

# PORTSMOUTH WATER Ltd

## CUSTOMER CHALLENGE GROUP (CCG)

### MEETING HELD ON TUESDAY 2 OCTOBER 2012

**PRESENT:** Amy Atkins (Secretary), Colin Buckle (Environment Agency), Hugh Caley (Carillion Plc), John Colley (Portsmouth Water), Cllr Evans (Fareham Borough Council), Karen Gibbs (Consumer Council for Water), David Guest (Independent Chair), R Porteous (Portsmouth Water), Milo Purcell (Drinking Water Inspectorate), Nick Sheeran (Portsmouth Water), G Simmonds (Portsmouth Water), Neville Smith (Portsmouth Water), Jon Stuart (Havant & District Citizens Advice Bureau), Cllr Victoria Weston (Winchester City Council)

#### Action

#### Apologies

Apologies were received from Louise Bardsley (Natural England), Jim Barker (Environment Agency), David Bland (Consumer Council for Water), Cllr David Collins (Havant Borough Council), Andrew Day (Ofwat), Cllr Paul Dendle (Arun District Council), Mark Hann (Consultant), Richard Harris (NHS), John Havenhand (Consumer Council for Water), Cllr Simon Oakley (Chichester District Council), Chris Manning (South Downs), Cllr Stephen Philpott (Gosport Borough Council), Ian Rawson (KWS Defence), Tim Richings (South Downs), Stuart Wedgbury (East Hampshire District Council & Havant Borough Council), Cllr Rob Wood (Portsmouth City Council)

#### 1. Minutes & Actions of Meeting Held on 3 July 2012

The minutes were approved.

At the last meeting Louise Bardsley requested the National Farmworkers Union be invited to join the CCG. Gareth Simmonds confirmed that John Archer, the Company's Catchment Management contact has been invited.

Neville Smith confirmed that the revised Terms of Reference was circulated to the CCG on 30 July 2012.

#### 2. Outcomes Update

Gareth Simmonds informed the meeting on the proposed Outcomes Assurance Statement and Process.

When explaining the Method of Delivery for the proposed Outcomes Gareth Simmonds recommended that an Independent Engineering Consultant is appointed to review the technical details behind the options of delivery to provide the CCG with assurance. Neville Smith confirmed that the Company would seek to engage an appropriate individual or firm.

There was a discussion on the Incentive Mechanism being developed by Ofwat. Gareth Simmonds confirmed that the incentives were both penalties and rewards and Ofwat will publish a Methodology Statement in December providing guidance on these.

Milo Purcell commented that the DWI were in discussion with Ofwat regarding these Incentive Mechanisms as they believe companies shouldn't gain benefits for delivering what is expected of them. Gareth Simmonds confirmed that the rewards may not be financial but reputational.

Gareth Simmonds suggested that Ofwat's Methodology for the Incentive Mechanism be put on a CCG agenda following its publication in December.

GS

Milo Purcell commented that the Company needs to be able to measure

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<p>performance not only by demonstrating that the activity has been done but that the desired outcome has been delivered. Gareth Simmonds confirmed that the Company will discuss how to measure performance and then share the ideas with the CCG to decide the best way forward.</p>	GS
<p>Gareth Simmonds advised that at the next meeting the Owner/Sponsor of each Outcome - which will be a Director and a Manager, will present to the CCG on their Outcome Assurance Statement and Performance measures. Karen Gibbs requested that these presentations be circulated ahead of the next meeting.</p>	
<p><b>3. Customer Research Update</b></p>	
<p>Nick Sheeran updated the meeting on the progress of the Customer Research following the Sub Group's meeting on 2 August 2012.</p>	
<p>The Sub Group recommended the following changes to MVA Consultants proposals:</p>	
<ul style="list-style-type: none"> <li>• Qualitative Research – Increased the number of Focus Groups from 2 to 4</li> <li>• Quantitative Research – All 500 customer interviews will now be carried out face to face.</li> </ul>	
<p>MVA Consultants are currently organising the Focus Groups and design material. The design material will be circulated to the Sub Group for approval and then MVA Consultants can proceed with the Focus Groups with completion by end of October 2012.</p>	NJS
<p>Quantitative Research can then be developed with completion in January 2013.</p>	
<p>Nick Sheeran confirmed that the approved design material will be circulated to the CCG for information and the results of the Focus Groups will be reported back at the next meeting.</p>	
<p>David Guest requested a copy of this report ahead of his meeting with the other CCG Chairs on 6 November 2012.</p>	NJS
<p>Karen Gibbs requested that the CCG be notified of the dates and times of the Focus Groups for any members to attend and observe.</p>	NJS
<p>Milo Purcell suggested getting assistance from the CBI or Chambers of Commerce to contact Businesses. Nick Sheeran agreed to discuss this with MVA Consultants. Karen Gibbs commented that Consultants such as MVA would have a large Business Customer Database to utilise.</p>	NJS
<p><b>4. Water Resources Management Plan Progress</b></p>	
<p>Gareth Simmonds presented on the progress of the Water Resources Management Plan.</p>	
<p>He highlighted the most significant change in this years plan is that the Company is no longer in a deficit position; therefore, certain projects such as Havant Thicket and Compulsory Metering will not be necessary in the current plan.</p>	
<p>Cllr Evans questioned whether the Company would be in a deficit position should the planning forecast change or the affects of climate change have an impact. Gareth Simmonds confirmed that the level of risk associated with these is included for in the headroom.</p>	
<p>David Guest requested that all future graphs be enlarged to ensure the information is clearly displayed.</p>	GS
<p>Colin Buckle commented on lessons learnt during previous plans and advised that customer engagement tends to increase as the process goes along but wanted to remind the CCG that the most important stage to engage our customers is now at the draft stage.</p>	

David Guest informed the meeting that the lack of new housing development is causing a national crisis in under provision. The Company needs to consider the need and supply of new housing. Gareth Simmonds will raise this with Experian.

GS

Jon Stuart questioned the reason the Company was measuring by Per Capita Consumption. Gareth Simmonds confirmed that Ofwat's guidance requires Per Capita Consumption forecasts.

David Guest suggested encouraging household re-use. Gareth Simmonds commented that the Company has enough water to meet the demand and it is cheaper for the customer to have the Company supply water than for them to carry out rain water harvesting. Milo Purcell added that grey water has a high water quality risk with pollution problems.

**5. Catchment Management Presentation**

Alastair Stewart was invited to present on the Catchment Management Project. A copy of the presentation is attached to these minutes for information.

Rod Porteous advised the meeting that the Project costs the Company £50,000 a year which is minimal compared to a Nitrate Membrane Plant costing £4M. Proposals for AMP6 will be bought forward at a future meeting.

**6. Any Other Business**

**7. Date of Next Meeting**

**10 January 2013**

**8. Further Meeting Dates**

**Tuesday 26 March 2013**

**Tuesday 25 June 2013**

**Tuesday 24 September 2013**

**Tuesday 7 January 2014**