

**Attendees**

Peaches Golding OBE (up to item 6)	BWCP Chair	Iain McGuffog	Bristol Water (BW)
Tony Denham	BWCP Deputy Chair	Sue Clark	Bristol Water
Jeremy Hawkins	Report Writer	Alex Smethurst	Bristol Water
Fran Begley	South Bristol Advice Centre (SBAC)	Richard Price	Bristol Water
Cllr. Geoffrey Richardson	North Somerset District Council (NSDC)	Valentina Barclay	Bristol Water
Dr Tabinda Rashid-Fadel	NHS	Jim McAuliffe	Bristol Water INED
Dr Mark Taylor	Natural England (NE)	Alex Mortlock (item 9)	Bristol Water
Miles Bell	Natural England (NE)	Matt Draper (item 9)	Bristol Water
Gudrun Limbrick	Consumer Council for Water (CCW)		
Jenny Suggate (item 8)	Consumer Council for Water (CCW)		

**Apologies**

Cllr. Michael Gay	Mendip District Council (MDC)	Jon Johnson	Consumer Council for Water (CCW)
Tamsin Sutton	Environment Agency (EA)		

<b>1. In camera session before main meeting</b>	
Minutes are confidential and not published.	
<b>2. Chair update</b>	
<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 9<sup>th</sup> December (ref: '15122021 BWCP Main Meeting 7.pdf'). Copies of the company's 'Mid-Year Performance Report 2020-21 pre-BWCP' and its 'Social Contract Benefits &amp; Transparency Report 2020-21 pre BWCP' were sent to members on 14<sup>th</sup> December.</p> <p>The Chair welcomed everyone to the meeting. New members from NSDC and NE introduced themselves.</p>	
<b>3. Minutes, Actions and Challenge Log</b>	
Slide 5 to 7 relate to this item.	

<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. He reported good work on clearing them. He welcomed that BW had put in place a mechanism to transfer actions amongst responsible officers in BW.</p> <p>The Deputy Chair noted the number of challenges was relatively high, but most have now been cleared. Three are outstanding. He will discuss with BW including the timescales for their completion. More details will follow.</p>	<p><b>Action: Deputy Chair</b></p>
<p><b>4. Sub-Group Updates (CESG, SCSG &amp; ESG)</b></p>	
<p>Slides 8 to 11 relate to this agenda item.</p> <p>The Deputy Chair mentioned low response rate to last year’s Local Community Satisfaction Survey and that the Panel hope the company will increase this this year. He asked members to read the company’s vulnerability update report.</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 (SC). The Panel’s draft Statement on the SC Benefits &amp; Transparency report had been discussed in the in camera session and had been agreed by members. This can now be included in BW’s Report. He also said that he will be sending poll to Panel members to select the SC initiatives for detailed review this year. He will inform BW of the result in due course.</p> <p>NE (MT) noted the excellent discussions that had taken place at the Panel’s Environment Sub Group (ESG). He felt the headlines should come to the main Panel. The Chair agreed that this was a significant oversight in BW’s presentation. BW suggested a standing item on this agenda. This was agreed</p> <p>The Deputy Chair said there two dates next year for the ESG to meet. He will collate all actions from previous meetings and send to BW.</p>	<p><b>Action: Deputy Chair</b></p> <p><b>Action: BW</b></p> <p><b>Action: Deputy Chair</b></p>
<p><b>5. Regulatory Updates</b></p>	
<p>BW provided the following verbal updates</p> <p>BW is waiting for the 22<sup>nd</sup> December deadline for the CMA’s decision on Phase 1. This is unlikely to reject the merger. It could recommend a full inquiry (6 months) or be minded to consult and negotiate undertakings between Pennon and Ofwat (which could take up to March).</p> <p>BW reported there was a board meeting of the West Country Water Resources Group (WCWRG) last week. The focus had been on draft regional plans. The question is how</p>	

