

# Yorkshire Forum for Water Customers

## Minutes of Meeting

12 April 2018

Doubletree by Hilton, Granary Wharf, 2 Wharf Approach, Leeds, LS1 4BR

### Attendees:

Andrea Cook	Chair
Chris Griffin	Citizen's Advice
Dave Darley	Yorkshire Water
Dave Merrett	Independent Member
Georgia Klein	Report Writer
James Copeland	National Farmers Union
Janine Shackleton	Consumer Council for Water (CCW)
Joe Napoli	Yorkshire Water
Melissa Lockwood	Environment Agency (EA)
Paul Chapman	Yorkshire Water
Tom Keatley	Natural England
Wendy Kimpton	Yorkshire Water (Head of Regulation)

### Apologies:

Alistair Maltby	The River's Trust
Angela Collins	Consumer Council for Water (CCW)
Pam Warhurst	Pennine Prospects

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## 1) Welcome

- a) The Chair welcomed Forum members to the meeting.
- b) Apologies were received as above.

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## 2) Minutes/Actions of last meeting

- a) Minutes to be reviewed at a later date.
- b) Actions from March were discussed as follows:
  - Action 1 - complete
  - Action 2 - noted
  - Action 3 - ongoing

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## 3) Sub-group updates

- a) The Affordability and Vulnerability sub-group meeting is being held on 9 May 2018.
- b) The Environmental subgroup provided an update to the Forum. They are still not clear on the designation of four potential rivers and are awaiting an update. The next meeting is 3 May 2018

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#### 4) Customer Research Programme Update

- a) The company provided the Forum with an overview of the PR19 research programme to date, a summary of the Non-Household retailers research, headlines from the Outcomes and Performance Commitments (PC's) research and a forward view of the remaining PR19 research programme.
- b) The company began by providing an overview of the scope and scale of the PR19 research programme compared to that delivered at PR14. It commented on the various ways in which the Forum had challenged the research programme to date, whether that be at the main Forum meetings, sub-groups, engagement days or through direct contact with the Company. The company also provided an overview of the challenges received to date.
- c) The Forum commented on areas which have stood out to them. Comments were made on the use of plain English and the style of documents, and how far the company has successfully progressed in these areas. They also commented on some areas of concern; they advised that although the programme covers the price controls, there is no visibility of this yet, the company advised the Forum will see a stream of research coming through into the plan and this should soon be visible at future meetings.
- d) The company presented the key findings from its engagement with Non-Household (NHH) Retailers to date. The Forum was informed that retailers have a good relationship with the company and consider them the one of best wholesalers to work with. The Company discussed the principal areas which NHH Retailers have identified as key to improving the relationship further.
- e) The company presented the findings from its recent Outcomes and Performance Commitments research. Results including overall support for the package, feedback on the Big Goals and customer priorities for the performance commitments were discussed. Feedback from customers also focussed on areas where customers want to see performance improvements over the short, medium and long term, as well as incentives.
- f) The company advised the Forum it is considering the feedback from the customer research in readiness for the May regulatory submission. The company will set up a conference call with members of the Forum to discuss these prior to the submission date.

**Action 1: Conference call to be set up regarding Performance Commitment definitions before submission to Ofwat in May.**

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#### 5) Business plan iteration update

- a) The objective is to achieve a fast track or better plan in PR19. There are a number of risks which have been identified the two key risks associated within the submission of the PR19 plan are:
  - if the plan fails to achieve at least 'fast track' standard (R1);
  - the plan achieves 'fast track' standard, but this is not deliverable (R2)

A 'top down' number is needed to inform 'bottom up' analysis. The 'bottom up' will always be bigger and this is where the company needs to identify the potential risks.

- b) The business plan scenario from AMP6 to AMP7 is based on:
- Continuation of services from AMP6,
  - Addition of the Upper Quartile (UQ) and "Frontier services" as agreed in Q4 2017;
  - - Leakage UQ 2020/21,
  - - Internal sewer flooding UQ 2020/21,
  - - Pollution UQ 2020/21,
  - - Frontier in interruptions to supply 2020/21
  - - Addition of the forecast position regarding Water Industry Environment Programme (WINEP) – please note iteration was completed just prior to WINEP3 release, and;
  - - Addition of forecast pressures in growth and new areas, e.g. Hull flood management.

Pressures and expected efficiencies were discussed. A target figure for the next AMP, based on what is known currently, was discussed. When this is run through the modelling this works with a potential bill reduction for customers. This figure is obtained from a 'top down' approach. This still needs to go through a validation process and may move.

As WINEP3 has now been released the company explained that it is understanding the impact of building green and amber schemes into the plan. It was agreed that to ensure transparency, acceptability testing should take place on a plan with green and ambers in it. As the amber schemes are uncertain the company will need to find a way to articulate to customers that the final position, once the designation decisions have been made, may be lower.

