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MONDAY 2 NOVEMBER 2020

MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS

MEETING NOTES

**PRESENT:**

Chair and Independent Member: Melanie Laws

For CCW: Simon Roberson

For Environment Agency: Melissa Lockwood and Roger Martin

For the Environment theme: Richard Powell (Vice Chair and Independent Member) and Anna Martin-Edwards

For the Communities theme: Mary Coyle (Independent)

For the Customer theme: Lesley Crisp (Independent)

For Economic Impact theme: Steve Grebby (CCW) and Iain Dunnett

For National Farmers Union: James Copeland (Vice Chair)

Water Forum Independent Author: Sarah Young

For the Company: Andrew Beaver, Louise Hunter, Claire Sharp, Jim Strange, Dawn Creighton, Mark Wilkinson, Helen Lumsdon, Tom Andrewartha, Ross Smith and Elaine Erskine

Jude Huffee (Water Forum Secretariat)

**NOTES AND ACTIONS**

**1. Welcome, apologies and aims of the meeting**

Melanie Laws (ML) welcomed members and Margaret Fay (Independent Non-Executive Director) to the meeting.

Apologies had also been received from Hannah Campbell, Stephen Rothera, and John Torlesse, (Natural England), Sarah Glendinning (CBI), Richard Powell and Graham Dale (CCW).

ML advised the meeting would cover the customer and vulnerability theme and include a specific presentation on billing following the CMA provisional findings and the implications this will have and how it will be communicated to customers.

Members noted that they had no interests to declare.

**2. Notes and actions from the last meeting**

Members agreed the 21 September 2020 meeting notes with one correction – item five, Storm Overflow section – wording on number of overflows with compliance needs rewording, currently approximately 75% have Environment Agency consent permits.

### 3. Forum programme

Members noted updated programme and requested that sub-group members are added to the paper, so everyone is aware of the membership of the sub-groups. (Action: Company)

Now that the CMA process is coming to an end, with the final decision due in December, Members noted that it would be useful to understand the transition from PR19 to PR24 and how the Company are planning to meet the commitments made in their business plan, in particular the key areas that will require a shift in delivery. Melissa Lockwood also highlighted the work coming out of Defra at the moment, such as green futures, catchment-based work that will impact on the work the Company are doing and it would be good to understand the Company's plans going forward. Simon Roberson asked for a general overview of the baseline for the work he will be doing as Chair of the Performance and Delivery Sub-Group. (Action: Chair and Company)

Members asked for further information on the impact of COVID-19 and how this will shape the Company's approach to PR24, the delivery of AMP7, and how it may affect involvement from the Forum and wider stakeholders. (Action: Company)

Members asked for sub-group work to be brought to main Forum and be part of the meeting agenda. (Action: Chair, Author and Company)

### 4. Members' deliberation

Members had been supplied with the following meeting papers:

- Inclusivity and affordability update
- Customer service and performance update
- D-MeX update
- Water efficiency update

Members deliberated on the papers they had received and prepared for discussion with the Company. Members noted that the papers were useful, and they were keen to hear the verbal update on the Company's approach to billing in particular on how this will be communicated to customers.

Lesley Crisp, was pleased to see the support the Company have available to customers but would like further clarification on how the Company are dealing with pre and post COVID customer issues, new lockdown measures and understand what services are available to those whose first language is not English.

Simon Roberson had concerns over the rise in complaints and would like to understand the Company strategy to resolve this increase and what measures they are putting in place.

### 5. The Company joined the meeting

ML welcomed the Company and welcomed Andrew Beaver who recently joined the Company's Executive Leadership Team.

#### **Charges announcement 2021/22**

Following the CMA provisional determination, the Company presented the implications this would have on charges and how this would affect customer bills.

