

Subject to Board confirmation



CONSUMER COUNCIL FOR WATER

DRAFT Minutes of the Board Meeting

Held in Public Session

Tuesday, 2 March 2010
Victoria Square House, Birmingham

Present:	Chair	Dame Yve Buckland
	English Regional Committee Chairs	David Bland Ed Vidler (Deputy Chair) Sir James Perowne
	Wales Committee Chair	Norman Thomas (Deputy Chair)
	Independent Members	Mike Barnes Timothy Hornsby Colette Isaaks Narendra Makanji
	Chief Executive	Tony Smith
In attendance:	Secretary to the Board	Mike Jackson
	Deputy Chief Executive Officer	Nick Ellins
	Head of Corporate Services	Jane Morris
	Head of Consumer Relations	Carl Pegg
	Head of Public Relations	Dave Thompson
	Policy Manager	Jenny Suggate (part)
	Policy Manager	Steve Grebby (part)
	Policy Manager	Alison Dediccoat (part)

CB124 Apologies and Declarations of Interest

Apologies were received from Andrea Cook and Charles Howeson. Ed Vidler was deputising for Charles Howeson, Chair of the Western committee and Norman Thomas, was deputising for Diane McCrea, the Chair for the Wales committee. There were no specific declarations of interest other than those already entered in the Register of Interests.

CB125 Listening Session

125.1 The Chair welcomed three members of public to the meeting. 2 members of the public wished to retain anonymity but the other member of the public was happy to introduce himself as Mr Paul Gerrard, a Severn Trent Customer.

125.2 Members of the public were given the opportunity to raise any issues with the Board. Mr. Gerrard wished to avail himself of this opportunity but the other members of the public did not wish to address the Board.

CB126 Issues raised by Mr. Gerrard

126.1 Mr Gerrard raised the following issues:

- (a) His lack of knowledge about CCWater and what it does
- (b) What happened to the money raised by Water Companies on privatisation?
- (c) Insufficient encouragement to use rainwater to flush toilets and save resources

126.2 Lack of knowledge

Mr Gerrard suggested leaflets being distributed to residents. He was advised reference was made to CCWater on all water bills and more information could be obtained from the CCWater website.

126.3 Money raised on privatisation

The Government wrote off the debt when the water industry was privatised. Companies are now able to raise money on a normal commercial basis. About one third of the money obtained from consumers paid for the cost of borrowing.

126.4 Use of rainwater

There had been pamphlets issued on this subject but Mr. Gerrard may wish to raise this directly with Seven Trent at a public meeting of CCWater's Central and Eastern committee. It might also be worth challenging the Environment Agency about what they are doing to encourage the use of rainwater. Mr. Gerrard considered there was a potential 40% saving in the volume of water used per household.

CB127 Approval of Minutes and Matters Arising

127.1 The minutes of the Public Board meeting held on 2 February 2010 were submitted for approval.

AGREED: That the minutes of the Public Board Meeting held on 2 February 2010 be approved as a correct record and signed.

CB128 Chief Executive's Report

128.1 The Chief Executive presented his report which covered achievements in relation to the Price Review 2009, speaking up for customers, influencing water policy and internal performance as validated by the internal auditors.

128.2 For the first time an appendix was included in the form of a performance scorecard covering the following 4 areas:

- Benefits for Customers and Business Plan Progress
- CCWater's Governance and Financial Performance
- CCWater Staff
- CCWater: Reputation and External Activities

The scorecard demonstrated that a high level of performance had been achieved.

128.3 Concerns about the future of the organisation

and the need for pay restraint perhaps explained a staff satisfaction rating of 54%.

- 128.4 The Chief Executive was asked to consider including a time frame in the scorecard to provide a better context for measuring and comparing performance. It was suggested that it would also be helpful to be more specific when referring in relation to objectives to 'a few deliverables' being 'delayed'.

AGREED: That the report be received, subject to the above comments. Chief Executive

CB129 Forward Work Programme 2010-11 to 2012-13

- 129.1 The Policy manager, Jenny Suggate, reported that more comments had been received than before which had led to a tightening up in some areas. There had been some helpful feedback but none of the comments required a change of direction. She updated members on some later comments that had been received from Seven Trent, Thames and Consumer Focus.
- 129.2 Members commented that the detailed wording should reflect the need to take account of English regional and Welsh differences where relevant.
- 129.3 A reference should be included to the need to install the most suitable form of metering for the purpose e.g. SMART meters.
- 129.4 A member commented that there was a weakness in not including the Operational Business Plan with the Forward Work Programme. This was something to be considered for the future. Future Programmes would try to be more explicit about how CCWater was going to achieve its objectives.
- 129.4 The Chair considered that in future Plans we should aim for clear, measurable outcomes.
- 129.5 A comment was made that it may be unrealistic to claim that the aim was for all bills to be affordable and acceptable.

