

MINUTES OF THE WATERSHARE + PANEL MEETING (PUBLIC) – 28 March 2023

Present

Panel Members:

Lord Matthew Taylor – Chair (MT)
 Nick Buckland – Vice Chair (NB)
 Peaches Golding – Chair Bristol Water Challenge Panel (PG)
 Tony Denham – Deputy Chair Bristol Water Challenge Panel (AD)
 Carole Theobald (CT)
 Mark Duddridge (MD)
 Adrian Bratt (ABr)
 Richard Lacey (RL)

In attendance:

Independent Report Writer - Jeremy Hawkins (JHa)

Customer attendees:

Customer 1 (C1)
 Customer 2 (C2)
 Customer 3 (C3)
 Customer 4 (C4)
 Customer 5 (C5)
 Customer 6 (C6)
 Customer 7 (C7)
 Customer 8 (C8)

Expert Advisors:

Catherine Jones – CCW (CJ)
 Kevin Ward – EA (KW)
 Fergus Mitchell – NE (FM)

SWW Representatives:

Susan Davy – Group Chief Executive Officer (SD)
 Dr Lisa Gahan – Group Director of Regulatory, Strategy and Asset Management (LG)
 Louise Rowe - Group Compliance and ESG Director (LR)
 Adele Barker – Group Chief People Officer (ABa)
 David Harris - Group Drought and Resilience Director (DH)
 Jon Hill - Head of Regulation Projects (JHi)
 Sue Clarke – Head of Customer Strategy and Research (SC)

Apologies:

None received

1.	Welcome and introduction to the meeting
1.1	MT welcomed everyone to the WaterShare+ (WS+) Panel public meeting, particularly the customers that had joined. He said he appreciated the attendance of customers, adding that they effectively become part of the Panel for the day in its review of SWW’s performance and service activities.

1.2	MT explained the constitution and role of the WS+ Panel in representing consumers in its scrutiny of the company's delivery of its current Business Plan commitments in the current Price Review period (PR19: 2020 – 2025). The Panel focusses primarily on performance areas where there are delivery issues, where customers have raised concerns or where external events such as drought are having an impact. The Panel is supported by independent advisors from the Consumer Council for Water (CCW), the Environment Agency (EA) and Natural England (NE).
1.3	MT said that the most important attendees at today's meeting are the customers, some of whom have submitted questions in advance. The Chair invited further questions from the customer attendees during the meeting.
1.4	All Panel members and the expert advisers introduced themselves.
1.5	The CEO of SWW welcomed the customers attending the meeting and introduced the SWW team. She expressed gratitude for the time people are committing to today's meeting.
2.	Approval of minutes
2.1	The minutes of the meeting held on 13 December 2022 were approved.
3.	WaterShare+ Performance Report
3.1	The company provided an overview of its performance in 2022/23 (up to and including January 2023) against its PR19 performance commitments and its forecast for these for the year end (end March 2023). The slides presenting the detail on this were taken as read.
3.2	MT thanked the company for its presentation. He said it was clear where performance is on track and where work is needed. He suggested that the company presented its Water Company Performance Report (WCPR) Action Plan before any questions on current performance are posed.
4.	Water Company Performance Report (WCPR) Action Plan
4.1	The company explained that the WCPR is a document produced by Ofwat comparing the performance of the 17 largest water and wastewater companies in England and Wales against twelve common commitments. Companies who are deemed by Ofwat to be lagging in performance against these commitments are required to produce an Action Plan to ensure improvements are being made. The company was deemed to be lagging in five areas and it outlined its action plans for each of these.

