

MINUTES OF THE WATERSHARE+ GROUP MEETING  
held in public in Barnstaple on 23 January 2024

**Present**

**Panel Members:**

Lord Matthew Taylor – Chair (MT)  
Peaches Golding – Deputy Chair and Chair of the Bristol Water Challenge Panel (PG)  
Tony Denham – Deputy Chair Bristol Water Challenge Panel (AD)  
Nick Buckland (NB)  
Dinah Cox (DC)

**In attendance:**

**Independent Report Writer** - Jeremy Hawkins (JHaw)

**SWW Representatives:**

Susan Davy – Group Chief Executive Officer (SD)  
Dr Lisa Gahan – Group Director of Regulatory, Strategy and Asset Management ( LG)  
John Halsall – Group Chief Operating Office (JHal)  
David Harris - Group Drought and Resilience Director (DH)  
Laura Flowerdew - Group Chief Customer & Digital Officer (LF)  
Sue Clarke – Head of Customer Strategy & Customer Research (SC)  
Carolyn Cadman – Director of Natural Resources (CC)  
Brett Conibere – Head of Data, Insight and Support (BC)  
Louise Rowe – Compliance and ESG Director (LR)  
Adele Barker – Group Chief People Officer (AB)  
Rebecca Lamb – Interim Project Manager (progressive charging) (RLa)

**Advisors**

Kevin Ward – Environment Agency (KW)

**31 members of the public**

**Apologies:**

Richard Lacey (RL) – Panel member  
Carole Theobald (CT) – Panel member  
Ben Harper (BH) – Panel member

1.	<b>Welcome and introduction to the meeting</b>	
1.1	MT welcomed everyone to the meeting and introduced himself and the members of the WS+ Panel to the audience. He explained that three members of the Panel (CT, RL and BH) were unable to attend the meeting and that they sent their apologies.	
1.2	He explained the role of the independent WS+ Panel in representing consumers in its scrutiny of the company’s delivery of its current Business Plan commitments in the current Price Review period (PR19: 2020 – 2025). These result from the Price Review 2019. The commitments include the award of penalties and rewards for poor or good	

<p>1.3</p> <p>1.4</p> <p>1.5</p> <p>1.6</p> <p>1.7</p> <p>1.8</p>	<p>performance respectively and the sharing of rewards with customers. The Panel meets quarterly and its meetings, and its AGM, are open to the public.</p> <p>He also explained that the Panel has been involved with the development and content of the company’s Business Plan for 2025 to 2030. A draft of the Plan was published recently and is with Ofwat and government for decision. The Panel’s primary focus has been on whether the information in the Plan is accurate and responsive to customers’ needs and wishes. The Panel’s opinions have fed into the Plan.</p> <p>The Panel members introduced themselves.</p> <p>MT added that the Panel can only do its job if the information the company presents it is accurate and so it relies on the Environment Agency(EA), Natural England (NE) and CCW for advice. Members of these organisation attend the Panel’s meetings. KW from EA introduced himself.</p> <p>A member of the public asked if the Business Plan is owned by the Panel or the company and questioned whether the Panel should be consulting customers on the Plan.</p> <p>MT replied that that the Plan is the company’s and that it had undertaken extensive customer research to inform the Plan. The Panel has heavily scrutinised this research and the use of its results by the company and that the Plan genuinely reflects customers’ views. MT added that customers can pose questions directly to the Panel and the company at the Panel’s meetings.</p> <p>MD introduced SD. SD thanked MT, the Panel and customers for coming to the meeting.</p>	
<p><b>2.</b></p> <p>2.1</p>	<p><b>Overview of WaterShare+</b></p> <p>MT explained that the Panel and the company’s WaterShare+ scheme, which enables customers to own a stake in the company, are unique in the industry.</p>	
<p><b>3.</b></p> <p>3.1</p> <p>3.2</p>	<p>Current Focus in North Devon</p> <p>The company presented a series of slides during the meeting which it will send to attendees whose contact details it has. These minutes should be read in conjunction with the slides.</p> <p>SD outlined the company’s four priorities in its Business Plan. These are:</p> <ul style="list-style-type: none"> <li>• Water quality and resilience</li> <li>• Storm overflows</li> </ul>	<p><b>Action:</b> <b>SWW</b></p>

