



AGENDA

Consumer Council for Water

Board Meeting in Public at 11.00am

Tuesday, 9th April 2013

Victoria Square House, Victoria Square, Birmingham

<u>Item no.</u>	<u>Agenda Item</u>	<u>Time</u>	<u>Paper No.</u>	<u>Lead</u>
<u>Standing items</u>				
1	Apologies and declarations of interest (5 mins)	11.00	Verbal	Dame Yve Buckland
2	Listening session - items of interest identified by the public (10 mins)	11.05	Verbal	
3	Approval of Minutes of the Public Board Meeting held on 2 nd October 2012 and any matters arising (5 mins)	11.15	CCW 09 04 01	Dame Yve Buckland
<u>Strategy and Policy Items</u>				
4	Chief Executive's Report (15 mins)	11.20	CCW 09 04 02	Tony Smith
5	Consumer Council for Water Achievements 2012/13 (15 mins)	11.35	CCW 09 04 03	Tony Smith
6	The Price Review 2014 - Update (15 mins)	11.50	Verbal	Steve Hobbs
<u>Governance</u>				
7	Actioning of Board Decisions (5 mins)	12.05	CCW 09 04 04	Jan Mitson
8	Attendance at Board and Committees (5 mins)	12.10	CCW 09 04 05	Jan Mitson

...cont

9	Register of Declarations of Interest (5 mins)	12.15	CCW 09 04 06	Jan Mitson
10	Board Objectives for 2013/14 (15 mins)	12.20	CCW 09 04 07	Dame Yve Buckland
11	Committee Membership (5 mins)	12.35	CCW 09 04 08	Jan Mitson
12	Confirmation of 2013/14 Budget (10 mins)	12.40	CCW 09 04 09	Tony Smith
13	Any other business (10 mins)	12.50		Verbal



CONSUMER COUNCIL FOR WATER

Minutes of the Board Meeting

Held in Public Session

Tuesday, 2 October 2012

Victoria Square House, Birmingham

Present	Chair	Dame Yve Buckland
	English Regional Committee Chairs	David Bland Charles Howeson
	Wales Committee Chair	Diane McCrea
	Independent Chairs	Mike Barnes Timothy Hornsby Narendra Makanji
	Chief Executive	Tony Smith
In attendance	Secretary to the Board	Mike Jackson
	Head of Corporate Services	Jane Morris
	Head of Consumer Relations	Carl Pegg
	Complaints and Performance Assistant Manager	Catherine Jones for item CB 43
	Head of Policy and Research	Deryck Hall

CB38 Apologies and Declarations of Interest

- 38.1 An apology was received from Andrea Cook.
- 38.2 Charles Howeson declared he had just been appointed to chair NHS Estates and Property Services Ltd. There were no other specific declarations of interest other than those already entered in the Register of Interests.

CB39 Listening Session

- 39.1 There were no members of the public in attendance. The Chair reported that a member of the public had raised an issue about collection of data at one of the Severn Trent Water meetings in public.

CB40 Minutes of the Public Board meeting held on 12 June 2012 and any matters arising

- 40.1 The minutes of the Public Board Meeting held on 12 June were submitted for approval.

AGREED: That the minutes of the above meeting be confirmed as a correct record and signed.

CB41 Chief Executive's Report

- 41.1 The Chief Executive reported on benefits being delivered to customers. It included data collected from April 2012 to August 2012, being the most up to date information available. The detailed information could be obtained from his report which was posted on CCWater's website. A Performance 'Scorecard' was appended to the paper setting out the relevant performance data.
- 41.2 Members discussed the report in detail and some of the points made are detailed below.
- 41.3 With regard to affordability, he reported that CCWater was working very constructively with companies as they developed proposals for customer-funded social tariffs and their plans for consulting customers. This followed the publication of the Secretary of State's guidance to companies on social tariffs in June 2012. CCWater had also met with the Welsh Government as they developed their social tariff guidance. A number of companies were likely to be introducing social tariffs over the next two years.
- 41.4 CCWater had exceeded all of its targets for speed of complaint handling and despite seeing lower levels of redress, it had exceeded customer satisfaction targets.

- 41.5 The vast majority of respondents said they were not prepared to pay more to reduce the frequency of restrictions on water supply. This raised further questions relating to customers' level of acceptance of restrictions if they were to become more frequent events, or if the severity of restrictions increased and had wider economic and social impacts. CCWater therefore planned to conduct further research to explore these issues.
- 41.6 Over £1.7m had potentially been saved by water customers using CCWater's water meter calculator on CCWater's website.
- 41.7 The Chair thanked Mike Barnes and Timothy Hornsby for the help they had given on the complaints' panel.

AGREED: That the report be noted.

CB42 Finance

- 42.1 A report was submitted showing an overall underspend of £4k and a total spend to the end of August of £1.981m.
- 42.2 The budget for the year amounted to £5.685m.

AGREED: That the report be noted.

CB43 Benchmarking

- 43.1 A report on benchmarking of our performance in relation to complaint handling time and consumer satisfaction was submitted by the Head of Consumer Relations supported by Catherine Jones and discussed by the Board.
- 43.2 CCWater continued to outperform most other organisations on key measures. CCWater is still seeking to close the small gap with the best organisations in respect of consumer satisfaction with overall service. In relation to consumer satisfaction it was difficult to make a true comparison because of the nature of the service being delivered by CCWater compared to other organisations. A number of initiatives were being taken to improve customer satisfaction still further, for example a 'key driver analysis' was being undertaken by drilling down further into the available data.
- 43.3 There was also some variation in the levels of customer satisfaction achieved by individual complaint managers.
- 43.4 No comparative data was currently available as to the cost of processing complaints to demonstrate that a high quality service was being provided at low cost. It was also commented that there may be a difference in performance depending on whether people had

approached CCWater directly or were referred to CCWater. These matters would be further investigated.