4.2	<p>MT thanked the company for its presentation. He noted that a lot of important detail had been included.</p>
4.3	<p>KW said that the EA broadly agrees with the points made in the company's presentation. It welcomes the reduction in pollution incidents and improvements in discharge permit compliance in 2022/23, while noting that performance is being compared against the low base achieved in 2021/22. EA hopes the improvements will continue throughout the rest of the year.</p>
4.4	<p>C2 asked about the company's long-term plans for automatic water meter reading and asked when such meters will be available on customer demand.</p>
4.5	<p>LG replied that Automatic Meter Reading (AMR) meters have been installed since 2015. Other types of smart meters are now being employed, with a Business Plan target of 250,000 to be installed by the end of 2025. The 70,000 smart meters outlined in the WCPR customer service action plan is over and above the Business Plan number. This forms part of the company's Smarter Healthier Homes initiative. This is focusing on specific geographic areas so that wider benefits beyond reducing water usage, such as leakage reduction and targeting affordability help, can be obtained. Smart meters will be rolled out across the region in future. Dual billing is also being employed which allows unmeasured customers to have a meter installed to compare their charges with the option to switch if they find a saving, or to remain on their unmeasured charge.</p>
4.6	<p>C1 had attended the last WS+ meeting and reiterated his question; he asked how the SWW executives justify their salaries and the payment of dividends to shareholders while dumping sewage onto beaches. He felt the answer to this question given at the last meeting blamed others rather than the company and would welcome a further response.</p>
4.7	<p>In response SD apologised if the tone of the company's previous response at the last meeting had been incorrect. Sewerage infrastructure is designed to utilise storm overflows to prevent flooding of properties and land during heavy rainfall. This doesn't make this practice acceptable, and the company accepts that it must stop. This can't happen quickly, however. The WaterFit website launched recently sets out the investments planned over the next 18 months to reduce sewage spills at 49 beaches. Similar investment at the other beaches in the region will take place up to 2030.</p>
4.8	<p>Regarding salaries, SD said that the company's independent non-executive directors review these and they take their role very seriously. The company must pay dividends to shareholders to encourage them to invest in the business. Returns to investors are modest compared to many industries and are monitored by regulators. Two thirds of the company's shareholders are charities, pension funds, employees and customers. These groups benefit from the returns and can hold the company to account.</p>

4.9	C1 thanked SD for her response. He said he has another six questions to ask. The company suggested it meets him separately to discuss these. C1 agreed.
4.10	MT said that the Panel welcomes questions from customers as it is very helpful to know where customers interests and concerns lie.
4.11	MT added that the Panel has two sub-groups scrutinising the company's' customer engagement for the forthcoming Price Review and the technical and environmental aspects of its future investment plans.
4.12	C1 asked if illegal connections are causing issues for the company and whether the company knows where such connections are. He also asked if the company employs a risk-based approach to predicting and dealing with mains bursts.
4.13	LR replied that illegal connections mainly come to light after incidents happen. It works closely with developers to ensure new connections are correct. It also uses sewer network monitoring to help prevent pollution incidents and this can also pick up illegal connections to the sewerage system or blockages caused by sewer misuse.
4.14	LG confirmed that the company has comprehensive information on its network and can undertake risk assessments on its deterioration. It regularly updates its risk models. When undertaking mains rehabilitation or replacement work the company looks for synergies with reducing leakage and improving the aesthetics of drinking water. Its risk-based approach enables best value solutions to be obtained.
4.15	RL noted that illegal connections do not just arise from new developments. He asked if the company has agreements with traders to prevent illegal dumping into the sewer network. The restaurant industry can be a particular culprit in this respect.
4.16	LG confirmed that trade effluent agreements are in place and the company frequently reminds traders of their responsibilities. Some traders have installed their own pre-treatment facilities.
4.17	C1 asked why the company doesn't educate the public about sewer misuse. He considers that proactively sending out educational materials would help.
4.18	LR replied that the company has had many customer campaigns on sewer usage. These are periodically refreshed, and the use of social media is increasing. Wet wipes are a key issue and there are industry wide campaigns around these. A government ban on non-flushable wipes would be welcome.

4.19	<p>C1 suggested the company puts together a pamphlet that communicates to customers what it would like them to know. He has received nothing from the company in the last year. He believes the company should improve its outreach and educational materials not only with respect to sewer use but also the work the company is doing to improve its service. This would project a positive public image. The company thanked C1 for his suggestion.</p>
<p>5.</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p> <p>5.5</p> <p>5.6</p>	<p>Drought resilience update</p> <p>DH presented a summary of the information on the company's drought and resilience programme contained in the meeting slide pack.</p> <p>MT thanked DH for his summary and for covering the material succinctly. MT noted that there has been rain in recent weeks and asked how quickly this has made a difference to the resource position and what is likely to happen and over the next few weeks.</p> <p>DH said the overall storage position has increased by a further 2.5% recently but the position is still lower than this time last year. As well as implementing its own interventions, the company needs continued support from its customers and regulators.</p> <p>KW provided an EA perspective on the resource position. EA is pleased to see the company's extensive response to the current situation and the longer-term plan to reduce reliance on surface water sources. This reliance has an environmental impact and plans to minimise this are welcome. The company had a Drought Plan with options ready to go but the testing of this by last year's drought found it, and others in the industry, to be less ready than needed. A huge catch up is required to be ready for future droughts. The DWI, Ofwat, and EA are working together with the company to avoid issues in the future. The company is under a large amount of scrutiny. It is good to hear from the company that reservoir storage quantities have increased recently.</p> <p>FM echoed EA's views. Natural England (NE) had found SWW to be supportive of its views and there are good working relationships in place. NE has concerns in the longer term over the impacts from climate change. It considers that the company hasn't been proactive early enough in dealing with resource issues. NE encourages wider investment in soil health, biodiversity and carbon sequestration across the region to iron out peaks and troughs in river flows.</p> <p>SD replied that the company has been working on catchment management activities since 2006 including the improvement of soil conditions on moorland and farmland. The company wants to do more in the next price review period not just focusing on the resource side but also increasing the ability of land in catchments to act as a natural sponge.</p>

