



CCW submission to Senedd Climate Change, Environment, and Infrastructure Committee deliberations on the *Water (Special Measures) Bill*

CCW – who we are

The Consumer Council for Water (CCW) is the independent statutory consumer organisation representing household and non-household water and sewerage consumers in England and Wales. CCW was set up in 2005 explicitly to represent water consumers under the *Water Industry Act 1991*¹.

***Water (Special Measures) Bill* and CCW's consumer panels position**

We support the Bill's provisions and its enactment in Wales. The most meaningful contribution we can make is on Welsh consumer representation in Clause 1.

We support the Rules and Remuneration Clause 1 (6) of the Bill that suggests the Rules may include a requirement for persons representing the views of consumers to be members of a board, committee and panel of each water company in Wales and England.

Because customers cannot choose their water provider, it's especially important that their voices are heard in key issues that affect water consumers.

CCW asks for the Committee's support for our proposal for a CCW-led independent consumer panel for each water company in Wales to enhance consumer representation.

Why consumer panels are a good idea

Wales needs independent consumer panels, funded and run by CCW, to get stronger and more meaningful input from a truly diverse and representative set of consumers on an ongoing basis. We want to see citizens of Wales getting as big a voice on the issues that matter to them as water consumers in England.

Consumer panels would help the water industry access informative, dynamic, on-the-ground consumer views. These panels can call meetings with companies each year to scrutinise their annual performance data. They can also call Dŵr Cymru and Hafren Dyfrdwy to account at other times, such as if there was a major water supply or water quality incident, and service or environmental performance disruptions due

¹ [Water Industry Act 1991 \(legislation.gov.uk\)](https://legislation.gov.uk)

to flooding. Plus the companies should be required, at least annually, to explain how they have taken consumers' views into account in their decision-making processes.

What CCW thinks consumer panels should look like

CCW has long believed that consumer panels are a good idea. In 2021, we published our paper *Future Consumer Representation Models*². Although our thinking has moved on a little since then, many of the principles remain true.

Appendix A outlines our current thinking on what consumer panels should look like. CCW should run panels as we are independent and have experience of running a consumer panel - our Watervoice community.³

Governance for consumer panels

The basis for the governance of the consumer panels by CCW is already in the Water Industry Act 1991.

CCW already has the remit to set up committees/groups/panels^{27A} for each water company under the *Water Industry Act*, with the approval of Welsh Government & Defra. [Schedule 3A](#) outlines this more. The purposes of those groups are to:

- a. *Provide advice and information to the Council [CCW] on consumer matters that affect the areas of the water companies that the group is allocated to*
- b. *Other purposes that CCW may determine (which could include holding the Boards/Exec Board members to account)*

Consumer panels and existing public scrutiny

Our consumer panel proposal would complement and enhance existing public scrutiny of the water industry in Wales.

CCW recognises that Dŵr Cymru's holding company, Glas Cymru, has non-paid Members whose *"duty is to promote the good running of the company, in the best interests of its customers"*⁴. However, Glas Cymru Members are not a replacement for our proposed consumer panel as they carry out a company governance role. Members are not all customers. The role of a Member is different to an ongoing panel representing a diverse set of consumers who can provide a meaningful, real-time view on important issues.

The work of the Members and the panels will be complementary. The panels will provide independent information and intelligence from customers to Glas Cymru Members to inform their decision-making and advice to Dŵr Cymru. Members can

² [Future consumer representation models - CCW](#)

³ [WaterVoice: Views of current customers on water resources - CCW](#)

⁴ [Glas Cymru | Dŵr Cymru Welsh Water \(dwrcymru.com\)](#)

also provide CCW with questions to include to be answered by the panel and get an independent consumer view back.

Hafren Dyfrdwy customers will also benefit greatly from the consumer panel proposal. It would allow the company to engage with people affected by issues specific to the many rural locations of Wales.

Conclusion

We are keen to support effective Welsh parliamentary scrutiny in a way that does not delay enactment of the Bill to the detriment of Welsh consumers.

CCW encourages the Climate Change, Environment, and Infrastructure Committee Committee to support Clause 1 (6) of the Bill and agree that CCW should run the panels.

If you would like to discuss our views on other clauses as per your outline in your 4 October letter, such as Clause 3 on emergency overflows and Clause 2 on Pollution Incident Reduction Plans (currently not applicable to Wales), we are happy to arrange a meeting.

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Appendix A

An overview of what consumer panels could look like

The way the panels are set up need to achieve two aims:

- To achieve the required outcome of ensuring consumer views on consumer matters via consumer panels are available to companies; and
- Creating the mechanism for those views to be delivered to company bosses in a credible and transparent way

(Note: it is the job of Ofwat's Rules to make sure companies take those views into account)

Consumer panels

Online Panels of water consumers provide meaningful ongoing conversation between water companies and their consumers. Consumer panels present a barometer of how consumers are feeling, based on their lived experience of water and sewerage services.

- Consumer panels are made up of consumers not experts.
- Consumer panels should run all the time – not just when price reviews take place.

