

## **MINUTES OF CUSTOMER CHALLENGE GROUP**

**Meeting held on Thursday 14<sup>th</sup> July at 10:00**  
**Taff Room, Linea**

Attendees: Peter Davies (Chairman); Craig Anderson (Warm Wales); Daniel Davies (Welsh Water); Mike Davis (Welsh Water); Nigel Draper (Valleys to Coast Housing); Graeme Francis (Age Cymru); Jean Francois Dulong (Welsh Local Government Association); Lee Gonzales (Consumer Council for Water); Louise Jackson (Welsh Water); Leighton Jenkins (CBI); Ruth Jenkins (Natural Resources Wales); Rachel Lewis-Davies (NFU); Marc Lee (Legal & General); Anna Riddick (Welsh Water); Alun Shurmer (Welsh Water); Dimitrios Xenias (Cardiff University) and colleagues from Accent, DJS, Blue Marble.

Apologies: Delyth Jewell (Citizens Advice); Graham Jones (Federation of Small Businesses); Lia Moutselou (Consumer Council for Water); Steve Ormerod (Cardiff University & Chairman of IEAP); Amanda Williams (Participation Cymru);

### **1. Welcome, Introduction & Update from the Chair**

- All members were welcomed to the meeting and a special welcome extended to colleagues attending from Accent, DJS and Blue Marble.
- The amended Terms of Reference of the Group were tabled and members were encouraged to provide further updates after the meeting.
- Update on Chairs of CCG Ofwat meeting held on 11<sup>th</sup> July:
  - A summary of the role of the CCG, as provided by Ofwat, will be circulated for information.
  - A lot of discussion had taken place regarding residential competition which will apply to England. A link to the Water UK industry led dashboard (phase 2) will be circulated for information.
  - CCG's can help develop Water 2020.
  - Peter Davies is to take the lead, on behalf of CCG Chairs, and write to the Minister for Environment and Rural Affairs, to request a meeting. It is hoped the meeting can be tied in with the CC Water event on 29<sup>th</sup> September.
- A Business Breakfast was held on 21<sup>st</sup> June and had been arranged at relatively short notice to feed into the PR16 process. Positive feedback was received and a group of businesses interested in contributing to the work of the CCG has now been established.

### **2. Update on 'Have Your Say' Campaign**

Received an update from Alun Shurmer on the campaign to date.

#### **NOTED**

- Welsh Water have committed to an annual consultation.
- The consultation asks customers to give their views on how £30 million profit (approx. £30 per customer) should be spent. It runs from 11<sup>th</sup> July to 19<sup>th</sup> September and is supported with a TV campaign.

- Over 1000 responses have been received to date. One-third of responses have been received via social media. 210 customers so far have confirmed they would like to participate in future research.
- The results of the campaign will be considered by the Board who will make the final decision on how the profit is spent. The results of the consultation will be shared with the CCG.
- An announcement will be made in June 2017 regarding what projects have been supported.

FURTHER NOTED, in discussion

- Helping customers who are struggling is one of the options in the consultation.
- The HelpU scheme already gives some flexibility and has an earning threshold of £15k. 78% of HelpU costs is met by customers; the remaining 22% by Welsh Water.

### 3. **Review of DCWW Annual Performance Report**

Received an update from Mike Davis.

NOTED

- The report has been prepared in a new format. Parts 1, 2 and 4 contain financial information; Part 3 contains non-financial information.
- The overview summarises the performance and sets out how the Board has complied.
- There are 3 areas where the Board are not content with performance:
  - Water supply interruption/customer acceptability of colour & taste
  - Complaints – due to new billing system in part and social media/emails treated as complaints as in written format.
  - Bad debt – levels are high; those who choose not to pay but can afford to pay will be pursued vigorously.

