

**Yorkshire Forum for Water Customers
Minutes of Meeting
21 September 2023
Microsoft Teams Meeting**

Attendees:

Andrea Cook	Chair
Dave Merrett	Independent Member
John Walker	Consumer Council for Water
Kursh Siddique	Independent Member
Steve Grebby	Consumer Council for Water
Tom Keatley	Natural England

Apologies:

Chris Griffin	Independent Member
Jamie Ashton	Citizens Advice
Melissa Lockwood	Environment Agency

Guests:

Andrew Smith	Yorkshire Water
Donna Hildreth	Yorkshire Water
Richard Hepburn	Yorkshire Water
Angeliki Stogia	Arup, on behalf of Yorkshire Water
Kirsty Novis	Arup, on behalf of Yorkshire Water
Paul Chapman	PR24 Forum report writer

1. Previous minutes

- a) Minutes from the August 2023 meeting have been reviewed by the Deputy Chair and circulated to Forum members.

2. Actions

- a) Actions 'open' or 'in progress' were reviewed.
- b) Action from July:
 - i. *July, action 3: Crystal Mark for the APR.* The Company noted that the APR is ready to publish and should be ready shortly.
 - ii. *July, action 4: Inclusion of photos within the PR24 report.* The Forum Report Writer confirmed that this action has been completed.
- c) Action from August:
 - i. *August, action 1: Exec Summary and plain English requirements.* This action remains in progress.
 - ii. *August, action 2: Sharing of PR24 report chapters.* The Company will send Forum members several draft chapters, noting that they remain a work in progress. Several Forum members agreed that they would like to see the draft chapters.
 - iii. *August, action 3: Sharing of revised Business Plan.* The Company will provide an update on the Business Plan in this meeting, which will cover this action.
 - iv. *August, action 4: Acceptability and affordability scores.* The Company will provide an update on the customer research in this meeting, which will cover this action.
 - v. *August, action 5: LTDS and WaterSupport tariff research.* The customer research update in this meeting will cover this action.
 - vi. *August, action 7: YWYS materials.* A YWYS update will be provided in this meeting. Another update will follow, in the October meeting.

3. Business Plan Update

- a) The Company explained that the main components of the Business Plan have been fixed for a while, and these have not changed since the last update. However, there have been some changes, and these were discussed.

- b) *Affordability – Social Tariff*: Throughout the planning process, the Company's assumption was that they would maintain their shareholder voluntary contribution towards the social tariff. However, the Company's Board have decided to increase the contribution. The Company will now deliver their biggest level of reduction to customer bills via the social tariff. This will be funded by the increased company contribution and an increased customer contribution following the conclusion of the willingness to pay research.
- i. The Forum Chair welcomed this decision.
 - ii. A Forum member commented that customers have increased their contribution by a greater proportion than the Company has.
 - iii. In response to a question, the Company clarified that they will be supporting significantly more customers through the social tariff in AMP8 (about 90,000 customers by the end of the AMP8 period). Additionally, the Company are moving to a more tailored support with three bands of support, depending on the individual circumstances of the customer (i.e., those most in need will benefit more than those with less need for financial support).
- c) *Customer bill profile*: The Company reminded the Forum that the bill research showed that customers preferred a natural bill profile or a flat bill profile. Across all customers, the natural bill profile was slightly preferred. Across financially vulnerable customers, the flat bill profile was slightly preferred. The Company previously proposed to go with the flat bill profile. However, the Company's Board have now decided to go with the natural bill profile. The Company explained that it was the preference for all customers and will mean bills will be lower in the early years of AMP8 (compared to a flat bill profile), which will help with cost-of-living challenges. The decision was also made in the context of the level of bill reductions for the most financially vulnerable customers via the increased social tariff.
- d) *Totex plan*: The Company discussed the overall size of the plan. The size of the plan is slightly lower than previously communicated to the Forum. There are two reasons for this change. Firstly, the increase in storm overflow investment programme will now be delivered and funded via direct procurement for customers. Because it will not be directly taken forward by the Company, the associated costs have been removed from the plan's total. Secondly, there has been a small reduction in the WINEP enhancement investment, compared to what was forecast.
- e) *Customer bill*: The Company explained that average customer bill across the AMP8 period will be higher than in the AMP7 period. The customer bill is also slightly higher than was shared previously with the Forum.