<p>these reconcile with national ambitions. This is made difficult at this time because the national targets are unknown. Defra is due to publish its ambitions in mid- January, after which the regional plans will be reviewed and put out for consultation around mid-February. BW suggested there be a longer discussion on this at the next ESG and this was agreed. The regional plan includes some local schemes including Cheddar two reservoir. These aren't needed in the short term but a lot depends on demand management and leakage reduction. BW's area has the lowest water constraints in the region.</p> <p>NSDC asked if the regional water resources plan includes the large number of new housing in the NSDC area. BW said it does feed into the regional plan and it is in touch with local authorities. The company will describe this process at the next ESG</p> <p>BW said that Ofwat is likely to consult on the overall PR24 methodology June next year. Six related consultations have been published the last couple of weeks. Responses are due in January and February. These cover base costs, financial resilience, PCs and long-term scenarios, amongst other things. BW will be responding to each. The company has no major issues on the points individually but is concerned over how they all join together and the role of CCGs.</p> <p>NE (MT) reported that the WISER document expectations are due to be released soon. They will include nature-based solutions rather than hard infrastructure. BW replied that it supports this approach. The Biodiversity Index (BI) will be the standard environmental metric Ofwat plans to use. The WINEP will include the industry's statutory obligations.</p> <p>BW said there will be a Defra policy statement on net zero this week.</p> <p>The Chair left the meeting at this point and the Deputy Chair took over.</p>	<p>Action: BW</p> <p>Action: BW</p>
<p><b>6. Mid-Year Performance Update</b></p>	
<p>Slides 13 to 29 relate to this agenda item. Additional information is also presented in the Appendix to the slides.</p> <p>NSDC asked how BW is addressing the poor performance issues highlighted in Ofwat's recent Service Delivery Report. BW replied that Ofwat's report related to performance in 2020/21 and focuses on the common PCs, some of which were affected by winter weather that year, for example, supply interruptions. BW will report its response to prior year performance issues in its 2021/22 Annual Report, published next autumn. It has used the learning from 2020/21 to improve performance this year.</p> <p>NSDC considered it would have been helpful to address the issues Ofwat has brought up in today's presentation so as to make it obvious the company is addressing Ofwat's points. BW replied there is some mention of this in the Executive Summary to its Mid-Year Report but the timing of Ofwat's report (in November) is not helpful.</p>	

