

SOUTH STAFFORDSHIRE WATER PLC

CUSTOMER CHALLENGE GROUP

OUTCOMES TASK GROUP

MINUTES OF MEETING HELD ON 14TH MARCH 2013

Attendees:

Tom Marshall (Chair) – Lichfield District Council
John Thompson – Charitable Trust
David Wurr – CC Water
Greg Marshall – Environment Agency (EA)
Ralph Tenant – Federation of Small Businesses (FSB)
Matthew Lewis – South Staffs Water
Rachel Barber – South Staffs Water

The Chair welcomed everyone to the first meeting of the outcomes task group.

1. Terms of Reference

David Wurr suggested that the draft Terms of Reference (ToR) were updated in the role of the task group to include measures of success and targets in the first bullet.

In the second bullet a question was raised to understand what was meant by 'longer term results' this was qualified to mean longer term aspirations.

David Wurr suggested, which was agreed by all members, that Gemma Domican of CC Water also joined the task group due to the value she would provide on policy issues.

ACTION: SSW to update the ToR

2. Outcomes in the Overall PR14 Timeline

MJL confirmed the key milestones: timing of Internal Draft Business Plan to be discussed at the July 2013 CCG. The Final Business Plan and the CCG Assurance Report for January 2014. The Final CCG report needs to comment on the CCGs view on Outcomes. It is likely that the Final Business Plan would be near completion by end of October 2013. Therefore the Outcomes, measures and incentives would need to be finalised at this point. The timeline of the task group would be to review the suggested outcomes, review the measures and incentives. It was

noted also that SSW Board would take the ultimate decision for the outcomes and incentives in the Business Plan.

The above process was agreed by the task group.

3. Discussion Paper around Outcomes and Measures

There were specific points of clarity required for parts of the document discussed within the group. Significant items were as follows:

- the statement that even though there may be joint outcomes following the merger with Cambridge would it be necessarily correct that the measures and incentives would be the same?
- A suggestion was made that measures within each outcome could be weighted based on their importance
- Due to the wide interpretation of 'responsive customer service' alternatives of 'excellent customer service' or 'responsive to customer needs and service expectations' were suggested
- It was suggested that the customer bills and investor returns outcome could be split
- That "quality" should be clear that this referring to "water quality", given that general quality of service features in many of the outcomes
- Security of supply could be split into resilience and demand management

A brief discussion was held on measures, but noting all would review measures for further discussion at the next meeting. Initial thoughts included:

- A measure for water quality customer contacts
- Something around the number of lead supplies or customer with lead pipes at risk of failing the new lead standard
- Pollution was considered not necessarily viable given these incidents were often arising from the sewerage service (SSW being a water only company)
- As a general principle it was considered that the measures to be chosen and hence incentives should be more than what is done / how SSW perform currently

Suggested that the diagram on page 12 be updated with AMP5 spend to provide some context to the proposed AMP6 spend under each chosen outcome.

ACTION: Matt Lewis to update document for circulation before the next meeting

4. Next Steps

- Matt Lewis to update the document which will be circulated before the next meeting on 26th March.
- ALL to consider measures within each outcome before the next meeting, for further debate at the meeting on 26th March.
- Work through the understanding of the incentives piece of the document at the meeting on 26th March (section 4 of the paper)
- Tom to provide feedback to the 11th April full CCG meeting.
- Decide on next steps and meeting dates.

A review of the meeting was undertaken and members confirmed that excellent progress had been made.

5. AOB

A brief discussion around the National Environmental Programme (NWP) was held to understand if this could be an outcome when it was a list of statutory schemes already for the Company to pursue.

Date of next meeting: 26 March at 15.30.