

Yorkshire Forum for Water Customers
Minutes of Meeting
20 June 2021
Microsoft Teams call

Attendees:

Chris Griffin	Independent Member
Dave Merrett	Independent Member
Janine Shackleton	Consumer Council for Water
Melissa Lockwood	Environment Agency
Naila Hussain	Yorkshire Water
Pam Warhurst	Independent Member

Apologies:

Andrea Cook	Chair
Tom Keatley	Natural England
James Copeland	National Farmers Union

Guests:

Ian Jones	Yorkshire Water
Charlotte Ellis	Yorkshire Water
Julian Jacobs	Atkins

1) Future of the Forum Update

- a) Company provided an update regarding the review of forum. Company confirmed their view that the Forum holds an important role in providing assurance in regard to the Price review process, executive team and the Board in terms of plans being built on customer research and holding the company to account in terms of their performance during the current AMP.
- b) It is an important link for the company with CoG in terms of best practice and learning. The company are looking at terms of reference which is being reviewed.

Action 1: Ahead of the July Forum meeting, Company to follow up with the Chair in terms of where current position and the next steps.

- c) Forum expressed concern at how long process of membership review is taking as other forums are moving much faster in terms of membership refreshes. It is becoming harder for forum to have engagement with the company. Forum however understands the challenges the company has been facing. The Forum expressed its concern to the leadership of the organisation.

- d) Company recognised concern and acknowledged this and will pass on this feedback internally.
- e) Forum expressed it was difficult to write report on APR without having results of performance commitments shared with them. The ability to challenge on performance on behalf of the customers needs to be there.

Action 2: The Company provisionally on having a future agenda for specific performance commitments to allow an opportunity to discuss further.

- f) Forum expressed they need results prior to writing report for the next following year.
- g) Forum moved onto providing their feedback on Jaywing.
- h) Forum expressed dissatisfaction with the nature of photography Jaywing used. It is not to the standard which the Forum require.
- i) Company Lead confirmed there was separate conversation with the Forum Chair and actions have been agreed as next steps.

Action 3: Company will take steps to use better photographs or go with suggestions from Forum Chair Andrea Cook and Forum member Pam Warhurst to use the photograph from the previous year on page 10. Further to remove comments as suggested by Forum.

- j) There needs to be consistency in the APR document in how statements are presented. Company confirmed that typing errors will be altered in terms of dates and to remove the affordability subgroup.
- k) Forum highlighted there hasn't been spell check made and to ensure Forum member roles are accurate within the document. There further needs to be consistency in headings.

Action 4: Company to push-back to Jaywing that the document is not up to standard and relay feedback from Forum.

2) Performance Commitment Update

- a) The company presented slides on APR 2022, providing an APR overview, the company's provisional outturn and findings from its independent assurance providers, Atkins.
- b) The main APR document provides commentary on data tables and additional information required such as disclosures Board statements and auditor opinions.
- c) Data tables are continuing to increase, there have been two spreadsheet submissions including performance commitments & ODI Performance Model and all other table APR information.
- d) It also included APR supporting documents, Bioresources Market information, and In-Period ODI process.
- e) The draft of the APR document will be ready for July 1st and can be available for circulation if the Forum wish to see it.

- f) Company also recapped its provisional outturn which was previously presented to the Forum.
- g) Company presented slides on its ODI position; it is currently reporting as having met 23 out of their 44 performance commitments.
- h) Therefore, the ODI position for 2022 is a £15.2m penalty.
- i) The company is however making a representation to Ofwat regarding the effect of Storm Arwen on their current performance which could see the penalty reduced by £6.7m.
- j) This is the information on 16th June 2022, therefore should be noted audit actions are still being finalised and these numbers are provisional.
- k) The company is yet finalise ODI / PC positions for C-MeX, D-MeX, Operational Carbon, Drinking Water Contacts and Risk of Severe Restrictions in a Drought.

Action 5: Company Admin to circulate the updated slides presented by Charley Ellis.

- l) Company provided a summary on changes in positions for performance commitments.
- m) An update was given on where there have been reductions or increases in the positions for performance commitments and if these have been passed or failed.

Action 6: The Forum would be interested to know then reasons behind drop in priority services awareness when this is available.

