

MINUTES OF THE BOURNEMOUTH REGIONAL WATERSHARE + PANEL MEETING (PUBLIC)
Hilton Hotel, Bournemouth
2 July 2024

Present

Panel Members:

Richard Lacey (RL) – Chair of this meeting
Peaches Golding OBE – Deputy Chair, WaterShare+ Panel
Tony Denham

In attendance:

Customer attendees:

83 customer attendees

SWW Representatives:

Susan Davy – Group Chief Executive Officer (SD)
Andy Shorey – Head of Operations, Bournemouth Water (AS)
Laura Flowerdew – Group Chief Customer & Digital Officer (LF)
Louise Rowe – Compliance and ESG Director (LR)

Wessex Water Representative:

Julian Okoye – Commercial and Strategy Manager, Wessex Water (JO)

Independent Report Writer – Sophie Hooper Lea, Ebonstone (SHL)

Apologies:

Panel Members:

Lord Matthew Taylor – Chair (MT)
Nick Buckland (NB)
Carole Theobald (CT)
Ben Harper (BH)
Dinah Cox (DC)

Expert Advisors:

Kevin Ward – Environment Agency (KW)
Fergus Mitchell – Natural England (NE)
Catherine Jones – CCW (CJ)

SWW Representatives:

John Halsall – Group Chief Operating Officer (JHal)
Sarah Williams – Group Director of Regulation, Strategy and Net Zero (SW)
Richard Stanbrook - Director of Drinking Water Services at Bristol Water and Bournemouth Water (RS)
Dr Lisa Gahan - Director of Economics (LG)
David Harris - Group Drought and Resilience Director (DH)
Adele Barker – Group Chief People Officer (AB)

1.	Welcome and Introductions: Overview of WaterShare+	[Actions]
1.1	RL welcomed everyone to the Bournemouth Regional WaterShare+ Panel Public Meeting and invited attendees to visit the market stalls and stay for lunch after the meeting.	

1.2	RL talked through the agenda for the day, highlighted the importance of water quality and making reference to the cryptosporidium (crypto) outbreak that the company is dealing with in Brixham, Devon. He also mentioned the importance of water resources given that the climate is changing. In addition, RL stated that affordability and billing is important to everybody. In relation to questions sent in ahead of the meeting, RL stated that everyone who had asked a question will receive a written response from the company.
1.3	RL stated that WS+ is unique to SWW and all its constituent companies. He provided some background on the regulatory system run by Ofwat, which involves approving business plans submitted every five years by water companies. The current regulatory period ends on 31 March 2025. The Panel is monitoring the company in terms of its performance against Ofwat targets and challenging them as needed to ensure they meet expectations. The Panel is also looking at the new business plan for 2025-30, which begins on 1 April 2025. This has been submitted by the company, which is awaiting Ofwat's draft determination on 11 July 2024 (postponed for a month due to the general election). The Panel has attended many consultative meetings with customers over the five-year period and has ensured that the business plan represents customer interests. If Ofwat makes changes to the business plan submitted, the Panel aims to ensure those are in the customers' interest.
1.4	RL highlighted the Friday 20 September Customer Annual General Meeting (AGM) in Cornwall and invited everyone to attend.
1.5	RL explained that the Bournemouth event is the start of a different way of working for the Panel. The Panel has decided to have sub groups for the different regions, in order to provide a more local focus. This meeting for Bournemouth Water customers is the first of its kind and other regions including newly acquired Sutton and East Surrey Water (SES) will also have their own sub group. RL pointed out that the £200m investment in the two new major water treatment plans in the Bournemouth area would not have been possible if Bournemouth Water were still an independent company rather than part of Pennon Group Plc.
1.6	RL introduced himself and the Panel members (PG and AD) and company executives present (SD, LF, LR and AF). RL described how the Panel operates and the background of Panel members.
1.7	RL stated that, over last 6 months, the Panel has been working with company on the 2025-30 business plan. Panel members have commented on the company's research including alternative ways of charging to make charges fairer. They have challenged the company on year end performance and have full access to the company's auditors in order to check performance against Ofwat targets. The Panel has access to company documents and plans.
1.8	RL stated that the Panel's role in events like this is to facilitate the meeting between customers and the company executive so that customers can ask questions. RL reminded everyone that Bournemouth Water is a drinking water only company but highlighted that JO from Wessex Water, which

