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THURSDAY 7 APRIL 2022

MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS

MEETING NOTES

**PRESENT:**

For CCW: Graham Dale and Barbara Leech

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: Simon Roberson (Independent) and Lesley Crisp (Independent)

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

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

Water Forum Independent Author: Sarah Young

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

For the Company: Louise Hunter, Keith Haslett, Richard Warneford, Jim Strange, Will Robinson, Ross Smith and Elaine Erskine

Jill Slater and Judith Huffee (Water Forum Secretariat)

**NOTES AND ACTIONS**

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

James Copeland (JC) welcomed Members to the meeting.

Apologies had been received from Melanie Laws and John Torlesse.

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

Sarah Young (SY) updated the Forum that the Challenge and Action Log had been updated to show current position, but noted that it was important to keep some information on there as we enter PR24. Graham Dale (GD) suggested Sub-Group Chairs take a look at the Log to make sure they are happy with their areas. **Action: Sub-Group Chairs**

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

**3. Members' Deliberation**

JC informed the Forum that Melanie Laws (MJL) had received a briefing from Andrew Beaver (AB) on the situation around Flow to Full Treatment.

Members noted that other companies have issued statements on this topic and wanted to know what the Company's plans were and if the Company would be issuing a general intentions statement. Members would like to keep updated on this topic. **Action: Company**

With regard to the PR24 Customer Engagement Review paper, Members expressed concern around the connectivity of people sitting on different groups and also what Ofwat's role will be on these groups.

Members asked for an update on if the Company had done anything regarding the Darlington boil notice incident to show appreciation for how the community had reacted to the situation. The Company updated that it had done some research with customers in Darlington to find out how they thought the incident had been handled and what could have been done better, and for every survey completed, the Company made a donation to a local cause. There was 887 responses and it will make two £500 donations to the two main Food Banks in Darlington and the final report will be circulated to Members when it is available. **Action: Company.** The Company are also pulling together two Just an Hour sessions working with some local charities, but are also hoping to set up an ongoing link with the two Food Banks so that there are regular volunteers going in to help out.

With regard to the Water Resources Management Plan paper, Members expressed concern around whether the Company would support the Fens Reservoir depending on when the environmental destinations reductions are required. A concern was raised was around leakage in the North compared to in the South as Essex has the lowest leakage in the country but are still required to find a 50% reduction on it. Members would like to see the Company deliver the 50% reduction, but with a greater proportion from its Northern operating area. Members expressed concern about desalination plants in the short-term and how that would fit with any carbon and energy reduction targets.

Members highlighted that there is so much going on within the Company and wider area around policy that will impact customers and it is important that the Company helps keep the Forum informed.

On the Regulatory update paper, Members thought it would be helpful if the Company could update on its position on Net Zero by 2027, especially on the issue of embedded emissions and emissions from the use of chemicals and disposal of sludge to land. Members were keen for the Company to clarify their position. **Action: Company**

#### 4. General Company Questions

JC welcomed the Company to the meeting.

##### CEO Update

On Storm Arwen, Jim Strange (JS) updated that while the Company felt it had responded very well to the Incident, there was always scope to learn and improve and had therefore instructed Jacobs to carry out an independent review. A meeting of the Performance Sub-Group would be organised to have a more in-depth discussion as part of the annual performance discussion. **Action: Company**

Members thought it would be good to bring the matter of Nutrient Neutrality to the Environment Sub-Group. The Company agreed. **Action: Company**

##### Darlington Boil Notice Incident

Keith Haslett (KH) gave an update on the recent incident which had taken place at Broken Scar Water Treatment Works (WTW) in Darlington.

The Company updated:

Darlington is served by Broken Scar WTW. On late evening Monday 31 January/early hours of Tuesday 1 February, there was a fault with a non-return valve on the secondary stage. The WTW was taken offline in the early hours of 1 February due to the concern that potentially partially treated water that had gone in to supply, and there was a potential cryptosporidium risk. There had been no failed samples at that stage.