<p>NHS added that it is absolutely important that public documents instil confidence in customers and that BW should recognise any published criticism. BW agreed to take this point on board in future. It did remind members that BW proactively publishes its mid-year report, and isn't obliged to do so. BW agrees with the points raised by Ofwat but it considers it is better to reflect on these in its next Annual Report. Conversations with Panel can also be included at this time as can performance against BW current targets and against the industry. The Deputy Chair remarked that BW has not been particularly good at reporting good performance.</p> <p>The Deputy Chair enquired about the company's improvement actions for D-Mex. BW replied that it is being proactive through holding its market engagement days. Its Executive Team has Developer Services in 'critical care'. Management reporting processes have improved, and a new senior team member recruited.</p> <p>NSDC noted Ofwat's mention of BW's poor PSR performance in its Service Delivery Report and asked BW what caused this. BW relied its targets were based on participating in a national data share. This hasn't happened due to data protection issues. This has left a significant gap in BW's ability to hit the target so it is now actively looking at alternative ways to meet the target. In association with WPD and Wessex Water adverts are now included on prescription bags to encourage people to register for Priority Services. It has recently found that a number of postcodes were not being picked up as part of this. This has been corrected and BW estimates that around 300 people can now be added per month. This will take its PSR performance above target. It is also reviewing if more can be done, for example targeting people over 80 or 90. NSDC welcomed this.</p> <p>The Deputy Chair noted that the PSR performance in 20/21 was well below target. He recognised the good work BW is now doing but wondered whether it will be sufficient. BW replied that it set itself an ambitious target based on data share. This is a fair challenge, but the company believes the gap can be closed this year. It does need to think carefully for next year, however.</p> <p>The Deputy Chair remarked that BW has always been good at reducing leakage. Over the last year the company also improved its handling of bursts. He asked if the company is applying its abilities in these areas to others, for example water quality compliance. BW pointed to improvements in D-Mex and water quality. Field force leadership combined with data and insight is being used to improve performance. In addition, solid operational management processes plus relentless focus and targeted effort are reaping benefits.</p> <p>NE (MB) noted the four performance issues in red in the mid -year slides and asked where he could get more information on why BW is are underperforming. BW said its published half year report will provide this but also directed NE to the appendix slides to this meeting.</p> <p>NSDC noted that BW has mentioned that inflation is one of the drivers of bill increases. He also highlighted the impact of energy price rises. BW said it had adopted a good hedging</p>	<p><b>Action:</b> <b>BW</b></p>
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<p>strategy on energy purchase. It also uses AI software to optimise usage. Ofwat assumes energy cost increases are reflected in the CPIH index used to determine bills. There have been higher costs but demand for water has also increased.</p> <p>NE (MT) said it was difficult to have a conversation around WINEP from the slides presented. BW replied that it is on track to meet EA’s expectations. NE (MT) said it would have been useful if some information on this was available up front before slide pack was issued.</p>	
<b>8. CCW update</b>	
<p>Slides 31 to 52 relate to this agenda item. CCW (JS) presented information on</p> <ul style="list-style-type: none"> <li>• Household Complaints</li> <li>• CCW WaterMark 2021</li> <li>• Affordability Review</li> <li>• Company survey</li> <li>• Pilot schemes</li> </ul> <p>The Deputy Chair noted that the ‘bills are fair’ measure is showing amber. CCW (JS) said this is people’s perception. It has improved over the years. BW is in discussions with CCW over changes in guidance on complaints. This should land in a good position this year. BW illustrated its complaints journey.</p> <p>The Deputy Chair noted the Affordability Review and asked what the timescale is for implementing a single social tariff. CCW(JS) replied the plan is 2025 but it requires legislation. The Deputy Chair asked where CCW reports the outcomes of its discussions with individual companies. CCW (JS) replied a newsletter sent to companies which they might share with the Panel.</p> <p>The Deputy Chair noted there was no involvement from BW in the pilot schemes. BW replied that this was due to resource constraints.</p> <p>NE (MT) enquired about CCW’s work around the environment. He noted societal expectations around CSOs and issues around fairness on bills. CCW (JS) replied that it just issued some research on how customers value the environment. The recent Environment Bill may mean that environmental awareness and investment may be greater than at PR19.</p>	
<b>9. Customer minutes lost</b>	
<p>BW presented slides 53 to 64 covering:</p> <ul style="list-style-type: none"> <li>• Supply interruptions</li> <li>• Continuous water supply - interventions</li> </ul>	

<ul style="list-style-type: none"> <li>• Bursts</li> <li>• Third party damage</li> <li>• Pressure transients</li> <li>• Mains renovations</li> </ul> <p>NSDC asked when planning new water supplies, does BW include new infrastructure to support this. BW replied that it does and is now using fixed jumper hydrants. Hydraulic modelling is used to size the pipes and to locate valves and washouts.</p> <p>NSDC enquired if BW’s assets are well mapped and easily available. BW said they are. It has a good GIS which is routinely updated. BW is part of the wider Digdat service (a cross-utility asset database) which is available to third parties.</p> <p>NSDC asked about the lifetime planning of assets and the length of time BW expects them to perform. BW said it typically assumes 80 – 100 year lives for mains, 5-10 year asset lives for pressure monitors.</p> <p>NSDC enquired about the risks associated with becoming more reliant of operational software. BW replied that it has fail safe mechanisms in place. It also maintains the necessary cyber security accreditation</p> <p>The Deputy Chair thanked BW for its presentation.</p>	
<p><b>10. AOB</b></p>	
<p>The BW INED said that, following today’s meeting, he would raise the following issues with the BW Board:</p> <ul style="list-style-type: none"> <li>• Feedback from the ESG to be taken to the Panel’s next main meeting</li> <li>• The governance of the WCWRG and the need for customer consultation.</li> <li>• The transparency of the link between the findings from the Ofwat Service Delivery Report and the company’s mid-year performance report</li> </ul> <p>The Deputy Chair agreed to document these items and feed them back to the INED.</p> <p>The Deputy Chair thanked BW and the Panel members for their contributions to the meeting.</p>	<p><b>Action: Deputy Chair</b></p>
<p><b>11. In camera session after meeting</b></p>	
<p>Minutes are confidential and not published.</p>	