The Panels:

- would participate in a number of research/engagement activities a month – eg questions to answer.
- The questions could be ones that all the Panels get asked to get a sector view or company-specific.
- Welsh Government (WG)/ water companies/ Drinking Water Inspectorate (DWI)/ Natural Resources Wales (NRW)/ Independent Challenge Groups (ICGs)/ Glas Cymru members/ Future Generations Commissioner could request to use the panels to ask questions.
- For some tasks the Panels would be part of an iterative process, receiving feedback and being asked about next steps.
- The Panels should be required to call meetings with companies at least once a year to review the companies' Annual Performance Data, and then as needed at other times. For example if there was a major incident, such as the South West Water Brixham boil water notice.
- A CCW-funded independent chair would provide necessary separation from companies.
- The Consumer Panels would be run and funded by CCW and not funded by the companies.
- CCW should publish the Panels' views, meeting meetings, notices of meetings etc on its website.

What can consumer panels do?

Consumer panels should be as diverse as possible (given panel size) of the company's customer base. CCW recommends people from households on low incomes and with vulnerabilities should be over-represented as they are less likely to engage. CCW would then contextualise the outputs accordingly.

Panels will allow for a huge range of topics to be explored:

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- A live temperature check on company and sector performance. This could tie into the cycle of annual data publications eg the release of the [Environmental Performance Assessment](#) or CCW [complaints reports](#).
- An annual online Q&A session with the water company's executive team and board members would hold them directly to account. Panels would also have the power to

request more frequent sessions with the company's executive team and board if circumstances deemed this necessary. CCW would facilitate these sessions to empower consumers to challenge water company bosses, as we so successfully did with [Your Water Your Say](#) sessions during the price review. These sessions would be open for members of the public to attend in addition to panel members.

- A current view of key topics to understand consumers' lived experiences. For example, affordability, vulnerability pressures, and the level and availability of support are important live issues in the water sector.
- Views on priorities, trade-offs and bill levels during the price review processes
- Experiences of company communications, eg how clear is your bill to understand? How well does your water company explain what your money is being spent on?
- Snap views on new and emerging issues
- A view on how companies deal with any excess profits, windfalls and outperformance. Companies could be obliged to consult with their panels on these issues.
- A sounding board to test new policies, approaches and proposals from Welsh Government, Ofwat, ICGs, water companies, DWI, Future Generations Commissioner, Glas Cymru members and CCW
- A source of intelligence for consumers' views about other sectors, eg energy, for comparison and learning
- The bill payers' perspective on bonus levels, executive pay etc.
- When incidents occur, it is unlikely that many members of the panel will find themselves in the middle of that incident. However, companies should be conducting research on large-scale incidents to learn lessons and this may allow the panel the opportunity to meet the company about the findings of that research. The wider panel could be engaged on topics like approach to compensation levels, or how well the incident was communicated to the wider customers base (this is particularly important for water quality incidents).

How do consumer panels work?

- Consumer panels carry out their activities online. In-person meetings are not necessary. This is a good solution for the water sector as many companies cover very large geographical areas.
- Panel members would carry out most research/engagement activities in their own time.
- Panel members can be brought together in various groupings for quantitative and/or qualitative research as well as deliberative inquiry, these would be facilitated sessions. This would be done the research agency.
- Only the formal convened meetings need a chair. This is likely to happen 3-4 times a year.
- Consumer panels are designed to comprise a cross-section of consumers, so they reflect the people who use water and sewage services. The extent to which they are fully representative is determined by the size of the panels - the larger the panel, the more representative they will be.
- The membership of consumer panels evolves over time. This allows greater participation from more members of society. It means any money spent on incentivisation is spread as widely – and fairly - as possible. It also means the members do not become water sector experts as they gain knowledge through participation. It is vital that consumer panels give the person-on-the-street's view.

- To be a true “finger on the pulse”, panels must be kept engaged, so activities must happen frequently. Typically a panel will have at least two to three activities per month to do.
- The online platform used for panel members to answer questions would also be used as an open channel for them to proactively raise any issues or questions they have.

CCW would put together the schedule of research/engagement activities for the panels. This would look at least six months ahead. The schedule would be flexible to allow for emerging issues and incidents to be considered at short notice. The schedule would be shared with Welsh Government, DWI, Natural Resources Wales and Ofwat, giving them an opportunity to input.

Each month, CCW would publish a report on the activities and findings of each panel. This report would be publicly available and sent to water companies’ CEOs. Water companies’ CEOs would be obliged to respond publicly to the panel’s findings, increasing their overall accountability to their consumers.

In addition, CCW would use the material in our direct liaison with water companies to inform and challenge them.

CCW is experienced in running and publishing qualitative and quantitative research and the GDPR requirements involved.

Funding

Consumer panels must be – and be seen to be - independent of water companies. So they must not rely on them for funding. A simple funding route is through CCW - a levy on water bills. To accommodate this level of funding, it would add c12-15p per year to each water bill in Wales and England via CCW’s licence fee.

Inclusion

Deploying online-only panels risks some people being digitally excluded. In our wider research we already deploy techniques to ensure that certain groups’ views are represented.