Carl Pegg

- 43.5 Approval was being obtained from Defra to appoint three additional complaint administrators to assist in handling an increased number of complaints.

AGREED: That the report be noted.

CB44 Actioning of Board Decisions

- 44.1 The schedule of outstanding items for action was submitted indicating the present position in relation to each of the actions listed.

AGREED: That the present position in relation to the outstanding actions schedule be noted and the completed actions discharged.

CB45 Holding of Board Meeting in Private

AGREED: That the Board confirm the decision to hold the first part of the meeting in private session on grounds of confidentiality (Public Bodies (Admission to Meetings) Act 1960).

End of meeting

CONSUMER COUNCIL FOR WATER

BOARD MEETING IN PUBLIC - 9TH APRIL 2013

CHIEF EXECUTIVE'S REPORT

REPORT OF: TONY SMITH

1. Delivering benefits for water customers

1.1 The Consumer Council for Water (CCWater) continues to work to fulfill its five key priority areas in representing the views of water customers. During this period we have reported on a number of issues that are a priority for water customers, including:

- working with water companies as they develop their charges schemes;
- the announcement of water bills for 2013/14;
- ensuring water companies have been fully engaged with customers as they develop their future business plans;
- helping domestic and business customers resolve issues, save money and get better service from water companies; and
- promoting our water meter calculator in order to help people who are considering switching to a meter in order to save money.

1.2 The data in this report covers the period 1 September 2012 through to 28 February 2013.

2. Value for money

2.1 Charges

2.1.1 We worked with companies as they developed their charges schemes and were successful in influencing a number of companies to adopt our recommendations. In particular a number of companies agreed to:

- reduce assessed charges for single occupiers;
- set out fair policies for the treatment of empty properties in cases of hospitalisation etc; and
- improve clarity around their use of security deposits.

2.1.2 Water companies' bill levels for 2013-14 were announced on 5th February and we were active in the media calling on water companies to give something back to their customers from the higher than expected profits. We received a significant amount of coverage and we will continue our work to ensure implementation of fair charging policies across the industry in 2013/14.

2.2 Social Tariffs

2.2.1 In line with the Secretary of State's guidance we continued to work with water companies in England as they developed proposals for customer-funded social tariffs, and to ensure that they consulted effectively with customers and took account of their views. As a result of that work Wessex, Bristol and South West Water will be implementing customer funded tariffs (extensions to existing cost neutral tariffs in the case of Wessex and Bristol) from April 2013.

2.2.2 We also continued to input into the development of the Welsh Government's guidance on Social Tariffs which was approved in March.

2.3 WaterSure

- 2.3.1 We responded to Defra's consultation on changes to WaterSure, a financial assistance scheme for household water customers, to take account of the introduction of the Universal Credit system. Defra are expected to publish their conclusions shortly.
- 2.3.2 Take-up of the WaterSure scheme increased by a further 21% (to 58,295) in 2011/12. There are now almost four times as many customers (a 260% increase) registered for this financial assistance scheme compared to when CCWater began work to improve take-up, five years ago.
- 2.4 Special Assistance Registers**
- 2.4.1 CCWater's local offices and Local Consumer Advocates have worked with companies throughout the year to increase the number of consumers registered on water companies' Special Assistance Registers. At the end of 2011-12 there were 179,620. This is a 13.3% rise from the previous year and a increase of over 73% in numbers on the register since we began, in 2008, to focus on encouraging companies to raise awareness of the availability of the registers.
- 2.4.2 In addition we have now been successful in getting Energy UK to persuade member companies to include a reference to water companies Special Assistance Registers on their Priority Service Register leaflets (the energy sector equivalent to Special Assistance Registers). CCWater has pressed for this reciprocal sign posting for some years and we believe this development should lead to greater awareness of the services.
- 2.5 Price Review 2014**
- 2.5.1 The 2014 price review is a process by which Ofwat, the water regulator, sets the maximum amount that water companies will be able to charge customers for their services between 2015-2020. CCWater's main focus during this period has been ensuring that the water companies' customer research has followed our principles of good customer engagement, is representative, provides convincing evidence of customers' preferences in terms of service and price, and is being interpreted correctly by companies.
- 2.5.2 This is an important task as this customer evidence should drive the 25 year strategies companies are putting together, and the prices and investments that will be proposed in the five year Business Plans for 2015-20, that will follow later in 2013.
- 2.5.3 Customer Challenge Groups (CCGs) are independent groups of customer representatives and other stakeholders and regulators of water companies, who are working to make sure that the water companies are doing everything they can to ensure their future plans align with customer priorities. CCWater uses these groups as a platform to challenge companies to design and deliver robust customer research.
- 2.5.4 We have also worked with water companies, directly and as CCG members, to ensure that they are identifying long term outcomes that customers want, and will have measures of success that will help drive companies to deliver. Several companies have now set their outcomes, while others will follow by the spring of 2013.
- 2.5.5 We have also worked with Ofwat in the development of their methodology for the price review. This will be focussed on incentivising companies to concentrate on outcomes while making sure that all companies are efficient.
- 2.5.6 Our objectives in the months ahead will be to continue challenging companies to ensure that the long term outcomes and shorter term Business Plans will be delivered at a reasonable price. We will continue to work with Ofwat to ensure companies have strong incentives to provide what customers want, and work with the Drinking Water Inspectorate and the Environment Agency to make sure any improvement programmes provide good value for money for customers. We are working hard to make sure the price review delivers what customers want from their water company at a price they will find acceptable.

