
MONDAY 17 OCTOBER 2022

MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS

MEETING NOTES

PRESENT:

Chair and Independent Member: Melanie Laws

For CCW: Graham Dale and Janine Shackleton

For Environment Agency: Roger Martin and Melissa Lockwood

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

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

For Economic Impact theme: Sarah Glendinning (CBI)

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

For Customer Engagement Pane: Nikki Stopford (Chair) and Barbara Leech (CCW)

Water Forum Independent Author: Sarah Young

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

For the Company: Louise Hunter, Jim Strange, Ross Smith, Elaine Erskine, Andy Duff, Geoff Randall, Will Robinson and Colin Day

Jill Slater and Judith Huffee (Water Forum Secretariat)

NOTES AND ACTIONS

1. Welcome, apologies and aims of the meeting

Melanie Laws (MJL) welcomed Members to the meeting.

Apologies had been received from Mary Coyle, John Torlesse and Iain Dunnett.

MJL welcomed Nikki Stopford (NS) and Janine Shackleton (JSh) to their first meeting.

NS had been appointed as the chair of the Customer Engagement Panel. She has worked in consumer advocacy for the last 20 years specialising in research data and engagement, and digital publishing. NS has had various Exec and Non-Exec roles but most notably was Group Director of Research and Publishing at Which? for over ten years, and more recently was Chief Operating Officer at Resolver which is a technology and data business that works in complaints and dispute resolution. NS was also involved in UK Power Networks on the customer engagement group and is currently working as an independent consumer research and data consultant. NS is also chair of the British Standards Institute Consumer Forum, which brings together big organisations that work in consumer protection advocacy to better share data and insight to support standards development.

JSh had replaced Steve Grebby on the Forum. JSh's policy background was on vulnerability and affordability in debt, and she was temporarily covering as Head of Company Engagement, so has a lot of exposure to different companies in the North East and Wales.

MJL updated the Forum on CCW's work on the assurance process for groups such as the Water Forum. CCW had appointed Ashleyle Gunn to carry out research with all Independent Challenge Groups (ICGs) including a review of how each group operates. MJL was hoping to attend an online update on 21 October and would keep Members updated.

2. Notes and actions from the last meeting

Barbara Leech (BL) attended the Forum meeting in June but asked for an amendment to the Minutes to note that although she joined the meeting virtually, she did not participate in the meeting as she could not hear what was going on in the in-person meeting in Peterborough.

On Page 3, MJL wanted to clarify with Members in regard to the Challenge that was made asking the Company to review demographics and target messages on affordability to those that require the support rather than mass marketing. MJL noted that things had moved on since then and people who didn't expect to be in financial hardship were being impacted and both targeted and mass marketing were required. BL agreed that the Company needed to look at its demographics but still push messages out wider and James Copeland (JC) agreed the full customer base needed to be aware of the support available.

On Page 4 regarding the assurance questions, MJL recommended that a meeting was organised to discuss these further in light of the Company plan for PR24. **ACTION: Company.**

3. Members' Deliberation

Members had been supplied with the following meeting papers:

- Early Observations on the Plan
- Long-term Delivery Strategy
- Draft WRMP 2024
- Papers A, B and C

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

4. General Company updates and questions

MJL welcomed the Company to the meeting.

Members expressed concern about the delay in receiving papers for the meeting and the volume of papers, and not having enough time to read them in advance of the meeting. Members felt it was a real challenge to get through the volume of information.

Members advised the Company that they would like to meet, along with author Sarah Young (SY) and the Company to look further at the assurance questions in detail. They wanted to consider how the Forum would fulfill its response to the questions and would like that meeting before the next main meeting in November.

The Company responded that it understood the Forum's concern around the volume of papers and the delay in papers being circulated to Members. The Company agreed that there are some things it can do to get papers to Members quicker. In this instance, the papers were ready in advance of the original Forum meeting date of 19 September but wanted to make sure the Forum had the latest picture for the October date.

The Company updated that it was right in the detail of PR24; work was progressing quickly and seemed very different to PR19. For the first time, the DWMP and WRMP aligned with the periodic review process. This was helping drive the plan, especially as so much in these two pieces of work was being driven by Government decisions and policies.

Members advised that understanding customer preferences was more critical than ever for the Company's planning process. Given the cost-of-living crisis was impacting on customers, the Company needs to be absolutely clear about what customers were thinking. The Forum wanted to see that through its engagement processes, the Company was really on top of this for PR24. Customers needed to understand what the implications would be for them.

5. Early Observations on the Plan

Members had been supplied with a paper which was taken as read, and Andy Duff (AD) gave an overview, covering key points.

