

**Yorkshire Forum for Water Customers
Minutes of Meeting
25 Apr 2024
Microsoft Teams Meeting**

Attendees:

Andrea Cook	Chair
Chris Griffin	Independent Member
Dave Merrett	Independent Member
James Copeland	National Farmers Union
Jodie Hall	Citizens Advice
Kursh Siddique	Independent Member Melissa
Lockwood	Environment Agency
Steve Grebby	Consumer Council for Water

Apologies:

Tom Keatley	Natural England
John Walker	Consumer Council for Water

Guests:

Donna Hildreth	Yorkshire Water
Richard Hepburn	Yorkshire Water
Colin Fraser	Yorkshire Water
Tom Greenwood	Yorkshire Water
Georgina Wilson	Yorkshire Water

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1. Minutes

a) Minutes from the March 2024 meeting were approved.

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.* This project is still ongoing and will be brought back to the Forum once complete. Remains **open**.

c) Actions from February:

- i. *CCW to provide further evidence on the ramped billing recommendation.* CCW explained the difference in terminology between smoothed bills, which go up gradually every year, and ramped bills, where initially there is a steep increase but then it is smooth after that. Figures were shared by CCW showing a bigger increase of £75 followed by smaller increases.

The Company explained that 3 options were tested with customers: an average flat bill (a steep step up but then no further increases until 2030), a natural bill (a smaller but still significant step up with then a gradual incline year on year), a rising bill (a small increase in 2025 with a significantly higher increases over the following years with a high bill value in 2030).

Customers and the Company's Board all favoured the natural bill option. The Chair raised that historically a smooth bill profile has been the option backed.

The Company clarified that this is the first time that customers have supported the "natural" bill profile, which led the Chair to question whether the option was fully understood by participants.

CCW also pointed out an imbalance between a customer preference to pay more upfront and reduce their bill increases later in the AMP, with a tendency for companies to backload delivery of projects to later in the AMP because of speed of delivery. This could cause perception issues where customers have paid already but the Company hasn't yet spent. A Forum member questioned the validity of the research since the outcome did not match their real world experience. The Company explained that the research was undertaken on the Company's online

community.. The online community has a representative split of customers with vulnerabilities including the financially challenged. The customers who faced the most financial hardship preferred a larger initial rise as this reduced subsequent rises later on. This also enhanced their long-term planning capacity as future bills were lower and more manageable.

A Forum member checked the understanding of the origin of the action. A consensus was agreed, across several members and the Company, that it had been expected that customers would favour a flat bill, but that the research shows on this occasion the natural profile was preferred.

The Company explained that a flat profile in PR24 leads to a substantial increase, of more than £100, between the end of PR19 and the start of PR24. This is thought to be the reason customers have changed their preference.

Inflation was not considered in the examples shown to the Forum. A Forum member pointed out that inflation will increase the ramp more than visualised in the research.

A Forum member reiterated that it is crucial for budgeting that the bill over 5 years be as flat as possible, and raised a concern that the natural bill profile makes things easier in the transitional year but harder over the 5-year period as a whole.

A Forum member recalled that the Forum initially supported the flat bill profile as chosen by the Board since it was favoured by vulnerable customers. However, the Board then moved to the natural profile that was favoured by the majority of customers, and the Forum did not object to that.

The Company explained that vulnerable customers will be offered more support in PR24 than in the current period. It also communicated that the decision on the bill profile has been driven entirely by the interests of customers.

The Forum member sought reassurance that the natural bill profile was still representative of the spending profile the Company intends.

A Forum member noted that it can certainly be said that this issue has been at the heart of a strong debate by the Forum, and that a wide range of concerns have been discussed. They raised the importance of communication to customers, and that the communication is recognised by the Forum given the breadth of the debate. They questioned how the Company is going to work with the Forum in a

critical and sensitive engagement with customers, while other issues may divert attention.

The Chair agreed the importance of flexibility and sensitivity in the Forum's communication, and that the statement.

Action 1: The Company to share details of how well represented vulnerable and financially vulnerable customers are in the online community research.

The Chair asked about delivery dates for several documents where the Forum is expected to provide commentary, including the Annual Performance Review (APR), the Draft Business Plan and the Draft Determination (DD).

The Company detailed that Ofwat have confirmed the DD will be published on 12th June. Although not confirmed, consultation is expected to be 8 weeks from then. The APR is due to be published on 15th July. Ofwat will be provided with a performance update and an update on the Service Commitment Plan (SCP) at the end of April. These will be shared with the Forum and May's meeting will focus on the APR, SCP and quarterly reporting.

