
MONDAY 21 SEPTEMBER 2020

MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS

MEETING NOTES

PRESENT:

Chair and Independent Member: James Copeland (Vice Chair)

For CCW: Graham Dale and Simon Roberson

For Environment Agency: Melissa Lockwood and Roger Martin

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

For the Communities theme: Mary Coyle (Independent)

For the Customer theme: Lesley Crisp

For Economic Impact theme: Steve Grebby (CCW) and Iain Dunnett

Water Forum Independent Author: Sarah Young

For the Company: Andrew Beaver, Keith Haslett, Louise Hunter, Richard Warneford, Jim Strange, Martin Lunn, Will Robinson, Anthony Browne, Linzie Pentleton, Ross Smith and Elaine Erskine

Jude Huffee (Water Forum Secretariat)

NOTES AND ACTIONS

1. Welcome, apologies and aims of the meeting

James Copeland (JC) welcomed members and advised he would be Chairing in place of Melanie Laws who sent her apologies.

Apologies had also been received from Melanie Laws, Hannah Campbell, Stephen Rothera, and John Torlesse, Natural England, Sarah Glendinning, CBI and Mark Reed, Newcastle University.

Margaret Fay (Independent Non-executive Director) also sent her apologies.

JC said the meeting would cover the environment theme to understand the current Company position on Energy and Carbon, Water Resources Management Plan, Drought Plan and Drainage Wastewater Management Plan.

Members noted that they had no interests to declare.

2. Notes and actions from the last meeting

Members agreed the 24 June 2020 meeting notes with one correction – section seven, sixth bullet – add in 'no' before penalty.

3. Forum programme

Members noted update programme would be issued by Friday (Action: Company) which will include Environment, Drinking Water Quality (DWQ) and Inclusivity Sub-Groups future dates. Members of groups have been invited; however, any member interested in attending to advise Company. Focus will now be placed on organising the Performance and Delivery, Customer Engagement Sub-Groups and Nominations and Review Committee meetings. Future main meetings will include section for feedback from Sub-Groups to make sure all members have an understanding of the Company work in these areas.

4. Members' deliberation

Members had been supplied with the following meeting papers:

- Energy and Carbon Strategy
- Water Resources Management Plan and Drought Plan Update
- Drainage & Wastewater Management Plans

Members deliberated on the papers they had received and prepared for discussion with the Company. Members noted that the papers were useful, and they were keen to hear the verbal update on the Environmental Performance Assessment 2019.

Members agreed the DWQ Sub-Group will lead on the Water Resources Management Plan and the Drainage and Wastewater Management Plan would be led by the Environment Sub-Group.

5. The Company joined the meeting

JC welcomed the Company and welcomed Andrew Beaver and Keith Haslett who recently joined the Company's Executive Leadership Team.

Digital Innovation Festival 2020

Members who had taken part in the Digital Innovation Festival fed back on how well the event was organised and highlighted the Customer Fan Zone, which had been a good way of involving customers.

Steve Grebby (SG) had taken part in the blockage sprint, some good ideas came out of it, mainly focused on removing blockages from pipes and not on behavioral change. SG has spoken with the Company to highlight the national campaign on blockages, as SG felt the Company were best placed to Chair the group and take the lead following the work that has already been done. The Company is keen to push this forward especially with the positive results from the Bin The Wipe campaign and will take this on board and action. (Action: Company)

Customer Satisfaction

Members noted that the CEO update was very useful. One area of concern is the scoring for the UK Customer Service Index (UKCSI) score, which shows the Company slipping back and therefore seems to be contradictory from other results. The Company advised they are still doing a deep dive into UKCSI to understand. They have seen differences in the different measures used including CCW Water Matters, their own Company tracking, KPMG Nunwood and others, and it is difficult to get consistent measures across them all with them being perception based. There can also be statistical reasons behind this, due to the numbers involved in the survey or due to specific events at that time (for example when nationalisation was being discussed it impacted on water company satisfaction scores). Company is disappointed with UKCSI; however, they have seen good results and improvements across other measures.

Members noted it would be good to come back to this when the deep dive in UKCSI scores is complete and are interested in seeing the next six-monthly UKCSI scores when they are published. (Action: Company)

Storm Overflows

Members noted the recent increase in media and reports on river water quality and were keen to understand the Company position.

