

**Yorkshire Forum for Water Customers
Minutes of Meeting
19 August 2021
Teams call**

Attendees:

Andrea Cook	Chair
Chris Griffin	Independent Member
Dave Merrett	Independent Member
Janine Shackleton	Consumer Council for Water
Melissa Lockwood	Environment Agency
Pam Warhurst	Independent Member
Steve Foers	Citizens Advice
Kirstin Hutchinson	Yorkshire Water
Sumayya Mahmood	Yorkshire Water
Wendy Kimpton	Yorkshire Water

Guests:

Nathan Sutherland	Yorkshire Water
Michele Robinson	Yorkshire Water

Apologies:

James Copeland	National Farmers Union
Tom Keatley	Natural England
Chris Offer	Yorkshire Water

1) Welcome

- a) Members were welcomed to the meeting and apologies were noted as above.

2) Minutes and actions of the last meeting

- a) No amendments were requested to the July minutes.
- b) Action updates were provided as follows:
- Action 1: GIS data to be presented at the September meeting
 - Action 2: Strategic communications plan to be shared at the next meeting
 - Actions 3 and 4: Ongoing

- Action 5: Proforma slide pack presented to the Forum to be used going forwards for future Forum guests

3) Mains repairs

- a) The company began by noting to members that in AMP7 the company moved from 27 performance commitments (PCs) to 44. They advised the mains repair PC could be difficult to meet if the leakage target is to be met, as conducting mains repairs is one way of managing leakage performance.
- b) Mains repairs are the number of repairs carried out on the water network in a given year. For Ofwat, customers and other stakeholders to be able to compare performance between companies, the measure is normalised to number of mains repairs per thousand kilometres. It excludes any mains repairs that are carried out on the network caused by a third party and it excludes any leaks on assets or ancillaries associated with the main. As part of the annual reporting to Ofwat, they separate reactive and proactive mains repairs.
- c) Regarding comparative performance (2019/20) the company repaired the second largest number when normalised against the length of the network. Reasons for repairs are related to the company's legacy of cast iron mains, with only Thames Water having an older network. New mains fitted today are plastic.

The company stated that although mains repairs were high, measures that show the impact on customers from poor assets and activities such as mains repairs, for example water supply interruptions and significant water supply events, the company performs well.

- d) The company advised that during an audit in 2020 it was concluded that the company's interpretation of the definition and implementation of this was in line with how they would expect a company to report this PC.
- e) The current AMP7 year 2 performance was presented to the Forum. The P50 forecast showed a likely outturn of 6,177 mains repairs, 193 per 1000km. This would not be enough to achieve the PC, however, when Yorkshire Water went to the CMA a dead band was put on the performance in relation to this measure, meaning 193 repairs per 1000km would not incur a financial penalty (the top of the dead band is 193.6). The company added that the most important months in relation to this PC are during winter.

The Forum queried the material of the main and asked why the company would be penalised for repairing mains. The company advised they were of a similar view during the PR19 submission and CMA process. However, in PR19 Ofwat moved the PC to a series of single metrics to measure asset health from a previous basket of indicators, with the logic that if a company is repairing a lot of bursts, the network is deemed to not be of good health and then penalties incur. Ofwat also imposed a blanket 15% reduction on leakage across the industry, and some of these repairs are on mains, with the company concluding the two measures are in conflict. Ofwat have acknowledged the current collection of PCs are too vast and does not sufficiently manage or enable Ofwat to understand asset health. They recently launched a questionnaire regarding how it approaches asset health, the analysis showed Yorkshire Water is one of the best companies across the industry regarding asset health. However, the company are still left with this legacy problem in PR19.

The Forum asked about the metrics regarding contact time and resolution relating to the customer experience. The company advised that when they were building the PCs for PR19, customers advised they aren't focused on how many times a pipe is repaired but rather how often their supply is interrupted; the company highlighted they are one of the leading in the industry for minimal interruptions to supply.

The Forum queried if there is analysis on the various causes of breakdown; the company advised when a repair is carried out, there are several questions the service partner is asked which helps the company distinguish the causes and make future investment decisions.

The Forum asked if there is a strategic response; the company advised there is a policy where if a main has burst five times in the last five years over a 1km stretch it qualifies for renewal.

- f) The mains repairs PC targets were shown to the Forum, the PC level is 186.1 for 2020/21 reducing to 175.8 in 2024/25. The CMA response enabled a dead band of 10 repairs per 1000km.

