

**MEETING OF THE CONSUMER CHALLENGE PANEL
HELD ON 16 OCTOBER 2012 AT THE OFFICES OF
DEE VALLEY WATER plc**

Present:	Diane McCrea	Independent Chair
	Paul Roberts	Consumer Council for Water Wales
	Elinor Cordiner	Drinking Water Inspectorate
	Steve Mayall	Environment Agency
	Councillor Brian Crowe	Chester West & Chester Council
	Graham Jones	Federation of Small Businesses
	Andrew Ellis	Kelloggs
	Norman Holladay	Dee Valley Water plc
	Chris Smith	Dee Valley Water plc
	Paul Le Masurier (part)	MVA Consultancy
	Mark Billing (part)	Dee Valley Water plc
	Yvonne Owen	Dee Valley Water plc
Apologies:	Milo Purcell	Drinking Water Inspectorate
	Lia Moutselou	Consumer Council for Water Wales
	Richard Littler	Sustainable Blacon
	Councillor Bob Dutton	Wrexham County Borough Council

WELCOME & INTRODUCTIONS

1. The Chair welcomed everyone to the meeting and advised that there were some new members on the Panel. Elinor Cordiner was attending the meeting representing the Drinking Water Inspectorate together with Graham Jones representing the Federation of Small Businesses.

REVIEW OF MINUTES

2. The Chair asked whether anyone had any comments regarding the minutes or whether these could be confirmed as an accurate record.
3. Brian Crowe stated that he was more than happy with the minutes but thought that the amount of paperwork that had to be printed was not really very practical.
4. The Chair suggested that in addition to receiving information via email that a hard copy is also sent out in the post.

Action Points

5. Plan a schedule of meetings.
The Chair stated that there was a need to identify critical dates and important that future meeting dates were agreed and set. To be discussed at the end of the meeting.
6. Investigate a suitable “communication route”.
Chris Smith had looked at other Panels and advised that they have set up websites. The Chair confirmed that this would be a valued addition and would fulfil a requirement to be open and accessible to customers.

7. Circulate PR09 executive summary and PR09 Strategic Direction Statement to CCP. The Chair asked whether there was any feedback from this information.
8. Circulate Strategic Plan for Customer Engagement.
Paul Roberts suggested that the progress and of how other companies were progressing could be put into a report. The Chair advised that both water only companies and CCWater were monitoring the information and updates were being received. She asked whether there was any view from Water UK. Norman Holladay confirmed that there was a meeting in December where Chairs of CCPs and water companies have been invited by Ofwat to discuss progress. The Chair stated that from discussions with other Chairs everyone seemed to be doing something completely different, as to be expected given that all companies and Chairs are different. There was no precisely defined 'right way' from Ofwat.

MEMBERSHIP

9. The Chair confirmed that Colin Brew, Chamber of Commerce, had advised that he would not be able to commit to the meetings and has stood down as a member and hence Graham Jones had now joined the Panel. The Chair confirmed that she had been approached by Blueprint for Water asking if they could be represented on the Panel. However, the question was asked as to what they could actually bring to the Panel and whether their representative would be a local person with a keen involvement. Interest was also expressed for a representative from CAB Cymru. The Chair asked for the Panel's thoughts as to whether this would be relevant.
10. Norman Holladay did not think that Blueprint for Water would add anything specific from a customer view point, and was mindful of this. He explained that the Panel was represented by the EA although the Company did not really have as much effect on the environment as water and sewerage companies although there was scope for the Panel to be able to consult with them. With regards a representative from Citizen's Advice Cymru, he felt it important that there was a local representative as opposed someone from the central office.
11. Paul Roberts agreed with Norman's comments on Blueprint for Water and felt that the Panel should consult with Citizens' Advice Cymru and England as well.

Action Point for Chair: Contact these bodies and discuss.

