed Vidler – Deputy Chair (EV), Dr Bruce Grant-Braham – Bournemouth University (BGB), Michael Barnes – Consumer Council for Water (MB), Linda Willard (LW), Mike Short – Consumer Council for Water (MS), Andy Woodland – Vice-Chairman Bournemouth Accommodation and Hotel Association (AW) and Kathy Tilbury (KT)

Also present from Bournemouth Water and South West Water:

Bob Taylor – Operations Director, Drinking Water Services (BT) and Tracey Legg – Senior Regulation Manager (TL)

Apologies:

Doug Kite – Natural England (DG), Jeremy Bailey – Environment Agency (JB) Emma Lee – CAB (EL), Iain Vosper – Regulatory Director, Jo Ecroyd - Director of Domestic Customer Service (JE) and Sally Mills – Head of Customer Relations (SM).

Item		Action
1	Apologies and Minutes of last meeting	
	<p>Apologies were received from a number of members and company representatives.</p> <p>AW advised that he has stepped down as Chair of BAHA (Bournemouth Accommodation and Hotel Association) and is now Vice Chair, and asked that this is noted.</p> <p>MS observed that the minutes did not reflect his request at the previous meeting that the BW report on how the social tariff will be promoted in rural communities. It was agreed to raise as an action and included in future updates on customer-facing activities.</p> <p>The minutes of the previous meeting on 19 January 2017 were approved and signed by the Chair.</p>	SMi
2	Actions from the previous meeting and challenge update	
	<p>Members reviewed the challenge diary.</p>	

	<ul style="list-style-type: none"> • Challenge 2 – communications updates Members requested that the challenge was reopened to ensure that regular communications updates are received. • Challenge 12 – Help Support a Healthy Natural Water Environment report TL updated members on progress. The report has been shared with Natural England (NE) and next steps agreed. The Management Plan is being prepared with a delivery deadline of end April 2017. EV requested written confirmation that NE are satisfied with the report and that NE's thoughts align with BW's verbal report at this meeting. • Challenge 13 – NHH retail market opening This is a separate agenda item. Leave open until CVG are satisfied that the challenge has been fully met. • Challenge 14 – webchat and social media Left open until in place. 	<p>TL</p> <p>TL/DK</p>
3	2016/17 performance	
	<p>BT presented BW's unaudited yearend performance and confirmed that technical audits were currently underway and the company would be in a position to provide audited data shortly.</p> <p>BT explained BW's leakage performance of 19 megalitres per day (Mld). EV asked whether there is any suggestion that there is an alternative to the economic level of leakage (ELL). BT responded no, but that it was a reasonable suggestion, as most companies' performance is beyond their ELL and BW's was around 34 Mld.</p> <p>MS asked whether leakage would stop falling, and BT replied that it is becoming harder to bring the levels down. MB commented that if customers would be willing to pay then it might occur.</p> <p>BT confirmed that BW has commenced work to reduce the risk of large-scale interruptions. The Wimborne main is currently being laid using directional drilling and work is going well. MB asked how large the main is and BT replied 10 inches/250mm. This is the first time BW has used directional drilling in rural land and the cost is half that of digging trenches.</p> <p>BW's performance in relation to the average length of supply interruptions is industry leading. MB asked if the level was sustainable. BT replied that if all things remained the same, then yes. Proactive use of technology can assist and this is supported by the relative newness of the network (around 50 years); the local topography (which helps maintain the pressure regime) and good, dedicated staff.</p> <p>EV asked if the performance commitment targets for the end of the control period in 2020 are absolute. TL replied that they are but explained the caps and collars process in relation to ODIs.</p> <p>BT confirmed that the meter installation is progressing well. In response to AW's query BT confirmed that all new properties are metered.</p> <p>BT clarified that the 2016/17 of 85% target for the repair of visible leaks should read 80% as this is the glidepath to 2020.</p> <p>SIM performance has been sustained despite a further round of post-merger integration at the end of March 2017 which involved moving all customer service to Exeter.</p> <p>RL asked whether the 136 litres/head/day target had been set by</p>	