The historic performance and AMP7 targets were also presented to the Forum. The company has only achieved the AMP7 target five times within the last 21 years. This was in AMP5 after a period of intense leakage reduction, after the leakage target had not been met due to the severe winters of 2009/10 and 2010/11.

- g) There are ongoing initiatives to improve performance and in AMP7 year 2 there are 75 renewals/rehabilitation schemes to be delivered. The company are looking at cost effective ways to repair mains.

The Forum queried the typical life of existing assets, noting a low renewal level of 0.1% in terms of maintaining the assets for future generations. The company advised it is between 80 to 100 years and having a renewal rate of 0.1% of the asset base is not enough to maintain stable levels of service, but it needs to be balanced between other areas of investment, which is subsequently why the company is analysing cost beneficial approaches to prolong the asset base.

The Forum asked how much of the network has been relined. The company have so far relined 5000km, but it was noted this was primarily for water quality reasons and did not provide structural benefit to the mains. The company is looking to undertake more relining through new innovative techniques with a new product on the market. It is hoped that approval of the use of this product within mains will be approved in the next few weeks. Engagement is taking place with Ofwat on the impact this could have on the water supply interruptions PC. The new process could take four hours but to prevent a negative impact on the water supply interruptions measure, the company are completing the work in two stages. It was also noted the additional benefits this relining could bring in reducing carbon usage.

The company instructed they are carrying out pressure management on mains which reduces leakage and pressure related bursts, it is cost effective and does not interrupt customers' supplies.

- h) The relining programme was presented to the Forum which begins in the next few weeks. This will also help the wider water industry as Yorkshire Water is the first company to do so and contributes to carbon reduction due to less excavating, and benefits customers through less traffic disruption and being cost effective. The company displayed the long-term scenario planning for mains renewals to hit the AMP7 target and beyond. In conclusion, the company do not have the money to reach these targets without increasing customers' bills which they do not want to do, which is why they are looking at these other ways to repair mains.

The relining schemes have been compared against renewal and it is 25% – 30% cheaper. The product has been through the DWI process and it has

been approved; it is currently going through the full accreditation process for compliance.

The Forum were positive regarding the ways the company is working to reduce mains repairs through other means whilst reducing carbon and costs.

4) Developer Measure of Customer Experience (D-Mex)

- a) The company's developer services team purpose is to enable development and economic growth for their customers. Developer services provide advice and support for customers who are developing a new site/home or thinking about doing so, helping customers make informed decisions. The company provided an overview of what they provide as part of both water and sewerage services.
- b) The D-Mex score is an average of combined percentages which is ranked in a league table along with other UK water companies. This is created through both a quantitative (volume of work completed within a service level agreement) and qualitative score (survey of customers who the company have completed work for).
- c) The D-Mex league table was shown to the Forum for 2020/21. The company was sitting at 16 out of 17, clearly not a satisfactory position, and there is multiple contributing factors:
 - 31% increase in connections over the last AMP, which is not matched by sufficient resources to meet additional demand.
 - A systems failure which resulted in pausing all of developer services quotes for 8 weeks, creating a large backlog of work whilst system issues were resolved.
 - A further significant event, deemed a once in 20-year weather event, created a major league issue leading to all service partner resources being diverted to leakage.

A 38% improvement is required to achieve median performance, the company's goal is to be upper quartile by the end of this AMP.

The Forum queried the system failure, asking for more detail, and the company advised the failure was a discrepancy in the published charges and on their quoting tool, which meant on some occasions, for some customers, the quotes which were raised did not match published charges.

- d) There is a £4.3m investment as part of the D-Mex transformation plan. There is a 46% increase in headcount and £3.3m has been allocated to additional resources over the AMP. £1m has been invested in an online portal with customer self-serve options and process automation and a new Service Partner joined in July 2021. Other investment plans were discussed with the Forum.

The initial improvements have proven to have a positive impact; 33% reduction in out of SLA work loads and 13% average increase in quantitative scores since November 2020.

- e) The service partner ramp-up plan was displayed to members, and the company is hoping to stabilise and sustain performance by the end of the year.

The Forum asked if there are any collaborative conversations across different utilities. The company advised the water service partnership is spearheaded by the director of water service delivery, and the company are looking at the quality of the conversation across utilities. The company are hoping to bring a multi utility approach into their strategy.

5) CCW meeting with YW - update

- a) CCW had held a liaison meeting with the company, and they discussed the affordability review which has 10 key recommendations and 40 actions. A survey has been sent to all companies to respond to how they will meet these recommendations (to be discussed at the October Forum meeting).

