

## Customer Challenge Group – terms of reference

Helping to ensure that current and future customer are at the heart of the way Welsh Water operates.

The role of the Customer Challenge Group (CCG) is to provide independent **challenge, scrutiny and advice on the:**

- quality of the company's customer engagement and involvement
- extent to which the results of this engagement are reflected in the company's decision making, business planning and operations
- the return of value to customers from the Glas Advantage

**The CCG will provide:**

- independent reports and recommendations, through the Chair, to the Glas Cymru Board
- an annual independent commentary on the performance report of the company including delivery of outcomes and service improvements set out in current regulatory business plan
- independent reports and assurance to Ofwat as required for the next price review - PR19
- public reports on its operations via the company CCG webpage, including an annual report of the work of the CCG

**The CCG aims to ensure that the company:**

- understands and responds to domestic, business and other non-household customer needs and requirements
- uses a wide evidence base to develop an understanding of customer needs, requirements and willingness to pay
- explains its obligations, key business priorities and investment plans well to its customers and stakeholders
- fulfils the customer expectations in the delivery of the business plan and communicates its performance to its customers and interested parties
- identifies the distinct needs and requirements of different types of customers, specifically recognising the priority needs of vulnerable customers
- has long term strategic objectives, future business plan and investment proposals takes into account the wellbeing of future generations.
- supports where possible collaborative opportunities and joint capital investment in order to ensure an integrated approach to community resilience
- involves customers in decisions related to the return of value to the customers from the Glas Advantage fund
- enables a two way dialogue focused on educating and informing customers, as well as seeking feedback

- embeds customer led development across the business with clear leadership at Board level
- business plan delivers a balance of economic, social and environmental benefits for current and future generations

**The CCG will:**

- have an independent chair appointed through Glas Cymru's Independent Appointments Panel
- consist of independent members with relevant expertise
- hold meetings four times a year to align with the business reporting timetable in order to provide independent commentary on company performance.
- set a work programme, meeting and reporting schedule to meet the Ofwat requirements for PR19
- involve the statutory regulators and draw on other specific expert input and challenge as appropriate to contribute to relevant agenda items
- draw on the expertise Consumer Council for Water, share practice and experience with other Customer Challenge Groups, and other customer reference groups from across the utilities
- ensure a close operating link with the company's Independent Environmental Advisory Panel (IEAP)
- hold meetings at different company locations and participate in visits to build understanding so as to improve the quality of challenge
- respect the confidentiality of information provided when necessary
- seek the expert input of its members in specialist discussions as well of external experts as and when required
- review its performance annually linked to the production of an annual report detailing its work

**The company will support the operations of the CCG through providing:**

- all the necessary information to ensure the CCG understands its obligations, priorities, business plans and that customer requirements are being met through its operations
- recognition of the role of the CCG in its business processes, internal communications and specifically with contractors undertaking work on its behalf with customers
- senior level representation at all CCG meetings
- appropriate opportunity for the Chair to attend and present reports from the CCG to the Board
- responses to recommendations and reports from the CCG
- a secretariat who will work to the Chair in arranging meetings, circulating agendas, briefing materials and preparing minutes
- a Customer Challenge Group page on its web site, which will hold details of the group, reports of meetings and other updates as agreed with the Chair  
<http://www.dwrcymru.com/en/Customer-Service/Your-Company-Your-Say/CCG.aspx>
- a budget to cover associated operating expenses for the group

**The membership of the CCG will:**

- be appointed by the Chair in consultation with the company and CCG members
- be independent of the company and appointed on an individual basis
- provide it with a wide range of knowledge and experience of the issues affecting customers within the company's region
- possess knowledge in areas including customer advocacy, community engagement, customer research, behavioural change, business planning, environmental concerns
- include representation from the Consumer Council for Water (CCWater) and a debt advisory body
- will normally have 12 members in addition to the Chair, but will also have powers to co-opt additional members to ensure its effectiveness. The appointments will be for the period of the PR19 review to 2020.

**The Chair of the CCG will be responsible for:**

- ensuring the group meets its responsibilities to Welsh Water customers and to Ofwat
- developing working relationship with the company CEO, Senior Executives, Chair and Board
- recruitment and involvement of members of the CCG
- the efficient operations of the group and participation of group members
- engaging with external networks to inform the work of the group
- representing the group at meetings with Ofwat, CCG Chairs, CCWater, the Wales Water Forum and the Welsh Government PR19 review group
- reporting to the Welsh Water CEO issues raised by the group following each meeting
- providing a monthly update briefing to group members
- preparing reports on behalf of the group as required by the Ofwat PR19 process.

**Quorum**

The quorum necessary for the transaction of business shall be five. In the absence of the Chair, the Chair may nominate a deputy to chair a meeting. If the Chair is unable to do so, the members may elect a Chair for the meeting.

Peter Davies Chair of Welsh Water Customer Challenge Group

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