

Attendees

Peaches Golding OBE	BWCP Chair	Iain McGuffog	Bristol Water (BW)
Tony Denham	BWCP Deputy Chair	Sue Clark	Bristol Water
Jeremy Hawkins	Report Writer	Jim McAuliffe	Bristol Water
Cllr. Michael Gay	Mendip District Council (MDC)	Richard Price	Bristol Water
Dr Karin Haverson (item 4 on)	North Somerset DC (NSDC)	Toby Woolway	Bristol Water
Dr Tabinda Rashid-Fadel (item 2 on)	NHS	Michelle Davies	Bristol Water
Jon Johnson	Consumer Council for Water (CCW)		
Dr Mark Taylor	Natural England (NE)		

Apologies

Tamsin Sutton	Environment Agency (EA)	Fran Begley	South Bristol Advice Centre (SBAC)
Mike Bell	Consumer Council for Water (CCW)		

1. In camera session before main meeting	
Minutes are confidential and not published.	
2. Chair update	
<p>The meeting was a video conference call because of the ongoing Covid-19 pandemic. BW had issued a slide pack to all Panel members on 19th March (ref: '24032021 BWCP Meeting 4 24th March 2021.pdf').</p> <p>The Chair welcomed everyone to the meeting.</p> <p>The Chair said she was very pleased that BW Board had asked her for feedback on the job description for new BW Chair. She had suggested two new duties: bolstering the importance of the customer and also being supportive of the company's Social Contract initiative. The company had taken these suggestions on board. She asked about the timetable for recruitment. BW replied that it had selected headhunters and that the recruitment process is underway. The timescale is flexible and is dependent upon finding the most suitable candidate. The current Chair steps down in late summer but will stay on further if necessary.</p>	

<p>The Chair said she had also had the pleasure of participating in BW’s recent Board Strategy day. It had been a good session and she felt the Board registered the points she made on the environment and climate change. The iNED agreed the event was a success. Holding it online meant the interaction was slightly different that other similar sessions. BW agreed and that what happens next is important. The Board needs time to reflect but there is a real sense of progress since the last session some four years ago.</p> <p>The Chair said the Panel will keep environment and societal issues at the forefront of its discussions with the company.</p>	
3. iNED Update	
<p>The iNED reported that the four issues arising from the last Panel meeting had been presented to the Board. The issues had been noted with the concerns around customer vulnerability being taken on board in particular. More information on BW’s responsiveness to customer issues will be presented later in this meeting.</p> <p>The iNED asked BW for an update on the threatened strike action by operational personnel in the GMB Union. BW said that a strike had been planned for next Monday following a ballot of members, but that this has now been called off as a result of further negotiation and a revised pay offer for this year. The Union is now balloting members on the new pay deal.</p>	
4. Minutes, actions and challenge log	
<p>Slides 6 to 8 relate to this item.</p> <p>The Deputy Chair referred to the minutes of last meeting. There were no comments on them and so were accepted.</p> <p>The Deputy Chair outlined the current position on the Challenge Log.</p> <p>The Deputy Chair then reported that many actions have been cleared since the last meeting and that the liaison between BW and him is working well.</p>	
5. Sub-Group Updates (CESG and SCSG)	
<p>Slides 9 to 11 relate to the agenda item.</p> <p>The Deputy Chair provided the following highlights from the last CESG meeting:</p> <ul style="list-style-type: none"> • C-Mex – The company’s relative performance has dropped but plans are in place to redress this. 	

