

**Yorkshire Forum for Water Customers
Minutes of Meeting
19 September 2024
Microsoft Teams Meeting**

Attendees:

Chris Griffin
Dave Merrett
Kursh Siddique

Independent Member
Independent Member
Independent Member

Steve Grebby
Tom Keatley
Fiona Morris

Consumer Council for Water
Natural England
Environment Agency

Apologies:

Jodie Hall
James Copeland

Citizens Advice
National Farmers Union

Guests:

Donna Hildreth
Richard Hepburn
Rachel Barnard

Yorkshire Water
Yorkshire Water
Yorkshire Water

Contents

1. Minutes.....	3
2. Actions	3
3. Update on Affordability and Vulnerability subgroup.....	4
4. PR24 Update.....	5
5. Research update.....	7
6. Horizon Scanning.....	7
7. Water Matters	9
8. AOB	11
Actions tracker –	13
September 2024	13
August 2024	13
July 2024.....	14
June 2024	14
May 2024.....	14
April 2024.....	14
March 2024.....	14
February 2024.....	14
January 2024	14

1. Minutes

- a) The minutes from August have not yet been fully reviewed. These will be circulated to Forum members for approval outside of the meeting.

2. Actions

- a) Open and in-progress actions were reviewed.
- b) Actions from January:
 - i. *The Company to circulate the outcome of the horizon scanning with details of how this will feed into Customer Research and Business Planning.*
Complete.
- c) Actions from February:
 - i. *The Company to share data tables detailing benefits with the Forum [Working with Others PC]. The Company are commissioning a 6 capitals review to demonstrate the value generated across Yorkshire. This report will be a comprehensive external assessment of wider benefits and is due to be complete by March 2025 at which point it will be shared with the Forum. Currently **in progress.***
- d) Actions from April:
 - i. *The Company to source additional information on Ofwat's consultation relating to the Innovation Fund and share with the Forum. This has been raised with Ofwat, but as yet there is no reply. Remains **open.***
- e) Actions from May:
 - i. *Review detailed findings from the 2023 Water Matters report at a future Forum meeting. Moved to the agenda for September. **Complete.***
 - ii. *The Company to circulate details of the fish passage research on completion. The report will be brought to the environment subgroup on completion. Research in progress. **Open.***
- f) Actions from June
 - The Company to provide an update on the Total Household Complaints PC classification once resolved. **Complete.***
- g) Actions from August
 - i. *The Company to respond directly to the Forum member with answers to the questions posed by close of 23rd August [clarification questions for preparation of the Forum's statement]. **Completed.***

- ii. The Chair to redraft the Forum’s statement and circulate to members by 27th August. **Completed.**
 - iii. Members to provide feedback on the statement to the Chair urgently in order that the statement can be sent to the Company on 27th August. **Completed.**
 - iv. The Company to share top line willingness to pay research with members on receipt (expected 23rd August). **Completed.**
- h) New actions from September
- i. **Action 1:** The Company to present the draft tier system for the Social Tariff to the full Forum when available.
 - ii. **Action 2:** Complaint handling performance to be added to the next Forum, or next Affordability and Vulnerability subgroup.
 - iii. **Action 3:** The Company to circulate details, as submitted to Ofwat, of the £165m proposed investment in coastal storm overflows.
 - iv. **Action 4:** Reschedule December’s Forum meeting from 19th December to a more suitable date.
 - v. **Action 5:** Strategy and Regulation Director introduction to be added to a future agenda.
 - vi. **Action 6:** Add Watermark report analysis to a future Forum meeting agenda.
 - vii. **Action 7:** The Company to provide an update on serious pollution incidents and self-reporting in October’s Forum meeting.
 - viii. **Action 8:** Special Measures bill to be added to the agenda for the main Forum in October.

3. Update on Affordability and Vulnerability subgroup

- a) The subgroup was updated on the issues of Water Poverty, the social tariff and complaints.
- b) The discussion highlighted that it is difficult for the Company to eliminate water poverty given that its definition is based around the cost of water in relation to a household’s disposable income.
- c) It was agreed that most pressures that cause water poverty are largely outside of water companies’ control.
- d) It was broadly agreed that elimination of water poverty may not be the most appropriate measure to use as it is too narrow a marker. Instead, it would be more prudent to focus on wider efforts to promote affordability, and provide targeted support to the customers who most need it.
- e) Other ways to measure the Company’s effectiveness in helping alleviate affordability issues include the social tariff, however only 70% of eligible

customers are expected to enrol. It is typical for benefits to be under-claimed by those eligible.

- f) The Company is continuing to work on the financials of the various tariffs and the eligibility criteria. Temporary vulnerability was highlighted, as was the consideration of carers' allowance.

