

## Meeting 1 – 17th November 2015

### Attendees

Charles Howeson	Chair	Sue Evans	Citizens Advice
Tony Denham	Deputy Chair	Deborah Yamanaka	North Somerset Council
Jeremy Hawkins	Report Writer	Jonathan Archer	Atkins
Matthew Wells	Canal and River Trust	Mike King	Bristol Water
Mhairi Threlfall	Bristol City Council	Ben Newby	Bristol Water
Mike Bell	Consumer Council for Water	Sue Clarke	Bristol Water
Michael Barnes	Consumer Council for Water	James Holman	Bristol Water
Dr Chad Staddon	University of the West of England	Sally Birse	Bristol Water
Dr Danielle Wain	Bath University		

### Apologies

Jeremy Bailey	Environment Agency	Mark Taylor	Natural England
Chris Giles	Avon Wildlife Trust		

No.	Item	Action
1	<p><b>Introductions</b></p> <p>All members of the panel introduced themselves as did the staff present from Bristol Water.</p> <p>The Chair introduced himself, the Deputy Chair and the Report Writer. He explained that Bristol Water was the only company that had appealed its final determination from the regulator Ofwat due to the company not being financeable. As a result of the Competition and Markets Authority’s redetermination, the risk of Bristol Water not being able to deliver for its customers was now low (except for the reliable supply outcome).</p> <p>The Chair then asked the members to give him and the Deputy Chair an independent mandate by electing them both into their positions. The member from North Somerset Council asked what the alternative was and CCWater asked how they could confirm the process for recruiting the Chair was independent.</p>	

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The Chair confirmed that for continuity it needed to be the incumbent Chair but there would be an independent process to appoint the next Chair (from 2017). He would continue to act in an independent capacity as he had done for the previous panel. A vote was then taken and was supported by the members present with the exception of the members from North Somerset Council and CCWater who abstained.

CCWater stated it was irrelevant to vote since the Chair and Deputy Chair were here in these capacities. CCWater needed to see the panel's constitution.

**Action:** Chair to provide a copy of the panel's constitution

Chair

### 2 Introduction to Bristol Water (slides 4-12)

Bristol Water explained how it was a Water Only Company (WoC), while Wessex Water treated the sewerage from Bristol Water's customers. Bristol and Wessex Water also owned a joint billing company – Bristol Wessex Billing Services Limited (BWBSL) – so that customers received a single bill. The main contact Bristol Water has with its customers is through billing enquiries.

Bristol Water's water sources are mainly split between surface water reservoirs (40%) and surface water river abstraction (45%). The Deputy Chair asked how this varied across the country. Bristol Water said it depended on the geology, for example lowland areas are mainly river sources while chalk areas are mostly boreholes.

The Deputy Chair asked if the water treatment was different. Bristol Water explained that the treatment processes used reflected the quality of the water.

Bristol Water also explained about its distribution network (average age of mains is 68 years old) and the tools used to understand how the network is performing.

Bristol Water then went onto explain about a new joint venture with Wessex Water called Water2Business. This new entity will serve non-household customers once the retail market opens to competition in April 2017.

The member from the University of the West of England asked if there was a threshold limit for switching supplier. Bristol Water confirmed there was not.

Although Bristol Water will still supply the product, on April 2017 all non-household customers will be transferred to Water2Business.

The member from the University of the West of England asked if this panel would be the Customer Challenge Group for Water2Business. Bristol Water confirmed that this panel would be responsible for considering the wholesale plan and retail household plan. There would still be a need for the company to understand non-household customers' views for the wholesale services.

