

Your Voice Meeting via Teams

10 June 2022

Minutes

Your voice members	United Utilities
Bernice Law – Independent Chair Dr Tayo Adebawale – Independent Member Alistair Maltby – Director Woodland Trust Mark Atherton - GMCA Claire Bunter – Environment Agency Dave Thompson – Disability Partnership, Warrington Steve Cullen – CEO Warrington CAB Emma Degg – NWBIT Stuart Dunne- Youth Focus North West	Sally Ainsworth – Head of Service Recovery James Bullock – Strategy, Policy & Regulation Director Emma Dennett– Regulatory Contract Manager Jo Harrison – Environmental Planning & Innovation Director Gaynor Kenyon – Corporate Affairs Director Chris Matthews – Head of Public and Community Affairs Ben Nadel – Regulation, Reform & Compliance Manager
Apologises Adam Briggs, Damian Waters, Andrew White, Deborah Murray, Allen Creedy, Keith Ashcroft, Bhupendra Mistry.	

1. Apologises noted as above. There are new members joining the Panel who unfortunately were unable to attend this meeting because of prior commitments. These members include: Cath Murray-Howard (Chief Operating Officer Torus Group), Rob Loughenbury (Director of Strategy Onward Housing Group), Emma Degg (NWBIT), (Stuart Dunn (YFNW) Steve Parris (Liverpool based Developer). Peter Fitzhenry has also joined the Panel as independent support, maintain challenge log, circulate agenda/minutes.
Your Voice members would like to pass on their congratulations to Louise Beardmore on her appointment as CEO designate and we look forward to working with her over the coming years.
The Panel would also like to minute its thanks to Alistair for his 10-year contribution to the development of Your Voice. Alistair has played a key role in developing our critical friend relationship with UU.
2. Follow up actions from previous meetings. Items 1,2,3 require follow up meetings to action. Item 4 will be the subject of a future agenda item. Item 5 is pending, awaiting OFWAT guidance and advice. Item 6 will also be the subject of a future agenda item. Item 7 (strengthen River Group membership) is the subject of ongoing work. Item 8 is an agenda item at the next environmental group meeting in July. Item 9 is complete and item 10 is an item on this agenda.
3. Sub Group. Two sub-groups due to meet next week. Dave Thompson (affordability) did highlight the welfare work currently being undertaken with other Utility companies. the Environment sub-group highlighted the new carbon strategy which generated lots of discussion and challenge.

4. Your Voice Chair's update. This will be the final Your Voice meeting in this format. The future structure will focus on 4 sub-groups. The 4 sub group chairs will meet with Your Voice chair (BL) to develop business challenge. **Action: there is a need to finalise sub-group membership and appoint chairs to all sub-groups. Circulate a full list of Panel members sub-group membership.**

5. Item 3: PR24 Programme

James Bullock provided an update presentation regarding the latest update regarding Ofwat's plans for PR24. The presentation covered methodology, modelling, challenges, performance commitments, a PR19 comparison, timetabling, assurance, early indicators of change etc. The presentation contains a link to a 2021 Ofwat report (PR24 and beyond: Creating tomorrow, together) which sets out 4 challenges. James highlighted a number of issues:

- Whilst UU have a general understanding of the challenge, Ofwat full methodology is outstanding, with an expectation that more details will be forthcoming in July 2022. Your Voice will receive a fuller presentation in September 2022.
- This 5-year plan is part of a longer term 25-year framework.
- PR24 will include challenges which will underpin any approval for an investment case.
- Ofwat are likely to promote a new procurement system, which is already in use at UU.

Panel members made a number of comments/challenges regarding the role of Your Voice and its sub-groups in responding to this process:

Q. Which of the 5 challenges will be the hardest to achieve? UU believe that the main challenge will be balancing the competing demands arising from a combination of expectations (e.g., keeping bills low whilst raising environment investment)

Q. Is water trading emerging as a key future driver across the network and different areas? UU continue to work with others to develop its water trading plans.

Q. Customer Voice is embedded with UU so that this process will reflect the customer perspective.

Q. The timetable appears tight. Is UU positioned to meet these deadlines? UU has already started its planning work and the timetable is broadly in line with what was expected.

