

**Yorkshire Forum for Water Customers
Minutes of Meeting
30 November 2023
Microsoft Teams Meeting**

Attendees:

Andrea Cook	Chair
Chris Griffin	Independent Member
Dave Merrett	Independent Member
James Copeland	National Farmers Union
John Walker	Consumer Council for Water
Kursh Siddique	Independent Member
Melissa Lockwood	Environment Agency
Steve Grebby	Consumer Council for Water
Tom Keatley	Natural England

Apologies:

Jamie Ashton	Citizens Advice
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Guests:

Donna Hildreth	Yorkshire Water
Faye Cossins	Yorkshire Water
Kirstin Hutchinson	Yorkshire Water
Richard Hepburn	Yorkshire Water
Angeliki Stogia	Arup, on behalf of Yorkshire Water
Kirsty Novis	Arup, on behalf of Yorkshire Water

1. Previous minutes

- a) Minutes from the September and October 2023 meeting are still pending review. They will be circulated in advance of the next meeting.
- b) Minutes from January and February 2023 are outstanding and will be completed by the end of the year.

2. Actions

- a) Actions 'open' or 'in progress' were reviewed.
- b) Actions from October:
 - i. *October, action 1:* The Company will hold a session to plan the topics for Forum engagement throughout 2024. This will be held in the January meeting.
- c) Action from September:
 - i. *September, action 4:* Remains open and is being followed up.
- d) *New action for November:* The Forum has requested that the Environment Subgroup meeting be moved from 11th November to 21st November. The Company will rearrange and check that members of the Company can attend.

3. PR24 Business Plan update

- a) The Company explained that their next milestone is when Ofwat publishes their draft determination in May or June 2024.
- b) Since submitting their PR24 to Ofwat in October, the Company have been planning the second YWYS event, and undertaking Ofwat's outbound query process.
- c) Ofwat are assessing the PR24 and this has created a number of queries (e.g., Ofwat asking for more information, requesting clarification, raising any inconsistencies). The Company have received around 99 queries to date.
- d) The process for addressing queries is: Ofwat send any queries they have by 3:00pm each day and the Company has two days to respond. A challenge has been when a query response is dependent on one person who owns that area of the plan. However, when the Company have needed an extra day to respond, Ofwat have been very accommodating.
- e) Within the queries raised by Ofwat, there have been no instances of significant errors raised or anything substantial to report in the queries.

- f) The Company said the query process has been intensive because it has involved a range of people across the company and a quick turn-around time. However, they are satisfied with how it is all going.
- g) The Company are undertaking planning for the draft determination. This has involved a consideration of what preparation they can do in advance. This planning might include identifying areas where they can strengthen their evidence base. Also, based on their experience of previous price reviews, they are considering how they might modify their plan while continuing to deliver the same outcomes, should the draft determination require a change.
- h) The Forum Chair commented that this work is occurring a time of internal change with Company's Director of Strategy and Regulation leaving. The Chair asked about continuity. The Company responded that their CFO has been involved in sponsoring the PR24 and their CEO has been active in the PR24 programme. Their involvement will remain, offering some continuity at the senior level. Additionally, the Company's new Director of Strategy and Regulation joins a few months before the draft determination, allowing time for becoming more familiar with the plan. The Forum Chair commented that they will help the transition as much as they can.
- i) The Company explained that they have a session with CC Water in December-23. CC Water will feedback their assessment of the plan. The Forum is interested to hear any feedback from this meeting.

Action 1: The Company to provide feedback on CCWs assessment of the PR24 plan.

4. Customer Research Update

- a) The Company expressed their gratitude for the Forum's input on the customer research leading up to the PR24 submission.
- b) The Company asked what level of involvement the Forum would prefer in terms of customer research - would they prefer only PR24 focussed customer research, the planning for research on an ongoing basis (up to PR29).
- c) A Forum member suggested that the Company engage with the Forum's Affordability and Vulnerability (A&V) subgroup to give much early insight and engagement into the customer research.
- d) A Forum member suggested that any research that includes environmental topics be brought to an Environmental subgroup meeting.

Action 2: The Company to consider what customer research will be presented to the A&V subgroup, the Environment subgroup. and will be brought to the main Forum meetings.

- e) The Forum Chair expressed concern that the A&V subgroup has not been engaged throughout the PR24 review process.

Action 3: The A&V subgroup to be restarted in the new year.

- f) A Forum member reflected that the Company might consider understanding how regulators (e.g., Ofgem, Ofcom, etc) regulate companies who are also servicing customers, particularly other utility companies.
- g) A Forum member stated that individual customer research is going to remain important for the Company. However, there is interest in how the Company will evolve their research and demonstrate to customers greater interconnectivity (i.e., with other utility providers) and how they have listened to other society leaders or society changers in their region. The Company agreed that this will become an important aspect of the research going forward.
- h) A Forum member suggested that the Forum be given sight of the annual programme of customer research. This will give the Forum an overview of what research is going to be undertaken in the year. It will also allow the Forum to highlight what part of the research programme they would like involvement in.

