

Summarised Minutes: Meeting of The Dee Valley Customer Challenge Group

18th May 2016 – The Ramada Plaza, Wrexham

Attendees:

Customer Challenge Group:

Clare Evans (CE) – Chair
Angela Davies Jones (ADJ) – LCA CC Water
David Oxley (DO) – Sustainable Blacon
Paul Roberts (PR) – Citizen Advice Bureau
Cllr Martyn Delaney (MD) – Cheshire West & Chester Council

Cllr Bob Dutton (BD) – Wrexham County Borough Council
Clare Harrison (CH) – Chester Voluntary Action
Graham Jones (GJ) – Federation of Small Businesses
Cllr Kerryll Prossor (KP) – Churton Parish Council

Dee Valley Water:

Ian Plenderleith (IP) – CEO
Tracey Jones (TJ) – Customer Relations & Dept Assistant

Wendy Jones (WJ) – Head Of Customer Services
Emma Edwards (EE) – Customer Account Assistant
Manager

Apologies:

Customer Challenge Group:

Andrew Ellis – Kellogg Company Of Great Britain
Stephen Mayall – Natural Resources Wales

Dee Valley Water:

Daniel Hughes – Finance Manager

Agenda:

1. Welcome from the Chair and introduction of our new members
2. Previous minutes and actions
3. Sign off of the Terms Of Reference
4. Overview of recent Ofwat and CCG meetings
5. Performance and Business Updates – ODI's
6. Vulnerability
 - a. Debt overview – Finance and Operation
 - b. Vulnerability & the Ofwat agenda
7. Customer Research highlights and proposal for dedicated meeting for the Customer Engagement Strategy and Research for the year
8. Business for next meeting

Meeting opened at 10.30

1. Welcome by the Chair and Introduction of new members

CE/ The Chair opened the meeting and welcomed everyone, including our new members Cllr Kerryll Prossor from Churton Parish Council and Clare Harrison from Chester Voluntary Action. All CCG members introduced themselves.

2. Previous Minutes and Actions

CE / The Chair reviewed the previous meetings minutes. It was agreed by the group that summarised minutes were preferred to a full version. Minutes were reviewed for accuracy, two actions were taken at this point (logged in action list) and were then approved.

CE / The Chair reviewed Matters Arising

It was clarified by IP that “clearing out of the mains” was regarding performance.

ADJ advised that CCWater would commence discussions with Dee Valley Water regarding their annual “Scheme of Charges” in July and that she would report back to the group on the outcome which was likely to be later in the Autumn, although there were no set timescales as yet. **CE/ The Chair** advised there will be several consultations and events relating to PR19 coming up and that she had asked Ofwat to advise CCG’s of such upcoming events and to circulate these as soon as possible.

It was discussed during an action update that the increase to charges was unique to Dee Valley Water (DVW) and that they were the only Company to increase at nearly 5%.

IP advised that he is waiting for the detail of how Ofwat’s wholesale revenue incentive correction mechanism (WRIFCM) will work. A date hasn’t been given for this yet, but is likely to be July. IP also advised that DVW had done a further investigation into the WRIFCM to try and forecast what DVW penalties would have been as a result of the inaccurate forecast for commercial volumes, based on this initial calculation we estimate a penalty in the region of £30 - £40k. Had DVW had a better indication of the potential penalty levels it probably would have accepted responsibility and paid the penalty rather than increase customer bills. ADJ asked if the tariff increase would apply to certain customer segments IP confirmed that this would be applied to the whole customer database.

ADJ discussed research results from their annual tracking research “Water Matters” which measures satisfaction with services and value for money. Results specific to companies will be issued to Wales. There is a significant difference between England and Wales in that overall satisfaction in Wales is higher than in England. DVW specific results are not available at this stage. The report is expected after the election results in May. ADJ also gave an update on CCWater’s Testing the Water results for business customer satisfaction. Overall in Wales business customers are more likely to be positive about their companies in believing they care and can be trusted, with higher net promoter scores. Again the specific DVW results are not available but the report is expected at the end of July. CCWaters results for household competition and water saving behaviours research are expected at the end of May and June 2016 respectively.

