

Minutes of Meeting 5 – 7th December 2016

Attendees

Peaches Golding OBE	Chair	Keith Hutton	Bristol Water (BW)
Tony Denham	Deputy Chair	Ben Newby	Bristol Water
Jeremy Hawkins	Report Writer	Sue Clarke	Bristol Water (BW)
Dr Mark Taylor	Natural England (NE)	Dani Emerson	Bristol Water
Jeremy Bailey	Environment Agency (EA)	Sam Rickard	Bristol Water
Cllr Robert Cleland	North Somerset Council (NSC)	Lucy Farrow (Items 5 and 6)	Dialogue by Design (DBD)
Alex Hastings	Independent (AH)		
Professor Chad Staddon	University of West of England (UWE)		
Michael Barnes	Consumer Council for Water (CCW)		
David Wilson	Duchy Home Farm (DH)		
Luke Hasell	The Story Group		
Dr Tabinda Rashid-Fadel	University of the West of England (UWE)		

Apologies

Sue Evans	Citizens Advice (CA)	Cllr Mhairi Threlfall	Bristol City Council
Chris Giles	Avon Wildlife Trust	Karl Belizaire	Social Enterprise Works
Mike Bell	Consumer Council for Water	Dr Danielle Wain	University of Bath (UB)
Alison Sleightholm	Western Power Distribution (WPD)		

Minutes

1. In camera session before main meeting	
Minutes are confidential and not published.	
2. Welcome and Introduction from the Chair	
<p>The Chair welcomed Panel members and BW to the meeting. Apologies were noted from CA, WPD, CCW (M Bell) and UB.</p> <p>The Deputy Chair asked that everyone put Panel members' email addresses on their contacts list to avoid emails going into spam folders. The Deputy Chair will put an email list on the file transfer system (FTS).</p>	Action: Deputy Chair/All BWCP members
<p>The Chair noted that Luis Garcia has now left BW and that she gave him a small gift from the Panel as a leaving present and wished him well for the future. BW said that there is to be an announcement on 15 December on his replacement.</p> <p>The Chair reported that she has circulated the BWCP's 2016 Report to MPs and Ofwat and has presented it to Board of BW. At the Board meeting there was discussion on what 'digital water' should look like in future, for example more choice for customers, transparency, communication. BWCP members have a responsibility to help BW get this right.</p> <p>Since the last Panel meeting the Chair has attended a CCWater strategic event and several workshops with Ofwat (with other CCG chairs).</p> <p>She has also had involvement with the 'Discover Water' website. She considers this information resource to be a very powerful tool and encouraged BWCP members to look at it.</p>	
<p>The Deputy Chair presented the BWCP Challenge Log (which currently contains 118 challenges) and explained how he was keeping it up to date. Any outstanding challenges had been circulated to BWCP members for information in advance of this meeting. The Log is reviewed with BW before each Panel meeting. He is expecting many outstanding challenges to be addressed during today's Panel meeting.</p>	
3. Bristol Water Performance 16/17 mid year update	
<p>BW handed out and presented a one-page summary of its 2016/17 mid-year performance against its PR14 Performance Commitments and Outcome Delivery Incentives. The slide also provided the company's anticipated end of year position.</p> <p>In summary:</p> <ul style="list-style-type: none"> • Unplanned interruptions – satisfactory and forecast to be better than target at 	

