



CONSUMER COUNCIL FOR WATER

Draft Minutes of the Board Meeting

Held in Public Session

Tuesday, 1 March 2011

Victoria Square House, Birmingham

Present:	Chair	Dame Yve Buckland
	English Regional Committee Chairs	David Bland Andrea Cook Charles Howeson
	Wales Committee Chair	Diane McCrea
	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 Consumer Relations	Carl Pegg
	Head of Public Relations	Dave Thompson

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CB225 Apologies and Declarations of Interest

- 225.1 Apologies were received from Jane Morris, Head of Corporate Services and Deryck Hall, Head of Policy.
- 225.2 There were no specific declarations of interest other than those already entered in the Register of Interests.

CB226 Minutes of the Public Board Meeting held on 7 December 2010

- 226.1 The minutes of the Public Board Meeting held on 7 December were submitted for approval.

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

CB227 Listening Session

- 227.1 There were no members of the public in attendance.

CB228 Chief Executive's Report

- 228.1 The Chief Executive's reported on a number of key areas for CCWater including how the organisation had delivered benefits and spoken up for water customers since his last report. Among the points made were that:

- over £1 billion worth of benefits had been delivered to customers since it was established in 2005
- in relation to the last Price Review (PR09) - there had been a £1 billion better result for customers than previously (PR04) when CCWater had not been formed
- there was a 30% drop in complaints compared to 2009/10
- annual tracking survey results were to be published in March
- the annual staff survey showed a 62% level of overall satisfaction with their job by CCWater staff compared to 54% previously

AGREED: That the report be received.

CB229 Forward Work Programme and Operational Business Plan for 2011/12

- 229.1 The Chief Executive presented the Forward Work Programme supported by his Deputy in relation to the Operational Business Plan.
- 229.2 The proposed final Forward Work Programme (FWP) set out what needed to be achieved to meet consumers' priorities whilst taking in to account the uncertainties regarding CCWater's future. The final programme included the proposed 10% budget cut for 2011-2012. The FWP formed the base for CCWater's Operational Business Plan and the Budget amounting to £5.48m.

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229.3 As agreed with the Board at the May 2010 strategy day, the FWP would continue to focus on the areas which CCWater's research and complaints evidence had shown were of most concern to consumers:

Value for Money - A fair, affordable charge for the service and help for those who cannot pay, creating a sustainable water service now and in the future.

Right First Time - Problems sorted out quickly and without hassle.

Water on Tap - Safe, reliable, good quality tap water that is sustainable and consumers use wisely.

Clearing up - Successful delivery of a sustainable wastewater service with minimal sewer flooding.

Speaking up for Water Consumers - Achieve improvements for water consumers and help local consumers' views be the drivers of key decisions that affect their water bill.

229.4 The consultation on the draft FWP closed on 28 January 2011. The responses received were reported to the Board.

229.5 Members were asked to give any drafting amendments to Jennifer Suggate, who had undertaken the detailed work involved.

229.6 The question was raised as to whether the extract from the Risk Register should be incorporated into the Operational Business Plan. It was agreed that the relevant paragraph would be re-drafted so that the Risk Register itself is omitted but that there would be a cross reference to indicate how it could be made available on request.

AGREED: (1) That the Forward Work Programme for 2011-12 to 2013-14 be approved in principle;

(2) That the Operational Business Plan for 2011-12 be approved in principle subject to the above comments; and

(3) That delegated powers be given to the Board Chair and Chief Executive to finalise the FWP and OBP.

Policy
Manager
(Jenny
Suggate)

CB230 Budget for 2011/12

230.1 The proposed budget of £5.48m (including £5.13m Licence Fees, £350k unallocated under spend and a Capital Budget of £80,000) had been considered by the Finance and Resources Committee on 1 February 2011. The Committee recommended that the Board approve the budget and the allocations for 2011-12.

230.2 Licence fees had been reduced by 10%. Defra and WAG had given their approval to the proposed budget.

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230.3 The budget included a contingency of £193k. It was proposed that no more than half the contingency be utilised prior to September due to the uncertainties. Additional flexibility was available as a result of increased under spending in 2010/11 and likely in year savings.

230.4 It was clarified that up to £80k had been allowed for contractual increases in salaries and payments.

AGREED: (1) That the Board approve the proposed CCWater budget for 2011-2012 amounting to £5.48m. The budget is to be made up of £5.13m Licence Fees, £350k unallocated under spend and a Capital Budget of £80,000; and

(2) That the budget be allocated as per Annex A of the report but subject to quarterly review to take account of the uncertainties.

Head of
Corporate
Services

CB231 Finance Report

231.1 The Finance report was submitted detailing expenditure to 31 January 2011.

231.2 The report indicated a budget variance of £91k (2%) against a total budget for the year of £6.144m. There had been no capital expenditure.

