

# Your Voice meeting via Teams

15 October 2024

## Minutes

Your voice members	United Utilities
Bernice Law – Independent Chair Dave Thompson – Independent member Jo Lappin – Independent member Steve Cullen – Independent member Dr Tayo Adebawale – Independent member Peter Fitzhenry – Support to the Panel	Mike Gauterin Chris Matthews Gaynor Kenyon David Howarth Sam Fox
<b>Apologises</b> James Bullock	

### 1. Previous minutes: actions arising.

- A&V Panel to introduce a bullet point action listing.

### 2. Your Voice Chair Feedback.

Bernice Law (BL) recently attended a ICG Chair’s meeting. This raised a number of matters as follows:

- CCW provided an update about its view of draft determinations.
- OFWAT provided an update about the determination process.
- The Group raised a concern regarding affordability definitions.
- The Group expressed some concerns about the Fixed Price Control Deliverables system and how these would play out over the next AMP.
- The Group commented about the issue of water trading in AMP8.
- The did not think that the proposed 13% flooding target was sufficiently stretching.
- The CCW representative shared highlights of its recent acceptability/affordability customer research.
- The Group reflected upon the lack of public trust in the water industry and its regulation. Improving this is strongly linked to successful delivery of AMP8 investment plans.
- The Group considered the evolving customer consultation proposals, the role of the proposed Customer Panels and the future for ICG’s.
- BL attended an Environment Agency (EA) meeting to consider the EA’s proposed actions in relation to water quality. BL and Tayo Adebawale (TA) to consider YV’s response to these proposals. **(Action)**.

In response, David Howarth (DH) advised that UU had discussed OFWAT's approach to Price Control Deliverables to ensure that it encouraged innovation across the new AMP.

### **3. PR24 update**

DH provided an update around the AMP8 process, highlighting:

- OFWAT's proposed changes to Business Plan investment values and UU's revised investment submission values.
- UU's representations in relation to OFWAT's Draft Determination
- The Final Determination is scheduled for 19 December 2024.
- Assuming a 19 December 2024 delivery date, UU then has until 18 February 2025 to accept or appeal the Final Determination. There is an appeal process against the Final Determination.

Q. Tayo Adebowale (TA) asked about the cost of responding to OFWAT's Determination questions and enquiries.

A. DH stated that the costs of responding to OFWAT had been built into UU's baseline budgets and staffing resources.

Q. TA asked how could UU achieve OFWAT's determination cost savings. Would this impact upon the proposed AMP8 investment schemes?

A. DH stated that UU is continually reviewing its own cost assumptions and is always looking to find efficiency savings. UU is also looking at how emerging new technologies can help put downward pressure on its proposed Business Plan financial assumptions.

Q. Jo Lappin (JL) asked if there are any learning points emerging from the level and type of OFWAT determination clarification questions.

A. DH stated that there was an expectation of ODI challenges as this is an area of performance rewards. DH stated that each AMP throws up a set of unique challenges and therefore it is difficult to take any learning forward into preparing for the next AMP.

Q. Dave Thompson (DT) welcomed UU's ongoing commitment to supporting vulnerable customers alongside UU's support for a National Social Tariff. DT also asked if a reduced Final Determination would impact on the level of network investment.

A. DH reiterated that UU is working with its supply chain to identify ways to manage and control investment costs, to find alternative solutions and to focus on the lowest life cycle investment costings. DH confirmed that UU's commitment to its affordability support schemes remains a priority for the company and its shareholders.

Q. BL asked about the impact of any delays to the Final Determination on UU's investment schedule.

A. Mike Gauterin (MG) advised that UU continues to engage with its supply chain to ensure a prompt start to the investment delivery programme. For example, UU is about to sign off

on its Smart Meter procurement contracts to ensure that the Smart Meter roll out programme is not delayed.

Q. Steve Cullen (SC) asked if OFWAT had anticipated that water companies would make an “over provision” within their Draft Determination submissions.

A. DH advised that UU built its costs from the bottom up. UU has shared significant amounts of data with OFWAT that explains how UU has arrived at a cost for a specific investment submission, allowing for risk and overheads. DH pointed to the length of the AMP8 submission process, and that this may mean that new emerging solutions may affect the final investment cost outturn.

Q. TA asked if there was an assessment of the sustainability of any new investment solutions.

A. DH advised that UU has an assessment process that is applied to any innovative solution. This can include the products history, specific product trials, intensive product/service research, product/system testing alongside the proposals whole life costing.

