

**Minutes**

**Meeting:** Customer Engagement Forum

**Date:** 8 June 2015

**Time:** 10:30 - 2:45

**Location:** Lancaster House, Huntingdon

**Present:**

- . Bernard Crump - Chair (M)
- . Richard Thompson, Environment Agency (M)
- . Gareth Dalglish, Natural England (M)
- . Peter Olsen, chair Hartlepool Panel (M)
- . Richard Tunnicliffe, CBI (M)
- . Gill Holmes, CCWater (M)
- . Martin Lord, CAB (M)
- . Peter Simpson (O)
- . Jean Spencer, Anglian Water (O)
- . Martyn Oakley, Anglian Water (O)
- . Ian Rule, Anglian Water (O)
- . Alex Plant, Anglian Water (O)
- . Andrew Snelson, Anglian Water (O) for first 5 items
- . Susan Fennah, Anglian Water (secretary role)

**Apologies:**

- . Steve Grebby, CCWater (M)
- . Craig Bennett, Chair Environment & Climate Change Panel (M)
- . Cllr. Davie, Lincolnshire County Council (M)

M = member O = observer

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**Item**

**Actions**

**Welcome, introductions and minutes of the last meeting**

1. Bernard welcomed the group and new members Martin Lord from Citizens Advice Bureau and Gill Holmes from CCWater.
2. The minutes of the last meeting were agreed and action log reviewed. The group discussed a new possible contact to approach as an economic expert for CEF and agreed to follow up on this.

Bernard/AW

**Sharing updates since January**

3. Natural England - Gareth updated CEF on changes to management team and that he will continue to represent all NE teams in the Anglian region.
4. Environment Agency - Richard updated CEF that the EA reorganisation to remove the regional tier is complete and he now works for a national team designed to bring consistency

and resilience in how the team works with all water companies.

5. CBI – Richard updated CEF that the CBI was positive the election led to a new government earlier than anticipated. The region is performing strongly at the moment though there are potential wider issues around Europe, the potential impact of Greece and slight decrease in growth forecasts.
6. Hartlepool panel – Peter said the Hartlepool panel was due to meet the following week and would be reviewing the membership to ensure the right people were involved.
7. CAB – Martin explained how CAB is organized regionally and nationally, how they support clients in financial distress and the role of his CAB in the new LITE tariff.
8. CCWater – Bernard updated group on changes at CCWater including the new chair Alan Lovell, two new regional chairs and 19 new LCAs. Gill is the LCA for Anglian Water and shared her background including legal, customer focus groups, quality marks and debt management.
9. Anglian Water – Peter introduced Ian and Alex who were joining the CEF for the first time. He explained about recent changes including four alliances, non household retail market and cultural and leadership development changes underway.

#### **Update on delivery of 2010 to 2015 five year plan**

10. Peter presented an update on the delivery of the last five year plan and focus of performance in 2014/15, KPI and serviceability trends.
11. Discussions around this covered a range of areas including structure of Alliances, catchment management and phosphorous recycling and ODIs for flooding and interruptions to supply.

#### **AMP6 assurance framework**

12. Andrew explained about changes in assurance requirements, the purpose of assurance and how Anglian Water plans for providing assurance internally and externally over AMP6.
13. A tender process is underway to appoint a third party assurance provider for AMP6. The group discussed whether this would include PR19 and agreed on balance to keep this separate (although not precluding the same organisation to be appointed to both roles).
14. Bernard is part of the tendering team to ensure CEF requirements are represented. The aim is that the appointment will be made in time for the successful organisation to join the September CEF.
15. The CEF agreed it was important for it to have access to assurance independent of the company and to be able to commission work. Examples of such additional focus included

Bernard

assurance on social tariff data. It was suggested that the CEF requirements were discussed at the start of each year.