3) Assurance over APR Data

- a) Introduction was provided from Julian Jacobs, Lead Auditor at Atkins and his professional background.
- b) Atkins presented a slide pack providing a breakdown of its independent technical assurance for the company's APR 2021/22.
- c) The presentation covered the role and scope of Atkins assurance, their approach to assurance, how they assess audit findings, a summary of their key findings, and their overall conclusions regarding compliance with APR requirements.
- d) A detailed introduction regarding Atkins as a company was given to the Forum.
- e) Atkins are completely independent, and their role is to provide technical audit and assurance services on the Company's submissions.
- f) Atkins examines what the Company should be doing in relation to the APR and other annual reporting submissions, and report back to the company providing their opinions on what it is doing, how reliable, accurate and complete it is. Atkins role is to also scrutinise and challenge the company

to help them improve. Atkins also work with other water companies therefore are able to compare with others what they are doing.

- g) Atkins have deployed a team of 20 technical experts with a background of being experienced auditors.
- h) Atkins interrogate the reporting and not performance. if the company has high quality reliable data this is a cornerstone of effective managements, better decisions, and regulation, however if the data is wrong this will result in bad decisions and unfair penalties / rewards.
- i) Atkins reviews the robustness of the company's internal checks and controls, as well as seeking evidence of documentation of adherence to either or both the Company processes and external requirements.
- j) Atkins also trial data to confirm the accuracy of reporting.
- k) The approach used by Atkins is dependent on the objective. There are three generally accepted ways of auditing, compliance auditing, systems-based auditing, and risk-based auditing.
- l) Atkins presented a slide illustrating its assurance process, which consists of a pre-audit phase, the audit phase and the post-audit phase.
- m) In terms of classifying their findings, Atkins uses the RAG classification in their summary of Audit Findings, Issues Log, and Assurance Reports for their feedback on methodology and data.
- n) Atkins presented a summary of their findings on the Company. Atkins confirmed effective engagement from the Company. In terms of the Issues Log Atkins identified 336 issues relating to methodology and data and presented their Initial RAG categorisation. After the Company has undertaken the relevant actions to address these findings and the issues being closed, Atkins also presented the Final RAG Categorisation.
- o) The current Performance Commitments APR 2022 table was presented with the expectation of any Ambers or Reds to be resolved in the following 2 weeks.
- p) Atkins presented a detailed slide on their overall conclusions. Atkins stated that with it being the 2nd year of the AMP, in comparison to last year, Atkins observed that the processes have been a lot more embedded by the Company, there have been a third less issues, and there have only been 18 errors which Atkins class as a positive point. Generally, the company embrace what Atkins have been doing and there is a good culture around improvement. Atkins conclusion is the metrics which the Company will be publishing provide a fair and reasonable account of its performance.
- q) Atkins confirmed that the Company have reacted well and quickly to issues, and further confirmed improvement in reporting. Last year there were a more than 18 errors with company whereas this year has seen improvement.

- r) The forum questioned if there has been any challenges or issues for Atkins processes following the changes in management. Atkins stated they also look at procedures within the company if there are changes it shouldn't be an issue, however Atkins have had better engagement from the Company this year in comparison to last year.
- s) Atkins confirmed the Low-Pressure is in Amber against the methodology and the data, the reporting system is robust however there have been issues on processes surrounding the upstream, however not where the actual data comes from, so there is room for improvement in comparison to what has been seen across other water companies.
- t) For Pollution Incidents, the methodology is Amber which is relating to the EA reporting. The number of pollution incidents reported by the company is in line with the agreed approach with EA, and Atkins have not identified any issues hence why it is Green. There could be movement around the approach however there is a risk that EA could change the way in which this is reported.
- u) Integrated Catchment Management, the company has yet to produce any catchment management plans this AMP and the processes are still evolving. The Company is confident that their plan will produce by next year however not yet been able to demonstrate to Atkins a clear understating of the requirements and what the company needs to do to achieve this, therefore more work is required by the company.
- v) Regarding the area of complaints, the guidance has been challenging across the industry to implement. Atkins stated it would be helpful if the guidance is changed. It is important to be aware of this when looking at complaints' numbers, which have been lower this year and last year due to the approach.
- w) The forum stated it is worth mentioning that parameters for reporting pollution incidents are getting tighter, this year being the first year of this being tighter.
- x) Atkins stated the company have reported correctly, however are mindful of the changing parameters.

