



	<p>A. CM advised that the existing workforce was feeling the pressure of the negative water industry media coverage and that work is ongoing to highlight positive customer experiences. CM was pleased to point to a very successful apprenticeship recruitment exercise that showed UU is seen as an attractive employer.</p> <p>Q. Steve Parry (SP) raised the issue of the cost and value for money of civils (construction works) across the water industry as part of a wider UK construction industry challenge. It is not unusual for cost overruns to occur in the UK (HS2 being an example).</p> <p>A. CM agreed that the cost of works remains an ongoing concern for the regulator who has flagged up general issues as part of its PR24 submission responses. CM advised that UU highlights to regulators any specific North West contextual issues (such as geology or remedial issues). CM offered to provide an agenda item at a future Sub Group meeting with more value for money information. <b>(Action)</b>.</p> <p>Q. Damien Waters (DW) shared a CBI report (planning for growth) with the Sub Group.</p> <p>Q. JL reiterated the need to develop a convincing communication strategy that would help to achieve a more nuanced media message.</p> <p>A. CM advised that this remains a key challenge for UU, and he will report back at a future sub group meeting. <b>(Action)</b>. CM advised that UU is getting positive resident feedback at a local level and that the future report will contain examples of positive customer case studies.</p>
3	<p><b>Quarterly performance update</b></p> <p>CM highlighted a wide range of positive of performance indicators. It was agreed that the Streetworks ODI be the subject of a future Deep Dive report. <b>(Action)</b>.</p> <p>Q. BL stated that OFWAT has challenged UU about its AMP8 leakage performance proposals going forward.</p> <p>A. CM and Dave Howarth (DH) advised that UU is confident that its leakage performance proposals are achievable, that they build on recent improvements and that they will link to some key AMP8 investment measures such as the mains replacement programme.</p> <p>Q. JC commented about the impact of the cost-of-living crisis on customer water debt levels and the consequences of rolling out smart meters.</p> <p>A. CM advised that UU remains strongly committed to its expanding AMP8 customer support packages with support from shareholders. While not all customers can benefit from smart meters, UU offers these customers other ways to reduce their water bills (social tariff or lowest bill option).</p> <p>JL asked that the issue of cost-of-living challenges be brought to the attention of the Affordability &amp; Vulnerability Panel and that they continue monitor this ongoing area of concern. <b>(Action)</b>.</p>
4	<p><b>PR24: UU response to OFWAT</b></p> <p>In October 2023 UU submitted its proposed Business Plan 2025-2030 to Ofwat. Ofwat has subsequently provided its draft determination and UU has just responding to this.</p>

	<p>Dave Howarth (DH) took the Sub Group through a presentation about the current position regarding PR24. The highlights of the presentation include:</p> <ul style="list-style-type: none"> <li>• That Ofwat remains committed to the December 2024 final determination date. Water Companies have a backstop date of February 2025 for any potential Final Determination appeal.</li> <li>• The PR24 Business Plan 2025-2030 submission contained some 189 related documents.</li> <li>• UU’s PR24 Business Plan submission is freely available on its website and there have been lots of website related ‘hits’.</li> <li>• Ofwat has challenged some of UU’s assumptions and the company has responded. UU’s assumptions reflect North West specific operating environmental factors.</li> </ul> <p>Q. JC asked how UU is keeping customers engaged in the determination decision-making process and the likely water bill impact of any Final Determination.</p> <p>A. DH advised that UU’s potential water bill increase remains at the lower end of the sector’s proposed water bill increases. UU remains strongly committed to its proposed customer financial support packages. CM advised that UU intends to replicate its PR24 Business Plan submission customer communications following receipt of OFWAT’s December 2024 Final Determination and these will reflect the outcome.</p>
7.	<p><b>Deep Dive: DMEX</b></p> <p>Scott Green (SG) took the Sub Group through a detailed look at how UU’s Developer Service is working with the North West’s construction and development sectors. SG highlighted the following points:</p> <ul style="list-style-type: none"> <li>• UU’s team-based delivery structure is producing positive results.</li> <li>• How the sub teams work and their customer service ethos</li> <li>• The DMEX performance measures (qualitative &amp; quantitative indicators) that make up the DMEX framework.</li> <li>• DMEX Quarter 1 (2024/2025) performance results and an improving performance trend</li> <li>• How UU is transforming and reshaping the DMEX customer journey</li> <li>• AMP8 and the proposed DMEX performance framework changes with a stronger voice for larger developers.</li> <li>• The changing construction and developer operating environment with a much stronger emphasis upon value for money and overall costs</li> <li>• How UU’s DMEX performance compares to other water companies</li> </ul> <p>Q. Andy Hulme (AH) welcomed the positive developments relative to other water companies. AH asked which change measures have had the greater impact on performance and if 30 SLA’s is too many to manage effectively.</p> <p>A. SG stated that the biggest contribution to performance improvements had been changes to the organisational structure that helped harness the talent within teams. This change, alongside a clear focus on specific developer segments and service delivery target ownership, have produced the major service delivery step change.</p>