3. Right first time

3.1 Complaint handling and satisfaction

3.1.1 After an increase in customer complaints to CCWater about water companies in the first quarter, there have been fewer complaints in quarters two and three compared to last year. There has been a 5% decrease on last year, and it appears that the downward trend is levelling off. Most categories of written complaints remain fairly consistent however sewer flooding complaints were up 48% because of the wet summer and change to companies now having responsibility for more pipework.

3.1.2 CCWater negotiated £1.23 million of compensation and rebates for customers over quarters two and three. For the year to date to 28 February, we achieved £1.88 million. This was an 11% decrease on last year, as companies are resolving more complaints earlier in their process due to CCWater pressing them to get things right first time. CCWater is set to meet all targets set out in the Forward Work Programme related to customer satisfaction for the year. Customer satisfaction with CCWater's overall service is 77% year to date against a target of 73%.

4. Assessments

4.1 Each year CCWater visits a selection of water companies who, based on our September complaints report, are not performing as well as expected and we review the way they have handled 25 of their complaints. We also select a water company from each region and look at how they have worked with a sample of customers who are in debt in order to see whether they are working within Ofwat's guidelines. These assessments help us to improve the service of the poorer performing water companies. All of these assessments are currently underway and will be finished by the end of May 2013.

5.0 Water on tap

5.1 Water Resources

5.1.1 Following the drought in the south and east of England early last year we have worked with the water industry to minimise the impact of similar events in the future. To contribute to the lessons learned exercise CCWater has undertaken two additional pieces of research to explore customers' views on drought management and messaging and leakage. These projects are qualitative in nature to try to understand how acceptable present industry approaches are and to what extent these issues are real concerns/priorities for customers, and to what extent methods of communication and presentation of information would change current perceptions. We have worked with Water UK on this project and results should be available at the end of April 2013. The outcome of this work will provide an invaluable insight into views currently held and potential opportunities to inform water company strategies and our own communications and awareness raising activities.

5.1.2 Southern Water are in the process of moving all of their customers from rateable value charging to being charged via a meter for their water; this is known as a Universal Metering Programme (UMP). We have worked with Southern Water and other companies that are pursuing similar programmes to make sure the companies implement their programmes sensitively and helpfully to customers. In addition, in collaboration with Southern Water, CCWater has undertaken research to consider customers' experience of the company's UMP. This follows customers who have gone through the transition to metered charging from pre installation to receipt of their first metered bills. It aims to identify what aspects of the programme worked well and less well. Importantly it will explore whether any initial customer concerns were realised or addressed by the transitional support measures offered by the company, and ultimately whether it has changed customers' attitudes to their water use and

behaviours. Initial feedback has already highlighted the need to review certain aspects of the UMP, and associated communications programme, and suggests that the lessons from this work will be able to inform other company metering programmes.

5.1.3 This evidence of customer views and perceptions should provide CCWater with helpful supporting information for our discussions with the companies on their Water Resource Management Plans this year and provide other stakeholders with an insight that will complement the other work streams being undertaken to review drought management policy and planning.

5.2 Water meter calculator

5.2.1 CCWater has developed a Water Meter Calculator, which, by entering a few figures based on current water usage, helps water consumers make an informed decision on whether they would make saving by switching to a water meter. Customers like our water meter calculator because it is independent. In February we sent out a letter to water companies inviting them to include a link to our water meter calculator on their website. As a result both Sembcorp Bournemouth and Bristol water will be including a link.

5.2.2 CCWater's media activity on Ofwat's announcement on prices brought about a surge of customer activity on the calculator. To date, the water meter calculator has helped deliver potential savings for customers of £3,650,000. This has exceeded all expectations.

6. Clearing up

6.1 Reducing sewer flooding

6.1.1 We have been working with Ofwat to see how water and sewerage companies can be incentivised to opt for more sustainable surface water management solutions to reduce or prevent sewer flooding. A Drainage Strategy Framework is expected to be published in spring 2013. Along with decisions taken in CCGs, this will influence how companies' business plans for 2015-20 will address reducing the risk of properties and areas flooded with sewage.

6.2 Transfer of private sewers

6.2.1 While we continue to help customers who have questions about the transfer of "private" sewers to water companies' ownership, as expected, the numbers have fallen to single figures.

6.2.2 We have repeatedly said to companies that raising awareness needs to be on-going and not a one-off exercise. Following publication, in February 2012, of our research into customers' views about the transfer, there has been a noticeable positive shift in the views of companies and Ofwat towards increasing customer awareness.

6.2.3 We are also working with companies on their future plans as they move towards the adoption of private pumping stations in 2016.

7. Speaking up for water consumers

7.1 Business Customers

7.1.1 We are continuing our communication with Business Customers through our complaints work and meetings. Around 30 individual business customers, as well as representative groups (such as the Federation of Small Businesses, Chemical Industry Association and Home Builders Federation), attend our meetings. We ensure they receive up to date relevant information on changes in the water industry and that we pursue those issues and problems that Business

Customers are most concerned about. Business Customers give us very positive feedback about our work and attendance at these meetings is strong.

7.2 Competition/Market Reform/Water Bill

- 7.2.1 CCWater has continued to push for customers to be the primary consideration as Government and regulators develop the conditions for a wider retail market for non-household customers.
- 7.2.2 This has included CCWater giving oral evidence and written submissions to the EFRA Committee, and giving oral evidence to the Environment and Sustainability Committee of the National Assembly for Wales. We have also provided input to Ofwat, Defra and Welsh Government as they consider how this market can be opened up and effectively regulated.
- 7.2.3 We want to ensure that the effect of greater competition on both eligible and non-eligible customers is understood, with non-eligible customers protected against any detrimental effects from market reform.
- 7.2.4 We will also seek to ensure that customers who are eligible for a choice of supplier are protected against risks such as mis-selling, and that all non-household customers receive, as a minimum requirement, a default tariff and level of service that represents good value.

