



Working together

A protocol between Affinity Water and the Customer Challenge Group

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Document Control Sheet

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Document approval

| Document Title | Protocol between AWL and Customer Challenge Group | | | |
|---------------------|---|-----------|---------------------------------|------|
| | Name | Signature | Title | Date |
| Author / Originator | Rob Hutchison | | Head of Corporate Affairs | |
| Reviewer | Tim Monod | | Director of Legal and Assurance | |
| Approver AWL | Christopher Offer | | Director of Regulation | |
| Approver CCG | Teresa Perchard | | CCG Chair | |

Review date

This document should be reviewed on an annual basis. Ad-hoc reviews and update may also take place in response to any other changes which may affect the working protocol and/or associated arrangements between Affinity Water (the Company) and the Affinity Water Customer Challenge Group (CCG).

Purpose of document

This document sets out agreed protocols for Affinity Water (the Company) and the Affinity Water Customer Challenge Group (CCG) to work together.

It is designed to support the CCG to do its job effectively by making sure that there is a consistent understanding about processes and interaction between the company and the CCG. The protocol supplements the Terms of Reference and should be read alongside that document.

<https://stakeholder.affinitywater.co.uk/docs/CCG-terms-of-reference.pdf>

1 Points of Contact

1.1 Executive contact

The Director of Regulation and Corporate Affairs is the lead Executive contact for the CCG. Other members of the Executive Team, including the Chief Executive Officer, will engage with the CCG on a regular basis.

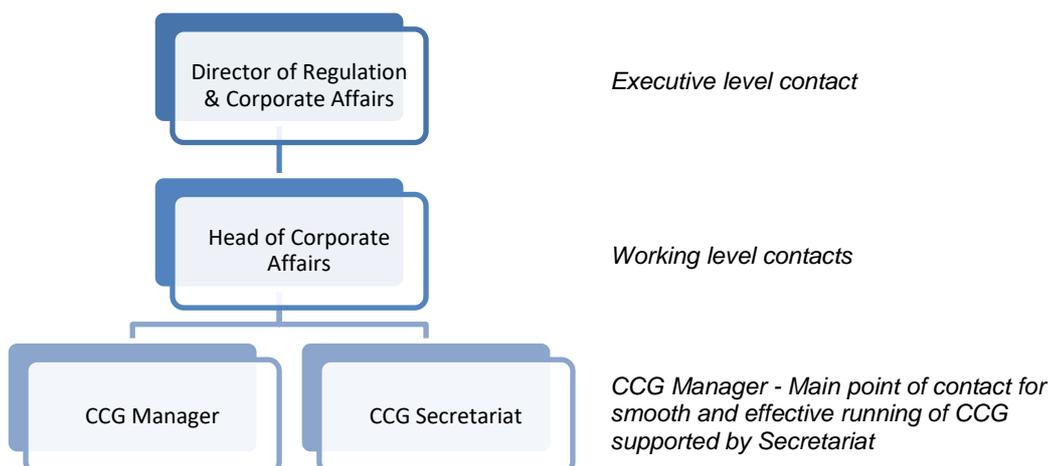
As set out in the Terms of Reference the Chair of the CCG will have access to the Executive and Affinity Water Limited Board.

1.2 Working level contacts

The Chair of the CCG is the principal link between the CCG and the Company, and Ofwat, and will ensure that all members are kept informed and involved.

The CCG Manager is the main working level point of contact for the CCG members and CCG Chair in relation to the smooth and effective running of the CCG both between and during full scheduled meetings of the Group. The CCG Manager is supported by the CCG Secretariat who is responsible for the production and finalisation of CCG meeting minutes and actions.

The diagram below illustrates the working level contacts for the Company and the CCG for the purposes of this protocol.



1.3 CCG Working Methods

The CCG mainly works through full meetings of all members which are scheduled 12 months in advance.

In addition to the scheduled full meetings the CCG may decide to form sub-groups (working groups or task and finish groups) at any time to deal with any issues between full meetings of all members, or to consider an issue and report back to the main group. Members of the CCG may also be asked to provide individual comments on drafts of customer engagement and communication materials outside of meetings, and will be invited to attend and observe customer engagement events, focus groups and briefing sessions during the year.

To ensure an orderly approach to managing the work of the CCG, the company and CCG both commit to planning ahead as far as possible. Planning ahead is essential to ensure each member is able to make a sufficient contribution of their knowledge and skills to the overall work of the Group, within the time that they are able to make available. The company and the CCG have the shared objective that when the CCG comes to agreeing its PR19 report in Summer 2018, all members will have had sufficient involvement to be able to contribute to the Group's overall view/opinions in that report.

