

# MINUTES OF 21<sup>th</sup> MEETING OF THE WESSEX WATER PARTNERSHIP

**Video conference call  
Thursday 11<sup>th</sup> June 2020**

## **Present**

Dan Rogerson – Chair (DR)  
Jeremy Hawkins – Independent report  
writer (JH)  
Michael Barnes – CCW (MB)  
Richard Cresswell – Catchment Panel Chair  
(RC)  
Sarah Cardy – Citizens Advice (SC)  
David Heath – CCW (DHe)  
David Hawkes – Advice UK (DHa) – part  
Kevin Ward – Environment Agency (KW)  
Martin Green – Age UK South  
Gloucestershire (MJG) - part  
Matt Vaughan-Wilson - Money Advice Trust  
(MVW)

Wessex Water (WW) observers:  
Andy Pymmer (AP)  
Sue Lindsay (SL)  
Neil Wilson (NW)  
  
Gillian Camm – Senior Non-Executive  
Director Wessex Water (GC)

## **Apologies:**

Ian Walker – Bath University (IW)

## **Key points and actions from the meeting**

### **1. Welcome and minutes and actions from previous meeting**

No points were raised on the minutes from the meeting held on 9<sup>th</sup> March.

These minutes were agreed and DR will sign them on behalf of the attendees. DR

There were no declarations of interest to record.

RC agreed to circulate the Catchment Panel's views on the EA's EPA consultation. RC

### **2. Covid-19 impact on WW and customers**

AP and SL provided information on the impact of Covid-19 on WW and its customers. Members had the following points:

- DR congratulated the company on its efforts in getting staff working from

home and for introducing payment breaks for customers who have been struggling with their bills as a result of the pandemic, including providing refunds for NHS staff to cover their additional usage.

- DR noted the future economic outlook is very uncertain and this, combined with the potential impact of Brexit at the end of the year, may be difficult for a lot of people. He asked if WW was looking at a number of options to help customers. SL replied that WW is aware of the challenges customers are and will be facing as forbearance comes to an end with financial institutions etc. The company believes its current suite of affordability support will be sufficient as it is so flexible but is consulting its debt advice partners both nationally and locally to check. WW may need to work differently with organisations if face to face advice remains unavailable for customers.
- SC noted the upcoming meeting of the Affordability and Vulnerability Group will be an opportunity to think about customers that are not being reached and to consider the impact of the shift from face to face to digital contact, how to reach people who are not computer literate and to have 'authorised' conversations with them. SC asked if WW was looking at innovative ways to improve the referral rate of such groups. SL said WW and its staff share SC's concerns and are looking at a number of different ways of working including a hub approach with its advice partners, linking its pandemic response with local authorities to work collectively and investigating financial support through its Community Foundation.
- KW observed that the pandemic has forced the EA to move its call centre to be home based. He asked WW how customer demand has changed and whether more sewer blockages have occurred through increased use of hand wipes. AP said pollutions have not been as high as might have been expected. The hot weather in May had resulted in demand being 90Mld higher than average. Some sites had not been available due to raw water quality issues resulting from the wet weather in February. The situation has improved recently now the weather has changed. AP also noted the good working arrangements with EA and welcomed the EA's action on regulatory dates. KW noted that WW has not has to take up any regulatory statements, unlike other companies. However NW cautioned that the operational pressures are not over yet. The government test and trace arrangements may cause disruption to field-based teams. There also might a be a second wave of the pandemic. WW doesn't really know yet the full effect on its supply chain, including the supply of equipment. There may also be other potential pinch points such as throughput restrictions on laboratory testing activities.
- DHe considered that WW and industry have acquitted themselves well so far but feels that the crunch may come in a few months' time when the economic consequences start to bite. Many businesses may disappear. Equipping for that outcome at this stage would be good forward planning. Also he wondered if there should be a social tariff system at national level. CCW consider this would be appropriate and an inevitable result of extreme economic pressure and its impact on affordability. AP

agreed and said WW is scenario planning on this issue. National social tariffs in terms of minimum standards may be necessary but WW would like local differences to be recognised. National guidelines on cross subsidy would be helpful but with opportunities for local action also available.

- DR asked if WW faces a significant financial risk from business failing and owing the company money. AP replied that this may be more of an issue for other retailers than for WW but that WW would have to bear the cost of the failure of such retailers of up to one month's charges.