	provides wastewater services for the area, was available to answer questions and that SWW executives can also answer questions about wastewater services in other regions.	
1.9	RL stated that the Panel has raised 94 actions and issued 19 challenges to the company in the past year, all of which have been logged. This will be reported on in the Panel's Annual Report, to be published in September.	Action: Panel (para 1.9)
1.10	In addition to focusing on the upcoming Ofwat draft determination, the Panel will continue to look at the company's reaction to the weather situation as hosepipe bans were needed last year and, although the reservoirs are full at the moment, the summer may be hot and sunny. RL invited customers to ask the company questions via the website at any time. Not all water companies have an independent challenge panel, he said, and SWW is unique in having a customer share scheme.	
1.11	RL handed over to Susan Davy, the Group Chief Executive Officer of Pennon Group Plc.	
2.	Company Introduction	[Actions]
2.1	SD thanked RL and she welcomed everyone and thanked them for attending. SD stated that she and her colleagues work in the water sector because it is too important not to. SWW supplies water and wastewater services to many communities across the UK, which is a huge privilege and also a huge responsibility. She stated that she was pleased to have the opportunity to meet customers and hear their questions and also to have colleagues on the market stalls to talk through what the company is doing locally.	
2.2	SD thanked the Panel for their hard work and introduced the company executives present. SD stated that the company set up WS+ to make sure it is listening to its customers and acting on feedback. The Panel holds the company to account in challenging sessions to make sure that the company is doing its best for customers and the local community.	
2.3	SD provided background information on Pennon Group Plc, which covers a number of geographical areas in the South of the country. It is focused on drinking water and wastewater services and has recently acquired SES. It is a UK based and UK owned company with shares traded publicly. SD stated that the vast majority of the company's shareholders are customers, which makes the company different from other water companies. Having so many customers as shareholders helps to hold the company to account.	
2.4	SD stated that the focus of the day would be on Bournemouth Water and she then introduced AS to talk about local work and the company's focus on serving its customers top quality drinking water.	
3.	Investing in Resilient Water Quality	[Actions]
3.1	AS thanked SD and introduced himself as Head of Operations for Bournemouth Water. He identified two key challenges that customers are concerned about: water quality and making sure that the company has enough water for customers. He also invited attendees to talk to colleagues at the market stalls at the event.	
3.2	AS described how SWW is investing £200m in water treatment plants in the	

3.3	<p>Bournemouth area and talked about the two main sources of water in this geographically large area: the Avon and Stour rivers. He talked about two major new water treatment plants that are under construction in the area. Alderney will serve the Bournemouth area while Knapp Mill will serve Christchurch and New Milton. AS stated that the River Avon has variable water quality and has had a period of heavy, turbid water. The new treatment centre will be able to manage this and will bring other benefits including around 100 new jobs in construction in Christchurch.</p> <p>AS talked about the ongoing construction of Alderney treatment plant, which is designed to cope with current and expected future water demand. Alderney will use ceramic membrane technology that ‘polishes’ the water and provides a permanent barrier against crypto, which customers are concerned about following the incident in Brixham. AS outlined the next steps in construction and highlighted that none of the water will be going to supply until the company is 100% confident that it passes all tests. Knapp Mill is based on the same design as Alderney and work will start on building the membrane for that as soon as the membrane for Alderney is finished. AS stated that the company is continuously investing in infrastructure and highlighted that work is also underway at Woodgreen treatment works in Fordingbridge.</p>	
4.	Water Resources – Our Future Plans	[Actions]
4.1	AS went on to talk about ensuring the company obtains enough water from nature for customer demand. The company currently obtains water from the River Avon, the River Stour and bore holes. AS talked about working with the Environment Agency to reduce abstraction and further protect the environmentally designated River Avon in Hampshire, 800 metres of which is deemed to be of concern and has low water flow. AS talked about the fact that the new treatment plants will waste less processed water. He also discussed the possibility of a new water treatment plant in the Mendips in a joint project with Wessex Water to ensure sufficient future water supply.	
4.2	AS highlighted that, while the company is minimising leakage and trying to make best use of resources, customers also have a role to play in reducing demand for water. He talked about the success of previous campaigns to get people to turn off the tap when brushing their teeth and the company’s Every Drip, Every Drop campaign. AS stated that around 85% of customers have water meters and that these will be compulsory in the future and that the company will be installing 100,000 smart meters.	
4.3	AS handed over to LF to talk about customers.	
5.	Supporting Customers with Affordable Bills	[Actions]
5.1	LF thanked AS, introduced herself and stated that it was good to see so many customers in attendance to hear and challenge what the company is doing.	
5.2	LF highlighted the need to provide clean, safe water at a price that is affordable and investing in assets to deliver an ever-improving water service. LF stated that the company is very aware of the cost-of-living crisis and that affordability is more important than it ever has been. LF stated that	

