

Attendees

Peaches Golding OBE	BWCP Chair	Iain McGuffog (to item 9)	Bristol Water (BW)
Tony Denham	BWCP Deputy Chair	Sue Clark	Bristol Water
Jeremy Hawkins	Report Writer	Jim McAuliffe	Bristol Water
Cllr. Michael Gay	Mendip District Council (MDC)	Alex Smethurst	Bristol Water
Fran Begley (item 7 on)	South Bristol Advice Centre (SBAC)	Toby Woolway	Bristol Water
Dr Tabinda Rashid-Fadel (to item 8)	NHS	Matt Draper (to item 8)	Bristol Water
Jon Johnson	Consumer Council for Water (CCW)	James Holman (item 9 on)	Bristol Water
		Richard Price	Bristol Water

Apologies

Tamsin Sutton	Environment Agency (EA)	Dr Mark Taylor	Natural England (NE)
Dr Karin Haverson	North Somerset DC (NSDC)	Mike Bell	Consumer Council for Water (CCW)

1. In camera session before main meeting	
Minutes are confidential and not published.	
2. Chair update	
<p>The meeting was a video conference call because of the ongoing Covid-19 pandemic. BW had issued a slide pack to all Panel members in advance of the meeting.</p> <p>The Chair welcomed everyone to the meeting.</p> <p>The Chair said that the Panel had a brief discussion in its in-camera session on the status of the CMA referral and the recent third-party hearings involving the four CCGs, CCW and Citizens Advice. BW said it hoped for a speedy resolution to the CMA process. The company had its session with the CMA yesterday and BW’s CEO will provide an update to the Chair shortly. BW considered the CMA’s questions were positive and noted its willingness to listen to other perspectives. Whatever the outcome, BW considers it will be robust given the amount of energy put in by all parties. The Chair asked if, in the interim, whether BW has to make any decisions that are irreversible and would there be much pressure on its activities in the last half of the AMP. BW said this will not be case.</p>	

<p>However, the revised timing of the CMA’s decision causes some difficulties with charges, with them potentially being at a lower level than would otherwise have been the case.</p> <p>The Chair asked if BW is clear where the pressures are and how to mitigate them. BW replied that it should know the CMA outcome before it fixes its budget for next year. It is planning on the basis of the FD until then. No permanent decisions are required now, and it will manage the situation over the next four years.</p> <p>The Chair agreed that customers shouldn’t bear the brunt of uncertainty.</p>	
3. iNED Update	
<p>The iNED said this new agenda item formalises the interaction between the Board and the BWCP and addresses a challenge from the Panel made earlier this year. The Board has a specific agenda item on its meeting that follows each BWCP meeting. Unfortunately, the timing of meetings doesn’t fit logically this year (with some Board meetings being just before the BWCP meets) but this isn’t considered to be a big issue. It should be possible to co-ordinate meetings better next year.</p> <p>The following BWCP issues had been raised at the last Board meeting:</p> <ul style="list-style-type: none"> • The significant impact to customers of recent bursts - the Board has always taken bursts very seriously and has been a major discussion item recently. • The CCW research findings on customer awareness and vulnerability and the company’s response – the company will provide ongoing assurance to the Panel on these issues. • BW’s involvement in the Somerset Climate Change Strategy - the company is now involved with this. • The impact of price changes on different demographic groups – to be covered later in this meeting. • The governance of the West Country Water Resources Group (WCWRG)– to be covered later in this meeting. <p>BW reported that the GMB Union has recently balloted for strike action. The decision has not been published yet. BW has had sight of the result and the Union is considering what action to take. BW has been reviewing its plans to mitigate the impact of any action. It will update the Panel further once the Union position is known.</p> <p>The Deputy Chair had noted the results of BW’s survey of its customer segments. He is still digesting the detail but will wish to explore with BW the make-up of the ‘Empty Nester’ category. This will be a subject for the next CESG meeting.</p> <p>Regarding meeting action 84, the Deputy Chair said he appreciates the difficulty in providing access to the online data from the company’s dashboard, so he suggests that a customer focussed set of standard topics from the online system is agreed and which can</p>	<p>Action: BW</p> <p>Action: Deputy Chair</p>

