

Meeting in Public of the BOARD of the Consumer Council for Water. Held at 11.00am on Tuesday 1st October 2013 at Victoria Square House, Birmingham.



PRESENT:

Dame Yve Buckland (Chair)

Diane McCrea - Wales Chair & Vice Chair of the Board	Mike Barnes - Independent Member
Andrea Cook - Regional Chair	Timothy Hornsby - Independent Member
Bernard Crump - Regional Chair	Narendra Makanji - Independent Member
Charles Howeson - Regional Chair	Tony Smith - Chief Executive
Tony Redmond - Regional Chair	

ALSO IN ATTENDANCE:

Jan Mitson - Board Secretary	Steve Hobbs - Senior Policy Manager
Carl Pegg - Head of Consumer Relations	Hannah Williams - Senior Policy Manager
Jane Morris - Head of Corporate Services	
Deryck Hall - Head of Policy and Research	

15.0 WELCOME, LISTENING SESSION, APOLOGIES AND DECLARATIONS OF INTEREST

- 15.1 The Chair opened the meeting and welcomed those present. No members of the press or public were in attendance and there were no apologies for absence.
- 15.2 There were no declarations of interest submitted, other than those previously recorded in the register.

16.0 MINUTES OF THE PUBLIC BOARD MEETING HELD ON 9TH APRIL 2013 AND ANY MATTERS ARISING

- 16.1 The Board received the Minutes of the Public Board Meeting held on 9th April 2013.
- 16.2 Deryck Hall provided the Board with an update on responses received from Water Companies, following a request from CCWater for them to clarify their corporation tax arrangements and to what extent these arrangements were beneficial to customers.
- 16.3 CCWater had received 15 responses to its request. Most companies commented that they made full use of Capital Allowances to defer tax payments until a future date. This was entirely in accordance with HMRC rules and resulted in lower bills for customers.
- 16.4 Some companies, at the group level, had set up financing companies in so-called 'tax havens' to channel loans to the regulated companies. Companies maintained that this was entirely with the rules laid down by the UK tax authorities, and provided regulated companies with access to

debt finance often at a lower rate than they could raise in the UK. This is because the lender pays corporation tax (or equivalent) on the interest earned at the rate prevailing in their country of domicile which is often lower than the UK rate of corporation tax.

- 16.5 CCWater would develop a line to take on the issue prior to the announcement of the interim financial statements of companies in November and December 2013.
- 16.6 It was noted that the practices of the regulated companies were legal; however in light of increasing public interest in the matter, CCWater should press companies to be open about their arrangements and explain to their customers, how their tax arrangements are beneficial to customers, in clear language.

AGREED:

- i) That a line to take be developed on the issue prior to the announcement of the interim financial statements of companies. Deryck Hall
- ii) That the Minutes of the Private Board Meeting held on 2nd July 2013 be approved as a correct record and signed by the Chair.

17.0 CHIEF EXECUTIVE'S REPORT ON CCWATER ACHIEVEMENTS AND PERFORMANCE APRIL - AUGUST 2013

- 17.1 A report on CCWater achievements and performance April - August 2013 was submitted by the Chief Executive to the Board for noting.
- 17.2 The Board was informed that final report from the Debt Task and Finish Group would be circulated by email shortly for their information.

Agreed that:

- i) **The achievements and performance of CCWater April - August 2013 be noted.**

18.0 CCWATER COMPLAINT HANDLING PERFORMANCE REPORT

- 18.1 Carl Pegg introduced a report on benchmarking CCWater complaint handling time and consumer satisfaction against other organisations.
- 18.2 To highlight work done on speaking up for consumer, it was suggested that CCWater could use information on the performance and achievements in relation to customer satisfaction with complaint handling, in other areas of our work, for example the Forward Work Programme.
- 18.3 It was suggested that a method be explored of demonstrating comparative costs of organisations with whom CCWater benchmarks its performance with. The Board discussed the difficulty of comparing organisations who undertake complaints and dispute resolution, as the approach and scope of powers of redress vary between organisations. The Board was informed that to make the figures comparable, CCWater

'normalises' the statistics of other organisations where possible.

- 18.4 The Chair had recently met with Consumer Futures who had shared with her a copy of the Scottish Water Ombudsman's report that had been submitted to Ofwat. The Chair informed the Board she would share a copy of the report in order to highlight any areas of good practice in terms of reporting complaint handling performance.

Agreed that:

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| i) | The Board notes the performance. | |
| ii) | Information contained in the report would, where appropriate be used in other CCWater publications, for example the Forward Work Programme, to highlight the good performance of the organisation. | Carl Pegg /
Hannah
Williams |
| iii) | To demonstrate good value for money, CCWater should explore the possibility of showing the comparative costs of organisations identified in the report. | Carl Pegg |
| iv) | The Chair would circulate a copy of the Scottish Water Ombudsman's report to Board Members. | Yve
Buckland /
Jenny
Grant |

19.0 DRAFT FORWARD WORK PROGRAMME FOR CONSULTATION

- 19.1 Hannah Williams submitted a report on the Draft Forward Work Programme, prior to the document being issued for consultation.

Agreed that:

- i) The Forward Work Programme be supported subject to a further decision on the Informing Consumers project.
- ii) Delegated authority be given to the Chair and the Chief Executive to approve the final draft prior to opening for consultation.

20.0 CCWATER FINANCE REPORT APRIL - AUGUST 2013

- 20.1 Jane Morris submitted the Finance Report (April - August 2013), a copy having previously been circulated to each Member of the Board.

Agreed that:

- i) The report be noted.

21.0 ACTIONING OF OUTSTANDING PUBLIC BOARD DECISIONS

- 21.1 The schedule of Outstanding Public Board Decisions was submitted to the Board for consideration indicating the present position in relation to each of the actions listed. The Board Secretary informed the Board of the latest position in respect of action 2.3 and it was agreed that the item would be discharged as the customer concerned was now pursuing the matter with another organisation.

AGREED that:

- i) Item 2.3 would be discharged from the list. Jan Mitson
- ii) The completed Outstanding Public Board decisions be discharged from the list.

22.0 SCHEME OF DELEGATION

22.1 An updated Scheme of Delegation, which delegated powers from the Board to the Chief Executive and from the Chief Executive to other members of the organisation, was noted

22.2 The Board noted that following consideration by the Audit and Risk Management Committee, the NAO's Annual Management Letter and Internal Audits end of year report should be submitted to the Board for receipt. Mike Barnes / Jan Mitson

Agreed that:

- i) The reservation of powers, including the submission of reports, be noted and agreed.
- ii) The detailed scheme of onward delegations by the Chief Executive be noted.

23.0 ANY OTHER BUSINESS

Narendra Makanji

23.1 The Board paid tribute to Narendra Makanji, whose appointment as CCWater Independent Member would come to an end on 31st October 2013. The Chair paid particular thanks to Narendra for his work on championing vulnerable customers, customers from minority backgrounds; and for his work as Chair of the Remuneration Committee. The Board valued his local authority insights and he would be missed greatly. Narendra thanked the Board for all their support and wished the organisation well for the future.

Confirmation of Confidentiality of Private Meetings

23.2 The Chair moved and it was subsequently noted, that in accordance with the Public Bodies (Admissions to Meetings) Act 1960, further meetings of the Board held in Private Session would exclude members of the press and public, on the grounds of confidentiality.

THE MEETING CLOSED