Action **closed**.

- ii. *The Company to report back to the Forum with details of any independent observer and the criteria for the projects' inclusion [Working with Others PC].* There is no requirement for an observer at the audit which is conducted independently by Atkins. The Company highlighted the Ofwat documentation detailing the inclusion criteria.

Action **closed**.

- iii. *Add an Environment subgroup agenda item – deep dive Working with Others PC schemes, prioritised by spend.* Added to the draft agenda as a standing item. **Open**.

d) Actions from March:

- i. *The Company to send the research for enhancement cases and cost adjustment claims for smart metering and water mains replacement.* Will be shared when the final reports are received. **Open**.
- ii. *PSR Satisfaction tracking results to be shared at the Affordability and Vulnerability subgroup.* On May's agenda. **Closed**.
- iii. *The Company to keep CCW updated on Period Products activity.* The Forum will be invited to the debrief. A Forum member suggested that this should be more widely shared. **Open**.

- iv. *The Company to share the results of the Exploring Changing Expectations campaign development.* Shared. **Closed.**
- v. *The Company to confirm whether there were any clean water initiatives to improve sustainability [Creating Value from Waste PC – redevelopment of land for housing].* Awaiting an updated. **Open.**
- vi. *The Forum to confirm that ability to provide assurance on the Creating Value from Waste PC.* No concerns were raised. **Closed.**
- vii. *Details of the newly proposed LORI schemes to be circulated to the Environment subgroup for consideration offline, with a view to approval.* Remains **open.**
- viii. *The Company to pass on CCW's feedback on the internal review into low/no water incident at Goole not being shared.* Feedback shared. **Closed.**

e) New actions for April:

- i. **Action 1:** The Company to share details of how well represented vulnerable and financially vulnerable customers are in the online community research.
- ii. **Action 2:** The Company to source additional information on Ofwat's consultation relating to the Innovation Fund and share with the Forum.
- iii. **Action 3:** The Company to update the Forum on GSS changes.
- iv. **Action 4:** Vulnerable customer strategy to be added to May and June agendas.

3. Update on Environment subgroup

- a) The Company gave a detailed presentation on Living with Water in Hull, also covering integrated catchment management. Of particular interest was the public reaction to the scheme and the way The Company responded to concerns such as a loss of parking. A Forum member noted that at a meeting with Defra this engagement and response was praised as a demonstration of good practice.
- b) The Company updated the subgroup on the £180m storm overflows project including delivery, selection, prioritisation, project management and overcoming issues. Lessons learned around timescales and partnerships are already being factored into the next AMP schemes.
- c) An overview of the Storm Overflows information due to be published by the end of April was given and the subgroup raised questions about the accompanying communications plan. It is expected that lots of enquiries will be received and the subgroup was reassured that staffing levels have been

planned to accommodate this. A Forum member recommended finding well-informed people who can reply promptly especially in the most vocal areas, and also having a strategy to answer questions publicly (instead of moving questions to a direct message chat) acknowledging that the questioner is part of a community.

- d) The Environment Strategy, PC updates on carbon and treatment works compliance have been moved to June's agenda.
- e) The pollution situation was discussed extensively. There were 5 serious issues, which is up. And 137 incidents were recorded overall against a target of 117. As a result of this, further information was requested on the role of maintenance and self-reporting.
- f) It was reported that a subgroup member raised questions about how increasing media coverage of issues like CSOs (given the upcoming election) will be expected to impact research and how this will be addressed.

4. PR24 Business Plan update

- a) The Company confirmed that the DD will be published on 12th June and preparations continue for that.
- b) An update on the Service Commitment Plan will be brought to the Forum in May following submission to Ofwat at the end of April..
- c) The Company will also meet with Ofwat and other regulators on 20th May to review quarterly performance progress.

5. Research update

- a) Period Products research is underway and the Forum will be invited to a debrief when this is completed.
- b) The Inclusive Customer Research is due to be debriefed in May and the Forum will be invited. This will compare this year's performance to previous years.
- c) Cost Adjustment claims and Enhancement Cases research is underway and the final reports will be shared with the Forum.
- d) The Company explained that recent research supporting brand campaigns showed that customers want detailed and local information rather than positive, high-level messages.
- e) Research on the updated Environmental Strategy is being planned for customers, colleagues and stakeholders including Yorkshire Leaders Board.
- f) A project for triangulation of research projects has been undertaken with Sia Partners to ensure the research is robust, representative and strong. The final report will be published shortly.