<p>be frozen, saved and provided to members for each BWCP meeting. He will discuss this with BW separately.</p> <p>The Chair thanked the iNED for his update. She feels confident and assured that the Board is listening to the Panel’s concerns and that this represents a significant step forward.</p>	
<p>4. Minutes, actions and challenge log</p>	
<p>Slides 7 to 9 relate to this item.</p> <p>The Deputy Chair referred to the minutes of last meeting. There were no comments on them and so were accepted.</p> <p>The Deputy Chair outlined the current position on the Challenge Log. There is one challenge outstanding relating to the CMA outcome.</p> <p>The Deputy Chair reported that dates for the completion of most meeting actions have now been now defined following a good session with BW last week.</p>	
<p>5. Sub-Group Updates (CESG and SCSG)</p>	
<p>Slides 10 to 12 relate to the agenda item.</p> <p>The Deputy Chair provided the following updates from the CESG (full details are contained in the notes from the CESG meeting held on 12th November):</p> <ul style="list-style-type: none"> • C-Mex • D-Mex • Online Panel • Pension Credit Research • Innovation logging • Meter Penetration • Vulnerability Update • Outstanding Actions <p>The Deputy Chair provided the following updates from the SCSG (full details are contained in the notes from the SCSG meeting held on 12th November):</p> <ul style="list-style-type: none"> • Annual Social Contract (SC) Process • Engagement Plan • Update on Local Community Satisfaction Survey development • Mid-year performance review <p>The Chair thanked BW for the clarity it provided on the Panel’s role in the SC.</p>	

6. Regulatory Updates (CMA, WCWR & Water Resource Annual Update)	
<p>BW provided the following verbal updates:</p> <p>CMA referral. The CMA is currently in listening mode. The cost base and cost of capital remain the key areas of concern for BW. The company's main challenge is when the CMA will conclude or when its decision can be reflected in charges. See 'Chair Update' minutes above.</p> <p>West Country Water Resources (WCWR) – BW reminded the Panel that the WCWR Group (BW, Wessex Water and South West Water) have been assessing the feasibility of a scheme to transfer water resources to Southampton (Southern Water). A proposed scheme was submitted to Ofwat in September. It would be very expensive and may only be needed to satisfy a 1 in 200-year drought. Ofwat has just published its provisional view and in doing so has altered the timetable for further assessment (to March 2021) which should also consider water resources in the West Country as a whole and to explore ways for Wessex Water to move water to Southampton more economically. BW agrees with this revised approach. All the information is on Ofwat's website, but BW offered to summarise the current state of play in an email to the Panel.</p> <p>The Chair asked about the governance of the WCWRG. BW replied that Ofwat not materially concerned about this but, now knowing what Ofwat's need is, the WCWR can give more consideration to increasing its governance. BW intends to make sure this an important part of the process. It has already spoken to the other companies and the considerations could include whether the WCWRG should have an independent chair.</p> <p>MDC asked whether within the WCWRG has considered the impact on watersheds and aquifers in its evaluation of the frequency of severe droughts. There are other stakeholders in the area with their own water supplies that may be affected. BW said that such considerations have been made and there are many technical reports on this issue. There are also some helpful summary maps. It could send all this information to the Panel, but it may be better for BW to describe it directly at some future session. The Chair said this is a key issue for the Panel to monitor. It would welcome the environmental update. when it's available. BW agreed to point to a useful summary in the meantime.</p> <p>Water Resources Management Plan (WRMP) Annual Update - BW said the requirement for an annual update of the WRMP is a new requirement this year. BW has received a letter from Defra, Ofwat and EA on its WRMP update. There are some concerns that BW is now planning to meet Ofwat's PCC targets, but that these targets are not the same as the WRMP targets. BW has to respond on this by the end of December. Nine other companies are in a similar position BW said this difference is unintended and is a function of the difference between annual and three year rolling average figures</p>	<p>Action: BW</p> <p>Action: BW</p>

