

MINUTES OF 19th MEETING OF THE WESSEX WATER PARTNERSHIP

Meeting held at Wessex Water, Claverton Down, Bath
Thursday 14 November 2019

Present Dan Rogerson – Chair (DR)
Jeremy Hawkins – Independent report writer (JH)
Michael Barnes – CCWater (MB) *[by phone]*
Matt Vaughan-Wilson - Money Advice Trust (MVW)
David Heath – CCWater (DHe)
David Hawkes – Advice UK (DHa)
Kevin Ward – Environment Agency (KW)

Wessex Water (WW)
observers:
Andy Pymmer (AP)
Sue Lindsay (SL)
Phil Wickens (PW)
Neil Wilson (NW)
Kirsty Scarlett (KS)

Gillian Camm – Senior Non-Executive Director Wessex Water (GC)

Apologies:
Richard Cresswell – Catchment Panel Chair (RC)
Sarah Cardy – Citizens Advice (SC)
Ian Walker – Bath University (IW)
Martin Green – Age UK South Gloucestershire (MJG)

Key points and actions from the meeting

1. **Welcome and minutes and actions from previous meeting**
Minutes to be amended to change DH to DHe where appropriate.
Otherwise no change to content.

JH will add any questions to the challenge diary.

JH

KW queried the comment about the EA on page 4 and the discussion of environmental issues at WWP meetings. DR clarified the point and how the future WWP will include wider environmental representation.

Minutes were signed by DR on behalf of the attendees.

There were no declarations of interest to record.

Actions 18.1 and 18.2 closed. Panel happy with the update provided and the agreement that the existing Chair will be able to apply to be .

2. **Verbal updates: PR19 and Charges for 2020/21**

PW gave an update on PR19 and charges for 2020/21. Members had

the following points:

PR19

- DHe commented about the extent of Purdah and whether this would have a further impact on the Final Determination (FD) if there was a hung parliament. NHS Boards have been advised Purdah will continue until a full parliament is in place. PW noted that Ofwat is accountable to parliament rather than government but in the current political situation it is unsurprising that Ofwat consider themselves under Purdah rules so the FD could be further delayed.
- JH asked if the WWP could be provided with headlines from the FD relatively quickly after publication. PW agreed to give some high level feedback later on the publication day. PW
- JH also asked when the Board would be meeting to consider the FD. Next full Board is 2nd December but likely to be a telephone board on 23rd December subject to the FD being published on 16th December. The Board at the end of January will decide whether a referral to the CMA is needed.
- AP confirmed there is usually a city briefing at 7am on the 16th December but companies are likely to be informed the evening before via an Ofwat phone call of the headlines of their FD.

Charges 2020/21

PW confirmed he will share the Developer Charges consultation with the WWP once published. PW

- DHe confirmed that CCWater had already met with Wessex Water to discuss charges in detail and subject to any changes in the FD, CCW are broadly content with Wessex Water's proposals. There is a national CCWater concern around bill profiles for all companies over the 5 year period. They believe Ofwat are not taking customers' preferences into account. There is a mismatch between what Ofwat requires and what the customer research is suggesting in terms of bill profiles. PW confirmed that Ofwat have smoothed the bill profile at a total bill level for Wessex Water but there are some significant changes still at a service level. Wessex Water have asked Ofwat to reconsider smoothing at a service level rather than just a total level particularly as we have large numbers of customers who only have a sewerage service for example.
- DR asked about developers and D-MeX and how that worked. PW confirmed that D-MeX is a mix of quantitative measures of how quickly the company responds to requests along with a qualitative measure. PW confirmed D-MeX continues to be an area of debate. There are a small group of developers that can be surveyed, some of which are large and some very small so how are they best surveyed and how often and should their views be weighted.
- SL to update the panel on C-MeX at the next meeting once final methodology is published alongside the FD. SL

3. **Mid-year performance update**

NW presented the mid-year performance.