- g) A strategy for Vulnerable Customers is in the process of being created. High-level research is underway to understand expectations to support this.
- h) The Company are also preparing data to support CCW's affordability and vulnerability testing of the DD.
- i) A Forum member suggested a programme of research requirements for the next two months to manage demand on Forum members. The Company explained that projects can be added at late notice but that projects will be prioritised for the Forum according to need. The Environmental Strategy will be the most important aspect.
- j) A Forum member questioned how customers' appetite for very localised information would be delivered at scale. The Company explained that customers had shown a preference for messages at a level of "we are spending £m so you can swim safely in your local river" and that the campaign is yet to be tested in the pilot area of Leeds.
- k) Another Forum member raised concerns that customers from outside the area may then question whether other areas are getting more benefit than their own although the cost isn't localised. The Company indicated that, unlike earlier research, this research revealed that customers who were not local were still interested in the messages; however, this is likely to vary depending on the scale and reach of a variety of local messages.
- l) A Forum member pointed out that most customers prioritise spending on the environment over enhancing bathing waters and that local messages that appeal to vocal campaign groups such as wild swimmers may trigger complaints of injustice from a majority.

6. Industry Consultation

- a) **Innovation Fund (Ofwat):** The Company updated on an Ofwat proposal to change its Innovation Fund. The Innovation Fund is a centralised fund of customer monies managed by Ofwat where water companies working with academia or supply chain partners can bid for funds to run innovation projects.
- b) In AMP7 the fund had £200m of customer funding and Ofwat are proposing to increase this to £400m in AMP8. This would be collected from customers through bills and is intended to be spent over the 5 years on innovation projects across the sector seen to be good for the company, good for customers and good for the wider sector.
- c) For The Company, that relates to around £3 per annum on an average domestic water bill, raising a total of £8-9m per annum for the fund.

- d) £250m of the fund forms Ofwat's Water Breakthrough Challenge. There are smaller rounds targeted at early stage supply chain innovators. Some investment in AMP8 will be targeted to innovation outside the sector, perhaps collaboration with the energy sector. An amount of money is ringfenced for solutions which have already demonstrated success and have the potential to be more widely adopted by the sector, this recognises an issue of successful solutions historically being siloed to within one company and looks to address the hurdles of adoption.
- e) A feature being retained is that companies do not get 100% of the funding through the Innovation Fund but a maximum of 90% with the remainder being from the company's own fund and not from customers. Grants can also be used to make up the shortfall.
- f) The Company confirmed it is broadly supportive of the changes to the fund but would want Ofwat to demonstrate value to customers or the environment.
- g) A Forum member asked whether the £3 charge to customers would be itemised in their bills. The Company explained that the charge is not itemised currently and that Ofwat have not indicated that would change. Ofwat do publish details of the projects supported by the fund. The Company received three awards from the fund in AMP7, so some of the money that customers pay goes to projects in the region, but not all of it, since the fund is shared.
- h) The Company is mid-pack in terms of the value of awards secured from the fund.
- i) The Chair asked whether customers had been consulted. The Company understands that Ofwat has undertaken stakeholder consultations but not specific customer research.

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

- j) The Company stated that not all spending on innovation activity comes from the Innovation Fund. Around £3m is usually spent on projects which benefit the Company and its customers.
- k) **Core Customer Information (Ofwat):** There is underpinning guidance that relates to the new customer focused licence conditions including items such as vulnerability guidance, paying fair guidance and Ofwat have now developed Core Customer Information guidance.
- l) The Core Customer Information guidance includes key information such as how to contact the Company, what to do in an emergency (including vulnerability specific guidance), how can customers identify a member of the

Company's staff including online, services offered, charges, complaint handling and the role of CCW.

- m) **Water Quality Permit Charges (EA):** The Environment Agency (EA) have proposed increasing water quality permit charges for water and wastewater companies. The aim is to increase revenues to recruit inspectors and pursue greater digitalisation and data management at the EA as well as taking tougher action on pollution.
- n) Significant increases are proposed for new permits and annual subsistence charges.
- o) This is expected to add around £6m per annum to the fees the Company pay to the EA. This was not accounted for at the point of the business plan submission. The EA has confirmed that the charges will not be increased until after 1st June.
- p) **Open Data licence condition (Ofwat):** Ofwat are expected to be consulting on a new licence condition related to companies being more transparent and expansive with data published.
- q) Ofwat will be reviewing companies' vulnerability strategies.
- r) Ofwat and CCW are looking to update the Guaranteed Standards Scheme (GSS) and Priority Services Register (PSR) guidance over the coming months.
- s) GSS values have not been updated for a number of years. The Chair asked to be kept informed of this.