CCW are awaiting a final letter from the Minister, with the government supporting their call to set up a working group for a single social tariff, with the aim to end water poverty in England and Wales. The Chair of the Forum commented on what an amazing achievement this was, after many years of campaigning, and asked that the CEO and her staff, particularly Andy White and Janine Shackleton, be congratulated on this.

They have met with Water UK regarding their actions, and it was agreed to see the outcomes achieved, and they are meeting with members to see how they can progress. The energy and vulnerability commitment which was asked to be replicated across the water industry was met with some queries, but agreement was made to progress.

They also met with Ofwat who have already consulted on their new debt guidelines, which is positive.

CCW updated the company on their 'End sewer flooding misery' campaign. The company had provided helpful feedback, including sewer flooding not always being water assets alone, and how to bring other assets into the campaign. CCW are reviewing this.

The rest of the meeting focused on the increase with the level of complaints, specifically wastewater complaints, seeking to understand the rationale behind the complaints and the work in progress to handle these. CCW felt reassured by the company and the level of detail provided. It was discovered that 60% of the complaints were due to other assets, not Yorkshire Water assets. They found some of the complaints were due to response times, with the company noting they simply did not have enough resource to cover the number of complaints within the desired timeframe. The company believe customers should not have to queue to inform the company of repeat flooding, and a new process has been set up for this, with a dedicated line with all previous customer details regarding the flood readily available should a flood occur again.

CCW concluded by informing members of their desire to influence Ofwat in the next Price Review to allow companies to do 'jeopardy prioritisation', which is prioritising those customers who are most affected.

6) YW Regulation team

- a) The company updated the Forum about the new Interim Head of Regulation, as a result of the departure of the current Head of Regulation in the coming months. Regulation has moved back to the Finance Directorate until a new structure is finalised. The Regulation structure will be finalised in the next few months and the Forum will be updated.

The new interim Head of Regulation will be undertaking the review of the Forum and stakeholder engagement going forward.

7) Complaint – vulnerable person

- a) The company shared the complaint with the Forum, advising that some further understanding is needed on the situation although progress is

being made. An update will be shared with the Forum. (CAN YOU CHASE THIS?)

8) AOB

a) No other business was discussed.

Next meeting

16 September 2021 via Microsoft Teams

Actions

Summary of actions: 14 June 2018

No	Action	Comment
4	<p>Company to project the level of investment and timescales to display how discolouration will be reviewed to help the Forum understand the plan and resources.</p> <p>Post meeting update 06/06/2019: To be reviewed when received Final Determination (FD).</p>	Ongoing

Summary of actions: 13 November 2019

6	Forum member to work with the Company to review and update webpage as discussed	Ongoing
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Summary of actions: 21 January 2021

1	<p>Company to circulate output from the Jury when complete</p> <p>Post meeting update Updated expected in April 2021</p>	Complete
3	Affordability and Vulnerability subgroup to arrange a team meeting	Complete

5	Company to provide feedback	Ongoing
7	Additional feedback on how industry spend on communications compares across various companies to be shared with the Forum	Ongoing
8	End of project reports to be shared with the Forum at the end of the year	Ongoing
9	Company to attend the July 2021 meeting to provide an update on the complaint's tracker Post meeting update Added to the July future agenda	Complete

Summary of actions: 18 February 2021

1	Forum to provide the company with a statement of support regarding the Education PC	Complete
2	Company to share the Land Strategy programme with the Forum once developed.	

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	
2	Company to review communications updates with the Forum on a regular basis	Complete
4	Forum to provide letter of support regarding bathing water PC	Complete
5	Company to keep the Forum up to date and included in the CCG review process	Ongoing

Summary of actions: 17 June 2021

No.	Action	Status	Due date
1	Company to add a timeline/due date to actions		
2	Company to amend paragraph E, item 6	Complete	24 June 2021
3	Forum draft report to be circulated to members	Complete	17 June 2021
4	Company to liaise with communications team regarding photos	Complete	
5	Company to look at the comparable penalty position	Complete	15 July 2021
6	Agenda item regarding priority services, engagement, and affordability to be added to the next meeting	Complete	1 July 2021
7	Internal sewer flooding and mains repairs to be added to a future agenda	Complete	1 July 2021

Summary of actions: 15 July 2021

No.	Action	Status	Due date
1	Company to arrange GIS data/maps update at a future Forum meeting		

	Attending October meeting		
2	Company to share strategic communication plan with the Forum		
3	Company to provide complaints statistics to the Forum		30 July 2021
4	Company to share customer experience dashboard at a future meeting		
5	Proforma slide pack to be created for the company to complete when presenting the PCs	Complete	