<p>3.3</p> <p>3.4</p>	<ul style="list-style-type: none"> <li>• Net zero and environmental gains</li> <li>• Affordability and delivering for customers</li> </ul> <p>She also outlined the company’s investment plans in North Devon, the objective of which are to improve the environment and enable tourism and farming to thrive. The plans include working with communities, boosting water resources, improving beaches, upstream thinking to improve the environment, fixing leaks, lead supply pipes and pilot studies around smart meters.</p> <p>There were no questions on the information provided.</p>	
<p>4.</p> <p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p> <p>4.5</p> <p>4.6</p>	<p>Plans for 2025-30</p> <p>Questions were received from public during and after the company’s presentations on its plans for 2025-30. These are recorded, together with the company’s responses, in the next action section of these minutes.</p> <p>LG explained that business plans in the water industry in England and Wales are prepared every five years. These include detailed investment needs for the upcoming five years with consideration also given to the longer term. The industry is coming to the end of the current period. It is important that that the company puts forward a plan that works for all customers.</p> <p>LG then outlined the customer research and engagement undertaken for the next five year plan. The company’s four priority areas for 2025-30 (see 3.2 above) are based on the outcomes from this.</p> <p>LG highlighted the significant increase in investment over current levels.</p> <p><b>Water quality and resilience</b></p> <p>DH explained the company’s ‘Green Recovery’ work to increase water quality and resilience across the company’s region highlighting activity in North Devon. Work is already in progress including smart meter trials. Smart meters will enable customers to better understand their usage and will also help the company to pinpoint where leakage is occurring. He also outlined the winter pumping schemes to improve the water resources position, the upgrades to Northam and Bratton Fleming water treatment works (to improve water quality) and the strengthening of the water grid across the region to enable the movement of water around the region.</p> <p><b>Storm overflows</b></p> <p>JHal explained that that the company cares about the environment and is determined</p>	

	<p>to deliver reductions in sewage spills. It is going to invest £750m in the next five years prioritising improvements to bathing and shellfish waters. The company will also be separating sewage and storm water flows where this is technically and economically viable and will be providing more storage on the sewerage network. The work will be twin tracked with environmental initiatives which are to be covered later in the meeting.</p> <p>4.7 JHal also referred to the company’s investment in the water and sewerage system on the Isles of Scilly.</p> <p><b>Net zero and environmental gains</b></p> <p>4.8 CC introduced herself and outlined the company’s environmental and net zero investment plans and priorities. She explained these embody innovation and creativity and are intended to:</p> <ul style="list-style-type: none"> <li>• Lower emissions and boost renewable energy usage</li> <li>• Promote nature and protect and enhance species</li> <li>• Improve waste management</li> <li>• Deliver nutrient neutrality</li> </ul> <p>4.9 She illustrated this with some examples of environmental work planned in North Devon.</p> <p><b>Affordability and delivering for customers</b></p> <p>4.10 LF outlined the company’s plans on affordability and delivering for customers including:</p> <ul style="list-style-type: none"> <li>• Support for those struggling to pay</li> <li>• Eradicating water poverty</li> <li>• Smart metering programme</li> <li>• Fair bills</li> <li>• Additional support for those who need it</li> <li>• Rebuilding trust with customers and communities.</li> </ul>	
<p>5.</p> <p>5.1</p>	<p><b>Q&amp;A on the company’s plans</b></p> <p>The following questions were posed by the public both during and after the company’s presentation on its plans:</p> <p><b>Water quality and resilience</b></p>	