<p>year-end.</p> <ul style="list-style-type: none"> • Asset reliability – stable and forecast to be stable at year-end. • Population at risk of asset failure – satisfactory and on target. • Security of Supply Index – forecast to be on target • Hosepipe ban frequency – no ban has been experienced. NSC challenged whether the 15-year frequency is a strong enough target. BW replied that many steps are taken before a ban would be introduced including deploying additional water sources and encouraging customers to use less water. UWE (CS) considers that the communication of water shortage risk to customers is not good and asked the company what it could do better in this respect. BW accepted this challenge but stated that current targets are set and cannot be changed and the company will be held to account against them. BW will have the opportunity to review targets for PR19. Other companies are looking at common targets across the industry. NE considers the hosepipe ban target to be divorced from environmental protection and that BW should review the Drought Plan this context. BW accepted this challenge and will include it in the DP consultation (which the Panel will be involved). • Drinking water standards – satisfactory and forecast to be above target at year-end. UWE (CS) asked how many samples are taken to arrive at what appears to be very precise result. BW replied that many thousand samples are taken in line with DWI requirements. The causes of the 40 failures include nickel, lead and iron and often result from deficiencies in customers’ plumbing. BW has to log these as failures against this measure even though it has little control over the cause. The sale of non-compliant water fittings is legal but not the fitting of them by approved plumbers. However customers may fit taps themselves. UWE (CS) asked if there was scope for a free ‘first plumbing fix’ for customers. BW said that this was a possibility but it had to weigh up the costs and benefits of what is an industry wide problem, not just BW. The Chair asked if organisations such as Water UK are looking at this and raising its profile. BW accepted that it doesn’t have the visibility it needs for action but there is only handful of failures each year. There is no compulsion on customers to change taps. UWE (TR-S) wondered if customers are aware of the issue and whether BW can manage this. BW replied that it has an approved plumber scheme but wider industry joint action is needed on the issue. • Negative Water contacts – satisfactory and forecast to be better than target at year-end. • Leakage – just meeting target and forecast to remain so at year-end. Additional resources are being deployed to meet the usual and expected winter spike in leakage. The Chair asked what the operational triggers for increased action are. BW replied that it uses nightline flows to monitor the situation and respond accordingly. • Household meter penetration – missing target and forecast to miss target at year-end. BW’s plan was to install meters on change of occupancy but there has been a slow start. To catch up lost ground would mean a change to its compulsory metering policy and BW would expect push back from CCWater. BW will be looking again at its metering strategy before PR19 as part of next year’s budgeting activity and will come back to BWCP with proposals. AH asked what the benefits of having a meter are and why as a BW customer he hasn’t heard of them. BW 	<p>Action: BW</p> <p>Action: BW</p> <p>Action: BW</p> <p>Action: BW</p>
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<p>replied small households usually gain most from reduced bills. Its metering scheme is published in its annual report and in other literature and at public events. There are environmental pressures and other societal changes encouraging movement to measured supplies. AH replied that with the proposed 5% increase in bills next year BW should do more to promote metering and water usage. BW replied they would welcome any suggestions from BWCP on how to do this. It also relies partly on charities to help spread the metering message. AH suggested BW look at TV adverts, bus adverts, petrol pumps adverts. BW agreed that more could be done and will reflect on the suggestions. There is also a need for a better industry position on the issue. NSC asked how the cost of additional meter reading is handled. BW replied that the additional cost is spread across all customers. CCW added that meter installation is free. It supports metering but as many customers lose as will gain and this can be a difficult issue. The challenge for BW is to look at its publicity. BW will review this as part of its budgeting process and will come back to Panel in the summer of 2017 with any new proposals.</p> <ul style="list-style-type: none"> • Total carbon emissions – on target and forecast to remain so at year-end. • Raw water quality of sources – satisfactory and on target for year-end. In response to a question from EA BW replied there is a potential reward against this measure at the end of the AMP period. EA asked if the company has a view yet on it overall rewards and penalties position. Other companies provide CCGs with an indication of whether it will end up in the black or the red. The Deputy Chair mentioned he has prepared a table of rewards and penalties for all companies. BW replied that its general view at the moment is that it will end the period in the red but it is too early to be precise. NE said it remains uncomfortable with an incentive around raw water quality and that the measure and any incentive needs to be smarter at the next price review. BW agreed that it should be different at PR19. DHF enquired by what measures raw water quality is judged, what the future threats there are and the costs of dealing with them. BW said the measures are similar to tap water quality, eg lead, iron, metaldyhide, etc. NE suggested a more precise driver at PR19 would be algal blooms (reducing nutrient levels). BW said that it will be testing willingness to pay for improving raw water quality at PR19. UWE (TR-F) asked about the company's strategic aims for this measure, how they compare nationally and whether BW was doing any benchmarking. BW agreed this was a good question but that it is difficult to compare across the industry. The regulatory framework was limited at the time last business plan was developed. The current Ofwat consultation on PR19 outcomes may address this. Discover Water is a first attempt at comparative measures. EA agrees that there needs to be greater comparability across the industry and that Ofwat was too experimental with outcomes at PR14. • Biodiversity Index - position improving as required. NE said it is working with companies on this index. The measure needs to be smarter at PR19. • Waste disposal compliance – Currently 97% versus a target of 100% and forecast to remain so at year-end. BW remains committed to achieving the 100% target. • SIM – within target and forecast to remain so at year-end. • Per capita consumption – satisfactory and forecast to be ahead of target at year-end • General Satisfaction – not applicable at mid year as annual survey only • Value for Money – satisfactory and on target for year end 	<p>Action: BW</p> <p>Action: BW</p>
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<ul style="list-style-type: none"> • Ease of Contact – target not being met and forecast to miss slightly at year-end. BW considers the target set was exceptionally high. • Negative billing contacts – performance has improved over 2015/16 however target is not being met. There has been a methodology change since PR14 as the company’s classification of negative billing contacts was not in line with new SIM measure. BW is currently looking to see what can be achieved against the new more stringent definition. 	
<p>4. Assurance update</p>	
<p>The Deputy Chair provided an overview of the detailed discussions the Chair, the Report Writer, CCW (MB) and he had with the company last week on BW’s information assurance plan and results. He directed the Panel members to the FTS on which all the associated data and the notes of the meeting are stored.</p> <p>He particularly wanted to inform the Panel of the company’s amended information risk assessment methodology, which now places additional emphasis on the customer impact of poor information being reported. This change has had the effect of increasing information risk on many measures. This caused some concern to the members of the Panel. However, the mid-year audit of the company’s methodologies and resulting performance data by Atkins had not identified any material issues. Atkins also reported that it had not seen anything to suggest the company would not implement the improvements in assurance planned for 2016/17.</p> <p>The Deputy Chair added that in his view information assurance now is significantly better than a year ago.</p> <p>Ofwat has recently published its industry view of information assurance. BW remains in the ‘prescribed’ category as expected as the earliest it can move out is next autumn. Two previously ‘self assured’ companies have dropped in Ofwat’s assessment and three have moved up to ‘self assured’. BW said it has had additional feedback from Ofwat which suggested it is currently on the margin of “prescribed’ and ‘targeted’. A particular concern expressed by Ofwat is that BW’s published information is not always accessible in language to customers. BW said it would welcome the BWCP’s help in making its future communications better in this respect and in helping it further strengthen its assurance processes. Whist the Panel considers the company is moving in the right direction, it wishes to see it do more, particularly in areas where information risk is ‘amber’.</p> <p>CCW added that it considers BW’s public reporting to be the least accessible compared to other companies in the region.</p> <p>EA said that stakeholders must be able to trust in the company’s information.</p> <p>UWE (TR-F) added that BW’s activities impact on customers in areas where there are no performance measures, eg health, dental health, psychological health, perception. BW said it would welcome a separate discussion with UWE (TR-F) on this.</p>	<p>Action: BW</p>

