

2020 – 2021

Yorkshire Forum for Water Customers

A statement from the Yorkshire
Forum for Water Customers on
Yorkshire Water's performance



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About us

We, the Yorkshire Forum for Water Customers, were set up in 2012. We are made up of key groups and independent members in Yorkshire who together represent Yorkshire Water's customers.

We make sure that Yorkshire Water fully consults you to learn your views and priorities and deliver the services you want. We meet regularly to monitor Yorkshire Water's performance against the commitments they made to customers (performance commitments) for 2020 to 2025 and make sure they involve us.

We play a vital role in helping the industry regulator, Ofwat, monitor the company's business plans, and are responsible for:

- challenging how well the company involve customers;
- challenging how the company's business plan reflects your views and priorities;
- monitoring progress against the company's performance commitments; and
- providing an independent evaluation of how well customers' priorities are reflected in the company's business plans.

For more information about us or our terms of reference, or to see the minutes from our meetings, please visit yorkshirewater.com/about-us/yorkshire-forum-for-water-customers

Statement from the Chair

Yorkshire Water are committed to keeping their promises to customers and providing high-quality services, and being as open as possible in the way they go about this.



We are fully independent of the company. We challenge their activities through our members, who have skills and experience in customer relations, economics, local government, the environment, farming, regulation and working with vulnerable households.

Minutes and challenges to Yorkshire Water are recorded in meetings and published on our website. At the end of this report, we have highlighted the main areas we have looked at in 2020/2021.

We believe we act as a strong and independent voice and a champion for water customers in the Yorkshire and Humberside region. This regional viewpoint gives us unique knowledge. Our members come from Citizens Advice, CCW (Consumer Council for Water), the Environment Agency, the National Farmers Union, Natural England, Pennine Prospects and The Rivers' Trust, together with independent experts on the environment, local government, and affordability and vulnerability issues.

Our role is to understand the challenges Yorkshire Water face when providing their services within the regulations set by Ofwat. We comment on the company's business plans and give our views about key policy and operational issues and priorities. We also consider the regulations and challenges set by the Environment Agency and the Drinking Water Inspectorate. We are supported by the work of our subgroups on affordability and vulnerability, communications and the environment.

We review Yorkshire Water's business plans and comment on research methods, sample size and coverage, discussion guides, online questionnaires, and presentation materials.

This has been an unusual year, as the normal timescales for our work have been influenced by the company referring Ofwat's price determination of their 2020-2025 business plan to the Competition and Markets Authority (CMA). (The price determination is Ofwat's five-year price and service package for each water company.) Yorkshire Water were one of four companies who chose to do so. We fully supported this, as there would not be enough resources for the company to deliver the high level of service proposed by Ofwat, which would put the company and their customers at increased risk.

We commented last year that this referral to the CMA was "an almost inevitable outcome" of the price determination process. However, it has also resulted in a large amount of extra work for the company and us, including giving evidence at several online hearings. The CMA has concluded that Yorkshire Water should still face a challenging set of performance commitments, but it has adjusted them to reflect best regulatory practice, making sure investment in the sector continues. It has also partly reduced the company's exposure to financial risk to achieve what it considers to be the right balance between encouraging overperformance and making sure that the company can finance their operations and meet all their legal duties. There will be further investment to deal with leaks and flooding in Hull and Haltemprice and to remove phosphorus from its wastewater plant discharges, to improve the quality of water in rivers.

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A main point made at the hearings was about the need for balance between lower bills and a risk to the quality of services the company can provide. We believe that Yorkshire Water recognises and acts on their responsibilities towards customers experiencing financial difficulties and have a wide range of schemes that provide help. We expect Yorkshire Water to continue to identify and meet the needs of customers struggling to pay their bills and we welcome the range of help available to them. We will continue to play a key role in monitoring whether Yorkshire Water meets their performance commitments in this area through our Affordability and Vulnerability Subgroup.

We are aware that Yorkshire Water had a difficult year, with pressures of both the CMA review and adapting to COVID-19, but we are disappointed with their overall progress against performance commitments. These are put in place partly by Ofwat, but also by the opinions and priorities of customers. As a result, we place a high level of importance on progressing against those benchmarks. We will continue to challenge Yorkshire Water to improve their performance over the remaining years of this price review period.



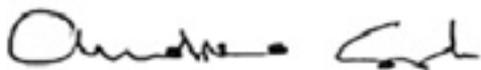
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At our meetings we have also discussed:

- the increase in pollution incidents, partly linked to extreme weather but also to the company's own operations;
- whether the company have met their performance commitments and how these are presented on the company's website;
- the effect of COVID-19 on customer behaviour and finances (including levels of debt);
- monitoring the Yorkshire Water land strategy (including reductions in carbon, gains in biodiversity and improvements in water quality); and
- the Working with Others Community Benefit Fund, which aims to support successful applicants.

We have our own inbox and have been receiving more and more emails asking for help. You can continue to email us, but please only send us general enquiries, for example about water pressure, when you feel you have used all other options. We encourage emails about how Yorkshire Water involve you and their levels of service. We hope that customers will continue to have a high level of trust in Yorkshire Water, and we will continue to challenge the company in the areas you have told us matter most to you.

