

Attendees

Peaches Golding OBE (up to and including item 9)	BWCP Chair	Iain McGuffog	Bristol Water (BW)
Tony Denham	BWCP Deputy Chair	Sue Clark	Bristol Water
Jeremy Hawkins	Report Writer	Richard Price	Bristol Water
Cllr. Michael Gay	Mendip District Council (MDC)	James Holman	Bristol Water
Tamsin Sutton (up to and including item 8)	Environment Agency (EA)	Valentina Barclay	Bristol Water
Dr Tabinda Rashid-Fadel (up to and including item 8)	NHS	Patric Bulmer	Bristol Water
Jon Johnson	Consumer Council for Water (CCW)		
Gudrun Limbrick	Consumer Council for Water (CCW)		

Apologies

Jim McAuliffe	Bristol Water	Dr Mark Taylor	Natural England (NE)
Fran Begley	South Bristol Advice Centre (SBAC)		

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 20th September (ref: '22092021 BWCP Meeting 6 1.0.pdf').</p> <p>The Chair welcomed everyone to the meeting, especially Valentina Barclay from Bristol Water as this was her first meeting with the Panel since joining the company.</p> <p>The Chair noted that the Panel's Annual Report is nearing completion. She thanked BW in advance for its assistance with formatting the Report.</p> <p>She also noted that BW's Drought Plan had been published recently. She remarked that the associated online research undertaken by BW in June had resulted in 182 responses, over six times higher than with the previous Plan. This highlights that BW's engagement is</p>	

<p>improving impressively. The bodes well in encouraging customers to think about water and its scarcity and customers' responsibilities towards this.</p> <p>The Chair said the Panel's particular focus today will be progress on the CMA inquiry into the acquisition of BW by Pennon.</p>	
3. iNED Update	
<p>The BW iNED was unable to attend today's meeting but had sent a note concerning the CMA process. He had noted there was little additional information on the likely outcome at this point.</p> <p>He also said that BW will capture any points front this meeting which the Panel wishes the iNED to raise with the BW Board.</p>	Action: BW
4. Minutes, Actions and Challenge Log	
<p>Slide 7 relates 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 gave an update on the status of actions from previous meetings.</p> <p>He noted the recent meeting of the Panel's Environmental Sub-Group had been very useful and he thanked the BW staff involved for their level of engagement.</p> <p>The Deputy Chair also referred to the recent discussions with BW on the Panel's review and challenge process for the Social Contract.</p> <p>Finally, he reported there had been not material change to the Panel's Challenge Log.</p>	
5. Sub-Group Updates (CESG, SCSG & ESG)	
<p>Slides 8 to 14 relate to this agenda item.</p> <p>The Deputy Chair noted the company's good performance on C-Mex and D-Mex.</p> <p>He also mentioned the good response from the engagement on the Drought Plan.</p> <p>The Deputy Chair referred to BW's proposed re-designed of its bill. He asked BW to illustrate the effect of this across its customer segmentation at the next Panel meeting in November.</p>	Action: BW

