

**PORTSMOUTH WATER Ltd
CUSTOMER CHALLENGE GROUP (CCG)
MEETING HELD ON THURSDAY 19 OCTOBER 2017**

PRESENT: Charles Burns (Federation of Small Businesses), Karen Gibbs (CCWater), John Hall (John Hall Consulting), David Howarth (Environment Agency), Doug Hunt (WS Atkins), Douglas Kite (Natural England), Lakh Jemmett (Chairman), Simon Oakley (Chichester District Council), Ingrid Strawson (CCWater), Heather Benjamin (PW Non-Exec), Tamara Breach (Secretary), Georgina Caruana, Steve Morley, Helen Orton, Neville Smith and Clare Younger (all Portsmouth Water)

IN ATTENDANCE: Mark Mills, Tracey Viney and Jamie Jones

ACTIONS

Apologies: Caroline Brook (Winchester City Council), Kathleen Jones (Gosport Borough Council), Andrew Lee (South Downs National Park), Jon Stuart (Havant & District CAB), Paul Barfoot, Rod Porteous

LJ welcomed Heather Benjamin, Portsmouth Water Non-Executive Director to the meeting who had agreed to join the Group to provide a link to the Board. HB thanked the Chairman and noted that in her absence the PW Chairman, Mike Kirk, will attend.

2. MEETING WITH CAP MEMBERS

LJ advised that they had received very positive feedback from the CAP members who they had met with prior to the start of the meeting and felt they had good ideas to offer, including working with local schools. HMGO confirmed we do already work with local schools. As we sponsor the education suite at Staunton Country Park which is visited by not only local schools but schools from out of our supply area.

3. MINUTES & ACTION LOG

3.1 Minutes & Actions from Meeting held 13 September 2017

The Minutes from the meeting held on 13 September 2017 were agreed.

3.2 Minutes & Actions from Telephone Conference Call held 5 October 2017

The Minutes from the telephone conference call held on 5 October 2017 were agreed after an amendment from HB.

3.3 Action Log

SM noted that any items outstanding or ongoing would be addressed during the course of this meeting.

SO asked if the publication "Waterlife" which is a series of essays published by Southern Water could be circulated to the members of the CCG. HMGO said this would be looked into.

SM

CB asked if PW engage with any of the PUSH meetings in light of the Havant Thicket project being reintroduced. NS confirmed that he is doing a joint presentation with Southern Water at a Hampshire PUSH meeting in December.

4. PR19 CUSTOMER ENGAGEMENT

4.1 Performance Commitments Levels

SM explained how the Company propose to measure the outcomes. Ofwat are being prescriptive in their current methodology and want stakeholders to be able to make comparisons between companies. This is different to the PR14 where companies had discretion to choose their own measures and comparisons were

not always meaningful. Ofwat therefore propose that there will be a common set of ODIs which are mandatory.

PW are happy with those proposed and indeed has used many of them to report against in the past. Ofwat also require that in certain areas the business have ODIs which are bespoke to the Company. This will ensure that, for example, all companies have an ODI on affordability – without Ofwat prescribing what it needs to be. The third category is at company discretion, those it feels are important to customers.

SM continued to explain each of the performance commitment, detailing how measurements/targets had been worked out and what the historic performance values were.

HMGO commented that the Per Capita Consumption within the ODIs was the biggest challenge for the Company given its meter penetration. SO asked if Ofwat would promote education about metering? SM replied that the Company has to engage with its customers, not Ofwat.

DH asked about the impact of the new methodology for leakage. SM replied that the new methodology would increase the leakage target by up to 5 Ml/d. SO asked how the leakage effected PW consumption. SM advised it would reduce the pcc by approximately 5 litres per head per day to ensure the water balance remains in balance.

HB asked if PW were currently the only company to carry out a survey of developers as proposed in D-Mex. SM commented that he believed we are.

DH asked if WINEP would be a bespoke ODI? HMGO advised that WINEP is specifically referred to by Ofwat.

