

Meeting: Anglian Water Affordability and Vulnerability Panel,
Sub-Panel of Customer Engagement Forum (CEF) for Anglian Water

Date: Thursday, 12 July 2018

Time: 10.30 – 14.30

Location: Thorpe Wood House, Peterborough, PE3 6WT

Present:	<p>Martin Lord – Chair of Panel; member of CEF</p> <p>Peter Christmas – Groundwork East</p> <p>Janet Cooke – Peterborough Dementia Action Alliance</p> <p>Jenny Hodson – Voluntary Action North East Lincs</p> <p>Jeff Halliwell – Chair of CEF (by phone for first part of meeting)</p> <p>Gill Holmes – local consumer advocate for CCWater, member of CEF and CESG for Anglian Water (by phone for first part of meeting)</p> <p>Lorraine Jarvis – Chair, Essex CVS Network</p> <p>Samantha Ross – Anglian Water</p> <p>Carrie Anne Middleton – Anglian Water</p> <p>Jordan White – Anglian Water</p> <p>Jane Taylor – Anglian Water</p> <p>Vicky Anning – CEF report author</p>
Apologies	<p>Rachel Atkinson, Claire Boyer, Stuart Dearden, Trevor Edwards, Lynne Faulder, Tracey Manton, Phil Mawhinney, Jill Mortimer, Fiona Wynde</p>

Agenda Items

Action

1. Welcome and introductions

Samantha Ross welcomed panel members to the meeting and went through action points from previous minutes from 25 May, which were approved.

Outstanding actions:

- PSR figures would be covered later in the meeting
- Experian results showing objective view of affordability would not be available until July
- Latest synthesis report was on ShareFile under Supporting Documents:

2. Customer Engagement and ODIs – Jordan White

At the last meeting, AW highlighted initial work by ICS on financial incentives against performance commitments. This research found that customers placed a lot of importance on financial incentives against the bespoke vulnerability ODI, which was placed third in the suite of ODIs.

ICS looked at ODIs in more detail through focus groups, part of which focused on AW's vulnerability ODI – and asked whether this performance commitment should be penalty and reward, or reward only.

As it was part of wider focus group, customers were aware of the impact on bills. There was to be a maximum impact of £1 per customer per year, if the company achieved excellent results.

Key highlight in terms of vulnerability commitments, customers wanted

- More awareness of Priority Services Register (PSR)
- To focus on quality of support not just quantity of people on the register

Customers supported not receiving a penalty for setting up the qualitative ODI/panel: they felt AW shouldn't be penalised for something they are doing but other companies aren't.

ICS also asked customers about ringfencing the reward for vulnerable customers. On the basis of those findings, AW is suggesting a reward only structure for this ODI.

Jane Taylor added that any reward money that comes into company as a result of this ODI will be allocated to a specific cost centre related to vulnerability. That's in addition to the budget already allocated for the company's vulnerability strategy.

Discussion

Jeff Halliwell was concerned that customer engagement didn't back up this reward only structure. There was clear consumer support for bespoke vulnerability ODIs and for those being financial rather than reputational. But from p65 of focus group research, he couldn't see a clear indication that consumers supported the financial ODIs being reward only. He said this doesn't seem to be a consequent response to questions in the discussion guide. Furthermore, other water companies are also required to include a vulnerability ODI so this is not necessarily something new or different.

Gill Holmes joined the discussion by telephone. She raised a few concerns:

- 1) AW has only talked about reward only structure with a very small group of customers and this wasn't part of initial research.
- 2) Bill profiles included inflation and initial cost of ODIs – but it seems

that the bill profile in this research doesn't include costs of inflation and ODIs. She was concerned that customers hadn't been given a true indication of bill impact in this research. Throughout the survey there's a high number of customers supporting financial incentives but she was not convinced of the case for reward only.

She was very in favour of AW extending support to vulnerable customers but was concerned about this particular piece of research.

Jordan said that item 4 circulated with the agenda included the specific questions asked of customers. In terms of this ODI, customers were asked about reward only, penalty only and penalty and reward structures.

Jane said the qualitative ODI is a comparative measure against other companies (each year). The Panel will assess how AW is doing in comparison to other companies, relying on knowledge and experience of panel members in utility sector.

Samantha said AW was possibly the only water company proposing a panel to monitor vulnerability – and Ofwat may also be proposing an overarching panel to assess companies' achievements in this area. She also pointed out that reward only performance measures in energy sector has had a big impact.

Gill said the question of reward only structure seems to have only been asked of a small number of focus group customers and only took ten minutes. She would find it difficult to say there was strong customer support on this basis. She didn't think this sort of ODI should attract financial penalty and she didn't think the customer engagement on this had been sufficient.

Jeff concluded that the CEF didn't see strong support for this ODI being reward only, which they would point out in the CEF report. He couldn't see why receiving a penalty would be a disincentive to sharing best practice.

Gill had gone along to some of the earlier focus groups. There was no discussion there of what was happening in utility industry more widely, or external benchmarking.

Jordan explained that the panel would set out what it thinks is a good performance; this would be based on what's happening at that time.

Samantha suggested looking into the feasibility of carrying out an activity with the online community that centred around the panel's questions. Overall there is consensus from customers that penalties and rewards should go hand in hand. Customers didn't want to see AW penalised for doing the right thing.