Company advised it currently has 1,500 storm overflows all consented by the EA and agree the issue is not going away. They are currently working on a specific Storm Overflow strategy to better understand the network. It is a complex issue and requires multiple solutions: for example in 2019 13% did not spill and 11% spilled over 60 times all operating under consent. Understanding the local issues is essential. 97% of the Company storm overflows are monitored, this data will allow the Company to understand how the network operates and review historic data to understand if the frequency of spills has increased and if climate change and urban creep have had an impact. There was also a brief discussion about escapes from the sewage network into the wider environment (gardens, parks, agricultural land) and data on this would be useful as part of a deep dive. (Action: Company and Environment Sub-Group)

It is essential to work collaboratively with industry, landowners, etc as river water quality is affected by many sources, not just storm overflows. Using this information and research into why and when it happens a strategy can be built; however, it will take time and money.

Members noted that this was an important piece of work and advised that the PR19 customer research should be reviewed to make sure the strategy reflected the wishes of customers.

Members asked for a high-level paper and then a subsequent deep dive with the Environment Sub-Group so they could understand the findings and the strategy. (Action Company and Environment Sub-Group)

Water Safety

The Company noted an increase in people using the reservoirs post lockdown, but that many did not know the dangers. Company to follow up on work with Natural England and any other partners. (Action: Company)

AMP 7 compliance

Members noted the Company had carried out a review on how we operate and how we will deliver their AMP7 programme, with two new planning teams, water and wastewater, who will monitor and assess performance over the AMP and track with a clear set of processes in place. These include those the EA are tracking.

National Water Efficiency messaging

Members noted the Company is working nationally to look at water efficiency with retailers and non-household customers on how they can become more efficient and had recently responded to the RWG Joint Industry Action Plan Consultation. (Action: Company to send copy of response)

6. Environmental Performance Assessment

Richard Warneford briefed members on the Environmental Performance Assessment (EPA). Members noted:

- Environment Agency will issue their report in the next few weeks;
- the Company position for 2019 will see the Company graded as two-star, due to five failures which made the discharge permit compliance measure 'red', with any red measure resulting in an automatic two-star status;
- discharge permit compliance occurred when permitted concentrations were breached at two sewage treatment works (STWs);
 - one failure related to an issue with a third party disposing of unauthorised trade effluent into the sewage network, Company is currently working with third-party; and
 - two failures at Billingham STW – the works was not performing as it should, and a chronic incident team was set up to investigate and bring site back to the required performance levels.
- in late December 2019, complications were encountered with a batch of samples relating to a further three STWs. In addition to the 'real' samples taken from STWs, each batch of samples contains a number of quality control samples, of known concentration, which are used to check that the laboratory analysis process is producing accurate results. On this occasion, however, the results for the quality control samples were outside the strict tolerances required by their laboratory accreditation for one parameter, biological oxygen demand (BOD). This meant that the results for the real samples from the three STWs could not be relied upon for this one measure and were null and void. All other parameters were passed comfortably. These occurrences are not uncommon and form an important part of the routine laboratory quality control procedures to ensure strict standards are maintained. Ordinarily, had this occurred earlier in the year, additional samples would then be taken, and the analysis repeated, something the EA reporting requirements make allowance for. Since this occurred in late December, there was no time remaining in the reporting year to re-sample, and hence the EA classifies these as 'missing samples' which by default are classified as failures;
- the Company also experienced issues at Mosswood water treatment works (WTW), following operational changes to benefit ecological work taking place on site that impacted on the raw water entering the works. A process is now in place to ensure all WTWs review environmental discharges daily; and
- the Company is disappointed with the two-star grading and is currently in a good place for 2020.

Members were keen to understand how to explain this scoring and performance to customers on website. Company would like to work with members to help develop how they can have this conversation with customers. (Action Company and Environment Sub-Group)

7. Energy and Carbon Update

Members had been supplied with an update paper on current performance and future plans prior to the meeting and they were taken as read.