5.2	<i>Question: There was a request for clarification of the leakage target for 2030.</i>	
5.3	DH confirmed the leakage target will be 17% of water put into supply.	
5.4	<i>Question: The 17% leakage target appears to be only a small reduction over current levels.</i>	
5.5	DH explained that leakage reduction is hard to achieve and that much investment is needed just to maintain current levels. The company will be spending £250m to achieve its 2030 leakage target.	
5.6	MT added that the Panel challenges the company on leakage constantly. He added that much of the leakage is from customers' pipe rather than the company's.	
5.7	<i>Question: A customer's son had been interviewed recently by the company for a position writing process and procedural documents for a local water treatment works. The customer was shocked to learn that such documentation doesn't already exist.</i>	
5.8	The company replied that such documented processes and procedures are in place and are required and checked by the Drinking Water Inspectorate. They are continually updated, and it is likely that the job was related to this. The company offered to talk to the customer about this after the meeting.	Action: SWW (para 5.8)
5.9	MT said that the Panel records its challenges to the company and that he would like this question from the customer to be recorded and treated as such, together with the company's follow up and response.	Action: SWW (para 5.9)
5.10	<i>Question: It was noted that the company intends that the water network be lead free by 2050. Removal of lead pipes has been going on a long time. How much lead piping is there now in the customers' network?</i>	
5.11	The company replied that around 10% of households in the company's region has some lead piping. The industry, including South West Water has significantly reduced consumers' exposure to lead over the last 30 years. The company is happy to come out and test any supplies if customers' have concerns. It added that the pilot smart meter programme also involves the replacement of lead pipes.	
5.12	PG mentioned the large presence of lead pipes in Bristol.	
5.13	SD added it is important that lead pipe replacement is prioritised. A key issue is that many lead pipes are in customers' and landlords' homes. The company doesn't own these pipes, but it wants to help customers remove them.	

<p>5.14</p> <p>5.15</p> <p>5.16</p> <p>5.17</p> <p>5.18</p> <p>5.19</p> <p>5.20</p> <p>5.21</p> <p>5.22</p> <p>5.23</p>	<p><i>Question – does the company still use aluminium sulphate for water treatment?</i></p> <p>The company replied that aluminium sulphate is still used as it is an important element in water treatment (as a coagulant). The aluminium is removed from the water post-treatment and before being put into supply. This is carefully controlled and monitored. The net aluminium level is less after treatment than in the raw water.</p> <p><i>Question. A customer said that the water pressure is too high in their house and that customers in such circumstances have to fit pressures reducing valves themselves. They asked if the water pressure in the network can be reduced by the company to avoid this issue.</i></p> <p>LF replied that the company is always looking for pressure reduction opportunities across its network. The smart metering programme will also help identify such opportunities. The company would take the customer’s details after the meeting and look into their issue.</p> <p><i>Question – will the company be forcing smart meters on customers and will they be reducing bills because bill reading personnel will no longer be needed?</i></p> <p>LF replied that the company doesn’t have compulsory metering and can’t force people to have smart meters. However, it already has a policy of installing ‘dumb’ meters in new properties. It will need to go through a transition to smart metering. Smart meters will help with water usage efficiency. There will be new jobs for former meter readers.</p> <p>MT outlined the Panel’s challenges to the company on metering.</p> <p><i>Question: If river abstractions are to be reduced, where is the additional water going to come from to meet current and future demand?</i></p> <p>DH replied that the focus for the next five years is on reducing abstraction from environmentally stressed watercourses. Other abstractions will be looked at as well as the development of new resources (such as from quarries) and the use of seawater desalination. The company’s water efficiency measures are intended to reduce demand.</p> <p><b>Storm overflows</b></p> <p><i>Question: A customer has seen storm overflows operating when it rains lightly, not just during storms.</i></p>	<p>Action: SWW (para 5.17)</p>
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5.24	<p>JHal replied that some overflows spill far sooner than they should do. Additionally, infiltration of groundwater to the sewers can take time to drain through system. However, these do not excuse any spills.</p>	
	<p><i>Question: How do other countries, for example Germany, handle sewage overflows?</i></p>	
5.25	<p>JHal replied that many European counties followed the UK lead on sewer design. He is not sure what happens in Germany specifically.</p>	
5.26	<p><i>Question: How many storm overflow incidents were there in the company's area in the last financial year?</i></p>	
5.27	<p>A customer replied there were 37,649 incidents.</p>	
5.28	<p><i>Question: What level of rainfall will trigger an overflow. The customer had seen releases after only 0.8mm of rain.</i></p>	
5.29	<p><i>Question: The customer knows of people who are regularly ill after swimming in the sea. How would he know if discharges are happening when he wishes to swim, particularly if the overflow is hidden within a sewage works?</i></p>	
5.30	<p><i>Question: The fitness for purpose of WaterFit Live was questioned, given that the data it contains is not real time. Additionally, pollution data should be standardised across the country.</i></p>	
5.31	<p>SD replied to these three questions by saying that that WaterFit Live is evolving and the intention is to provide more information every 15 minutes, so near real time. An update will go live in March this year and further development is planned. Not all water companies are providing such information, but the industry is looking into doing this, perhaps through an independent environmental hub or similar. This will take time to develop.</p>	
5.32	<p><i>Question: A customer mentioned the significant rainfall at Widdicombe and had been analysing data for 2021 and when the overflow operated. They had calculated that the balancing tanks need be four times bigger than at present. They suggested that the company should be able to forecast when overflows operate and be able to produce a sewage map for users of the environment.</i></p>	
5.33	<p>LF replied that the company doesn't currently have an Application Programming Interface (API) so is unable to forecast storm overflows. It is looking to develop such a tool for bathing waters combined with the use of other data to allow forecasting.</p>	
5.34		

