Customer View

Keeping customers at the heart of the company

Independent Chair: **Richard Lacey**

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MINUTES OF
CUSTOMER VIEW GROUP
HELD ON THURSDAY 28th JANUARY 2016
AT 4.00PM AT BOURNEMOUTH WATER OFFICE

Present: Richard Lacey, (RL) Chair; Ed Vidler, (EV) Deputy Chair; Jeremy Bailey, (JB) Environment Agency; Mike Short, (MS) Consumer Council for Water; Mike Holmes, (MH) Bournemouth Borough Council; Bruce Grant-Braham, (BGB) Bournemouth University; Tim Aston, (TA); Andy Woodland, (AW) Chairman Bournemouth Hoteliers Association; Kathy Tilbury, (KT); Linda Willard, (LW); Emma Lee, CAB (EL); Christine Cook, CAB (CC); Doug Kite, (DK) Natural England; Michael Barnes, (MB) Consumer Council for Water.

Also Present from Bournemouth Water: Bob Taylor, (BT) Managing Director; Philippa Goodwin, (PG) Finance Director; Richard Stanbrook, (RS) Director of Corporate and Retail Services; Tracey Legg, (TL) Regulation Manager; Sharnine Coleman, (SC) Communications Manager; David Harrison, (DCH) as Secretary; Mark Turner, MT Debt Project Manager.

Apologies: Geoff Bettle, New Forest District Council; Angela Lane, Non executive Director.

	Action
Apologies: apologies received form Geoff Bettle and Angela Lane	
Minutes of last meeting: The minutes of meeting held on 15th October 2015 had been circulated to members. TL requested an amendment to an item in the "half year performance report and members' questions" *TL responded by advising that Ofwat had yet to decide on this aspect. She would check the company's return on regulatory equity calculation and report after this meeting.* Would be replaced with: *TL responded that she would check the Return on Regulatory Equity (RORE) calculation and confirm what the 2020 bill impact would be if the forecast rewards are achieved.* This was agreed and the minutes were declared final.	

Secretary: **David Harrison**
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Presentation by CAB representatives Emma Lee and Christine Cook: A brief summary of the main points: Historically the Citizens' Advice Bureau (CAB) was set up after World War II and dealt with post war issues. Each CAB is an individual charity with trustee boards and individual offices can offer varying services. The local offices have two aims: 1) to provide advice on any issues and 2) Social policy, that is matters that affect people's lives. They work with Bournemouth Borough Council, monitor local baliffs and assist with benefits and debt. Debt is classified either as non priority, such as credit cards etc or priority such, as utility bills. There is a local issue with non awareness of separate sewerage and fresh water services and there is a desire to work closer with BW in order to raise awareness. Wessex Water have three approaches to debt: Social Tariff; debt management, including other debts and a write off scheme linked to regular payments for two years. Both local offices would like to see Bournemouth Water offering similar tariffs and schemes to help those most in need. RL advised that South West Water work closely with their local CAB and there was scope for Bournemouth Water to work with them going forward. He also advised that he was attending an Ofwat workshop on debt and vulnerable customers and hoped to take one CAB member to that as part of their role in CV. JB asked how the CAB assesses people's debt position? EL replied that there was a standard financial statement to be completed which included priority and non priority outgoings; this statement included trigger figures for expenditure. In response to a question raised by EL and CC RL advised members of the recent N-Power position where they had been found guilty of transferring customers without the customers' knowledge; if Ofwat proceed to open up the household market to competition this is a lesson to be learned. AW asked if Bournemouth Water customers had enough info to decide on whether or not to have a meter fitted? MB confirmed that most water companies, including Bournemouth Water had a calculator on their web sites as does The Consumer Council for Water .	
Vulnerable customers: the assistance Bournemouth Water offers and social tariff progress. A presentation by Mark Turner of Bournemouth Water. All members were given a copy of the presentation at the meeting. **Questions:** EV: where are Bournemouth Water with a social tariff and is it likely to be similar to South West Water? MT replied that Bournemouth Water is using the South West Water model but has modified it to include "working debtors" and not just "benefit debtors". EV: will Bournemouth Water be doing any more research? MT replied that the decision on additional research has still to be taken. MB pointed out that current research indicated only 54% customer support and that CCWater did not consider that 54% constitutes "broad support" as defined by the Defra guidance. MS: how is any debt support scheme funded? BT replied that it is ultimately taken from Company profits. EL believed that Wessex findings indicate that customers support this approach.	