	<p>Bournemouth Water bills will stay stable in real terms for the next five years. Bills for the drinking water only service provided by the company will be £11 per month in 2024-25, rising to £14 per month by 2030. This is a small increase to cover investing in assets for the future and looking after the environment, but the company is delivering the investment needed for as low a price as possible.</p>	
5.3	<p>LF talked about upcoming 'progressive charging' trials in the Bournemouth areas. These will trial new types of tariffs to make bills as fair as possible, giving customers good value for using water efficiency and helping to reduce demand. Usage will be matched to bills and smart meters will help customers to manage water consumption.</p>	
5.4	<p>LF also talked about the additional support needed for some customers and how the company works in partnership with local communities, charities and advisory services such as the local Citizens Advice Bureaus. Using a meter results in a cheaper bill, there are support tariffs in place for those struggling to pay bills and the Fresh Start scheme helps those in debt. The company is committed to doing more of this work going forward and wants water to be affordable and accessible for everybody.</p>	
6.	Your Questions	[Actions]
6.1	<p>RL handed over to PG to chair this part of the meeting. PG thanked RL and reiterated the priorities of the company to provide clean, drinkable water and enough water.</p>	
6.2	<p>PG referenced a question she had been asked during the break about how the various parties involved in the water cycle (from abstraction to the processing of clean water and wastewater) link up and work together. In addition, who are the regulators and how do we know if they are effective? SD responded that, as with anything to do with infrastructure, there are a lot of organisations involved. She gave the example of a new reservoir that involves the organisations that own the land, those who protect habitat and biodiversity, and those involved in building new homes such as the local authorities and councils. SD stated that the company is held to account by the Panel on behalf of customers and held to account by the Government, including regulators the Environment Agency, the Drinking Water Inspectorate and the Consumer Council for Water. Companies report into DEFRA and have regular meetings with secretaries of state, etc. Plans on waste, drainage and water resources are 25-year plans and the company has to ensure that it is delivering everything that it is supposed to do, which includes government priorities. PG thanked SD and asked attendees for any other 'big picture' questions on similar themes.</p>	
6.3	<p>Question from Customer 1, who is an angler and had asked a written question in advance about statutory obligations, communication protocols and performance reporting. He asked how the five-year business plans relate to longer projects or issues such as building a reservoir or population growth. How long does it take to build a reservoir. PG replied that it takes 20-25 years because of planning. SD thanked the customer for the question and stated that water resources and other areas require 25-year plans. For these, the company looks at what is needed, assesses options and then</p>	

	<p>proposes a plan to the government, which is then signed off and continues in the background alongside the five-year business plans. SD gave an example of wanting to reduce abstraction from the areas such as chalk streams while being aware that reservoirs also have significant environmental impacts. Long term plans are needed to understand how to obtain the water that will be needed for local communities in the future. SD gave the example of how the company is repurposing former mines and quarries in Cornwall that act similarly to a reservoir, and that there are other opportunities like this across the country, for example Godstone Quarry in the SES region. SD also reiterates the importance of encouraging and helping customers to use less water, which is good from an environmental and a customer affordability perspective. SD stated that the company is looking at various resources such as a possible reservoir in Bristol and that desalination is already taking place on the Isles of Scilly.</p>	
6.4	<p>Customer 2 asked what is happening at Boscombe Pier, where there are rotting pipes and effluent going into the sea. JO from Wessex Water responded that he had spoken to customer 2 earlier and looked at the sewage outfall on a map. The sewage outfall is far out at sea and so this is not related to storm overflow and is much more likely to be surface runoff from the highways, which is not something the water company is involved with. JO stated that he welcomed questions from attendees and provided details of how to find out about storm overflows and investment plans, etc. Customer 2 asked why the press were not at the meeting. LF responded that the company tries to be as open and transparent as possible and speaks regularly to the media, for example in relation to the Brixham incident. The event was publicly advertised and customers informed by email.</p>	
6.5	<p>PG asked attendees for questions on water quality and the availability of water in the taps as well as leakage.</p>	
6.6	<p>Customer 3 had a complaint about being charged for a leak that she has been told is outside her property and that she keeps asking the company to fix, but that it has not been resolved. AS stated that he was extremely sorry that something has gone wrong in this case. He said that jobs rarely get lost in the system and that most are identified, detected and resolved within five days. He stated that a colleague would come and find her after the event to resolve the issue. He highlighted that LF and team have provided In Your Shoes training for staff so they can understand what it is like to be a customer. AS stated that this has made a massive difference to customer service and had really positive results. The company requests instant feedback from customers and, if the customer gives the company a low score, then the issue is escalated and addressed. Most scores are above seven and the company works hard to learn from issues and proactively listen. AS apologised again to the customer.</p>	
6.7	<p>Customer 4 asked how many of the Panel drink bottled water rather than tap water. PG asked all Panel members and company executives on the stage and all responded that they drink tap water.</p>	
6.8	<p>Customer 5 asked when the new, polished water from Alderney will be available in taps. AS stated that Alderney is very close to completion. The membrane will be delivered in October and everyone is working really hard</p>	