The company and the CCG agree the following specific actions:

1. Decisions on whether any issues are dealt with at a scheduled full meeting of the group, at specially convened meeting of the group or by way of a sub-group (whether that is called a working group or task and finish group) or by correspondence are for the CCG to make.
2. The CCG will agree a forward work plan at the start of the year indicating the issues that it expects to consider at each scheduled full meeting, and the issues that it expects to consider outside scheduled meetings and in what way.
3. The company will help the CCG to prepare its forward work plan by providing information about the timing of any relevant customer engagement activities in the year ahead, including any proposals the company has that any matters within the CCG's brief are dealt with at full scheduled meetings or in other ways, for example by sub-group(s) or correspondence.
4. Where the CCG intends to include a review of an area of policy or performance in its forward work plan it will consult the company about that, including the timing and its approach to undertaking the review.
5. The CCG forward work plan will be updated at each full CCG meeting by the Chair, with the support of the CCG Manager and Secretariat.

6. Proposed updates to the CCG forward work plan will be discussed and agreed between the company and the CCG Chair, as part of meetings between the Chair and the company, to plan the agenda for each CCG meeting, normally held at least one month prior to each scheduled meeting.
7. As part of each proposed update to the CCG forward work plan, the company will confirm those issues it intends to present to the Group's future planned meetings, and indicate any issues which it wants the CCG to review, advise on or challenge before the next scheduled full meeting is held, i.e. in the 3 months following any CCG meeting. This will enable CCG members to agree how they wish to deal with the workload between meetings, and which members wish to and can be involved.
8. If at any time between scheduled full CCG meetings the company identifies a previously unplanned need for CCG input to any issue, it will consult the Chair about how to approach the Group members.
9. Notes and records of all meetings of CCG members, including any sub-group meetings held outside full meetings, will be taken by a representative of the company and reported to the next scheduled full meeting of the Group.
10. The company will keep a record all contributions sought and obtained from individual CCG members by the company outside of meetings and provide a report to the next scheduled full meeting of the Group.
11. CCG member attendance at company briefing sessions or to observe customer engagement events and focus groups are not regarded as meetings of CCG members but a record of attendance by CCG members at such events will be maintained by the company for inclusion in the annual report.

Scheduling meetings:

- Full meetings of the CCG are timetabled up to 12 months ahead. Any changes to scheduled full CCG meetings will be notified to members no less than 6 weeks ahead, unless it becomes clear that the meeting will not be quorate and needs to be re-arranged as a result.
- Where the CCG decides to establish any sub-groups to consider any issues between full meetings, dates of any meetings of such sub-groups will be agreed by the relevant members of the group depending on their availability.

- The Agenda, papers and materials for any meeting – whether full meetings or sub-group meetings - will be provided by the company electronically not less than 5 working days prior to the meeting, and dispatched on the same day to any members requiring a hard-copy of papers and materials, or any other format to enable them to participate in the meeting. Papers will only be tabled by exception with the agreement of the Chair or, in the case of any sub-group, the members of that group.
- Meetings of the CCG can be held face-to-face or via teleconference, or a combination of these methods.
- Any papers and materials the company provides to a sub-group of CCG members will be copied to the CCG Chair where they are not also member of the working group

2 Information Management

The Company will be undertaking a substantial amount of customer communication and engagement activity for PR19 which requires scrutiny by the CCG to enable the Group to report to Ofwat on the matters set out in Ofwat's May 2016 guidance and the CCG's terms of reference. AMP6 engagement commitments are also an important element for CCG scrutiny.

The company will be sharing with the CCG a significant volume of information relating to its PR19 customer engagement programme and the business plan upon which that customer engagement will be based. The company aims to ensure CCG members have sufficient quality information, in sufficient time to enable the CCG members to make decisions about their priorities for focus (between PR19 and AMP6 issues), to provide informed challenges of the Company at the right time in the PR19 process, and for that process to be underpinned by effective administration, organization and records. The company wishes to support the CCG to deliver effectively.

The following procedures will help us to achieve this.

2.1 CCG meeting materials

CCG meeting papers (whether for full meetings of the CCG or any sub-groups the CCG has formed) will be clearly labelled with:

- Date of CCG meeting the item is being considered at item (as per the relevant agenda)
- Title - as on the agreed agenda for the relevant meeting
- Purpose of paper
- Action required from the CCG¹
- Timeline when the CCG action is required
- Confidentiality status in line with documentation classification system (set out below)

Papers for CCG meetings will be labelled:

- 'For information' – the CCG is asked to note the contents
- 'For consultation' – the CCG members are asked to give their views and advice on the content
- 'For review and challenge' – the CCG is asked to review and challenge the content

¹ The CCG is not a decision making body that is asked to approve any company policies, practices or plans. It should normally only be asked to approve it's own Minutes, reports formal Challenges posed and member actions.

