

Customer View Group

Keeping customers at the heart of the company

VENUE: Sandbanks Hotel, 15 Banks Road, Sandbanks, Poole, Dorset, BH13 7PS

DATE & TIME: 31 May 2018, 16:00 – 17:30

ATTENDEES: Richard Lacey (Chair), Ed Vidler (Deputy Chair), Doug Kite, Michael Barnes, Mike Short, Emma Lee, Andy Woodland, Dr Bruce Grant-Braham, Kathy Tilbury, Iain Vosper (SWW), Tracey Legg (SWW), Alan Hyde (SWW), Graham Hindley (CH2M) and Jennifer Cooke (SWW)

APOLOGIES: Jeremy Bailey, Linda Willard and Mike Short.

1.	<p>Welcome and Introduction</p> <ul style="list-style-type: none">• Apologies – FOR NOTING <p>RL welcomed all attendees to the meeting and confirmed that apologies had been received on behalf of JB, LW and MS. RL introduced GH, Technical Director at Jacobs CH2M, attending to provide an overview of the independent audit report on Bournemouth Water’s performance. AW advised that he would need to leave the meeting earlier than the scheduled finish.</p> <ul style="list-style-type: none">• Minutes from previous meeting on 8 February 2018 – FOR NOTING <p>The minutes from the last meeting on 8 Feb 2018 were reviewed and accepted by the group as an accurate reflection of the meeting. As such, RL approved the minutes for publication.</p>	
2.	<p>Action log & Challenge log</p> <ul style="list-style-type: none">• Actions log – FOR REVIEW <p>The actions log was reviewed and discussed. Regarding action #35 the group requested that an item be added to the agenda for the meeting in October for members to provide their suggestions on potential charities.</p> <p>ACTION: Include CVG charity discussion on agenda for 18 October meeting - COMPLETE</p> <p>Regarding action #36 EV queried whether the data cleanse would have affected any numbers other than the PSR numbers previously discussed. IV confirmed that this was not the case which EV was satisfied with.</p> <p>The group were satisfied with the status of all other actions reviewed.</p> <ul style="list-style-type: none">• Challenge log – FOR REVIEW <p>The challenge log was reviewed. No issues were raised with the challenges recorded.</p>	SWW

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3.	<p>CCWater update</p> <ul style="list-style-type: none">• CCWater Forward Work Programme 2018 - 2021 – FOR INFORMATION <p>MB provided an overview of the forward work programme published by CCWater. MB shared some of the key deliverables for water consumers in 2016-17, along with restating the aims and objectives for the forthcoming 2018-2021 period.</p> <p>RL commented that the report, from a PR19 perspective, seemed fairly late in the day. MB advised that main purpose of the report was not in relation to PR19, but more to confirm CCWater’s focus going forwards.</p> <ul style="list-style-type: none">• CCWater Monitoring Financial Resilience report – FOR INFORMATION <p>MB also provided an overview of the report produced by ECA on behalf of CCWater. MB confirmed that this report included out/underperformance against PR14, showing that roughly half of companies have done better and half worse. MB also shared that the report covered how CCWater can encourage other companies to share the benefits, and commended the WaterShare framework developed by South West Water at PR14 which transparently shares outperformance with customers.</p> <p>RL asked the group to note the recent Ofwat consultation ‘putting the sector back in balance’ demonstrating the level of interest and scrutiny that financial resilience is receiving across the industry.</p> <p>BG-B commented that the report itself contained a high volume of jargon rendering it impenetrable for the reader. MB advised that the intended audience for the report was initially CCWater, and advised that it was used to support Ofwat with the ‘putting the sector back in balance’ consultation. MB advised that a summary version had also been produced, included below for completeness:</p> <p style="text-align: center;"> CCWater Board summary paper</p> <p>IV confirmed that the SWW’s policy had always been to ensure that gearing is aligned with Ofwat’s notional levels. EV challenged how the CVG know that an appropriate share of outperformance is going to Bournemouth Water customers. IV responded that until 2020, South West Water and Bournemouth Water are still accounted for separately, under one licence but with two separate regulatory contracts.</p>	
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	<p>IV advised that while South West Water customers currently benefit from SWW's outperformance through the WaterShare framework developed by SWW at PR14, as of 2020 Bournemouth Water customers will also benefit from this outperformance.</p> <p>RL also commented that BW customers would also benefit from the increased level of investment that SWW would be proposing in their business plan which would deliver a new water treatment works in the Bournemouth Water region.</p>	
4.	<p>Ofwat update</p> <ul style="list-style-type: none">• Freeze and thaw - Ofwat terms of reference – FOR INFORMATION <p>RL informed the group that he had requested an overview of South West Water's freeze and thaw response to Ofwat for information due to Bournemouth Water customers being minimally impacted.</p> <p>IV advised that South West Water had produced a comprehensive response to Ofwat's request for information on the freeze and thaw which was submitted in April 2018. Ofwat will now review each company's response and publish their own findings on 15 June 2018. IV commented that he believed it was important for Ofwat to recognise that there is a significant human element involved in events such as the freeze and thaw. IV stated SWW learned a lot about their assets through the real-life stress, with this information being taken forwards to further develop resilience capabilities. RL commented that he felt that the company handled the severe weather very well in both Bournemouth and South West Water regions, highlighting that the South West was the only area in England to have received a red weather warning.</p> <p>IV shared that SWW had repaired customer pipework as well as company mains in order to minimise the amount of water being lost from the network to protect customer supplies. IV explained that an enhanced level of compensation had been paid to customers affected, which included those customers in arrears, with each of these customers receiving a cheque.</p> <p>GH commented that Jacobs CH2M had reviewed the freeze and thaw response from South West Water as part of their assurance, remarking that the company's level of preparedness was excellent.</p> <p>DK queried whether there were lessons to be learned from companies further east, such as Thames, who were heavily criticised by the media. IV shared that each company would have faced a variety of challenges, with one of the major issues in the South West being leakage from caravans on holiday parks. With these sites being the responsibility of non-household retailers, many of who were unavailable over the weekend, the response</p>	

