

WEDNESDAY 9 DECEMBER 2020

MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS

MEETING NOTES

**PRESENT:**

Chair and Independent Member: Melanie Laws

For CCW: Simon Roberson and Graham Dale

For Environment Agency: Melissa Lockwood and Roger Martin

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

For the Communities theme: Mary Coyle (Independent)

For the Customer theme: Lesley Crisp (Independent)

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

For National Farmers Union: James Copeland (Vice Chair)

Water Forum Independent Author: Sarah Young

For the Company: Heidi Mottram, Andrew Beaver, Louise Hunter, Nigel Watson, Jim Strange, Ross Smith and Elaine Erskine

Jill Slater and Jude Huffee (Water Forum Secretariat)

**NOTES AND ACTIONS**

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

Melanie Laws (ML) welcomed members to the meeting.

Apologies had also been received from Stephen Rothera, and John Torlesse, (Natural England).

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

Members agreed the minutes represented a true reflection of the meeting and there were no matters arising.

**3. Chair's Update**

ML updated the Forum on the following:

- the Competition and Markets Authority (CMA) additional third-party hearing took place on 17 November 2020, at which Customer Challenge Groups (CCGs), CCW and Citizen's Advice had been invited to join to examine consumer issues around its provisional findings. The main focus of the meeting had been around Ofwat's Cost of Capital, which ML had listened to with interest but had not participated in discussion as the Forum had not focused on this in its PR19 work. CCW had followed up on this meeting with a letter. ML had concerns that CCW, in its letter, had implied that all the CCG Chairs' views were as one, when they had very different approaches. ML was considering her response to the CCW and CMA on this.
- Ofwat's Future of Customer Engagement workshop had been put back to 13 January 2021. ML asked members to provide any comments they would like to be raised at the meeting to be sent prior to the session in order for her to reflect the views of the Forum.

- ML advised that a review was taking place. It was aiming to make sure the Challenge Log and its procedures were fit for purpose; and was also looking at sub-groups and how they could closely follow the Forum agenda; a process would be developed for reporting back to the main Forum. Also, a trial was taking place of the system used by the Forum for sharing documents, with MS Teams the preferred choice. More information to follow at a future meeting.

#### 4. Sub-Group Update

##### Environment Sub-Group

Richard Powell (RP) updated the Forum on the meeting of the Environment Sub-Group on 10 October 2020. The main items of the meeting included:

- a review of the Terms of Reference for the Sub-Group; it was agreed that the Group, in addition to operating as a challenge group, had expertise in the membership that provided the Company with environmental knowledge and insight. They had discussed how to manage both processes. They had also worked on how to tighten up the Challenge Log and what it recorded;
- the Group had decided to have a standing agenda item for members to raise key topics, this would allow outside knowledge and views to be brought in which could help build future agendas; several topics were raised, including Storm Overflows and Agricultural Bill;
- Members then looked at their future plan and decided to have a core group and invite experts in as and when needed, eg they may choose to invite a Defra representative at some point;
- the Company had taken Members through the environmental Performance Commitments (PCs) and the Outcome Delivery Incentives (ODIs) relevant to the Sub-Group, which would be a standard part of the agenda at future meetings; and
- the Company gave the Group an overview of the Environment Bill and how it will be affected.

##### Drinking Water Sub-Group

Graham Dale (GD) said they had a good meeting on 18 November 2020, which was shortly after the Company had met with the Drinking Water Inspectorate (DWI). The main discussion at the meeting included the following:

- on performance currently the Company explained it was not meeting the Compliance Risk Index target, which was a concern for DWI, although it was ahead of target for drinking water standards such as appearance and taste;
- the Company presented the Transformation Plan for improvement it had given to the DWI. An internal Steering Group had been set up with Keith Haslett, Water Director, Chairing, with representatives from all the relevant heads of departments across the Water Directorate. This will report to the Board monthly on progress. GD's view is that this looks a comprehensive and strong plan and asked for it, and the DWI presentation slides, to be circulated to Forum. (Action: Company).
- the Sub-Group will need regular progress updates from the Company. (Action: Company).