<ul style="list-style-type: none"> • D-Mex – the delay in reporting industry information has been noted. • Online Panel – A potential issue around customers stopping using water during the pandemic due to affordability issues has been noted and the Panel will be monitoring this. • Youth Board – BW should be congratulated on this initiative. • Upcoming engagement – a number of survey results become available in May. The Deputy Chair is in discussion with BW over how to manage this from the Panel’s perspective. • Dashboard – it was very good to understand how Bristol Water and Wessex Water can increase take up and explore new messaging that could be used across customer communications. There are some recommendations that will be interesting to discuss when BW comes forward with an action plan to assist more vulnerable customers. More details are in the full report on the FTS. <p>The Deputy Chair reported that the main issue arising from the last SCSG meeting related to customer awareness of the Social Contract and the challenge facing the company in communicating its good performance to customers.</p> <p>The Chair thanked the Deputy Chair for the work he does to keep the Panel informed.</p>	
6. Regulatory Updates	
<p>BW provided a verbal update on the CMA outcome.</p> <p>The full CMA document should be published next week. BW will send the Panel a link to it plus the company’s high-level overview. Revenues, bills, cost allowances and ODIs appear to be very similar to BW’s response to the Draft Determination (DD). Bills will now increase above inflation in last three years as a result of the timing of the CMA’s determination. Highlights from the determination include:</p> <ul style="list-style-type: none"> • Increased Small Company Premium • Cost allowances – base costs plus Canals and Rivers Trust costs are included • Outcomes - the per capita consumption (PCC) unit rate in line with BW’s DD response • Mains repairs – a deadband is now included • Other minor adjustments to leakage rates and the Compliance Risk Index (CRI) <p>BW will now review its plans for investments and outcomes and start planning the next three years and beyond.</p> <p>The Chair said the Panel will look forward to hearing in due course how BW will take on board the changes and get back on track.</p>	Action: BW

7. Social Contract Forward Programme	
<p>Slides 13 to 29 relate to this agenda item (which also included Diversity, Equality & Inclusion.)</p> <p>BW said its Social Contract (SC) Forward Programme goes to the Board this week for approval.</p> <p>The Chair asked how BW decides what type of initiative it adds to the SC. BW replied ideas for new initiatives are brought to and are discussed at its SC Working Group. Ideas are born from discussions between shareholders and employees. Recommendations are then taken to the SC Steering Group, and then to the Panel.</p> <p>NE asked about the objectives of BW’s conservation and environmental initiatives. For example, does tree planting mean ‘right tree, right place’? NE also asked how the Panel will gain insight on the environmental initiatives. The Panel had an effective environmental sub-group last year. BW replied that it will be developing terms of reference with key stakeholders in which expectations of each party will be agreed. Natasha Clark is leading this. BW agreed that there isn’t currently a suitable forum and agreed that resurrecting the Panel’s environmental sub-group would be a good idea. It added that its tree planting will be on BW sites and linked to its Biodiversity Index work. BW agreed to pick this up with its SC working group this afternoon and liaise with the Chair over arranging the environment sub-group.</p> <p>MDC said BW’s SC work in rural areas is welcomed. BW can tap into the local ‘unused muscle’ through consultation with rural stakeholders including the councils. BW should let MDC know if it is not getting the responses it would like from councils.</p> <p>In this context, MDC was surprised that the initiative relating to establishing a carbon baseline for Chew Valley Lake has been dropped due to lack of partners. BW replied that it has a baseline analysis for the company as a whole, but this is not lakeside specific. BW is developing a company-wide carbon strategy which will be published by July.</p> <p>MDC welcomed that BW is demonstrating that it is able to ask itself uncomfortable questions. This is the foundation of a good business.</p> <p>The Deputy Chair noted there is a lot of potential for diversity, equality and inclusion (DEI) but asked who in BW is leading the initiative and which external organisations are involved. BW replied the Executive sponsor is Laura Flowerdew who is very passionate about these issues. The Board is also involved (it has already shared personal experiences with employees). BW has a long way to travel, and this is recognised. However, there is a lot of buy-in from employees and strong commitment from the Board.</p> <p>The Deputy Chair asked if BW is intending to benchmark itself on DEI. BW said there is a limited amount of precise data available. Some data exists on diversity but not equality</p>	<p>Action: BW</p>