Action 1: The Company to present the draft tier system for the Social Tariff to the full Forum when available.

- g) The subgroup raised concerns that complaint handling trends are deteriorating, as seen in CCW's annual report and the British Water Survey (albeit that the methodology of the latter was questioned).
- h) The subgroup wanted attention to be focused on the customer experience when things go wrong, rather than just C-Mex.

Action 2: Complaint handling performance to be added to the next Forum, or next Affordability and Vulnerability subgroup.

- i) A Forum member noted that they have been impressed by the efforts of the Company to address the challenges with complaints. They noted that a key performance indicator and definitive timescales are needed to really measure improvement.
- j) A Forum member asked for clarification on individual means testing for financial support and questioned whether there was scope for other utility providers and benefits administrators to coordinate their approach to support measures. Although the questions remained unanswered, it was pointed out the national social tariff proposal had been rejected by Ofwat.
- k) The Company agreed that the complaints issue is being taken extremely seriously at a senior level and there is a huge amount of activity related to improving performance. It also agreed that clear improvements as a result of that effort are critical.

4. PR24 Update

- a) The Company submitted the Draft Determination Response (DDR) to Ofwat on 28th August.
- b) Ahead of submission, a further £165m of proposed investment was added to address coastal storm overflows. This has required an additional chapter to be

submitted to Ofwat covering the plans for the investment at Scarborough and Robin Hood's Bay. This will be circulated to members.

c) It was reiterated that the EA will abstain from commenting on these proposals.

Action 3: The Company to circulate details, as submitted to Ofwat, of the £165m proposed investment in coastal storm overflows.

d) The Company met with Ofwat for its company representation meeting in early September. Ofwat attendees included the Chair, CEO and Senior Director for the Price Review. At this meeting the Company highlighted the key areas suggested for reconsideration in the DDR including the supporting evidence.

e) The Company noted that the meeting with Ofwat was encouraging and led to good discussions.

f) The Company thanked the Forum members, especially Chris Griffin and Dave Merrett, for their significant efforts in preparing the Forum's statement in a short period of time.

g) The Company will arrange for the new Strategy and Regulation Director to be introduced to the Forum at a future meeting.

h) A Forum member asked if there is a perception that other companies are in a similar position to the Company in terms of their DDRs, and what potential outcomes might be.

i) The Company responded that, according to discussions with Water UK, other companies are in similar positions whilst the specifics are unique. Commonalities include challenging on whether the balance between risk and reward is reasonable; on disallowed expenditure and on the ability to deliver for customers and the environment.

j) In general, it is thought that across the sector an increase in expenditure is being asked for versus the original business plans.

k) There is an ongoing query process where companies have 48 hours to respond to questions from Ofwat. Currently this stands at around 50 queries, which is comparable to other companies.

l) Final Determination (FD) is due on 19th December. It is hoped that it will be confirmed within the next month if Ofwat plan to change this date.

m) Although the FD is the end of the Ofwat process, after FD companies have two months to decide whether to seek redetermination from the CMA.

Action 4: Reschedule December's Forum meeting from 19th December to a more suitable date.

- n) The Company also highlighted some organisational change; an interim Strategy and Regulation Director has recently joined the Company and will be introduced to Forum members at a future session.

Action 5: Strategy and Regulation Director introduction to be added to a future agenda.

5. Research update

- a) Following the work to support PR24, research focus is now shifting towards customer experience.
- b) Pipeline projects include customer journey and complaints research.
- c) The fish passage research has started. Non-household customers have been approached to understand their thoughts on the investment.
- d) The Company is currently looking at setting up a sustainable business framework, looking at environmental sustainability and social sustainability, supporting communities and achieving net zero targets. A research brief is being created to support this work.
- e) The online community, Your Water, is being renewed and a new supplier appointed. The interface for customers needs to be very easy to use, sign-on should be easy and the Company should be able to self-serve with some research.
- f) A Forum member asked how much data is collected on participants in the Your Water community particularly around demographics. The Company explained that the demographics are collected to ensure that the community is reflective of the broader customer base including vulnerabilities.

6. Horizon Scanning

- a) In January, the Forum received information about the 2024 Horizon Scan project and was invited to provide feedback.
- b) The programme started in December, concluded in April and was taken to the Company's executive in May.
- c) Although the project has been undertaken over a number of years, this is the first year that customer research has been included.
- d) The project seeks to detect early signs of potential change by identifying threats and opportunities in the medium term, specifically trends with a high materiality or likelihood for the Company in the next 3-5 years. These insights are then transformed into proportionate action for future business readiness and PR29.