Following discussion with Darlington Borough Council and the UK Health Security Agency a Boil Water Notice was issued. Approximately 32,000 properties were impacted by the incident. The Company used traditional media, social media, leaflet drop to all properties in the affected area and through

stakeholders and partners. Priority service customers, health providers and schools/colleges were contacted and 69,000 bottles of water were issued.

A full sampling programme was carried out and all samples taken were clear.

The Company had been on an education exercise with the local MP and Louise Hunter (LH) has met with him several times so he can understand what is involved and what happened during the incident, which had been incredibly helpful. The Company had also met with the Local Authority to discuss what happened and to better join up communications in the future. The Company also had Flo, their customer engagement vehicle, and their Customer Heroes in Darlington Town Centre to give people the chance to talk about their experience and to flag issues around priority services and affordability.

Members noted:

- The Company confirmed there were 55 sites as part of the HazRev programme and there was a review of all hazards across water supply sites. Broken Scar was not part of the first wave, but is in wave three. The Company were currently in the middle of wave two.
- The Company responded that media work had gone very well, with coverage contained to the Darlington area, and it was very pleased with social media. What the Company felt had let it down was that stakeholders went public with information without fully understanding what was going on. The Company had discussed this with the Local Authority and MP.
- The Company had held a lessons learnt process and run three separate workshops. There were processes that had been improved, including in relation to management of critical assets.
- The Company advised that it is a Defra requirement for Boil notice cards to be issued and dated accordingly. It was seen as a way of guaranteeing that the customer had been informed as not everybody has access to social media, internet or other forms of communication. They advised this was an industry-wide approach and regulatory requirement. The Company did advise they would be speaking with the Regulator on this and discussing other solutions.

### **Saltburn Incident**

Richard Warneford (RW) gave an update on the recent incident that had taken place in Saltburn. Members noted that there was very positive praise for the Company around this incident.

The Company updated:

Saltburn is a seaside town just south of Middlesbrough. A contractor working on behalf of Redcar and Cleveland Council had been working in the car park when a sheet pile, as part of riverbank stabilisation work, was driven through the pipe which crosses underneath the watercourse.

The Company and Esh, their framework partner, worked on a construction plan to carry out a repair and install environmental mitigation measures. The location of where the main was damaged, next to the watercourse, made this a complex repair. The team came up with an innovative idea to build a bespoke mini treatment works.

This was the first time within the industry, a bespoke facility had been built to this scale and so quickly (the initial incident occurred on a Wednesday and by the Saturday a treatment works was constructed). The plan was to construct a treatment works that would capture as much of the flows from the pipe as possible and would help protect the environment.

The Company worked closely with the Environment Agency (EA). To further help protect the environment they ran tankers continuously and placed straw bale dams in the beck to collect debris.

Once the treatment works was built, they started to excavate the pipe and assess what equipment and fittings were required to fix it. After digging down almost five metres to the pipe, damage was also found to a second pipe, adding to the repairs needed.

It took five weeks to fully complete the repair of the pipes damaged and remove the temporary treatment works and other mitigations.

Members noted:

In terms of mobile treatment plant it would be good for the Company to share best practice across the industry. The Company responded that it had shared through the Water UK Operations Strategy Group, so everyone was aware of the approach taken. Something like the mobile treatment plant wouldn't always be available. Members thought it would be a good idea to have one of these available to the sector in an emergency and RW agreed to raise this point. **Action: Company**

### Flow to Full Treatment

RW gave an update to Members advising the Company had responded to letters from Ofwat on 30 November 2021, 22 December 2021 and at the end of January 2022, and supplied over 30 million lines of data to the EA.

There were two parallel investigations and the Company was waiting to hear back from the EA. On 8 March the Company received a S203 Notice from Ofwat, which is a legal instrument requiring the Company to provide information. The Company was disappointed to receive that, along with four other companies that are all still being investigated.

The S203 Notice highlighted three concerns:

- Number of sites where the Company had not provided them with an assessment of Flow to Full Treatment.
- Methodology.
- Making sure it had the right systems of planning and control governance in place.

