

**PORTSMOUTH WATER Ltd
CUSTOMER CHALLENGE GROUP (CCG)
MEETING HELD ON THURSDAY 7 DECEMBER 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), Andrew Lee (South Downs National Park), Ingrid Strawson (CCWater), Jon Stuart (Havant & District CAB), Raife West (Havant Housing Association), Paul Barfoot, Tamara Breach (Secretary), Mike Kirk (PW Non-Exec) Steve Morley, Helen Orton, Rod Porteous, Neville Smith (all Portsmouth Water)

IN ATTENDANCE: Scott Reid -

ACTIONS

Apologies: Heather Benjamin (PW Non-Exec), Caroline Brook (Winchester City Council), Georgina Caruana, Kathleen Jones (Gosport Borough Council), Simon Oakley (Chichester District Council)

LJ suggested that due to some new members attending it would be a good idea for introductions around the table to be made. LJ welcomed Raife West from Havant Housing Association.

2. MINUTES & ACTION LOG

2.1 Minutes & Actions from Meeting held 19 October 2017

SM commented that there are a few items outstanding that will be brought to the next meeting. This was noted and the Minutes approved.

LJ requested that the Action Log be tidied up. IS asked if items could be marked as "carried forward" instead of "closed" when the item appears further in the log.

SM

3. COMPANY PERFORMANCE – 2017/18 H1

3.1 ODIs

SM briefed the meeting on the Company ODIs as at the end of September 2017. The Company is in a generally good position and pleased with the performance. Unlikely to hit the Water Quality contacts target and the reasons for this has been discussed at previous meetings. The leakage target is also unlikely to be met and RCP will be covering this later in the meeting. All other ODIs are much on track.

DHowarth asked if the summer usage adjustment would fit with the new methodology for leakage. SM said this would be taken into account.

LJ commented that the associated table showed the leakage target was ahead of target and likely to earn a reward when he expected this to be a negative. SM advised that the table position shown is taken at the end of March 2017 and correct, albeit the position has changed since then.

LJ asked if we would receive a penalty for not hitting the MZC target. SM advised that although the MZC target is 100%, the penalty kicks in at 99.95% and we are above that.

SM also commented that with regard to the SIM score, at this time of year we do not know where we are placed in the industry but have committed to be in the upper quartile and are confident we will be able to achieve this.

3.2 Leakage

RCP updated the meeting on the current leakage information. He commented that he was conscious that CCW had released a press release on 6 December stating leakage at PW had increased. RCP continued to give an overview on

the year to date, lessons learnt, the strategy for the remaining year and the strategy for the five year target.

The main emphasis has been on employing further resources to improve detection and repair and to begin monitoring the “not on district” mains.

JH asked if the 3.1% expected increase above the target was on top of the 7.6% already behind from 2015/16. RCP confirmed from 2015/16 this was the case.

CB asked how many more district zones the Company anticipate adding to the network. RCP advised 20 next year and then a further analysis would be carried out to determine how much further to go.

LJ asked if there was any comparative data with regard to leakage detection rates and repair. RCP commented that there is and that PW is in line with industry performance.

DHunt commented that such comparisons should be undertaken with caution. Companies have adopted very different approaches to leakage and so care needs to be applied to any comparisons.

DHowarth asked what the average size of a PW district meter is. RCP advised they range from 900 – 5000 properties.

LJ asked if PW plan to take the leakage improvement target to the public. SM advised that leakage is included in the WRMP so would be then made public as part of that process.

MK commented that he felt it was important that that customers and regulators are aware that leakage is on the Board agenda every month.

Finally, LJ asked if some comparative data on detection and fix times could be brought to the next meeting. RCP confirmed this would be, notwithstanding DHunt’s comments.

RCP left the meeting

RCP

3.3 Institute of Customer Service

PB updated the meeting regarding the recent annual surveys carried out by the Institute of Customer Service on customers and employees. These surveys allow us to compare ourselves with other sectors and we can also see that we score higher than any other water company. PW is about 5 points behind the very front of the pack, such as Amazon.

DHowarth asked how the surveys are carried out. PB advised that PW supply customer emails (for those customer who have agreed) and the survey is then carried out completely independently, once IOCS have received enough responses they close the survey and provide PW with the results.

4. PR19 CUSTOMER ENGAGEMENT

4.1 Vulnerability Study

PB reported that the agencies have been very pleased with the results from the Company employing a Customer Support Advisor and that a recent survey showed there are now a high proportion of local agencies aware of the different forms of support available to our vulnerable customers. By carrying out a regular survey PW would be able to measure this success more accurately.

KG commented that it was interesting to receive feedback on the types of communication and different forms of contact points.

LJ asked what happens next. What will PW do with the feedback and outcomes? PB advised that PW intend to put together an action plan and this can be brought to the next meeting.

PB

RW commented that he felt it would be useful to know what the size of the organisations were that responded to the survey. JS further commented that what has been started is great and should be cultivated. PB thanked JS for his observation and responded to RW question.

4.2 **Research with Students**

PB explained that an in-house questionnaire was sent out to students via email and survey monkey with the offer of a £100 prize for completing the survey. Initially only 3 or 4 responses were received and therefore £5 was offered to each student if they completed the questionnaire.

CB commented that he was surprised that PW targets fresher first years and felt it might be more beneficial to target years 2 and 3. PB answered that the intention was to target the first years so that the same people could be followed up when they enter their second year. The survey has been started in Portsmouth but it is intended to go out to different areas in due course.

