

---

THURSDAY 2 DECEMBER 2021

MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS

MEETING NOTES

**PRESENT:**

Chair and Independent Member: Melanie Laws

For CCW: Graham Dale and Barbara Leech

For Environment Agency: Melissa Lockwood

For Natural England: John Torlesse

For the Environment theme: Richard Powell (Vice Chair and Independent Member)

For the Communities theme: Mary Coyle (Independent)

For the Customer theme: Simon Roberson (Independent) and Lesley Crisp (Independent)

For Economic Impact theme: Steve Grebby (CCW), Iain Dunnett (New Anglia LEP) and Sarah Glendinning (CBI)

For National Farmers Union: James Copeland (Vice Chair and Independent Member)

Water Forum Independent Author: Sarah Young

For NWL Board: Peter Vicary-Smith (Independent Non-executive Director)

For the Company: Louise Hunter, Andrew Beaver, Claire Sharp, Jim Strange, Ross Smith, Elaine Erskine, Mark Wilkinson, Mike Madine, Clare Deasy, Anthony Browne

Jill Slater (Water Forum Secretariat)

**NOTES AND ACTIONS**

**1. Welcome, apologies and aims of the meeting**

Melanie Laws (MJL) welcomed Members to the meeting. MJL also welcomed Peter Vicary-Smith, one of the Company's independent non-executive directors, who would be joining Forum meetings.

Apologies had been received from Roger Martin and Judith Huffee.

**2. Notes and actions from the last meeting**

Melissa Lockwood (MLo) informed the Forum that Members may have seen in the press about an investigation into Water and Sewerage Companies in the UK. MLo clarified that everything said in the meeting is discussed against the background of an investigation which has not yet been concluded, therefore any issues discussed may have to be revisited and discussed formally at a later date as part of that investigation. This meeting is operational only and not part of the investigation.

There were no other matters arising and the minutes were approved as a true record.

**4. Members' Deliberation**

Members had been supplied with the following meeting papers:

- Bills 2022/23
- Water Environment Improvements ODI update
- Net Zero update

MJL informed the Forum that there was quite an extensive range of issues to talk about, with bills being a very important subject and felt it really important for the full Water Forum to have the opportunity to discuss this. The Forum would want to challenge the Company to use its time wisely between now and the next bill going out to customers to ensure that vulnerable customers are aware of the support that is currently available to them, and to help mitigate bill impacts. CHALLENGE: Company.

MJL informed the Forum that she had attended a session with other CCG Chairs. The group had had a good discussion, sharing information on current work of CCGs. There was likely to be a further meeting in the New Year to discuss Terms of Reference and the landscape for CCGs. CCW was working with Ofwat on potential arrangements going forward and CCG Chairs had been invited to a seminar. MJL was hoping to join the seminar on 5 January.

MJL reiterated that the Forum would have a special meeting in the New Year to discuss the Company's review of engagement for PR24, but no date had yet been set.

MJL had also asked the Company to update the Forum on its response to Storm Arwen.

MLo explained that she sits on the Water Environment Governance Group (WEGG) for the Water Environment Improvements ODI. MLo suggested having a conversation around how natural capital accounting could be used to describe the value of work under the Water Environment Improvements ODI. The Water Forum would like to see that customers and stakeholders remain central to this activity, understand the work that is happening, and are able to contribute in the best way they can, and that the outcomes for customers are clear.

Simon Roberson (SR) had attended the SWaN Conference in October and had felt it showed the link between environmental improvements; direct customer benefits and benefits to the community. SR asked for presentations from the Conference to be shared and an update from the Company on follow up plans. Ross Smith (RS) agreed to check to see what papers/recordings are available from the Conference and share them with the Forum. ACTION: Company.

With regard to bills, MLo noted that customers were keen on having stable bills. MLo thought it felt unstable and worried that customers may feel they have not been listened to. Members thought that support for customers should be promoted to everyone, along with advice on saving water.

## 5. Bills 2022/23

MJL welcomed the Company to the meeting.

Members had been supplied with a paper by Mark Wilkinson (MW) which was taken as read. MW gave a presentation to the Forum on billing and what the Company is doing around communications.

Members felt it would be good to communicate to customers why bills have increased so much. MW explained that it was a hard message to communicate and had tried to keep it at a high level otherwise there is too much information for it to be meaningful. Members also raised the concern around the window of opportunity between now and the bill going out to make sure that customers are aware of the support that is available to them. This should include customers who do not consider themselves vulnerable but are under financial pressure, particularly now that a number of cost pressures on households have ramped up.