Members noted:

- The Public Interest Commitment (PIC) the Company is leading with Yorkshire Water and Anglian Water on the industry Net Zero commitment, has been effective and well received and has been picked up by the United Nations as one of only 20 partners in their race to zero. The work so far has produced a very technical appraisal of what might be possible for the sector to achieve.
- Company continues to make good progress – greenhouse gas emissions are now just 45% of 2008 levels, and when green electricity purchase is considered it stands at an 80% reduction.
- The Company's emission reporting received ISO14064 accreditation – demonstrating accurate and transparent reporting with no recommendations for future changes. A couple of challenges were received for the reporting process, which have been backdated to all previous reports, but there is no change in terms of the overall trajectory.

- Emission sources that need a focus on are:
 - new electricity supplier needed due to Orsted pulling out of the market;
 - natural gas is used in offices for heating and upgrading the systems is now being investigated. The Company also uses natural gas at their AAD sites, Howdon and Bran Sands, further investigations are required on how we can change the process;
 - Company fleet is a key issue and work is currently taking place to look at biofuel for tankers and electrification across their wider fleet, with discussion taking place at the Innovation Festival on viability and options;
 - renewable energy plans are on track – large scale solar to be installed across Company sites in 2021; and
 - a need to focus on process emissions and contractor emissions.
- Company is on track to meet its regulatory commitments for greenhouse gas emissions in AMP7;

Members asked for clarification on the emissions chart, figure 3 in paper; they noted changes were due to Bran Sands Gas to Grid plant coming online and biomethane now being used to run the Howdon site, rather than injected into the grid.

Company agreed a step change is required to hit the 2027 net zero target. The graph shows Company is not on a glidepath to meet this and significant work is required particularly around their transport with innovation key to Company achieving goal.

Members are concerned that to meet target this could impact customers and there was a need to minimise risk to increased bills for customers. Company noted concern and said that opportunities need to be investigated and would be reported back to Forum. (Action: Company)

Members noted that the energy and carbon work is part of the wider environment strategy and a wide range of work is to be looked at including carbon sequestration. Company to bring full strategy with wider implications to biodiversity and ecology to reduce any adverse impact. (Action: Company and Environment Sub-Group)

Members noted transparency on carbon emissions data was important to Company, especially to retain ISO standard, and it was essential the Company communicated their carbon plans and position effectively in a way customers can understand while keeping customer confidence in the information they are receiving.

Members noted the Company is looking at how to address embedded carbon in capital projects and across its procurement chain. Company had responded to APR consultation, essentially suggesting that they would carry out nonpublic shadow reporting towards the end of this AMP in order to fully understand and would work as a sector to agree consent.

8. Water Resources Management Plan

Members had been supplied with a paper prior to the meeting and this was taken as read.

On the Water Resources Management Plans members noted:

- main change for this periodic review is a three-tier approach on water resources planning – national, regional and company/operating region;
- National – will set out what England's future water needs are, in particular the potential shortfalls of water availability by 2050. Due to Kielder in the north and Abberton in the south the Company is seen more as a donor company due to adequate resource levels;

- Regional – Company is a member of Water Resources East and Water Resources North and is currently involved in preparing a supply and demand forecast for the next 60 years and identifying what options there are to resolve any deficits, both regionally and nationally; such as with Kielder, which is seen as a national resource, and whether there is an option to develop a national pipeline to bring water down from Kielder to the south via Yorkshire and so on. The groups are required to look at options for best value and are working with other sectors, in particular the power and agriculture sectors. Regional plans need to be reflected in Company plans with draft plans for both regions to be submitted by August 2021 and Company plans submitted by August 2022;
- Company is currently updating their water resource models to allow more complex assessments to take place, particularly for drought resilience assessments. For example, there is a need to demonstrate resilience to a drought with a return period of one in 200 years or one in 500 years, which are the new targets in the latest planning guidelines. This will enable the Company to undertake more robust climate change assessments; and
- there will be a supply deficit in the Suffolk area, in Blyth and Hartismere supply zones, due to the construction of Sizewell C and other non-household demand that has taken up surplus resources. Company is currently developing a scheme to gain 3-5Mld per day as part of their next plan and for PR24.

