
WEDNESDAY 9 FEBRUARY 2022

MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS

MEETING NOTES

PRESENT:

Chair and Independent Member: Melanie Laws

For CCW: Graham Dale and Barbara Leech

For Environment Agency: Melissa Lockwood

For the Environment theme: Richard Powell (Vice Chair and Independent Member)

For the Communities theme: Mary Coyle (Independent)

For the Customer theme: Simon Roberson (Independent) and Lesley Crisp (Independent)

For Economic Impact theme: Steve Grebby (CCW) and Iain Dunnett (New Anglia LEP)

For National Farmers Union: James Copeland (Vice Chair and Independent Member)

Water Forum Independent Author: Sarah Young

For NWL Board: Peter Vickery-Smith (Independent Non-executive Director)

For the Company: Heidi Mottram, Louise Hunter, Andrew Beaver, Ross Smith, Elaine Erskine

Jill Slater and Judith Huffee (Water Forum Secretariat)

NOTES AND ACTIONS

1. Welcome, apologies and aims of the meeting

Melanie Laws (MJL) welcomed Members to the meeting.

Apologies had been received from John Torlesse, Roger Martin and Sarah Glendinning.

2. Notes and actions from the last meeting

Members noted that some of the items on the Challenge and Action Log are old and there is a need for them it to be looked at and updated. A meeting will be set up between MJL, Sarah Young (SY) and Jude Huffee (JH) to action. Actions and challenges from the Sub-Groups will also be pulled in.

There were no other matters arising and the minutes were approved as a true record.

3. Members' Deliberation

MJL informed the Forum that she had attended two events during January. The first event was a CCW organised event on its proposals for a central oversight group in the structure for stakeholder and customer engagement for the industry. The presentations given at the event were very positive and were welcomed by MJL and colleagues. The aims of the group included providing support for local arrangements to share best practice, and look at comparable information across companies. Ofwat had been in attendance and reiterated that it was going to publish principles and standards for customer engagement. This will apply to a whole landscape of customer engagement, so Ofwat was sticking to its view that it would not mandate what customer engagement arrangements should be in place for each company. MJL felt it was a useful session.

MJL had also met with the group of Customer Challenge Groups (CCGs) in January. Performance and Terms of Reference were all being reviewed. There had been some general concern from CCG

colleagues around the uncertainty of this landscape, the risk that important work the CCGs had done in the past might be lost. There was some discussion around whether the group should be talking to Ministers to make sure that Government was aware of the uncertainties. The general view was that Government would be very keen to make sure that there are good, strong, customer engagement practices being undertaken by companies, Ofwat and bodies such as CCW and there may at some point be an opportunity to discuss this with Ministers. It was interesting to hear positions at other companies – three companies had finished their CCG arrangement, and Thames Water had just announced a new CCG. The group will meet again and were hoping for a date to be set in the next month or so.

Members had been supplied with the ICS Report for discussion on PR24 Customer Engagement Review. Members thought it was a good overview and particularly liked the five tiers of customer engagement and the propositions around who would be involved at what stage and what would need to be taken into consideration. The principles which the document sets out were pretty sound. The document usefully pulled out the points of criticism in the most recent PR process and looked back over the years at how some of those issues have never really been resolved satisfactorily.

Members expressed concern that because more businesses were operating from home, the relationship between business customers and domestic customers may become blurred and asked how that would be captured. Members were keen to understand more about proposals for triangulation in order to make sure the output was something that a customer would understand and accept. Members felt that triangulation was one area that the Company could have done better on and hoped to see an improvement.

Members expressed concern about how the regulatory system accommodates the need for longer term investment and taking account of customers' priorities for this. Members were concerned that there were long-term issues that go beyond the scope of a five-year business plan and companies need regulatory certainty to attract investment to fund them. Members also felt that local views and national views did not always match up.

4. General Company Questions

MJL welcomed the Company to the meeting.

The Company gave an update on the recent incident which had taken place at Broken Scar WTW in Darlington.

The Company updated:

- It was still in the process of investigating so was not able to give an update on exactly what had happened.
- The likely cause was a failure of a non-return valve in part of the plant, a piece of equipment that the Company maintains so was unexpected.
- An issue occurred in the early hours of the morning. The operator on site received an alarm and responded to that very quickly, which minimised the amount of untreated water that flowed through the process.
- The Company reported the incident and worked closely with the UK Health Security Agency and Darlington Borough Council on what had happened, and agreed that Boil Water Notices would be issued.
- Throughout the process a full range of water quality tests were carried out across the part of the network that was impacted. Once a boil water notice was issued, two sets of samples, 24-hours apart that are clear needed to be received in order to lift the notice. All tests across the impacted area came back clear and the Company were confident that the water in supply was good quality water.