### 3. Performance and incentive sharing

NW gave an update on:

- 2019/20 performance including the PCs identified by the Partnership for greater scrutiny
  - AMP6 performance
  - A look ahead to AMP7 and 2020/21
- 
- WW had previously supplied with the Partnership with its draft APR Table 3A and narrative for 2019/20.
  - SL added that the use of the SIM replica (and C-Mex in 2019/20) meant that WW is unable to prove that the AMP6 target of an improving trend has been met. However WW considers that any performance over 90% is high. The timing of the company's system improvements have not resulted in full benefits to this indicator during AMP6.
  - In response to a question from DR on Value for Money and the company's efforts to maintain its public visibility, SL said WW had undertaken a lot of research on VFM and its tracker survey results had been shared with the Partnership.
  - MG asked if WW anticipates a further increase in VFM in 2020/21 and whether it makes predictions of VFM. SL replied that VFM is a measure of customer perception and WW is not able to predict what its VFM score will be.
  - RC asked if WW has volumetric information on the current reduction in water use by restaurants, schools, etc. and the corresponding increase in home use. AP replied that business use is down by 25% over the last two months. There has been some increase in household use but the figures are masked by the unusually high peak demands experienced in the warm weather in May.
  - SC asked that, with people working more from home in the longer term, has there been any industry discussion about different tariffs being charged to domestic customers who are home working in order to help with costs. AP said he is unaware of any specific discussions on this matter. He added home working costs may be more of an issue between employees and employers.

- DR asked if WW is making allowances for its employees working from home and incurring additional costs as a result. AP said that WW did consider this initially. It hasn't made any such allowances but it may look at this again as heating bills come into play later in the year. It is now trying to have half of the workforce in the office on an alternating basis and it will review how this goes.
- MG noted the significant increase in pension credits nationally and fall in WaterSure Plus applications. He anticipates a big increase in applications next year and asked if WW is planning anything specific to relaunch WaterSure and its applicability to those on pension credit. SL referred to a change in the reporting for WaterSure which had led to a fall in the numbers reported. This had been shared with CCW. SL considers there will be a potential increase in social tariff applicants in the longer term and is expecting an uplift in social tariffs due to the pandemic and will be talking to the affordability and vulnerability (A&V) advisory group this summer about its proposals.
- DR proposed that the Partnership's Affordability and Vulnerability Sub-Group meets virtually in the short term to consider questions it would like to put to WW. SL replied that WW would welcome this and would arrange for a Doodle Poll to be sent out. WW can also share the information provided to the affordability advisory group with this sub g-oup. SL
- DR noted that customer contacts about water quality increased again in 2019/20. He asked if these came from any specific areas of the region. WW replied there were no obvious hotspots and no indication that any additional local asset-based investment is necessary.
- KW said that the EA would be confirming WW's EPA status shortly.
- JH asked about the causes of the increased number of compliance failures at WWTWs. WW replied that the number of failures was in line with recent performance (although 2018/29 was exceptionally good). Three were due to third party actions. Of the two that were within WW's control, operational and managerial improvements have been introduced to avoid further failures.

AP outlined WW's plans for sharing its AMP6 outperformance payments with customers.

- AP reported that Covid-19 emergency grants have been approved and he would be happy to provide the Partnership with details of these. AP DR asked about incentive sharing with WW's sewerage-only customers (in Bristol and Bournemouth). AP said that funding would be provided fairly across all areas of the region rather than being linked to the out-performance of specific performance commitments on sewerage or water supply. AP

#### 4. **Update on customer engagement**

SL gave an update on the recent and upcoming customer engagement activities.

WW will be brainstorming its engagement strategy for the next AMP shortly, including considering the lessons learned in the AMP7 engagement. It will present its fully coherent engagement plan to the Partnership once it has been formulated. It is too early to provide anything meaningful at this stage.

There were no questions from members on the company's current engagement activities.

#### 5. **Update on Chair recruitment**

SL reported that that the recruitment advert had generated a good response. Shortlisting of candidates had been undertaken by an independent panel which included DHe and SC. DR is on the short list. However, Covid-19 has meant interviews have been put on hold. WW is still hoping to do them on a face to face basis. DR has kindly agreed to continue as Chair until the end of the year. It is hoped that any new Chair would attend the November meeting in a shadow capacity.

DR said that the recruitment consultants (Moon) had been very good at keeping in touch with him over the process and the timetable.

#### 6. **AOB**

DR said the Partnership was now in period of reflection. It had circulated notes of the meeting DR and JH had with the company last year on the effectiveness of the work on PR19 and the lessons learned. There is now a need for DR and JH to tie this together and publish, after having shared a draft with members.

DR  
& JH

AP noted that Ofwat is aiming to undertake a review of PR19 but this has been delayed. There have been a few reviews with company CEOs. DR added that the CCG Chairs' meeting has also been delayed. Ofwat's thoughts on the future of CCGs are unknown at this stage. CCGs in other sectors are adopting different approaches, including running public hearings.

DH reported that there have been major structural changes at CCW. Regional Chairs will no longer function from 1<sup>st</sup> July. DHe will become a CCW NED and will no longer be involved on a day to day basis with WW. He assumes he will step down from the Partnership and will be in contact with WW about this. He is happy to continue to be involved in the Chair appointment panel if

needed. Both AP and DR said they would welcome DHe's continuing involvement with the Partnership and both thanked him for his valuable work up to now.

There were no other items of AOB.

Signed as a true record of the meeting

A handwritten signature in black ink, appearing to be 'D. He', written over a faint, illegible stamp or background.

Chair

Date 4<sup>th</sup> November 2020