7.3 Examples of help we have given customers with complaints

- 7.3.1 A dairy farmer was in dispute with Welsh Water regarding an outstanding water bill of nearly £4,000. The bills dated back to 2007 when the water company replaced the water meter feeding a cattle trough. The company appeared to have estimated subsequent bills, and when readings were taken there was big discrepancy between the reading provided by the customer and the one taken by the water company. We referred the matter to Welsh Water and questioned the integrity of the previous reading history. There seemed enough doubt to sway the case and Welsh Water cancelled the outstanding charges.
- 7.3.2 A customer had been complaining to Thames Water since April 2012 after the water company's contractors caused her drains to block when repairing a water leak on the company-side of the water meter. The property was flooded by rainwater. The ground around the meter was left uneven and was a trip hazard. CCWater pushed Thames Water to reinstate the area around the meter and to pay costs and compensation for the flooding. Thames Water carried out the reinstatement work and paid over £4,500 to cover the customer's costs. Thames Water also paid £200 in goodwill.
- 7.3.3 The secretary of a residents' association contacted us with billing issues relating to their sewerage charges. South East Water had recently taken over all the billing from Thames Water and, instead of sending sewerage bills to individual residents; they sent one big bill to the site owner, expecting them to recover the charges. The companies agreed to revert the billing back to the way it was but it had been going on for over a year and the residents were worried about arrears. To make matters worse, the companies kept passing the residents back and forth between them, so prolonging the issue. Following our intervention 117 residents were only charged from October 2012 in recognition that the problems were the companies' fault and so they would not backdate any unpaid sewerage charges.
- 7.3.4 Severn Trent Water will be paying back over £500,000 to customers after it discovered that one of their meter readers purposefully failed to read meters for a 2 year period. The company discovered this, following customer complaints of high bills from the area when the meters were read accurately. Originally the water company was only offering £20 compensation per customer. CCWater challenged the water company's position explaining that this was their error and potentially could be viewed as fraudulent. Severn Trent Water agreed with our position and has written to affected customers to correct their bills and wipe out any back charges.

8. In the media

- 8.1 During the period we have maintained a fairly high media profile. There has been a broad range of coverage primarily driven by proactive press releases. The first of these was coverage driven by our annual complaints report, published in late September. We secured on-going coverage about the danger of bogus callers, and went on to talk about our frozen pipes research and then reinforce messages around the Christmas period about not putting fat down drains and blocking sewers. We also commented on the £50 rebate that government has awarded to customers of South West Water to address the historical high bills in that area of the country.
- 8.2 Into 2013 we had significant media interest in our views on the price increases when we pressed for water companies to share the benefits of higher than expected profits, and took part in a wide range of interviews across all media from BBC to ITV and Sky News. Our Chair, Dame Yve Buckland, was profiled and interviewed, for trade publication Utility Week, on her views on the future of consumer representation. We have taken part in a consumer programme for Radio Wales and have given advice on private drains and sewers for BBC television programme 'Don't Get Done Get Dom'.
- 8.3 More than 36m people had opportunities to see our messages, which would have cost around £663,000 to purchase through advertising.

9. CCWater Website and Consumer Support Site

- 9.1 CCWater's website received nearly 150,000 visitors. The most popular area of the website remains the water meter calculator, followed by the consumer support site. 'Money Saving Expert' remains the top referring site followed closely by United Utilities. The website has outperformed our targets, with an annual increase of 40% more visitors than in 2011/12.
- 9.2 Our consumer support website, which includes practical information on water and sewerage issues and advice on how to complain, received over 165,000 visitors. These visitors made 7,800 searches, viewed over 137,000 answers and submitted 1,380 complaints or enquiries. Most visitors found what they were looking for in our answers and less than 1% felt they needed to use our online form to contact us.

10. Leading and motivating the organisation

10.1 Changes to the Board

- 10.1.1 During this period there have been some changes to our Board. Colette Isaaks, our Independent Board member since September 2008, and David Bland, our London & South East Regional Committee Chair since December 2007, both retired. We welcomed Professor Bernard Crump, who was appointed as our Central & Eastern Regional Chair, on 1 February 2013, allowing CCWater's Chair Yve Buckland, who had been covering since September 2010 to focus on national issues. Sir Tony Redmond joined the Board on 1 March 2013 as our London and South East Chair.

11. Recommendations

- 11.1 The Board is asked to note this report

TONY SMITH
Chief Executive

Consumer Council for Water: Performance ‘Scorecard’ (September - Feb 2013)

Benefits for Customers and Business Plan Progress

- Have negotiated £153.5m return to customers this year.
- Overall, 4,758 complaints in Q2 and Q3; a 12% reduction on last year
- CCWater negotiated £1.23M of compensation for customers.
- On average across Q2 and Q3, we met or exceeded our targets:

Performance	Actioned within 5 days	Closed within 20 days	Closed within 40 days	
<i>Target*</i>	99.5%	79%	90%	
Q2	99.7%	79.6%	91.8%	
Q3	99.6%	78.1%	90.5%	
Satisfaction				
Satisfaction	Service	Outcome	Speed	Courtesy
<i>Target*</i>	73%	61%	79%	92%
Q2	75.5%	62.2%	86.2%	94.8%
Q3	77.4%	62.9%	83.6%	94.6%

*Operational Business Plan Target

- The improved water meter calculator on our website generated a potential customer saving of £3.65M over the year to date to end of February.

Staff

- Absence between due to sickness - 351 days for the period. Average 4.8 days per person.
- One member of staff left CCWater between February and September = 1.4% staff turnover.
- During the period staff completed a number of mandatory e-learning training courses through the Civil Service Learning portal. This included Health and Safety, Anti Fraud and Corruption.