- On communications, regulations require the Company to issue cards to inform the public of the notice and then again to inform when water was safe to drink. The notices were hand delivered by more than 300 employees, who issued more than 30,000 notices on two occasions.
- Customer messaging was issued through text messages, emails, targeted social media on Facebook and Twitter. The Company also sent out press releases and contacted the local radio stations. The Customer team was provided with scripts with a list of FAQs.
- Local stakeholders were informed, who also helped to get the messages out especially for those on the priority services register.
- Follow up meetings were taking place with the local MP and Local Authority to share learning, hear their views and also to look at what could be done to further support the community and rebuild trust and goodwill.
- 65,000 bottles of water were issued to local schools impacted and to customers on the priority service register and others that requested.
- A full review was being carried out to see if there was anything that could be improved. The Company had also commissioned a piece of work analysing sentiment during the incident. The Company would share this report with the Members once it was available. **ACTION: Company.**

Members noted:

- Members raised concern about the negative coverage in the local press around the length of time taken to get the boil water notice out and asked for Company views on that. The Company responded that people can get information quickly now via social media, whereas in the past people would not have known until the boil water notice was issued. Cards have to be physically issued and that takes time. Cards have to be date stamped and the Company was looking at systems which may make it faster.
- Members asked what COVID-19 procedures had been put in place, the Company advised that all current measures were followed with most of the work taking place outdoors with leaflets being posted through a letterbox and bottled water being dropped off outside a property.
- Members asked that, as this does not fall within the regulatory compensation criteria, if the Company would consider some community compensation, such as through the Just an Hour scheme. This would be an acknowledgment to the community that the Company recognised the impact and inconvenience. The Company responded that it was looking at options and talking with the MP and Council.
- Members advised that it would be good to talk to customers to explore how they found out about the incident, what channels they used and found most useful particularly from customers who do not always use social media. The Company agreed that it would look at this as part of its review.
- Members were concerned about what would have happened if this incident had taken place at the same time as an event such as Storm Arwen when electronic communication methods were not available.

CEO Update

Health and Safety Executive Prosecution – Kielder Reservoir

Members noted that it was reported those on site doing the work had not recognised that it was a Construction Design and Maintenance (CDM) job and if they had they would have put in place much stricter management requirements. Members were concerned that the requirement to do Risk Assessments (RAs) was always there and wondered if there was a potential training gap. The Company responded that the incident was three years ago and acknowledged that at the time processes for this job were not where they needed to be. The Company had learned a lot from the incident. RAs were now carried out for every activity the Company does, including encouraging people to do a dynamic RA, called the 60 second check just before they start the work, so there was normally two levels of RA. On this occasion the boundary between an everyday activity, with a generic RA, and a more complicated job, was not where it should have been. CDM had since played a significant role in developing that understanding.

Environmental Prosecution – Coundon Burn

Members raised concerns about the pollution incident. The Company advised it was carrying out checks on vulnerable manholes. Members asked if the Company knew how many manholes were classed as vulnerable. The Company responded that it has one million manholes, and they have given an additional level of attention to those manholes that if they surcharged would potentially discharge to a vulnerable watercourse. Members asked if something could be built on to the leakage portal so that members of the public can report damaged manholes. The Company responded that it has signage at vulnerable watercourses indicating how to make contact, but would look into this idea further. **ACTION: Company.**

5. PR24 Customer Engagement Review

Members had been supplied with an ICS paper which was taken as read.

The Company updated:

- It was reflecting on the report and looking at how it was going to move forward and would welcome the Forum's input before its proposal was reviewed by the Executive Leadership Team and the PR24 Board Sub-Group and advised that it does not want to lose the challenge and insight it receives from the Forum.
- The Company were engaging with colleagues at CCW regarding their thinking around the Central oversight group, while Ofwat were currently developing some suggested standards around customer challenge.
- On the Company's approach to research, they agreed that the Company was not clear in terms of its triangulation process and some of the research approaches that were applied. The world has moved on and expectations are greater than at PR19. The Company was up for that challenge and has been having conversations on research and engagement for PR24. Some additional expertise may be needed, either through the Forum or a separate group to focus on research and provide assurance. The Company needs credible evidence that will be recognised by the regulators.
- The Company will produce a report proposing how to take the Forum forward.

Members noted:

- The five tiers approach was welcome, and it will be interesting to see how the five-year plans can help deliver on these long-term strategy goals, especially when priorities change and don't always align.
- Importance of triangulation – there needs to be more emphasis on triangulation and how it will be developed for PR24 and beyond. Keen to understand the role the Forum will play as it had not gone as well as it could for PR19. Interested in Company's plan on how to embed each piece of customer engagement and advised that this should become part of a knowledge bank that grows over time and helps develop the Company's approach to triangulation and to evidence customer opinion.
- The Forum has two roles – customer challenge and stakeholder group - and it needs to be clear if it will continue with both.
- Members thought there are areas where it needs additional support and expertise and there is a need to enhance diversity on the group. Members were confident that they would be able to find people who would want to be involved in the group and would recognise the value in helping shape better outcomes.
- Regarding independence and the tension between co-creation and scrutiny, Members felt this was a perception issue. It was noted that if you are recruiting a group with expertise this was better used and more effective before plans are formed.
- Members thought the job of the Forum included helping make the plan better from a customer and stakeholder perspective and the focus should be on bringing in appropriate expertise rather than simply trying to satisfy the regulator where they have been critical of CCGs in the past.

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- Members thought it might be better to feed back on what customers tell them throughout the PR process rather than when the plan was published as it was too much for the regulator to go through in a short period of time.
 - The Company thanked the Forum for their help and felt the Company and the Forum were broadly aligned on this. The Company will start to work on a proposal for reflections. **ACTION: Company.**

The meeting concluded and Members then resumed in camera where their meeting review took place – a summary of this review is in Appendix 1.