12. Graham Jones asked whether there should be a representative from the local Health Boards as he thought that they would have valid input from a customer point of view. The Chair stated that with competition coming on board that this could be of interest and suggested that an invitation be extended.

Action Point: DVW

TERMS OF REFERENCE

13. The Chair re-emphasised the information relating to Ofwat and the way in which prices were determined in the water industry. This document is the information note

which advises what the CCP is and is not responsible for. DVW is responsible for preparing the Business Plan and the role of this group is to oversee that process and to ensure that DVW focuses on ensuring that it fulfils its statutory requirements and that it is acceptable to customers. DVW will conduct the relevant research and the CCP will oversee this.

14. Graham Jones emphasised that problems may arise with the deregulation of the planning regulations. The Chair confirmed that DVW was governed by the Welsh Government (WG) and that there were differences. She explained the Welsh Government will be producing a Water Policy Strategy and that within this the WG will make it mandatory for landlords to inform water companies of their tenancies whereas in England this was on a voluntary basis. However, as emphasised by Norman Holladay, these and other impending changes may make forecasting more difficult.
15. The Chair highlighted that DVW was subject to WG policy and many of the powers are devolved from WG so that would affect English customers supplied by DVW which may give rise to problems. Some of the requirement may change on national border but DVW was in a unique position.
16. The Chair reported that the WG is intending to set up its PR14 Forum soon to give further guidance. There will be statutory groups attending and the CCG Chair would be attending as a representative of the Panel.
17. The Chair asked whether any member had any proposed amendments to the Terms of Reference document and asked whether everyone was in agreement. This needed to be kept in mind as the Panel progressed to ensure that the requirements were met.

Action: Terms of Reference on Website – version 2 following Chair’s amendment

STRATEGIC PLAN

18. At the last meeting it was requested that DVW provide the Panel with a Strategic Plan and overview on what research it was intending to carry out. This had been circulated prior to the meeting.
19. Chris Smith gave a presentation and explained that this was something that Milo Purcell had requested to provide a summary that picked out the points that needed to be considered by the Panel. The presentation detailed how the Company currently engaged with its customers and how the data was then captured, recorded and subsequently presented to the Board on a monthly basis.
20. Chris Smith explained the newly established service incentive mechanism (SIM) methodology which replaces the previous ‘overall performance assessment (OPA)’. On the previous OPA, all companies achieved almost the same score and therefore Ofwat introduced this new mechanism to try and improve service across the board. This will provide an overall framework that gives companies the incentive to get things right first time and to ensure that customers’ expectations are met. It is based on a quantitative measure, based on the number of complaints and phone contacts a company receives and a qualitative measure, based on a survey of how satisfied

consumers are with the quality of service they receive from their company. The Company has already made improvements to its telephone system and this was starting to improve that score with hopefully further improvements in the future.

21. Norman Holladay explained that with the new SIM mechanism, Ofwat are able to see the Company's performance as an overall package and will be able to see how satisfied customers are with Dee Valley Water.
22. Chris Smith explained the background to the telephone surveys and advised that Dee Valley Water's score had remained static with achievements of either first or second place. The latest score showed Dee Valley as 9th within the table although he maintained that there had been no deterioration. This was due to other companies having improved their handling more quickly than Dee Valley. .
23. Norman Holladay stated that the Company got marked down on complaints regarding sewerage. Customers were advised that they would need to contact either United Utilities or Dwr Cymru. However, if the problem was then not resolved by them and that particular customer is asked as part of the survey as to how well their complaint was dealt with, they would not distinguish between the two. It was therefore felt necessary to be able to clarify to the customer of Dee Valley Water's position. The Chair suggested that perhaps with the re-designing of the bills that information could be included to reflect this.
24. Abandoned calls were another measure that companies are monitored on. Dee Valley Water does not operate a call centre as such. When Dee Valley sends out its bills, only part of the bill relates to the water supply and the other relates to sewerage. However, when the customer sees the whole bill they do not differentiate between the two companies and then make contact with Dee Valley.
25. Paul Roberts stated that it was clear that Dee Valley wanted to improve the service to its customers but commented that there may be a balance between the difference in SIM score and making a difference to the customer.
26. Graham Jones asked if the Company offered a call-back facility. Norman Holladay confirmed that there was an option to leave a message and explained that whenever there was an incident, the Company responded by putting a message on both the telephones and on the website. A lot of contacts were during the winter months when pipes freeze/thaw and the Company is usually inundated with calls. In this situation the Company makes a point of ringing people back every other day to ensure that they have not been forgotten.
27. Elinor Cordiner asked whether there had been any sharing of information with regards improving service to customers with other water companies. Norman Holladay advised that other companies were quite cautious about sharing this – information on relative performance was important.
28. The Chair (in the absence of CCWater's Policy Manager) stated that one of the added value aspects in relation to CCWater overall role is having a view of what works well and what does not. CCWater is able to pick up on the best practices and challenges