4) PR24 Programme Timeline & Questions

- a) The Company presented a high-level timeframe as requested by the Forum.
- b) A presentation was delivered outlining how the company has set itself up in terms of setting their governance in place for PR24 and taking into consideration lessons learned from PR19. The Company would appreciate feedback from the Frum and will conclude by looking at a forward engagement plan with the Forum.

- c) The company discussed the PR24 Programme Overview, highlighting the timeframes the Company is working to and how it is set up to manage this programme.
- d) In terms of key timeframes, the draft methodology is due in October next year. The company had a non-household retail opening, there has been greater opportunity to think afresh. The company feels it is ahead of the curve in terms of its approach.
- e) The company want to tie into Ofwat's need and request to make PR24 the first step in a longer-term plan. This is key and the company are expecting more fi this when the draft methodology lands in 3 weeks, to rely heavily on that requirement. It is important to take deep consideration into the 'what ifs' based on the scenarios Ofwat has provided.
- f) The next key milestone is 7th July where the Draft methodology will land, and the Company will be given 8 weeks to respond to this consultation.
- g) The company would like to engage with the Forum as it goes through this journey

Action 7: The company can put a forward agenda to look at its submissions and thoughts on moving forward with the draft methodology.

- h) Following this is the draft WRMP submission, and WINEP. The company clarified the DWI is an April 2023 submission.
- i) Following this is the final DWMP plan in March followed by the draft plan in October 2023 along with the WRMP.
- j) The final third of the timeline covers the ongoing engagement with Ofwat.
- k) The Forum asked for clarity on the nature of iterations. The Company explained plan iterations are getting everyone within the business to consider what they would like to do going forward. Following the first iteration, it is a process of considering the legislative changes the requirements and assumptions on the environment act in relation to the pollution, in terms discharged and considering how much this will cost the company. It is essential to make informed risk-based decisions on investment and acceptance of risks.
- l) The Forum asked whether it will be able to view the emerging draft response for August. The Company confirmed this however it will be more towards September.
- m) Company presented a slide demonstrating PR24 Programme Budget Review with a Programme Governance Overview. The slide articulated the Governance in place.
- n) A lesson from PR19 was when developing price controls, retail price controls, wastewater price controls, and clean water price control, the development of this was too siloed. Therefore, these will now be brought together under the accountability of Polly Hardy as the Performance and Investment

workstream. This helps to identify interdependencies between these price controls.

- o) The Company presented the remaining individual workstreams and provided a brief summary of each. Other workstreams being, Regulation & Markets, Finance, Stakeholders & Customers, and Publications and Assurance.
- p) A Cross-workstream was put in place for the purpose of the teams to come together and voice where help is needed and where key updates can be shared across all workstream. Therefore, ensuring they are working together as opposed to individual silos.
- q) Above this is the PR24 Steering Group chaired by Chris Johns, moving further up is the Yorkshire Water Leadership Team, followed by the two sub-committees, Public Value Committee and the Board Audit & Risk Committee, before this ultimately goes to the Company Board.
- r) Feeding into this is the Customer Forum, the Yorkshire Leader's Board to ensure the Company are putting the right plan for Yorkshire. There is also the Red Team. This is an external team of experts in their field with the purpose of keeping YWLT in check ensuring the right messages are fed back to the Regulator.
- s) A further in-depth Workstream breakdown of the PR24 Governance was presented and explained to the Forum.
- t) The Red Team is internal responsibilities but with external parties. The Forum asked for clarity on what external parties and how the Red Team is split up. The company stated that this is centred around providing them with some additional challenge in terms of how things will land with Ofwat, and for the company to demonstrate it is responding to Ofwat themes and challenges. The Company has challenges in concerning customers & the community however this is focused in terms of the regulator and the plan coming together.
- u) The Forum highlighted that there is a level of customisation where water companies can put into what Ofwat research does. Is this in relation to sample size that the Company can request it to be larger or smaller for the company's individual water area. The Company will clarify this.
- v) The final slide presented a summary plan of points of engagement for the Customer Forum on the PR24 Programme. The Forum requested to have an earlier look at Willingness to Pay rather than the proposed date in December as that is a key area.