- DHe mentioned exposure to regulations on chalk streams. NW confirmed that there is one PC relating to a particular river and in AMP7 we will be doing further investigations on our impact on chalk rivers. These investigations are in conjunction with the EA and if requirements change then they will factor into the next round of Business Planning and the WRMP. DHe asked if there was any collaboration with other water companies. PW confirmed work is ongoing with Southern Water around how Wessex Water can support Southern due to their abstraction licence reductions. This work is at a regional level and water transfers.
- KW confirmed that the EA had published their latest information on bathing water standards on 13th November but the publication had got overshadowed in the media by flooding in the north of England.
- KW confirmed Wessex Water are on track to go green on self-reporting which is part of the EPA
- NW to circulate the updated slide packs being prepared for all AMP7 PCs along with the updated dossier once the FD is published. Neil will also present the final version of PCs at a future meeting
- JH asked if Wessex Water would have to find new ways of working or introduce new processes to be able to meet the stretching AMP7 PCs. NW confirmed that in some cases we may but currently the company is doing lots of planning work and reviewing each PC to see what is required moving forward. It may just be a case of tweaking staff numbers or processes whereas other PCs require investment at scale. We're currently going through each of the PCs and prioritising them. In some cases the company has already identified what needs to be done and investment is confirmed so these will very much form business as usual activity. AP commented that with some of the PCs, they may continue to be red as it is impossible to get to a 0 target. We have internal targets and deadbands. We're measured against targets but it might be better for the WWP to consider the level of penalties.
- DR asked about supply interruptions and what the reported figure represents. NW confirmed it is average interruption per property over the year. NW also confirmed the rules around what is and isn't included within the measure.
- SL confirmed that delivery of many of the retail measures is linked to the Vulnerability Strategy. The PC on Priority Services is very much influenced by the national energy data share.
- PW mentioned that Ofwat has published a comparative

NW

performance report in a new format. Ofwat has identified 3 companies that were better performers which were Wessex Water, Anglian Water and Portsmouth Water. Ofwat included efficiency and effectiveness in their evaluation. SL to circulate a link to the WWP members for information. SL

4. **Wessex Water Foundation**

KS presented information on the Wessex Water Foundation. Members had the following points:

- DR asked whether Wessex Water will be withdrawing from any current funding streams as a result of the Foundation. KS said that wasn't the intention, instead the funding streams are more likely to be more consistently badged to bring more coherence to our community and environmental support and give a stronger message signalling our longer term intention to fund. PW also confirmed that the business plan intention was that in the first 2 years, the current funding would be carried forward and paid for out of savings in this AMP. Outperformance for ODIs isn't available until year 3 of the AMP so we wouldn't expect this change to mean we withdraw any existing funding. KS added that the Foundation is likely to lead to a rise in funding applications and she is hoping that it will also draw in match funding.
- JH asked how Wessex Water intend to govern the Foundation and measure its effectiveness. KS said that as all funding is going through one organised channel it means we will get consistent evaluation and reporting. There will be an annual report produced and shared with the WWP linked clearly to funding criteria and outcomes. There will be an annual internal allocation panel to agree the headline funding amounts and then grant awarding will be devolved into local panels which include local community representatives, specialists and staff.
- KW asked about the scale of the funding awards that are currently available. PW confirmed this is broadly around £0.5m a year at the moment. AP confirmed there was an option to set up an endowment fund which will better support longer term projects.
- DH confirmed that organisations prefer multi-year funding as it aids retention of resources. He also asked if the Foundation was a branding and badging exercise or a separate entity. KS confirmed it was a separate entity and funding was being given to Quartet. GC confirmed that Wessex Water will benefit from plugging into the wider community foundations across the region.
- DHe also said that community foundations do work but it's often not clear where organisations can go for funding and how to apply. KS said that as organisations won't be applying to us but applying to the Foundation they will get the additional local support they need to navigate the application process.
- PW also said that we need to ensure Wessex Water is held to

account for allocating the right money so we intend to have the technical assurer audit the funding calculation and provide assurance to the WWP that the correct amount of money has been allocated to the Foundation. JH agreed this was sensible.

- PW confirmed that the PCs related to environmental delivery above the statutory levels had been deliberately excluded from the outperformance calculation as taking 20% of outperformance for those could skew incentives against the delivery of the environmental benefit
- DR asked about the local panels and geographic areas. KS confirmed the four panels are based on county areas and follow those same boundaries. The Wiltshire foundation will need to exclude areas outside of our boundary such as Swindon.

5. Private session

Prior to the private session, agreed the WWP will need a meeting in March 2020 once the FD has been considered by the company. SL to ask Sue Phillips (SP) to find a meeting slot in early March. That meeting can also include an update on C-MeX and customer engagement. This would then be followed by the normal June and October/November meeting in the forward work programme.

SL/
SP

There were no minutes taken during the private session.

DR provided feedback on the private session. He confirmed members had considered organisations that could be invited to join the WWP for AMP7 with an environmental interest. JH to send any actions to SL post the meeting.

JH

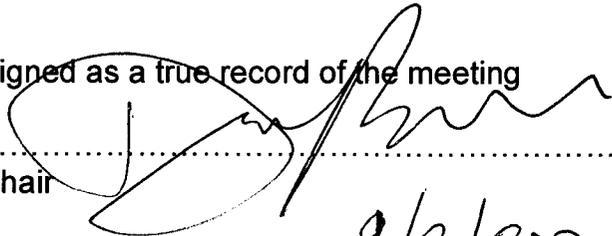
6. AOB

There were no items of AOB.

Signed as a true record of the meeting

Chair

Date



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9/2/2020

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