

Minutes of Meeting 10 – 24th January 2018

Attendees

Peaches Golding OBE	BWCP Chair	Ian McGuffog	Bristol Water (BW)
Tony Denham	BWCP Deputy Chair	Ben Newby	Bristol Water
Jeremy Hawkins	Report Writer	Sue Clarke	Bristol Water
Dr Mark Taylor	Natural England (NE)		
Michael Barnes	Consumer Council for Water (CCW)	Michelle Davies <small>part</small>	Bristol Water
Cllr Terry Napper	Mendip District Council (MDC)	James Holman	Bristol Water
Jeremy Bailey	Environment Agency (EA)	Ed Barnes <small>part</small>	Bristol Water
Cllr Robert Cleland	North Somerset DC (NSC)	Robin Poole <small>part</small>	Bristol Water
Dr Danielle Wain	University of Bath (UB)	Lucy Farrow	Dialogue by Design
Dr Tabinda Rashid-Fadel	University of the West of England (UWE)		
Daniel Woodhead (by phone)	Step Change		
Luke Hasell	The Story Group		

Apologies

Prof. Chad Staddon	University of the West of England (UWE)	Alison Sleightholm	Western Power Distribution (WPD)
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Minutes

1. In camera session before main meeting	
Minutes are confidential and not published.	
2. Chair update	
The Chair presented a series of slides. She highlighted: <ul style="list-style-type: none"> The BWCP Report for 2016/17 has been published and that work on the structure of the Panel's PR19 Report has started. Feedback on the PR19 Report from all 	

<p>members is important to ensure the Panel can represent its work in the best possible way to Ofwat.</p> <ul style="list-style-type: none"> • Her attendance at the BW Partnership Workshop and the company’s desire to work with community groups, other water companies and commercial organisations on fair water usage, reducing carbon footprint and waste recycling. • The key Business Plan dates for the Panel’s work including the forthcoming Water Resources Management Plan consultation, a meeting between BW and Ofwat to discuss innovation in the company’s engagement work, submission of the BW Business Plan and Panel Report in September this year and Ofwat’s Draft and Final Determinations in 2019. 	
<p>3. Minutes, Actions and Challenge log</p>	
<p>The minutes of the last Panel meeting (Nov 2017) were agreed.</p> <p>The Deputy Chair reported that actions from the last meeting had been completed with the exception of:</p> <ul style="list-style-type: none"> • Challenge 123 (worked example of reporting assurance) remains outstanding. BW said it would be discussed in the Assurance agenda item later in this meeting. • A decision by the BW Board on presence of non-executive directors at Panel meetings will be taken at its February board meeting. • AMP6 penalties and rewards. The Panel needs to understand the rolling net position each year and the forecast to the end of the period. BW agreed to include this information in its mid year and end of year presentations to the Panel. • The sub-group has agreed a way forward with the Company over publication of its Triangulation Report for Panel members (see Report Writer’s email to Sue Clarke 17th Jan). BW will now action this. • BW will present its PR19 strategy for vulnerable customers at the next Panel meeting <p>The Deputy Chair reported that many challenges in the Challenge Log had been cleared since the last meeting. Around 8% remain outstanding.</p> <p>The Chair noted that almost 25% of challenges have resulted in a change of position or process by the company. This reflects well the challenge of the Panel on behalf of customers.</p>	<p>Action: BW</p> <p>Action: BW</p> <p>Action: BW</p> <p>Action: BW</p>