Action 8: Company to look at bringing the Willingness to Pay update to the Forum earlier than December (Paul Chapman).

5) AOB

- a) There were no other points to cover.

Next meeting

21 July 2022 via Microsoft Teams

Actions

Summary of actions: 21 January 2021

7	Additional feedback on how industry spend on communications compares across various companies to be shared with the Forum	Ongoing
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Summary of actions: 18 February 2021

2	Company to share the Land Strategy programme with the Forum once developed. Post meeting update Programme to be shared with the Forum in April 2022	Ongoing
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Summary of actions: 18 March 2021

1	Company to consider content and attendance from the Director of Customer Experience	Ongoing
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Summary of actions: 17 May 2021

1	Company to consider a partnership section on the YW website	Ongoing
5	Company to keep the Forum up to date and included in the CCG review process	Ongoing

Summary of actions: 18 December 2021

No.	Action	Status	Due date
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1	Forum to feedback to the company regarding if they believe Ofwat capture the greatest importance for customers.		
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Summary of actions: 17 February 2022

No.	Action	Status	Due date
1	The Land Strategy programme paper, which is due to be discussed at the April meeting, to be shared a week in advance to members	Will be discussed in April Meeting	April
2	Six Capitals progress update to be provided to the Forum	Ongoing	May
3	The Forum Chair to discuss potential collaboration with local authorities with the company.	Ongoing	
4	Company to share draft ODI paper with members and attend the March 2022 meeting	Ongoing	March
5	Company to provide a timeline for the statement, including the timeline of the PC data, item to be discussed at the March 2022 Forum	Ongoing	March/April
6	Company to advise who will be working on the Forum Annual Statement	Will be discussed in April Meeting	April
7	The Forum requested details on who will be supporting the Forum on key areas of work	Ongoing	
8	Company to attend and discuss the effect of inflation rates to customers	Ongoing	

Summary of actions: 17 March 2022

No.	Action	Status	Due date
1	Timeline on the Annual Forum Statement needs to be shared to the Forum as priority.	Complete	April

2	The Company to provide feedback regarding the CoG once further information has been confirmed.	Ongoing	
3	The Company to circulate long term delivery strategy draft to the Forum after April.	Ongoing (Danielle Skilton)	
4	The Head of Regulation from the Company to schedule a meeting with the Chair of Customer Forum.	Complete	March
5	Company to circulate the submission once it has gone to Ofwat.	Ongoing	
6	Company to provide an update on ODI Consultation in summer (next diary commitment).	Ongoing	Summer
7	Slides on ODI Consultation to be circulated to the Forum.	Complete	
8	Environment subgroup leads from the Forum and Company (Dave Merrett, Polly Hardy) to pick up separately regarding discussion for environment subgroup.	Complete	
9	Forum chair (Andrea Cook) and Company Head of Regulation (Richard Hepburn) to discuss regarding Forum membership.	Complete	
10	The Forum chair (Andrea Cook) and other Forum members (Dave Merrett, Janine Shackleton) to work on a draft for Annual Performance Review and circulate to the group when complete.	Ongoing	

Summary of actions: 21 April 2022

No.	Action	Status	Due date
1	Action 1: Company to work out what is the best way to share view of performance as soon as it becomes available.	Ongoing	
2	Action 2: Forum Chair and members (Andrea, Dave & Pam) requested to have involvement in a brief for the agency to discuss what they would like to see as a finished article from Jaywing.	Pam and Andrea picking this up. Check with Richard for date confirmation (W/C 23rd May)	

