

Yorkshire Forum for Water Customers
Minutes of Meeting
23 March 2023
Microsoft Teams Meeting

Attendees:

Chris Griffin	Deputy Chair
Dave Merrett	Independent Member
Kursh Siddique	Independent Member
Melissa Lockwood	Environment Agency
Steve Grebby	Consumer Council for Water
James Copeland	National Farmers Union
Jamie Ashton	Citizens Advice

Apologies:

Andrea Cook	Chair
Tom Keatley	Natural England

Guests:

Richard Hepburn	Yorkshire Water
Paul Chapman	Yorkshire Water

Note: The Forum Chair sent apologies for not being able to attend the meeting. In the absence of the Chair, the Deputy Chair will chair the meeting (from here on in, referred to as 'the Chair').

1. Concerns raised by the Forum

- a) The meeting started with the Chair expressing the Forum's extreme concern with the progress of the Company. The Chair stated that the Forum are getting worried about the Forum's report and what they can and cannot include in it.
- b) With regards to timeline, the Forum's concern is that they should have already had sight of and discussions of many aspects of the Company's performance and PR24.
- c) The Chair stated that the Company's progress is behind that of other water companies.
- d) Due to the lack of progress from the Company, the Forum are concerned that they will not be able to endorse - and may even have to criticise - some of the Company's efforts.

- e) The Company noted the concerns and recognised the short time period left. The Company suggested preparing forward agendas to cover topics the Forum needed updates on, with the hope it will provide additional assurance.
- f) A Forum member pointed out that there were no future Forum meetings scheduled. The Company apologised for the oversight and will get them in diaries urgently.
- g) The Chair highlighted that the Company had not produced drafts minutes of several previous Forum meetings, meaning the Forum have not been able to review or authorise them. In addition, there are several sets of draft minutes that have been send back to the Company but have not been brought to the Forum meeting for approval yet. The Chair stated that this was a concern.
- h) The Chair raised another concern that there was still no progress on restarting environmental subgroup.
- i) A Forum member highlighted the lack of time remaining. The Forum believes they will hit a critical point where a choice will need to be made about what they have time to review and endorse, and what they will have to drop.
- j) The Company acknowledged the concern, and suggested they prioritise what can be achieved and add the most value.
- k) The areas that the customer research and the engagement programme are the keys areas for the Forum's endorsement.

2. Update on actions

- a) A meeting between the Forum Chair and the Company Lead remains open, until confirmation that the meeting has taken place. Meeting to be rescheduled, if needed.
- b) A solution required on the report writer to support the Forum to write their report. The action remains open, and the Company will give a further update in the next few days.
- c) Future agenda items is ongoing action. This meeting includes bespoke performance commitments item. The Company agreed to make sure other critical agenda items are included in future meetings.
- d) Long term delivery strategy (LTDS) slides have been circulated to the Forum and this action is now closed.
- e) The Company have confirmed Ofwat attendees at the LTDS meeting between the Company and Ofwat. This action is closed.
- f) Other engagement is required with the Forum on LTDS. A member of the Company will attend a future meeting and provide an update.
- g) Forum terms of reference regarding the consideration of the 9-year period and with statutory members. This action remains open until the Forum Chair and Deputy Chair have discussed with the Company Lead.

- h) A Forum member asked whether there was an action on restarting the environment subgroup. The Company clarified that this was captured within the currently open action of a meeting required between the Forum Chair and the Company Lead. The environmental subgroup will be discussed at this meeting and a way forward needs to be agreed.
- i) There were no other comments of the actions.

3. Critical Path update

- a) The Company shared a presentation on the critical path. The critical path was created in Nov-22 and is the ideal path for delivery of the PR24 plan.
- b) The Company explained that there are currently 54 milestones of which 30 were completed, 5 were on track for completion on time, 3 on track for completion +1 week outside of timeframe, and 8 had slipped.
- c) The red milestones will be monitored and escalated to the Steering Group and ExCo, where necessary.
- d) The Company provided a Gantt and explained progress in terms of the overall programme. The Company are around halfway through the critical path to delivery and progressing well.
- e) The Company shared progress against the March (this month's) milestones. Nine of the 11 milestones for March are on-track to complete on time or +1 week. The timelines for two milestones have slipped to more than 1+ weeks.
- f) A Forum member reflected that for the last AMP, the Forum were given a preview of the DWI and WINEP submissions. This gave them insight of the implications of those submissions, including key choices and decisions within them. The Forum member asked whether they would receive a draft before they are submitted this time. The Company responded that they could take Forum members these statutory submissions and acknowledged that the opportunity for the Forum to influence the content has now passed.
- g) A Forum member highlighted that within the critical path, the key milestone for the Forum is 'Customer Forum Endorsement' in early Sep-23. The Form member commented on the missed opportunities for the Forum to respond to statutory submissions (DWI, WINEP). Because final drafts have been given to the Forum without Forum members being taken along on 'the journey' of reports' creation and drafting, it will be difficult for the Forum to comment on such submissions.
- h) A Forum member stated that the DWI will be excluded from the Forum's final endorsement report, and asked what the Forum will be given the opportunity to engage with, within the remaining timeframe. Pragmatism is needed regarding what is it that the Forum are expected comment on at this late stage.
- i) To illustrate this point, a Forum member described the scenario where the Company provides chapters they want the Forum to comment on. The

Forum will then decide on which ones they believe they can respond on and then do that. The feeling is that not many of the chapters can be commented on due to the lack of engagement with the Forum.

