
Appendix

YKY16 _ Summary of our engagement with the Yorkshire Leaders Board



YorkshireWater

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1. Summary of our engagement with the Yorkshire Leaders Board

We have been engaging with the Yorkshire Leaders Board (YLB) since 2021 to ensure that our business plan for Asset Management Period 8 (AMP8, 2025 to 2030) is tailored to the needs of our region. This process has included discussions with council representatives on important regional topics such as flood resilience and support for customers in vulnerable circumstances.

Engagement with the YLB has taken place at two levels: firstly, with council leaders, mayors and chief executive officers who attend YLB meetings, and secondly with a regional roundtable made up of subject matter experts from each local authority. The regional roundtable has allowed in-depth discussions on key topics within the plan.

A summary of the key themes addressed during the latest Regional Roundtable (held on 11th July 2023) and YLB meeting (held on 28th July 2023) is tabled below:

1.1 Summary of key themes from YLB regional roundtable

Key theme	Detail of the Ask	Our response
Flooding and storm overflows	<p>Yorkshire Water (YW) and local authorities to work together in the planning process to enable the delivery of wider benefits.</p> <p>YW to provide details on localised commitments for bathing water quality.</p> <p>Increase collaborative working with councils to identify areas with investment in 2025-2030 to plan integrated approach.</p> <p>Maximise the use of partnerships with local authorities particularly in the areas of flooding.</p>	<p>We are keen to work in collaboration with councils to identify areas with investment in 2025 to 2030 so that we can tie in with your respective growth areas and plan an integrated approach. This includes the potential use of sustainable urban drainage and nature-based solutions.</p>
Sustainability and environmental solutions	<p>Highlight of YW role as influencer of good practice on water use and development of policies that encourage reduction of water usage.</p>	<p>We are pleased the local authorities are taking an interest in this issue. We already have local behaviour change campaigns in place, and we are engaging with national government. We would be keen to discuss implementation of local guidance with the YLB.</p> <p>We manage our performance commitment of reducing per capita consumption through our own messaging. We also work at national level, encouraging the government to take a more leading role on behaviour change, funding think tank reports and influencing water efficiency policies.</p> <p>We would be very happy to collaborate with YLB following the submission of our business plan in developing best practice guidance for the region.</p>
	<p>Working together with local authorities to enable wider use of blue-green solutions</p>	<p>Our intention is to focus as much as we can on blue-green interventions, and we are targeting a minimum of 20% of blue-</p>

Key theme	Detail of the Ask	Our response
	<p>versus opting for quick measures and grey solutions.</p>	<p>green solutions as part of our business plan; however, it is a balance with meeting our commitments towards reducing spill numbers in order to avoid financial penalties.</p> <p>We have approximately 250 agricultural tenancies where we can provide blue-green solutions such as peatland restoration, natural flood management, tree planting, changing the way our tenants run the land by building in more scrapes, etc. However, since most of our storm overflow discharge occur in urban environments, we have to look at other solutions to meet our discharge reduction requirements. Therefore, to maximise nature-based solutions we will need to expand on our partnership work with councils around Sustainable Urban Drainage (SUDs) to manage surface water better. We recognise this issue as becoming more and more important in the future. We also realise that right now Yorkshire Water may not be best placed to help influence customers with their behaviours, due to the current public perception of water companies. So we know that partnership working is the best approach right now. Our colleague Adam Ashman has come across to join the team and part of his role is to look at our whole approach to partnerships in terms of being able to formalise our approach and take a more systematic approach in terms of helping to deliver the right outcomes.</p>
	<p>YW to engage with its customers to manage expectations around the impact of climate change such as heavy rainfall and flash flooding.</p>	<p>The impact of climate change is taken into consideration in all our planning frameworks. There is more for us to do to make sure the assets are keeping up with the changing environment in which we operate, and we are mindful to try to get the balance right between these priorities and the impact on customer bills.</p>
<p>Supporting customers in vulnerable circumstances – efficiencies to keep costs down</p>	<p>YW to provide details on the mitigation mechanisms to reduce the impact on customer’s bills and eligibility of customers to receive support on their bills.</p>	<p>The plan is driven by meeting statutory or regulatory requirements and we are very aware of not wanting to layer in other costs. In addition, our plan comprises over £400 million of efficiency savings that will be re-invested.</p> <p>That said, we need to understand how many more households could potentially be negatively impacted by bill increases over the next five years, and what options we have available to help offset the impact of that bill increase.</p> <p>In the 2020 to 2025 period, our investors have contributed £2 million a year to</p>

Key theme	Detail of the Ask	Our response
		<p>cross-subsidise bills and have made an additional £15 million available to help more customers. We are still making our final decisions, but it will be a continuation of the additional support that is required to help those that are going to be impacted most.</p> <p>As part of the plan, we are looking to double the number of customers on our social tariff, WaterSupport. We currently have 48,000 customers and want to bring that closer to 100,000.</p> <p>We report to CCW on our different support schemes and will be making the data more accessible and visible. In addition, we are now able to share datasets across utility companies. This should enable a more proactive approach in encouraging customers to access our support schemes.</p>
	<p>Details regarding the future bill profile for customers over the next pricing period, and whether there are any opportunities to lower customer bills.</p>	<p>Yorkshire Water need to address bill changes, whether this is a flat rise – constant across the 5-year period – or an incremental yearly rise. We are currently having conversations with customers to get their input on this.</p> <p>The repairs, which are funded by customer bills, are targeted in areas where they are most needed and where customers will be getting value for money (i.e., ageing assets). A large proportion of the enhancements in the plan are statutory and therefore cannot be removed. Yorkshire Water, Ofwat, the government and the Yorkshire Leaders are concerned about the impact on bills, and we may want to remove everything that isn't statutory. For example, net zero funding could be removed to reduce bill increases, but just because it is not statutory doesn't mean it is not important for Yorkshire.</p>
<p>Dividends</p>	<p>Clarification on the financial model over the next pricing period.</p>	<p>Dividends which have been paid to a YW holding company are for the purpose of paying interest on debt.</p> <p>The lack of dividends is not problematic in the short term. YW have two long-term shareholders who have recognised the potential growth in value of the business, and because of this have put up with not receiving dividends. This will not last forever and therefore we should be planning to restore a dividend to the ultimate shareholders in the medium term. There is no risk of near-term financial failure of Yorkshire Water.</p>
<p>Role of YW in the economic</p>	<p>Strengthening of relationship between YLB and YW.</p>	<p>We are pleased to hear positive feedback on the improvements made by YW in that</p>

Key theme	Detail of the Ask	Our response
agenda of the region		domain. We are committed to continuing being more transparent and collaborative, sharing our plans and allowing you to challenge them as a valued partner.

2. Timetable of engagement with the Yorkshire Leaders Board

Outlined in table 2.1 is timeline of engagement/discussion with Yorkshire Leaders Board alongside the corresponding business activity.

2.1 Yorkshire Leaders Board timetable of discussion/engagement

