

Independent Chair: **Richard Lacey**

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**MINUTES OF  
CUSTOMER VIEW GROUP  
HELD ON WEDNESDAY 18 JANUARY 2017  
AT 16:00 AT BOURNEMOUTH WATER HEAD OFFICE**

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**Present:**

Richard Lacey – Chair (RL), Dr Bruce Grant-Braham – Bournemouth University (BGB), Emma Lee – CAB (EL), Linda Willard (LW), Mike Short – Consumer Council for Water (MS), Andy Woodland – 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), Iain Vosper – Regulatory Director, Jo Ecroyd - Director of Domestic Customer Service (JE), Tracey Legg – Regulation Manager (TL) and Sally Mills – Head of Customer Relations (SM).

**Apologies:**

Ed Vidler – Deputy Chair (EV), Doug Kite – Natural England (DG), Michael Barnes – Consumer Council for Water (MB), Jeremy Bailey – Environment Agency (JB) and Christine Cook – CAB (CC)

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Item		Action
1	<b>Apologies</b>	
	Apologies were received from Ed Vidler, Doug Kite, Jeremy Bailey and Michael Barnes. Christine Cook was unable to be present and has subsequently resigned.	
2	<b>Minutes of last meeting and matters arising</b>	
	The minutes from 5 October 2016 were approved and signed by the Chair.  The actions from the meeting were reviewed: <ul style="list-style-type: none"><li>SM to correct the Balance Email Promotion slide of the CCWater Quarterly Review presentation.</li></ul> Action remains outstanding but all agreed that it was not urgent. SM to resolve.	SM

	<ul style="list-style-type: none"> <li>• BW to investigate why there was no message in relation to the information on Non-Household market opening on the Bournemouth Water bill. Pennon Water Services (PWS) confirmed that the information has been provided was on the bill wrapper rather than the bill itself.</li> </ul> <p>JE confirmed that PWS is shortly to write to all non-household customers to advise them of market opening.</p> <p>EV had raised a query before the meeting regarding the minute '<i>All payment plans are being checked to ensure they are correct. New legislation means that the company can no longer take card payments over the phone and the customers don't like it and are complaining. All card info needs to go through a security check. System process review is looking at ways in which processes can be improved to improve the customer experience.</i>' and asked to know more, especially when not all companies taking credit card payments seem to employ the same process. JE responded that reputable companies employ heavy security to protect their customers and BW felt it was important to offer this protection. From a security perspective it is very safe but some customers had commented that they did not want to punch in the 16-digit number as part of the payment process. Such comments have now tailed-off but if they had continued then BW would have investigated to see whether there was an alternative solution. This did not mean we were unable to take card payments over the telephone.</p> <p>Members agreed that this clarification would be noted against the 5 October 2016 minutes.</p>	TL
3	<p><b>Comparative performance of BW within the water sector</b></p>	
	<p>MS presented CCWater's review of its comparative performance report, focussing on BW's performance in relation to the rest of the industry.</p> <p>He concluded that BW is doing well when compared with other companies and that while there has been an increase in complaints the company is addressing the issue.</p> <p>In relation to slide 6, SM commented for information that the BW Special Agreement Register is to be rebranded Priority Services in line with South West Water and other utilities.</p> <p>To further illustrate BW's comparative performance on areas not covered by the CCWater report excerpts from Water UK's Discover Water website were circulated which illustrated BW's continued above average performance in relation to complaints and energy emissions, and its frontier performance on water pressure.</p> <p>No questions were raised.</p> <p>RL commented that BW is doing well against virtually all of the performance parameters the industry is measured against. He reaffirmed that while complaints have increased it must be remembered that BW started from a very high level and a lot of work is being done to address the issue.</p> <p>BGB asked whether, now BW and South West Water have been merged, performance reporting would also be merged. RL explained that in line with the Competition and Markets Authority requirement the two will be reported separately until 31 March 2020.</p>	