The Company had now responded. Out of the 184 Sewerage Treatment Works (STWs), there were only four with Flow to Full Treatment permits where there are potential non-compliances. Two of these sites had already had new pumps installed. These four sites, where there is a bathing water, have either a Good or Excellent rating, there had been zero pollution incidents from these sites so everything pointed towards a negligible amount of harm, if any.

The Company had agreed to bring forward some installation of monitoring at 19 sites, which would otherwise not have happened until AMP8. These are slightly larger sites, where the risk could be deemed higher. Installation at some other sites was already planned this AMP, and our plan is to have 80% of the population equivalent (PE) measured by the end of this AMP, with the remaining fully covered by these new Flow to Full monitors in AMP8.

The Company had also set up an independent review of compliance, to give confidence in the approach it is taking. This had been discussed by the Board and Risk and Compliance Committee in detail, and the approach signed off. Internal Audit had carried out extensive reviews, as well as Jacobs and Wood, the Company's external partners.

Members asked what reaction the Company was seeing from customers and if they were conflating this with other issues. The Company responded that it performs well environmentally but customers would hear things in the media and conflate issues.

With regards to the four sites, Members asked how the Company established there was negligible evidence of harm. The Company responded that it was based on what was currently monitored and measured. Members asked if it was based on chemical monitoring by the EA or any other agency, to which the Company clarified it was not, other than the bathing water sampling carried out by the EA.

## 5. Water Resources Management Plan (WRMP)

Members had been supplied with a paper which was taken as read, and Will Robinson (WR) joined the Forum for this item and gave a presentation on the current position – see Appendix 2.

Members asked for a reminder on the customer consultation. The Company responded that it had carried out a first level of customer engagement through Water Resources East and Water Resources North and over the next four to six weeks would start a water company level customer engagement programme.

On leakage, Members thought it would be good to know the differences between the targets of a 30%, 40% or 50% reduction. The Company responded that it would shortly review the demand options and costings to make sure the detail is correct, and would share that information in the coming weeks.

**Action: Company.**

Members were uncomfortable with the thought process on desalination vs construction of reservoirs. The Company responded that it is not where it wants to be but all solutions need to be considered and that is why it is keen to hear everyone's views and whether there is scope to go for a lower carbon solution. Members thought it would be interesting to hear what customers think about the Company's options.

## 6. PR24 Customer Engagement Review

Members had been supplied with a paper which was taken as read.

The Company updated:

- Experience from the last Periodic Review and the CMA is that customer research had not been given the weight the Company felt it deserved and was not taken as credible, which was disappointing. The Company did not want to end up in the position again.
- CCGs were not seen as independent enough and this needed to be addressed as there would be a risk of getting to the same position as last time.
- Not all companies were in the same place and NWG believed that it has a really good CCG. The Company values the Forum, it considers it to be very independent and challenging, with good governance in place to support that including the Nominations and Review Committee, independent Author, and Challenge Log.
- The Company was keen to see the Forum's independence, diversity and expertise strengthened, which it thinks will help meet some of the criticism by the CMA and Ofwat.
- The Company proposed creating a Customer Engagement Panel as a Sub-Group of the Forum which would be made up of newly recruited customer research experts. This Panel would look at the technical aspect of customer research, challenging the Company as to if it was well designed and objective.
- The paper was still in development and the Company wanted to get Forum views.

Members advised:

- It would be useful to have a diagram to explain the structure and process. **Action: Company**
- It would be helpful to understand budget levels.
- There would be some things that those who focus on customer research won't be able to do and may have to give up.
- Those in CCW will be in a tricky position in having to choose between groups and asked for clarification on how that would work.
- CCW members were unsure of how they would manage this as an organisation, but supports the greater emphasis on research. The Company responded that it was very interested in how other companies planned to manage that.

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- Clarity is required on how the Forum and Customer Engagement Panel would work and how they would present their findings. The Company advised it had looked into this and Scottish Water's was a good example and they would forward details of it. **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.**