

## **Summary Minutes: Meeting of The Dee Valley Customer Challenge Group**

28<sup>th</sup> June 2016 – Dee Valley Water, Wrexham

### **Attendees:**

#### **Customer Challenge Group:**

Clare Evans (CE) – Chair

Angela Davies Jones (ADJ) – LCA CC Water

David Oxley (DO) – Sustainable Blacon

Cllr Bob Dutton (BD) – Wrexham County Borough Council

Clare Harrison (CH) – Chester Voluntary Action

#### **Dee Valley Water:**

Wendy Jones (WJ) – Head Of Customer Services

Tracey Jones (TJ) – Customer Relations & Dept Assistant

Angela Easton – Internal Audit Manager

#### **Guests:**

Steve Bentley – Black and Veatch External Auditors

Susie Smyth – Impact Research

Michael Bainch – Impact Research

### **Apologies:**

#### **Customer Challenge Group:**

Andrew Ellis – Kellogg Company Of Great Britain

Paul Roberts (PR) – Citizen Advice Bureau

Cllr Martyn Delaney (MD) – Cheshire West & Chester Council

Stephen Mayall – Natural Resources Wales

Graham Jones (GJ) – Federation of Small Businesses

Cllr Kerryll Prossor (KP) – Churton Parish Council

#### **Dee Valley Water:**

Ian Plenderleith (IP) – CEO

### **Agenda:**

1. Welcome from the Chair
2. Previous minutes and actions
3. Matters Arising (not on the agenda)
4. Members Updates
5. Assurance and Audit Overview
6. Ofwat “Towards 2020” May Report
7. Vulnerability and Affordability Discussion
8. Presentation of the baseline survey – Impact Research
9. Items and date for the next meeting
10. Llwyn Onn Treatment Works Visit (postponed)

Meeting opened at 10.20

#### **1. Welcome by the Chair and Introduction of new members**

CE/ The Chair opened the meeting and explained the reason for this additional meeting being the wish to devote a whole day to understanding the baseline research of DVW customers which would form a basis for the Customer Research Strategy. Impact Research would be joining to share their Survey presentation at 11.30.

## **2. Previous Minutes and Actions**

CE/ The minutes of the previous meeting were approved for accuracy.

CE / The Chair went on to review the actions:

Actions 1, 2, 3, 5, 7, 9, 10, 11, 13, 18, 20, 21 and 23 were complete

Actions 6, 8, 12, 15, 16, 17 and 19 were carried forward

Actions 4 and 19 are ongoing

Action 10 CE will update if there anything is received from Ofwat and CCWater

Action 14 was postponed due to attendance levels and a new date will be discussed at the next meeting

Action 22 WJ confirmed that DVW have the capability to push text but that she needs to explore if customers are required to be signed up to receive Marketing messages. WJ thinks this would be required for a push text to promote Social Tariff

ADJ asked if DVW could send something to customers, maybe with annual bills to ask customers to sign up for Marketing preferences

WJ advised she wanted Marketing preferences to be available on the web, but that it would be Phase 2

CE/The Chair queried if information regarding the Social Tariff could be a Service Message

WJ advised that she would need to look at all mediums.

ADJ commented that Welsh Water text customers who are in arrears.

CE / The Chair said that text messages had been good for Welsh Water in reminding customers about upcoming payments and keeping them on track.

ADJ felt that texting customers regarding the Social Tariff should be ok if DVW are open with their customers about it

## **3. Matters Arising**

CE/ The Chair asked if Dee Valley Water had approached the University of Wrexham to join the CCG, perhaps someone with a particular interest in research / community engagement.

WJ advised she would follow this up with KWJ (Keith Wynn Jones at Dee Valley Water) as he has a contact at the University.

CE/ The Chair advised that she recently attended a workshop with Ofwat to look at different types of engagement. Wendy Jones was also present at the event. There appeared to be encouraging for water companies to use creative alternative methods of engagement. This was welcomed but there was some concern that any move away from Willingness to Pay (WTP) could be risky when Ofwat assesses the company's Business Plans as more creative activities may not be seen as robust or consistent as more tried and tested techniques. CE also advised that she had also been invited to an Ofwat organised event on "Thought Leadership" in July to which water companies were also to be invited.

WJ advised she is looking at Behaviour economics and would like a water report sent with customer bills. This report would be produced by Advisso – WJ would like them to attend the CCG at a future date. The report is to encourage customers to do something different with their water usage as it also gives information on the behaviour/water usage of neighbouring properties etc. This information will have been obtained from a survey, which is user friendly and looks similar to the CCWater tool. The tool looks at water usage by area, average consumption and how to reduce consumption. WJ went on to explain that she wants a light version on the web and a detailed report in the account and had asked Advisso what had already been presented to Ofwat and what they thoughts were.