- j) A Forum member expressed discomfort with the term 'endorsement', and instead suggested that 'customer forum report' (or similar) would be a better phrase.
- k) The Company presented the April (next month's) milestones and asked what area the Forum wanted an update on at the next meeting. The forum responded with bespoke PCs, water and wastewater TOTEX programme, and DWI are the important ones.
- l) A Forum member stated that the Forum have had some high-level input into the DWMP and WRMP.
- m) The Company summarised discussions so far:
 - i. The Company needs to be clear and pragmatic about where they currently are in the PR24 process – certain tasks and milestones have already happened, and this limits the ability of the Forum to provide comments.
 - ii. A forward look is needed to understand what the Forum has time to comment on. The Company needs to summarise the key priorities for the Forum in a pragmatic way.
 - iii. Clarity is required regarding what and when the Forum will be receiving work to comment on.
 - iv. The Chair added that there may not be time left to influence all remaining relevant areas. However, they are requesting that information to be circulated to them, at the very least.
- n) A Forum member commented that the WRMP and DWMP milestone dates appeared to be too early and therefore that may be an opportunity to comment and influence them. The Chair requested that the Company circulate these reports as soon as possible.
- o) A Forum member asked whether the Company wants the Forum to produce a report for them or for Ofwat? The Company responded that Ofwat does not require the Forum to submit a report to them. Rather, the report is part of their Board's assurance process. The Company intends to share the report with Ofwat.
- p) A Forum member reiterated feeling uncomfortable commenting on parts of the submission. The Company noted this point.
- q) A Forum member suggested a list be created of all critical milestones, an indication of what they have not been given a chance to review / not been circulated, and then identifying what the Forum still have a chance to review. Then the Forum can decide whether they have the timeframe to review them.

- r) The Chair agreed and highlighted that the report writer will summarise what the Forum have and have not seen, and this will be a key part of the report writer's role.
- s) A Forum member recounted that a previous meeting, another Forum member was concerned about the financeability and the weighted average cost of capital. If these are linked to the Ofwat Model 2 then this would be useful briefing for the Forum.
- t) The Chair asked whether this was captured as an action. The Company replied that it was, and it would be a future agenda item.

4. Bespoke Performance Commitments

- a) The Company delivered a presentation on the bespoke performance commitments (PCs).
- b) The Company explained that they have completed their review in terms of whether there should be any bespoke PCs included in their PR24 and business plan. And the recommendation is that there should not be.
- c) The Company stated several reasons for the recommendation:
 - i. Several existing bespoke PCs will become common PCs in the AMP8 period. For example, internal sewer flooding is currently a bespoke PC but will become a common PC.
 - ii. The Company do not believe they are providing a unique service compared to the rest of the water sector.
- b) A Forum member challenged the Company to consider their customers. That is, what do the Company's customers want, what performance areas are they concerned about, and whether these areas covered by the common PCs. The Company replied that this was an important point.
- c) A Forum member stated that, in the last price review, the Forum supported the Company having several bespoke PCs. The Forum member reminded the Company that they were arguing to Ofwat the differentiation of the challenges that the Company and its customers are facing. The Forum member cautioned against a narrative that contradicted this previous standpoint. Again, the Company agreed that this was an important point.
- d) The Company explained that Ofwat guidance states that there should be no more than one of two bespoke PCs per water company. The focus is on consistency and standard PCs across the sector.
- e) Ofwat guidelines explain the circumstances in which a bespoke PC could apply. The Company explain that the guidelines are must narrower than they have seen in the past:
 - i. Are there specific local circumstances that do not apply to most other companies and there is compelling evidence that a PC is required to