for water companies. This is something that had been done in the past by CCWater by way of best practice registers.

29. Chris Smith went on to explain the various customer contact categories of operational contacts and charging/billing contacts.
30. Elinor Cordiner asked that if a customer called in and got a recorded message and they then do not go any further, is this information logged. Chris Smith advised that this information would be captured. He explained that very often customers just want to know what is going on and when they listen to the message this is sufficient.
31. Brian Crowe asked about the underlying problem relating to the recent incidents of discolouration. Norman Holladay explained what the problem was and what the Company were doing to resolve it. Chris Smith explained that there had been a rising trend related to illegal tankering, large mains bursts and also heavy rainfall. The Company had an action plan to reverse this trend to get back to more normal levels.
32. The Chair informed the Panel of the excellent recent media campaign within the Wrexham area associated with the cleaning of the Wrexham ring main. Norman Holladay explained that the campaign had been put together so that customers, who to date had been very tolerant over the discolouration incidents, could see that the Company was actively doing something to help resolve this problem.
33. Billing and Charging Contacts – CRS explained the various categories relating to the highest telephone and written complaints.
34. Customer engagement - CRS summarised the three phases of the customer surveys which are also explained within the Strategic Plan for Customer Engagement document:

Phase 1	Design and testing (October/November) consisting of focus groups for both domestic and business customers.
Phase 2	Implementation (November/December) consisting of both domestic and business customers looking at customers' preferences and valuations for marginal changes in service
Phase 3	Analysis and reporting and further work consisting of econometric and statistical analysis together with reporting and peer review.
35. The Chair suggested that another meeting would be required before Christmas as by that time there may have been some feedback from the focus groups. A copy of the report was requested as soon as it became available in order to see what was happening.
36. Norman Holladay explained that the Company needed to find out the views of the average customer. There would be no water company involvement but there could perhaps be a DVW employee available (outside) to answer any questions afterwards or whether there would be the option for an observer. This was debated amongst the Panel members. It was agreed that, subject to suitable accommodation arrangements,

observers from the company and the CCG could sit in to observe but not participate in the research sessions.

37. Norman Holladay stated that there were lots of aspects to the Company's business plan and that this would start to be put together in 2013. That is why the customers' views are so important at the start as they may have an impact.
38. The Chair emphasised that it was important that assurances were given that the Company was considering the customers' perspective and putting these views into the business plan. The Panel needed to ensure that they were aware and were clear on the various phases of the Customer Engagement. She emphasised that the most critical stage for the Panel was the results of the research which would be taken into account when planning the final business plan and by that stage the Panel would have more information on what Ofwat were anticipating. The Chair asked, in relation to phase 1, whether everyone thought that this looked like a reasonable plan and knew what had to be done or whether there was anything else that should be considered.
39. The Chair stated that this built on what was done before, taking on board the research and focussing on the things that matter most to customers. She asked the Panel members to think about whether it made sense and whether they were confident to move to phase 1. Focus was required on the research for phase 1 and the design and testing that would go into the focus groups.

