

Notes of Meeting No.6 of the South East Water Customer Panel held on 2nd August 2016, at South East Water, Rocfort Road, Snodland.

Present:

Roger Darlington (RD) (Chair)
Penny Shepherd (PS) (CCW)
Veronica McGannon (VM) (Household Customer)
Adrienne Margolis (AM) (Household Customer)
Caroline Farquhar (CF) (Household Customer)
David Howarth (DH) (Environment Agency)

Steve George (SG) (SEW)
Simon Mullan (SM) (SEW)
Sheila Bowdery (SB) (SEW)
Jo Osborn (JO) (SEW)
Alison Lee (AL) (SEW)
Steve Andrews (SA) (SEW) (part)
James Dubois (JD) (SEW) (part)

Apologies:

Oliver Martin (OM) (SEW)
Karen Gibbs (KG) (CCW)
Janet Hill (JH) (Swale Borough Council)
Richard Lavender (RL) (Kent Invicta Chamber
of Commerce)
Ben Roome (BR) (Household Customer)
Angela Dacombe (AD) (Age UK)

Notetaker: Nicola Blake (NB) (SEW)

Agenda Item no.	Notes and Actions	Action	Timescale
1. Introductions, Minutes and Matters Arising	<p>The Chair opened the meeting by listing the apologies and confirming that this meeting would be his penultimate meeting.</p> <p>RD reviewed actions from the previous meeting, and noted that AD was missing from the list of meeting attendees.</p> <p>Action 6/1: AD to be added to attendee list for meeting 5 and revised minutes to be uploaded to the website.</p> <p>Action 5/6: SG gave high level figures for the number of views the customer panel page received from April 2015, 1,119 visit to the home page, this equates to around 0.04% of total visits to the SEW website. The Chair requested that a short paper be circulated giving some more details and facts.</p> <p>Action 6/2: SG to draft note for panel on website views.</p> <p>Action 6/3: NB to upload Challenge log to the customer panel document library.</p>	<p>NB</p> <p>SG</p> <p>NB</p>	
2. Chair's Report	<p>The Chair provided a verbal report.</p> <p>RD explained that he had taken the Panel's Annual Report to the SEW Board and that the report had now been published and circulated to a range of interested parties.</p> <p>He and RL had had meetings with OM on the business retail price review and wholesale charges and were content with the company's proposals on both.</p>		

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	<p>He assured the Panel that the national network of CCG Chairs was working well and that, since the last Panel meeting, CCG Chairs had again met with Ofwat and as a group. Dates for future meetings have been set for 2017 & 2018.</p> <p>He continued to attend a wide range of meetings related to the water sector including Ofwat workshops on outcomes and customer engagement and an Ofwat event on retail competition for households plus one-to-one discussions with Accent Research, Frontier Economics and Advizzo.</p> <p>RD acknowledged that the company's Annual Report and Performance, People & Planet (PPP) reports had been published online, and that CF had asked why hard copies had not been provided to the Panel.</p> <p>JO explained that the printers that the company had used in previous years had gone into liquidation, and that printing was now being carried out by an alternative supplier.</p> <p>Action 6/4: Copies of the annual reports to be sent to panel members when printed.</p> <p>CF asked the company to explain the process behind allocating the red, amber and green status in the summary table of the PPP report, as she felt that the definition provided for the amber status was unclear. The company explained that the amber rating was used to show where performance had not met a particular target, but was within an agreed "dead-bands" where no penalty applied.</p> <p>Challenge: Customer Panel to be engaged ahead of the preparation of next year's PPP report.</p> <p>Action 6/5: NB to add to Challenge log.</p>	<p>NB</p> <p>NB</p>	
<p>3. Outcome Delivery Incentives and Company Performance; Q1</p>	<p>AL presented Paper 2.</p> <p>Customer satisfaction scores have seen an increase from Quarter One 2015-16 in all but one measure. The Chair asked the company for an update following their conversation with Ofwat regarding a proposed change in base line data. The company responded that although a final decision had yet to be confirmed, it was operating on the basis that the change had not been agreed.</p> <p>AM asked for clarification of the proposed changes to Question 15 in the customer satisfaction survey. AL clarified that, following a number of comments in previous surveys that implied customer confusion with their sewerage provider and events from previous years, the additional sentence is meant to focus the respondents' answers to the current year and the customer's drinking water supplier. The panel</p>		

