

**South Staffordshire Water
Customer Challenge Group (CCG)**

**Minutes
Tuesday 24 April 2012**

Attendees:

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| Yve Buckland | Independent Chair |
| Liz Swarbrick | MD, South Staffs Water |
| Matthew Lewis | Finance and Regulation Director, SSW |
| Rachel Barber | Customer Operations Director, South Staffs Water |
| Alison Cotton | Beechdale Housing Association |
| Ralph Tennant | Federation of Small Businesses |
| Peter Davies | Staffordshire County Council |
| Colin Greateorex | Lichfield Council |
| Ahmadul Haque | Sandwell Council |
| David Wurr | Consumer Council for Water |
| Adam Lines | Environment Agency |
| Jacky Atkinson | Drinking Water Inspectorate |
| Gemma Domican | Consumer Council for Water |
| Ray White | Walsall Citizens Advice Bureau |

Apologies:

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| John Thompson | Tom Marshall | Graham Blair |
| Catherine Lund | | |

1. Introductions

The Managing Director of South Staffs Water welcomed everyone to the meeting and outlined that a different approach was required at the next price review in PR14 which included a significantly increased requirement for capturing customer views and responding appropriately to them.

Each member of the CCG introduced themselves and outlined what they wanted to gain from the process and their individual areas of interest. Feedback included:

- A general interest in increasing customer engagement, developing transparent communication and a better relationship between the Company and the community;
- An interest in charging structures and contract terms for businesses and general promotion of commercial customer service;
- Affordability and debt management; and
- Sustainability and the environment.

2. Chair of CCG

The Chair (Yve Buckland) introduced herself and outlined that the role of the Chair should ensure that the CCG:

- Is fair and transparent;
- Aware of statutory requirements for the company;
- Balances priorities;
- Considers all customers and community needs;
- That the Company's engagement process is proportionate to the materiality of the business plan; and
- Remains aware of the environment and future customers.

The Chair confirmed the group were in agreement of her appointment. Members were asked to contact the Chair to express interest in acting as the Deputy Chair. This role should challenge and support the Chair.

ACTION: Members to contact the Chair or the Company to express interest in being considered for the role of Deputy Chair by 16th May.

3. Role and purpose of the CCG

Amendments to the draft Terms of Reference were noted:

- Specific reference to the provision of material to members seven days before every meeting;
- Minutes will be agreed prior to publication and all items considered to be confidential removed.

ACTION: Terms of reference to be amended and circulated for agreement prior to the next meeting.

Membership was considered to be representative of South Staffs Water's customer-base however members felt that the group might benefit from having a representative from one of the larger councils / local authorities.

ACTION: South Staffs Water to liaise with Walsall Council and to provide an update at the next meeting.

It was noted that the group needs to consider governance and needs to consider how the group will be assured that it has met the terms of reference at the end of the process of consultation.

The group were informed about Ofwat's National Advisory Panel and informed that it needed to be aware of Ofwat's decisions regarding central issues such as the cost of capital and the implications of such decisions.

ACTION: South Staffs Water to update the group about the National Customer Advisory panel as appropriate throughout the course of engagement.

The group considered that their induction was not a 'one size fits all' process. South Staffs Water offered members the opportunity to visit some of the company sites e.g. Seedy Mill Treatment Works. Members were asked to consider what they might find useful and South Staffs would incorporate common areas of interest within the induction.

ACTION: Members to consider what might be helpful in terms of an induction to the company and the industry and inform Barbara by 18th May.

ACTION: South Staffs to continue to develop induction incorporating feedback from members.

The concepts of the Strategic Direction Statement, outcomes and the new regulatory KPIs were introduced. South Staffs committed to sharing 2011-12 performance with the group in the next meeting.

ACTION: South Staffs to share 2011-12 performance data (KPIs) with the group in the next meeting.

4. Customer research

South Staffs Water presented a summary of customer research undertaken to date by the Company. It was noted that this document and the associated presentation are not live documents and should be considered confidential.

The Company outlined plans for undertaking research for 2012-13 to ascertain customer priorities, the assessment of the Company's delivery against these priorities, Customer satisfaction and assessment of value for money, and longer term expectations to help inform the review of the company's SDSs and invited volunteers from the group to help develop the research. The following members volunteered:

- David Wurr (CCWater)
- Alison Cotton (Beechdale Housing Association)
- Colin Gretorex (Councillor for Lichfield)
- Ray White (Walsall CAB)

The Environment Agency and Drinking Water Inspectorate volunteered to help with specific questions relating to the environment and drinking water quality respectively.

The company confirmed that once this research had been undertaken and the draft investment programme presented to the Company and the CCG, further research including willingness to pay will be undertaken during 2013.

Several areas of concern were noted for the Company to consider:

- It was noted that previous research seemed biased towards domestic customers;
- It was noted that care needs to be taken to ensure that customers understand the link between water use and the environment;
- The Company was asked what research it was planning to do regarding social tariffs

The Company committed to consider this feedback and address areas of concern in the development of future research alongside members of the CCG.

Members also noted that they and their organisations would be willing to share research undertaken by their organisations.

The group discussed assurance regarding research and South Staffs Water stated that the volunteers would be involved in the appointment of a contractor to conduct the research.

ACTION: SSW to form a Task Group to prepare a proposal for 2012 Customer Research, to be presented at the next CCG

5. Timeline for PR14

Members approved the proposed meetings for 2012 and agreed that 2013 meetings would need to be provisionally arranged soon to secure members time.

The meetings for 2012 and high-level agendas are:

- June 2012 Second CCG meeting
 Setting up initial customer research and discussion on the overall company performance (including the new KPIs for 2011-12)
- September 2012 Third CCG meeting
 Share research undertaken and discuss SDS, outcomes and KPIs (2012-13)
- December 2012 Fourth CCG meeting
 Discuss draft business plan and proposals for future work and the associated methodology. Discuss frequency of future meetings and arrange the first meeting for 2013.

South Staffs Water outlined plans for the development of its internal draft business plan and committed to sharing the four investment scenarios developed outlining the change in risk / service and incremental cost with the CCG.

The Chair noted that it was essential for the CCG to review the draft business plan and varying scenarios in association with the results from the research undertaken by the company.

6. External Communications

The Chair requested that all members discuss interaction with the media regarding issues being discussed by the CCG with either herself or South Staffs Water. It was also noted that there was a need to develop and agree a Communications Policy.

It was agreed that documents would be marked confidential if this was to be applied.

ACTION: South Staffs to ensure that all documents that should be regarded as being confidential are marked as such in the future.

The aim is to provide an independent assurance report from the group to Ofwat that all members can sign up to. This does not preclude individual members identifying where and why they may not be in agreement with the general consensus of the group if the situation arises.

In response to a query as to how the group might access independent technical advice/assurance, should this prove necessary, South Staffs informed the group that it has financial auditors (Deloitte) and an independent Company Reporter (Mike Reid, Monson Engineering) that the CCG can draw upon for information. Other reasonable requests would also be considered

7. Next meeting

The next meeting will cover:

- A review of the 2011-12 company KPIs;
- The development of new 2012-13 research;
- An overview from the Environment Agency and the Drinking Water Inspectorate on their roles and responsibilities.

ACTION: CCWater to share feedback on customer service priorities prior to the next meeting.

ACTION: Overview and background to Leakage to be included at the next meeting

ACTION: Dates for the next meeting and the rest of the 2012 meetings will be circulated for agreement by South Staffs Water.

8. AOB

ACTION: The Deputy Chair will be decided at the next CCG meeting

ACTION: A reflect on the meeting to be included on each agenda

Chair:_____ **Date:**_____