- f) The increase in the AMP8 bill is largely due to Ofwat's early view of the allowed return on capital being updated to reflect the latest market data, in line with Ofwat guidance.
- g) A Forum member asked whether the customer bill can be justified. The Company replied that yes, the PR24 plan and the customer bill amount is evidenced-based. There is a huge amount of work that goes into the plan but ultimately, Ofwat will make the judgement as to what the right cost is, based on the evidence.
- h) A Forum member commented that communication to customers about the bill increase would be important.
- i) The Company provided the bill costs for year 1 through to year 5 of AMP8.
- j) The Company shared that the PR24 plan will be submitted to Ofwat on 2nd October and published to their website at the same time.
- k) The Forum's report will be proofread and signed off next week. That report will then be given to the Company and submitted to Ofwat. The Forum's report will be also published on 2 October.

4. Your Water Your Say promotion and planning

- a) The Company sought the Forum's ideas and inputs about the promotion and planning of the second Your Water Your Say (YWYS) session.
- b) The Company outlined the objectives of the YWYS session:
 - i. To inform participants of the contents of the PR24 submission.
 - ii. To present how issues raised by customers have been taken on board in the PR24 submission.
 - iii. To event participant to ask questions and raise new issues.
- c) Ofwat's guidance to promoting the event was outlined.
- d) Regarding the audience, Ofwat guidance states that promotion activities should particularly target younger audiences, customers struggling financially, and the most vulnerable and hard-to-reach customers.
- e) The session should be advertised to all customer groups and the Company's full range of stakeholders. This should cover:
 - i. households and non-households
 - ii. business retailers
 - iii. different geographic areas and a mix of rural and urban customers
 - iv. all socio-economic groups
 - v. Organisations for customers, communities, and wider stakeholders
 - vi. Stakeholders who have an interest in water issues but have not yet engaged with PR24.
- f) Ofwat guidance asks that companies consider promoting the event via:

- i. A variety of channels, including company emails, website, social media, and mailings to key stakeholders.
 - ii. Multi-media advertising, publicity via posters at places like local libraries
 - iii. Media such as radio and printed materials, for those without online access
 - iv. Dissemination of event information via partners and key stakeholders, local groups (e.g., river protection and environmental groups)
 - v. Publishing meeting and registration details on the company website and across all social medial platforms
- g) The Company shared how the first YWYS event was promoted (which attracted over 240 registrations and over 100 participants):
- i. Promotional banner on the Company’s website, and posts on social media (Facebook, Twitter, LinkedIn)
 - ii. Emailed customers who have signed up to receive marketing emails (>36,000 customers)
 - iii. Emailed non-household retailers who look after the billing and customer service relationships (27 non-household retailers)
 - iv. Emailed key stakeholders via the Company’s Corporate Affairs team
 - v. Promoted through the Forum and the Your Water online community
- h) The Company share their promotion plan for the second YWYS event. The plan is to undertake all activities used to promote the first event, plus several additional activities:
- i. Include event information on all PR24 communications (e.g., press releases and other communications)
 - ii. Email previous event participants
 - iii. The Company are also proposing to trial a new communication channel – podcasts. The Company are hoping to create a podcast to communicate the PR24 key messages, and the YWYS event information will be included. The podcast is scheduled for October.
- i) The Company asked for the Forum’s suggestions around how to best reach the audiences highlighted in the Ofwat guidance (younger audiences, those who struggle financially, vulnerable and hard to reach customers, a range of geographic areas and socioeconomic groups).
- j) The Company asked for the Forum’s help in promoting the event.

Action 1: Forum Members are requested to disseminate the YWYS event details to their network and contacts, and via their social media channels.