FURTHER NOTED in discussion

- Expectation that there would be a reduction in levels of complaints as the impact of the new billing system is worked through
- Encouragement to maintain and increase opportunities for customer interaction even though this may generate more responses which have to be classified as complaints.
- The CCG would like to see the level of reports escalated to CCWater benchmarked against other water companies.
- The nature of the approach to addressing bad debt, welcoming the focus on the importance of reducing bad debt as part of the “customer contract” but also recognising the need to distinguish between “can’t” and “won’t” pay.
- The CCG needs to understand whether there are bands of vulnerability in pursuing bad debt and if the support is appropriate. Highest UK debt levels merit special focus – linking this to the reasons for it and whether the remedies are realistic.
- The CCG to be provided with copies of the Impact Report.
- The importance of ensuring that the feedback from customer dialogue around complaints is fed back into the business improvement and planning process. This is an area where the CCG would like to receive more detail of the root cause analysis process.
- The potential of adopting social accounting processes and models of integrated reporting, which could link to the national indicator framework as set out in the Wellbeing of Future Generations Act.

### 4. **Research Update**

Received an update from Daniel Davies, Alun Shurmer and Louise Jackson on progress made since the last meeting.

## NOTED

- The project plan will:
    - Employ a wide range of methodologies, ensuring approach for each piece of research is appropriate
    - Use Willingness-to-Pay approach, but back it up with other approaches
    - Take advantage of events, including summer shows and use incentivisation where appropriate
    - Gather informed and uninformed views in Phase 1
    - Propose an appropriate segmentation of customers and use 3<sup>rd</sup> parties to gather views and spread message
  - Topics for Phase 1 – Preferences; Performance Measures; Willingness to Pay
  - Topics for Phase 2 – Environment vs Cost; Resource Management; Quick Fix vs Sustainability
  - Target Groups – the team will:
    - Engage with a wide range of stakeholders and customer profiles
    - Ensure that views gathered are representative and ensure that the views of ‘hard to reach’ and vulnerable customers are heard.
    - Complete work to define ‘hard to reach’ and vulnerable customers and segment the customer base to be ‘representative’.
- AGREED, in discussion, that a workshop should be arranged in Phase 1 to support this work and CCG to be consulted before finalised.
- The commitment of the project team to engage with the CCG with regards discussing the research at key points; sharing research materials and discussing interpretation of results; planning meeting dates to align with the research and business plans.
  - Phase 1 projects will include lessons learnt from PR14 and how to adapt for PR19; willingness to pay; overarching priorities; performance measures; resilience.

## 5. **Research Discussion: Willingness to Pay & PR19 Research Proposals**

Received presentations from Accent, Blue Marble and DJS.

## NOTED

- The CCG welcomed the fact that the recommendations from the previous meeting of the group had informed the research briefs and that the company were committed to signing up to the National Principles of Participation.
- The CCG raised specific points in relation to the research proposals presented:
  - Willingness to Pay research – a simpler more accessible approach was recognised as being important, building on the feedback from PR14. However, the group also recognised the importance of comparative trend data, so would recommend that an option of a parallel exercise based on the PR14 model is considered, depending on the scale of the additional costs. It was also stressed that this research needed to triangulate with a range of other data sources from customer contact. The company was encouraged to apply innovative approaches to this issue and not simply to repeat the PR14 process.
  - The potential of mapping customer debt hotspots to inform social tariff and supportive of the idea of “deep dives in target communities” relating the work of DCWW to the wider wellbeing goals for that community.
  - There should be a workshop on the context setting research to engage a wide stakeholder network specifically involving those working with “hard to reach/seldom heard groups”.
  - The importance of connectivity and consistency across the research briefs eg to ensure application of common definitions from the context research. The interrelationships between research briefs was highlighted as being a critical success factor.

- The critical importance of ensuring there is feedback to participants and the opportunity to continue their engagement.
- The resilience research should take into account the relationship between the resilience of the infrastructure and the local area – linking to NRW Area Statements and Public Service Board Wellbeing Plans.
- Research on performance measures should take into account the company's contribution to the National Wellbeing Goals and associated indicators as set out in the Wellbeing of Future Generations Act.
- The importance of the research companies drawing on the expertise and networks of the CCG members in the process, also informing participants of the role of the CCG with links to web site /Chair

## 6. **Date of Next Meeting**

The next meeting will be held on Thursday 22<sup>nd</sup> September.

Agenda items will include:

- Draft results of all surveys
- Feedback from research companies to suggestions made by the CCG
- Brexit information