On the Company Drought Plans members noted:

- main changes to next drought plans are to make them more of a tactical plan than previous plans and to make them more customer friendly;
- they will include drought actions such as appeals for restraint, temporary use bans, drought orders in terms of non-essential use. They will also include level four plans (the last resort), which the Company have never previously had to implement, but these include measures such as pressure reduction which the Company believe is more viable than standpipes;
- main aim of plans is to do more at level three and discussions are being had with the EA regarding this; and
- pre-consultation letters will be issued to all key stakeholders to gain opinion, including to Water Forum members.

Members questioned that if resources, such as Kielder, are seen as a national resource what impact this will have on demand. Company advised that demand forecasts work is being carried out across the industry using Edge Analytics to understand the whole picture as well as that of individual company areas. In the North the emerging hydrogen economy and in Suffolk the big growth in meat processing facilities and herb growing facilities need to be understood and what impact that would have on resources. Company stated it was essential they make sure their customers' water supplies and protecting their region's environment comes first before feeding into a national resource.

Members noted that Company through their wholesale team are working with non-household customers to understand their water requirements and how they can use water efficiently including recycling of water.

Members noted that the changes in the way people are working across the country, less travelling to work, improvements in connectivity and COVID-19 are impacting on water usage in regions. In Essex usage is 10% above expected levels with up to 30% on some days, similar situation in Suffolk but not as big a change in the North. If changes to ways of working continue, such as more people working from home in Essex rather than commuting to London, demand during the day will increase and the ability to reduce per capita consumption (PCC) will be a challenge, while for Thames their demand will decrease. It is an area that needs to be recognised and PCCs need to be recalibrated and a rebase needs to be considered for PR24.

Members noted that there is a lot of work taking place on environmental ambition, and a key area in the south is on chalk streams. Company abstracts from one chalk stream but further downstream in the Broads, so no impact at the head waters. Company chalk borehole abstractions are included in the WINEP for investigation which is well underway and an agreement on levels of abstraction will be made. There is an argument to go further, but the cost of reducing abstraction, how this is funded and if there is customer support for this needs to be understood. For the north environmental net gain is key and the Company is investigating how this can be developed. One route is through catchment management schemes.

9. Drainage and Wastewater Management Plan

Members had been supplied with a paper prior to the meeting and this was taken as read.

Members noted:

- this will be the first time a Drainage and Wastewater Management Plan had been produced;
- there is a national steering group and a framework to follow which is laid out in stages;
 - Risk Based Catchment Screening (RBCS) – this approach involves the assessment of every drainage area against a range of indicators (20 in total for Company), with a view to identify those catchments that require a further detailed investigation. Of the 485 drainage areas, 330 are going forward to the next stage;
 - Baseline Risk and Vulnerability Assessment (BRAVA) – to assess the baseline position of system performance (for PR24 assumed to be 2020) against the planning, and to understand the wider resilience issues within the catchment;
 - Problem Characterisation – the more detailed approach to understand the nature of the problem;
 - Option Development and Appraisal – the outputs from the BRAVA and problem characterisation provide an indication of the planning approach to be taken which are appropriate to the complexity and scale of the risk identified;
 - Programme Appraisal – to ensure the plan aligns with the Company’s overall objectives and commitments, its best value for customers, whole system thinking and partnership working. Customers and stakeholders have been engaged throughout the process;
 - Final DWMP programme – to be published March 2023; and
 - Business Plan Development – Outputs from the DWMP are part of the PR24 business plan.
- as part of the work a Customer portal is being developed and the Company is looking at what this would cover and understand how a customer would use this and why. One example is when buying a new home to look at flood risk. Company is currently carrying out customer engagement to help with the plan; and
- the EA have asked Company as part of the project to look at rising ground water in the North East to understand the impact and also consider river levels and flows under drought conditions.

Members noted that while the Company is carrying out customer research it will be sharing this work with the national group including lessons learned. This will also be shared internally as these research sessions are the first we have delivered virtually.

Members commented on their experience of using the online research tool and found it useful, and are keen to see the feedback at the end of the sessions. They advised that the Environment Sub-Group is there to be used as a sounding board and Company agreed to bring further details of the work to the Sub-Group.

Members challenged Company to take a holistic approach to its plan and not just look at the economic benefits. The Company is keen to follow this approach and look at the knock-on effects to the environment, flooding, bathing waters and the need to look at the whole picture.

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