#### 5. Forum future programme review

ML updated the Forum that the February 2021 meeting will be a workshop format based on a theme suggested by Iain Dunnett (ID) on the post-COVID, post-Brexit, context – including green recovery and net zero carbon operations.

ML proposed that by the April 2021 meeting the Forum should review how they would operate going forwards, position for the Company following the CMA decision, future meetings and areas of focus over the next 6-12 months and onwards in relation to PR24.

Melissa Lockwood (MLo) raised a question around the Sub-Groups and whether the Water Environment Governance Group (WEGG) should link in with and feed through the Environment Sub-Group. RP advised that the WEGG will feed back to the Environment Sub-Group and report at least once a year to the Forum. RP added that the WEGG was an independent group, it had started to form and was planning to test two of the Company's schemes.

## **6. Members' deliberation**

Members had been supplied with the following meeting papers:

- AMP7 Readiness – Service Delivery
- Innovation update
- CEO update
- Customer Engagement and Participation update
- Regulation update

Members deliberated on the papers they had received and prepared for discussion with the Company.

Members said the Customer Engagement and Participation update paper was particularly interesting, and it was useful to get an overview of the additional work done by the Company to support customers around COVID-19.

Members noted the customer research being undertaken with Explain around water environment was particularly interesting and queried how bathing water is being picked up as part of this research. Members asked if the Company could provide an update report on where it sits with the issue around rivers and Bathing Water. (Action: Company).

Members noted that since COVID-19, some customer behaviour had changed, and the Company had seen an increase in customers accessing their accounts online. Members would be particularly interested in communication support for customers, the newly digital as well as the non-digital. The Company agreed to provide the Forum with a paper with further detail. (Action: Company).

## **7. The Company joined the meeting**

ML welcomed the Company to the meeting.

### **COVID-19**

Heidi Mottram (HM) said the Company was generally operating very well and had done throughout the COVID period, and very few colleagues had tested positive for COVID-19. Those who have tested positive had mostly not been particularly poorly, although one colleague had spent time in hospital.

Largely due to employee broadband issues, the Company had brought some employees back to the Customer Centres at Northumbria House, Durham and Trinity House, Suffolk – this had all been done within COVID-19 guidelines.

### **CMA**

Members noted that the CMA process has gone on longer than anticipated and resulted in the Company attending an additional hearing on 3 December 2020. There would be a workshop on Cost of Capital in January 2021 and Final Determinations were expected to be released in w/c 8 February 2021.

Bearing in mind the effect of the CMA process and the timescales on managing 2021-22 bills, members asked what the Company could do. Andrew Beaver (AB) said this was a well understood process, and if there is no further delay and with the cooperation of the other parties in the process, it could be done. Steve Grebby (SG) said CCW had a very good meeting with AB and Jim Strange (JS) on this and he had been very pleased with the work the Company was doing. CCW would be very disappointed for customers if the changes to charges had to be factored over three years rather than four. The Water Forum had urged the CMA to conclude its deliberations as soon as possible to avoid this situation. HM said the Company would update members on progress on this.

### **Avonmouth Tragedy**

Members and the Company acknowledged the sad news following the incident at Wessex Water.

The Company advised that as an industry this would be discussed once a full investigation had taken place and that it would be wrong to speculate on causes.

Members noted that detailed checks on the Company's two AAD sites, Howdon and Bran Sands, were taking place. It had not received any contact from local residents and any response would highlight the high level of health and safety procedures that the Company had in place.

## **8. AMP7 Readiness – Service Delivery**

Members had been supplied with an updated paper prior to the meeting and it was taken as read.

Before moving into the paper JS said Ofwat had just published its consultation on PR24 customer engagement, with 29 January as the consultation deadline. The Company's Draft Assurance had also just published its consultation.