	<p>MT encouraged customers to have separate discussions on this topic after the meeting.</p>	
5.35	<p><i>Question: It was noted that the annual spill number is forecast to fall from around 40,000 now to around 7,000 by 2030. The customer asked how many overflows the company has and why it has taken until now to plan to reduce the incidence of spills.</i></p>	
5.36	<p>JHal replied that the company has 1,342 storm overflows on its network. Work to reduce spills has already started and the average spill rate will be reduced to 20 by 2025 under normal operating circumstances. In 2025 -2030 the focus will be on</p>	
5.37	<p>overflows that affect beaches, and the average spill rate will be reduced to zero at these sites and under 10 across the region. This performance will depend on the weather, however.</p>	
5.38	<p>JHal added that when the current business plan was prepared five years ago, dealing with storm overflows were not a priority of customers. The world has changed significantly since then with increased public and media scrutiny and a resulting political focus.</p>	
5.39	<p>MT explained the history of the company's Clean Sweep programme following privatisation and his involvement in setting up Surfers Against Sewage (SAS). SAS took the judgement that data on sewage discharges should be made public but accepted at that time that sorting them out was not affordable for customers. The public and media have become more aware as result of the data being available.</p>	
	<p><b>Net zero and environmental gains</b></p>	
5.40	<p><i>Question: Sewage sludge is being spread on farmland and is entering rivers. The regulations around this date from 1989 and have not been updated since. What associated monitoring is being undertaken around microplastics and polychlorinated biphenyls (PCBs) to prevent a future toxicity issues?</i></p>	
5.41	<p>MT replied that the company had recently provided information on sludge disposal to the Panel as Defra is proposing tightening the rules for disposal of sludge to land. This will have a significant impact on the company. The industry is currently preparing strategies to accommodate this which will be assessed by government and the EA. There is currently a sludge to land testing regime in place.</p>	
	<p><i>Question: A Clean Marine centre is being developed in Appledore. Is the company collaborating with this? If not, can it get involved?</i></p>	
5.42	<p>CC replied that the company would be interested to learn more about this and would discuss with the customer after the meeting.</p>	