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<b>3</b>	<p><b>Bristol Water Challenge Panel – role and purpose (slides 13-18)</b></p> <p>Bristol Water outlined how the Challenge Panel fitted into a wider engagement strategy with its customers and stakeholders. The panel has a dual purpose of both monitoring the company’s delivery against its current business plan (2015-2020) and developing business plans for 2020 onwards that reflect the views of customers, other stakeholders and the environment. Bristol Water confirmed that the panel currently had gaps in representation from ethnic communities and the elderly.</p> <p>The Deputy Chair asked that Bristol Water incorporate into the terms of reference how it intended capturing the ethnic diversity of its supply area. The member from Bristol City Council suggested Bristol Ageing Better as a possible organisation for capturing the views of the elderly and also said that the Councillors could help facilitate and identify events that Bristol Water could attend. The member from North Somerset Council agreed that while her area was not so ethnically diverse it did have a large elderly population and area of deprivation. CCWater believed that the approach was right but that the key for the panel is the feedback from any outreach is a true reflection and not Bristol Water’s perspective of the views.</p> <p><b>Action:</b> Need to agree Terms of Reference for the panel by email (eg, <i>in camera</i> sessions without the company present?) Comments to Bristol Water by 28<sup>th</sup> November 2015.</p> <p>Bristol Water went on to explain about the governance around the panel. This included reporting directly to the Bristol Water Board.</p> <p>The Chair explained that the panel this time would not hear about the investment on the sewerage side as there was no longer common membership between the panels except for CCWater.</p> <p><b>Action:</b> CCWater to consider how to get appropriate cross-over between the Bristol Water and Wessex Water panels.</p> <p>CCWater asked why the recruitment of a new Chair was not earlier. Bristol Water explained it was waiting for guidance on best practice to be published by Ofwat in its Water2020 consultation in December 2015 but that the recruitment process would happen next year.</p> <p>The member from the University of the West of England asked if the document management system would be a version 2 of the Portal and if the dedicated email would serve as a challenge record. Bristol Water confirmed that this was the case.</p>	<p>All</p> <p>CCWater</p>
<b>4</b>	<p><b>2015-2020 business plan (slides 19-30)</b></p> <p>Bristol Water took the panel through its current performance against its business plan targets for the four aims; Highly reliable, Excellent quality, Environmentally sustainable and Responsive to customers.</p>	

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Performance is on track apart from in the areas highlighted below.

### Reliable supply

- *Unplanned customer minutes lost* – the year end forecast is beyond the target. A single incident of >12 hours is affecting the performance on this measure.

### Safe drinking water

- *Mean zonal compliance* – lower than anticipated performance has resulted from sample failures due to customer taps (Nickel failures). The Drinking Water Inspectorate is monitoring this very closely. Its investigation and report has identified no concerns.

### Efficient use of water by customers

- *Metering* – is below target due to lower than forecast number of customers opting for a meter (3.5k compared to 7-8k). The programme of metering on change of occupier is yet to start.

### Sustainable environmental impact

- *Total carbon emissions* – although there is an improvement in the company's energy consumption, the carbon intensity of electricity is worse than forecast and this is affecting performance on this measure.

The member from the University of Bath asked why the year end target for “raw water quality of sources” is deteriorating. Bristol Water acknowledged that this is the position it is starting from with the intention of improving to a stable performance on this measure by the end of the 5 years. The work is with landowners to improve point sources and will take time to show an improvement.

## 5 **Assurance Engagement (slides 31-33)**

The Reporter explained the assurance role he and his team would provide to Bristol Water's Board. This would involve giving opinion on Bristol Water's processes and providing the Board comfort to sign off the data.

The Reporter from Atkins outlined his experience as a previous reporter for Severn Trent Water as well as other water companies and prior to that a senior operation role in a water company. He then outlined the experience of his team.

The Chair explained how the Reporter was an independent expert for the company but that the Report Writer would perform that role for the panel.

## 6 **2016/17 tariffs including later life tariff (slides 34-39)**

Bristol Water set out the provisional tariffs for 2016/17. These showed that the overall rise of between 1% and 2.5% did not disproportionately impact on any group of customers. Bristol Water key point was on seeking views from the panel on its proposal to introduce a new social tariff for customers on pension credit. Bristol Water and Wessex Water had jointly commissioned a piece of market research to test customer support for different levels of cross subsidy

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	<p>for this ‘Later Life’ social tariff.</p> <p>CCWater said that it was in discussion with Wessex Water and Bristol Water on this. The Chair noted the research and the need for CCWater to keep the panel informed of the outcome of this discussion.</p> <p><b>Action:</b> CCWater to provide the panel with its view.</p>	CCWater
	<p>The member from CAB asked to be able to feed in her organisation’s views. The member from North Somerset Council also asked why pensioners and other groups on benefits had not been considered.</p> <p><b>Action:</b> Bristol Water agreed to facilitate a separate discussion on the Later Life tariff for those members wishing to comment further.</p>	Bristol Water
<b>7</b>	<p><b>Any questions and next steps (slide 40)</b></p> <p>The Chair asked the company to confirm that there were not issues from either the Environment Agency or the Drinking Water Inspectorate that needed to be covered. Bristol Water confirmed this was the case.</p> <p><b>Action:</b> <i>Challenge Panel website</i> - Could everyone let Bristol Water know if you want to be listed as a name or an organisation and whether or not you would like a photograph.</p> <p><b>Action:</b> <i>Next meeting date</i> - Could everyone let Bristol Water know their availability in late February/early March next year.</p>	All