It was discussed that a paper copy should be available as well as an online version so that all customers can benefit if they don't have online access. WJ also confirmed data could be compared against the previous 6 months which makes it relevant and maybe a sample could be included in the bill.

There were no further matters arising

## **4. Members Updates**

ADJ gave an update on CCWater – Annual Tracking Survey. She advised that full analysis would be due by the end of July. CCWater will be publishing their Annual Tracker Survey on Household customer perceptions. There are some significant differences between Wales and England including higher satisfaction with services, value for money for services, higher trust and awareness of assistance schemes. There was a drop in Satisfaction with Water Supply for DVW (below England and Wales average) and a drop in satisfaction with value for money for services since last year (at average for England and Wales). There is also a drop for DVW in satisfaction scores with colour, taste and odour and the reliability of water supply (the survey was carried out in November 2015 and could have coincided with supply issues in the area?). On a positive note, there is an increase in trust in the company and a significant increase in awareness of the WaterSure scheme (6% - 13%). DVW customers also seem more aware of their right to complain (complain to company from 0% - 12%) and to have contacted the company with a query in the last 12 months (increased by 10%). This is not reflected in an increase in complaints to the company in 2015/16.

#### CCWater DVW Water Matters results

Satisfaction with water - from 99% in 2014 to 91% in 2015, with the average for England and Wales being 93% (DVW tracker results – 92%)

Value for money - 80% (E and W – 79%)

Trust – 8.28 out of 10 (E and W – 7.83%, DVW tracker results– 86%)

Affordable bills – 80% (same as 2014), E and W – 79% (DVW tracker results – 74%)

CCWater will be issuing the biannual tracking survey for non-household customers on 9<sup>th</sup> August. A brief overview in respect of DVW is as follows:-

Trust – 8.34, Satisfaction water service – 94%, Satisfaction sewerage service – 78%, NPS – 31

Wales – Trust – 8.2, Satisfaction water services – 95%, Satisfaction sewerage service - 71%, NPS - 33

WJ commented that depending on the demographic of the survey there have been some sensitive issues such as supply interruption around the area of Holt and that it would be worth looking at lower level detail.

ADJ advised the survey was done around November 2015 and there was a drop in Quality (discoloured water) and Supply interruption and queried what had happened around that time.

WJ explained about the leaks around the Holt and Churton areas and particularly the summer months had been difficult. DO wondered if the new Ice Pigging process would be another factor leading to discoloured water. WJ also advised that the website was now working better for DVW and had taken the biggest demand for customer contact through the recent burst in Chester. The normal customer visits on the website is 300 per day, but on the day of the burst it increased to 7000.

ADJ said that customers seem more aware of their right to complain as this was up by 10%

WJ explained what DVW are trying to do with complaint responses such as giving customers all the information and what they are doing to rectify problems and their new tone of voice

AGJ said the Trust score had increased from 6 – 13% and people were more aware of the Social Tariff

WJ commented that the Stakeholder event (planned for the next day) should also help with awareness of DVW's tariffs and the Social Tariff. Other ways DVW was raising awareness includes call centre operators and promotion on water bills.

CE / The Chair advised she feels graphics work better than a lot of written information on a bill as they are often easier to understand.

WJ advised that she is looking at bill design based on feedback from DVW survey.

BD commented that some people don't have time to read and understand their bill so graphics would be a quick easy reference.

CH commented that there are different community organisations that will have their own ideas of what will help their members.

ADJ next gave a performance update based on the annual results that were released last week. Operational Performance overall for DVW was up, discoloured contacts were down from 1.32/1,000, an improvement in the

drinking water quality score to 99.95% from 99.88%, an improvement in other water quality related contact from 1286 in 2013 to 346 at the end of 2015 and an improvement in water supply interruptions.. DVW complaints and contacts to CCWater are continuing to decrease year on year with a reduction of 30% from 2014/15 to 2015/16. This confirms the trend of complaint decrease to DVW by 16% reflecting service and communication improvements made by the company.. For SIM unwanted contacts had reduced and that DVW were just above the average for overall SIM in 8<sup>th</sup> place

WJ commented that DVW were 4<sup>th</sup> place in the SIM survey moving from 8<sup>th</sup> place but in 8<sup>th</sup> place for the full SIM Datashare.