Essex & Suffolk Water bill on behalf of Thames Water, and Members asked if the Company knew what Thames' sewerage charges will be. The Company said it believed that Thames' increase is likely to be close to the inflation figure based on current intelligence. The Company said Anglian's increase would probably be slightly smaller than ESW's, but this would be on a high bill to start with. The Company had been working with Anglian and Policy and Practice, the company that built the first online eligibility calculator behind the Government benefit checks, to build a joint check for both ESW and Anglian's social tariff schemes. The Company was hoping this would go live before billing.

Members expressed concern that the Company should aim to avoid an increase in customer complaints and long wait times, so the reasons for an increase should be clearly explained. The Company agreed to take that action away and look at it. CHALLENGE: Company.

Members felt that it was important to communicate the opportunity for customers to pay their bill monthly. The Company advised that it offers the opportunity to pay monthly as default now. Members also thought that the Company should make sure that the help telephone number or weblink is right next to where the amount is shown on the bill and not shown on another page as often people do not look past the first page.

Members thought it would be useful, between now and March for the Company to make sure that MPs, Council Leaders and other parties who have an important role in informing communities understand bill changes and the support that is available. The Company reassured Members that it was taking a holistic approach to communications and was not looking at just the messages that go directly to customers but also to stakeholders. The Company planned to send a stakeholder newsletter to MPs and Local Authority Leaders covering bills and including information they could share with customers.

Members raised the point of stable bills and asked the Company how it would address that point. Members also asked the Company if it had thought about the pressures on the general public post-COVID, and how that could impact on the goal to reduce numbers in water poverty. The Company responded that it had set a long-term target accepting there would be difficulties within that period. On the topic of stable bills, the Company confirmed that it would need to communicate with customers around this but that the situation was as frustrating for the Company as for the customer. CHALLENGE: Company.

The Forum challenged the Company to review the support that it had available for vulnerable people and to come back to the Forum, potentially through the Inclusivity and Affordability Sub-Group, and also to review the expected impact on water poverty and what more it could do to address this. CHALLENGE: Company.

Members also expressed concern that more traditional methods of communication would be needed for digitally excluded people. CHALLENGE: Company.

## **6. General Company Questions**

### **Storm Arwen update**

Louise Hunter (LH) updated the Forum on the Company position in relation to Storm Arwen which hit the region on 26 November. The storm had had a significant impact on operations in the North East due to impacts to power supply from both Northern Powergrid and Scottish Power. LH estimated there had been loss of power to more than 50 treatment works, service reservoirs and pumping stations, due to the extreme weather and an estimated 100,000 properties across the supply areas had their water supply interrupted. LH praised the teams on the job they had done and were still doing in very challenging conditions. There was an impact on clean water reserves in the networks, and a risk around further interruptions to supply for customers as a result of the unstable power network. There was a multi-agency response and the Company had been working very closely with Northumberland County Council, Durham County Council, Fire and Rescue teams in both areas, and NFU. The Company had been providing support to farmers, particularly those with livestock, by trying to make sure that they had access to water supply. Because of the nature of rural communities there were a lot of people who were not NW customers and were on a private supply, but were relying on electricity to work their pumps. The Company had been working with Local Authorities and Northern Powergrid to assist and develop shared learning. LH updated that at the time of the meeting she did not think the Company had anyone without water. LH also updated that there had been an impact on the wastewater operations due to power outages, and that had led to risk around environmental impacts. The Company were working closely with the EA on monitoring that situation. Operations at Kielder had also been significantly impacted. Approximate numbers were around 700 trees down,

and a lot of the roads were impassable. The site had been evacuated and no-one had been injured. There had been some damage to cabins, and it was uncertain as to whether Winter Wonderland would be able to restart. Guidance to customers was to not attend reservoir sites and woodland sites for safety issues while the tree damage was being assessed.

James Copeland (JC) gave a status update from NFU and thanked the Company for everything it had done and was continuing to do for rural communities.

## 7. Water Environment Improvements ODI update

Members had been supplied with a paper by Clare Deasy (CD) which was taken as read. CD gave a presentation to the Forum on this subject.