One of the issues for early consideration was the approach to bespoke PCs, with significant changes being proposed by Ofwat. Members were asked to consider early views. Members observed that if PCs were not related to a financial penalty or reward, then the Company could determine what it publishes and commits to. Members would encourage the Company to find ways of retaining some of its bespoke PCs where there was demonstrable customer support. Commitment to customers was part of delivering an excellent customer service and demonstrating how the Company performs against measures customers were keen to see, was a big part of this. There could be a danger of losing some important measures such as the water environment ODI which was important to customers. To support this the Company would need to back this up with evidence from research that customers really supported this position and were willing to pay for this.

Members challenged the Company that if the route the Company decided to take in relation to bespoke PCs included challenging the emerging regulatory proposals, then it needed to have a robust case based on strong customer engagement. **CHALLENGE: Company.**

With regard to enhancement expenditure, Members advised that the Company needed to have a strong business case and strong evidence base in relation to PR24 and to make sure customers understood what was being proposed.

Members asked what was being requested of the Company around Nutrient Neutrality. The Company explained that where developers were required to meet the principle of nutrient neutrality, developments were on hold until they could purchase nutrient credits that allow them to then offset the development. In order to tackle that, the Government had proposed that the Company should reach what are known as technically achievable limits at sewage treatment works, which would be a very expensive programme, and would have a very small environmental benefit. A much better way of tackling that would be through catchment management options, such as seaweed farming which removes those nutrients rather than having to take it out at source.

With regard to the identified themes in the paper, Members asked how much work had gone in to identify whether these were the right things or whether there needed to be more of a step change. Members felt some of the wording didn't seem ambitious enough to show a real step change. Members would like to see the Company being very clear about how it was approaching resilience for PR24, the implications of that and where it sits in priorities. Members felt that the Company needed to clarify what it was doing with regard to cyber security issues. The Forum would like to have a deep dive with regard to asset health maintenance. The Company suggested Monisha Gower, Asset Management Director should join the Deep Dive. **ACTION: Company.** The Company responded that it had done an extensive piece of work with customers which looked at ambitious goals to check whether they were still appropriate and were there any gaps. The Company would bring that together with AD's paper so the Forum could see whether that backed it up or not. **ACTION: Company.** With regard to cyber security, the Company thought it would be useful for Tony Smith, IS Security Manager to update the Forum on what is proposed for PR24. **ACTION: Company.** The Company advised it had been through a rigorous cyber incident exercise and it had performed very well in that.

6. Long-term Delivery Strategy

Members had been supplied with a paper which was taken as read, and AD gave a high-level overview.

Members said it was good that the Company was pulling together and updating its long-term strategy, and asked if there was strong customer understanding of what it was proposing. Members commented that it was a little bit abstract, saying the aim is to have an NPS of +70 is ambitious but there wasn't definition of what does that look like, how customer service would be delivered, and what would be important in 25 years. For enhancements schemes, Members noted that each enhancement needed rigorous customer engagement in localities, similar to how a local authority would for a large scheme, and challenged the Company to demonstrate this clearly in any emerging proposals. **CHALLENGE: Company.**

Members also commented that they would expect climate change to feature on the long-term agenda and this needed to be discussed with customers to give an understanding of the impact on the services the Company provides.

The Company advised that they were doing a lot of work on climate change, looking to 2050 and assessing priorities. Members commented that while this was going on in the background it would be good to see the Company show how it was leading. **ACTION: Company.**

Peter Vicary-Smith (PVS) asked for Members' views on a discussion at Board PR24 sub-group on leakage and whether there should be a 50% or 40% reduction target. As ESW already performed well the percentage reduction target was becoming much harder to achieve. Members considered whether it would be more meaningful to set an absolute level – for instance in terms of litres per kilometre. Members advised that this appeared to be a good approach to take, but may not be easy for customers to understand, and perhaps having both measures would be useful.

On inland bathing waters the Company advised they were working with catchment partnerships in the North East and looking at two options.

7. DRAFT WRMP 2024

Members had been supplied with a paper which was taken as read. Will Robinson (WR) presented some slides to summarise the position.

Members asked why Berwick WRZ was not included as in previous updates. The Company responded that providing it delivers all of its AMP7 WINEP commitments in terms of reducing abstraction and drilling a new borehole that will spread the abstraction in the Berwick area, no further abstraction sustainability reductions or new supply schemes would be required .

Members stated they wanted to hear more about the compulsory metering programme, including how that would be managed and how customers would be supported. **ACTION: Company.**

Members queried the removal of water transfers in Suffolk. The Company advised that while these were an early option, following discussion with neighbouring water companies this had become unviable due to network constraints and had been ruled out.

Members were concerned that some decisions were not being made until 2027 and questioned if this would give the Company enough time to evaluate if the demand management plan was working or not. The Company acknowledged this and said it was a very challenging plan.

Members expressed concern about implications for business in the Suffolk region. NS would work with the Company on the next stage of the consultation with communities and businesses. NS wanted to know about the ongoing public consultation and stakeholder engagement on this issue and whether those the Company was consulting with were able to make sense of the issues being presented to them.

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