	<p>to deliver the scheme. He noted that the company will be fined by the regulator if it is late. He stated that the scheme was started in 2019 but lost time because of Brexit and Covid, but all work streams are going at full pace and the delivery date is between December 2024 and December 2025. PG asked how the company keeps control of all the variables in a highly complex project like this. AS stated that the company took a two-pronged approach – undertaking work on site and also having the membrane built offsite so those processes can work in parallel and the scheme can be finished quicker. He commended the very talented project manager on the project and stated that the steering board is updated on a daily, weekly and monthly basis to hold all parties to account. AS described how complex the process is and how much time is spent on management of resources and contractors.</p>	
6.9	<p>Customer 6 stated that his water filters are clogging up much more quickly than in the past and asked if that will change when Alderney is complete. AS stated that operations haven't changed – the water is coming from the same source, through the same treatment works so he wouldn't expect a change in filter performance or water quality although there might occasionally be a taste difference as the water can come from the reservoir or a bore hole. He invited the customer to speak to a colleague on the water quality stall.</p>	
6.10	<p>Customer 7 stated that there is huge demand for additional housing in Fordingbridge with an additional 2,500 additional houses planned, which will double the size of the village. Where will this water come from if the company is abstracting less from the River Avon? He also asked about the company taking less water from bore holes and the environmental impact of taking underground water. AS stated that the abstraction license for the bore holes is not changing, so that will not reduce. The amount they take is variable and depends on need, and they will also be able to transfer water from Knapp Mill in future. AS stated that the company is looking at the 15-year development plan from the local authority and at national statistics in order to have an idea of the growth in water demand in the future.</p>	
6.11	<p>Customer 8 talked about issues in the media in the US and lack of investment in public services in the UK. Are there issues here, what is the composition of the local pipe scheme and what testing is done? PG asked AS to respond, focusing on what the company is investing in, how we know the water pipes are clean and who is testing our houses. AS stated that every water treatment plant is tested for water quality daily with samples analysed at a laboratory in Exeter. Weekly samples are taken at storage reservoirs and randomised sampling also takes place within customers' homes. Problems in the domestic system are nearly always customer plumbing issues but the company take up and downstream samples and mains samples to check. The company must report issues to the Drinking Water Inspectorate as well. AS also talked about the number of large-scale projects underway and how these are funded, including how the company decides when to replace water mains. SD stated that there has been £1.7bn overall in investment with around £800m on average per year spent on water suppliers. There will be £2.8bn investment in the next five years with just over half of that on water.</p>	

6.12	Customer 9 asked about numbers not adding up on the company's water resources plan. AS clarified by stating that the reduced abstraction on the River Avon is for low flow periods, not the entire year and that the abstraction license for the River Stour allows more abstraction than currently used. The company knows that it will need to find more water for the Bournemouth area, the Mendip Quarry will not become available until 2035 and other projects are being looked at. AS stated that the company is working with the Environment Agency on how to ensure customers will have the water they need. AS also mentioned 'charging' aquifers by pumping water into them and that the company is looking into this.	
6.13	Customer 10 asked about the reliability of water testing. PG replied that testing is conducted up and downstream and that the laboratories that water companies use are accredited and audited to ensure training of staff, chain of control, etc and that results are checked and validated.	
6.14	Customer 11 asked about how we can educate and get young people on board with regard to water saving and what the company's plans are. PG responded that the company does a lot of work on this and asked LF to respond, who said that the company does a lot but is always looking for future opportunities because educating children on the environment and the importance of the water cycle is critical. The company employs an ex-teacher to engage with thousands of primary school students every year on water efficiency and habit change. The company also does a lot of research with customers and also with a Youth Board, who represent future customers. LF talked about the company's Every Drip, Every Drop campaign and the provision of free water saving devices, water meters, etc to educate children and everyone else.	
6.15	PG thanked those who asked questions and, as there was not time to answer all questions, she suggested that attendees talk to company staff and executives over lunch and at the market stalls. PG then brought the question session to an end and handed over to RL and SD to close the meeting.	
7.	Presentation Close and Thank You	[Actions]
7.1	RL concluded by highlighting that companies in the water industry are now working together on the issue of how to make sure that there is enough water in the right places. He gave the example of working with Wessex Water and thanked JO for attending. RL thanks the company staff and executives as well the Panel members in attendance. He also highlighted that customers can get in touch with the company at any time.	
7.2	SD closed the meeting by thanking everybody – her colleagues at the company, the customers who attended and the Panel.	
7.3	The next public meeting will be the Customer AGM in Cornwall on 20 th September 2024.	