- k) A Forum member commented that much of the promotion is online/digital, and asked how the Company will ensure that those attending are the Company's customers and/or stakeholders, and not from other areas? The Company responded that although the event is specifically targeted at their customers and stakeholders, the event will not prohibit attendees from outside of the area.
- l) A Forum member commented that engagement with younger people needs to be improved. However, the list of social media sites where the event will be promoted does not include the two platforms more younger people use (TickTock and Instagram). The Company said that within the PR24 communications plan, there is an ambition to make a video about PR24. The event information is unlikely to be included in the video itself but may be included in surrounding information (e.g., a link to the event / to the information pack). The video will be posted on TickTock and Instagram.
- m) A Forum member commented on both customers and stakeholders being combined into the one event, given that their perceptions and conversations could differ. The Company agreed that events like this will not satisfy everyone, and reminded the Forum that the event was over and above the engagement they already undertake with customers and stakeholders. The Company stated that they raised this issue with Ofwat in August, after the first event. Ofwat said that the role of the event Chair will be slightly different from the first event. Differences will include ensuring that all participants interested are represented, and that the questions are nuanced in a way that is relevant to PR24.
- n) A Forum member pointed out that the Dales to Vales Rivers Network have recently undertaken a customer consultation around the environment. The member suggested the Company review the consultation before the event.
- o) A Forum member commented that rather than saying some customers as 'hard to reach', the Company should think about them as 'how to reach' – because with the right engagement methods, they can be reached.
- p) A Forum member agreed to help reach underrepresented groups. The Company will arrange a separate meeting to discuss.

Action 2: The Company to arrange a meeting to discuss ideas for reaching underrepresented groups.

- q) A Forum member reminded the Company of a previous suggestion (from before the first YWYS event) hosting the event at the Company's offices. The member suggested the Company asks other water companies whether they did this to understand whether it is worthwhile.

- r) The company replied that some water companies invited customers and stakeholders to their offices for the first YWYS event. The uptake was very low. The Company also advised that they are monitoring how other water companies are promoting their own events and what they are doing.
- s) A Forum member recommended that any questions unanswered during the event are responded to quickly and the response is sent to the person/s who asked the question. The Company acknowledged this point.

5. Enhancement programme

- a) The Company presented an overview of the PR24 enhancement programme. The Company explained that enhancement expenditure is (as defined in the Ofwat guidance):
 - i. Expenditure generally where there is a permanent increase in the current level of service to a new 'base' level and/or the provision to new customers of the current service level.
 - ii. Enhancement funding can be for environmental improvements required to meet new statutory obligations, improving service quality and resilience, and providing new solutions for water provision in drought conditions.
- b) Key drivers of enhancement investment are:
 - i. To meet the WINEP environmental obligations
 - ii. Drinking Water Inspectorate (DWI) requirements around water quality, Security and Emergency Measures Direction (SEMD), physical and cyber security
 - iii. Water Resource Management Plan, looking into the future regarding resilience, demand and growth, climate change/net zero
- c) Clean water expenditure was outlined. The areas of investment cover the Water Resource Management Plan (WRMP), improvements in drinking water quality, WINEP clean water, clean water resilience, net zero, and smart meters.
- d) The Company explained that the WRMP is late in submission and is currently in draft form. In terms of the WRMP expenditure included in the PR24, the Company will use the draft WRMP expenditure and best available information. They noted that this may be open to change, once the final WRMP is submitted to Ofwat.
- e) Drinking Water Quality investment includes:
 - i. The replacement of lead communication pipes
 - ii. Continued water main cleansing, particularly around trunk mains
 - iii. Investing at Loxley regarding THMs
 - iv. Borehole activity