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	<p>was more challenging.</p> <p>AH commented that SWW had attended a workshop run by Water UK, and that the company had shared the approach they took in contacting holiday parks and associations.</p> <p>IV confirmed that the company had also undertaken post-event surveys to understand from those customers directly impacted how they thought the company performed, and where they could improve.</p> <p>KT suggested that the group revisit this topic following Ofwat’s release of their findings.</p> <p>ACTION: Include review of Ofwat freeze and thaw report on the agenda for 18 October meeting - COMPLETE</p>	SWW
5.	<p>Performance reports</p> <ul style="list-style-type: none"> 2017/18 ODI Performance update – FOR AWARENESS <p>TL confirmed that all in-period ODI targets for 2017/18 had been achieved. With regards to repairing visible leaks TL shared that this is an area where company are currently recovering performance. The customer service measure, SIM, is at its highest score ever.</p> <p>TL noted that CRM depreciation, which is a per annum target is on track, and noted a slight error with the PCC target which currently reads 136 but should show 140.</p> <p>DK commented that with regards to the annual report on supporting a healthy natural water environment that he wasn’t confident as to whether this was on target. GH confirmed that as part of the independent audit into 17/18 performance his team had been provided with this report.</p> <p>DK suggested that there was a resourcing risk with having one individual with the significant expertise internally to lead the production of the report. IV confirmed that there are a number of individuals within the Environment department with a range of skills, but advised that the company would review where knowledge could be shared to minimise dependency on key resources in this area.</p> <p>RL shared that JB had submitted a question to RL in advance of the meeting in his absence. JB asked what the leakage trend in Bournemouth Water was. IV advised that the glidepath was on a straight line basis and that this was improving. IV also added that a reduction in leakage is an industry wide debate and that the company’s leakage performance hadn’t been in the spotlight, but did highlight that the mandated 15% reduction in leakage would be challenging for all companies. DK asked whether the company would follow the new standardised methodology that would be</p>	

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introduced in the future of leakage reporting, which IV confirmed that whatever methodology is agreed as standard the company would adhere, whilst also reporting against the current methodology due to the 15% reduction being based on this.

RL commented that JB had noted that in order for the company to meet their meter installation target around 3000 would still need to be installed. Iv confirmed that this was the case and that there were no issues with the current level of performance or the forecast for 2019/20.

IV also added that we as part of the company's plans for 2020-2025 one of the things being explored is to install digital meters at unmeasured properties to then provide the customer with two bills (dual billing) in order to demonstrate to each customer the potential savings available, helping these customers to make an informed decision about whether they would like to move to be metered.

AW left the meeting.

- Annual performance 17/18 – audit summary – **FOR INFORMATION**

GH advised that he had presented a combined report to SWW Executive Management on the status of these audit findings, and advised that he had tailored the content for the purpose of this group.

GH walked the group through the structure of the report, sharing that process audits were carried out first, reviewing methodologies in key areas. GH confirmed that this was carried out in April and May, prior to Pennon's announcement to the City. GH asked the group to note that two performance commitments were audited by the company's financial auditors; Ernst & Young – this was 'Fair customer bills' and 'new customer relationship management system (CRM)'.

GH confirmed that the overall opinion of the company's technical auditors Red-Amber-Green (RAG) summary is green in all areas, except for two additional observations. GH confirmed that the company are appropriately representing progress towards each target.