Next steps include;

- Incorporating WINEP 3 into the analysis
- Continuing to inform expected efficiencies and pressures
- Increasing granularity to individual price controls
- Re-running models to understand likely bill movements
- Continuing to define cost adjustment claims
- Continuing to establish targets for performance commitments.

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## **6) Review of indicative special cost factor claims for submission to Ofwat**

- a) The purpose of the discussion was to inform and discuss potential cost adjustment claims which are being explored and investigated for submission in May. The aim is to provide well evidenced claims, supported by customers and needed to deliver the services agreed as part of the wider business plan engagement.
- b) The claims being explored are:
- DWQ
  - Cellared properties
  - Hull flood alleviation
  - Leakage
  - WINEP – urban waste water treatment directive (UWWTD)
  - Growth (waste)
  - IT - customer resolution management system (CRM)

- c) Claims not being progressed are:
- HS2
  - Pollution
  - Discolouration contacts
  - Thornton steward trunk main
  - Long term asset lifestyle maintenance
  - Withernsea
  - DWF compliance
- d) Each claim is being tested with the Forum and customers before May. Further testing is part of the wider engagement plan. The process in examining the claims is as follows:
- What is the claim?
  - Type of claim
  - Case
  - Cost (total cost)

Each of the claims being explored was discussed in greater detail with the Forum. The claim and the case for each claim was discussed with members with a total cost for funding. The majority of the cost adjustment claims were understood by Forum members; however, the company was challenged in relation to 'IT - customer resolution management system (CRM)' cost adjustment claim. YW manages customer service using it's CRM system. The technology to support the management of customer information and the provision of contact channels is old and in need of replacement and isn't quite as 'clever' as the company would like.

### **Challenge 1: Company challenged regarding CRM as a cost adjustment claim**

- e) Presentation was concluded regarding the submission to Ofwat in May and September.

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## **7) Close**

The meeting closed at 14.45pm

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## **8) Dates of next meetings**

### **Thursday 10 May 2018**

Venue: Livingstone House, Room G1, Chadwick Street, Leeds LS10 1LJ

### **Thursday 14 June 2018**

Venue: Livingstone House, Room G1, Chadwick Street, Leeds LS10 1LJ

**Actions:****Summary of actions: 21st July 2017**

No	Action	Comment
3	<p><b>Chair Update/Forum Membership:</b> Forum members to make enquires about vacant positions for representatives from the Small Business and Healthcare sectors</p> <p><b>Post Meeting Update (07/09/2017&amp; 12/10/2017):</b> The forum members have been unsuccessful in finding representatives for the small business federation and healthcare, the action is ongoing.</p>	Ongoing

**Summary of actions: 7th September 2017**

No	Action	Comment
7	<b>The Chair</b> to review all previous minutes and add challenges to the challenge log	Ongoing

**Summary of actions: 12<sup>th</sup> October 2017**

No	Action	Comment
3	<b>Company</b> to provide a draft summary document for comment from Forum Members.	Ongoing

**Summary of actions: 14<sup>th</sup> December 2017**

No	Action	Comment
1	<b>Chair</b> to contact lead of the Alzheimer's Society regarding attendance at the Yorkshire Forum for Water Customers meetings	Ongoing
4	<b>Company</b> to present storyboard to the Forum before it is published publicly	Ongoing
5	<p><b>Company</b> to construct email to Ofwat regarding LORI</p> <p><b>Post meeting update – (05/04/2018)</b> <b>Company</b> have contacted the relevant department for an update</p>	Ongoing
6	<p><b>Company</b> to look at EU directive regarding customers' bills</p> <p><b>Post meeting update – (05/04/2018)</b> <b>Company</b> have contacted the relevant department for an update</p>	Ongoing

### Summary of actions: 30<sup>th</sup> January 2018

No	Action	Comment
4	<a href="#">Company</a> to link the Bradford Moor project and how this pilot was successful which creates a customer appetite  <b>Post meeting update – (05/04/2018)</b> <a href="#">Company</a> have contacted the relevant department for an update	Ongoing

### Summary of actions: 15 February 2018

No	Action	Comment
1	Would the DWI champion a joined-up approach regarding phosphate dosing/lead removal. <a href="#">DWI</a> to respond back to Forum.	Ongoing

### Summary of actions: 8 March 2018

No	Action	Comment
3	Requirement for a PC to specifically fit vulnerability.	Ongoing

### Summary of actions: 12 April 2018

No	Action	Comment
1	<a href="#">Company</a> to set up conference call regarding Performance Commitment definitions before submission to Ofwat in May.	Ongoing

### Summary of challenges: 12 April 2018

No	Challenge	Comment
1	<a href="#">Company</a> challenged regarding CRM as a cost adjustment claim	Ongoing