- v. Disinfection schemes at Highfields and Otterfield
 - vi. Haisthorpe nitrates
 - vii. Bacteria from raw water deterioration
- f) The Company explained that they have submitted proposals to the DWI, in alignment with their criteria. The Company will submit the schemes that the DWI have supported as part of the PR24 submission.
 - g) The Company listed the WINEP clean water activities. They include catchment schemes, nitrate vulnerable zones, management of pesticides, engagement with other stakeholders and landowners to manage the content of raw water going to the treatment works, biodiversity enhancement and biosecurity, species conservation programme, fish passage programmes, river restoration, and reservoir compensation flows.
 - h) Clean water resilience expenditure is part of SEMD. The Company can supply 34,000 properties (maximum) should water supplies go down. The 34,000 indicates the number of properties the Company could get water supplies to (e.g., via tankers, bottled water), should they be without water. The Company explained that they will do a review of all their supply systems to assess which are the most vulnerable and where the exposure is greater than 34,000 properties.
 - i) Net Zero measures in the fitting of photovoltaics on clean water installations.
 - j) The Company have an opportunity to upgrade their smart meters. Currently, they have automated meter readers but these are coming to the end of their lives. Moving to smart metering will give customers real time information through a new communications network. The Company explained that expenditure for replacing the existing meters is allocated to base maintenance, while the cost of the infrastructure for the new communications network goes to enhancement expenditure.
 - k) Waste water expenditure was outlined. The company explained that expenditure for storm water overflows is to meet the statutory requirements of 14% of total storm overflows improved and 38% of high priority storm overflows improved (in AMP8).
 - l) Key expenditure within the environmental programme includes phosphorous removal, tightening of sanitary parameters which mean additional investment is required into assets, and storm overflow storage.
 - m) Expenditure on minimising Net Zero impact
 - n) Living with water programme – enhanced partnership working around Hull and protecting properties from flooding.
 - o) Appropriate measures expenditure centres around the covering of digestives and sludge storage pads (linked to Net Zero).

- p) The final expenditure discussed is growth in waste water. This is investment in the sewage system to accommodate population growth.
- q) A Forum member asked how much is in the final programme in terms of green treatment measures, in advance of the following APM? The Company responded that they do not know the exact split between green, grey and blue solutions but will find out.

Action 3: The Company to provide information about proportion of green measures (for waste water) in the final programme.

6. Customer programme update

- a) The Company presented the results of the Ofwat affordability and acceptability testing.
 - i. The acceptability scores were high, with 78% of respondents stating that they agree that the plan is acceptable. The Company explained that this indicates customers support the plan's direction and want the Company to achieve what is outlined in the plan.
 - ii. The affordability scores were very low, with 22% responding that the plan is affordable to them. The Company explain this was an understandable result, given the increases customers are facing in the current economic climate. The Company agreed that the low affordability scores were a challenge but stated that they have financial support programmes for customers who require it.
- b) The Company presented the results of their independent affordability and acceptability testing.
 - i. The acceptability scores were also high, with 79% of households agreeing that the plan is acceptable. The Company stated that this is more evidence that the plan is delivering the right outcomes for customers.
 - ii. The affordability scores were higher in the independent testing compared with the testing completed in accordance with the Ofwat guidance, with 60% of households responding that the plan is affordable to them.
- c) The Company believe the some of the difference between the Ofwat affordability score (22% final reported figure) and the independent affordability score (60% of households) can be accounted for by the way the survey was administered. The Company explained that difference was mainly in the way the bill figures were presented to respondents – either the new bill cost with no context (Ofwat survey) or a new bill cost with more

detailed information about the plan content, included the benefits to customers (independent survey).

- d) Several Forum members expressed surprise at the difference between the affordability figures and at the high affordability score in the independent research.
- e) The Company outlined the results of the PR24 WaterSupport Enhancement research. Customers were asked how much they would be willing to pay in addition to the sum they already pay to help those struggling to pay their bills.
- f) The Company presented the average amount customers were willing, which slightly higher than last year. When asked about the reasons, customers (those who do not require support to pay their bills) tended to respond that they were willing to contribute a little more to help those in need or to provide societal benefits.
- g) The Company explained an issue with the WaterSupport Enhancement research. Within those willing to pay more, they have included those who responded neutrally (i.e., responded with a neither/nor). The reason for the inclusion was because customers who selected neither/nor were then asked why they responded that way. Their responses indicated that they wanted to help others and were supportive of contributing to the social tariff.
- h) A Forum member expressed an issue with including the neither/nor responses into the 'willing to pay more' category.
- i) The Forum Chair stated that they supported the idea of additional research but there is now limited time to review the results and assess the merit of including the neither/nor responses.
- j) The Company replied that they were confident in the decision that they have made, given the feedback customers provided about their neither/nor responses.
- k) The Forum Chair said they trusted that the Company had taken an evidence-based approach to assessing the level of customer support for increasing social tariff contributions.
- l) The Company observed that they had challenged themselves internally around their confidence of including the neither/nor responses. They considered the additional evidence (comments to the open-ended follow-up question) and they have satisfied themselves that they can stand by the research outcome – that it supported the decision to increase social tariff contributions.
- m) The Forum Chair asked whether this research is going into the Company's business plan. The Company replied that it was.

n) A Forum member asked what the research would show if the neither/nor responses were excluded from the positive 'willing to pay more' responses? The Company explained that it was not possible to know because of the way the survey was designed.