Governance and Financial Performance

- CCWater costs 21p per customer (down from 23p in 2010/11).
- A total budget of £5.605m.
- Between April and the end of January 13 we spent 73% of our budget (£4,104m)
- We will be within budget at year-end.

Governance

- CCWater complies fully with all government’s spending restrictions.
- CCWater complies fully with all government’s information requests.
- During the period RSM Tenon our Internal Audits reported on CCWater’s Financial Planning, Budget Setting and Management plus Key Financial controls. These audits raised no significant issues.
- Between Sept 2012 to February 2013 CCWater received 8 Freedom of Information (FOI) requests.
- All FOI requests were responded to within the 20 day deadline.

Reputation and External Activities

- During the period CCWater commented in the media on our Annual Complaints Report, £50 being returned to customers by the Government in the south west, rising bills, frozen pipes and bogus callers.
- More than 36m people had opportunities to see CCWater’s messages in the media.
- There were almost 150,000 visitors to the www.ccwater.org.uk website.

CONSUMER COUNCIL FOR WATER

BOARD MEETING TUESDAY, 9TH APRIL 2013

UPDATE ON CCWATER'S ACHIEVEMENT 2012/13

REPORT OF: CHIEF EXECUTIVE

1 Purpose of Report

- 1.1 This is to update the Board on CCWater's achievements between April 2012 and February 2013 and progress against CCWater's Operational Business Plan. A more detailed document, aimed at consumers, will be published in June.

2 Recommendations

- 2.1 The Board is asked to note CCWater's achievements to February 2013 and our progress against our Operations Business Plan targets.

3 Detail of the Report

Achievements for customers until February 2013

- 3.1 Since 2005, CCWater has had a number of successes including:

£1 billion - our work contributed to the 2009 price review being better for customers by this amount compared to 2004 (the equivalent of over £50 per customer).

£ 305 million -we helped return this to customers, consisting of:

- **£290 million** - the extra investment, customer assistance or price reductions we secured with water companies over the last four years. In the last year one company has committed to bring forward investment in resilience schemes worth around £150m. Another company has provided £3m of additional funding for customer assistance schemes; and following the acquisition of one water company by another, £500,000 is being returned, also through customer assistance schemes.
- **£15 million** - the amount we helped return to domestic and business customers in compensation and rebates since 2005. £2.4 million was returned for residential customers and £540,000 for business customers during April 2012- February 2013.

290,000 - complaints and enquiries about water companies handled by us since 2005. CCWater has exceeded our performance targets for resolving complaints in 20 day (79%) and 40 day targets (90%), and customers' satisfaction with quality, outcome, speed and courtesy of complaint handling has exceeded CCWater's Operational Business Plan targets.

40% reduction from the 2007-08 peak in customer complaints to water companies due to CCWater's continued pressure on water companies to get it right first time.

22% point improvement in customer satisfaction, to 75% in 2011/12, with CCWater's quality of service when resolving complaints against water companies since 2005.

Almost four times as many customers signing up to the WaterSure scheme for vulnerable consumers since CCWater’s project in 2007 to rebrand the scheme and introduce a standard simplified application form.

73% increase in consumers registered on companies’ special assistance registers since 2008, when we focused on encouraging companies to raise awareness of the availability of extra help services.

£50 per annum rebate for each household customer of South West Water from April 2013 from Government after we, alongside other parties, helped the UK Government recognise the exceptionally high bills for the company’s customers were created by underinvestment prior to privatisation.

21p - approximately what we will cost each water bill payer in 2013/14, down from almost 25p in 2008/09.

129% increase in the number of visitors to CCWater’s Consumer Support Site. Over 148,000 consumers have visited our site as at January 2013 compared to 65,000 in the whole of last year.

£3,650,000 savings for the 147,000 customers who visited our on-line water meter calculator

Performance against CCWater’s Operational Business

3.2 At the beginning of the year CCWater published its Operational Business Plan explaining how we will deliver our Forward Work Programme. Our Operational Business Plan contains 147 specific targets.

- 3.3 At the end of February we had:
- 76 Actions were completed.
 - 101 actions were on target for completion.
 - 2 Actions had been delayed.
 - 8 actions had been discontinued

3.4 **Summary of Progress**

Priority Area	Total Actions	Cannot be Completed	Delayed	On Target	Completed ✓	Discontinued x
Value for Money	60	0	1	18	34	7
Right First Time	18	0	0	9	9	0
Water On Tap	21	0	1	7	12	1
Sewerage System That Works	11	0	0	3	8	0
Speaking Up For Consumers	13	0	0	3	10	0
Support Services	24	0	0	21	3	0
TOTAL	147	0	2	61	76	8
%	-	0	2	41	52	5

3.5 Discontinued actions

We have identified 8 actions that will not be delivered because of delayed action from other parties. These are:

- Welsh Government consultation and Defra guidance on landlord responsibility unlikely before Easter 2013. (2 Actions).
- Company business plan proposals will not emerge until late Spring/early Summer 2013 because of delays in publication of Ofwat's Price Review 2014 methodology. (2 Actions.)
- Ofwat unlikely to provide cost assumption data until Summer 2013, if at all.
- Welsh Government unlikely to establish its Business Customer Forum until Summer 2013 at the earliest. (2 Actions)
- Welsh Government unlikely to establish its water efficiency group until Summer 2013 at the earliest.