Action 4: The Company to provide a copy of their annual research programme.

- i) A Forum member wondered whether the weight of the Forum could potentially help the Company deliver more customer research. The Company agreed and said that the Forum's input in identifying research gaps would assist with this.
- j) A Forum member would like to understand how different parts of the Company are involved in the customer research. Particularly to understand whether there are issues with buy-in from other parts of the Company, and what is being done to overcome any issues. The Company replied that their Exec Team and Board are much more involved in the research and seeing the research outputs (in terms of how they are being used).
- k) A Forum member pointed out the research and engagement are two different activities. The member stated that engagement needs to be a continuous and ongoing activity.
- l) A Forum member comment that it was good that the CEO and Board are interested in the research. However, engagement needs to be at all levels of the Company, including frontline staff.

5. Tunstall bathing water Performance Commitment

- a) The Company discussed the de-designation and beach closure of the Bathing Water at Tunstall and the impact this has on the reporting of the Bathing Water Performance Commitment.

- b) The Company explained that bathing waters in the UK are managed under the Bathing Water Directive and given an annual classification of 'excellent', 'good', 'sufficient', or 'poor'. The classification is based on regular sampling during the months of May to September (these months are classed as the bathing season).
- c) There are now 18 coastal bathing waters in the region (excluding Tunstall), and one newly designated inland bathing water on the River Wharfe at Ilkley.
- d) The Company have an AMP 7 performance commitment based on the number of designated bathing waters which exceed the minimum requirements of the Bathing Water Directive (i.e., bathing waters that are classified as 'good' or 'excellent').
- e) The performance commitment is 18 of the 19 beaches classified as 'good' or 'excellent'.
- f) There is an annual underperformance penalty for every beach with a lower classification. There is an annual outperformance incentive should all 19 beaches reach the 'good' or 'excellent' classification.
- g) The Company explained that there is no provision in the performance commitment definition regarding de-designation (or designation) of bathing waters during the reporting period.
- h) The Company updated on how they were performing against the performance commitment. The results of the 2023 bathing season will be published in December 2023. The Company expects that 16 bathing will be classified as good or excellent. The remaining two beaches are classified as poor.
- i) Performance was not measured in 2020/2021 when the bathing water sampling programme could not be completed due to COVID-19.
- j) The Company provided an update on Tunstall:
 - i. Since the introduction of the revised Bathing Water Directive in 2015, Tunstall has consistently been classified as excellent.
 - ii. The beach is formed from clay, pebbles, and sand, and has an average erosion rate of around 1.8 metres per year.
 - iii. Due to coastal erosion, there is no safe access to the beach. The beach was closed in 2019.
 - iv. In 2023, Tunstall was de-designated as a bathing water by Defra.
- k) The Company sought to amend the performance commitment and explained the process of requesting a change. The change process is only available when there are:
 - i. Errors in performance commitments
 - ii. Changes to third party materials
 - iii. Improvements to definitions in customer interests

iv. Bespoke adjustments.

- l) The Company explained that they approached Ofwat in March 2021 with a request to change the Bathing Water Performance Commitment as the result of Tunstall being closed and inaccessible for sampling.
- m) The Company requested to change the number of bathing waters from 19 to 18.
- n) With the number of bathing waters reduced, the Company sought a change in the PC target from 18 to 17 classified as good or excellent.
- o) The change was requested under 'improvements to definitions in customer interests'.
- p) Feedback from Ofwat received in January 2022, stated that the information provided did not meet the high bar required to make changes in the customer interest.
- q) Ofwat stated that the change would not bring material benefits to customers. Removing Tunstall from the PC or continuing to regard it as 'excellent' would reduce the Company's incentive to change the status of the other beaches covered by the PC.
- r) Because there is no exception for de-designated beaches in the PC, Tunstall adds to the pressure of an additional penalty for not reaching the PC targets.
- s) The Company propose to further engage with Ofwat for a change to the commitment, this time based on a 'changes to third party materials'.
- t) The Company concluded that there is no way to remove a closed beach from the reporting in this PC in AMP7. This issue has been resolved for AMP8, and the Company stated the AMP8 PC is significantly different.
- u) A Forum member highlighted that only 16 of the 18 bathing waters are currently classified as good or excellent, and asked why the other two were not achieving a higher classification and what the Company is going about it.
- v) The Company explained that the two beaches in question are Bridlington South and Scarborough South . These two beaches have historically been classified as poor or sufficient and have never achieved good or excellent. The two beaches are in complex locations, south of a very busy working harbour.
- w) The Company noted that one of the two beaches has had an excellent/ outstanding year in terms of its water sample results. However, due to the four-year rolling average of classifications, the beach remains classified as poor.
- x) The Company are undertaking significant investment at these two locations, to improvement their performance.
- y) including accelerating their investment to their coastline CSOs with the aim of achieving the government target of two spills per season by 2035 by 2030.
- z) The Company clarified that they are being penalised for something that is out of the control. They will have to pay a penalty for not achieving the PC because

Tunstall has been de-designated, and the beach cannot be accessed for water samples to be taken.