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	<p>appreciated the clarification of the company's proposal.</p> <p>AM questioned the timing and mechanism for the making and receiving of penalties and rewards. AL clarified that this was achieved through a reconciliation during the next Price Review. AM felt that this was not a straightforward concept and that in-year penalties and rewards would be easier to communicate to customers.</p> <p>Challenge: the customer panel would like the company to look into in-period adjustments for reward/penalties when drafting the next business plan.</p> <p>Action 6/5: NB to add to Challenge log.</p>	NB	
<p>4. Deep Dive: Interruptions</p>	<p>SA presented Paper 4 and circulated updated graphs showing company performance from April to July.</p> <p>SA confirmed that the company was currently performing well, with low interruption-minutes for customers considering the number of burst mains that had occurred.</p> <p>DH asked how the company selected mains for replacement. SA explained that a model is created using burst statistics, pipe materials and other data, to produce risk assessments on the mains and prepare a programme of mains that should be replaced.</p> <p>PS asked the company how we measure the impact of interruptions on vulnerable customers. SA clarified that the company has a vulnerable customer register, which is checked during a supply-interruption to see if any customers are affected. Phone calls are made to vulnerable customers and delivery of bottled water is arranged and updates provided on the interruption. The register relies on customers requesting to be put on it and many customers do not consider themselves vulnerable until an event such as a supply interruption, and the company saw an increase in registered customers following the Hailsham incident last year.</p>		
<p>5. Ongoing customer engagement strategy</p>	<p>JO presented Paper 4.</p> <p>The panel appreciated the update, which they felt reflected the significant effort and commitment in the company to ongoing customer engagement. The chair asked whether the strategy was externally peer-reviewed, and asked that this be considered as part of the strategy's ongoing development</p> <p>Action 6/6: NB to add challenge to log.</p> <p>PS suggested the company look at using Streetlife, a social network app for local communities, where they can discuss issues such as water quality and other utilities.</p>	NB	

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	<p>AM noted the number of press releases by the company, and asked whether the company was able to track if its press releases were picked up by the media. JO confirmed that they were, and the Chair suggested that JO discussed this outside the meeting with himself and AM.</p>		
<p>6. Social Tariff Update</p>	<p>SM presented Paper 5.</p> <p>Customer take up of the tariff remains higher than target, with registered customers currently at 5,702, against budgeted numbers of 4,250.</p> <p>The panel questioned if the current uptake levels were sustainable, and the company confirmed it was able to support the tariff at the current rate of uptake.</p>		
<p>7. Competition update – Household and Non-household</p>	<p>AL presented Paper 6.</p> <p>SG introduced JD to the panel, who had recently joined the company as the Managing Director of South East Water Choice, the company’s new brand for its non-household retail business.</p> <p>The paper highlighted some of the changes to the market in recent months, along with updates on companies who have exited the market, and confirmed that the company had applied for a sewerage retail licence.</p> <p>AL confirmed that the initial findings from Ofwat’s review of household competition were published in July, and that the company was currently responding to the document. Ofwat’s final report is due to be published in September.</p>		
<p>8. PR19 timetable, methodology and CCG Chair</p>	<p>SG provided a verbal update on the approach for recruiting the new Chair for the Customer Challenge Group that had recently been approved by the company’s Board.</p> <p>The process would be similar to the approach followed in PR14 and that a recruitment agency is being commissioned to advertise the position. SG will inform the Chair when the advertisement is live.</p> <p>A CCWater representative would be invited to the interview and selection process, and would be accompanied by an independent non-executive director from the board along with the company’s Managing Director, Paul Butler.</p> <p>Details of the new Chair’s remuneration and contract terms would be published on the company’s website.</p>		
<p>9. Private Session</p>	<p>South East Water representatives left the meeting, and the Customer Panel held a private session.</p> <p>Each member of the Panel was invited by the Chair to</p>		

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	comment on how the meeting had gone.		
10. Meeting Close	<p>Date of next meeting is: Tuesday 8th November 2016, to be held in the Osprey Auditorium, South East Water Head Office, Rocfort Road, Snodland, ME6 5AH.</p> <p>Provisional Agenda:</p> <ul style="list-style-type: none"> • Minutes and Action Points from previous meeting • Chair's Report • Company Performance In Quarter 2 of 2016/17 • Deep Dive: Customer interactions including complaints and Service Incentive Mechanism (SIM) • Update on Social Tariff • Update on competition in Non-household and Household sectors • Update on programme for PR19 • Private Session <p>Information notes: One information note was circulated to the group for review with the papers: IN7: Measured Per Capita Consumption (MPCC) Calculation.</p>		