CB asked what agencies had been surveyed in the context of vulnerability. SM advised that over 130 local agencies had been contacts with surveys returned from approximately 35, the agencies included Mind, CAB and a number of NGOs. KG asked when the results from the surveys would be received. SM said this information would be available prior to the next meeting of the CCG.

PAB

LJ commented that he thought the ODI for vulnerability would be more prescriptive. SM replied that because this is such a sensitive subject it has to be more fluid to enable a more personalised service. CY advised that our Customer Engagement officer is making comparisons on good customer service against other industries not just the water industry. HMGO commented that it is important that we set a metric that drives appropriate behaviour. LJ commented that he understood all this, but the CCG has to be able to have a measurement so that they confirm they are happy that vulnerable customers are being treated fairly.

LJ asked whether with the Asset Health ODIs whether there had been any other choices? SM confirmed there was. LJ said he would like to understand how PW had chosen the two suggested.

SM

LJ also commented that he would like to see evidence of Inter-generational evidence on investment requirements and affordability consequences. HMGO agreed.

HMGO

DK noted that there was no national standard on how to measure success with regard to Biodiversity. Whilst biodiversity could be on company owned land or more widely in the catchment, DK felt that activities on Company owned land could be more easily measurable. HMGO commented that the Company does want to develop further measurements and that it would be useful to discuss a scheme specific with the Catchment Management department outside the meeting.

SM / DK

LJ commented that he felt Ofwat had taken a long time to reach the idea of bespoke measurements and the lack of comparative data will create a challenge. HMGO replied that Ofwat have given guidance on a range of different tests that can be used and that comparative data was just one of those tests.

4.2 **PC Customer Engagement Proposal**

SM informed the group that the next CE activity would be managed by ICS Consulting.

He reiterated that the sub-group of CCG members would be working with PW to prepare the programme and interpret the results. The current sub-group members are JH, IS, KG and CB. SM explained how he expected this group to run and invited any other members to join.

SO asked if the focus group was going to be made up of the same people? SM confirmed that the people were chosen totally at random and therefore very unlikely. HMGO commented that we would ensure the same person was not asked again.

LJ commented that the CCG had read the paper and were comfortable with the proposed schedule of work. He noted that he would like a timetable showing the closing of each subject for audit trail.

SM

KG proposed that a note of all calls would be documented and shared with the whole CCG.

SM

4.3 **Metering – Not for Revenue Experiment**

CY addressed the meeting explaining what the Company have been doing and are continuing to do to promote metering. CY also explained what future proposals are for using SMART metering and the benefits to promoting SMART metering and how best we can educate our customers.

CB asked what the difference between the meters was. CY advised that the standard meter is read manually, whilst the SMART meter used telemetry and could be remotely accessed to allow for more frequent data to be collected and provide alarms should a high level of water usage become noticed.

IS commented that the functionality of the SMART meter was good and asked whether a pilot programme would be put in place and how would it be funded? CY replied that if initial data was successful trials would continue into the next AMP. The project could be funded with underspend from the current meter installation budget.

HMGO commented that we need to increase innovative ways to encourage metering because we can't compulsory meter and the implementation of SMART meters would supply good data. A lot of data analysis has already been carried out to not only the pilot areas but also areas that this could be rolled out to.

SO asked whether there were any Data Protection issues surrounding the SMART metering as it was collecting personal usage data. KG commented that the issue surrounding data protection is not about collating the information but about how the Company manages the data. The Company do not need to seek permission from an occupier to install a meter on Company owned equipment. The Company would need to consider this issue further.

LJ asked whether the economics of the rollout of SMART Metering versus Sensor Technology on the network was being considered. HMGO commented that there is a Wide Area Network Study which will dovetail in and that SMART meters can be used across network management. The Company will present this issue at a subsequent CCG

SM

Finally DH asked if the Company would consider compulsory metering at the time of change of occupier as part of this plan. The Company was considering this but had not decided and may have to do research to gauge customer views

4.4 WRMP Consultation Plan

SM explained the WRMP Consultation Plan and invited the CCG members to attend the Stakeholder Groups planned for November. SO asked who the Stakeholders were. HMGO commented PW happy to circulate a list.