CE / The Chair advised that Ofwat had made a surprise announcement that they were going to start research on to the appetite for household retail competition in the water industry in England. This is not being proposed in Wales but it is something for the CCG members to be aware of given the fact that DVW straddles the England/Wales border.

ADJ asked if CCWater should update the CCG on other meetings they have with DVW – covering the main points discussed. It was agreed that the Group would welcome this where it was relevant to the Group. Ideally this would be channeled through CCG meetings although email updates may be used if appropriate. ACTION: CE and ADJ will discuss taking this forward

CE / The Chair reviewed the Actions

Action 7 – **CE** had spoken to members who haven’t attended for some time. Kelloggs (Andrew Ellis) advised he still wished to be sent the information, but wished to be involved in meetings when the agenda was more relevant to him / his business. CE / The Chair had also spoken to Graham Jones of the FSB who was present at the meeting.

Action 9 – It was agreed to remove this point as this was an old action from a previous meeting. **IP** confirmed that for the next meeting he would provide an updated on recent Company audits

Action 12 – Calendar of events still to be circulated. IP confirmed this had been discussed earlier

Action 21 – Agreed this was to be removed from the actions

It was acknowledged that a “Decision” and “Challenge” box had also been included and an action was taken to add a column for who had raised the challenge

3. Sign off of the Terms of Reference (ToR)

CE / The Chair advised the CCG that Ofwat's response to their November 2015 consultation document "Water 2020" was expected on 25th May 2016. This document would likely outline future expectations for the on-going role of CCG's and as such may have implications for the ToR. It was agreed that the ToR (as amended after the last CCG meeting) would remain a working document and that any refreshments that may need to be made would be done at a later date. ACTION: The ToR was to include version control references to reflect it's changing nature.

4. Overview of recent Ofwat meetings and CCG's

CE / The Chair gave an update on recent Ofwat meetings and events that she had attended. The potential proposal to move from RPI to CPI had been a surprise announcement by Ofwat in December 2015. The CCG Chairs wanted to understand the potential bill impact of a move to CPI, as a change in indexation brings revenue forward, and in the absence of any mitigating action, this can increase bills in the short to medium term, which may offset in the longer term as bills would go down. Companies do have tools to potentially smooth or neutralize the impacts on bill profiles and it would be for companies to engage with customers to determine if they should use these tools to that effect. ACTION: The Group challenged IP to circulate a note summarising the potential impacts of such a change from RPI to CPI to DVW in laypersons language.

CE / The Chair discussed future roles for Statutory Regulators such as Natural Resources Wales and the DWI and their input at CCG meetings. The input of the Statutory Regulators was recognized as being very helpful to the Groups deliberations and this should be continued as appropriate. Concern was raised by CE / The Chair at the view expressed by Milo Purcell of the DWI at a recent Ofwat / CCG Chairs meeting that their future involvement with the CCG's may have to change as they felt that the CCG's may not be fully independent of the water companies. CE strongly challenged this view and asserted the independence of the DVW CCG but it was noted for future CCG meetings that our independence needs to be absolutely clear and maintained at all times.

It was agreed that future CCG meetings should be focused on specific topics where possible so that the input of the relevant Statutory Regulators could be sought

CE / The Chair suggested that Members as well as Statutory Regulators be invited to provide a concise update for future CCG meetings as a standing Agenda Item. This was agreed by the Group.