Action 3: The Company to update the Forum on GSS changes.

- t) A Forum member asked whether the permit charge changes coming in June will be added to customers' bills. The Company stated that it is too early to say since Ofwat would need to recognise the increase and include it in allowed revenues for it to impact customers' bills.

7. Vulnerability strategy

- a) Ofwat require companies to publish their vulnerability strategies by 30th June. The Company is in the early stages of developing their strategy document and invited the Forum to share their expectations, experience and any learnings from other companies or sectors.
- b) A Forum member raised the issue of temporary vulnerability. This is when people's circumstances change unexpectedly for a wide range of reasons perhaps loss of employment, relationship breakdown or diagnosis of illness. The specific example of a cancer diagnosis was discussed where a person may be diagnosed and move into chemotherapy treatment, where water is

essential, within two weeks. Communication with customers is key, so that should they reach a tough time they would know what support is offered and how to access it. Several Forum members and the Company agreed this is an important consideration.

- c) The Chair pointed out the sensitivity required around the vulnerability terminology and that people need to be able to decide what they do and don't say - people feel the need to own vulnerability. The Company said that the customer and stakeholder testing already underway would allow better understanding of this issue. A Forum member addressed this point by explaining that it's not about what customers have or what they are experiencing, but about what they need. The Company should inform customers about the different solutions available and how to register for each one; empowering customers to manage their situation and select the tools they prefer to use. It's important not to be patronising as many vulnerable people are very capable, though not all are.
- d) A Forum member reminded that in the past awareness of the services available has been low and asked that the strategy addresses how to become top quartile for awareness of these priority services.
- e) Another Forum member reiterated the challenge about language used and that vulnerability and disability doesn't resonate with some customers who would benefit from the services offered. They stated that one communication style won't suit all audiences. The Company agreed that testing should include what to call the services as the naming is not mandated by Ofwat.
- f) The Company said they would return to the Forum in May and June with details of progress.

Action 4: Vulnerable customer strategy to be added to May and June agendas.

- g) A Forum member pointed out the correlation between poor health and poverty.

8. AOB

- a) No other business was raised.

Actions tracker –

April 2024

Ref.	Action	Status
1	The Company to share details of how well represented vulnerable and financially vulnerable customers are in the online community research.	Open
2	The Company to source additional information on Ofwat's consultation relating to the Innovation Fund and share with the Forum.	Open
3	The Company to update the Forum on GSS changes.	Open
4	Vulnerable customer strategy to be added to May and June agendas.	Open

March 2024

Ref.	Action	Status
1	The Company to send the research for enhancement cases and cost adjustment claims for smart metering and water mains replacement.	Open
2	PSR Satisfaction tracking results to be shared at the Affordability & Vulnerability subgroup.	Complete
3	The Company to keep CCW updated on Period Products activity.	Open
4	The Company to share the results of the Exploring Changing Expectations campaign development.	Complete
5	The Company to confirm whether there were any clean water initiatives to improve sustainability, e.g. grey water use solutions or water saving fittings.	Open
6	The Forum to confirm their ability to provide assurance on the Creating Value from Waste PC.	Complete
7	Details of the newly proposed LORI schemes to be circulated to the Environment sub group for consideration offline, with a view to approval.	Open

8	The Company to pass on CCW's feedback on the internal review into low/no water incident at Goole not being shared.	Complete
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February 2024

Ref.	Action	Status
3	CCW to provide further evidence on the ramped billing recommendation	Complete
4	The Company to report back to The Forum with details of any independent observer and the criteria for the projects' inclusion [Working with Others PC]	Complete
5	The Company to share data tables detailing benefits with The Forum [Working with Others PC]	Open
6	Add an Environment subgroup agenda item – deep dive Working with Others PC schemes, prioritised by spend	Open

January 2024

Ref.	Action	Status
2	Minutes and papers for the monthly Forum meeting, as well as the subgroups, to be circulated at least 1 week beforehand.	In Progress
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.	Open