- provide incentives to drive benefits for customers, communities, and the environment.
- ii. A company provides poor service on a common issue where other companies performance is generally adequate and the risk of performance deteriorating is low - such that a PC is likely to have underperformance payments only.
 - iii. The guidance also states that Ofwat will consider other cases where a company has compelling evidence that there are company-specific circumstances which mean a bespoke PC will lead to significant additional benefits to customers and the environment that are unlikely to be realised without it.
- f) The Company discussed their approach to deciding whether to include bespoke PCs in PR24. They have assembled a working group with representatives from across their organisation.
 - g) The working groups has been:
 - i. Considering Ofwat's guidance and assessing the risks and benefits associated with bespoke PCs.
 - ii. Reviewing all bespoke PCs in the current AMP7 period.
 - iii. Looking at bespoke PCs at other companies
 - h) The working groups then developed a framework to undertake the assessment and use for decision making.
 - i) The Company presented their decision-making framework (a flow chart) and discussed its component parts.
 - j) The Company's third line auditors undertook an assurance session based on the proposed approach and agreed that the Company's decision not to propose any bespoke PCs was reasonable.
 - k) The Chair commented that feedback from the COG has suggested that there will be scepticism for a company offering bespoke PCs, and the prevalence priority is commonality and comparability.
 - l) A Forum member commented that there are areas that still need to be measured (e.g., drainage, external flooding) that should not disappear just because they do not attract a penalty or a reward. The member went on to comment that, while the Company needs to focus on the common PCs, there will be areas that are important to customers and the Company needs to measure its progress against these. The Forum should continue to see the relevant data.
 - m) The Company replied that this was a good point, and that the Company does not need a performance commitment to measure areas that are

important. The Company reassured the Forum that they are not proposing to stop measuring areas that fall outside their PCs.

5. Your Water Your Say

- a) The Company provided an update on their progress towards the Your Water Your Say (YWYS) event being held later in the year.
- b) The YWYS sessions will allow customers and other stakeholders to pose questions to their water company about issues that are important to them, including priorities for the future.
- c) The Company will be hosting two YWYS events. The dates have been confirmed with Ofwat and are 7th Jun 2023 and 23rd Nov 2023. The sessions will be held in the early evening:
 - i. The first event (7th Jun) will be held prior to submission of the business plan. It will allow attendees to ask questions about key features of the business plan as well as local priorities of service issues that they would like to see addressed in the Company's PR24 submissions.
 - ii. The second event (23rd Nov) to show how the Company has addressed the points raised, or to explain why they have not done. This second event will also give attendees another opportunity to ask questions on new topics.
- d) A forum member asked whether there was continuity between the two sessions and whether the Company will be wanting a common audience across the two. The Company explained that the sessions are separate and will be considered independent.
- e) CC Water offered to take questions from attendees who might feel uncomfortable asking a question in the open forum or who might not be able to attend the session. CC Water have confirmed that they will take questions and will then provide them to the Company with the themes to those questions.
- f) The Company provided updated timescales for the activities leading up to the first YWYS event. The timescales are based on Ofwat guidance of how to deliver a successful event:
 - i. Registration process agreed and implemented by mid-April.
 - ii. Start promoting the event one week after the registration process is live and tested.
 - iii. A Company specific information pack to be produced and delivered to the Chair by late-May.

- iv. The presentation pack for Ofwat, CC Water and the Chair to be produced by late-May. The final version to be sent to Ofwat, CC Water and the Chair the evening before the event.
 - v. Final transcript agreed and published on the Company website within 21 days from the event.
- g) The Company requested support from Forum members in the following ways:
- i. Support in promoting the event and attracting as many attendees as possible.
 - ii. Review and feedback on draft materials, particularly the Company pack that goes to the Chair, and the presentation material that will be used at the event.
 - iii. Review and feedback on the session, from Forum members who attend.
- h) A Forum member noted that the event is online and asked how the Company will reach customers who are digitally exclude? The Company acknowledged this point, stating it was difficult to address. They mentioned the possibility of having a meeting room in one of their offices available for customers to attend. They also noted that this limitation has been acknowledged by Ofwat, who prescribed the online approach.
- i) The Company asked Forum members for any ideas they have to reduce any impact to customers of having the YWYS event online.
- j) A Forum member suggested getting voluntary sector organisations involved to do outreach sessions in different locations. The Company said they would talk to their branding and campaigns team to discuss.
- k) The Company also explained that Ofwat have been clear that additional events would not be chaired by the appointed chair. However, there are other companies planning on hosting their own independent events, to complement the YWYS.
- l) A Forum member asked how the Company would be measuring the success of the events, giving examples of a log of attendees, what groups they represent. The Company said that registration for the event will be open until 5:59pm on the day of the event, and the registration form will have attendees details and which groups they represent.

6. Acceptability Testing

- a) The Company described the several aspects of the qualitative research that will be undertaken in the next couple of months.
- b) To get a spread of attendees across the regions, they have considered inner city locations as well as urban and rural splits, and by sub-region.

