



CONSUMER COUNCIL FOR WATER

Minutes of the Board Meeting

Public Session

Tuesday, 2 September 2008
Victoria Square House

Present	Chair	Dame Yve Buckland
	English Regional Committee Chairs	David Bland Charles Howeson Sir James Perowne
	Wales Committee Chair	Diane McCrea
	Independent Member	Timothy Hornsby Mike Barnes Colette Isaaks
	Chief Executive	Tony Smith
	Secretary to the Board	Alison Dediccoat
In attendance	Head of Corporate Services	Jane Morris
	Head of Public Relations	Dave Thompson
	Head of Policy and Strategy	Nick Ellins
	Head of Consumer Relations	Carl Pegg

1. **Welcome and Apologies** **Actions**
- 1.1 The Chair welcomed Colette Isaaks to the meeting. Colette is the new Independent member and will be the Board champion for consumer complaint issues. She also welcomed back Charles Howeson following his recent surgery. Three members of the public and one CCWater Committee member were also welcomed to the meeting.
- 1.2 Apologies from Narendra Makanji, Andrea Cook and her Deputy Neil Sykes.
2. **Declarations of Interest**
- 2.1 Charles Howeson declared his interest as a trustee of the estates of the 19th Duke of Somerset.
3. **Listening session**
- 3.1 Members of the public were invited to introduce themselves and set out their interest in the meeting so that the Board could address their points. Their areas of interest included the role of CCWater, corporate governance, consumer representation and the work of regulators.
- 3.2 Members of the Board outlined the work that CCWater does at a national and regional level, the research it is involved in and its media coverage. The Board assured the public that it is passionate about consumer issues.
4. **Minutes of the 3 June 2008 Public Board meeting, and matters arising**
- 4.1 There are two amendments to the minutes, to remove Janet Paraskeva from the attendee list and correct a spelling mistake in 5.4. Board Secretary
- 4.2 Subject to the above changes, the minutes of the public Board meeting held on 3 June 2008 were approved as an accurate record of the meeting.
5. **Quarterly Complaints Report**
- 5.1 The Head of Consumer Relations presented a report which updated the Board on complaint numbers and performance for the months May to July 2008. He also gave commentary on initiatives to improve services to consumers. He highlighted the following areas:
- 5.2 **Complaint Numbers** - in the period, complaints increased by 24% compared over the same period last year (3822 to 4733). The process of transferring complaints between offices is working well to counter any imbalance of complaint load across offices.
Complaint categories - billing, particularly measured billing, remained the dominant complaint category for the period.
Contacts - United Utilities dealt with the most enquiries having changed from rateable value to site-area based charging for non-domestic surface water drainage.
Complaints Handling - while complaints are still received in written form, our new complaints handling system (Tracking All Progress (TAP)) has been designed to register telephone complaints quickly. We succeeded in recording more telephone complaints during May to July, enabling case handlers to present consumer issues to companies more quickly.

Investigations - investigated cases saw a rise of 41%, reflecting the 24% increase in total complaint numbers. In the period there were 33 complaints reviewed by Committee Chairs, four complaints reviewed by an independent panel and one complaint partially upheld.

Complaint Outcomes - total financial redress was over £285,000, nearly a quarter of this amount from investigated cases.

Consumer Satisfaction - consumers were more satisfied with quality (64%) and speed (74%) of complaint handling when compared to the first quarter of 2007-08. Courtesy increased by 5% from 75% to 80%. However, outcome dropped from 62% in same period last year to 57%. We are giving serious attention to improving outcome scores; having committed additional staff, enhanced IT, customer service staff training and complaints workshop sessions to increase our outcome score.

Performance Measures - performance for the period was 99%, 75% and 91% for 5 day, 20 day and 40 day complaint closure, well ahead of our published standards of 97%, 70% and 85% respectively; and in line with our 2008-9 Operational Business Plan commitment.

5.3 The Head of Consumer Relations advised Board that TAP continues to operate well. Staff are receiving TAP refresher training, and exceptional customer service training is being rolled out across the organisation. A strategy to give a strong focus to improving our consumer satisfaction scores is in place for the remainder of this financial year and beyond.

5.4 The Board noted the report and in discussion agreed that:

- The Head of Consumer Relations should investigate whether we can use TAP to easily identify where we have agreed with the consumer or the water company, as this would provide us with evidence about whether companies are getting it right first time
- The Head of Consumer Relations should determine whether CCWater loses its ability to intervene in customer complaints, once the customer has instructed a solicitor.
- Committee Chairs should continue to vigorously challenge any poor performing companies to ensure they are taking action to remedy this, and should praise companies that are performing well.
- Future complaint reports submitted to the Board can be reported in financial quarters provided that where necessary, updates are emailed between meetings so that the Board has up to date information.