Action 4: The Company to share the findings report of WaterSupport Enhancement research.

Next meeting

19 October 2023 via Microsoft Teams

Actions

September 2023

Ref.	Action	Status
1	Forum Members are requested to disseminate the YWYS event details to their network and contacts, and via their social media channels.	Open
2	The Company to arrange a meeting to discuss ideas for reaching underrepresented groups	Open
3	The Company to provide information about proportion of green measures (for waste water) in the final programme.	Open
4	The Company to share the findings report of WaterSupport Enhancement research.	Open

August 2023

Ref.	Action	Status
1	The Company to brief Exec Summary copywriters on plain English requirements (reading age, intellectual age), with the aim of making it more readily understandable.	In progress
2	The Company to find the optimum time to share the report chapters – at a point when their content can still be influenced by the Forum. Key areas are: financeability and gearing, the environment, vulnerability and low-income households, and any other areas the Company's Board believe are important.	In progress
3	The Company to share the updated business plan when it becomes available (following any revisions in TOTEX and bill impact figures).	Complete
4	The Company to share the acceptability and affordability scores, when they become available (during w/c 11 Sept).	Complete
5	The Company to share the results of the LTDS research, and the WaterSupport tariff enhancement research.	Complete
6	The Company to share the draft Customer Engagement chapter at the end of August.	Complete
7	The Company to share the draft YWYS materials (communications materials, Chair's briefing, and attendees pre-reading) for the Forum's review and	Complete

Ref.	Action	Status
	feedback.	
8	The Company to circulate the revised Ofwat YWYS guidance.	Open
9	The Company to consider changing the date of the November Forum meeting, which is the same day as the YWYS event.	Open

July 2023

Ref.	Action	Status
1	To arrange a call between the Forum (Andrea, Steve, Kursh) and whoever is responsible for PR24 document design	Complete
2	Richard H to focus on business plan financeability at the July Forum meeting	Closed, superseded
3	YW to update on where we are at with the APR and whether it has the Crystal Mark.	Complete
4	For the PR24 report, request photos of internal sewer flooding, storm overflows or external sewer flooding.	Complete
5	More details on the enhancement schemes to be provided to the Forum	Complete
6	To provide information around why investments are required in AMP8 rather than deferred to future AMPs.	Complete
7	YW to share a link to their APR and Performance Action Plan.	Complete
8	Forum members to email Richard H with any questions on the content of the Business Plan presentation, copying in the other Forum members.	Complete
9	Donna H to share the affordability and acceptability testing questionnaire/s with the Forum for review and comment.	Complete
10	The Company to share the PR24 Chapters, as they become completed.	In progress

June 2023

Ref.	Action	Status
1	The Company to circulate details of the auditor's assurance to Forum members.	Complete

Ref.	Action	Status
2	The Company to circulate the revised APR presentation slides and the updated affordability and acceptability presentation slides.	Complete
3	The Forum project manager to add the report writer to the Forum email circulation list.	Complete
4	Additional Forum meeting to be scheduled to cover bill impact.	Complete
5	To schedule a slot in the July Forum meeting for the 'look and feel' sample chapter of the PR24 main business plan.	Closed
6	To schedule a slot for the PR24 Exec Summary to be presented in the August Forum meeting.	Complete
7	The Company to invite Forum members to the qualitative debriefing meeting.	Complete
8	Forum members to consider whether the qualitative research should present the least cost plan or the proposed plan.	Complete
9	The Company to keep the Forum informed of YWYS, and to bring information back to the Forum once a date for the autumn event date is agreed. <i>Updated June 2023:</i> The Company to provide feedback from the Ofwat meeting on 1 st August.	Complete