Draft Minutes of all CCG meetings will be prepared by the CCG Secretariat and reviewed by the Company contacts (as set out above) and the CCG Chair no later than 5 working days after the CCG meeting has taken place. The reviewed Draft Minutes will then be circulated to CCG members to highlight any inaccuracies or corrections no later than 10 working days after the CCG meeting has taken place. The Draft Minutes will be submitted for approval at the next CCG Meeting. Once agreed by members the Company will arrange to publish Minutes of full CCG meetings on its website.

The agenda for any full CCG meeting agenda will be agreed between the Chair and the Company and will normally be aligned to the topics identified in the Forward Work Programme. This will be subject to regular review between the CCG Chair, CCG Manager, Head of Corporate Affairs and the Director of Regulation and Corporate Affairs. As noted in section 1 above the CCG's Forward Work Programme will be updated at every meeting, as the PR19 programme develops.

CCG meeting papers will be circulated 5 days prior to the CCG meeting, following discussion between the CCG Chair and CCG Manager. Both the Head of Corporate Affairs and the Director of Regulation and Corporate Affairs will be available to support this process as required on an ongoing basis. Where it is not possible to provide the final papers in advance of the CCG meeting or where a verbal update is being provided, this will be referenced on the meeting agenda.

2.2 Publication of material

Members will be privy to some commercially sensitive information and therefore have signed Non Disclosure Agreements (NDAs) as part of their recruitment process. The company will make it clear on all papers circulated to the CCG and CCG members whether they contain information the Company regards as commercially sensitive, using the existing classification standards, as set out below:

- **Highly Confidential:** This information is extremely sensitive or private. Access is restricted to a small number of people. It must be monitored, controlled and kept secure at all times and requires the highest level of security.
- **Confidential:** This is private or sensitive information that the Company and its employees have a legal, regulatory or social obligation to protect. It includes both personal data and sensitive business information; access must be restricted to those with a legitimate business need to see it. Unauthorised disclosure would damage Affinity Water financially and impact its employees or customers.
- **Internal:** Information which is not restricted internally but is not approved for general circulation outside the Company.
- **Public:** Information that is already readily available to the general public

- Where the company circulates material to the CCG or its members without one of the above labels the CCG will regard it as Public.

Decisions on publishing any material it receives from the Company will be made by the CCG in consultation with the Company, having regard to the confidentiality status the Company has ascribed to the material. CCG members agree not to publish any items labelled 'highly confidential', 'confidential' or 'internal' without prior consent from the Company. The CCG will decide on a case by case basis if unrestricted material should be published by it, if the material is not already in the public domain.

The CCG will normally publish its Minutes of full CCG meetings, its Challenge Log, its Annual Report and any other reports which it has made, which it decides do not contain commercially sensitive material.

Before publishing any reports including its Annual Report and its report for Ofwat providing assurance on the customer engagement underpinning the company's PR19 business plan, the CCG will provide the company with a draft and give the company a reasonable opportunity (not less than 5 working days) to review the report and suggest any factual corrections or omissions. The CCG will give due consideration to any suggestions for factual corrections made by the company before finalising the report in question.

The CCG expects to publish in full the report it submits to Ofwat on 3 September 2018, providing assurance on the customer engagement that underpins the company's PR19 business plan. The CCG expects to be able to publish an annex of evidence it has reviewed to prepare that report and will consult the company prior to doing so as to whether any material should be regarded as commercially sensitive.

2.3 PR19 Consumer and stakeholder engagement activities and materials

Observation of PR19 focus group sessions

As part of its assurance role CCG members wish to be able to observe first hand customer engagement events and focus groups (as happened at PR14). The CCG Final Report to Ofwat on 3 September 2018 will include a record of all the PR19 related events and focus groups attended by CCG members.

- The Company will ensure that CCG members are given details of all planned customer engagement events and focus groups in sufficient time in advance to arrange for members to attend and observe (subject to their availability).
- The Company will keep a record of all the customer engagement events and focus groups that are attended by CCG members.

Reviewing PR19 customer engagement materials

The Company will ask the CCG to review PR19 customer communication materials and survey questions in draft before they are used with customers. The CCG review of these materials is as part of its role to consider and assure Ofwat of the quality of the customer engagement process, whether the Company has engaged with customers on the issues that matter to them and whether the Company has presented customers with realistic options.

