

MINUTES OF CUSTOMER CHALLENGE GROUP

Meeting/Teleconference held on Wednesday 21st June at 14:00

Usk Room, Linea

Attendees: Peter Davies (Chairman); Craig Anderson (Warm Wales); Daniel Davies (Welsh Water); Mike Davis (Welsh Water); Nigel Draper (Valleys to Coast Housing); Louise Jackson (Welsh Water); Carly Jones (WEL representative); Chris Jones (Welsh Water); Duncan McCombie (McCombie & Daughters Ltd); Lia Moutselou (Consumer Council for Water); Alun Shurmer (Welsh Water); Dimitrios Xenias (Cardiff University)

By phone: Bill Darbyshire (Environment Agency); Jean Francois Dulong (Welsh Local Government Association); Ruth Jenkins (Natural Resources Wales)

In attendance: Joanne Murphy (Welsh Water)

Apologies: Lee Gonzales (Consumer Council for Water); Danielle Ingleson (Welsh Water); Delyth Jewell (Citizens Advice); Victoria Lloyd (Age Cymru); Rachel Lewis-Davies (NFU); Steve Ormerod (Cardiff University & Chairman of IEAP); Anna Riddick (Welsh Water); Russell Todd (WCVA)

1. Welcome

- Peter Davies welcomed Chris Jones and all members to the meeting.
- A visit to the Gold Incident Room would take place after the meeting if time permits.

2. Update and discussion with Chris Jones CEO DCWW

- The preliminary results reported last week had received good coverage.
- Return of value to customers committed £34million of funding in the current year across a range of benefits. £5million has been invested in social tariffs with 80,000 customers currently signed up. A significant amount has also been invested to improve recreational facilities.
- Looking forward the big issues is business planning towards 2050 and committing to a long term agenda and ambition.
- The shape of the sector is the hardest to predict – the reorganisation in England does not apply to Wales and Welsh Government have been very clear about their position.
- The General Data Protection Regulation which will apply from May 2018 is now an important priority/focus for the company.
- The Board are committed to a high degree of customer involvement and are grateful to the CCG for their work which will have a significant impact on planning going forward.
- Peter Davies had attended the most recent Board meeting and a meeting held in September 2016 and reinforced the value of the work of the Group. Board members have shown an interest in joining future meetings of the CCG

Note and actions from discussion:

The discussion highlighted the important need to interpret messages from customers, given different levels of involvement and starting points. The evidence suggests that the not for profit / return of value approach encourages customers to provide a positive

mandate for the company to be more helpful in terms of the environment and vulnerable customers. This distinctive relationship with the customer can result in different messages than received by other water companies. It will be important for the CCG to assure the strength of this different message and ensure the robustness of the evidence base if the company is to build its business plan on this premise. .

3. **Welsh Water 2050 Summer Consultation Update (Alun Shurmer)**

- The summer consultation links to the longer term WW2050 strategy and PR19. It will build on the WW2050 session held in May at the Principality Stadium. 1-2-1 sessions with stakeholders have taken place and will continue but requests for these have been lower than expected.
- The formal focus groups were completed last week and a report of these sessions will be provided at the September meeting.
- The summer consultation will be launched on 11th July at the Senedd and will run for 10 weeks.
- Outreach is very important to the consultation which is accessible through a simple and engaging website and an industry first “chatbot” for use at events and at home. The water bar will visit major events and festivals over the summer including Royal Welsh Show, Eisteddfod, Cardiff Food Festival, Ironman in Tenby etc

4. **Online Community Update (Alun Shurmer)**

- Verve have been appointed to deliver the Have Your Say panel. They have a proven track record for delivering and managing online communities.
- The online community will become increasingly significant as a customer participation tool and allow ongoing engagement.

Notes and action from discussion on 3. and 4:

The importance of not disadvantaging those who are not able to participate digitally was stressed.

Also need to consider that you can listen too much to customers and not deliver the game changing innovation (i.e. Henry Ford horses quote).

The importance of considering the engagement of vulnerable customers & those who find it more difficult to get their voices heard throughout the engagement process

Engagement is most effective at key points of connection with customers eg in association with major capital investment projects in a community

5. **Annual Performance Report Update (Mike Davis)**

- A full discussion on the performance report will take place at the September meeting.
- The report is produced annually and includes more information than is required.
- All internal assurance work has been completed.
- KPMG and Jacobs have reported to the Audit Committee and the final report will go to the Board for final approval on 6th July before being published on 15th July.
- Peter Davies has met with Peter Jones since he attended the CCG to discuss the report in more detail.

Notes and actions from discussion

Concerns were expressed that the targets & information presented in the report were not clear for an uninformed reader and more clarity was needed. Duncan McCombie supported this and thought more information was needed. This point was clarified as the different roles of different reporting forms were explained with the Annual Performance Report having a regulatory requirement and requires a certain format. The CCG has a key role to ensure a strong focus on the effectiveness of communication of performance to

customers and needs to be part of the ongoing independent review role. The Water UK Discover Water dashboard was highlighted as a good resource enabling comparative measurement between companies & should be actively signposted to customers by the company.

6. **Triangulation Report (Alun Shurmer)**

- The group considered the paper recently produced for the Board. The process was discussed at a previous meeting
- The report is a vital component for PR19 and is being produced as a result of a challenge by the CCG at the end of PR14.
- The PR19 customer engagement framework comprises a 3-phase approach to customer engagement:
 - General attitudes – shape MOS and anchor point for bill levels
 - Key priorities and trade-offs – understand customer valuations and trade-offs
 - Plan acceptability – test overall ‘package’ with customers
- The approach to triangulating customer views and preferences (phase 1) has brought in day-to-day business as usual data sources and historical performance data; qualitative data – return of value consultation and additional research undertaken over the past few months.

Notes of discussion and actions

The CCG welcomed the report and the recognised the significant amount of work required to draw together the information. It provides the basis for a much stronger and wider evidence base for customer priorities

The CCG feedback is crucial to interpreting messages and in providing independent interpretation of the customer views given the variable sources of information and customer perspectives. The focus of the CCG must be to ensure that this evidence is interpreted appropriately within the business plan process for PR19

It was recognised that this was still work in process and the report would be updated over the next 6 months. The importance of transparency in weightings being applied to the various data sources was raised. The validity of the triangulation process will be included in the independent assurance report being prepared for the CCG by Dimitrios

CC Water have undertaken work on the triangulation process which will be published on 3rd July (to be circulated to CCG). A Ofwat triangulation workshop is being held on 13th July and will be attended by Dan Davies and Dimitrios Xenias.

7. **Date of next meeting and Any Other Business**

- Developers Workshop – this was held earlier today and was an opportunity for developers to have an input to business planning and the WW2050 process. Developers also fed back a consistent response on progress to their needs. The notes of the session will be circulated to the CCG.
- SUDS Consultation – Developers have asked to be consulted so they also have the opportunity to influence policy.
- CCG Chairs & Ofwat – Peter Davies will be attending a meeting during the second week of August..
- CC Water meeting in public – invites will be sent out on 26th June.
- Next CCG meeting September 14th