<p>Covid -19</p> <p>NHS asked about the impact of Covid-19 on vulnerability and BW’s response to this. BW replied it has a good range of offerings to assist customers. It has refreshed its approach to identifying and working with vulnerable groups and to making it easy for customers to obtain help. There is now greater use of media, including virtual coffee mornings, and more payment breaks are being offered. It has no concerns from its data on vulnerable customers at the moment, but it is mindful how things might change in the new year.</p> <p>The Chair referred to recent data on high infection rates in the Bristol area and asked how BW prioritises its response given such information. BW said it is aware of the emerging situation on Bristol and is giving consideration to how it might respond to this. It is currently reaching out to everybody. It will take this challenge to its Vulnerability Action Group, with Wessex and Pelican, and will report back to the Panel.</p> <p>NHS requested a discussion with BW about triangulating its work and information across higher risk groups, metering, hand washing, affordability, and wellbeing. BW welcomed this request and said it is currently making no distinction across the latest Covid lockdown tiers. It continues to treat everyone as individuals. However, there is a possibility that it can learn something from the new data.</p> <p>Ofwat</p> <p>BW noted there are other emerging issues from Ofwat’s recent communications to the industry including:</p> <ul style="list-style-type: none"> • Financial resilience and feedback on reporting • The CCW report on complaint processes • Annual Performance Reporting (APR) guidelines • Developer services commitments consultation - due 11 January 2021 <p>It will add its summary to these to the email to the Panel referred to under WCWR above.</p> <p>CCW said the main headline from its report on customer complaints relates to response times. It is asking that companies have greater ambition to improve these. Ten working days is the standard response target, but some companies have enhanced targets. CCW is looking to the industry to formalise the publication of these.</p> <p>Self Lay</p> <p>MDC asked about self-lay schemes for water mains. Planning Inspectorate pressure for new development is an ongoing and increasing issue in rural areas. MDC considers the cost of providing public connections to properties on private supplies could lead to greater water poverty. MDC also asked if BW has sight of the Somerset CC Mineral Plan which envisages a considerable increase in mining in BW’s areas, below the water table and sea</p>	<p>Action: BW</p> <p>Action: NHS/ BW</p> <p>Action: BW</p>
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<p>level. MDC asked if BW is aware of the impact on its water catchments. This may be affecting properties with private boreholes who are having to request a public supply from BW but are finding the connection charges are prohibitive. BW replied that customers don't generally reply on boreholes in mining areas. BW's relationship with councils is good (MDC particularly so) and so it would be made aware of customers in such situations. Generally, developers pay for new connections. Costs are averaged over five years so this should help private applicants. MDC agreed to email BW with examples of customers who have been affected in this way.</p>	<p>Action: MDC/ BW</p>
<p>7. Supply Interruptions</p>	
<p>Slides 14 to 18 relate to this agenda item.</p> <p>BW presented an overview of the AMP7 Supply Interruption Performance Commitment, its operational response processes to such incidents and two recent case studies.</p> <p>The Deputy Chair had asked in advance of the meeting if BW could include more detail concerning the bursts caused by third party contractors, particularly the frequency and the discussions that take place to try and prevent a re-occurrence. Also, whether there is any financial penalty applied to the contractor.</p> <p>BW reported that 45% of its interruptions this year have been caused through third party damage, typically work being undertaken by rural landowners. BW sees an opportunity to improve proactive communication to such landowners, making them aware of where mains are and improving marker posts in fields.</p> <p>MDC asked if BW was working with FWAG on this issue as FWAG has good penetration within the farming community. BW agreed there is lot of work to be done with FWAG and has a workstream in place. MDC also asked how easy it is for farmers to do their own research on the location of mains. Large farms have digital mapping of their fields and possibly farmers could add the mains to their maps. BW said it recognised such opportunities and there may be lessons to be learnt from the gas industry. It is not currently easy for third parties to access its mains plans. The Chair said the Panel would welcome an update on relevant information from other utilities at some future point.</p> <p>CCW noted the incidence of third-party damage but that this still leaves 55% of interruptions down to to issues with pipework. It has requested information from BW on the company's maintenance schedules and pipe replacements.</p> <p>The Deputy Chair asked if BW's single supply zone has a detrimental effect on its ability to isolate supply areas. BW replied that it is confident that the network is bi-directional, but it is always looking at alternative rezone options.</p>	<p>Action: BW</p>

