

**Minutes of the CCG
held on
22 October 2018 at 10:00 am
at
AWL, Tamblin Way, Hatfield, AL10 9EZ**

CCG Member Attendees			Affinity Water Attendees		
Teresa Perchard	(TP)	Chair	Siân Woods	(SW)	<i>Assistant Company Secretary</i>
Gill Taylor	(GT)	<i>Groundwork East</i>	Chris Offer	(CO)	<i>Director of Regulation</i>
Jon Sellars	(JS)	<i>Environment Agency</i>	Anne Scutt-Webber	(ASW)	<i>CCG Manager</i>
Tina Barnard	(TB)	<i>Watford Community Housing Trust</i>	Lauren Schogger	(LS)	<i>Programme Director (Change)</i>
Karen Gibbs	(KG)	Consumer Council for Water	Ed Mallam	(EM)**	<i>Contractor</i>
Tom Perry	(JS)	Environment Agency	Lisa Cornford	(LC) ***	<i>Regulation Programme Manager</i>
			Amanda Reynolds	(AR) *	<i>Customer Relations Director (Household)</i>
			Mumin Islam	(MI)**	<i>Water Resources Planning Manager</i>
			Rob Hutchison	(RH)	<i>Head of Communications</i>
			Marie Whaley	(MW)**	<i>Interim Head of Asset Strategy</i>
			Julie Smith	(JS)**	<i>Head of Legal</i>
			Pauline Walsh	(PW)*	<i>CEO</i>

Key
Item 2 only *
Item 3 only **
Item 4 only ***

Agenda Item	Minutes	Action points	Owner
1.	HOUSEKEEPING AND GOVERNANCE		
1.1	TP welcomed everyone to the meeting.		
1.2	Apologies had been received from Karen Gibbs, Caroline Warner and Jon Sellars. It was noted that Tom Perry was representing Jon Sellars.		
1.3	No members declared any conflicts of interest with any items on the agenda for this meeting.		
1.4	Minutes of 18 July 2018: the minutes were approved as a correct record of the meeting and signed by the Chair.	AWL to publish minutes onto the website	ASW
1.5	Matters Arising: there were no matters arising		
1.6	Chair's Report: TP highlighted she had attended the Company's Business Plan presentation to Ofwat on 8 October. Ofwat had not raised any issues about the CCG report or provided any feedback.		

Once they have reviewed the submission, any questions from Ofwat for the CCG will come via the Company. TP reported she had offered to do a survey of all the CCGs for The Water Report journal seeking their views on the PR19 process and how it had been managed. RH reported an interview between PW and CCWater had been published.

ACTION: RH to circulate the CCWater link/document

RH

1.7 **Members Updates:** there were no updates from members.

2. PR19 – REVIEW OF BUSINESS PLAN SUBMISSION

PW joined the meeting

PW explained that a good Business Plan had been put together and the final submission was challenging and ambitious, but achievable. AWL needed to look for efficiencies and implement changes and innovation faster. It was difficult to say what the response would be from Ofwat, however, a possible area of issue may be with the WRMP, where the company had proposed to undertake further consultation and sought an extension to its date for submission to government. A particularly challenging area was the leakage target which impacts on the budget and the scope of the efficiencies which need to be identified.

A number of customer focus group events had been held recently which were attended by Tony Cocker and PW. The discussion highlighted to them that customers seem unaware of the water cycle or of the good work being done by the company towards the environment (bio-diversity, catchment management, rivers for example). These customer events provided an opportunity to build trust. By the end of the sessions (having explained supply and demand, resilience, cost for example), there was a complete turnaround from the customers and questioning as to why they had not been better informed before. PW and TC were joined by various AWL employees from different departments to answer questions, and PW explained that although the company is not where it would like to be, there were opportunities to improve awareness.

TB highlighted that water companies were viewed as a difficult partner by housing associations, at a time when better working relationships were needed to support the company's plans. She was involved with the LEP but not aware of effective working partnerships in existence between AWL and members of that group

TP explained that the forward focus in the Business Plan is on community focus with more partnerships, and agreed that there was, perhaps, more effective relationship management needed with a variety of partners. The CCG liked the approach set out in the business plan to foster better partnerships and hoped the Community Strategy can help bring this about.

ACTION: AWL to arrange a discussion between TB and Developer Services to see what the potential is to improve dialogue with housing developers and associations.

AWL

ACTION: Set up a meeting with PW and TB and other key stakeholders.

PW/TB

PW explained that the Business Plan team had assessed the lessons learned and concluded that:

- the process should have started earlier;
- the whole leadership team should have been involved; and
- articulate what the customers are saying.

PW confirmed that work in progress continues to clarify accountability and roles to support and implement the business plan.