AGREED: That the Forward Work Programme for Chair/Chief

2010-11 to 2012-13 be approved and that delegated authority be given to the Chair and Chief Executive to finalise the Programme and the Operational Business Plan.

Executive

CB130 Budget for 2010 -11

130.1 The proposed budget for 2010-11 had been considered by the Finance and Resource's Committee at its meeting on 2 February 2010. The Committee recommended the Board to approve the budget for 2010-11 and to make the final allocations as indicated in Annex A.

130.2 The Chief Executive advised that this year's budget would probably be underspent by between 2% and 3% at year end.

130.3 The Chair of the Finance and Resources Committee advised that there could be cuts of between 14% and 20% over the next 3 years. Contingency planning should be based on resources being cut up to 20%.

AGREED: That the budget for 2010-11 amounting to £6.144m be approved as submitted together with the allocation set out in Appendix A.

CB131 New Appointments and Variations (NAVs)

131.1 Steve Grebby, Policy Manager, submitted his report on New (previously called 'Inset') Appointments and Variations (NAVs). Alison Dedicoat, Policy Manager, was also present.

131.2 The report set out the recent changes to the New Appointments and Variations (NAVs) system (previously known as Inset Appointments) and outlined CCWater's approach based on the policy principles that were agreed at the 3 March 2009 Board meeting.

131.3 CCWater has asked Ofwat to be clear in the consultation document about the environmental benefits to customers. A document was awaited from Ofwat on new appointments and timescales.

131.4 It was agreed that it would be helpful to

catalogue the benefits/disbenefits of schemes as they unfolded. Steve Grebby

- 131.5 It was planned to set up a central meeting with all the inset appointees. Customers should be advised of the issues.
- 131.6 The NAV system had not introduced competition for domestic customers, as they still could not choose their supplier. The system had therefore only added new monopoly suppliers to the market.

AGREED: That the information in the report be noted including CCWater's concerns and the steps being taken to address these issues be supported.

CB132 Reports from the English Regional and Welsh Chairs relating to local committee meetings

- 132.1 Minutes of the following local committee meetings were submitted:
- Central and Eastern Region Committee - 28 October 2009
 - London and South-East - 18 November 2009
 - Northern Committee - meetings on 16 September and 17 December
 - Wales Committee - 6 October 2009
 - Western Region Committee - 1 December 2009
- 132.2 Each relevant Chair/Deputy Chair reported on their local meeting and responded to the questions put by members. The following were among the points made:
- (a) Wessex had financially supported the CAB in relation to water debt issues; it was suggested a short briefing paper should be produced on the Wessex model for circulation
 - (b) The reduction in use of water as a result of metering had been very small in London and the South east
 - (c) The pressure was being maintained on United Utilities in relation to complaints performance
 - (d) The number of complaints was increasing in relation to Dwr Cymru Welsh Water

Barbara Leech

- (e) The workshop held by the Western region on combined sewer overflows had been very successful with an agreed way forward
- (f) The big common issue was metering and the differential between measured and unmeasured bills

AGREED: That the minutes be received and the comments noted.

CB133 Consumer Service Group Update

- 133.1 The paper was presented by the Head of Consumer Relations and updated the Board on the work and outputs to date of the Consumer Service Group (CSG).
- 133.2 Recently, the CSG's work had focused on the six companies with above average complaint numbers in the September report 'Complaint handling in the water industry in England and Wales 2008-09'.
- 133.3 As well as complaints, the CSG had looked at consumer service assessments; company Codes of Practice and had helped to develop the Leading Edge Table on sewer flooding.
- 133.4 The Chair indicated that she hoped to attend some Consumer Service Group meetings in the future.

AGREED: That the work undertaken by the Group to date be noted and the Group's work programme supported.

CB134 Finance Report to 31 January 2010

- 134.1 The Chief Executive presented the Finance Report which indicated that the revenue spend was £5.149m against a budget of £5.162m for the end of January, an underspend of only £13k. Capital was underspent by £19k.
- 134.2 All the Regional and Wales budgets were operating within their respective budget profiles.
- 134.3 The Chief Executive was asked to consider whether the financial performance table could

be included in the scorecard to the Chief Executive's report.

Chief Executive

AGREED: That the report be noted.

CB135 Review of Board Standing Committee Membership

135.1 The Code of Governance required the membership of the three standing committees to be 'reviewed and confirmed by the Council annually at the end of each financial year'.

135.2 The present membership was as follows:

Audit and R.M. Cttee.

Mike Barnes (Chair)
David Bland
Sir James Perowne
Narendra Makanji

Remuneration Cttee.

Narendra Makanji (Chair)
Sir James Perowne
Andrea Cook
Colette Isaaks

Finance and Resources Cttee.

Timothy Hornsby (Chair)
Colette Isaaks
Diane McCrea
Charles Howeson

AGREED: That the present membership continue pending the outcome of the member appraisal process currently being undertaken by the Chair.

Board Chair

CB136 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).