CE / The Chair asked ADJ to circulate a full update with the minutes to the group

WJ said the report should be on the website as of last week and that DVW's full annual report is going to print and will be circulated when ready.

## **5. Assurance and Audit Overview**

AE (Angela Easton) DVW Quality Assurance Manager and SB (Steve Bentley) from DVW external auditor's Black and Veatch introduced themselves and the role of regulatory auditing.

AE explained that at the end of the last price review Ofwat set out a data monitoring framework and placed DVW in the "Prescribed" category. Since then DVW have been working hard to improve and take on board the recommendations.

Like other water companies, DVW were required to develop an Assurance Plan detailing how it will manage data. WJ commented that Andrew Bickerton produced and presented a draft Assurance document to the CCG in November 2015 and asked if everyone would like a copy of the finalised plan – everyone agreed.

CE / The Chair asked what had changed as a result of Ofwat's assessment.

AE said that a new Internal Audit function (led by AE) has been created and the company is working towards improving the robustness and accountability of its data reporting processes.

AE said individual departments have been made responsible for owning and managing their own data. She went on to advise that for 2015/16 the new internal audit process had focused on the ODIs for 2015/16. The scope of internal audits will be extended during 2016/17. The results of internal audits are communicated to the Exec team and improvement actions with agreed deadlines are established. External third party audits on financial and non-financial data have continued, with Deloitte carrying out financial audits and Black & Veatch carrying out non-financial audits. For 2015/16 DVW have changed the B&V audit team in order to gain a new perspective on current activities and planned improvements.

SB commented they are able to share best practice with DVW from their experience with other companies. He went on to explain that they check for accurate and reliable information so that DVW and its stakeholders, including Ofwat can have confidence in the data provided by DVW. Having multiple data owners within the Company is a good step forward as well as process to check and record procedures, calculations, assumptions and audit trails. A wide range of external audits were carried out including:

### **Performance Commitments (ODIs)**

Discoloured Water Contacts; Mean Zonal Compliance; Legacy WTW Completion; Service Reservoir Risk Management Schemes; Interruptions; Leakage; Security Of Supply Index; Bursts; Greenhouse Gas Emissions; Customer Perception; Per Capita Consumption and Water Efficiency; Household SIM and Non-household SIM

### **Regulatory Data**

Water Balance; Abstraction Data; Water Quality Risk Assessment; Water Quality Compliance; Water Quality Contacts; Water Quality Events; Water Quality Milestones; Written Complaints; Info to CCWater; H&S Riddor Events; Developer Services

### **Findings:**

The report data was consistent with the base data. In particular for supply interruptions, DVW practice is good and performance is one of the best as the large number of DMAs improves their management capabilities. SB advised that "Prescribed" is the lowest Ofwat category and that only DVW and Bristol were described as this. The main problem for DVW is the trust behind the data being provided as many processes involve manual operations. He explained that although there is room for improvement there is no area of particular concern. SB explained that many of the processes relied on paper records with manual calculations but noted that the company were working towards more digital

solutions. DVW recognise the need for improvement and this has already started ie: transferring data ownership to departments, AE as Audit Manager and Improvements to supply interruption reporting. There is a clear way forward, 22 internal audit reports have been completed with detailed recommendations made and accepted.

Data is reported to the Exec team and CEO on a monthly basis, but there is currently no authorized version of data.

CE / The Chair commented that it is of direct benefit to the Company to have a more streamlined process as the current process is very labour intensive. She asked what procedure Ofwat have set for DVW to move out of Prescribed.

AE said that the exact requirements aren't clearly defined and Ofwat haven't set out the specific actions required to move into the Targeted or Self Assured categories.

DVW wants to be out of the Prescribed category as soon as possible. Ofwat need to be convinced that improvement has been made, there's a plan in place and their confidence has increased in the data provided. AE advised that a draft Assurance Plan for 16/17 would be submitted by November 2016 and that Ofwat and other stakeholders would provide feedback on the plan. The feedback was light last time but Ofwat commented that DVW were going in the right direction, were making changes and there was a requirement to audit more internal data against the ODIs.

AE advised she didn't think it would be a problem to share the future feedback with regards to the Assurance document with the CCG. The CCG and CCWater would be asked for feedback and comments on the new plan. The first draft of the 16/17 Assurance Report will be available in November 2016 with the final version to be published by March 2017. The current Assurance Plan can be found on the DVW website under library. AE advised that DVW's audit committee were meeting in the Summer and audits would be included, she also advised that the details of the audits had been presented to the Exec team and an action plan of improvement was being drawn up. AE also said it would be good for her to attend the CCG meeting again in October / November to provide a further update.