5.43	<p><i>Question: Reference was made to the bathing water quality at Coombe Martin. The EA is underfunded. Is SWW helping towards payment for DNA testing to determine the cause of pollution and contributing to research into micro biological resistance?</i></p>	<p>Action: SWW (para 5.43)</p>
5.44	<p>KW replied by explaining the EA's annual bating water monitoring regime. The EA is funded to undertake pollution investigations.</p>	
5.45	<p>SD added that the company has invested in building a research laboratory at the University of Exeter. The company wants to work closely with the EA in understanding pollutions and the sources of them.</p>	
5.46	<p><b>Affordability and delivering for customers</b></p> <p><i>Question: Do the bill levels shown on the company's slide include the £50 bill subsidy? Is the subsidy going to continue?</i></p>	
5.47	<p>LF confirmed that the bill levels are shown without the subsidy.</p>	
5.48	<p>MT explained the background to be £50 annual subsidy which was introduced 2015 and has continued since. It was set at a level to match the interest cost of the loan financing needed to improve sewage treatment. The Panel has been lobbying government to continue with the subsidy and can confirm that it will continue for the</p>	
5.49	<p>next year. The position beyond this is unknown and will not become clear until after the election.</p>	
5.50	<p><i>Question: A customer considered the company's slides on the relative bill levels across the company's three brands to be meaningless as they were incomparable on a like for like basis.</i></p> <p>LF provided a verbal explanation in order to clarify the information for the customer. She added that the proposed South West Water bill increase of 22% to 2030 is at the lower end of the industry range. Wessex Water has the highest bill and the highest proposed increase. Companies' business plan are still subject to scrutiny by the</p>	
5.51	<p>regulators.</p> <p><b>General topics</b></p> <p><i>Question: The company's proposed investment in North Devon investment appears to be all on the east side of the Taw. Is there nothing on the Torridge side where there is lots of housing development planned around Westward Ho!</i></p>	
5.52		

5.53	<p>LG replied that the company has investment planned across the region. She would be happy to take the customer's postcode after the meeting and provide more local information.</p> <p>SD added that within the next 12 months the WaterFit Live website will show local investment.</p>	<p><b>Action:</b> <b>SWW</b> (para 5.53)</p>
5.54	<p><i>Question: How does the company make sure that its research and engagement accurately reflects its population demographic? Today's audience is selective. A different demographic will attend at different times of the day.</i></p>	
5.55	<p>MT agreed that attendance at the Panel's public meeting cannot be representative. Its main meetings are held online, and these attract a certain type of person. Attendees are self-selecting. The Panel has outside expertise to advise it on the</p>	
5.56	<p>representativeness of the samples used in the company's business plan research.</p>	
5.57	<p>LG added the company's research and engagement has reached some 30,000 customers through a range of different events held at different times of the day. The company has used independent market researchers to make sure the samples are representative.</p>	
5.58	<p><i>Question: A customer is wasting 30 gallons of water a week due to poor siting of a combi boiler by his plumber. He has contacted the company about this, but it will not communicate with him. He has complained to CWW because of this. The customer wants the company to publish information and guidance on the siting of boilers.</i></p>	
5.59	<p>SD apologised for the company's lack of communication with the customer and said that it will pick this up with him after the meeting.</p>	
5.60	<p><i>Question: The same customer also referred to new housing development near him and expressed his concerns that the sewerage system outside his house will not cope with the extra flows. He has noted that neither the company nor EA has commented on the proposed development.</i></p>	<p><b>Action:</b> <b>SWW</b> (para 5.59)</p>
5.61	<p>MT explained the role of water companies in new development and how this has changed over time. They are no longer statutory consultees but have an obligation to provide adequate sewerage for developments.</p>	
5.62	<p>SD said the company will discuss the customer's concerns with him after the meeting has finished.</p> <p>There was then a break in proceedings. Several attendees left the meeting after this.</p>	<p><b>Action:</b></p>