CE / The Chair next updated on the WaterUK work on providing a dashboard of comparative information across water companies. This may assist the CCG in comparing DVW to other companies. IP confirmed this would likely be available from August 2016

CE / The Chair updated the group on a meeting she attended at DVW for their Legacy programme and commented that the levels of detail given by DVW was excellent. It was advised by IP that DVW had recently been visited by Catherine Ross from Ofwat as well as various other companies and organisations such as: Welsh Government. He advised that they were all very pleased at how DVW were representing the sector and that they were performing well and progressing. Catherine Ross was impressed with the company's personal service in helping with debt and she also enjoyed her visit to Llywn Onn Treatment Works. Alan Lovell, the Chair of CCWater England and Wales was pleased with the work being done on the Social Tariff. The Welsh Government was impressed with the enthusiasm of DVW staff and were pleased to see that the Legacy Project was being delivered by DVW in house staff and not by contractors.. It was hoped that this meant DVW would provide high quality work carried out with pride. Health and safety standards were also described as high. The Group agreed that it would be beneficial for them to attend a field visit for the Legacy Project at a future date.

KP advised that she had shared DVW results at the recent AGM of Churton parish Council. She commented that the "green" for discolouration and services doesn't reflect what is happening in the Churton area. A discussion was held regarding the DVW investment programme. IP advised that work was now underway to address the issue and this had

been brought forward to address the problems sooner. In Approx March 17, the Legacy Surplus will be brought into discussion. The ODI measure for the length of time customers don't have water (supply interruption) was discussed as was the importance of the Call Centre knowing the problems in the area and the need for the DVW website to be updated in a timely fashion. An action was taken to circulate a document of advice for discoloured water and WJ/IP were keen to work closely with the Parish councils, offering to attend the next meeting. IP agreed to add a report to future CCG's on a more relevant customer performance indicator, that being the number of times a customer has a water supply interruption, regardless of the length of time of that interruption.

5. Performance and business updates - ODI's

WJ guided the Group through the ODI update sheet and advised that discoloured contacts were continuing to improve and that OT was bringing forward the 2017 target and that a lot of work is being done to improve Network cleaning.

ADJ asked for confirmation if the figures were a forecast for 2017. The response was that the forecast is for 2016/17 on a rolling 12 months basis.

A1 Reward – IP said that the issue of reward will be taken to the CCG not straight to the Board

An action was taken to add banding re: reward / Penalty and to change Red, Amber, Green (RAG) to "Status" and Red, Green (RG) for on no not on target

B2 Should be "Out performing"

B4 Commentary to be more relevant to what it means to the customers too

C1 Given the absence of a figure in the column relating to "Gross Operational Greenhouse Gas Emmissions" WJ advised that the figure is calculated annually and wasn't yet available. WJ is trying to get to a mechanism for calculating this. IP also advised that he was starting to look at Solar Power.

D1 CE/The Chair asked for a copy to be given to members. **WJ** said she was happy to cross reference with CCWater tracking survey results for business and domestic customers which can be shared in liaison meeting

The discussion continued to customer research and **WJ** asked the Group to let her know of any other research opportunities other members' organisations may have planned and which were relevant to the work of the CCG. As part of the dedicated Customer Engagement meeting she would like to look at options for data sharing and customer profiling. **GJ** advised the FSB had an online research tool for members to use.

ADJ asked for an explanation in commentary regarding E1, E2, F1 etc

WJ went on to update on Per Capita Consumption (PCC), she said this was an annual indicative calculation and to assist with this TJ is tasked with water efficiency. It was agreed that commentary regarding efficiency would be useful

WJ gave an update on the SIM section and explained unwanted contacts and complaints. DVW year end score was 83.45 versus last year's score of 78, however the month in isolation was 89

IP advised there is loggers in the network that can be used to measure leakage but not for pressure and quality. Going forward IP wants to look to implement a "smart network" that will enable the Company to predict problems in advance instead of the customer having to contact DVW after the event had occurred. IP advised that there is a sampling programme for water quality with approx 29k tests being taken a year.

WJ updated the new members of the Group on the "Rant and Rave" system in operation at DVW's call centre. She also advised that in the year end round up for Rant and Rave 83% of our customers who responded scored DVW a 5 out of 5. WJ looks at verbatim comments in Ofwat and R&R surveys and they are both very similar. R&R is now moving out into the "Operations" part of the business to ensure DVW captures total customer voice.