## **6. Ofwat "Towards 2020" May Report**

CE / The Chair confirmed that TJ had previously circulated an email update from the Chair which included links to the Ofwat Towards 2020 Report and the Community Engagement Policy Statement and commented that it was a large document that contained a lot of information. The CCG need to pick out the parts that they can make a difference on and that's relevant to their role and DVW. CE also advised that she would circulate or update any relevant information as and when it was available. TJ was asked to print and bind the Community Engagement Policy Statement of the document for members of the CCG as this was most relevant to them.

CE / The Chair advised that she had attended a workshop with Ofwat to look at outcome reporting. UKWIR are developing a Water Sector Strategic Dashboard which it is hoped will provide information for the CCG to compare DVW performance against other companies. The information should be easily accessible, meaningful and relevant. Phase 1 will be available at the end of July with Phase II (having the ability to compare against other companies) scheduled to be ready in December 2016 CE advised that the next Ofwat workshop meeting was on "Thought Leadership"

12.15 Lunch Break

12.45 Resumed Meeting

WJ advised that due to time restrictions the agenda would be changed slightly with the Baseline Survey results being presented now rather than having the Vulnerability and affordability discussion

## **8. Presentation of the baseline survey – Impact Research (Presentation attached to minutes)**

WJ introduced Impact Research and the reason for DVW working with them on this research. She explained that the survey was to support the ODI sand focus on Value for money and affordability. It would also look at how customers think DVW perform against other providers and Customer Satisfaction. The results would give DVW a rounded view and understanding of how to take things forward.

MB Explained the agenda of his presentation which was made up of 1. Who did we speak to and why? 2. How do Customers view our brand and service? How big is the gap vs other leading providers 3. How can we bridge the gap 4. Regionality. He also explained that he would pull out the highlights of the survey.

MB explained why the survey had been done, how it had been carried out, who had been interviewed and when the work was done.

P4. Customer Survey profile. MB explained that the definition of Vulnerable follows the Ofwat definition and that the 44% “vulnerable Customers” included the elderly.

ADJ asked what was the selection criteria and she commented that she needed to be convinced that this was representative of DVW. It was felt by DVW that this was a true representation.

ADJ asked what the proportion of DVW customers were on a water meter

CE / The Chair confirmed it was 59%

CE/The Chair asked if the number of vulnerable customers could be higher if Business Customers were removed

MB confirmed the report was household customers only

P6. MB explained that the UKCSI (Customer Satisfaction Index) are working with a wide range of companies at the moment and this is currently relevant feedback and comparisons

ADJ asked if the survey was only conducted with the bill payer. MB confirmed it was

P12. CE / The Chair thought that the figure for customers not wishing to switch supplier would be higher than the 40% quoted. WJ said it had been higher in the past when the Willingness To Pay survey was carried out

P15. WJ commented that how we communicate to customers is important. DVW are trying to create an emotion to the brand and then understand the impact that has.

SS commented that when you're loyal and trust more you are also more forgiving.

CE / The Chair asked how the CCG can support or challenge the willingness to pay survey through following this progress. It was discussed that there should be a mechanism to feedback updates to customers in a “you said we did” format and to review the Company progress on an annual basis

ADJ also commented that it was important to triangulate this survey, with annual tracking and willingness to pay surveys and to look at how they work together. The Chair felt DVW should look at the “worst Served” customers and how that is being focused on. It was commented that the work must be collaborative between DVW and other companies to understand their research and result

CE / The Chair said that was good, but it's now what is done with it, what the long and short term plans are and how this is communicated and feedback to the business and customers

## **7. Vulnerability and Affordability Discussion**

WJ explained that currently DVW don't have reports for customer profiles, but that she wants a report of actual “real” debt rather than profile debt. DVW don't measure debt per bill, but this is on the business agenda. WJ also commented that DVW have lots of different payment plans so she also needs to understand the lower level detail.

CE / The Chair asked if people are showing in debt due to being billed 12 months in advance

WJ said this is the detail she's trying to get as she needs to understand true debt. She commented that until the “on time” payers and those that over pay are stripped out the true debt isn't accurate, so when they are stripped out what does that leave? She also wants to understand those that can't pay versus won't pay.

CE / The Chair commented that she thought DVW reports would be more thorough to ensure they stay on top of debt. Customers are recognisable at the moment through segmentation via their bill / payment history rather than personalisation so the right people can't be targeted by DVW.