Members noted:

- It is a unique ODI and NWL is the only water company doing it at the moment.
- Thanks to Mike Madine (MM) and CD who had led this work alongside other priorities.
- The outcome by the end of AMP7 would be very positive, and it would be good to continue discussions about where it could go in AMP8.
- It was important that the group reports back to the Forum at least once a year.
- This thinking could be applied almost to all capital projects.
- Members challenged the Company around how it makes sure that customers know this activity is happening, and can contribute ideas for the future programme. CHALLENGE: Company.

## 8. Net Zero update

Members had been supplied with a paper by Anthony Browne (AB) which was taken as read. AB gave a presentation to the Forum on this subject.

Members noted:

- From both biofuels and solar, the effects on nature are not insignificant, but there are opportunities to manage sites for biodiversity in ways such as underplanting solar arrays with wildflowers or setting up bug hotels/infrastructure for pollinators and invertebrates.
- There is a need for the Company to take a lead on Net Zero and where Ofwat's regulatory approach becomes out of date the Company should make the progress needed regardless, by staying up to date with latest best practice.
- That the Company should capitalise on any positive outcomes of COP26.
- The Company should engage with the Environment Agency on its work on low carbon, particularly avoiding use of concrete.
- To ensure customers had the opportunity to consider implications 'in the round' the Company would need to be better at explaining that it may be appropriate for bills to increase in order to enable investment in mitigating and adapting to climate change.

The Company responded:

- On solar, it had been agreed with the developer that they would deliver biodiversity net gain in all instances even where this was not a requirement; further, the developer had a contractual level of biodiversity gain that they were obliged to sign up to, and their consultant was going to make a costed recommendation for additional measures that enhance the environmental benefit (at NWL's cost) with the Company aiming to deliver as much gain as economically possible. On biofuels the Company noted that the use of these was a short to mid-term endeavour to deliver carbon benefits but was unlikely to be a central pillar of its sustainability plan in 2030.
- Regarding regulatory reporting standards and best practice, the Company had just appointed a PhD student, whose first task was to scrutinise the current reporting standards and provide a full scope for a detailed gap analysis against the Greenhouse Gas Protocol and the ISO14064

reporting standard so that the Company and the wider sector can have absolute confidence in its reporting.

- Ofwat had not yet responded to the Company's Annex 2 submission, on which Members had supported the Company in relation to ODIs. The Company was progressing with them and aiming to be as transparent as possible. The Company was intending to convene a group of companies that have AMP7 ODIs on net zero to form a sector position.
- Additionally, Ofwat were consulting on additional AMP7 emissions reporting requirements and were also not clear on their preferred approach for regulating emissions during AMP8 but the Company had offered a thought piece on how practical regulation could work. The Company was aiming to balance its industry leading ambition with bill pressures (arising where the Company buys premium low carbon products); engineering risk relating to low carbon products; and regulatory risks which discourage nature-based solutions.

Members and the Company agreed that a further session on net zero during Summer 2022 would be valuable. This session would look at both regulatory issues and best practice to ensure that the Company's approach remains leading.

## 9. Customer Engagement Discussion

Members had been supplied with a paper by Elaine Erskine (EE) which was taken as read. LH gave an update on where the Company was at in regard to customer engagement.

The key piece of work was the ICS review that the Company have commissioned. The Company were waiting for a final report. Once that had been received the Company would want to talk to the Forum about what it might mean for the future of the Forum. Some statutory members around the table may have their own views about how they want to participate in CCGs. The work the Company had undertaken would be insightful and included a thorough review of activity for PR19, proposals from Ofwat, CCW and others, and best practice for engagement.

Company members left the meeting at this point.

## 10. Future Meetings Discussion

Members discussed what pattern of meetings would be appropriate in 2022. Members noted:

- There was a preference for more meetings with a shorter duration, and it was agreed to plan for six in 2022.
- Depending on COVID, at least one and potentially more should be face-to-face, probably in Summer when COVID impact may be less. Others should be on Teams or a similar platform as it was felt hybrid arrangements are less effective.
- Time could be planned before or after meetings for informal engagement between Members outside of the agenda. This would be tried for the next meeting.
- Benefits of working online included ready access to all files and reduced carbon impact.
- Flexibility around this was important, and the approach would be reviewed in the Spring after decisions on future engagement had been reached.

ACTION: Company.

**The meeting concluded and Members then resumed in camera where their meeting review took place – a summary of this review is in Appendix 1.**