	<p>RL also described some of the discussions the Water Future Customer Panel [the panel established to advise and challenge the company during the PR19 process] is having in relation to how combined reporting would operate effectively and reflect the relative performance of the South West and Bournemouth company regions.</p>	
<b>4</b>	<b>Ofwat Company Monitoring Framework</b>	
	<p>IV circulated a paper providing information on Ofwat's Company Monitoring Framework and recapped on the BW targeted performance process in 2015/16. IV explained that for the same year South West Water (SW) had been categorised as 'enhanced' and therefore was not required to follow the same process as BW.</p> <p>IV went on to explain that Ofwat had recently conducted its annual review of all companies' categorisations and as a result of two minor issues had classified the combined company as targeted. This meant that a combined Risk, Strengths and Weaknesses Statement and assurance plan needed to be produced and a component part of the development of that statement was engagement with the company's CCGs.</p> <p>IV explained that the presentation being made to the CVG was part of that engagement and that all members had been sent a survey, the results of which would feed on the ultimate assurance plan. A focus group had been held in Exeter and the company was in the process of analysing the feedback it was receiving. RL confirmed that the survey should take only a short amount of time to complete and encouraged members to respond to the company.</p> <p>IV confirmed that the draft assurance statement would be circulated to members for comment.</p>	IV
<b>5</b>	<b>2016/17 performance</b>	
	<p>BT commented on the data that had been circulated ahead of the meeting. BT confirmed that the first table contained performance commitments attracting penalties and rewards and that all performance is measured at 31 March each year except water quality which is calendar year. All are verified by annual independent audit apart from the Service Incentive Mechanism (SIM) which is audited quarterly.</p> <p>BT confirmed that BW performed well in the most recent SIM audit and that BW is on track to meet its interim annual targets.</p> <p>RL commented that it is important that interim targets are set for tracking purposes and congratulated BW on its performance.</p> <p>BT explained BW's performance against its reputational performance commitment for energy usage. While the company's power usage is below the industry average, it is not meeting its own internal target. This is because a recent ESOS audit (the EU's mandatory energy assessment under the Energy Saving Opportunity Scheme) revealed that values calculated had not been done so in line with the regulator's expectation. This was because electricity obtained from local renewable power generation had not been included in the calculation and while this had now been rectified BW had not revised its internal target to recalibrate to a like-for-like value; consequently the challenge to the company had increased. Instrumental in achieving the target is replacing two sets of pumps but this is behind schedule as the first set have not been performing to expectation, which is further increasing the</p>	

<p>challenge.</p> <p>MS asked if BW would pay higher power costs in 2016/17 as a result of the issue with the pumps and BT confirmed that it would.</p> <p>RL asked what the implication to BW was of not achieving the energy performance target would be. BT confirmed that it would be reputational and not financial.</p> <p>BGB requested further information on the calculation of the 4% target relating to 'fair customer bills'. JE explained that the performance commitment related to the company's work to keep the cost to customers of debt recovery down.</p> <p>BGB asked what the 'contribute to our community' performance commitment really meant. BT explained that it related to the number of days staff volunteered in the community. Members agreed that the current table was unclear and that it would be clarified in future reports.</p> <p>KT asked for further information on the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) measurement and BR confirmed that it is measured in number of incidents. BT informed members that BW has a new Safety Adviser and Pennon has recently recruited a Director of Health and Safety.</p> <p>To provide context to the performance figures BT made a presentation to members on the recent Fordingbridge mains burst at Christmas. BT explained the background and explained how BW had responded, the actions that had been taken to reduce the impact on customers and how the leak was detected and repaired.</p> <p><u>Complaints</u></p> <p>JE presented the complaints data and confirmed that BW is on track to achieve its SIM target for 2016/17.</p> <p>JE confirmed that at the end of December 2016, year on year complaints were forecast to have decreased by 30%. Escalated complaints remain a focus and are classified 'amber' from a risk-based perspective. JE added that Escalated volumes had reduced since the introduction of the Case Management process.</p> <p>The 2015/16 91% increase in written complaints represents around 250 additional complaints. E-mail complaints are partly driving the increase. JE commented that it is right that BW encourages customers to contact it by e-mail, but the ease of the contact channel leads to an increase in contacts. 75% of complaints are now received by e-mail therefore BW is unlikely to see the number of complaints return to historic levels.</p> <p>AW asked for more information on the second graph and the numbers of non-email complaints received. JE clarified.</p> <p>JE provided information on the company's complaint handling approach and performance. Since August no complaint that handled via the Case Management process has been escalated as talking to customers can assist the company to better understand them and their complaint. Customers also like it as it is a more personalised service. Each complaint is individually reviewed to help the company understand and identify areas for improvement.</p> <p>The Complaints Reduction Group is running a number of initiatives. The</p>	<p>TL</p>
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	<p>underlying performance is good and improving, as demonstrated by the metrics which are all improving. Since the production of the slides the percentage of complaint reduction had increased from 23% to 25%.</p> <p>JE concluded that while BW is forecasting a 30% reduction in complaints caution should be exercised and a return to previous levels cannot be expected due to the impact of e-mail complaints. JE encouraged members to consider the good performance in other indicators. The complaints team closely monitor performance to ensure that the company is fully aware of trends and its performance.</p> <p>MS asked how the introduction of webchat was progressing. JE confirmed that while it has not yet been introduced additional licences will be purchased during the first quarter of 2017/18.</p> <p>KT asked whether webchat will introduce a further complaint channel. JE replied no.</p> <p>BGB congratulated JE on the progress made and asked what size the team involved is and therefore how labour-intensive the review of complaints is. JE confirmed it is labour-intensive but it is an important issue. The merger of BW and South West has permitted a larger pool of people to be utilised and so is a team of 12 covering both areas of the business. BGB commented on the significance of the work of those 12 people in terms of the reputational impact.</p>	
6	<b>Customer facing activities</b>	
	<p>SM presented an update on customer facing activities.</p> <p><u>BW social tariff.</u></p> <p>The Customer Relations team is actively promoting the new tariff in the BW area and the Customer Relations Officer is meeting the Borough of Bournemouth and EL at the end of the week.</p> <p>Wessex Water customers will experience a more robust qualification process than Southern Water customers. This is because Southern Water automatically offers an immediate 25% bill reduction to if the customer qualifies for Watercare. Wessex Water is considering this but is more constrained by its customers' overall willingness to pay for social cross-subsidies.</p> <p>EL asked if the existing customer support schemes would continue and how they would be promoted. SM confirmed that the forthcoming visit by the Customer Relations Officer's visit would cover how best to promote available schemes for the organisations' clients.</p> <p>EL commented that Bournemouth CAB currently had a campaign running with Wessex Water and it would be useful for the two to be linked. SM agreed and confirmed that the company is also discussing options with Wessex; but also needs to be mindful that Southern Water also supplies services to customers in the BW area therefore any promotions would need to be mindful of the border between the two.</p> <p>SM confirmed that it had been agreed that the new BW social tariff would be administered by the Plymouth CAB, which already administers the SW tariff.</p> <p>MS asked how the social tariff will be promoted in rural areas. SM replied that the company will look to where the communities are and</p>	