<p>and inclusion. It will benchmark against best practice, but it won't be data driven. It prefers to start with employee discussions and with cultural issues. Its main measures are employee and cultural engagement.</p> <p>NHS asked what the key business impact will be from the DEI initiative. For example, will it be productivity or cultural shift? She noted that mentoring is good. BW said it will result in a better business in terms of efficiency, productivity and innovation with people allowed to be themselves. There will be better service to the community, better decision making, a more holistic consideration of how to get things done, better representation of the communities BW serves, appreciating everyone's back story and generating a more welcoming, inclusive and engaging workplace.</p> <p>The Chair remarked that a challenge is getting the mainstream to take on board the changes that are being encouraged and the need to avoid passivity or resistance. The Panel will follow BW on its journey. She thanked the company for keeping the Panel involved. It wants BW to be able to service customers as best as possible.</p> <p>CCW said its organization is starting a similar process on DEI and is engaging with staff. Covid appears to have made the process easier but there is a risk that things may become more difficult as lockdown eases. CCW wondered if BW has considered this issue. BW replied it is still in reactive mode. It has been able to reach more staff due to lockdown people, but some others may be less visible. BW needs to give more thought to this.</p>	<p>Action: BW</p>
<p>8. Bad Customer Debt</p>	
<p>BW presented slides 30 to 32 for this agenda item.</p> <p>BW reported that its new billing system has been delayed by six months.</p> <p>BW agreed to send the Deputy Chair industry comparisons on bad debt.</p> <p>The Deputy Chair agreed that BW's presentation answers the Panel's earlier challenge on bad debt. He would have liked to have more details but accepts that the analysis on bad debt is performed at industry level and is not company specific. He added that he accepts that whatever BW does now doesn't affect future performance.</p>	<p>Action: BW</p>
<p>9. Household complaints practices</p>	
<p>Slides 33 to 38 relate to this agenda item.</p> <p>The Deputy Chair asked CCW what happens next after stakeholders have responded to the Ofwat/CWW report. CCW said it will review the responses and formalise the information received. CCW is not sure of timescale but will find out.</p>	<p>Action: CCW</p>

<p>NSDC questioned the graph showing the number of complaints received per week, particularly the size of the peaks and troughs. BW replied that large peaks can occur particularly after burst incidents. Otherwise, the number is largely stable. The Deputy Chair asked why there was no blip following the billing round. BW replied that the graph relates to operational complaints, not Pelican.</p>	
<p>10. Future customer research</p>	
<p>Slides 39 to 44 relate to this agenda item.</p> <p>The Chair noted how well aligned the Panel and company are on their responses to Ofwat’s PR24 consultation. However, the Panel will continue to challenge the company hard on its future engagement.</p> <p>The Deputy Chair made a general point about the tone and proposals from Ofwat. The regulator seems to have got it completely wrong on its perception of the shortcomings of the PR19 research. It’s difficult to understand what Ofwat is aiming for and what happens next? BW replied that it thinks the question is wrong. BW sees the only benefit of centralised research is if you need to improve the common ODIs. The problem is the regulatory framework in that it needs to focus on customers. Ofwat should step back and think what regulatory framework is needed. NSDC said the direction of travel is worrying. The direction is also seen in more centralisation of local government.</p> <p>MDC agreed with the comments made. Ofwat appears to be wrong in its direction of travel. It needs to ask itself some uncomfortable questions. The Panel might want to look at making some kind of response to Ofwat and MDC would support this. BW replied it may be best to start conversations at a more strategic level.</p>	
<p>11. AOB</p>	
<p>No additional points were raised.</p> <p>Chair noted that the meeting had been very effective. The next meeting is on 23rd June.</p>	
<p>12. iNED Review</p>	
<p>BW’s iNED summarised the points and issues arising from the meeting that he will take to the next BW Board meeting.</p> <p>These included:</p> <ul style="list-style-type: none"> • The Panel is pleased to be involved in selection of the new BW Chair. • The reformation of the Panel’s environmental sub-group. 	

<ul style="list-style-type: none">• The need for more stakeholder engagement in the SC environmental initiatives.• A strong interest from the Panel in DEI.• The Panel’s views on the company’s responses to customers, particularly quality of response rather than just speed. <p>Chair said the Panel looks forward to meeting the new BW Chair.</p>	
13. In camera session after meeting	
Minutes are confidential and not published.	