- aa) A Forum member added that the Company are in penalty because they are missing the PC on two beaches (Bridlington South and Scarborough South), and there is an assumption that they are missing it on a third beach because they are unable to provide water samples (Tunstall). The likelihood is that because it was classified as excellent beforehand, and without awareness of any major changes, if it could be measured then it would likely be an excellent beach. The Forum member commented that being penalised for not being able to provide water samples at Tunstall is unjust.
- bb) A Forum member asked whether there is an alternative beach that might replace Tunstall? The Company said that Ilkley has been designated as a bathing water and should it be included instead of Tunstall, the Company's penalty position would remain as it currently is (two beach penalty) because Ilkley is not classified as good or excellent.

6. Your Water Your Say second event debrief

- a) The Company presented an update on the second YWYS event. The event consisted of a 15-minute presentation by the CEO followed by a 1hr 45 min live Q&A session.
- b) 209 people registered to attend the event and 98 attended on the day. The Company commented that their attendance was on a par with other water companies.
- c) The presentation ran smoothly, and issues raised by the audience were already anticipated.
- d) Thirty-one questions were answered live, and 80 questions were submitted via the chat and associated mailboxes. This compared to 25 questions answered live at the first event.
- e) The Company attributed the greater number of questions answered to:
 - a. Preparation undertaken in advance, including three mock sessions to rehearse the Q&As.
 - b. The monitoring what other water companies were asked at their events.
 - c. Reviewing the feedback and issues raised
- f) The Q&A session was split into four themes:
 - i. Secure, safe and clean water supply: future water supply security, detection and reduction in leaks, use of grey water.

- ii. Wastewater and storm overflows: flooding and water pollution, expansion of water metering, working with farmers to reduce pollution.
 - iii. Healthy environment and net zero: tackling pollution, river and bathing water quality.
 - iv. Affordable bills and customer service: How proposed investment will be financed, supporting vulnerable customers, balance of payments between shareholders and customers.
- g) The Company outlined the next steps:
- i. The draft meeting minutes are to be submitted to the YWYS Chair and attendees by 1st December 2023.
 - ii. Attendees complete the Ofwat survey by 7th December 2023.
 - iii. Publication of the full report and website update by 22nd December 2023. The full report will contain responses to all questions.
- h) A Forum member asked whether attendees were satisfied with the responses to questions on the day. The Company responded that, generally, attendees seemed content with the answers, and there were few follow-up queries.
- i) A Forum member asked whether the Company was going to feedback to CCW and Ofwat on the event, particularly on their efficacy and usefulness, and how they can be improved.
- j) The Forum member believed there would be another Ofwat event. The Company agreed that there would be an event in June. The Ofwat events will be to inform customers and stakeholders of their determination. The Company have contacted Ofwat requesting more information.
- k) In advance of the second YWYS event guidance being prepared, Ofwat held an online meeting where all water companies had the opportunity to debrief from the YWYS events, and to react to the emerging guidance for the second event. The Company said they would welcome another debriefing session to give feedback and to hear how other water companies found the second session. The Company have asked Ofwat whether there will be another debrief session.
- l) A Forum member noted that there were statements from attendees that were either inaccurate or based on misinformation. Acknowledging the desire to avoid confrontation, the Company chose not to respond to such statements. However, the Forum member emphasised that allowing such statements to go unchallenged or uncorrected could create a perception of truth in the statement.
- m) The Forum Chair commented that it would be important to check the YWYS event minutes to ensure that such statements are not established as fact or remain open to debate.

n) The Company said that the draft minutes would capture the question and the response. In the full question response, the Company will make sure the response is framed as it should be, is accurate and it flows from the affordability research that has been done.

7. AOB

a) The Forum Chair expressed appreciation to Kirsty for her contribution to the work of the Forum over the last several months. Rachel will be taking over from Kirsty in the new year.

Next meeting

18 January 2024 via Microsoft Teams

Actions

November 2023

Ref.	Action	Status
1	The Company to provide feedback on CCWs assessment of the PR24 plan.	Open
2	The Company to consider what customer research will be presented to the A&V subgroup, the Environment subgroup. and will be brought to the main Forum meetings.	Open
3	The A&V subgroup to be restarted in the new year	Open
4	The Company to provide a copy of their annual customer research programme	Open

October 2023

Ref.	Action	Status
1	A plan for Forum engagement and a critical path of activities to be produced and discussed at a future meeting.	Open
2	Forum members to provide any feedback on the YWYS pre-reading materials; and to provide suggestions for improving their accessibility.	Open
3	Forum members to support in promoting the YWYS event.	Open
4	Forum members to comment on the YWYS draft presentation, once circulated in early November.	Open

September 2023

Ref.	Action	Status
1	Forum Members are requested to disseminate the YWYS event details to their network and contacts, and via their social media channels.	Complete
2	The Company to arrange a meeting to discuss ideas for reaching underrepresented groups	Complete
3	The Company to provide information about proportion of green measures (for waste water) in the final programme.	Open

4	The Company to share the findings report of WaterSupport Enhancement research.	Complete
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