JS then presented a summary from the paper, members noted:

- on sewer flooding, this was the most challenging area for the Company, the numbers were impressive but still missed the targets. It would be helpful to see how far off the Company was from internal and external targets. Also SG had met with the Company to hear about the Stream open data initiative and the big impacts that it had made on pollution incidents – it would be good to know what had made the biggest difference on this. (Action: Company);
- on the water environment commitment, the challenge would be to establish a methodology to assess the benefits of the work being carried out as it covered both environmental benefits and access. The Company agreed to work with the WEGG to develop a solution. (Action: Company and WEGG);
- on assurance regarding the water environment commitment, it would be essential for external auditing to take place in line with the audits carried out for the annual performance report; the Company agreed that internal and external assurance would be put in place. (Action: Company);
- on the Net Zero commitment, process emissions looked to be the hardest to reduce and needed focus, possibly at Innovate East (IE). Company agreed to look at how to include in future IE events. (Action: Company);
- on water poverty, while it was good to see the number of customers being removed from water poverty it would be helpful to see the percentage that represents and a breakdown between North and South, as well as future plans on how this ambition will be met. JS gave headline numbers and agreed to supply members with the Company's detailed plan and performance so far. (Action: Company and Affordability and Inclusivity Sub-Group). Members and the Company noted that performance in this area could be impacted by COVID-19 pressures;
- on Per Capita Consumption, work was taking place to review the impact of COVID-19, through an industry-wide working group and a response from Ofwat was awaited. The Company agreed to share this information when available. (Action: Company);
- on water quality, the Company was doing a huge piece of work building on its previous Treat it Right campaign, which was its food factory vision for water treatment;

- on water quality metals failures on customer tap samples, these were thought to be as a result of customer substandard plumbing installations. Due to COVID-19, sampling has had to be taken from Service Reservoirs, as these samples have shown failures, could this potentially throw a new light on this? JS said the Company would provide an update to Drinking Water Quality Sub-Group. (Action: Company);
- the Water Rangers have continued to carry out their patrols during COVID-19. The Company recruited an undergraduate placement student in September 2020 who was looking at how we expand the programme; and
- it was good to see the list of PCs in the document, it would be helpful to see the PCs Scorecard as a pre-document for all main meetings so that they can focus on any areas. (Action: Company).

## 9. Innovation update

Members had been supplied with an Innovation update paper prior to the meeting and it was taken as read.

Nigel Watson (NW) summarised the points in his paper, members noted:

- that the Innovation Festival for 2020 had been a fully virtual event which had participation from around 3,000 people from 900 organisations and 37 countries. Customers had been able to join and engage with the work being carried out through a digital customer platform. The Company believed it had been its best event yet;
- with regards to the Ofwat Innovation Fund the Company advised collaboration would take place through a joint water company partnership, Centre for Excellence, on challenges that the industry faces but there would still be an opportunity for the Company to carry out work on areas focused on its own goals. The Company intended to continue running the Festival and consider which ideas could be brought forward to the Fund applications. The Company stated that there was a misunderstanding on just how much collaboration already went on and the Fund and the Centre for Excellence would make it easier for the Company to progress some innovations;
- the gas industry also had an Innovation Fund and the Company could investigate if there was an option to 'mix and match' money between the Funds. NW said the Company would be pushing the boundaries on many things. Members advised there is a lack of regional leadership on innovation and utilities are big enough to take this on;
- in the environmental field, RP asked if there would be an opportunity at the Innovation Festival for more engagement with customers to address confusion (eg over climate change). The Company said they would welcome more customer involvement at the Festivals. RP stated it is a good opportunity to build on the change seen in people due to COVID-19. The momentum is there. The Company agreed to reflect on what more could be done. (Action: Company).

Members asked how customers benefit from the innovation activity, and re-emphasised that more customer interface seen at Festivals would be positive. The Forum challenged the Company to think wider to try to use their legitimacy and voice to widen the message. The Company agreed to talk to Forum members offline to discuss further. (Challenge).

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