SR

Janet Cooke pointed out that, from the outside, this could be seen as AW fearing failure.

Martin Lord felt that AW should be more confident of achievements in that area. In summary, he said that the panel was not entirely persuaded on this so there might be some additional customer engagement work to do.

Jeff left the call.

3. Panel Assessment Model: Jordan White

Having read Jordan's responses, Gill Holmes was confident that AW was looking for better than "good" in terms of performance. She wanted more detail about the process of having a report from the consultant that's then handed to the panel. Gill left the call.

Jordan White explained the qualitative elements of the performance commitment, which drew on learning from energy sector.

There are five main criteria based on those used in the energy sector:

- Understanding and commitment to supporting customers in vulnerable circumstances
- Quality and use of data and information
- Management and use of the PSR
- Developing and utilising partnerships
- Embedding a strategy for addressing vulnerability in systems, processes and customer interactions.

The Panel would set detailed standards it would expect to see. Consultant would carry out detailed report on customers in vulnerable circumstances and report back.

Peter Christmas felt this was well developed. He thought it would be useful to have examples of particular services available through PSR.

Samantha explained they were trying to find ways of working with energy sector so that customers only needed to join PSR once.

Janet said she thought most of the explanation was good but was surprised that transitory nature of vulnerability was only mentioned in "excellent" column.

Samantha said there's a huge focus on people with transitory needs in the overall strategy.

Jordan gave more detail about the panel:

- Panel members should be recruited with agreement by CEF members.
- Panel members would receive an induction.
- CEF would also have input in appointment of consultant.
- Panel would meet twice a year – to brief consultant and receive report
- Panel would have 4-6 members

Peter pointed out that some of the criteria are reminiscent of Investors in People. He felt that embedding those values would be essential.

The panel felt it was important to know who panel members are and get the right people – and maintain their independence. They felt this process needed to be clearly spelled out in the ODI.

Martin suggested there should be an annual report or a web page about AW's vulnerability strategy.

Jane said that Hartlepool would become more integrated in AW overall services in future. All services would be equally available across the AW region and Hartlepool.

4. Vulnerability Strategy and Demographic Overview: Samantha Ross

Samantha wanted to demo the heat map that is currently in test phase, overlaying data sources to find areas of vulnerability in the AW region. She would add this presentation to the ShareFile.

SR

She gave an overview of customer engagement to date, culminating in Community Research with vulnerable customers around the ODIs in May.

Martin said he had always been impressed by the plethora of services for vulnerable customers but was concerned about the overarching strategy behind it.

Sam said that moving forward, the panel would help to form some of the decisions made in terms of shaping the strategy. AW was keen to understand difference between their region and others.

For example, there was a high number of over 65s in the region (24% of customers) – which helps to inform initiatives.

AW serves some of the most rural areas in the country – isolation is a factor. Gross earnings are also lower in rural areas.

AW has mapped/scaled initiatives in terms of effectiveness and ease of implementation to inform and prioritise initiatives

PSR Targets:

- AW's PSR is currently quite low (at 0.6% or 15,317 customers). The aim is to get 15% of customers signed onto the PSR by 2025. This is going to be challenging (382k customers/households)
- Some of distribution networks are at 7%

Around 30% of AW customers are considered to be vulnerable.

Panel members felt the targets were quite stretching.

The main meeting ended and was followed by a panel only discussion.

Summary of Panel Only Discussion

Present: Martin Lord (Chair), Peter Christmas, Janet Cooke and Jenny Hodson

Panel members felt that the quality of customer engagement had been strong.

They looked at the questions in the CEF report template relevant to the affordability and vulnerability:

Bill profile

ML/GH

1. How well has company demonstrated its bills are affordable? Well
2. How well company has shown bills will be affordable & value for money beyond 2025 – Martin to talk to Gill
3. Appropriate assistance options?
 - Martin: caveat about Lite tariff is they've been holding back on that
 - Janet felt the company was informing people in lots of different ways including info on bills and signposting

Vulnerability

Lots of high quality customer engagement on this, but there were still outstanding questions around the ODI.

A&V panel will want to make sure they hold the vulnerability panel's feet to the fire in terms of monitoring.

Panel members felt they wanted to see more info on the overall strategy. However, they thought the PSR targets looked impressive.

In terms of roll out of smart meters – CAB historically have had problem with

compulsory meters, but there was general support among panel members for smart meters.

Use of data was impressive. Western Power Distribution had done a similar vulnerability mapping exercise and has made it available to third sector **SR**

It would be helpful to the panel to see the Experian data, when available

Issues to flag:

- Vulnerability panel should monitor for increase of PSRs through referrals from other company through data sharing
- A future panel would want to see the splits in referrals (and consider how to deal with influx of vulnerable customers onto PSR)
- They would want to flag what looks like a “good” performance
- Vulnerability assessment criteria seems to be well thought through but there needs to be some more thought about how the panel will be recruited/potential conflicts of interest
- What are terms of being members (voluntary or paid?) **SR**

There was general agreement that the principle seemed to be sound but way it’s done will determine how effective it is.

Timelines

Action: Vicky would circulate a draft of the A&V Panel report to contribute to the main CEF report by 17 July.

Next CEF meeting: 31 July

PLEASE NOTE: These minutes will be considered in draft form until signed off by panel members at the next meeting.