Please stay safe.



Andrea Cook OBE

Independent Chair,
Yorkshire Forum for Water Customers



Statement from the Affordability and Vulnerability Subgroup

In 2020, more people than ever needed extra financial support. We praised Yorkshire Water for responding quickly to this challenge.



The company, as part of the Water UK action group, put in place commitments to support customers, including:

- offering payment breaks or payment holidays for anyone in financial difficulties as a result of COVID-19;
- delaying enforcement visits and new court action on unpaid bills during the current restrictions;
- automatically renewing customers onto the WaterSure tariff rather than them having to follow a renewal process;
- identifying cash payers who may not be able to make payments because they cannot leave their house, and telling these customers about alternative payment methods they can use; and
- stopping all collections visits.

As well as this, Yorkshire Water consulted us on proposals to offer their social tariff (help with payment terms) to support more customers. The company also extensively promoted existing financial support schemes.

Price Review

This year we have also focused on representing your views when responding to Ofwat's final determination and the appeal to the Competition and Markets Authority (CMA) that followed. We voiced our concerns that the determination should not have a negative effect on vulnerable customers (for example, people who are struggling to afford their water bills, older people and people with disabilities). We were pleased to note that Ofwat considered this. The CMA also acknowledged a point made at the online hearings that customers can move in and out of vulnerable circumstances at different stages in their life and their needs may vary.

We raised with the company that they should put the CMA's decision in place in a way that would keep bills at the same level, and they have achieved this.

Performance Commitments

All water companies have a performance commitment to increase the number of people registered for priority services and to make sure that the details of the people registered are up to date. We were disappointed to learn that Yorkshire Water have failed to achieve their commitment this year.

More people could have benefited from being on the priority services register for example, those who were told to shield and so would not have been able to leave their home to collect bottled water if there was a loss of water supply.

We are concerned that, by failing to increase sufficiently the number of people registered for priority services, Yorkshire Water missed an opportunity to involve those customers who would have benefited the most. We have seen evidence of other water companies who communicated better with shielding customers – for example, those that are over 70 years old. Those companies put these customers on the priority services register and received positive feedback from their customers for having done so.

We will be focusing on this performance commitment in our discussions with the company and want to be reassured that reliable plans are in place to improve performance in 2021 and beyond.

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As well as the general performance commitment, Yorkshire Water showed they were committed to vulnerable customers by having further relevant performance commitments in their business plan. An external expert panel is currently measuring how inclusive the company's service is. Yorkshire Water are also researching how satisfied customers who are on the company's priority services register are with their services.

Also, Yorkshire Water want to make sure that people know about the support they can offer customers. To do this, they have a performance commitment to raise awareness of the support they offer and how to access that support. They have consulted us on their programme to raise awareness and increase the number of people in socially and economically disadvantaged communities they support. We will be monitoring the progress of this programme.

Janine Shackleton

Policy Manager,
Consumer Council for Water



Statement from the Environment Subgroup

We have continued to work with Yorkshire Water, focusing on environmental aspects of the company's operations, forward planning and investment, and how they meet their performance commitments. We have tried to make sure we use customer concerns and priorities, as supported by the company's customer research, in our discussions.

We have looked at how efficiently Yorkshire Water are delivering investment for the next five-year asset management period. We have also monitored how they are keeping to their commitments to take a more complete approach to tackling environmental challenges and use more economic and nature-based (rather than traditional chemical-based) approaches. The company's continuing development of their pioneering Six Capitals approach (which takes account of the financial, manufactured, intellectual, human, social and relationship, and environmental factors when evaluating their spending decisions) and how they use these when assessing different options for investment, is very welcome. We are pleased that there appears to be increasing national support for this change in approach.

The new asset management period has brought with it a much larger range of performance commitments. We have continued to focus on how the company deal with the risks of pollution incidents and welcome their efforts to be more open about the significant number of serious and major incidents that happened in the last asset-management period (12 in 2018 and 7 in 2019). We are reassured by the recovery plan and other measures that were put in place, as figures are continuing to fall in the top two incident categories and for minor incidents since then.

We also share customers' concern about sewer flooding and are disappointed to see last year's poor performance figures on internal sewer flooding and mains repairs. We will be looking at these further with the company. There are also the related storm-overflow problems, which affect watercourses and land downstream, including inland water bathing.

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We welcome the company taking the initiative to publish on their website the information from the new discharge monitors that they have installed to help to understand the problems. We have made some recommendations to improve the presentation of the website and make it more accessible and easier for the public to find and understand. The company are also sharing with us the plans they are developing on how they can deal with the significant future investment challenge to end these discharges.

This short report cannot do justice to the vast range and depth of the issues we have covered at our meetings about water quality, water-resource management plans, river-basin management plans and drought planning, including planning for the increasing effect of climate change on these. We have also looked at Yorkshire Water's decarbonisation progress, how Yorkshire Water manages their own land, and their work with other major landowners to improve the land's natural value.

Dave Merrett

Independent Forum Member



Thank you

For more information
please contact
theforum@yorkshirewater.co.uk



Yorkshire Forum for Water Customers