MARKET RESEARCH

40. The Chair welcomed Paul Le Masurier of MVA Consulting and asked him to give a brief outline of his background. He explained that MVA specialised in market research and advised that they had carried out customer engagement within the water industry, for CCWater, Ofwat as well as other organisations.
41. Paul Le Masurier stated that they wanted to open up a dialogue with a broad spectrum of customers to find out spontaneously what their attitudes were towards current and future services provided together with provision of fully informed viewpoints as part of the first stage. This would also concentrate on looking to give clear information about the current services provided by DVW and what could be provided in the future for both domestic and business customers. Groups for domestic customers would consist of different customer segments. For business customers, it would range from large volume users to relatively modest amounts with possibly one or two organisations that were fully reliant on water where it had a direct input into their product to one or two where that was not the case and the questions would be more attuned for these customers.
42. The Chair asked about the interview guide for domestic customers and was advised that this was still very much work-in-progress and had already been revised quite extensively. MVA were aware of the amount of text within the guide and were looking to reduce it but conscious to keep in all of the relevant issues. However, it needed to be a more manageable guide. The starting point would be to ask customers what they thought about their water service provider and move on to looking at the basic facts of what DVW offers and what they do not, current levels of service and

where customers thought improvements were required. The duration of the interview would be up to 90 minutes for which all participants be paid £30 for their time.

43. Paul Le Masurier was keen to get the views of the Panel and was hoping to have a draft that was fit for purpose by the end of the month and would hope to have some top line findings ready for the Panel's next meeting.

Action Point: Paul Le Masurier

44. Paul Roberts asked as to how MVA would select participants? Paul Le Masurier advised that they would define a set of criteria and would then employ the services of recruiters to ring or knock on doors for the people who fitted the quota. He confirmed that this could be agreed with the Panel beforehand. However, it was important to ensure that there was a mix of measured and unmeasured customers from both rural and urban areas.
45. The Chair stated that the process was going to be intense but that the Panel expected it to be a broad spectrum. She asked whether there would be the same facilitator for both groups. Paul Le Masurier confirmed that was the case.
46. Paul Roberts asked whether there would be a facility for an observer. Paul Le Masurier advised that they would digitally record all of the discussions. He could not see any reason why any interested parties could attend and that the only constraint would be the number of people. Another alternative was that the facilitator could be viewed with the provision of a 2-way mirror. However, he advised some participants were not always comfortable with that.
47. The Chair advised that earlier discussions on this offered some interest from members of the Panel. However, not all would be able to attend both sessions so asked if a CD would be available as an alternative option. It was also recommended that MVA advise that there would be a facility for customers to be able to ask questions with water company personnel if required. The Chair requested that Panel members think about this and pass any comments they have to Chris Smith via email by Friday 19 October so that they could be sent to MVA.

Action: CCP Members

48. The Panel needed to consider the phase one report and then look at phase 2 to get a representative sample. Therefore the date for the next meeting needed to be arranged – this was agreed as 5 December 2012.
49. Brian Crowe was concerned about the length of the questions and was advised that these could be streamlined.
50. Steve Mayall asked about managing risk and peoples' perception of risk. He asked as to how this would be described and what sort of scenarios would they be relating to?

51. Andrew Ellis said that from a business point of view, he thought that if DVW could guarantee them a 100% supply, then they would be prepared to pay more but this may be different from a domestic customer viewpoint. Paul Le Masurier advised that the intention at the moment was that the quantitative phase was only going to touch on willingness to pay and then would achieve more focus at the research panels.
52. Chris Smith stated that the date for the next two meetings should be arranged. The first of these dates was confirmed as 5 December and the second meeting should be arranged for the New Year.
53. The Chair reiterated that if any documents were too big to print off, to send an email to Yvonne Owen (yvonne.owen@deevalleygroup.com) who would then arrange for a hard copy to be sent in the post.