<p>The Chair noted that affordability and customer vulnerability were coming under pressure due to price inflation, the end of the furlough scheme and rises in energy prices. BW needs to be proactive in its response to this and ensure its PSR process remains effective. The Panel will be monitoring this over the coming months.</p>	
6. Regulatory Update	
<p>BW reported that not much has happened to date on the CMA inquiry into the Pennon acquisition of Bristol Water.</p> <p>The CMA inquiry has two areas of focus. The first is concerned with to non-household retail aspects of the acquisition. This doesn't affect BW directly. CMA has started Phase 1 on this aspect and this concludes on 12 November.</p> <p>The CMA clock has stopped on its second area of focus, that is whether the merger prejudices Ofwat' ability to carry out its regulatory functions including industry benchmarking.</p> <p>CMA has invited any interested party to comment on both its areas of focus.</p> <p>BW said it is being allowed to work with Pennon on integration planning. Only a limited number of BW personnel can be involved with this and only planning work is allowed. This involves only obtaining a high-level understanding into how each business operates.</p> <p>The Chair asked if BW is assuming that CMA and Ofwat will allow the merger to go ahead. BW said this isn't the case. The Phase 1 process must be gone through. The CMA asks Ofwat's opinion. There may be undertakings on Pennon concerning prices, service levels, etc which the company may or may not accept. There may also be a Phase 2 to the inquiry.</p> <p>The Chair asked how the inquiry is affecting staff morale and performance. BW replied that nervous excitement is still the general feeling. However, the longer process goes on this is likely to wane into uncertainty. It is highly likely that the integration will result in some departures from the BW senior leadership team. The BW Head of Commercial has left (although this probably would have happened anyway) and the Head of Economic Regulation is joining Dwr Cymru. BW is now looking at staff terms and conditions, particularly associated with notice periods, in order to protect the company.</p> <p>The Chair noted that BW's Business Plan its very ambitious. She asked what risks BW now identifies with its implementation. BW said its still must deliver its Plan. The Plan won't change. The main risk is the loss of key people. BW added that it shares a common purpose with Pennon including a synergy of approach on climate change.</p> <p>The Chair asked if BW has identified any detriments to its customers from the merger. BW replied that it has not identified any as yet. It is still providing the service and delivering its</p>	

<p>Plan. The mid-year performance report in November will be published and the Panel will be able to review and challenge it then.</p> <p>MDC noted that BW will have many key staff involved with the merger if it goes ahead. He asked if the company has a plan for interim positions and how it will focus both on the current service and the merger. BW replied that MDC is right to identify this as a key risk. BW is considering this and some of key posts are being recruited, eg Head of Economic Regulation. The CMA is also mindful of these issues and has asked for information from BW on them.</p> <p>BW said it is currently responding to EA’s consultation on the WISER and WINEP. It is generally supportive of EA’s proposals.</p> <p>BW has also responded to Defra’s Strategic Policy Statement. It would like the Policy to be more targeted. The points BW has raised are not major, but it would like to see more steer from Defra.</p> <p>BW said a lot of Ofwat working groups are currently active. Policy documents arising from these are due in the period October to December this year.</p> <p>Ofwat’s annual Service Delivery report will be published in December.</p>	
<p>7. Vulnerability Action Plan</p>	
<p>Slides 16 to 29 relate to this agenda item.</p> <p>BW presented an overview of:</p> <ul style="list-style-type: none"> • VAP objectives and content • Work due by March 31st • Staff training • Case studies (foodbanks, council data share) • Activity years 3 to 5 • CCW affordability Review <p>The Deputy Chair noted that BW has had some difficulties engaging with councils over data share on vulnerable people. BW replied that Bristol City were keen initially but then had concerns. BW are still engaging with them. South Gloucestershire have been better. BW wants to do more data share with them.</p> <p>MDC said that his council has not been involved. MDC considers it to be important and will email BW asking for its training pack. MDC is also interested in BW’s work with food banks. Somerset County Council plus four district councils are in the process working out how to set up the new unitary body. This will place a lot of stress on officers and taking on new projects will be difficult during this time.</p>	<p>Action: MDC</p>