231.3 The contingency fund had increased to £766k and a year end under spend of at least £671k was predicted which it was ear-marked to be used to fund at least in part proposals for streamlining subject to a government decision to be made about the future for water consumer representation.

231.4 £95k had been allowed to meet dilapidation costs.

AGREED: That the Finance report be noted.

CB232 Consistency of Complaint Handling and Effectiveness of SIM

232.1 The Head of Consumer Relations reported on CCWater's investigation levels and its practice in investigating complaints to check that the complaint handling process was consistent in light of the Service Incentive Mechanism (SIM).

232.2 When a consumer had exhausted their company's procedure, a complaint could be investigated by CCWater. With the introduction of Ofwat's SIM, companies would attract a negative score for each investigation. CCWater aimed to provide a consistent practice when escalating complaints to investigation and minimise the risk of industry criticism once SIM started counting as a financial motivator in 2011-12.

232.3 While most companies have complaints procedures with two stages, others have three. CCWater recommended a two stage process as being better for customers.

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232.4 It was agreed that in para. 3.2.8 of the report, the word conclusive should be omitted so the sentence would read 'There is no evidence

232.5 CCWater's view has always been that the proposed SIM does not go far enough in rewarding good performance.

AGREED: (1) That the Board support the measures being taken by Consumer Relations to strengthen investigative consistency and minimise criticism; and

(2) That the position be closely monitored.

(Note: David Bland left the meeting at 2.20pm)

Head of
Consumer
Relations

CB233 Minutes of Wales and English Regional Committees

233.1 The Minutes of the local committee meetings that had been held since the last report were submitted as follows:

- Central and Eastern Region Committee (27 October 10)
- London and South-East (22 September 10)
- Northern Committee (23 September 10 and 25 November 10)
- Wales Committee (12 October 10 and 25 January 2011)
- Western Region Committee (23 September 10, 24 November 10 and 3 February 2011)

233.2 The Chair reminded members of the need to report to Ofwat what was being discussed in local committees. What the best way was of doing this was under consideration.

Board
Chair

AGREED: That the minutes be received.

CB234 Consumer Service Group Update

234.1 The report updated the Board on the work and outcomes achieved by the Consumer Service Group (CSG) to date and the group's planned future work.

234.2 Members discussed whether the Group should be continued in the future whilst recognising the value of the work done to date.

AGREED: (1) That the report be noted and the value of the work done to date be

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acknowledged;

(2) That the future role and function of the Group be reviewed as part of an overall review of CCWater once the future of CCWater is clarified.

(3) That the next phase of work for the Group be agreed subject to (2) above.

CB235 Framework Agreement

235.1 The Acting head of Corporate Services reported that, last year, the officers in the Welsh Assembly Government (WAG) had led an initiative to combine the Management Statement and Financial Memorandum into one document, called 'The Framework Document' and this was enclosed as an appendix to the report.

235.2 The document had now been signed by all the parties and was being submitted to the Board for ratification.

AGREED: That the Framework Document be ratified and signed on behalf of CCWater.

CB236 Review of Committee Membership

236.1 Under the Code of Governance the membership of the three standing committees were to be 'reviewed and confirmed by the Council annually at the end of each financial year'.

236.2 The present membership of the Committees as agreed by the Board was as follows:

Audit and RM	Finance and Resources	Remuneration
Mike Barnes (Chair)	Timothy Hornsby (Chair)	Narendra Makanji (Chair)
David Bland	Charles Howeson	Andrea Cook
Diane McCrea	Colette Isaaks	Charles Howeson
Narendra Makanji	Diane McCrea	Colette Isaaks

236.3 The Board had also established in March 2009 an Urgent Business Sub-Committee which had delegated powers to act on behalf of the Board. The present membership was:

- The Board Chair
- Chief Executive
- Chair of Audit and Risk Management Committee (Mike Barnes)

There was one vacancy caused by the retirement of Sir James Perowne.

AGREED: (1) That the present membership of the above Committees be confirmed;

(2) That Diane McCrea be appointed to fill the vacancy in the membership

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of the Urgent Business Sub-Committee; and

- (3) That the position be reviewed once CCWater's future has been clarified.

CB237 Actioning of Board Decisions

- 237.1 A schedule was submitted detailing the outstanding and outgoing actions from Board meetings held in private.

AGREED: That the actions identified as being completed be discharged.

CB238 Any other business

- 238.1 Nick Ellins' attendance at this Board meeting would be the last Board meeting he attended as Deputy Chief Executive for CCWater. Members wished to mark the occasion by placing on record their thanks for all he had achieved for CCWater.

AGREED: That the Board thank Nick Ellins for his much valued contribution and wish him every future success.

CB239 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