<p>EA reiterated its previous challenge that there needs to be a ‘golden thread’ linking the customer research (including WTP) to the PCs and ODI. Incentives need to set on the basis of associated WTP and customers support. BW agreed that this will be made clear in its draft Business Plan.</p>	<p>Action: BW</p>
<p>5. Assurance process</p>	
<p>Ed Barnes (BW PR19 Programme Director) and Robin Poole (BW Corporate Services) joined the meeting and presented a series of slides on the company’s Customer Engagement assurance process.</p> <p>The approach to the company’s Customer Assurance Planning is based on three principles:</p> <ul style="list-style-type: none"> • Targeted at areas that will determine customer acceptability • Risk –based considering the impact on the business and level of complexity • Planned and Measurable assurance <p>The customer assurance regime presented covered the following four building blocks (and three levels of assurance against each):</p> <ul style="list-style-type: none"> • Customer Engagement & Triangulation by Attribute • Acceptability Testing • Customer Experience • Customers in Vulnerable Circumstances <p>It was noted that these are four out of the 30 areas that make up companies’ business plans. The Deputy Chair asked BW why only these four had been chosen for presentation today in the context of customer engagement. BW replied that the assurance regime surrounding the other parts of the Business Plan would be presented separately on another occasion (26th February, see below).</p> <p>The Report Writer suggested there is an apparent lack of independent challenge (as the BWCP seemed to be the only source of this). BW replied that the engagement framework and PR19 process is being assured by PwC. The Report Writer suggested that the Panel should be made aware of PwC’s role in more detail and have the opportunity to have contact with them to hear their findings and the evidence they have that customers’ views, preferences and priorities have adequately and appropriately informed the Plan. The Chair added that PwC should also assure the Panel that that BW is on track against each of the nine assessment areas identified by Ofwat in its proforma. A RAG rating would be sufficient. BW agreed to go away and think about how the link can be demonstrated and how the Panel might be briefed by PwC.</p> <p>The Deputy Chair said that the Panel need to be more fully briefed on the wider PR19 assurance process (in a similar fashion to the contact we have with Atkins each year on the company’s AMP6 performance). BW said there is a separate assurance regime for Investment Planning. The best opportunity to discuss this would be at the end of February</p>	<p>Action: Include in Challenge Log</p>

<p>when the company’s Draft Assurance Plan for 2018/19 will be available. BW agreed to set up a meeting for this time (this was later set for 26th February).</p> <p>EA said it wishes to see more clarity particularly on the relationship between Ofwat’s annual performance assessment (‘Prescribed’) and the proposed business plan assurance regime. BW said its Draft Assurance Plan for 2018/19 will highlight this link.</p> <p>NE asked what the three levels of assurance really mean because it is unclear why some high-risk building blocks have only moderate assurance, the same assurance level assigned to moderate=risk building blocks. BW replied that the definitions behind the levels of assurance are not on the slide presented. The Report Writer suggested a specific worked example would be helpful. BW said that work is still in progress and agreed some worked examples will be essential to aid understanding when the work is complete.</p>	<p>Action: Include in Challenge Log</p> <p>Action: BW</p>
<p>6. Strategy update</p>	
<p>Michelle Davies joined the meeting and presented a series of slides illustrating BW’s current thinking on its long-term strategy. It was stressed that the development of the strategy is work in progress but BW would welcome thoughts from the Panel at this point.</p> <p>The ‘Bristol Water... Clearly’ document was introduced. This consultation document is regarded as BW’s oracle and compass and will set the direction of travel (including a new vision and mission) and will inform customer consultation on the Business Plan. It also provides a clear steer internally to those putting the Plan together. It recognises BW’s role goes beyond simple delivery of a product and reflects its wider role in the community.</p> <p>The Panel made the following observations:</p> <ul style="list-style-type: none"> • The Chair asked what BW’s ambition is regarding Ofwat’s assessment of its Business Plan. BW replied that it recognises it has to convince Ofwat of the robustness of its Plan and the way it has been developed. It wants to avoid significant scrutiny. Ultimately it will be for Ofwat to judge. The top categories of exceptional and fast-track have associated financial rewards which customers will have to pay. BW would like to be assessed as fast-track or slow-track. • MDC expressed its concerns over the continuing use of outsourced contractors as the Council has experienced some problems. If BW will be using such contractors, MDC would like to be assured that BW can manage them to ensure the best customer service is delivered. BW acknowledged this but said contractors can bring innovation to the sectors. However, the panacea of outsourcing is changing and BW will be revisiting its commercial strategy. • MDC expressed concern that the material presented today focuses too much on the city of Bristol and fails to mention other population centres such as Wells and Glastonbury. BW agreed that the company services both urban and rural areas and that this should be reflected better in the strategy. 	