JJ questioned how prepared AWL would be to break away from the pack and show a bold and innovative approach and PW confirmed this was part of the risk analysis being considered.

TP thanked PW for meeting with the CCG and her updates on progress.

3. PR19 – REVISED dWRMP

MW, MI, JS and EM joined the meeting

- 3.1 **The Draft Water Resources Management Plan 2019 - Statement of Response:** was presented. MW explained it provided background to the revised WRMP and approach to further consultation the company wished to undertake. The response had to be published on 31 October 2018.

The CCG noted the statement of response document and observed the committee had not been asked (by Ofwat or the EA) remit to provide a considered opinion and/or assure it. It would also be difficult to do so at this notice without examining all the responses the company had received. The report had only been tabled at the meeting and was a summary only. Therefore the CCG was not in a position to provide detailed feedback or any assurance. Nevertheless, the committee observed the summary document could benefit from including more detail on the volume of responses the company had received and level of engagement in the consultation exercise, and that Section 2 would be enhanced with more facts and figures.

- 3.2 **Revised dWRMP and the approach to further consultation:** The CCG noted and discussed the content of the paper and agreed to work with the company on this via a sub-group of members to comment on the consultation exercise as it is developed.

The committee considered the company needed to be clearer if its approach going forward was 'consultation' – in which consultation questions would be clear - or an 'engagement/communication exercise. EM agreed that it would be helpful to clarify and confirmed it would be made clear before any working group was established.

EM

Challenge: the CCG challenged the company to set out clearly what specific matters customers were being consulted about in a meaningful way, for example, which options they were being asked to indicate a preference for and how the findings were capable of influencing the final WRMP, given that the company had also said that its business plan submission was not changing.

Challenge: the CCG challenged the company on its proposed timetable for considering customer views which did not seem to provide enough time for reflection by the company and the Board before finalizing their decisions. This suggested that the consultation might not be meaningful, and that customer views might not be a primary driver of decisions. Could the company provide assurance as to how customer views will have full consideration and a meaningful influence over the final WRMP.

ACTION: EM and ASW to invite members to join the sub-group and develop a plan for its work, including expected timing and content of meetings

EM/AS
W

4. AMP7 MOBILISATION

LS joined the meeting and stood in for CO.

LS highlighted key areas of the report and noted the following:

Leakage: LS highlighted there were commitments on leakage reduction the company would find challenging however, most of the water companies were committed to a similar level of reduction. LS also highlighted the supply and demand issue but confirmed the leakage plan although ambitious, was based on evidence and clear commitments.

TOTEX: this was increasing, with a significant increase in new investment that is mostly environmentally driven.

Lessons learned Survey: the findings from a 'lessons learned' exercise were shared with the CCG including the responses from staff and CCG members. The feedback would be presented to the Board with the findings.

CCG feedback: the timetable for producing and reviewing the drafts of the Business Plan and the draft CCG report over the summer had not been realistic – there was not enough time for for CCG members to look at documents and comment in time. TP

noted that whilst it was really good that a number of members had been able to keep reviewing drafts during August the quality vs fatigue from repetition and volume (in the company material) made this quite a challenge. She was concerned that company colleagues were emailing and working very late. There was also no real time to have a meaningful challenge of the plan at a point when it was coming together as a whole plan and narrative

TP thanked LS for the slides provided.

5. AMP 6

Review of the customer insight slides were noted as read.

Community Strategy: AWL reported they were developing a community model and measurement framework to help our customers better understand how we contribute to the communities they live and work in. The measurement framework was intended to enable customers to hold the company to account on performance using metrics they understand and value. The model and framework had been developed in conjunction with a behavioural change specialist.

The CCG suggested that AWL focus on asking customers what they would expect of a community focused company, including how it should behave.

RH explained the workshops would include detailed discussions at workshops across 3 regions and would target specific customers e.g. hard to reach customers. AWL confirmed the scope of discussion was yet to be finalised.

Challenge: the CCG challenged the company to outline how it would identify, for example from benchmarking/comparisons, how it was achieving its aim to be 'the leading community focussed water company' and to define what 'leading' means. So far this element of the company's vision does not appear to have been defined for the business.

AWL

6. GOVERNANCE AND DEVELOPMENT

Challenge Log: the Committee **AGREED** to close items highlighted and listed

7. CLOSING

7.1 **Date of next meeting:** 19/12/2019

7.2 **AOB:** there was no other business and the meeting closed at 1.10 pm.

I confirm that the Minutes of 22 October 2018 are a true and accurate record of the business discussed and agreed.

A handwritten signature in black ink, appearing to read "Taon Semu". The signature is written in a cursive style with a large initial 'T'.

Signature: Date: 19th December 2018

Chair