

# Thursday 22nd March

09:30-16:00

Suite 46, Principality Stadium, Cardiff, CF10 1NS



## Attendees:

CCG: Lee Gonzales (CC Water ), Lia Moutselo (CC Water ), Geraint Weber (NRW), Duncan McCombie (YES Energy Solutions), Mari Arthur (Cynnal Cymru), Peter Davies (Chair), Bethan Harvey (Secretariat)  
DCWW: Mike Davis, Alun Shurmer , Dan Davies, Samantha James

Apologies: Craig Anderson, Rachel Lewis-Davies, Richard Garner Williams, Dimitrios Xenias

## ODIs Research Results and Overall Approach for PR19

Daniel Davies presented the discussion paper on the approach ODI's rewards and penalties and referred to the customer research by Accent which had been previously circulated.

The key points raised by the CCG:

- The CCG remains concerned over the operations of the ODIs reinforced by the findings of the customer research where customers were mostly negative about linking to Bills.
- CC Water highlighted their correspondence with Ofwat (as circulated) on the issue of ODIs and the potential to challenge if customer research did not support the approach.
- The CCG agreed that this was a difficult area for customer engagement and recognised the important contribution of the CCG itself in ensuring that ODIs reflected customer views but stressed it could not operate as a proxy for customers.
- The CCG welcomed the proposed Watershare scheme as a means of managing net rewards and the proposals for consulting with CCG/NRW/EA on the return of the remainder of net ODIs to customers.
- The CCG highlighted the importance of transparency of targets and the importance of ODIs being related to exceptional performance. Customers do not like changes in their bills, they don't like paying for rewards so it has to be based on exceptional performance but agree that performing below par should incur a penalty. CCG welcomed that the company was intending to weight ODIs more towards penalties than rewards.
- CC Water challenged as to whether DCWW really need to take the rewards and increase bills especially as DCWW is not-for-profit.
- CCG raised the potential of customer behaviour change to engage customers in ODI delivery? Explaining the company is working in an incentive-driven environment and if you work with us we will then pass the benefits of these incentives back to customers.
- CCG worry that ODIs give a short term view, we would encourage a process to go beyond 5 years.

- The CCG will be asked for views on which measures of success are being proposed for rewards and penalties in advance of the May meeting. CCG needs to reflect on research that has been done and we need to confirm our analysis of what customers are saying about ODIs. We will then come back to this in May as to ensure that the proposed ODI suite of rewards and penalties is reflecting what customers are saying through the research.

**Draft Vulnerability Strategy** Samantha James

Sam James presented the strategy document which had been previously circulated. DCWW want to be able to publish the document in May, so would like feedback in next three weeks. The strategy looks at how we can better support customers in vulnerable circumstances and those with border-line vulnerability. It is based on views of 150 organisations and customer feedback as well as a review of other utilities and financial services.

CCG comment in the meeting:

- All agreed it was a good paper and CCG challenges are on the level of detail – not the overall approach.
- Questioned English not a first language criteria – understands sentiment with communication issues but has issues with wording.
- Discussions around data sharing and implications of GDPR. Could data be kept externally to utilities companies?
- Question the term customers - are they customers or households.
- Also calls for need of support mechanisms for vulnerable customers not just reduction of bills.
- Questions around when the Company reach their maximum point for supporting social tariffs and what happens then.
- The paper does highlight the weaknesses of current model – that it is not always the right people getting access and that the most vulnerable customers are the most difficult to reach.
- Data analysis is important with debt management. Will this analysis allow you to address the audience in debt differently? More data = more insight into vulnerable customers.
- A £15k cut off point is a quite simplistic view of poverty. If everyone with a household income of under £15k was on the register (given evidence of income levels across the customer base) then it would not be financially viable.
- The importance of cross-sector working with programmes tackling poverty – more work needs to be done on this. How far will Rhondda Fach model be incorporated in the business plan?
- Importance of involving the whole customer base and engaging on customer satisfaction on social tariffs.
- Ideas from CCG on partners and partnership working including community hubs.
- Importance of linking with bereavement services.
- Landlords will have obligation to rent property above E grade energy efficiency in properties is it possible to incorporate water efficiency?

The CCG will invite the wider group to contribute to the vulnerability review within the timeline.

## **Environment programme**

- NRW working with DCWW on the national environment programme and now approaching end of process. DCWW have raised issues on affordability. Don't have a timescale but a discussion needs to be facilitated – will CCG have a role in this?
- IEAP will have a role in contributing which Steve Ormorod is leading.
- NRW will be contributing their comments on the business plan through the CCG report.
- It was clarified that there were no areas where the Abstraction Incentive Mechanism was applied in Wales so not relevant for CCG comment.

## **AOB**

PD will be contacting the Drinking Water Inspectorate for input into CCG report.

## **Future meetings**

April 19<sup>th</sup> – CCG only meeting 3pm linked to the Welsh Water Innovation conference.

16<sup>th</sup> May – AM CCG followed by Wales Water Forum PM – to be held at Swalec stadium.