SM

LJ asked how the communication of the plan was being handled. SM commented that PW were in the process of engaging an independent company to support this. NS commented that a draft plan will be published in January and that the pre-meetings in November are to inform stakeholders of its broad content.

KG asked what the role of the WRMP Stakeholder Group is more generally. SM replied that its purpose is to comment on all aspects of the plan and ensure the Company respond accordingly.

*LJ left the meeting
JH continued as Chair*

5. PR19 Issues

5.1 Asset Health

MM presented Asset Health to the meeting and explained the changes between AMP 6 and AMP7. He explained the performance of the Company and gave information surround the Company Infrastructure and Non-Infrastructure and what modelling the Company does to provide a probability of failure and what investigations are carried out after this information is received and what innovations could be introduced. MM gave further explanation surrounding how the assets have been assessed to decide future investment requirements.

JH questioned the approach and asked if it relied solely on historic performance. MM explained that modelling was carried out on various scenarios not just prior year so that all eventualities can be accounted for.

DH asked where the industry had reached with regard to predicting bursts in relation to ground movement and weather etc. MM explained that the WRC industry experts collate information from various areas.

HB commented that the level of information surrounding bursts etc. is a lot higher now than just six years ago.

5.2 Customer Services Digital Strategy

CY presented to the meeting an explanation of the Company digital strategy. Twitter is a great communication tool for immediate use. Live Chat is currently in trial and should provide a good deal of development material.

The Company is also looking into a software application called "Recite" which is a good tool for vulnerable customers, helping them to navigate around our website. This is currently being researched as to whether this brings value to our customers.

PW currently have a workplace Facebook in place which allows approximately 30 employees to interact and to gain opinion on various customer related subjects.

JH asked whether the workplace Facebook is something that could be put in place for the CAP members. CY advised this is not the right tool but we are currently looking into social media applications.

HMGO commented that one of the ideas is to approach local colleges where Social Media qualifications are being taught and ask the students to help design a social media application – it could be run as a competition.

SO asked how the video clip promotions mentioned in the presentation would be distributed? Would they be forwarded to local authorities? CY advised they would be on the website, Twitter and You Tube. We will look into direct email.

5.3.1 **WINEP 2**

DH presented the WINEP to the meeting, giving explanation as to what this is and what the obligations and drivers are. DH also highlighted the WISER process and detailed the WINEP timetable.

SM welcomed the information received from the Agency at the end of September but the Company wished to discuss the proposals with the EA more to understand the needs and in turn the actions required.

SM / DH

5.3.2 **Eels**

TV presented to the meeting an update on the Company Eel project on the River Itchen. This is a statutory requirement, and whilst the Company acknowledges this fact, it considers there are local issues which should be considered further before significant investment is undertaken.

JH suggested that further time was needed than was available at today's meeting to understand the balance of value for money with regard to this project and the requirements of the EA to ensure legislation is delivered.

HMGO left the meeting

CY left the meeting

6.0 **PR14 ODI Performance**

6.1 **2017/18 Performance H1**

SM briefed the meeting on PR14 ODI performance indicating strong performance for the first half of the year.

6.2 **Leakage Update**

JJ provided an update on leakage performance advising that the year had started with a high volume but the Company has seen recovery since May. He advised the meeting that there had been a significant increase in leakage activity and the Company were still planning to hit their target.

6.3 **Monitoring Plan**

SM discussed the Monitoring Plan with the meeting and advised the meeting that this was just prior notice that the CCG will be asked for their views and the end of November and will be covered in the December CCG meeting.

7. **Any other Business**

HB advised that Mike Kirk will be attending the December CCG meeting in her absence.

SM advised the meeting of a new member joining, Raife West from Havant Housing Association.

8. **Date of Next Meeting**

Thursday 7 December 2017