



## Independent Environmental Advisory Panel to Dŵr Cymru Welsh Water

### Terms of Reference

#### Introduction

- ❖ Dŵr Cymru Welsh Water ('Welsh Water' or 'the Company') is the licensed undertaker that provides essential drinking water and sewerage services to over three million people and the principal custodian of the water industry in Wales and certain adjoining parts of England.
- ❖ The Company - which is owned on behalf of its customers - will invest almost £1.4 billion between 2010 and 2015 in an investment programme to maintain and upgrade the network of infrastructure assets that provide these essential services.
- ❖ The Company has only one purpose – to deliver high quality, value for money and affordable services to today's customers and to future generations, and all financial surpluses generated are retained or reinvested for the benefit of customers. The Company can only succeed in this goal if it is an environmentally responsible and sustainable business.

#### 1 Purpose

- 1.1 The Independent Environmental Advisory Panel (the 'IEAP') to Dŵr Cymru Welsh Water has been established to provide Welsh Water with independent environmental advice and support, and to act as a 'critical friend'.
- 1.2 The purpose of the IEAP is to support the Company to (i) maximise the value of its investment programme for customers and the environment, and (ii) to secure a safe and sustainable future for our environment; one able to support the economy and quality of life for generations to come.
- 1.3 To do this, as well as environmental considerations, the IEAP will need to take into account the social and economic consequences of any advice or proposal, including the impact they may have on 'affordability' (i.e. on customers' bills).
- 1.4 The IEAP will not have the power to make decisions for, or on behalf of, Welsh Water.

#### 2 Roles

- To fulfil the Purpose, members of the IEAP will work together with Welsh Water and share environmental expertise and knowledge to deliver the following roles:
- 2.1 To contribute to Welsh Water's capital investment planning process by offering opinion and guidance, for example, in relation to innovative catchment based solutions and to identify investment and research priorities which reflect current and future environmental issues. These will, consequently, drive costs down for customers and ensure that Welsh Water remains on the front foot with regards to meeting future environmental challenges.
  - 2.2 To provide a simple and efficient mechanism for communication between the Company and key environmental stakeholders across Wales in particular, with links to UK national bodies as appropriate.



- 2.3 To provide a platform to share views and assist Welsh Water to proactively influence emergent environmental legislation and policy where issues of social, economic, and/or environmental benefits for Wales and/or the borders are identified.

### **3 Work Programme**

- 3.1 IEAP will determine its own work programme. Forward planning will be discussed at every IEAP meeting to ensure that the IEAP's work programme can accommodate urgent matters as they emerge.

## **4 Governance and Administration**

### **4.1 Membership of the IEAP**

- 4.1.1 Organisations and bodies who agree to be involved in the working of the IEAP will offer a representative who can provide a strategic perspective from their organisation, as well as regular and consistent attendance. If a member organisation is unable to provide a representative they shall cease to be a member of the IEAP.
- 4.1.2 The environmental organisations and bodies to be approached to join as initial members of the IEAP are appended to this term of reference. Subsequently, the Chairman, with the agreement of members, may invite other organisations and bodies to join the IEAP providing there shall be no more than 25 members without the prior agreement of Welsh Water. This number of members is considered to be large enough to be representative, but small enough to operate effectively.
- 4.1.3 Welsh Water will not be a member of the IEAP, but the Company's Director of Environment (or his nominee) and the Independent Environmental Advisor to the Quality and Environment Committee of the Board will attend each meeting to ensure an effective link between the IEAP and Welsh Water.

### **4.2 Chairman and Deputy Chairman**

- 4.2.1 The Chairman and two Deputy Chairs of the IEAP will be appointed by majority vote of the members. The first appointed Chairman and Deputy Chairs will serve until April 2015 to align with the 2014 Price Review Process. This will be a maximum of 2 year-cycle, thereafter.
- 4.2.2 The Chairman and Deputy Chairs may be re-appointed by majority vote of the IEAP members.
- 4.2.3 Facilitated by Welsh Water's Environment Directorate, the IEAP members will have access to senior executives of Welsh Water, and to the Independent Environmental Advisor to the Quality and Environment Committee of the Board.
- 4.2.4 The agenda for the meetings of the IEAP will be set by the Chairman after consulting IEAP members and Welsh Water's Director of Environment.
- 4.2.5 One of the Deputy Chairs shall perform the functions of the Chairman in the event of the Chairman's absence, incapacity, or on an interim basis in the event of the Chairman's removal.



### **4.3 Secretariat and Meeting Governance**

- 4.3.1 The secretariat function and services will be provided by Welsh Water's Environment Directorate.
- 4.3.2 Written minutes will be kept of all meetings and proceedings of the IEAP. The draft minutes will be agreed with the Chairman prior to circulation to all IEAP members for approval.
- 4.3.3 Meetings of the IEAP will be held under the *Chatham House Rule*. It will be private and will not be open for members of the public to attend.
- 4.3.4 Welsh Water may at its discretion and with the agreement of the Chairman, invite people to attend meetings of the IEAP to observe discussions and interact with IEAP members. Invitees may include Glas Cymru's Members, Non-Executive Directors of Welsh Water's Board of Directors and the Independent Environmental Advisor to the Board's Quality and Environment Committee.
- 4.3.5 To contain costs associated with the operation of the IEAP, all meetings and all associated papers and minutes will be prepared in English only.
- 4.3.6 The IEAP will meet on at least four occasions in the first year of operation, with dates to be agreed at the inaugural meeting. Thereafter, the IEAP may agree to meet less frequently, but no more than four times a year.
- 4.3.7 Due to the advisory nature of the IEAP, there will be no minimum attendance (or quorum) for a valid meeting.
- 4.3.8 Non-member organisations, bodies or individuals may raise matters for discussion by the IEAP via the Panel's secretariat. These may be discussed at a subsequent meeting of the IEAP with the agreement of the Chairman.
- 4.3.9 The IEAP may decide to establish Task and Finish Groups to review specific topics and/or provide technical specialist advice. These will be chaired by an IEAP member appointed by the Chairman. Where appropriate the IEAP may recommend experts from organisations and bodies not participating in the IEAP to be involved in a Task and Finish Group.

### **4.4 Costs and Expenses**

- 4.4.1 The cost of hosting meetings of the IEAP (venue, refreshments, etc) will be met by Welsh Water when at a Welsh Water site, and by IEAP members when at their sites.
- 4.4.2 Welsh Water will cover travel (but not accommodation) expenses reasonably incurred by IEAP members.
- 4.4.3 Welsh Water will also cover travel (but not accommodation) expenses reasonably incurred by experts, whom the IEAP invited to attend IEAP meetings and/or contribute to its Task and Finish Group.

## **5 Communication Strategy**

- 5.1 To achieve the Purpose of the IEAP (section 1 above), IEAP members will need to be able to engage in open and frank discussion. Accordingly matters discussed at the IEAP shall be regarded as private and shall not be disclosed, or otherwise made public, unless this is expressly discussed and agreed in advance at a meeting of the IEAP at which Welsh Water is represented.



- 5.2 All members and Welsh Water agree to share all data and information brought for discussions at IEAP meetings, unless specifically marked as not for public use.
- 5.3 IEAP members have a duty to communicate messages from IEAP, on behalf of IEAP, to their organisations and other environmental stakeholders, including other existing environmental partnerships.

## **6 Miscellaneous**

- 6.1 As a minimum, the IEAP shall annually review the effectiveness of these Terms of Reference and may propose amendments for consideration by Welsh Water.

Dated 19 November 2012

---