5. PR19 Customer Engagement Strategy	
<p>a) Overview and progress update</p> <p>Dialogue by Design joined the meeting. BW introduced Sam Rickard who is now responsible for day-to-day liaison with the BWCP. BW provided an overview of the current status of the company’s customer engagement strategy engagement and explained that it wishes to obtain views and ideas from the BWCP at the workshop at today’s meeting.</p> <p>b) Break out session – customer engagement discussion</p> <p>The Panel were split into two groups and were asked for their thoughts on:</p> <ul style="list-style-type: none"> • Who are BW’s customers and how they might have different views • How can BW look at risk and resilience in the long term • How can BW be innovative and improve on its PR14 approach? What is good engagement from elsewhere? <p>The feedback from two groups included:</p> <ul style="list-style-type: none"> • Are there key customer groups or all customers important? • Need to be aware of the changing demographic. • Some customers are more difficult to hear from than others. • Who didn’t BW hear from at PR14? • Stakeholders are important as well as well as bill payers. • Future customers should be engaged. • Customers need to better understand what BW does and the wider impact of this. • Need to communicate innovation more effectively and obtain customer views on opportunities for further innovation. • Communication of individual customers’ bills in relation to the average, particularly in the area in which they live. • Need to better understand customer behaviour towards water supply in order to be able to influence it in future. • Encourage customers to share more information on their water usage. • Be more open and helpful in relation to metering. • More publicity needed on what the Drought Plan means for customers and the environment. Water is taken for granted. Need to say it’s a valuable resource. Water supply hasn’t been a risk up until now but things are changing. Draw on global experience of water usage and water efficiency. • Understand what would customers need to be motivated to behave differently. • Greater awareness of average and local cost and water usage. <p>BW thanked the BWCP members for their contributions. It will consider these in preparing its draft customer engagement framework for the Panel’s Engagement Sub-Group to review on 9 January 2017. BW will finalise its strategy in time for the Panel’s review at its next meeting on 25 January 2017.</p>	<p>Action: BW</p>

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<p>The Deputy Chair asked if details of the joint research being undertaken with Wessex Water by Accent would be shared with the BWCP at the input stage as well as at the results stage. The Chair added that members of the Panel who have a specialist interest in customer engagement should have the opportunity to be involved in the learning after the proposed pilot study has taken place and also observe and take part in some surveys. BW will consider how best to meet the Panel’s needs and will discuss further with the Sub-Group on 9 January.</p>	<p>Action: BW</p>
<p>6. Willingness to Pay (WTP) - overview</p>	
<p>BW provided an overview of its proposed WTP research and timeframe.</p> <p>The Deputy Chair asked how the stated preferences used in the first stage and the revealed preferences from the second stage would come together. BW replied that it would present and discuss this with the BWCP Engagement Sub-Group on 9 January.</p> <p>UWE (TR-F) asked if BW had yet considered to whom the WTP questions will go and how the responses will be assessed. BW said that work was on-going.</p> <p>CCW added that impact on other stakeholders as well as customers should be covered. DBD said the wider research framework will accommodate this.</p> <p>AH said that ability to pay as well as willingness to pay should be assessed. BW replied that the company’s previous research on affordability and cross subsidy will be included in wider research framework and will be presented to the Sub Group on 9 January.</p> <p>BW would like feedback from BWCP members on the proposed survey questions as soon as possible. It was agreed that BW would set up an early morning telephone conference call with members on either 14 or 15 December and would circulate the proposed questions in advance. Key points arising from the call would be documented by BW and circulated to all BWCP members.</p>	<p>Action: BW</p> <p>Action: BW</p> <p>Action: BW</p> <p>Action: BW</p>
<p>7. In camera session after main meeting</p>	
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