12.30 The morning session finished, CCG were invited to take a 30 minutes lunch break. BD left for the day and EE joined for the afternoon session.

1pm The meeting resumed

6a and b. Vulnerability Debt overview – Finance and Operation and Vulnerability & the Ofwat agenda

CE / The Chair welcome Emma Edwards (EE), Customer Account Assistant Manager to the meeting.

IP gave a financial overview relating to debt management. He explained that DVW don't write off their customer debt and in 2016 the total debt amount is forecast to be £166k however he did not have the information relating to how many customers this is split across. An action was taken to clarify the doubtful debt provision increase of 46% (from 41% in March 2015) of gross trade receivables. It was advised that debt relief orders had increased by 50% in 2015/16 to 106 compared to 2014/15. DVW track the number of customers who fall off payment plans and, if the customer does then a fixed payment plan is offered as an alternative. DVW have 67% of customers on a payment plan of which 8% are on a flexible plan. It was also advised that the Customer Liaison officers who visit customers have a 40% success rate of people setting up payment plans, asking about their bill, tariffs and promised payments and confirmed that the remaining 60% receive a call from the call centre if payments are missed and that the 67% figure also includes direct debit payments. As at 31 March 2016 £2.4m of debt was over 1 year old. Cash collection as a percent of billing has run at an average of 98% during 15/16, suggesting 2% of billing is not collected. This equates to our bad debt charge which was 2.2% revenue for the year in 15/16

CE/The Chair asked for a debt profile and for WJ to liaise with her to assess if the information was helpful and relevant

CE / The Chair commented on a recent Ofwat report on debt which confirmed that debt, as a proportion of an average customers bill had increased 17% from £17 in 2009 /10 to £21 in 2014/15 across the industry but in Wales this figure was now £32. An ACTION was taken for DVW to provide a list of payment plans, the percentage of people on different plans, the number / percentage of people who have fallen off and the volume of debtor's value as a percent and actual. Long term and short term debt was also to be provided. A flow chart of the debt recovery process was also to be provided to the CCG

WJ shared the Ofwat practitioner's guidelines to vulnerability. She advised that a training plan for Call Centre staff is being created to provide excellence in customer service and the social tariff had launched. She also advised that 1% of the customer base could benefit from the DVW social tariff "Here2Help". WJ also advised that customers appreciate the service provided but creating trust was something to work on. Work is starting with charities and organisations to assist with recruiting people on to the scheme. Training is happening with CAB and Stepchange using Ofwat guidelines. Work has also been done on the tone of voice used by the business so that plain English is used in an easy to understand way – this includes the website, leaflets, bills and letters. It's about keeping it simple. A standard has been awarded to DVW by "Keep Me Posted" who are an organisation campaigning to keep paper documents for customers. Webchat will also be introduced in the near future for DVW customers. **WJ** also gave an update on the DVW Stakeholder event relating to Customer Engagement taking place on 29th June. This is a facilitated session looking at how different organisations can work together with DVW to get to hard reach customers. The event will have guest speakers, panel discussions and workshops

WJ advised that DVW board are investigating a data share agreement for customer payment behavior etc and discussion had taken place with Equifax. She confirmed it would be a cross section and would link back to the debt liaison staff. It would help segmenting customer debt and would allow the company to better decide on the best course of action to be taken in relation to debt recovery, but cost needs to be considered as quotes range from £15k - £70K. The proposals are with the Board, however this is unlikely to happen due the cost element. WJ advised that progress was slow as she wanted to make sure it was the right thing to do and she needed to weigh up the pros and cons

An update was given on the new Social Tariff, Here2Help, launched in April 2016 and that a target of 1700 customers is in place. So far there have been 30 home visits and 4 returns. It was agreed that there was a long way to go to meet the target but things were in place to assist such as looking at various communication channels such as using water bills and

also placing information about the Social Tariff in places such as hospitals, job centres, post offices, councils etc especially those with high footfall. An ACTION was taken to look at texting customers with the information. **CH** commented that communication should be easy to read and understand for those in independent living and that there are some organisations that can help with this. She also commented that there is a community radio and she has lots of network opportunities with carer networks and charities working in mental health, autism and dementia specialisms.

