

MINUTES OF 2nd MEETING OF THE WESSEX WATER PARTNERSHIP

Meeting held at Wessex Water, Claverton Down, Bath
Wednesday 23 March 2016

Present Dan Rogerson (Chair)
Jeremy Bailey - Environment Agency (JB)
David Heath - CCWater (DH)
Sarah Cardy - Citizens Advice (SC)
Matt Vaughan-Wilson - Money Advice Trust (MVW)
Martin Green - Age UK (MG)
Richard Cresswell – Catchment Panel Chair (RC)
Jeremy Hawkins – Report writer (JH)

Wessex Water observers:
Gillian Camm Non-Executive Director (GC)
Andy Pymmer (AP)
Sue Lindsay (SL)

Apologies:
David Hawkes – Advice UK (DH)

Guest:
Emma Partridge – Blue Marble Research

Key points and actions from the meeting

1. Welcome and introductions to new members

Jeremy Hawkins and Richard Cresswell were welcomed and introduced.

2. Minutes and actions from last meeting

Two minor changes to the minutes of the previous meeting were agreed.

DR has had limited feedback following his invitation to new members. David Hawkes of Advice UK has agreed to join. DR will undertake follow up calls. DR

Agreed it was preferable to recruit a local student representative rather than a national one. GC to approach Glynis Breakwell as Bath University are keen to take part. Alternatively contact could be made with the president of the Students Union or Sabbatical office. GC

SL to pursue an academic with expertise in customer research. SL

3. Reporting for the Partnership

JH introduced himself and outlined key points of his paper. Key points were:

- JB suggested it would be useful to cover reporting as part of the main DR

- meeting, possibly as a workshop, as opposed to setting up a sub group. Meeting could be extended on certain dates to accommodate this.
- DH suggested it would be useful to have a view from CCWater on how Wessex Water compares to the rest of the industry and will confirm what information CCWater can provide. It was noted that environmental performance is the responsibility of the EA. DH
 - RC asked how the Partnership reporting would fit with the Catchment Panel reporting which includes wider environmental performance. Members agreed that DR would take this forward with RC and tie the two together. DR/RC
 - JB reminded members that the ODIs and the statutory metrics can differ and the Partnership needs to be clear why statutory metrics and ODIs may not match. RC confirmed the catchment panel had been struggling with the mismatch themselves. WSX will include an explanation of differences at the next meeting. SL
 - DR noted that progress needs to be made with the year-end report before the next WWP meeting in June. It was agreed that a draft would be produced by JH and shared electronically in May for comment. A conference call would be arranged for end of May with members to discuss the draft. The June meeting would then be extended with the morning being used for reporting and the afternoon for the Board meeting. JH/DR/SL
 - AP reminded members of Wessex Water's year end reporting timetable. The audit committee is in mid-June and JH (or DR) could attend that along with Mott MacDonald. JH also suggested that Mott MacDonald attend the June meeting of the WWP. JH/SL
 - Members agreed with GC that the WWP should have its own liaison/relationship with Ofwat. DR is attending a number of meetings. DR

4. Final version of the assurance plan

AP reminded members that the Assurance Plan had been tabled at the last meeting and thanked members again for their input. AP confirmed Ofwat had been positive in their feedback. Key discussion points were:

- RC commented that it is very difficult to understand what drives Ofwat's assessment of the assurance for each company. Ofwat took a view on the quality of the company's business plan and yet customers hadn't complained or said they were unhappy. RC is concerned this situation will happen again with PR19. The WWP needs to make sure customers are happy and, if so, help WSX to get a positive assessment from Ofwat.
- DH agreed it wasn't fully related to customers' views it was swayed in some part by Ofwat's process.
- GC said she and other Board members were disappointed Wessex Water hadn't achieved enhanced status particularly when you compared the progressive, forward-looking nature of its business plan with others.
- MG queried the audience for the assurance plan. If the audience is mainly customers then it may be inaccessible or too complicated. MG suggested the boxes could be pulled out into a flyer which Wessex will consider. AP agreed the document itself was aimed primarily at more informed SL/AP

customers and stakeholders. It is the output of the assurance plan that is more important to customers, rather than the plan itself.