- e) The project is complemented by other elements in the Company such as the Resilience Steering Group which examines operational in-year risks; the Legal team monitoring enforcement issues; and Risk champions across the business.
- f) Forum members were reminded of the social and economic trends highlighted by Forum members in January. The Company noted that these suggestions have been shared with their Customer Experience and People (HR) teams for use in their long-term planning.
- g) The environmental trends identified in January were also examined, and the Company detailed how these were incorporated into the PR24 submission.
- h) The Company explained how the Horizon Scanning had identified trends by first gathering insight from subject matter experts, heads of departments and directors. This was supplemented by research from academic journals, Science Direct, World Economic Forum and others. Customer research was also included.
- i) It was explained how the insights were then validated at a series of workshops and prioritised based on likelihood, potential impact and risk.
- j) The programme then stress-tested the Strategic Annual Review against the trends identified to assess business readiness and determine if further strategic planning is required.
- k) The Forum was presented with a diagram classifying the identified potential trends into PESTLE categories (Political, Economic, Social, Technological, Legal, and Environmental). Key trends and those highlighted by members in January were noted.
- l) Trends were discussed at a high level including potential for attracting suitable colleagues for in-demand roles such as hydraulic modelling with flexible working packages; financial resilience of current and future bill payers; barriers to adoption of green solutions; the impact of citizen science on areas like sewage sludge to land recycling and microplastics; and PFAS legislation.
- m) The Company explained that from the trends identified six have been taken forward as being most critical
 - i. Loss of the bioresource land bank resulting from microplastic legislation, supermarket produce delisting and Farming Rules for Water.
 - ii. Specialist equipment demand on supply chains
 - iii. Information technology and operational technology convergence
 - iv. Fast Tech change and obsolete assets
 - v. Environmental legislation changes – Urban Wastewater Treatment Directive and PFAS requirements

- vi. Potential legislative changes to Surface Water Management
- n) The Company noted that its Policy and Influencing Group is now using the horizon scanning trends to inform their upcoming work including regulator and legislator engagement.
- o) The Company presented a case study – sludge to land and microplastics.
 - i. Farming Rules for Water changes mean that it will only be acceptable to apply sewage sludge to land in spring which will result in a surplus of sludge at other times of year.
 - ii. New international legislation is being considered on microplastics in the water supply and food chain.
 - iii. Supermarkets are considering delisting products grown on land treated with sludge.
 - iv. Balancing measures have been identified for each of these elements such as early influencing plans for NFU or retail consortium; early solution investigation plans; most sustainable options if forced to incinerate sludge.
- p) A Forum member asked how the Company is making decisions around influencing. The Company explained that its Policy and Influence group, comprised of directors and others, would make those decisions based on the science and insight available.
- q) The 2025 Horizon Scanning process will be brought back to the Forum next year.

7. Water Matters

- a) The independent Water Matters report, produced by CCW, was brought to the Forum in May 2024 immediately after publication and so was covered only briefly. Following that meeting, it was requested that the report be brought back for further discussion.
- b) The Company noted that the report forms part of the broader Watermark report, alongside other service and operational metrics. The Watermark report is published by CCW in October.

Action 6: Add Watermark report analysis to a future Forum meeting agenda.

- c) There are two main areas account where the performance measurement has dropped: wastewater and sewerage services, and value for money.
- d) The broad conclusions formed by the Company is that consumer perception is being impacted by negative media coverage. The Company interpret this as

reputational impact rather than a dissatisfaction with the service being received.

- e) The Company used its longer-term brand tracker report to contextualise the Water Matters findings and demonstrate that media coverage of wastewater issues is influential.
- f) The Net Promoter Score (NPS) was explained as being a measure of likelihood to recommend.
- g) The Company stated it is launching a brand campaign called Doing Right by Yorkshire to rebuild trust. This is being piloted in a small area to gauge performance with a view to rolling it out further.
- h) It was highlighted that although the Water Matters report shows a decrease in satisfaction with value for money, the Company's brand tracker shows this measure to be more stable.
- i) The Company shared information previously presented to the Forum, which showed high levels of customer endorsement for improvements to support customers struggling with bill affordability. It hopes that this will improve perception of value for money.
- j) The Water Matters report has been released by CCW as final, and so will not now change. This is the version which will form part of the Watermark report.
- k) The Forum chair noted that the awareness of the Priority Services Register (PSR) has remained steady whilst the number of customers registered for the service has increased. The Company opined that this is likely to be as a skew as result of the relatively small survey size in combination with the small proportion (9%) of customers who are signed up to the PSR.
- l) A Forum member questioned the satisfaction with sewerage services being between 40% and 66% on the Water Matters report compared with around 80% on the Company's brand tracker report. The Company again believed that this is down to sampling methods and volumes – the Company's report is based on a sample of 300 customer per month who have had contact with the Company whereas in the Water Matters sample only 10% have had recent contact.
- m) The Company did point out that in their brand tracker they have seen a reduction in satisfaction with wastewater services from over 90% two to three years ago, to around 80% currently; reinforcing that this is a cause for concern.
- n) It was also discussed that the questions are quite different between the two surveys whilst aiming to understand satisfaction around the same service areas. The Company can adjust their survey question on their own brand tracker, but cannot influence the Water Matters questions.