Head of
Consumer
Relations

Head of
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Relations

Committee
Chairs

Head of
Consumer
Relations

6. Chief Executive's Report

6.1 The Chief Executive presented his report to provide the Board with an update on the key activities of the organisation. In particular, he highlighted the following issues:

6.2 Delivering benefits for consumers

Over the last two years, by pressing companies to deliver benefits for consumers, we have achieved £130m of benefits for consumers that they would not have otherwise seen.

6.3 Surface water drainage rebates.

In Wales, we persuaded the water company to give 30,000 customers their money back for surface water drainage they previously paid for but did not benefit from. Following our intervention, the company agreed to give money back for a longer period than it needed to.

- 6.4 **Representing consumers' views**
A key part of our role is to ensure that consumers' views are represented. There is currently a lot of discussion in Government about competition in water. We know from our research and our meetings with business customers that they want competition, but little is known about what domestic customers think. We are currently carrying out research into domestic customers' views of competition to ensure that their views are heard by Government and the independent review of water competition currently being carried out for Government. We are also actively involved in the Government Review of Water Charging and have already provided them with customers' views on this issue.
- 6.5 **Setting prices.** Our role is to ensure that customers are listened to throughout the price setting process. We are currently reviewing water companies' five year plans to ensure they reflect what consumers want.
- 6.6 **Annual Review.** In July we launched our Annual Review which looks at what we have delivered for consumers. As value for money is a big concern for consumers, this is a key focus of our work. As a growing number of people are finding affordability of water bills a problem, we will continue to press Government to help these customers.
- 6.7 The Board noted the report.

7. Finance Report

- 7.1 The Chief Executive presented the finance report to the Board to update them on the current financial position of the organisation. He confirmed that the organisation is in a healthy financial position.
- 7.2 Since CCWater was set up, it has only increased its costs by inflation. Any money that it has saved has been used to carry out extra work on behalf of consumers on the price setting process. The organisation is currently 3% under spent and on track with all of its projects.
- 7.3 The Board noted the report.

8. Sub-Committee Annual Reports

- 8.1 The Chair invited the Chair of each sub-Committee of the Board to provide an update on the key activities their sub-Committee had carried out over the last year.
- 8.2 **Audit and Risk Management Committee**
Mike Barnes summarised the annual report for the Audit and Risk Management Committee. He confirmed that they had met four times last year. The Committee reviewed key aspects of CCWater's risk management and financial position and approved CCWater's annual report and accounts.
- 8.3 **Finance and Resources Committee**
Timothy Hornsby summarised the annual report for the Finance and Resources Committee. Their role is to take a strategic oversight of CCWater's budget. Last year the Committee ensured that we have an output related budget that is based on the key activities of the organisation. It also monitored staff turnover to ensure that all possible measures were being taken to minimise this.

8.4 Remuneration Committee

In the absence of Narendra Makanji, David Bland summarised the annual report for the Remuneration Committee. Last year the Committee rigorously challenged the annual pay and bonus of the Chief Executive and implemented the annual pay review. It also reviewed staff grading and benchmarking and was satisfied that this process is effective.

8.5 The Board noted the annual reports of the Board sub-Committees.

9. Policy positions

9.1 The Head of Policy and Strategy outlined the recent policy positions that had been agreed by the Board at private meetings, and confirmed that our positions would be available on our website for the public to access.

9.2 **Trickle-flow devices.** The use of devices that restrict the flow of water to consumers is a practice that is banned in England and Wales by law. At a previous meeting, Board agreed to support the ban but also investigate the experiences of other countries, such as Australia, in using the system.

9.3 **Competition.** There is much discussion in Government about the possibility of extending competition for water to households. At a previous meeting, Board agreed that we would support domestic competition if it delivered proven and tangible benefits to consumers, but that we would first need to understand consumers' views and ensure that safeguards were in place for vulnerable consumers.

9.4 **Hormones in Water (Endocrine Disrupters).** There has been much debate about traces of hormones occurring in river water and whether this affects public drinking water supplies. Evidence from the recognised expert organisations, such as the Drinking Water Inspectorate, World Health Organization and European Commission, has concluded that there is no risk to consumers. Given this evidence from the competent and responsible authorities, the Board agreed that we would not carry out any proactive work on this issue.

9.5 Board formally agreed these policy positions which are now available on the CCWater website.

The meeting closed.