GH explained that where blue appears (in one area on the RAG summary) that this the auditor recording an observation – in this case this observation is based on the initial end of AMP target for days in the community which the company are unlikely to meet due to there being less staff in Bournemouth following the integration with SWW. GH confirmed that as agreed with CVG that in the event that the target is not met, the company will make a donation to a specified local charity of CVG's choice.

GH shared that the one amber noted on the RAG summary was a minor observation, which related to the repair visible leaks within 7 days

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	<p>commitment. GH noted that performance in this area has declined slightly to 62.4%, which the auditors understand to be due to a lower number of experienced resources within the framework contractor's organisation. However, there were no concerns that the company would achieve their end of AMP target.</p> <p>GH also shared that the company monitored performance against each commitment at their ODI Board, and commented that the company had demonstrated some good examples of shared best practice.</p> <p>GH reported to the Panel on each individual target, taking questions from the group.</p> <p>GH commented that the company are continuing to benefit from the calm network operation. Service interruptions are at an historic low level even taking into consideration the freezing conditions experienced earlier in the year. GH reiterated that the company are on track to hit their leakage target.</p> <p>EV queried the commitment regarding energy. GH confirmed that there was a glidepath in place and that the end of AMP target was on track.</p> <p>RL thanked GH for presenting the audit report and asked whether he would be happy for some of the information from the report to be included in the report of the CVG chair which GH agreed to.</p> <ul style="list-style-type: none">• 2017/18 (Q3) Customer complaints performance – FOR INFORMATION <p>TL provided an overview of the SIM and complaints performance, confirming that complaints have now returned to their pre-spike levels, with the biggest drop in the area of charges and bills, with the sharing of best practice very much paying off. No members raised any further questions.</p>	
6	<p>Affordability & Vulnerability</p> <ul style="list-style-type: none">• 2017/18 (Q3) Social tariff and tracking survey update– FOR INFORMATION <p> Customer facing activities</p>	
7	<p>Citizens Advice Update</p> <ul style="list-style-type: none">• Verbal update on 'Jane the Water Guru' – FOR INFORMATION	

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	<p>EL advised that the name of the new water guru is Rhianne, and that the area of Christchurch would also be incorporated.</p> <p>EL shared that the CAB had received fewer applications than they had initially hoped, with engagement being particularly challenging however the CAB were working to raise the profile of the water guru.</p> <p>RL suggested that the group may wish to consider using the funding from the community days target to support the continuation of the water guru.</p> <p>KT suggested that the CAB could look into areas with food banks etc. as areas to increase engagement.</p>	
<p>9</p>	<p>Communications update</p> <ul style="list-style-type: none"> Update on customer and community communications for Bournemouth Water customers – FOR INFORMATION <p>AH provided a communications summary, explaining how the communications function sat within the group company, Pennon, and managed communications for both South West Water and Bournemouth Water.</p> <p>AH confirmed that BW now had an active Twitter account and that the Communications team were looking into the best ways that this could be advanced and developed.</p> <p>AH also shared that the company’s had achieved a 3* Business in the Community (BITC) rating and had increased 92% from 90%. AH advised that the charities supported by the company in the Bournemouth Water region are included on the Bournemouth Water website.</p> <p>AH advised that public the company’s public affairs department have good relationships with MPs in the local area, after having made initial introductions upon the merger of South West Water and Bournemouth Water. AH also pointed out that the bill wrapper highlights areas of capital expenditure and what customers are getting for their money.</p> <p>AH confirmed that the company also use the BH Living publication to communicate with the wider community. KT suggested to AH that the company consider utilising additional publications with a wider distribution base, as BH living doesn’t include large areas of the Bournemouth customer base such as Christchurch. AH thanked KT for her suggestions and agreed to discuss in more detail after the meeting. AH also advised that the company are looking into whether it would be feasible to continue with the distribution of WaterLevel in the Bournemouth area going forwards.</p>	<p>SWW</p>

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10.	<p>Update from CVG Chair</p> <p>RL confirmed that the date of the next CVG meeting would be 18 October 2018, and confirmed that dates for 2019 would be discussed at the next meeting.</p> <ul style="list-style-type: none">• CVG Annual Report 2017/18 <p>RL confirmed that he had started to draft the annual CVG report, and would use the basis of the</p> <ul style="list-style-type: none">• WFCP meetings on 20 March 2018 and 22 May 2018 <p>RL confirmed that he had attended WFCP meetings on 20 March and 22 May, advising that the final preparations for the submission of the company's joint business plan were well under way, and that only one workshop and one formal meeting in July now remained between now and the submission of the business plan. RL confirmed that the views of Bournemouth Water customers were well considered within the development of the plan.</p>	
11.	<p>AOB</p> <p>No members raised any other items of business. RL therefore thanked all members for their attendance and closed the meeting.</p>	
12.	<p>Close</p>	