ADJ emphasized the need for training on vulnerability

7. Customer Research highlights and proposal for dedicated meeting for the Customer Engagement Strategy and Research for the year

WJ updated on recent Customer Research and that she wanted to compare DVW against other industries not just the water industry / utility sector.

Key highlights:

Affordability : HH 74% NHH 41%

Value For Money : HH 84% NHH 63%

Trust : HH 86% NHH 72%

Satisfaction : HH 92% NHH 82%

A proposal was made for an additional meeting dedicated to Customer Research. The Group agreed and an action was agreed to send out a selection of dates for mid June. A pre read would also be sent along with a first draft of the strategy

8. Business for next meeting

ToR
Legacy Visit
CCWater Research update
Customer Engagement
Annual Performance reports / financial reports, internal audits that are relevant and any impact to ODI Reward / Penalty

Action	Page No	Actions	Owner	Due Date
1		Ensure the agenda items are numbered	TJ	Next meeting
2		Add "This was welcomed" to Lia's (LM) comments on page 3 of previous minutes, 5 th paragraph, regarding CCWater's quarterly results	TJ	1/6/16
3		Circulate the last CCWater quarterly report	WJ	1/6/16
4		CCWater Scheme of Charges to be added to the CCG agenda when confirmed	TJ	Maybe July
5		Update any relevant events to the annual calendar that are appropriate for the Group to be aware off / discuss	ALL	Next meeting
6		Send CCWater an update on what penalty could be applied to DVW for Wholesale revenue incentive correction mechanism	IP	31/7/16
7		Add a standing Agenda Item to future agendas – "Members Updates" and "Statutory/Technical Representative Updates"	TJ	Future meetings
8		Meeting to discuss best way to communicate CCWater meetings with DVW to the Group	CE/ADJ	10 /6/16
9		Add "who raised" the challenge in the challenge log	TJ	1/6/16
10		Circulate details / calculations for RPI v CPI	IP	10/6/16
11		Include the Ofwat final paper (due 25 th May) to the agenda of the next meeting	TJ	Next meeting
12		CCWater to share how other companies may address RPI v CPI	ADJ	Next meeting
13		Circulate the Legacy presentation to the group	WJ	1/6/16
14		Organise Field visit for the Group to coincide with a future CCG meeting / Event	TJ	For next meeting
15		Share / Make easily available information / advice for discoloured water to DVW customers	WJ	1/6/16
16		WJ and KR to work together to improve service including sharing best practice of Call Centre's	WJ	30/6/16
17		WJ/IP to attend the next Churton Parish Council Meeting	KR	Next Churton Meeting
18		Circulate draft customer research document	WJ	10/6/16
19		Share the FSB research and the online survey result with WJ	GJ	3/6/16
20		Provide a list of payment plans, the percentage of people on one, the number of people who have fallen off and the volume of the debtors value as a percent and actual	EE	10/6/16
21		Provide a flowchart detailing the process for debt management	EE	10/6/16
22		Investigate if text is available to advertise Social Tariff	WJ	For next meeting
23		Organise an additional meeting for Customer Research	TJ	June

Decision	Page No	Decision	Owner	Due Date
1.		Summarised minutes to be used for each meeting	TJ	Future meetings

2.		Member Update and Statutory / Technical Representative Update agenda items to be added to all future meetings	TJ	Future meetings
3.		Additional dedicated meeting for Customer Research	TJ	June

	Date	Challenge Description / Raised By	Owner	Due Date