<p>BW played a video on debt and vulnerability from the StepChange charity. StepChange is one of BW's partners and the video forms part of the vulnerability training of BW staff.</p> <p>The Chair noted some very encouraging work by BW. The CCW affordability reports cites some of BW's work to be best practice. She asked how BW intends to identify that next group of people who might be vulnerable and keep pushing the boundaries. BW replied that it relies on its partners and networks and the sharing of best practice. Some BW staff have identified additional vulnerable people, for example through Pelican.</p> <p>The Chair asked how BW is engaging with minority ethnic communities and whether links with faith groups or charities would be effective. Language issues may stop some groups getting in touch. BW agreed this may be a good opportunity. It has not yet partnered with faith groups but will take an action to investigate this.</p> <p>MDC noted that Christian churches are in the majority in its area. It may be worth linking up with them as they do have a mission to help the vulnerable. MDC will send BW a contact.</p> <p>The Chair suggested farming communities may also be a source of vulnerability. BW replied that farms are often non-household accounts so may not qualify for social tariff. However, it will investigate this further.</p> <p>CCW said its pilot vulnerability workshops take place at the beginning of November. CCW can provide feedback on the pilots and its affordability review at the next Panel meeting in December.</p>	<p>Action: BW</p> <p>Action: MDC</p> <p>Action: BW</p> <p>Action: CCW</p>
<p>8. BW Net Zero Carbon Strategy</p>	
<p>BWs presented a summary slide on its net carbon zero strategy (the slide was not included in pack). This covered:</p> <ul style="list-style-type: none"> • BW's carbon footprint • Progress to date • Pathways to reduce carbon footprint (from UKWIR) • Proposed carbon route map <p>The Report Writer asked if carbon embedded in BW's supply chain was being assessed. BW replied that this is not currently a primary driver of BW's net zero strategy.</p> <p>The Deputy Chair noted that BW's recent rate of carbon reduction suggests it could reach net zero by 2025. BW said that the easy wins have been had and that gains will get progressively more difficult to achieve. The Deputy Chair added a general point that he is not comfortable with the use of carbon offsets to achieve net zero targets.</p>	

<p>EA noted the good steps being taken by BW. She asked how BW is taking its integrated catchment management work into account. BW said there are good opportunities for linkage to its water resources planning work but that it must be mindful of the risks of multiple or double counting of benefits.</p> <p>MDC shares the Deputy Chair’s concerns on offsets. He asked how BW measures its carbon usage from its energy consumption and how retrospectively the results are obtained. BW replied that its results come through within a couple of months.</p> <p>MDC also about measurement of and its aspiration for the carbon from BW’s canopy cover on its assets. BW replied that this is measured through the Biodiversity Index. However, the link to carbon sequestration is more subtle and is species and age dependent.</p> <p>The Deputy Chair asked BW about engaging with the public on its net zero strategy. BW replied that it still has to investigate this. The strategy is a starting point. The related Social Contract engagement is done and this feeds into the Bristol One City Plan. BW intends to support other businesses to do the same.</p> <p>The Deputy Chair asked how BW aims to influence the regulatory framework on carbon reduction. BW replied that government policy (net zero by 2050) will give a steer to Ofwat. However, for PR24 it is not known whether bottom-up (local) or top-down (from regulation) approach will be included. BW is not convinced a top-down approach will deliver for local communities, but it is still early days on this.</p> <p>The Deputy Chair asked if BW is expecting people to comment on its net zero strategy BW replied that it is keen to get feedback from the Panel, but it is also using the document to engage with customers and broader stakeholders. Panel members should send any comments to BW.</p>	<p>Action: BW</p> <p>Action: Panel members</p>
<p>9. Charges 22/23</p>	
<p>BW presented slides 32 to 42 covering its indicative charges for 22/23.</p> <p>The slides covered:</p> <ul style="list-style-type: none"> • Regulatory background • Charges process • Charges movements to 2022/23 • Covid-19 and demand impacts on bills • Indicative bill movements • Bill impacts for different customer groups • Segmentation impacts • Social tariff cross subsidies • Developer charges • Communication and handling plans 	

<p>The Panel noted the content of BW's presentation.</p> <p>The Chair left the meeting at this point.</p> <p>The Deputy Chair thanked BW's Head of Economic Regulation for his presentation and for his work with the Panel over many years. He particularly welcomed the customer segmentation work done recently by the company.</p>	
10. AOB	
<p>No additional points were raised.</p>	
11. In camera session after meeting	
<p>Minutes are confidential and not published.</p>	