



# CUSTOMER ENGAGEMENT FORUM

**Date:** 5 June 2018  
**Time:** 10.00 – 10.30 and 13.30 – 15.30  
**Location:** Lancaster House, Ermine Business Park, Huntingdon, PE29 6XU

- Present:**
- . Jeff Halliwell – Independent Chair
  - . Craig Bennett – Chair, Sustainability & Resilience Panel
  - . Beth Corbould – Economist, Civil Aviation Authority
  - . John Giles – Environment Agency
  - . David Hickman – Environment Commissioner, Lincs County Council (for Cllr Colin Davie)
  - . Gill Holmes - CCWater
  - . Paul Metcalfe – MD, PJM Economics
  - . Nathan Richardson – RSPB/Blueprint for Water
  - . Daniel Storey – Director, High Point Economics
  - . John Torlesse – Natural England
  - . Vicky Anning – CEF Report Author (O)

- Apologies:**
- . Bernard Crump – CCWater
  - . Cllr Colin Davie – Lincolnshire County Council
  - . Joanne Lancaster – MD, Huntingdonshire District Council
  - . Martin Lord – Northampton CAB, Chair, Vulnerability & Affordability Panel
  - . Peter Olsen – Chair, Hartlepool Panel

Item	Action
<p><b>1. Morning CEF-only discussion</b></p> <p>Minutes from the previous CEF-only meeting on 6 March were approved by members.</p> <p>Jeff introduced the structure of the day. There would be an update on customer engagement and the business plan, plus updates from the CEF panels, followed by a CEF only session in the afternoon.</p> <p>There were a number of concerns flagged by members that CEF members felt needed further scrutiny over the next few weeks, including:</p> <ul style="list-style-type: none"> <li>- Line of sight from customer engagement to performance commitments</li> </ul>	

Item		Action
	<ul style="list-style-type: none"> <li>- Non-household vs household customers: would household customers be subsidising non-household customers?</li> <li>- Bespoke vulnerability ODI</li> <li>- Bill profiles: not as flat as initially thought</li> <li>- Cost benefit analysis</li> <li>- Valuation work: ICS/eftec work hasn't been shared more widely.</li> <li>- Gaps in the WRMP, which doesn't talk about catchment management solutions (panel wanted more reassurance on this)</li> <li>- Collaboration between different water companies on water transfers</li> </ul>	
<p><b>2.</b></p>	<p><b>Afternoon CEF-only discussion</b></p> <p>CEF members had a presentation from <b>Graham Hindley</b> on process audits carried out by his company Jacobs in February 2018 in key risk areas such as leakage and other areas of high penalties.</p> <p>They looked at AW data audits in May – to review methodologies and alert company to any material levels of concern. They looked at issues raised at last audit and whether those have been followed up. Overall their audit opinion is ODI information is reliable and accurate and fairly reflects company performance.</p> <p>Challenges have all been resolved:</p> <ul style="list-style-type: none"> <li>- <b>Leakage:</b> AW had made a new assumption on what happened during freeze/thaw event in March. During first week of March, sudden spike in usage in Newmarket through meters. AW thought this was probably people opening outdoor taps to stop them freezing. They decided to extend that assumption across the region. They transferred this from leakage to customer usage. We challenged this and said it was based on a very small sample of data and said we didn't think it should be expanded to other regions. They looked at other regions and saw same pattern of demand. They've done a lot of work on this – we believe it's a genuine customer behaviour and didn't impact on reward. But AW responded well to the challenge.</li> <li>- <b>Upstream process:</b> flagged up problem with sewage blockages. Company has now gone back as a result of challenge and now have been correctly included (around 500 were missed). We're satisfied they're now reporting correctly.</li> <li>- <b>Reactive burst mains:</b> AW excluded 146 burst events based on the fact it was a reactive burst but customers weren't interrupted due to lack of service. They have gone back over all their burst numbers over last year. We're satisfied they're now including them. The number is relatively immaterial but they have taken that away and valued the discussion on that.</li> </ul>	

Item	Action
<p>Graham has been tracking AW performance in interruptions for many years and it's really a military operation. Anglian is a model company in the industry for interruption performance. They are also top of the pile for SIM.</p> <p>One thing we haven't confirmed yet is ODI for carbon emissions. AW changed date of audit. This would be happening in the next week – but he didn't see a concern on that.</p> <p>One panel member suggested AW is still behind the norm on self reporting on numbers.</p> <p>Graham suggested that was something CEF could take up with them. Jacobs have been doing reviews of investment portfolios – 14 areas asked to review based on level of potential spend. They found AW had made the business case – but they have not fully documented how they've derived the portfolio. This is a common theme across most of investment portfolios.</p> <p>Also looked at the customer engagement strategy at a high level and the development of the performance commitments. Was particularly looking at whether it was driven by what customers are telling them. We are satisfied this is the case.</p> <p>Graham will circulate the report. He had used the synthesis report and he is confident that has been cascaded to business teams.</p> <p>Jeff suggested this would be useful input to the Valuation Panel.</p> <p>There was subsequent discussion about how the company's performance would be audited in terms of performance against the WINEP. Environment Agency will monitor performance on an annual basis.</p> <p><b>Action:</b> Graham to look at how that can be effectively monitored and assured</p> <p>Graham mentioned that he had not had sight of efficiency targets – which is a slight concern. It's still work in progress while AW are crunching numbers.</p> <p>Members wanted to know whether AW was on target in terms of delivery of DWI schemes? There was also discussion around non-household retailer engagement and documentary evidence that this has taken place.</p> <p><b>Action:</b> Graham would check what customer engagement has been done on retailers</p>	<p>GH</p> <p>GH</p> <p>GH</p>

Item	Action
<p><b>General comments</b></p> <p>Panel members felt that many of the questions raised by the sub-groups had been picked up and answered by AW colleagues. But some of this information would have been more helpful a month ago.</p> <p>There was also surprise about the bill profiles presented to customers in the light of new commitments under WINEP.</p> <p>There was discussion around the level of input from CEF members in terms of setting questions for customer engagement. However, it was explained that two CEF members sit on AW's Customer Engagement Steering Group, which has been able to feed into main stage of WTP survey and other planning opportunities.</p> <p>It was agreed that next few panel groups would be key before 31 July CEF meeting and compiling CEF report.</p> <p><b>Next CEF and CEF-Only Meeting: Tuesday, 31 July</b></p> <p>CESG: 13 June  Affordability and Vulnerability Panel: 12 July  Sustainability and Resilience Panel: 5 July  Hartlepool Panel: 10 July  CEF Valuation Sub-Group: 22 June, 5 July</p>	