4.3 **Research with our Staff**

PB explained to the meeting that PW has recently run a workplace Facebook as a pilot scheme with 30 members of staff. There were workshops discussing outcomes of PR19 to find the views and perspective of employees. Lessons have been learnt from these sessions, including better communication of schemes that are already in place.

4.4 **Research into attitudes re hard water**

PB described the results of the recent hard water survey. The Water Quality Department carried out the surveys when they were with customers taking samples. The conclusion was that our customers did not see the hardness as a major issue.

SM

SM welcomed Scott Reid from ICS to the meeting.

4.5 **Results from the research on ODIs**

SR updated the meeting on the research that has been carried out to date. He gave an overview of what has happened in Phase 1 and what is to come in Phase 2. Phase 1 had been qualitative and Phase 2 will be quantitative.

LJ asked if we knew what the percentage of meter/non-household meter representation was at the focus groups. SM commented that the balance was selected 70/30 to mirror the current position.

DK commented that we should be asking customers what their aspiration is in relationship to water usage. SR replied this was covered in the focus groups.

IS asked if there had been further discussions about current generation being willing to pay for future generations. SR advised he did not have that information with him but could supply this

AL asked about groundwater issues with nitrates and farming and who should be paying for this had been discussed. SR commented this topic had not specifically been discussed.

DK asked when billing was discussed whether customers recognised the difference between fresh water supply and waste water. SR advised that they had anticipated there to be confusion but the majority seemed to be quite clear about the difference. DK went on to ask whether the customers understood that by using less water they could lower their waste water bill, which also has a

positive effect on the environment. SR advised that this had not specifically discussed but would be an interesting point to take forward.

KG commented that she felt customers needed to understand that the targets are set are demanding and how the Company is to receive a reward. HMGO commented that the result of customers not being happy about the reward/penalty system is consistent with what the industry is saying. LJ commented that there is a risk that Ofwat are setting targets beyond what customers (are willing to pay for) want and the CCGs have a duty to help find the right balance.

4.6 Members Feedback

The members who attended the focus groups were invited to comment:

JH commented that the group he attended was made up of older people, they were full of praise for PW. JH said he was amazed at how much they knew about their water bill although there was a slight confusion with Southern Water. They were extremely keen to see the comparatives and were delighted to see PW at the top. They generally thought they were getting very good value for money. There was a discussion about PW assets, WTW etc and they all commented that they would like to have the opportunity to visit a site to see how it all works.

IS commented that she found it very informative and the facilitators had done a good job. She noticed a difference between the two groups she observed. The older group were knowledgeable and engaged in quite a lively debate, while the younger group (average age 20/30), seemed to be a bit switched off. The group debated metering and had no concept of how the non-metered bill was structured, they felt the current charging system was unfair. The younger group became far more animated when the subject of the what PW do environmentally and were amazed at how much biodiversity work the Company do and why is the Company not shouting about this.

CB advised would circulate his comments via email after the meeting.

4.7 Planning of qualitative research

SR explained an allocation exercise that the focus groups undertook, deciding which measures should be reputational, penalty only and penalty/reward. The outcomes were discussed.

SR concluded with feedback from the cognitive interviews held on 5 December 2017.

LJ asked what the next steps with regard to the measures raised was concerned. He felt that some had been well covered, whereas other not so, e.g. vulnerability did not make the list. SR commented that low pressure was to be removed and replaced with vulnerability. LJ commented that he would like to understand better how all four Ofwat themes have been covered. HMGO advised that further customer engagement was planned which will cover any missing areas.

5 PR19 - OTHER

5.1 Risk Register

The risk register was circulated prior to the meeting to give the members of the CCG and opportunity to understand in advance and make observations. Some members commented that this was difficult to read and HMGO undertook to re-circulate this document. HMGO invited the members to email any comments they may have and asked the frequency that the members would like to see the Register. LJ advised that quarterly would be sufficient.

IS asked how the Register will be used. HMGO it will be used to track risks and how the risks are trending and ensure the Board have good visibility as the plan is prepared.

HMGO

6 Draft Water Resources Management Plan and Drought Plan

6.1 Executive Summary

SM briefed the meeting on the key components on the WRMP and advised PW have held stakeholder workshops recently on this plan and a separate workshop about the Havant Thicket.

HMGO commented that Havant Thicket is a bespoke situation that presents a number of challenges.

DHowarth asked for confirmation that PW do not need Havant Thicket for its own resource. SM stated this was correct, the Company will supply Southern from its Itchen source and HT will replace that water.

DK asked how the plan addresses the improvement of river flow by reducing abstraction. SM advised this comes under an "AIM" option from Ofwat and is not specifically in the WRMP.

6.2 Customer Engagement Plan for WRMP

SM explained to the meeting that "Create 51" have been asked to help develop the customer engagement plan for the WRMP further and briefly outlined what the plan would focus on.

DHowarth asked what the number of lost opportunities were from not switching to metering at the change of occupancy over this AMP. PAB said it is approximately 17,000 in year one, reducing to 11,000 in year 2.

LJ commented that with the opportunity of being able to meter, say, an extra 10,000 properties he would like to understand the economic reasons as to why PW are not doing this.

SM/PAB

7. Timetable for 2018

SM suggested the following draft timetable for 2018:

Friday 2 February 2018 – confirmed.

Thursday 3 May 2018 – to be confirmed.

June/July – to be confirmed.

SM asked the members how frequently they would like to meet and what format.

8. Any other business

8.1 Monitoring Plan

SM reminded the meeting that they have been asked for their views to be submitted no later than 22 December 2018.

8.2 Date of Next Meeting

Friday 2 February 2018