ADJ commented that when she had carried out a recent audit on debt as part of her role within CCWater and that the flowchart process hadn't been followed she said it is imperative to understand customers who owe money more than 12



months ago so that progress can be made. She said the flowchart has to be strictly adhered to as DVW would be in danger of being known as a “soft touch” where debt is concerned.

WJ commented that there was the balance between that and being too harsh.

ADJ said that it just needs to be fair and reasonable.

CE / The Chair said it was about helping people who are vulnerable which will in turn help drive debt down.

WJ Said that she would like to segment customers, however the system cost to do this is high at £60k+.

ADJ advised DVW to look at the cost of debt and offset against the system cost.

WJ advised that DVW had started to work with Stepchange and CAB and that with Stepchange we have co-branded leaflets and a referral process in place. WJ also advised that work is underway with NEST.

CE / The Chair asked if WJ had considered a standing forum for customers to gain their ideas and feedback

WJ said she would look into it.

CE / The Chair said that if debt is worsening this needs addressing and that actual debt results should be looked at frequently. In Wales it has been reported that the pcst of debt on an average water bill is around £32 which is a great deal higher than the England and Wales average which is £21. DVW should be able to see trends against each plan.

ADJ said that any debt over 6 years old should be written off

WJ asked what the group would like to see in the Customer Research and Engagement Plan

CE/The Chair felt that the Customer Research and Engagement Plan would need to give a clear outline as to DVW’s proposals for their Customer Research and Engagement Proposals which would ensure that representative views of all customer base were included. Different types and methods of research and engagement (qualitative and quantitative, informed and uninformed, focus groups and surveys) should be included with clear rationale for the use of the type of research/engagement provided and an indication of the likely use /relevance of the results. Ofwat had noted that there needed to be a clear thread running through the Company’s business plan showing how the customer research had been considered by the company when developing its business plan and how that research may have changed what the Company had intended to do.

Links to other relevant research and engagement of other stakeholders (eg CCWater, Chester Voluntary Action? Wrexham County Council and others) could also be explored.

A clear timetable and Action Plan would also need to form part of the plan so that the CCG would be assured that the Company was ensuring sufficient time to consider customers views as the Business Plan develops.

Meeting closed at 3pm

Action	Page No	Actions	Owner	Due Date
1	2	WJ understand Text priorities and how / when we send them	WJ	Next Meeting
2	2	WJ to speak with Julie Cherratt at Welsh Water regarding text messaging and best practice	WJ	Next Meeting
3	2	Obtain contact from KWJ for Wrexham University to see if someone wishes to join CCG	WJ	31/8/16
4		CCWater Scheme of Charges to be added to the CCG agenda when confirmed	TJ	Ongoing
5	3	Circulate DVW annual report (Link provided within the email sent 15/7/16)	WJ	When ready
6		Send CCWater an update on what penalty could be applied to DVW for Wholesale revenue incentive correction mechanism <b>CF</b>	IP	31/7/16
7	3	Discuss website links from council to DVW and vice versa at the councils next quarterly meeting	BD	Next meeting
8		Meeting to discuss best way to communicate CCWater meetings with DVW to the Group <b>CF</b>	CE/ADJ	10 /6/16

9	4	Circulate the Finalised 2015/16 Assurance document published in March 2016 (Link provided within the email sent 15/7/16)	WJ	31/8/16
10		Circulate updates for RPI v CPI if anything received from Ofwat / CCWater	CE	Ongoing
11	5	Add Audit / Assurance plan update to meeting in October / November	TJ	October
12		<b>CCWater</b> to share how other companies may address RPI v CPI <b>CF</b>	ADJ	Next meeting
13		Organise Field visit for the Group to coincide with a future CCG meeting / Event - Postponed. Discuss new date at next meeting	TJ	Next meeting
14		Share / Make easily available information / advice for discoloured water to DVW customers (Attachment provided within the email sent 15/7/16)	TJ	1/6/16
15		WJ and KR to work together to improve service including sharing best practice of Call Centre's <b>CF</b>	WJ	30/6/16
16		WJ/IP to attend the next Churton Parish Council Meeting <b>CF</b>	KR	Next Churton Meeting
17	7	Investigate having a customer forum to assist with debt and vulnerability	WJ	Next meeting
18		<b>Share the</b> FSB research and the online survey result with WJ	GJ	Ongoing
19		Wendy to provide further information / sample of what the information will look like at a future meeting.	WJ	Next Meeting
20		DVW to circulate the draft Assurance Document for 2016/17 to members	AE	When available approx Nov 16

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