- i. The household workshops will be hosted in Bradford, Doncaster, Ripon and Bridlington, in May and June.
 - ii. Non-household workshops will be held in Leeds in May and June.
 - iii. Future bill payers' groups will be held in Huddersfield and Sheffield.
 - iv. Four in-depth one-to-one interviews will be held with customers with vulnerabilities and four in-depth one-to-one interviews will be held on social tariffs, in North, South, East and West Yorkshire. Dates are to be confirmed.
- c) A Forum member asked for clarity on the weighting of this research in relation to the performance commitments and other customer research. The Company responded that they currently have no indication around the weighting. However, there is a CC Water workshop coming up which might help. Until then, it is an unknown.
 - d) To help understand the scale of the research, a Forum member asked for further information around number of workshops and number of attendees. The Company will circulate this information and slides to the Forum.
 - e) The Company explained that they are starting to pull together the initial research materials (including pre-reading materials) and stimuli, ahead of the workshops. They will collate a report on the region, and a one-page summary of the least cost plan and the proposed plans. These will be pre-reading materials for workshops attendees. The Company will circulate these to Forum members for comment and feedback.
 - f) A Forum member asked whether Ofwat guidelines stated the Company must send out a one-pager for both the least cost and proposed plans? The Company said yes and explained that they are the pre-reading materials for session attendees.
 - g) The Forum member went on to explain that the pre-reading materials could discourage some people from participating. The concern is the amount of information that needs to be taught through these materials before the session was a big barrier. The Company agreed.
 - h) The Company pointed out that there is a lot of information to get across on one-page and they will have to be very concise. A Forum member added that it is not easy to write concisely and at an understandable reading level (which often requires writing more words). The Company agreed.
 - i) A Forum member asked whether the Company are allowed to link the one-pager to a YouTube video or similar, of the Company explaining the page? The Company said there were other companies who have done this. The Company will consider this option and other ideas, based on the budget they have and the viability of these options.

- j) The Company outlined the timescales for delivery of the qualitative stages of the affordability and acceptability testing. They explained that the timescales are tight, but enough time will be allowed in the schedule for the Forum to review and feedback on materials.

7. Business Plan Tracker

- a) A Forum member presented a business plan tracker. The tracker is a tool that the Forum can use to measure how the Company is progressing in a range of PR24 areas.
- b) The tracker consists of a spreadsheet listing a range of PR24 areas alongside a red/amber/green (RAG) status. The RAG status is where the Forum indicates what stage they believe the company are at in terms of progress towards the area.
- c) The Forum member asked whether it would be useful to use the tracker or whether there is an alternative tool for tracking progress.
- d) The Chair said there was broad support for the tracker and Forum members would find it helpful.
- e) The Chair asked the Company to complete the comment sections of the tracker in advance of the next meeting. The Forum will then discuss and agree RAG statuses and at the next members-only Forum session.

8. AOB

- a) A Forum members asked Company about the enhancements they were proposing. The Company asked for this topic to be included in the April agenda because this will allow the Company to bring along the right person to discuss enhancements with the Forum.

Next meeting

18 April 2023 via Microsoft Teams

Actions

March 2023

Ref.	Action	Status
1	Forum dates to be in the diary for end of the year by end of March 2024	Complete
2	Minutes from previous meetings to be circulated	Closed (superseded)

3	Subgroups - feedback required from meeting between Forum Chair and Company Lead	Complete
4	Forward pragmatic view of key elements of the plan and associated investments required and discussions on critical path	Complete
5	Statutory submissions to be circulated to members	Open
6	Update required on report writer	Complete
7	Your Water Your Say Deck to be shared/dates to be confirmed	Complete
8	Follow up with Company brand team re addressing digitally excluded	Closed
9	Acceptability and affordability deck along with spreadsheet to be circulated	Complete
10	The company to update text, add DWI etc. (linked to Action 4, above)	Complete
11	April meeting - extended members only forum required	Complete
12	Enhanced expenditure to be on April agenda	Complete

February 2023

Ref.	Action	Status
1	Meeting to be arranged between Forum Chair and Company Lead. Topics to include subgroups	Complete
2	Solution required on report writer	Complete
3	Future agenda items requested - Bill Impacts, WINEP, "flexibility to factor sub-group issues into critical path", WACC, implications of DWMP and WRMP - e.g., cost efficiency, cost implications, DWI submission/implications, Bespoke PCs, plan review	Open
4	LTDS slides presented on the day to be forwarded to Forum members	Complete
5	LTDS - Company to confirm attendees at the company and Ofwat meeting	Complete
6	LTDS - further engagement with forum in April/May with consideration of an additional meeting on LTDS scenarios	In progress
7	Forum members to feedback comments/further reflections to PC on approach to Affordability and Acceptability Testing research	Complete

8	The Company to forward presentation materials from two items discussed with Forum members	Complete
9	Company to share 'Your Water, Your Say' presentation material for comment with Forum members ahead of open forum event in May/June	Complete
10	Forum terms of reference – consideration of flexibility around implementation of 9-year terms including issue with statutory members	Open