Company advised:

- Currently working on the assumption that the final redermination from the CMA will be received on 16 December 2020;
- This date allows Company to meet the Ofwat deadline of 11 January 2021 to publish the Statement of Significant Changes to charges for household customers and final non-household charged on 14 January 2021;
- If CMA deadline changes to January, Company would be looking to Ofwat to relax the January publication, ideally to 1 February 2021;
- The CMA have until end March and this would not allow any changes to be made to 2021/22 bills and therefore any changes would be implemented from the 2022/23 bills;
- Company are discussing impact with CCW based on CMA provisional decision;
- Bill phasing has been presented to CMA to show that if a delay to process occurs how this would impact on future customer bills – see appendix 3;
- How they would communicate with customers, external stakeholders, retailers and internally, the main areas would be:
  - Explaining the additional support available to customers;
  - Setting the charge in the context about value over five years; and
  - That this bill level makes sure we can keep delivering a reliable service now and in the future, which customers told us is important with specific enhancements highlighted.
- In Essex and Suffolk areas, Company would liaise with the wastewater provider to understand the impact and work together on communications.

Members noted:

- In their response to the CMA, Forum highlighted that a decision was needed sooner rather than later to reduce the impact on customer bills and allow the Company to communicate the changes adequately especially given the current situation;
- Company are in a good position to be able to offer ongoing support to customers with the impact of COVID-19 and the potential impact a bill increase would have on customers who may already be struggling. It was noted that this is an area they are constantly reviewing and will do so going forward;
- Payment breaks have gone down well with customers and the Company will continue to offer this support;
- Retailers will receive information on bills slightly later than usual for 2021/22 due to CMA process and their charges will go through the market system – CMOS;
- In order to increase the liquidity in the retail market Ofwat changed a number of the market arrangements rapidly to provide support to retailers and non-household customers. Any further support would be a decision for Ofwat;
- For metered customers the impact of COVID-19 and increase in consumption due to measures in place are just being felt by those customers, largely due to the Company stopping meter reading during the first lockdown so bills were estimated for first half of the year. The payments due have not adversely been affected as the high consumption has been counterbalanced against the reduction in customers' bills for 2020/21; and
- Information on metered bills has been reviewed and includes details of how they can do consumption self checks if they feel their usage is not right and links to support are available.

## 6. Inclusivity and affordability update

Members had been supplied with an update paper on current performance and future plans prior to the meeting and they were taken as read.

Members noted:

- As part of its Public Interest Commitment, Water UK have engaged CEPA to carry out industry measurement and are ready to launch with CCW, Defra, Ofwat, United Utilities and the Company. Three pieces of work to come from this; finalise measurement assumptions, data requests to all companies and final position expected to be available March/April 2021;
- Company confirmed they expect to be awarded BSI Inclusive Service Provision in November and will update the Forum when notified. The audit covered all elements of the services the Company provided and several teams from across the business were involved. Some areas were highlighted for improvement, including website accessibility;
- Company have seen a steady increase in customers signed up to social tariffs, currently 43,253 customers are on a plan an increase of 11.44% since 1 April 2020;
- Contract with DWP is now in place and expect to go live with arrangement by the end of the year, and this will speed up the process in particular for the Water Sure support;
- Priority Services Register continues to grow with the majority of sign ups received from work with our partners, currently receiving 500-600 a week; and
- Partner hub of website developed so all support available is one place that the Company's partners can access and sign up customers to the support available to them.

Company advised:

- For customers whose first language is not English the Company have looked at several options, currently they offer a translation service, translated bills in over 50 languages and the website is fully translatable and reads out the information;
- They are exploring how to work with customers in split households and they can offer split bills, at the Innovation Festival they looked at video bills to help customers understand the bills more easily;
- During the first lockdown the industry decided to turn off several reminders regarding arrears to support customers through difficult times. For customers with arrears prior to lockdown our arrears system was turned on sooner than for those affected by lockdown. The aim was to encourage those customers to engage with the Company, who previously had been reluctant to speak with them. Company highlighted that their key aim was to make sure all customers have the support they are entitled to;
- They are keen to see how Government could help bring together the support that is available across multiple areas including utilities, so information was available in one place; and
- The website area on wellbeing and mental health support is new and currently unable to provide details of traffic to this section. Once more information is available, the Company will bring this to the Forum. Members were keen to make sure the Company monitors the area to make sure the charities listed are aware of the messaging on the website and that they can provide the support and have the resources available. Members also highlighted NHS link goes to main page and ideally it would be helpful if it was directed to the support page. (Action: Company)

Members noted that this is a key area for Forum and useful to have the update. Important Forum keep on top of the initiatives the Company are pursuing for customers and important to understand any significant changes over the next few weeks.