	<p>government. TL explained the Defra aspiration of 130 l/h/d and that 136 l/h/d had been BW's original target prior to its metering numbers being adjusted by Ofwat at PR14.</p> <p>BT explained that BW is not achieving its reduce energy target due to issues with new pumps. Though it will be a gradual process BT is confident that the 2020 performance will be close to target and is working with a small team to resolve the pump issues.</p> <p>BT confirmed that the final version of the Help Support a Healthy Natural Water Environment report would be provided to members.</p> <p>Meeting the community volunteering target will be a challenge for BW, as while there is an active programme in Exeter the distance is a barrier. AW asked whether there was scope to revise the target. BT replied it may be a possibility and going forward past 2020 a joint target would be easier to achieve.</p> <p>MB asked BW to propose a revised target and AW commented that CVG would not hold BW to the original target as it was better to set a realistic level. EV commented that caution should be exercised due to Ofwat being keen on 'customer development' and companies getting closer to their customers. EV has also raised this with the PR19 customer research sub group.</p> <p>CVG agreed that BW should revisit the target and KT suggested pro-rating to the level of volunteering per head of staff that existed when the target was originally set.</p> <p>Debt management is progressing well, and the BW team is having a positive impact on SWW's performance.</p>	<p>TL</p> <p>BT/TL</p>
<p>4</p>	<p>Customer facing activities, tracking survey and complaints handling</p>	
	<p><u>Social tariff and tracking survey</u></p> <p>TL presented SMi's paper. Application forms have been sent to Borough of Bournemouth, Age UK and Bournemouth Citizen's Advice. Bournemouth Churches Housing Association will be featuring the tariff in its next tenant newsletter and in June/July a joint BW/Borough of Bournemouth mailshot will promote the tariff to residents on housing benefit. 15 application forms have been sent out since 1 April, which is positive though Plymouth CAB has not yet received an application. The acceptance letter for any customers accepted on to the scheme will signpost them to Wessex and Southern Water. Joint promotional activity with Wessex is being explored.</p> <p>EV asked what arrangements were in place with suppliers of Wessex Water services and whether a variant on the application form is required.</p> <p>It was also noted that it had been agreed earlier in the meeting (see item 1) that BW would provide an update promotion of the tariff in rural areas at the next meeting.</p> <p>EV requested more information on the Freshstart fund and how it will be managed. EV requested a summary paper for CVG on how much money is being put in to the Freshstart fund, the principles on which it is being run and how it aligns to the SWW policy.</p>	<p>SMi</p> <p>SMi</p>

	<p><u>Tracking survey</u></p> <p>Satisfaction remains high at 95% (97% for the most recent quarter).</p> <p>Value for money for the year is 73% but in the last quarter has dropped from 75% to 65%. This has been driven primarily by an increase in customers who responded 'don't know' as opposed to an increase in dissatisfaction, which is 4% for the year.</p> <p>Half of those who said 'don't know' were unable to say what their bill was (either monthly, quarterly or annually). Typically if a respondent can cite a value for their bill they are able to give a score for VFM so this cluster of customers is accounting for the downward trend. To contextualise the result this is a relatively small sample size (194), therefore a 10% shift is only just statistically significant.</p> <p>CVG raised a challenge for BW to analyse and advise why there has been an increase in 'don't know' responses.</p> <p>Members requested more information on what the drivers of dissatisfaction are. EV challenged that 91% of customers stating that the amount of information received is about right as in his experience it isn't read. EV asked how does BW satisfy itself that the 91% actually reflects customer satisfaction with communications and whether information provided is effective and enables the company to reach out to customers and improve communications.</p> <p><u>SIM and complaints</u></p> <p>BT confirmed that BW is currently forecasting 4th place in SIM for 2016/17, which outperforms 2015/16 performance.</p> <p>RL commended BW on its debt recovery performance.</p> <p>There has been an overall decrease of 31.3% in all written complaints in 2016/17. MS commented that CCWater had received 44 complaints which it is working on with the company. Most are billing complaints and this represented a rise from 63% to 67% of total BW complaints to CCWater.</p> <p>CVG raised a challenge to BW to analyse and report why, when overall complaints have reduced, the number of billing complaints as a proportion of overall complaints to CCW has increased.</p>	<p>SMi</p> <p>SMi</p> <p>JE</p>
<p>5</p>	<p>Update from regulators</p>	
	<p>MB reported that CCWater PR19 engagement is ongoing.</p> <p>CCWater had conducted a complaint handling and debt management assessment of BW in early March. This identified that complaints via e-mail had reduced and BW had been requested to identify the root causes of other complaints and propose a rectification plan. The overall conclusion was that complaints are handled well, but some could have been handled better. MB will present the final report at the next meeting, BW to add to the agenda for 19 July.</p> <p>AW asked whether, as direct debit payers tend to reduce debt levels, was the proportion of direct debit payers to BW in line with other companies. CVG asked BW to find out and advise members.</p>	<p>TL</p> <p>JE</p>