### **Ofwat Water 2020 consultation and case for change**

16. Jean presented an overview of Water 2020, what it will deliver and key dates in the work programme.
17. Bernard suggested that this area (particularly upstream market issues) would be a good topic to explore with CEF and panels in September to share Anglian Water's views and for CEF to input into the Ofwat consultation. Anglian
18. The CEF discussed what challenges facing the sector Water 2020 was trying to address and the role of regulation and markets in meeting these.
19. Ofwat is due to publish an issues paper in July and so if the CEF could input after September this could help contribute to the discussion before Ofwat publish its formal paper in November/December.

### **Market readiness for non household competition**

20. Ian presented an overview of the history of retail competition in the water industry, the role of Open Water, challenges and changes underway for market opening and next steps.
21. Richard Thompson asked about how the changes would affect communications in a drought of non essential use so businesses can play a role. Ian explained that the code sets out process and timescales to ensure wholesalers can continue to contact non household customers in emergencies in the future.
22. Gareth asked how it would affect water efficiency. Martyn explained that the unit price is expected to reduce very little so offering added services like water efficiency advice to help reduce costs will be increasingly important.
23. Bernard asked if there was any behavioural simulation underway (this is a widely used technique to see in a simulated environment what unanticipated problems or issues might arise driven by the way people behave in a new situation). Peter explained that much was being learned from experiences in Scotland.
24. Richard Tunnicliffe asked about the level of awareness of customers at the moment. Martyn explained this was limited. Bernard felt this was a good time to build awareness and he was concerned if companies were to hard exit then customers not interested in competition could face early experience that could lead to bad publicity.
25. Bernard asked if the timing was still realistic for market opening. Ian explained it was very tight but the shadow opening gives some float. Peter agreed it was tight but still possible with rapid progress underway. One of the biggest risks is the readiness of companies with different companies

taking different approaches to their preparations.

### **CCWater results of research into customer voice at future price reviews**

26. Bernard gave an overview of recent research by CCWater with customers on how they felt their voice should be included in price reviews and particularly the role of CCGs.
27. The results reinforced issues foreseen rather than revealing any big surprises. Customers wanted to see customers represented, expected to see a range of methods used and the CCG chaired by someone independent with the right expertise. They recognized the chair would need to be paid and felt that a formal recruitment process would be important.
28. Bernard will share a copy of the final results once available. Bernard
29. As part of the Alan Lovell's meetings with companies, CCWater will be asking all companies about their future plans for CCGs. Ofwat is also doing a review of CCGs. Bernard is happy to continue to chair until any new process is agreed. Peter Simpson suggested one option could be for the CEF to select and appoint their own chair.

### **Agenda for September stakeholder forum and next CEF meeting**

30. Alex referred to the previous discussion about using the stakeholder forum to explore Water 2020 so the CEF could input into Ofwat's work. He also explained about plans to refresh the company Strategic Direction Statement and how discussions on future challenges could help to inform early thinking about this. This is something the Environment panel had said they were keen to be involved in.
31. The CEF would also like to cover performance commitments and a first cut review of progress and strategies/action plans to meet ODIs in their private meeting after the stakeholder forum. Anglian
32. Bernard asked to get an update on plans for the agenda in August. Water

### **LITE tariff update**

33. Martin updated the CEF on the development of the new social tariff, LITE, and progress on its introduction to date. Fewer referrals have been made than expected and of the assessments completed about 60% have been eligible and 40% not. More work is underway to increase this including shared diaries to encourage referrals and exploring other referral avenues.
34. An additional benefit of the assessment has been that clients are getting help to maximize their income by identifying if

they are getting the right benefits they are entitled to.

35. Bernard reflected that this experience was typical to other water companies. He felt that those on Solow tariff who were not eligible this year but would be in future should be kept informed and under review if the targets continued not to be met.
36. Alex asked if data was being collected on the wider benefits of the scheme. Martin confirmed this is being collected through the CRM process and will be available.

**AOB**

37. No AOB were proposed.