MB: how successful are the schemes described in your presentation? MT did not have data to hand but would report in time for next meeting.	MT
Risks Strengths and Weaknesses Statement update. Paper 1 refers, distributed to all members ahead of the meeting. TL summarised and expanded on work done since last meeting. EV, on behalf of the assurance sub group, confirmed that he had received satisfactory feedback from the independent technical expert. They were comprehensively reviewing 11 data collection methodologies. RL confirmed that the group had to assure Ofwat that the company has provided robust data. EV also confirmed that the independent technical expert was also aware of any additional potential risks as a result of the merger with South West Water. Sub group will report back at next meeting. RL confirmed that the Challenge Diary (circulated to members at the meeting) contained the sub group's two challenges.	EV
Bournemouth Water communications strategy. Paper 2 refers, distributed to all members ahead of the meeting. SC summarised the paper and highlighted where the company had addressed the concerns raised in the Risks Strengths and Weaknesses Statement. SC advised that social media is acknowledged by Bournemouth Water as a communication channel but needs putting in context; South West Water use social media but it only reaches 0.14% of customers via a twitter feed. MS agreed that Bournemouth Water need to consider the demographics of their customers, particularly age profile. SC agreed that we need to look at all communication channels including the retention of paper based communication. SC acknowledged Bournemouth Water web site is poor but we need to look at all communications channels. Web site is to be refreshed in the next few weeks using more pictures and better colour schemes. SC acknowledged that Bournemouth Water does not promote its community work enough. Bournemouth Water prefers to promote partnership pieces rather than regular press releases. MH advised that Bournemouth Borough Council promote community volunteering extensively and offered to assist and advise if required. SC / MH to speak outside of the meeting. Going forward Bournemouth Water plan to make more use of focus groups to explore customer needs and wants. The measurement of the effectiveness of communications strategies is difficult. South West Water use a third party and Business in the Community but that is a costly option. DK advised that he worked with Portsmouth Water, a company of similar size to Bournemouth Water, who found a strong willingness to pay for environmental improvements and questioned if there was a link to their better environmental communications? Portsmouth also participate in a lot of local environmental partnerships. SC said the Facebook was a good medium for promoting community work. She pointed out to members that we do work in partnership at Blashford Lakes. Bournemouth Water has a new Environmental Manager doing much work with employees on raising awareness and Bournemouth Water must translate this into the web site. DK said this needs to be at a level for customers to understand. EV advised that at a recent meeting of Customer Consultation Group Chairs that	

many companies are using their new billing systems as an effective communication medium. RCS confirmed that the new Gentrack billing system is compatible with this concept and will be used once the new system is bedded in.	
Water 2020 and Ofwat's new duty on resilience Paper no 3 refers, distributed ahead of the meeting. RL summarised the main points of this paper. It had been written on behalf of the group by RL and EV and members were invited to comment. EV referred to Q47 in respect of governance of Customer Consultation Groups and specifically asked if members were happy with the governance of Customer View? MS advised that he sat on several similar groups and the openness of the company was exemplary. RL asked if members were happy with the paper and all agreed. RL further stated that if at any time in the future members had concerns with the governance of the group they should raise them at the meetings. RL introduced the concept of resilience and Ofwat's approach to the subject in their recent consultation. Further details will be presented to the Customer View at future meetings group as the subject develops, possibly by utilising a sub group to analyse in more detail. TL advised that resilience will form an integral part of the next business plan.	
2016/17 Tariffs Paper no 4 refers, distributed ahead of the meeting and paper no 4a distributed at the meeting. MB, on behalf of the tariffs sub group, summarised the main points and confirmed that they had no issues with the company on this subject. No questions received from members and the group accepted the sub group's findings.	
Performance to December 2015 Paper "Performance Report for December 2015" refers, distributed ahead of the meeting. BT gave a summary of this paper and invited questions. RL asked about the significant increase in depreciation? PG advised that this was purely to bring Bournemouth Water in line with South West Water accounting policy. RL raised the subject of switching future tariff adjustments from RPI to CPI? BT added that RPI was a recognised index and debt markets are geared to it. Bournemouth Water has a large debt which is linked to RPI. RPI is typically higher than CPI by around 1%. TL confirmed that Ofwat had undertaken to ensure that the move would be revenue neutral and whilst there would be an initial impact on customers' bills this would balance out over time. PG agreed to produce a paper on this subject for the next meeting. RL asked for clarification of "blind year". TL advised that this referred to the final year of the last business plan which had to be estimated on account of the fact that the next business plan was produced before the final year had completed. MS asked why the environmental ODI had moved from "red" in October to "green" in December? BT advised that the target for this ODI had been moved from a straight line method over the five years to a more realistic stepped line to reflect the fact that environmental improvements would only take effect from major	PG

projects coming on line, for example, 2 replacement pumping stations which are more energy efficient will be completed during 2017 which will have a impact on energy consumption. MS also raised the question of complaints showing no improvement? To be answered in next item.	
Complaints report and questions Paper no 5 refers, distributed ahead of the meeting RS summarised the main points and confirmed that an independent third party was going to look at the whole complaints process to see where improvements could be made. MS advised members that recent CCWater research showed a downward trend and that members need to put the BW numbers in context with the numbers of bills issued each year. MB asked for clarification of "team B". RS replied that this was the team dealing with the early stages of collecting overdue accounts. CC asked what defines a complaint? RS advised anything expressing mild displeasure, even when combined with an otherwise complimentary communication.	
Integration with South West Water : update BT gave members an update of the current situation and confirmed that as far as the customers were concerned it was very "much business as usual".	
AOB and date of next meeting BGB asked about the chemicals used to deal with local "Blandford Fly"? DK confirmed that both Natural England and the EA were aware of the position and had no concerns. There was more concern from the prescription drugs taken by humans. BT added that any chemicals used that found their way into the raw water would be totally removed during the water treatment process. **Date of next meeting 28th April 2016 at 4.00pm** Meeting closed at 6.05pm	