6	CCWater consultation ‘Collecting and publishing information from water supply and sewerage licence holders’	
	<p>RL introduced the background to CCWater’s consultation, which closed in 24 March.</p> <p>MB confirmed that the CCWater brief will still deal with complaints about retailers but that the competitive market should also have some influence.</p> <p>EV expressed disappointment at the suggested continued use of ‘unwanted contacts’ however MB confirmed that in this case it’s measured as being unwanted by the consumer.</p> <p>MB confirmed that CCWater has a legal status under the Water Industry Act to collect the data but has no enforcement powers. MB suggested that deferring any further discussion until the next meeting would enable CCWater to collate 2 months’ of data which could be brought to the 19 July meeting. Agenda item to be carried forward.</p> <p>RL asked TL to ask PWS to attend a future meeting to provide assurance to CVG that lesson have been learned from the energy industry. MB pointed out that not all PWS customers will be BW customers and vice versa; and that if PWS attend it can only be a purely voluntary basis.</p>	<p>TL</p> <p>TL</p>
7	Dates and locations for future meetings	
	<p>RL presented the paper detailing the proposals to relocate CVG meetings to Exeter and requested that members advise him of their decision by the October meeting at the latest.</p> <p>AW asked what the meeting schedule would be going forward. RL replied quarterly.</p> <p>MS raised a concern that meetings would not be held in the BW area of supply and KT commented that members are local people representing the interests of customers of the local business.</p> <p>AW asked if members stepped down, would they be replaced. RL replied in the no, but he and MS were still on the group and are BW customers.</p> <p>KT suggested the use of video conferencing and challenged the loss of accountability and knowledge if CVG members were lost. AW agreed that local input should be maintained and KT pointed out the commitment to have a local panel.</p> <p>If video-conferencing where to be used, members requested a change in the proposed timing back to 4pm instead of the proposed 2.30pm.</p> <p>Members agreed that the preferred option was to retain meetings in Bournemouth; however video conferencing should be explored. RL will raise the suggestion with Iain Vosper and report back to members on 19 July.</p>	<p>RL</p>
8	AOB and date of next meeting	
	<p>TL presented details of the forthcoming Drought Plan submission and confirmed that there is a very low risk of supply-demand issues and that BW is the only company considered by the Environment Agency as not</p>	

	<p>having a water resources concern. This is otherwise known as 'water stress'.</p> <p>TL explained that the new Drought Plan is very similar to the plan published in 2012, and that historically because of BW's strong resource position some areas such as Service Levels in relation to formal Drought Orders for non-essential use had not been stated.</p> <p>For the new Drought Plan the Water Resources Team was looking to align these previously unstated service levels with the SWW Drought Plan.</p> <p>Members asked the following questions:</p> <ol style="list-style-type: none"> 1. Why, when there are different profiles in the SWW and BW drought plans, should the 1 in 40 Level of Service be aligned. Should the BW trigger be different? 2. Why, when the BW zone is discrete from the SW area, should the plan not be standalone? Why should it be aligned? 3. If the 1 in 40 is used for both companies it opens the perception that the SW and BW areas are the same. Is this right? <p>TL to take the comments back to the Water Resources Team</p> <p>As a result of a personal experience BGB raised the issue of communications with customers when leaks are repaired. This was discussed and other members of CVG confirmed that they had had good experiences. It was agreed that a new, and otherwise very competent, member of staff had overlooked leaving a card at BGB's home and would be reminded of the need to keep customers informed.</p> <p>Date of the next meeting is 19 July 2017, at BW's Head Office, in the Board Room.</p> <p>KT will be unable to attend this meeting and so offered apologies.</p>	<p>TL</p>
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