5.7	<p>C1 said that the perception that we have a water shortage in the region and are having to resort to desalination and tinkering seems absurd given the large amount of local rainfall experienced. He asked if water recycling is this one of the company's strategies.</p>
5.8	<p>DH replied that it may rain frequently in the region but not in large volumes. Stresses because of climate change include longer dry periods and shorter and less acute periods of rainfall. There is a need for climate-independent water sources. The company has looked broadly at recycling (particularly from its water treatment works back into storage) but there isn't time to build such facilities in the short term. They may be feasible in the long term.</p>
5.9	<p>MT observed that aquifer water sources have been depleted in the east of the country. The company's reservoirs are primarily fed by abstractions from rivers, not from rainfall. Abstraction is subject to licence conditions with the EA.</p>
6.	<p>Q & A session – submitted customer questions</p>
6.1	<p>The Chair explained that this part of the agenda was to receive and respond to specific questions from customers as well as the Panel. Some questions from customers had been submitted in advance and most had been addressed earlier in the meeting.</p>
6.2	<p>MT noted that some customers who had pre-submitted questions were not in the meeting. These concerned E. coli, network mapping and storm overflows. He asked the company to provide written answers to these questions directly to the customers and to copy these to the Panel.</p>
6.3	<p>C3 asked about billing numbers, specifically the number of properties billed through the rateable value process. He also asked what steps are being taken to assess whether this continues to be the most appropriate method of billing. He has knowledge of sole occupants who are paying a significant amount for their water as a result.</p>
6.4	<p>LG replied that over 80% of its customers have a water meter, with the remaining customer paying by rateable value or on an assessed charge (where it is not practicable to have a meter fitted). The company can help customers with their water use and through its affordability packages and wider social benefit qualification checks to maximise their income and frontline staff always try to make sure customers are on the right tariff. The company's aim is to eliminate water poverty by 2025. The company would also be happy to speak to Citizens Advice about specific customer cases.</p>
6.5	<p>C1 noted that a volunteer from St Austell Foodbank had not been able to attend the session, but wanted their feedback noted; they had flagged how helpful the Company's community team were in supporting customers with their water bills and other needs.</p>

<p>7.</p> <p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p> <p>7.5</p>	<p>WaterFit Live</p> <p>LG presented an overview of the information on WaterFit contained in slides which had been circulated before the meeting.</p> <p>MT thanked the company for its presentation.</p> <p>C1 said he considered the WaterFit website to be very good and questioned the interactions with Surfers Against Sewage (SAS) while noting that anything that notifies the public about potential issues is a good thing. He repeated his view that the company should send a pamphlet to every household and business to communicate what it wishes its customers to know.</p> <p>AB thanked C1 for his feedback and confirmed that the company will continue to provide information to SAS for its service.</p> <p>MT asked how the company currently communicates through paper means. AB replied that it uses bill inserts but does receive feedback that people don't want more paper. The company would be happy to have a separate conversation with C1 on this issue.</p>
<p>8.</p> <p>8.1</p> <p>8.2</p> <p>8.3</p> <p>8.4</p> <p>8.5</p>	<p>AOB and meeting closure</p> <p>MT thanked everyone for taking part. The company had provided a lot of information which he hoped attendees found helpful.</p> <p>MT said that the Panel is currently working intensely on its review of the company's PR24 Business Plan as well as scrutinising the delivery of the current plan and the issues the company is facing on this.</p> <p>NB added that it had been a useful and informative session.</p> <p>The next public meeting will be held on Friday 23rd June 2023.</p> <p>The meeting was closed.</p>