

YourVoice - Minutes of 23 July 2019 Meeting at Lingley Mere, Warrington

Present:

YourVoice members Bernice Law – Independent Chair Tayo Adebawale – NW Flood & Coastal Committee Andrew White – Consumer Council for Water Stewart Mounsey – Environment Agency Steve Cullen – Citizens Advice & Money Advice Damian Waters – Confederation of British Industry Neil Cumberlidge – Independent Secretary (part) Adam Briggs – National Farmers Union Dave Thompson – Warrington Disability Partnership Bhupendra Mistry – Consumer Council for Water	United Utilities Gaynor Kenyon – Corporate Affairs Director James Bullock – Strategy & Regulation Director Jo Harrison – Asset Management Director Mark Abbott – Regulatory Contract Manager Ken Dillon – Relationship Manager, YourVoice Sally Ainsworth – Head of Complaints & CCW Graeme Mooney – Head of Rewards (part) Jen Felton – Head Market Proposition & Digital (part) Rebecca Owen – Graduate Environmental Planner (part) Frank Grimshaw – Regulation Strategy Manager (part)
Apologies Alan Smith – NW Local Authority Leaders (resigned) Robert Light – Consumer Council for Water (resigned) Alistair Maltby – The Rivers Trust Richard Jarvis – Public Health England Allen Creedy – Federation of Small Businesses Keith Ashcroft – Environment Agency Louise Beardmore – Customer Services Director	

Item 1 – Private member session

Item 2 – Minutes/actions from 23 April 2019 meeting

The draft minutes were approved.

All actions and matters arising had either been dealt with or would be picked up under other agenda items.

Item 3 Remuneration policy

Graeme Mooney presented a summary of the new proposed remuneration policy for UU executives and employees. The revised policy would be based on two elements: 50% linked to RORE performance and 50% linked to customer service delivery, based on a basket of customer metrics covering operational, service and resilience issues.

The following points were highlighted in discussion:

- Can the company provide reassurance that the customer metrics also central to ODI measures are not double-counted
- Use of the WaterTalk panel to help develop and validate the customer centric metrics should be reviewed. It was suggested that previous research is triangulated to help identify the most important customer priorities.
- Consideration should be given to including climate change action in operational measures.
- YourVoice is to be engaged in early 2020 to agree the work to finalise the customer centric measures

Item 4 – Quarterly Performance Review

Sally Ainsworth presented the Domestic Retail performance measures for the start of Year 5 (2019/20).

The following points were highlighted:

- There is unlikely to be much change in the under-performance on Numbers of Meters Installed under the Free Meter Option in the remainder of the current AMP. The Lowest Bill Guarantee will not be rolled out until AMP 7, when a large-scale promotion campaign is planned.
- At the recent CCW conference it was clear that other northern water companies are struggling with water meter penetration.
- In terms of SIM final results, UU ended 3rd of 18 water companies and 2nd of 10 water and wastewater companies

Action – An arrow to be added to the metrics charts to show direction of travel for each measure

Jo Harrison presented the Wholesale performance measures covering wastewater and water for the end of Year 4 (2018/19). She also explained the key elements of the Environmental Performance Assessment of water companies undertaken by the EA.

The following points were highlighted:

- Underperformance on the Water Quality Service Index measure continues to be influenced by the challenging customer contacts element but the position continues to improve.
- The Contribution to Rivers Improved target is likely to be missed in 2019/20 but positive over the full AMP programme.
- Is there an opportunity to get involved in initiatives such as the Bolton at Home sustainable living project (to help PCC measures in future)?
- Reference was made in the APR about the mains cleaning programme being halted owing to the dry weather last summer. Members requested an update as to whether the scheme has been restarted and if it's working

Action – Jo Harrison to review Bolton PCC initiative and advise any potential response

Action – Jo Harrison to provide an update on mains cleaning at a future meeting

Item 5 – PR19 Draft Determination (DD)

James Bullock and Frank Grimshaw presented an update on the current PR19 position following the resubmission by the 14 companies not fast-tracked. The company was currently working through its position in response to the draft determination, pending the final determination later this year.

The following points were highlighted:

- Bill Reductions: Following the draft determinations of all water companies, proposed bill reductions are much larger than companies proposed.
- Cost of capital: Ofwat reduced its estimates of the cost of capital from 2.4% to 2.19%. It may reduce this further and the change applies to all companies including fast-track.
- Cost estimates: significant reductions have been made to the costs for slow track companies; and

- **Outcomes:** significant changes in service performance targets and incentive rates have been made – these will have implication for UU.

Ken Dillon presented a summary of the customer research required prior to re-submission concerning Consumer Price Index with housing costs (CPIH) and the systems thinking ODI.

The following points were highlighted:

- The research showed that a majority of customers surveyed supported both the CPIH proposal (63% preferred the CIPH bill impact option, 81% found it acceptable) and the systems thinking ODI proposal (91% supported the systems thinking plan, 79% preferred smoothed bill impacts)
- The survey methods, material and results were reviewed by the Customer Engagement subgroup which support the findings and the interpretation of results

Item 6 – Water efficiency trial

Jen Felton presented a summary of the intended water trial and Rebecca Owen presented an update of recent research into the water habits of Gen Z (young adults 14yrs – 24yrs), which is one of the CEO challenges for 2019/20. Both presentations were noted and members expressed their appreciation.

Action – the water efficiency trial results to be reported alongside ongoing performance commitments / ODI results (Louise Beardmore)

Action - Rebecca to represent once her project is complete to update members on final results

Item 7 – Progress with establishing C-MeX & D-MeX measures

Sally Ainsworth presented a summary of progress, highlighting areas of agreement and those that have still to be determined with the proposed C-MeX measure of customer experience. It was noted that no significant changes in format or process is expected, but some detail issues such as sample size, correction factors, water only company boundaries etc., need to be finalised.

The Developers Service measure (D-MeX) is at an advanced stage of finalisation and is not expected to change.

Item 8 – Annual Performance Reporting (2018/19 cycle)

The chair reported that she had attended the recent UU Board meeting and been able to feedback the panel's view on the contents of the APR. More time was made available than the allotted 10 min slot and the chair was encouraged by the level of interest and attention paid by board members. Bernice extended thanks to Panel members from the UU Board, as well as her own, for their time and effort over the last year.

Mark Abbott then summarised the key elements concerning the publication of this year's suite of annual reporting documents. He encouraged member to check the UU website and to feedback any suggestions for improvement in how the reports are promoted, which will be taken into account when producing next year's reports.

Action – Comparisons with other companies published material will be summarised and provided at a future meeting

Item 9 – AOB and future meetings.

- No AOB matters were raised.
- The next 2 meetings will be held on 14 October and 14 Jan 2020 respectively.