	<p>whether there are small organisations focussing on those areas. The company will also focus on the areas where help is most needed.</p> <p><u>Tracking survey</u></p> <p>SM confirmed that customer satisfaction is static at 94.5%.</p> <p>MS asked how the 190 respondents are selected and SM confirmed that it is random selection via telephone.</p> <p>One notable area of increase in the survey data relating to how customers wish to receive information is e-mail. This correlates with the complaints statistics.</p>	
<b>7</b>	<b>Non-household retail market opening</b>	
	<p>IV circulated a presentation on the day, covering two areas;</p> <ul style="list-style-type: none"> <li>• Market opening.</li> <li>• Joint venture with South Staffordshire Water</li> </ul> <p>IV confirmed that the company is on track for market opening. There is low awareness amongst non-households with an Ofwat survey confirming that out of 1000 businesses surveyed only 30% were aware of the changes. This correlates with the company's findings. Ofwat is shortly to run a further awareness campaign.</p> <p>IV presented the company's rationale behind the joint venture and provided information on South Staffordshire and Cambridge Water companies. The joint venture would go live at market opening. IV proposed that going forward PWS could be invited to present to the CVG.</p> <p>RL commented that there is a concern over customer protection once the market opened, but MS observed that a customer could change their retailer. In response RL commented that in light of the energy and gas market openings the situation should be monitored. IV confirmed that MOSL (Market Operator Services Ltd) will publish comparative tables for Customer View to challenge against.</p> <p>MS advised that CCWater had reached a decision on how it would communicate with retailers once the market opened but was unable to give any further information at the meeting.</p>	
<b>8</b>	<b>Challenge Diary review</b>	
	<p>Members reviewed version 5 of the challenge diary and agreed the following:</p> <p><u>Challenge 5 – social media</u></p> <p>JE confirmed that BW will definitely commence using webchat during 2017/18. MS asked whether the statistics would be reported to CVG and JE replied that was possible. BW to add request to challenge diary as follow-up.</p> <p>AW challenged whether webchat was social media. JE confirmed that South West Water viewed it as such.</p> <p>EL asked whether it would be proactive communication and JE confirmed it would be.</p>	TL

	<p>LW asked if BT had told the Bournemouth Echo regarding the technology used during the Fordingbridge incident and sought to get it covered in 'good news stories'. JE cautioned that care was needed on the extent of company coverage as it can increase social media traffic and therefore such decisions need careful management to avoid the chance of them becoming negative.</p> <p><u>Challenge 9 – ongoing assurance</u></p> <p>It was agreed that this challenge should now be closed.</p> <p><u>Challenge 11 – risk of gaps in technical assurer handover</u></p> <p>With links to challenge 9, it was agreed that this challenge should now be closed.</p> <p><u>Challenge 13 – NHH customer protection following retail market opening</u></p> <p>Linked to agenda item 7. Challenge to remain open awaiting comparative performance of retailers. PWS to be invited to a CVG meeting. Wholesalers will remain regulated and therefore customers will continue to receive that protection.</p>	<p>TL</p> <p>TL</p>
<p><b>9</b></p>	<p><b>AOB and date of next meeting</b></p>	
	<p>BT updated members on the integration process.</p> <p>IV confirmed that he will send further information regarding the future management of WFCP, Watershare Panel and Customer View Group.</p> <p>Date of the next meeting is 19 April 2017, at BW's Head Office, Board Room</p>	<p>IV</p>