	<p>A. SG reported that the water industry is working to review the number of service agreements.</p> <p>Q. SP asked if more could be done to engage with brown field regeneration developers as construction/development sector engagement is often focused on high volume house builders. This issue affects all utilities and greater brownfield regeneration engagement is key to the new government’s plans to expand house building.</p> <p>A. SG agreed that there is more that can be done to broaden the construction/development/regeneration sector engagement. SG and CM agreed to see if there are ways to include more of a regeneration voice within the Developer Engagement structures. <b>(Action)</b>.</p> <p>Q, JC advised that there are changes afoot to how developers get connected to the electricity network. A move from first ready, first connected to include ‘and the development is needed.’ JC advised that ENW has some sophisticated visualisation interactive tools that are helping the electricity sector improve how it collaborates with its developer customer base.</p> <p>A. SG welcomed this information and agreed to investigate further.</p>
8.	<p><b>Stakeholder engagement</b></p> <p>CM took the sub group through a deep dive into UU’s emerging sub regional customer and stakeholder engagement structure. Each county has its own dedicated service team with a county lead in place. Each county team has a bespoke segmented set of plans focusing upon:</p> <ul style="list-style-type: none"> <li>• keeping informed,</li> <li>• managing closely,</li> <li>• minimal contact,</li> <li>• keeping satisfied</li> </ul> <p>These dynamic county-based plans are tailored to the main local county issues and key players.</p>
9	<p><b>Water demand management</b></p> <p>Emma McCabe (EM) took the Sub Group through a presentation regarding how UU is seeking to reduce the North West’s domestic and business sector water consumption. Regulators expect water companies to demonstrate how they will reduce overall water consumption. The presentation set out UU’s specific demand management plans including:</p> <ul style="list-style-type: none"> <li>• Understanding water demand throughout the end-to-end water network</li> <li>• AMP7 targets and performance forecasts including consumption reductions per sector.</li> <li>• UU’s approach to reducing demand including a 12-point strategy.</li> <li>• The role of smart metering in the demand management strategy.</li> <li>• AMP7 successes based in the five key reduction pillars.</li> </ul> <p>Q. DW asked how businesses can take up UU’s water efficiency audits.</p>

	<p>A. EM advised that UU is committed to working with businesses across a range of sector and is targeting water reduction at sectors such as nursing homes and schools.</p> <p>Q. JL asked about work to get manufacturers to tackle water efficiency issues as part of the overall product manufacturing process (e.g. toilets)</p> <p>A. EM advised that there is water industry level work aimed at encouraging manufacturers to improve water products. SP advised that building regulations are changing to encourage the installation of water efficient products and appliances.</p> <p>Q. JC suggested engaging with property facility managers (and landlords) as key players who can affect water consumption and waste reduction.</p> <p>Q. SP suggested contacting trade bodies and increasing the level of communications around the water efficiency theme.</p> <p>Q. JL suggested working with relevant business umbrella groups as a way of communicating with a range of business sectors. She added that she had previously raised demand management in the context of business planning as some financial aspects were predicated on achieving this.</p> <p>EM asked that Sub Group members forward any suggestions to encourage demand management. <b>(Action)</b>.</p>
10	<p>AOB</p> <p>JL asked that CM pass on her thanks and congratulations to Emma Birch and John Dawson for their recent efforts in relation to Vyrnwy.</p>
11	<p><b>DONM</b> <b>13 December 2024 (10.00-12.00)</b></p>