Q. Panel members envisage lots of preparatory work that would benefit from continued early preparations. See above.

6. Item 4: Customer Research Programme update.

Ben Nadel provided an update on the customer research programme carried out by CCW and Ofwat and how this compared/contrasted with UU's own customer research. Ofwat has also encouraged all water companies to make available their customer research and UU is placing its research on its website. In 2021/2022 UU is undertaking 16 research projects and many of these will influence UU's response to PR25.

This presentation produced a number of discussion points:

Q. How will UU make stakeholders aware that the customer research information is available? Awareness will be raised via stakeholder newsletters and other channels.

Q. How does UU's research sit in relation to CCW/Ofwat research findings. UU will be undertaking work to triangulate the results of these separate pieces of research.

Q. Is there capacity to work with regional Welfare organisations to develop further insight into issues of affordability. Cost of living is high on UU's agenda and there are plans to develop this insight.

Q. At a time of rising cost of living challenges, is the regulator limiting UU's ability to work with other utility sectors? UU has no evidence to support this line, although Data Protection issues can become a barrier to effective joint working.

Action: Dave T is planning an offline conversation with Mark A to identify potential areas of collaboration.

7. Item 5: Environment Act requirements & development of enhancement plans

Jo Harrison presented an update into the main themes, drivers (Sanitary determinants and nutrients, frequently spilling overflows, storm overflow improvements and standards for intermittents), targets and implications arising out of the Environment Act. The Act is significant because it will influence WINEP and wider investment decisions. Specific issues include:

- Delays in receiving detailed guidelines
- Compressed decision-making timetable
- Collaborative teams working on response, pending full guidance
- Potentially, a significant increase in investment levels
- There is the potential that some drivers may lead to less than optimum investment decisions.
- Strong emphasis on tackling sewer overflow
- Modelling of potential price increase related to these drivers
- Meeting with Defra to discuss bill implication pending
- The contractor sector may struggle to respond to significant increases in investment projects.

Panel members raised a number of issues:

Q. Is the source of investment funds likely to be from a balance of sources or will it rely on customers. UU are looking to develop a cost-benefit analysis to underpin any investment decisions.

Q. Is UU working with other water companies to develop a nationwide response to these challenges. There is no nation approach as these challenges affect regions in significantly different ways.

Q. Is there an assumption that every discharge produces a pollution outcome. It would appear that this is the case

Q. Its difficult to respond to this situation without having a full range of data available to underpin decision making? UU are currently working to develop a range of nature driven solutions alongside engineering driven solutions.

Q. The Environment Act is seeking to deliver key national priorities and water companies may want to consider how investment is funded by a range of stakeholders and not just

customers? UU will be setting out a balance that reflects the high numbers of customers who want improvements against the affordability challenges in a time of increasing cost of living issues.

Q. The potential scale of investment is immense and it will be interesting to understand customers views around these challenges. UU will work with Your Voice to capture customers perspectives.

8. Item 6: Stakeholder engagement – local authority engagement

Gaynor Murphy took the panel through a presentation into UU's activities designed to engage with a wide range of local authority stakeholders. UU have engaged with 350 councillors from 41 authorities who raised 200 queries. The presentation included in-depth examples of working to build effective relationships with specific local authorities. It also produced a range of themes (6) as a bases for future joint working and awareness raising.

Action: Gaynor extended an open invitation to Your Voice members to attend future local authority engagement meetings.

Q. How easy is it to work with the combined authorities (LCR and GMCA)? The combined authorities are open to engagement and are easy to work with. It can be harder to engage with unitary authorities. It still remains a challenge to get LA panel members.

Q. A member noted that Cheshire only raise 2 issues during the roadshow. This is low compared to other roadshows. UU feel that these numbers doesn't reflect the quality or scale of the issues raised.

Q. A panel member felt that this was a very good initiative and was interested to understand the issues underpinning point 5 (signing up to the living wage). UU felt that councillors were keen that UU as a major employer was supporting its workforce and UU is signed up to the living wage.

9. Item 7 End of year performance review

Sally Ainsworth and Jo Harrison provided a presentation update on the end of year performance (2021/2022). The subsequent discussion focused upon issues rated as red.

Q. Consumer consumption remains an ongoing area of concern for the Panel. UU continues to undertake significant amounts of work in this area and the trend seems to be coming down towards pre-pandemic levels.

Q. Water quality (red rating for 3 years) also remains an issue for the panel. Again, UU would point to the direction of travel being in the right direction. There is a strong internal focus to improve this performance measure.

Q. Panel members highlighted that a number of Red rated measures had a positive direction of travel.