- To help CCG members to anticipate and plan their contributions to the work of the CCG, the Company will provide the CCG members with a PR19 work programme for the customer engagement activities. This will include projected production timescales for the customer communication materials and surveys it intends to produce and undertake as part of PR19 customer engagement. This work programme will be cross-referenced with the Forward Work Programme of the CCG (as set out earlier).
- CCG members will be given at least 5 working days to review and provide their comments on any communication materials or surveys, whether they are being asked to do so through the full group of all CCG members, through a sub-group the CCG has set up or through individual correspondence.
- The CCG Manager will keep track of all requests made by the Company, to whom they were sent and any comments made by members so as to keep a single record of interactions between the Company and the CCG members on the PR19 customer engagement programme. This will be made available to the CCG to help it produce its assurance report to Ofwat.
- The Company will be asked to feedback, periodically, on how it has used any advice or challenge from CCG members on the content of communication materials and survey questions.
- The Company may seek views from CCG members in their capacity as important key stakeholders. Where it does so, it will make it clear to the member that they are seeking their views in an individual capacity rather than as a member of the CCG. The Company will advise the CCG Chair of all such requests.

3 Maintaining a Clear Audit Trail

In addition to the points relating to recording and documentation contained above:

- All correspondence between the Company and the CCG and individual CCG members between meetings should be copied to the CCG mailbox for the PR19 audit trail.
- The Company will establish a CCG member web area where key documents can be stored and specific items for the CCG to review and comment [further information to follow]
- All documents will also be stored on a single CCG Sharepoint site administered by the CCG Manager.

4 Challenges and Queries

Asking questions, querying information and challenging the Company's assumptions and proposals are primary roles for the CCG. Challenges and queries will arise during and between meetings.

The CCG and the Company both need to keep good track of and records about the challenges and questions posed and the response from the Company to inform both the CCG report to Ofwat on PR19 and the Company Business Plan. The CCG and the Company both seek an orderly and organised process for raising and dealing with challenges and queries. This will facilitate proper consideration and accountability.

The CCG and Company have defined queries and formal challenges in the following way:

- **Queries:** are posed by CCG members to seek further information in relation to a topic or issue being presented by the Company.
 - Queries are not formal challenges to the Company, they are not recorded formally and do not need to be responded to formally by the Company.
 - Queries arising at meetings will normally be recorded in the meeting Minutes as an Action to provide further information either at the following meeting or via e-mail to members between meetings.
 - Queries will often be addressed orally during CCG meetings.
- **Challenges:** are formalised, documented questions by the CCG that require the Company to respond in writing, creating a formal record of interactions between the CCG and the Company. The process for logging and managing challenges is set out below.

4.1 Process for logging and managing CCG Challenges

In the course of its work on PR19 the CCG will pose Challenges for the company. The Company and the CCG both need to keep track of those Challenges and the company response. The following points of process are adopted to achieve this:

- Challenges will be recorded in the Minutes of the relevant meeting (whether that is a full meeting of the CCG or a sub-group established by the CCG), and recorded on a separate 'Challenge Log' enabling the CCG and the Company to track progress.
- Some CCG Challenges may cover a range of questions in relation to a strategic issue. In these instances the CCG will produce a standalone note setting out the specific questions to be addressed by the Company. This will be recorded in brief on the Challenge Log

- Standalone or strategic/thematic Challenge requests will be recorded at a high level on the challenge log as having been made (and responded to) but the substantive content of any responses received will form part of the document trail and annexes to the CCG report on PR19.
- Company responses to CCG Challenges will be recorded in writing and a record kept by the CCG Manager.
- The Challenge Log will be a rolling record updated and published after each meeting. The process for updating the Challenge Log will take place between CCG meetings between the CCG Manager and CCG Chair.
- Before publishing updates to the CCG Challenge Log the CCG Chair will take account of any representations from the company as to the sensitivity of the information.

5 Review

Issues about how this protocol is working can be raised with the CCG Chair or Director of Regulation and Corporate Affairs.

6 Glossary

| Term | Description |
|------------------------|---|
| Challenge Log | A register of all challenges with their status. This is reviewed at all full meetings and updated and published after each full CCG meeting. Any updates between meeting will be agreed between the CCG Chair and CCG Manager |
| Forward Work Programme | CCG plan for issues to be discussed at the full meetings throughout the year and any additional topics to be considered outside the meeting. The Plan is agreed at the start of the year and reviewed and updated at each scheduled full meeting. |
| Queries | A query is a request for additional information, it is not a formal challenge but may be recorded in meeting minutes with an action to be addressed informally |
| Challenges | A challenge is documented formally and requires a formal response. The challenges are logged and monitored on the Challenge Log. |