- EA questioned the source and meaning of the term ‘Environmental Wellbeing’. This isn’t a term that EA uses and wouldn’t want to be associated with.
- NE said it is not only environmental groups who are concerned about the environment. BW should consider presenting environmental quotes from a range of stakeholders.
- UWE suggested more reference to customer well-being would be welcome.
- With regard to Slide 14 NE are concerned about the tick allocation presentation and whether this strikes the right balance on environmental sustainability. Customers have also made points about the environment but this doesn’t come across. Different groups have different views. BW agreed to look again at this.
- EA was concerned about the different presentational approaches for Slides 14 and 15, ie ticks versus narrative. One is quantitative and the other not and this confuses what can be drawn from them. NE added that these slides give mixed messages.
- NSC mentioned the heritage outside Bristol and the damage that can be done through excavation. BW said will take this point on board.
- The Report Writer asked why the company’s statutory obligations aren’t included in the list of drivers on Slide 16. BW said they are implicit in meeting customer expectations. Such obligations are the minimum the company should achieve, and the key drivers presented go beyond this.
- EA said it couldn’t see the translation of messages on previous slides to Slide 16 and that Slide 16 uses completely different language. Also, the link to outcomes isn’t clear. NE suggested there should be an outcome regarding the environment. BW agreed to take these points away and think again about the language used around outcomes.
- NE questioned the meaning of the ‘leading efficiency’ objective. The objective should be lower costs and lower bills (which lead to ‘leading efficiency’).
- The Chair wondered giving customers a choice of bundled services is the only option and is too specific possibly creating a hostage to fortune.
- EA wondered why a positive impact on health and environment necessarily leads to an outcome of a safe and reliable supply of water.
- The Chair questioned why the objectives on Slide 19 were in a different order to those on Slide 18.
- NSC asked for clarity on the meaning of ‘Corporate and Financial Leadership’.
- UWE said it would be good to see that BW would be reinvesting any surpluses into better service, environment, etc. BW agreed this could be drawn out better in the document.
- It was generally felt that Slide 21 was insufficient to represent the whole strategy. NE suggested there is insufficient information on how catchments will be looked after.
- The Chair remarked that the focus of the strategy appeared to be mainly the next five years and that the longer term should also be emphasised. BW agreed this is a step along a longer road map.
- EA felt it couldn’t determine BW’s vision for the environment from the information presented. The Chair agreed with this view and suggested more was needed on water being a precious resource and BW’s objectives for protecting it. EA added that the company could sell itself much better in this respect. BW agreed and suggested it could summarise the key points of the strategy for each stakeholder group, eg environment, developers, domestic customers.

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<ul style="list-style-type: none"> MDC asked about the Southern Resilience Scheme and whether future plans include increased security of supply to its region in the form of a new pipeline. BW said that its plans include for this. <p>BW thanked the Panel for its helpful feedback on its draft strategy. The company will consider and act upon the points raised (as detailed above) as it further develops its strategy and it will present its updated document before the next Panel meeting in April.</p>	<p>Action: Include in Challenge Log</p>
<p>7. DWI update</p>	
<p>The company provided a verbal update on the recent cryptosporidium in Clevedon. The main points were:</p> <ul style="list-style-type: none"> There was one isolated cryptosporidium failure in routine samples of water taken at the Clevedon source. No cryptosporidium has been detected in samples taken from the distribution network or at customers' taps. A boil water notice was issued, and water was supplied from a different source. The Clevedon source is no longer in supply as investigations are ongoing. Depending on the outcome, BW may have to introduce UV treatment at Clevedon. The formal incident reporting process being followed. The Tetbury groundwater source is also being monitored in accordance with the normal risk assessment approach. 	
<p>8. In camera session after main meeting</p>	
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