8. Mid-Year Performance Report 2020/21	
<p>BW presented slides 19 to 39 for this agenda item. It had also circulated a copy its 'Mid-Year Performance Report for 2020/21' to the Panel.</p> <p>The Deputy Chair had previously sent questions to BW on the 'Mid-year Performance Report 2020/21'. The Report makes it clear that there is a lot of detail that needs to be explained to the BWCP once the CMA has published its final report.</p> <p>The Deputy Chair congratulated BW on its top industry position on D-MeX. He also noted the company is maintaining good performance on C-MeX. He remarked that the same water companies always appear at the top and bottom of the league table.</p> <p>MDC noted the zero score against customers in water poverty on slide 23 and asked if this means the penetration of the social tariff is so good that the company doesn't have any customers in water poverty. BW said this is the position against the FD definition, but it is a forecast based on historical data. The FD definition of water poverty is where the water bill is more than 2% of disposable income. This is a company-specific definition and is a continuation from AMP6. There is no agreed way of defining water poverty consistently across the industry.</p> <p>The Chair asked what mitigation plans BW has to get closer to its PSR target and what happens if the targets is exceeded. BW said there is lot of work going on to ensure field staff are trained in identifying eligible customers in a manageable and efficient way. IT improvements have been introduced for field staff. BW is not trying to limit its cost to serve.</p> <p>The Chair asked about the timescale to retrieve the situation on water quality contacts. BW replied the AMP7 targets are stretching. There isn't a single cause of such contacts. Third party actions (eg hydrant use), bursts, etc all have an impact, not asset investment. Different causes are recorded each month and there is no useful trend data. Improvements may take a long time. BW will keep the Panel updated if it discovers a single cause that can be rectified and will include this in the end of year performance report.</p> <p>The Chair congratulated BW on its leakage performance. On PCC she asked how BW is going to educate people to use less water and how it intends to increase meter penetration. BW said it isn't forecasting to meet its meter penetration target this year. A number of PCC education campaigns are ongoing, including the new Foundation website which covers the value of water and ways of reducing usage. There is also involvement with Resource West. These initiatives will take time to bed in. The Chair said that in order to create step change in customer behaviour, there have to be greater partnerships at national level with more energy than at present. She asked how the water industry is influencing this. BW said that metering doesn't materially affect PCC. Some companies (not BW) say that the cost of water has come down. BW is going to use Resource West as</p>	<p>Action: BW</p>

<p>its main vehicle for change. It is disappointed that government is not doing something on water efficiency labelling, at least in the next two years. BW will focus locally on what it can control but needs national action on private renters for example.</p> <p>With regard to forecast ODIs the Chair asked when the Panel will have information about their impact on customer bills. BW replied the impact will be published in December 2021.</p> <p>MDC thanked BW for its mid-year report presentation. The Chair added her thanks for the technical detail as this enables challenge, which is a major part of the Panel’s role.</p>	
<p>9. Mid-Year Social Contract Report 2020/21</p>	
<p>Slides 40 to 46 relate to this agenda item. It had also circulated a copy its ‘Mid-Year Social Contract Report for 2020/21’ to the Panel.</p> <p>The Chair welcomed the infographics on the presentation slides and in the Mid-Year report. She said that she would taking part in the ICS feedback session with BW the following afternoon.</p> <p>MDC said it is good to see BW’s involvement in Bristol’s One City Plan (OCP) but asked what the rest of the region would make of that. BW said the OCP includes most of North Somerset and other councils are observers to the Plan. BW intends to expand the OCP format to other areas as it progresses. Its Social Contract work is not meant to be exclusive to Bristol. MDC accepted this but noted the optics of the current presentation may not portray this. The Chair asked MDC to make BW aware of where its environmental activities add value, either through the BWCP or directly. MDC said that he has just issued an internal annual report to MDC on its successful dealings with BW. It recommends that MDC makes contact with other utilities in a similar way.</p>	
<p>10. AOB (including charges update)</p>	
<p>At this point the Chair thanked BW and Panel members for their contributions and support and left the meeting.</p> <p>Slides 47 to 51 relate to this agenda item.</p> <p>BW presented an update on its it charges for 2021/22.</p> <p>The Deputy Chair had earlier noted that BW is preparing the 2021/22 bills based upon the Ofwat FD as required.</p> <p>Before the meeting the Deputy Chair informed BW that he had intended to ask a question about the Social Tariffs and the assistance provided to vulnerable customers. This is prompted by the recent call for evidence from the CCW on this topic. The Panel will probably be submitting a response and would like some up-to-date data on the financial</p>	