#### **4. Water sector overview and political engagement**

Gaynor Kenyon (GK) provided an update about UU’s external operating environment. This presentation highlighted six themes:

- Following the general election there is a new emerging political landscape. Since the election, the North West’s political landscape has changed significantly.
- The increasing public interest in the environment and issues associated with storm overflows and water quality. There are vocal advocates from across the wider social media, including celebrities and mainstream newspapers.
- New legislation in the Water (Special Measures) Bill.
- The health of Windermere remains a key international/national/regional issue.
- PR24 and the final determination is a significant issue for UU and the wider water industry.
- A National Social Tariff is again up for debate at a national level.

Q. Jo Lappin (JL) stated that Windermere remains a local/national concern. The challenge is how can UU influence how the debate is framed.

A. GK stated that the planned Windermere related investment is the key to changing the dynamics of this debate. GK advised that Jen Felton is currently leading a Windermere communication strategy review. This review will be the subject of a Stakeholder Sub Group agenda item. **(Action)**.

Q. TA stated that the challenges to the water sector seem to be much greater than that facing other utility sectors.

A. GK agreed that the attention on the sector is relentless and the key to reducing this scrutiny is to deliver real change via the proposed AMP8 investment.

## 5. 2024 performance update

Mike Gauterin (MG) and Sam Fox (SF) provided a quarterly performance update focusing upon customer, wastewater, and water metrics with focus on ODI's red rated. MG offered to provide Your Voice with a Smart Meter update once the new procurement contracts are agreed. **(Action)**.

Q. JL asked about the role of customers in helping reduce water consumption (ODI PCC).

A. MG advised that UU is taking a system approach to reducing water consumption and improving water efficiency.

Q. TA suggested that there is a strong link between water demand and leakage levels.

A. MB stated that UU has a water efficiency cross-company project in place. The major Smart Meter rollout programme will enable UU to collaborate more intelligently with customers to tackle water consumption and leakages. UU is looking at how it can support customers manage their side of the network, especially vulnerable customers. This could include a leakage allowance, advice and information or conducting the repair directly. MG offered to share the results of the water efficiency project with Your Voice. **(Action)**.

Q. DT asked if MG could arrange for his team to explain how they tackle water leaks to the Affordability and Vulnerability Panel. **(Action)**.

Q. DT and SC both congratulated UU about its regional PSR awareness raising work. Both Group members pointed to successful partnership working as the key to this success.

Q. TA asked about the design aspect of the flood alleviation measures.

A. SF advised that UU is committed to providing long term, integrated, sustainable measures alongside its work to mitigate specific flooding events. SF agreed to provide a deep dive into UU's long term sustainable approach to tackling flooding. **(Action)**.

## 6. Feedback from sub group chairs on the issues emerging from their group.

### SESG key issues:

- The Sub Group spent time reflecting upon the new government and what this means for the water industry.
- The need to continually focus on comms to help provide a balanced investment message for stakeholders/customers.
- A Deep Dive into DMEX and the need to expand UU's involvement with the wider growth, new development, and regeneration sectors.
- The Sub Group considered water demand management across the non-domestic household sectors.
- The Sub Group considered a deep dive into UU's Streetworks and the plans to improve the ODI.

**A&V Panel key issues:**

- The Panel reviewed the PSR and the positive impact that data sharing was having on the number of residents on the register.
- Around 34,000 PSR households need BSL support – a new and emerging development.
- The Panel spent time considering the positive news that some 205,000 households have been taken out of water poverty.
- Panel members also discussed the success of the North West Hardship Hub. Use of the Hub has grown by around 2000%.

**CESG key issues:**

- The Sub Group reviewed the eight customer research projects.
- The Sub Group considered external CCW and OFWAT customer research projects.
- UU provided the Sub Group with an insight into its Innovation Hub and its cutting-edge innovative work.
- UU provided an update about how its new Five County model is evolving alongside a number of personnel changes.

**E&SCSG key issues:**

- The Sub Group spent time reflecting on UU's ODI performance across a number of key measures.
- UU provided a deep dive into issues around its leakage performance and improvement measures.
- The Sub Group considered a report into the issue of drinking water quality.
- As part of an ongoing input, the Sub Group received a report into how UU are mobilising in advance of the AMP8 decision.

**7. AOB**

With no further matters, the meeting ended.