- o) The Company confirmed that the sample for the brand tracker, whilst random, is representative of the customer base in terms of gender, age, region and socio-economic status.
- p) The Water Matters report is understood to be similarly representative of the region.

8. AOB

Total Household Complaints PC – amber audit classification

- a) In the APR audit there was an amber action raised around Total Household Complaints and the potential error rate in complaints reporting.
- b) This amber classification came about due to a change in the auditor's approach this year which was to look at second line assurance rather than randomly sampling complaints.
- c) As a result of looking to the second line assurance, a query was raised about volumes of complaints attributed to certain categories.
- d) With the inclusion of real-time complaints in addition to written ones, a much larger volume of complaints was required to ensure statistical reliability.
- e) The amber classification was rectified by undertaking several weeks of intensive surveying to ensure a statistically robust sample was assessed.
- f) The Company further explained that now they are aware that the auditing methodology has changed, they are working with an in-house statistician to develop a robust sampling methodology which will ensure they are ready for audit next year.
- g) A question was raised whether non-complaints were also sampled to see if they should have been complaints. The Company confirmed that they are sampled and that sampling levels of these also now need to increase given that telephone contacts are included.
- h) The Chair reminded that the audit classification is not an assessment of the number of complaints, but of the reliability of that number.
- i) The action around this PC audit item can now be closed.

Special Measures bill

- j) A Forum member raised concerns about the number of serious pollution incidents and poor self-reporting so far this year.
- k) The Forum requested a more detailed discussion about this to aid understanding.
- l) The member has agreed to explore this, and water industry regulation more widely, with their organisation and bring findings back to the Forum.

Action 7: The Company to provide an update on serious pollution incidents and self-reporting in October's Forum meeting.

- m) Discussions were had about both the Special Measures Bill and Customer Panels. Although Ofwat and Defra have been approached about these, no further information has been shared at this time.
- n) It has, however, been communicated via Water UK that the customer panel will comprise of real customers rather than customer representatives.
- o) The Water Special Measures Bill was highlighted and the Company said a discussion about the impact of the Bill would be tabled for October's meeting

Action 8: Special Measures bill to be added to the agenda for the main Forum in October.

Actions tracker –

September 2024

Ref.	Action	Status
1	Present the draft tier system for the Social Tariff to the full Forum when available.	Open
2	Complaint handling performance to be added to the next Forum, or next Affordability and Vulnerability subgroup.	Open
3	The Company to circulate details, as submitted to Ofwat, of the £165m proposed investment in coastal storm overflows.	Open
4	Reschedule December's Forum meeting from 19 th December to a more suitable date	Open
5	Strategy and Regulation Director introduction to be added to a future agenda.	Open
6	Add Watermark report analysis to a future Forum meeting agenda.	Open
7	The Company to provide an update on serious pollution incidents and self-reporting in October's Forum meeting.	Open
8	Special Measures bill to be added to the agenda for the main Forum in October.	Open

August 2024

Ref.	Action	Status
1	The Company to respond directly to the Forum member with answers to the questions posed by close of 23rd August [clarification questions for preparation of the Forum's statement].	Completed
2	The Chair to redraft the Forum's statement and circulate to members by 27th August.	Completed
3	Members to provide feedback on the statement to the Chair urgently in order that the statement can be sent to the Company on 27th August.	Completed
4	The Company to share top line willingness to pay research with members on receipt (expected 23rd August).	Completed

July 2024

Ref.	Action	Status
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June 2024

Ref.	Action	Status
2	The Company to distribute notes from Ofwat's Your Water, Your Say event to Forum members.	Completed
3	The Company to provide an update on the Total Household Complaints PC classification once resolved.	Complete

May 2024

Ref.	Action	Status
1	Review detailed findings from the 2023 Water Matters report at a future Forum meeting.	Completed
4	The Company to circulate details of the fish passage research on completion.	Open

April 2024

Ref.	Action	Status
2	The Company to source additional information on Ofwat's consultation relating to the Innovation Fund and share with the Forum.	Open

March 2024

Ref.	Action	Status
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February 2024

Ref.	Action	Status
5	The Company to share data tables detailing benefits with The Forum [Working with Others PC]	In progress

January 2024

Ref.	Action	Status
4	The Company to circulate the outcome of the Horizon Scanning with details of how this is going to feed into Customer Research and Business Planning.	Complete