## 7. Customer service and performance update

Members had been supplied with an update paper on current performance and future plans prior to the meeting and they were taken as read.

Members noted:

- Quarter 2 C-MeX scores just released with Company in third place for quarter in customer service and experience and still first for the year to date. For NPS Company came sixth for the quarter and remain third for year to date;
- Company are putting plans in place to look at performance across the last two quarters to see which areas need more focus on customer service;
- Company have developed customer messaging throughout COVID-19 in particular at the start of the first lockdown. This included messages on methods of payment and self-serve options for customers. Company saw a change in customer calls to more complex issues mainly around affordability and usage;
- Call handling times initially dropped but are slowly increasing due to changes in people's circumstances from the impact of COVID-19;
- Company are seeing changes when customers make contact due to the way people are now working;
- Complaints are increasing and Company are seeing new areas of complaints such as for digital and for areas of work paused during lockdown, such as installation of meters, although the general feel is that there is not one key factor that is driving the rise and is a combination;
- Rant and rave scores have gone down, although scores remain high even with increases in call wait time, which is the main area of complaints received; and
- Website monitoring takes place and the Company are able make real time changes to reflect on customer usage and the areas they visit.

Members questioned the contact centre performance and want to understand the figures further. Where Company are missing performance targets by a big margin they want to understand the reasons. (Action: Company)

Members are keen to understand the differences between the UKCSI, C-MeX and KPMG Nunwood figures and how the Company will use this data to improve performance. (Action: Company)

## 8. Water Efficiency update

Members had been supplied with an update paper on current performance and future plans prior to the meeting and they were taken as read.

Members noted:

- COVID-19 has impacted on PCC, with more people at home it has shifted where they use water and when - in a recent customer survey 28% of customers said they expect to work from home in the future, either permanently or flexibly;
- The weather has also been good and people have spent more time in their gardens which has seen an increase in usage, in Essex there was the highest demand for water since 2003, 31% higher than average, and in Suffolk the highest demand since 2007 which was 28% higher;
- Company are contributing to two pieces of industry research which will help the industry understand the impact of COVID-19 on demand. One is with Artesia and the other with the Met Office, both will help develop detailed models to help determine a definitive percentage impact of COVID-19 on PCC and help understand the reasons behind this;
- Company has developed new ways to engage with customers on water efficiency including virtual home visits, eLearning and digital engagement. These will become part of Company offering and initiatives offered;
- Understanding the new normal for PCC will be needed to develop the Water Resources Management Plans, national, regional and company – research and company annual figures will help build a better on impact;

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- In Essex and Suffolk area, greater challenge to reduce PCC, Company are focusing their customer campaigns and looking at how they can work more collaboratively with partners in local areas; and
  - People are showing more interest in their local environment since emergence of COVID, there is opportunity for the water industry to lead a sustainability drive.

#### **9. D-MeX update**

Members had been supplied with an update paper on current performance and future plans prior to the meeting and they were taken as read.

Members noted:

- Quarter 1 D-MeX scores issued mid-September place the Company second for qualitative with a score of 83.10 and 11<sup>th</sup> for quantitative, placing us seventh overall for the quarter;
- Company's main issues cite online services, not having a single point of contact and speed of response - however there were many positive comments relating to response times;
- Quantitative performance is below Company aspiration and there are a number of ongoing initiatives to improve in this area. They are currently reviewing their delivery mechanism for new connections to reduce hand offs and drive accountability across the various teams whilst also ensuring we can improve our ability to deliver within SLA;
- Several ideas generated at the Innovation Festival are being reviewed on the Company's digital offering and customer self-serve options; and
- There is concern if this measure incentivises the wrong behaviour during COVID, through continuing work that ought to be paused.

**The meeting concluded and members then resumed in camera where their meeting review took place – a summary of this review is in Appendix 1.**