4 Conclusion

- 4.1 CCWater continues to deliver significant and tangible benefits for customers at cost of approximately 21p per customer.
- 4.2 On our Operational Business Plan we expect to deliver all of the actions, where we have control. We also expect to substantially deliver against those actions which are, in part, dependent on others. Some of these actions will roll forward into 2013-14

Tony Smith

Chief Executive

PUBLIC OUTSTANDING AND ONGOING ACTIONS FROM BOARD MINUTES

REF (Min. no.)	ACTION	OWNER	DEADLINE	COMMENTS
10 January 12 PUBLIC BOARD				
CB 315.5 (Linked to BS4.4 and CB60.2)	Consider arranging symposium on White Paper chaired by a respected person	Deryck Hall/ Andy White/ Karen Gibbs	June 2013	Now looking at an event focusing on the results of research into the water industry's handling of drought, customer perceptions of leakage and customers water savings activity. We will update the Board on research findings in May.
12 June 2012 PUBLIC BOARD				
CB18	Suggestions made to improve South West Water complaint handling be given further consideration	Carl Pegg	Jan. 2013	LCA, CRM and Colin Lench met with company to discuss why so many of their customers were coming to CCWater. Local office surveyed 50 customers and found most had already spoken to company, CCWater well known in the area and our number prominent on the bills. Board and company updated on survey findings and agreed follow up actions on the company to improve their dealing with customers. Item to be discharged
2 October 2012 PUBLIC BOARD				
CB43.4	To further investigate availability of information on comparative unit cost of processing complaints and to identify other possible factors affecting performance such as customer direct access or referral.	Carl Pegg	January 2013	Availability of comparable data limited. Known data circulated to Board Members via email on 26 th November 2012 showing overall cost per organisation divided by complaint volume. Item to be discharged.

CONSUMER COUNCIL FOR WATER**BOARD MEETING TUESDAY, 9TH APRIL 2013****BOARD AND COMMITTEE ATTENDANCE REPORT FOR 2012/13****REPORT OF: ACTING BOARD SECRETARY****1. Purpose of report**

- 1.1 Members are asked to note attendance at Board and Committee meetings during 2012/13.

2. Recommendations

- 2.1 The Board is asked to receive the report.

3. Detail of report

- 3.1 During 2012/13 attendance at Board and Committee meetings was noted on the first page of the relevant set of minutes. The record of attendance is based on these minutes and is set out in the table at 3.2.
- 3.2 The numbers include all meetings held by the Board and Committees and also includes those meetings held in private session.

	Board	Audit & Risk	Finance & Resources	Remuneration
Yve Buckland	13/13	--	--	--
Tony Smith	11/13	3/5*	2/4*	--
Andrea Cook	8/13	--	--	1/3
David Bland ^[1]	10/11	3/4	--	--
Charles Howeson	9/13	--	3/4	2/3
Diane McCrea	12/13	5/5	4/4	--
Mike Barnes	12/13	5/5	--	--
Colette Isaaks ^[2]	5/5	--	2/2	2/2
Narendra Makanji	13/13	5/5	--	3/3
Timothy Hornsby	13/13	--	4/4	--
Bernard Crump (appointed 1 st Feb 2013)	2/2	--	--	--
Tony Redmond (appointed 1 st March 2013)	1/1	--	--	--

*Please note Tony Smith attends Audit and Risk Management and Finance and Resources as an officer, not as a member. He does not attend Remuneration Committee.

**Jan Mitson,
Acting Board Secretary**

^[1] David Bland left 31 January 2013

^[2] Colette Isaaks left 31 August 2012

CONSUMER COUNCIL FOR WATER

BOARD MEETING IN PUBLIC TUESDAY 9TH APRIL 2013

REPORT OF THE ACTING BOARD SECRETARY

REGISTER OF DECLARATIONS OF INTEREST

1. Purpose of report

- 1.1 To advise members of the present entries against their names in the Register of Interests and to ensure that these entries are updated on an annual basis as required under our governance arrangements.

2. Recommendations

- 2.1 That the Register of Members Interests, as set out at Appendix A, be agreed and published on the Internet, subject to any further amendments.

3. Background

- 3.1 Government guidance on non-departmental public bodies (NDPBs) recommends that a register be kept of board members' interests relevant to the body's activities. This should include, as a minimum, personal direct or indirect pecuniary interests, and should normally also include such interests of close family members and people living in the same household. Board members are strongly encouraged to register non-pecuniary interests which relate closely to the body's activities and likewise those of close family members and persons living in the same household.
- 3.2 As part of the annual review, Members have been asked to update their register of interests and the current declarations are set out at Appendix A. Biographical details for all Board and Committee members can be found on our web site.

Jan Mitson
Acting Board Secretary

Register of CCWater's Board Members Interests 2013/14

Board members	Company/Organisation	Personal direct or indirect pecuniary interest	Interests of close family or those living in the same household and any other comments
Yve Buckland	Institute of Governance & Public Management, Warwick Business School Royal Society of Arts KPMG Board of Trustees Public Governance Institute The Faculty of Public Health & Medicine Board of Governors of Kingsley School University of Central Lancashire Public Chairs Forum	Fellow Fellow Member Honorary Member Member Fellow Management Committee Member	Husband Chief Executive of the Chartered Institute of Public Finance & Accountancy.
Mike Barnes	Chartered Institute of Public Finance & Accountancy Age Exchange Audit Committee	Member Member	
Bernard Crump	BC Healthcare Solutions Ltd Warwick University Faculty of Public Health Royal College of Physicians of England Royal Society of Arts Faculty of Medical Leadership & Management Royal Society of Medicine British Medical Association	Director Professor of Medical Leadership Fellow Fellow Fellow Member Fellow Member	Wife also director of BC Healthcare solutions
Andrea Cook	Parole Board Institute for Public Policy Research Advisor to the Jersey States Government and Member of the Board of the Jersey Energy Efficiency Service*	Independent Member Advisor Advisor & Board Member	*Ministerial appointment
Timothy Hornsby	Harkness Fellows Association Royal Botanic Gardens Kew* Charles Darwin Trust Legacy Trust Horniman Museum* Institute of Fundraising Castle Howard Arboretum Trust Marshall Aid Commemoration Commission Sanghata Global	Chair Trustee Director Governor Chair Member Trustee Commissioner Trustee	*Ministerial appointments