- AP said he appreciated the Partnership's support in communicating its business plan. This price review is already more structured and ordered than PR14 and Wessex is meeting Ofwat shortly to emphasise the importance of communication at all levels.
- DR asked if members can see examples of Wessex Water's day to day engagement with customers. SL to circulate the slides for the Futures Panel plus anything else that might be useful e.g. examples of leaflets etc. SL

5. Review of non-household retail price controls

AP introduced the paper on the non-household retail price controls. Key discussion points were:

- RC queried the difference between wholesale and retail. AP confirmed that around 95% of the value-chain is wholesale and 5% is retail. In addition, non-household is about ¼ of the company's business and household is ¾. This means that 95% of the company's annual £500m revenues are allocated to wholesale, around 4% are allocated to household retail and around 1% are allocated to non-household retail. Items like interruptions to supply, water quality etc will still sit with Wessex as the wholesaler.
- DH confirmed that CCWater is working to ensure that non-household customers continue to receive minimum service standards in the liberalised market, for example in relation to complaint handling.
- MW said he would welcome more information about Water2Business, how it is set up as a separate business etc. Wessex to provide. SL/ AP
- DH queried if the WWP had any remit to represent Water2Business customers particularly as this might be more complicated for Wessex customers outside our area. AP said members should certainly take an interest in wholesale issues and how they might impact retailers and also if Wessex is supplying another retailer, how this might affect the residual customer base. AP wouldn't expect the WWP to specifically look at Water2Business because this will just be one of a number of retailers working in the Wessex region..
- DH asked about the joint venture with Albion Water and if it has any implications for WSX customers. Wessex agreed to provide some information on this. SL/ AP

The Panel agreed the recommendations in the paper and that there were no issues with Wessex Water's proposals.

6. Customer and stakeholder engagement programme

SL presented Wessex Water's customer and stakeholder engagement programme for PR19. Key discussion points were:

- DH commented that Ofwat are placing ever more weight on the quality and quantity of research this time around. He pointed out that in PR14

there were examples of research that didn't stand up to CCW scrutiny so he recommended involving CCWater in the process in some way. They may be able to support the company's research although they may not have sufficient resource to go through everything in detail. It may just be sufficient to share the overall engagement programme and individual research proposals. DH to check with CCWater. DH also happy to bring a CCWater officer along to future meetings if required. DH

- EP pointed out that the report produced by Blue Marble for UKWIR comparing research at PR14 is a useful resource. SL to circulate a copy for information. SL

- JB suggested we include users of the water environment in research or groups representing them e.g. beach users, anglers, surfers, tourists etc. EP confirmed that at each stage we ensure representative samples are used. Blue Marble to consider including a relevant stakeholder in the depth interviews to represent this group. EP/SL

- RC said we should ensure the environmental links to water and sewerage are well understood by customers. It's also important to balance the views of those who can and can't afford to pay.

- MG said that it is good to increase digital/electronic engagement but this mustn't be at the expense of reducing paper based engagement for customers who would be excluded by a solely electronic approach.

- SC suggested that video communication is a powerful way of educating customers. Wessex Water should be treating customers individually and using a variety of ways to engage.

- RC asked how Wessex can make better use of its continuous engagement. SL explained that Wessex seek feedback from customers day to day and all of this is being incorporated into business planning and the process will be made much clearer in the write up of the engagement.

- DR pointed out that mental health issues can influence how customers engage and Wessex need to make sure they are included. EP pointed out that hard to reach groups are included but also Blue Marble are engaging with stakeholders to make sure they reach the "seldom heard".

- GC stated it was a key issue for the Board in terms of how it engages with customers and stakeholders.

- SL stated that the forward work programme would be updated as the engagement timeline was firmed up. SL

Wessex Water agreed to incorporate the points above in the engagement strategy. Members then agreed the engagement strategy. SL

7. Research proposal for the Strategic Direction Statement

This was presented by SL and EP and agreed. Research findings will be presented to the WWP at a future meeting along with how the research findings are being built into the SDS. SL/AP

8. Any other business

There were no items of AOB.

Signed as a true record of the meeting

Chair

Date

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29th June 2016
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