

YourVoice - Minutes of 13 January 2021

Meeting - Via MS Teams

Present:

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| YourVoice members Bernice Law – Chair Tayo Adebawale – Independent Andrew White – Consumer Council for Water Bhupendra Mistry – Consumer Council for Water Dave Thompson – Warrington Disability Partnership Damian Waters – Confederation of British Industry Claire Bunter – Environment Agency Alistair Maltby – Woodland Trust Mark Atherton – GM Combined Authority Deborah Murray – Groundwork Neil Cumberlidge – Independent Secretary | United Utilities Sally Ainsworth – Head of Service Recovery James Bullock – Strategy & Regulation Director Simon Chadwick – Waste, Wastewater & Digital Director (part) Emma Dennett – Regulatory Contract Manager Ken Dillon – Research & Engagement Partner Jo Harrison – Environment, Planning & Innovation Director Ben Nadel – Domestic Retail Manager |
| Apologies Keith Ashcroft – Environment Agency Steve Cullen – Citizens Advice Warrington Adam Briggs – National Farmers Union Louise Beardmore – United Utilities Gaynor Kenyon – United Utilities | |

Item 1 – Introductions

Bernice Law welcomed Mark Atherton, Director of Environment at the Greater Manchester Combined Authority to his first YourVoice meeting.

Item 2 – Minutes/actions from 8 October 2020 meeting

The draft minutes were approved.

Sally Ainsworth outlined the activities being undertaken to deal with the impact on customer bills of increased domestic water use during the COVID-19 restrictions, which included social media campaigns and leaflets inserts with customer bills explaining potential increases and providing water efficiency advice. Staff have also been specially trained to probe for potential consumption/bill issues with customers in inbound call conversations.

Item 3 – Sub-group reports

Tayo Adebawale and Alistair Maltby outlined the key issues discussed and matters arising from the Customer Engagement Sub-Group meeting held on 19 November 2020, and the Environment & Social Capital Sub-Group meetings held on 28 October 2020 and 11 January 2021.

Emma Dennett described progress in obtaining external design advice on future Annual Performance Reports. The two best bidders will be invited to present their proposals to UU, with Bernice Law and Tayo Adebawale attending on behalf of YourVoice.

Item 4 – PR19/PR24 updates

a. CMA

James Bullock explained that the CMA had extended its deadline for issuing the final decision on water company appeals to end-March, and in the meantime had published discussion papers on the cost of capital and capital expenditure issues. Damian Waters indicated that he was in touch with the CMA on regional issues and will feedback any relevant information.

b. Ofwat consultation

Ben Nadel described the key issues addressed in the Ofwat consultation paper on reflecting customer preferences in future price reviews, including concerns about the independence of Customer Challenge Groups (CCGs). It included proposals for six objectives to guide future customer engagement, along with three ideas covering: collaborative nationwide research on common performance indicators; issuing more versus less prescriptive guidance about the role of CCGs; and using a wider range of techniques to capture customer views. Responses to the consultation paper are required by 29 January 2021.

The following points were raised in discussion:

- The value in developing ways of engaging with the full breadth of customer interests (including harder to reach groups) through social media and other mechanisms, whilst also recognising that customer interests go beyond simply saving money on bills to cover wider societal benefits.
- The possibility of UU linking in with the network of diversity groups established by local authorities as a means of ensuring full geographical coverage across the region.
- The Ofwat paper appeared to focus on perceived poor performance of CCGs, with little emphasis on identifying good practice and positive impacts during the PR19 process.
- The PR19 'lessons learned' review carried out by YourVoice last year might provide a useful starting point in developing a response to the Ofwat consultation.
- The need to be clear about which areas of research can be undertaken nationally and those that are better undertaken by individual water companies, whilst also recognising that customers are less interested in providing views on Outcome Delivery Incentives (ODIs) and other complex matters.

Action: Neil Cumberlidge to convene a Writing Group comprising Bernice Law, Alistair Maltby and Tayo Adebowale to prepare a YourVoice response to the Ofwat consultation.

Item 5 – Quarterly Performance Reporting

Sally Ainsworth outlined the impact of behavioural changes during COVID-19 lockdown on performance against the Per Capita Consumption target and described progress in rolling out the new water efficiency strategy. An enhanced metering programme was being developed based on installing 'shadow meters' externally to properties, with customers given the option of whether to receive metered bills backed by the 'lowest bill guarantee'.

The following points were raised in discussion:

- The possibility that the water consumption changes seen during COVID-19 might be maintained over the longer term.
- The importance of clear communications between the existing metering campaign and the new shadow metering programme, including the availability of the lowest bill guarantee in both cases.

Simon Chadwick drew attention to encouraging performance against the new Leakage target, and explained the issues involved and action being taken to address targets showing as 'Red' covering Water Quality Compliance, Reducing Water Quality Contacts, Reducing Interruptions to Supply, Internal Flooding and Sewer Blockages.

The following points were raised in discussion:

- The sustained improvement in performance against the Pollution Incidents target was welcomed, with no Category 1 incidents in the last two years.
- Forecasts that climate change impacts could impact on the numbers of internal flooding incidents in the future.
- The need to understand the ways in which COVID-19 behavioural changes are driving an increased number of sewer blockages.

Action: Simon Chadwick to ensure that Category 1 pollution incidents are identified separately in future QPRs.

Action: Jo Harrison to give presentation to Environment & Social Capital Sub-Group about the EA's Environmental Performance Assessment dashboard.

Item 6 – Green Recovery

Ben Nadel outlined the emerging Green Recovery programme being developed by UU in response to a request by Ofwat. This will involve accelerated investment focused on five elements: an accelerated shadow metering programme; environmental improvements in the Manchester Ship Canal catchment; emissions regulations and the journey to zero carbon; accelerating partnerships to deliver natural solutions; and tackling storm overflows.

Research had been carried out to ascertain customer views about the areas proposed for additional investment and the impacts on future bills. Initial results indicate that 57% of customers would accept a £5 increase in bills to cover work on all five elements (with an additional £1.50 increase to bring work forward to 2021) while 22% consider it unacceptable and 21% are either neutral or don't know whether or not they support. There was strong support for all five individual elements, although a sizeable minority (10%) oppose water meter installation.

The following points were raised in discussion:

- The cost of the shadow metering programme seemed high in relation to the number of meters to be installed, although it was recognised that increased meter penetration is a key element of UU's water efficiency strategy.
- It was explained that water meters have an expected life of 15 years although the supporting infrastructure will last for a longer period.
- The emissions regulation element of the proposals will cover both enhanced sewage sludge treatment and meeting new Industrial Emissions Directive requirements, both of which will deliver reduced carbon emissions and lower energy use.
- It will be important to understand the wider economic impacts and benefits of the programme for the region, and this will be addressed in the submission to Ofwat.

Action: Customer Engagement Sub-Group members to be invited to presentation of customer research results on 20 January 2021,

Item 7 – Any other business

There were no AOB items. Next meeting will be held on 22 April 2021.