Charles Howeson	NHS Property Services Ltd Duchy of Somerset Estates Ltd SPS Ltd First Great Western Trains Advisory Board Bermuda Institute of Oceanic Studies Coutts and Co Bankers WaterFuture Customer Panel (Exeter) Harvey Nash PLC Crownhill Estates Limited Buckland Corporate Finance Ltd Eko-Tek Power Limited Estates of the 19th Duke of Somerset Millfields Community Economic Development Trust Plymouth Area Business Council RNH (WE)Ltd Millfields Estate Management Company UK Railway Heritage Trust Seaton Area Residents Association Local Engagement Forum (Bristol) Customer Scrutiny Group (Wessex) Customer Challenge Group (Cholderton) Customer Engagement Planning Forum (Bournemouth) Honorary Doctorate in Management (University of Plymouth) Honorary Captain Royal Naval Reserve The Plymouth Drake Foundation The Britannia Association - Alumni of Royal Naval College Dartmouth Tomorrows People Eko-Tek South West Ltd, Eko Tek Power Ltd, Crownhill Estates Ltd, Buckland Corporate Finance Ltd, Stonehouse Waterfront Developments Ltd, RNH (WE) Ltd, DCM (Jersey) Ltd, Radio Plymouth Ltd Charles Howeson and Associates (Sole Trader)	Chairman Director Chairman Chairman Trustee Regional Chair Chair Regional Chairman Chairman Chairman Chairman Trustee President Chairman Company Secretary Company Secretary Member Chairman Chair Chair Chair Chair Vice President Deputy Vice Patron Vice Patron Vice Patron)) All Shareholdings with Wife,)Emma Howeson))))))) Sole trader	*Ministerial appointments
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Narendra Makanji	First Tier Tribunal (General Regulatory Chamber)* Selby Trust, London N17 8JL CSK Strategies Ltd Part time free-lance trainer & journalist	Member Board Member Associate Consultant	*Ministerial appointment
Diane McCrea	Assured Food Standards All Saints Educational Trust Shelter Cymru (Registered Charity) Soil Association Certification Ltd (Chair, Certification Scrutiny Committee)	Director Trustee Chair of Board of Trustees Member	*Ministerial appointment
Tony Redmond	UNICEF UK Local Government Boundary Commission for England* Chartered Institute of Public Finance and Accountancy (CIPFA) CPA Australia Institute of Revenues, Ratings and Valuation Royal Society of Arts	Treasurer Commissioner President Member Member Fellow	*Ministerial appointment
Tony Smith	None		

CONSUMER COUNCIL FOR WATER

BOARD MEETING IN PUBLIC TUESDAY, 9TH APRIL 2013

REPORT OF THE CORPORATE GOVERNANCE MANAGER

BOARD OBJECTIVES 2013/14

1. Purpose of report
 - 1.1 To put before members for discussion/approval draft objectives as indicated in the accompanying Appendix which will also form part of the Annual Report and Accounts Governance Statement.
2. Recommendation
 - 2.1 That the draft objectives for 2013/14 be approved as modified by the Board after discussion.
3. Detail of report
 - 3.1 Members may recall that in 2011, guidance by HM Treasury was issued in respect of 'Managing Public Money'. This change required CCWater to include a Governance Statement in our Annual Report and Accounts.
 - 3.2 At the Board meeting held on 8th January 2013, the Board considered that future evaluations should be more focused on what the Board itself can achieve to make an impact and an emphasis should be placed wherever possible on targets that were measurable.
 - 3.3 Board members discussed having a reduced number of objectives, but where possible of a more specific and measurable nature and which demonstrate the contribution of the Board to the organisation. The objectives are not intended to be comprehensive but to focus on what the Board sees as the most significant areas.
 - 3.4 At the recent Board workshop held in the evening of 5th March 2013, members discussed objectives for 2013/14 and based on that discussion the objectives set out in the appendix to this report have been drafted. When evaluating in future the extent to which objectives have been achieved, it may be helpful either to consider having an independent assessment undertaken by an individual who has the respect of the Board or setting up a small review panel of 2/3 members.
 - 3.5 Members are asked to review the draft objectives and propose any modifications.

Mike Jackson
Corporate Governance Manager

DRAFT Board Objectives for 2013/14

No	Description	Target/Outcome
A1	To provide leadership and clear strategic direction to the organisation and provide a clear view going forward for water consumer representation and the outcomes to be achieved and with regard to specific policies, identifying, scrutinising, challenging and probing where appropriate and ensuring decisions are soundly based upon hard data, strong evidence and cogent analysis.	<ul style="list-style-type: none"> • Clear vision and outcomes agreed • Policies amended or formulated by the Board as demonstrated in relevant documentation • Use of hard data and evidence in decision making • Board to work effectively to with Executive Team, to develop a plan, and operating framework, for CCWater post-Price Review
A2	To add value as a Board in representing consumer interests and support newly appointed Board members so they become fully integrated members of the Board and are able to develop to their full potential so as to enable the Board to deliver maximum benefits to customers.	<ul style="list-style-type: none"> • Identified examples of areas where value added as decisions made • New members interviewed to ascertain any needs and obtain feedback on where they see they can add more value given the opportunity • Board Members involved in project work as part of their key national leadership roles, in areas of their specific expertise
A3	To maximise the benefits received from complaint handling and customer research so that the Board has its ‘finger on the pulse’ in relation to customer expectations and is able to challenge companies effectively taking full account of regional/national variations and to use information gained on complaints and customer research to shape policy.	<ul style="list-style-type: none"> • Evidence from complaint handling and customer research used by the Board (and individual regional chairs) to identify issues and to take action to press for redress for customers. • Policy being shaped by feedback from customers and which takes account of regional/national diversity
A4	To formulate a clear view in relation to the roles and objectives of CCWater and CCGs for the future which will most benefit customers and have an effective influence on PR14 and the desired outcomes to be achieved for customers.	<ul style="list-style-type: none"> • Clear outcomes being formulated for CCGs and CCWater which are complementary and deliver the best outcomes for customers • Customers views heavily influencing PR14 decisions and processes
A5	To maintain and continue to improve positive relationships with stakeholders, such as Ofwat, DWI, NE, EA, Ministers; and challenging in particular companies where appropriate on behalf of customers to ensure the delivery of customer benefits whether financial and/or improvements in service.	<ul style="list-style-type: none"> • Positive feedback of stakeholders’ views with regard to relationship with CCWater and specifically build a more positive and sustainable relationship with the Economic regulator. • Delivery of benefits to customers by companies as a result of CCWater pressure • Delivery of specific financial and/or service benefits to customers.