5.64		SWW (para 5.62)
6.	<p>Progressive charging group discussion</p> <p>6.1 MT explained the background to the company’s considerations and proposed trials on progressive charging. He explained that this session was designed to obtain thoughts and feedback on them from attendees.</p> <p>6.2 LF gave a short presentation on the background to progressive charging and the company’s current thoughts. She explained that ‘fair’ charging as well as progressive charging was the objective. She added that the trials proposed in North Devon are possible because smart meters are already installed in many areas. It is hoped that through the trials the benefits of progressive charging to customers in North Devon will be evident.</p> <p>6.3 LF described the three progressive options the company is considering:</p> <ul style="list-style-type: none"> <li>• A – A rising block tariff to incentivise people to use less water.</li> <li>• B - Seasonal tariffs to reflect higher usage in the summer when visitors come in. The aim would be to rebalance charges between seasons. The objective is to take away the peak summer demand currently experienced.</li> <li>• C- Seasonal tariffs keeping the underlying tariff similar across the year with higher usage levels above the average in summer costing a premium.</li> </ul> <p>6.4 LF stressed that the company would continue to provide support tariffs throughout.</p> <p>6.5 LF said the progressive charging trial is endorsed by Ofwat and CCW.</p> <p>6.6 <i>Question: The company’s proposals appear asking ‘the condemned man to choose the size of his noose’. The customer asked if summer users are metered already. Why not introduce a tourist tax?</i></p> <p>6.7 LF replied that the company’s modelling shows that 90% of customers would see a lower bill under progressive charging. However, there is a need to balance business and domestic bills.</p> <p>6.8 MT added that the Panel sees that some users use significantly more water than others. The extra infrastructure cost to service this is high. Visitors will pay more under the proposals, the local consumer base less overall. Currently the disproportionate cost of serving large users is currently borne by all. Modelling shows that low income families will benefit.</p>	

6.9	<p><i>Question: Progressive charging is a good idea but is complicated. Additionally, larger families will be penalised.</i></p>	
6.10	<p><i>Question – Option A appears to be an administrative nightmare. How is the company going to manage and accommodate medical requirements, age and data protection issues?</i></p>	
6.11	<p><i>Question – The company must be prepared for a small number of customers to complaint strongly about progressive charging.</i></p>	
6.12	<p>LF answered these three questions by saying the company will look at occupancy levels and will balance charges accordingly. It is correct that there will be a large bill impact level for a small number if customers. There will always winners and losers but where a larger household is already water efficient it won't see a huge difference. The tariff boundaries will be set to reflect this. The trails will also help understand any unintended consequences.</p>	
6.13	<p><i>Question. How will progressive charging work without compulsory metering?</i></p>	
6.14	<p>LF replied that compulsory metering is only permissible in areas where water is scarce.</p>	
6.15	<p><i>Question: Will medical cases be included in the trial?</i></p>	
6.16	<p>LF confirmed that such cases would not be included.</p>	
6.17	<p><i>Question: How would the summer period be defined?</i></p>	
6.18	<p>LF replied this would be from 1st April to 30th September.</p>	
6.19	<p><i>Question: Will the current standing charge still apply? Can the company consider a fixed cost based on consumption? Will it also consider holiday properties and ability to pay?</i></p>	
6.20	<p>LF said that the standing charge will continue. It reflects the administrative costs of supplying water. The company will be looking into the other aspects mentioned in the question.</p>	
6.21	<p><i>Question – What is the company's preferred option for progressive charging?</i></p>	
6.22	<p>LF replied that the testing will inform this.</p>	

<p>6.23</p> <p>6.24</p> <p>6.25</p>	<p>MT added that the Panel will be looking at the customer impact and what customers want. The work is being led by customers. PG added that trials help understand what customers want.</p> <p><i>Question - Second home owners may not be present for three months of the year.</i></p> <p>MT replied that the seasonal tariffs are intended to cover this.</p>	
<p><b>7.</b></p> <p>7.1</p> <p>7.2</p> <p>7.3</p>	<p><b>Close</b></p> <p>MT called the meeting to an end at this point. He invited attendees to pose further questions afterwards and to complete the company's questionnaire on progressive charging.</p> <p>MT thanked the attendees for coming and for the questions posed to the company. He said the Panel is constantly asking questions of the company, but customers add an extra and valuable perspective to the challenge process.</p> <p>The meeting closed at this point. Attendees were then able to question the company and the Panel further as people dispersed.</p>	