3	Action 3: The Company to ensure key issues and information updates are relayed back to the Forum with appropriate timing.	Ongoing	
4	Action 4: Forum member (Dave) will speak to Polly in relation to figures.	Complete	
5	Action 5: The company (Richard Hepburn) will bring a Forum Review update on one of the following Forums.	Complete	Possible June Forum
6	Action 6: Forum member (Melissa Lockwood) requested backwards timeline and possibly a forward agenda to use for next year.	Ongoing	
7	Action 7: To pick up on challenge log and decide who this is to be owned by.	Complete (Report Writer Ownership)	
8	Action 8: Company to continue sharing with the forum in time appropriate manner on further updates, forward agenda, any issues etc. as the information becomes available.	Ongoing	
9	Action 9: Forum members (Chris Griffin) to share terms of reference from other forums (if available) which they consider may be useful for the company to have sight of	Ongoing	
10	Action 10: Company to explore the possibility of advertising the role for a 'Report Writer'.	Ongoing	
11	Action 11: Company to provide programme / gantt chart indicating the company's internal deadline for producing documents to allow the forum to understand key input dates.	Ongoing	
12	Action 12: The company to share a formal write up of the Land Strategy Initiative-led carbon, operational and public amenity contribution information to the Forum when it is available.	Ongoing (Andrew Prest)	
13	Action 13: The company to inform the Forum of opportunities to visit farm sites as they become available.	Ongoing (Andrew Prest)	
14	Action 14: Company (Amanda Cross) to check (with Donna) if there is a Yorkshire Young Peoples Climate / Group.	Ongoing (Amanda Crossfield)	
15	Action 15: Forum members (Chris) to organise a date following the one-to-one meeting request from CoG chair, with support from Forum member (James).	Ongoing / TBC	

Summary of actions: 19 May 2022

No.	Action	Status	Due date
1	Action 1: Summary of actions to be circulated to the Forum.	Ongoing	
	Action 2: Company to look at creating opportunity to allow further discussion and dialogue for forum members in regard to six capitals, separate to the forum (with Pam / Dave).	Ongoing	
	Action 3: Forum requested to have clarification from the company on the figures and the increase in employee expenditure (Richard Hepburn will clarify).	Ongoing	June Forum
	Action 4: Forum Chair indicated it would be helpful to have a paper on asset replacement in the future	Ongoing	
	Action 4: Forum Chair indicated it would be helpful to have a paper on asset replacement in the future	Ongoing	
	Action 6: Company (Charley Ellis) to arrange someone from the Water Supply Interruptions to attend a future meeting to discuss Storm Arwen further. the majority of this is in relation to Storm Arwen.	Ongoing	
	Action 7: Company Lead (Richard Hepburn) to look at bringing a presentation from the executive management team regarding long term strategy and company performance for the coming months.	Ongoing	
	Action 8: Company (Charley Ellis) to look into bringing the appropriate person onto a future forum to explain further regarding the narrative of what is happening in the Priority Services for Customers in Vulnerable Circumstances area.	Ongoing	
	Action 9: Company (Charley Ellis) to possibly bring Helen Slinger onto a future forum to further discuss the Operational Carbon performance commitment	Ongoing	

	following the completion of report (if the Forum still requires).		
	Action 10: Company to confirm with the Forum (Pam Warhurst / Andrea Cook) to meet with Jaywing between 23 rd – 26 th May.	Ongoing	
	Action 11: Company to provide a PR24 timeline for the next June Forum.	Ongoing	
	Action 12: Company Admin (Naila Hussain) to follow up with members who would like to be a part of the research, provide an update on the progress of the research after liaising with Lindsey.	Ongoing	
	Action 13: Company Admin to check with Forum members what dates work best for the June Forum meeting.	Ongoing	

Summary of actions: 20 June 2022

No.	Action	Status	Due date
1	Action 1: Ahead of the July Forum meeting, Company to follow up with Andrea in terms of where current position and the next steps.	Ongoing	
2	Action 2: The Company provisionally on having a future agenda for specific performance commitments to allow an opportunity to discuss further.	Ongoing	
3	Action 3: Company will take steps to use better photographs or go with suggestions from Forum Chair Andrea Cook and Forum member Pam Warhurst to use the photograph from the previous year on page 10. Further to remove comments as suggested by Forum.	Ongoing	
4	Action 4: Company to push-back to Jaywing that the document is not up to standard and relay feedback from Forum.	Ongoing	

5	Action 5: Company Admin to circulate the updated slides presented by Charley Ellis.	Ongoing	
6	Action 6: The Forum would be interested to know then reasons behind drop in priority services awareness when this is available.	Ongoing	
7	Action 7: The company can put a forward agenda to look at its submissions and thoughts on moving forward with the draft methodology.	Ongoing	
8	Action 8: Company to look at bringing the Willingness to Pay update to the Forum earlier than December (Paul Chapman).	Ongoing	