CONSUMER COUNCIL FOR WATER
BOARD MEETING IN PUBLIC - 9TH APRIL 2013

COMMITTEE MEMBERSHIP

Report of Acting Board Secretary

1. Purpose of Report

- 1.1 In accordance with the Code of Governance, the Board is asked to review membership of the Board's standing committees for the ensuing financial year 2013/14.

2. Recommendation

- 2.1 That the Board approve the membership of the Board's three standing committees, namely the Audit and Risk Management Committee, the Finance and Resources Committee and the Remuneration Committee.
- 2.2 That the Board also approve the membership of the Urgent Business Sub-Committee.

3. Background

- 3.1 Under Annexes D, E and F of the Code of Governance the membership of the three standing committees are to be 'reviewed and confirmed by the Council annually at the end of each financial year'.
- 3.2 The present membership of the Committees as agreed by the Board is as follows:

Audit and RM	Finance and Resources	Remuneration
Mike Barnes (Chair)	Timothy Hornsby (Chair)	Narendra Makanji (Chair)
Diane McCrea	Charles Howeson	Andrea Cook
Narendra Makanji	Diane McCrea	Charles Howeson
1 Regional Chair Vacancy	1 Independent Vacancy	1 Independent Vacancy

- 3.3 Under the Code of governance each committee should consist of 2 independent members and 2 regional members (Wales for this purpose is included in the definition of 'regional') for each committee.
- 3.4 Each committee is to have a minimum of 4 full members and one of the independent members is to be nominated by the Council to chair the committee. A quorum is made up of three full members. Substitution is allowed with the agreement of the relevant committee chair.
- 3.5 It is therefore proposed that minor changes are made to the membership as follows:

Audit and RM

Mike Barnes (Chair)
Diane McCrea
Narendra Makanji
Tony Redmond

Finance and Resources

Timothy Hornsby (Chair)
Charles Howeson
Diane McCrea
Bernard Crump
Narendra Makanji

Remuneration

Narendra Makanji (Chair)
Andrea Cook
Bernard Crump
Timothy Hornsby

3.6 The Urgent Business Sub-Committee has delegated powers to act on behalf of the Board, was last reviewed in 2011. The present membership is:

- The Board Chair
- Chief Executive
- Chair of Audit and Risk Management Committee (Mike Barnes)
- Diane McCrea as Chair of the Wales Committee

The Board is also asked to review and approve the membership of this Sub-Committee.

4. Conclusion

4.1 The Board is asked to consider whether they wish to make any changes to the membership of the committees for the forthcoming year.

Jan Mitson
Acting Board Secretary

CONSUMER COUNCIL FOR WATER

BOARD MEETING TO BE HELD ON 9TH APRIL 2013

CONFIRMATION OF BUDGET FOR 2013-14

REPORT OF THE CHIEF EXECUTIVE

1. Purpose of Report

1.1 Following consideration by the Board at its meeting held in private on 5th March 2013, this paper seeks confirmation of CCWater's budget for 2013-14.

2. Recommendations

2.1 The Board confirms it has formally agreed CCWater's budget of £5.63m for 2013/14.

3. Background

3.1 In November 2012, the Board authorised the Chief Executive Officer to formally propose a £5.63m budget for 2013-14 to the Department for Environment, Food and Rural Affairs and Welsh Government. This is made up of £5.13m Licence Fees and £500k unallocated savings for 2012/13. This represents a flat Licence fees with no uplift for inflation. Defra and Welsh Government have given their approval.

Previous Costs

3.2 Year	Licence Fees (Grant in Aid)	Budget
2006-07	£5.7m	£5.9m
2007-08	£5.92m	£6.01m
2008-09	£6.16m	£6.57m
2009-10	£6.34m	£6.66m
2010-11	£5.70m	£6.144m
2011-12	£5.13m	£5.48m
2012-13	£5.13m	£5.605m
2013-14	£5.13m	£5.63m

3.3 This would bring our available budget for 2013-14 to:

Grant in Aid Income

Licence Fee	£5,130,000
+ Accumulated Savings	£500,000

Budget	<u>£5,630,000</u>
including contingency of	£ 200,000
and unallocated	£ 78,863

4. Risk Management

4.1 The key financial risk is that we have insufficient resources to deliver our Forward Work Programme commitments and that we can demonstrate Value for

Money.

- 4.2 Each Principal Budget Holder has confirmed that sufficient funds have been allocated to enable them to deliver their Forward Work Programme commitments.
- 4.3 We will focus on securing the key FWP deliverables as early as possible and we have reduced our Operational Business Commitments for 2013-14.
- 4.4 We will continue to monitor our costs compared to similar consumer organisations and ensure that we are always able to demonstrate CCWater's Value for Money.

**TONY SMITH
CHIEF EXECUTIVE**