

## MINUTES OF THE WATERSHARE+ GROUP PANEL MEETING (PUBLIC)

Held by video conference on  
2 December 2024 at 2:00pm

Present:

**Panel:**

Lord Matthew Taylor, WaterShare+ Panel Chair  
Peaches Golding OBE, WaterShare+ Panel Deputy Chair  
Nick Buckland OBE  
Louise Coulton  
Dinah Cox OBE  
Steve Crabb  
Tony Denham  
Ben Harper  
Richard Lacey  
Carole Theobald  
Alison Thompson

In attendance:

**Customer attendees:**

31 customer attendees

**Company representatives:**

Susan Davy – Group Chief Executive Officer  
Adele Barker – Group Chief People Officer  
David Harris – Managing Director of Water Services  
Richard Price – Managing Director of Waste Water Services  
Louise Rowe – Compliance and ESG Director  
Carolyn Cadman – Director of Natural Resources

**External advisors:**

Cath Jones, CCW (from 2.30pm onwards)  
Fergus Mitchell, Natural England  
Kevin Ward, Environment Agency

**Meeting secretary:**

Sophie Hooper Lea

Apologies:

Sarah Williams – Chief of Strategy and Regulation

1.1	The Chair welcomed attendees to the meeting. He highlighted the aims of the Panel in challenging the company on behalf of customers and scrutinising current operations and future business plans. The next five-year business plan period starts in April 2025 and economic regulator Ofwat will publish its final decisions on water company business plans and pricing later in December 2024. The Chair explained that WaterShare+ is unique in the water industry (slide 4). Most water companies have some form of customer panel, but not all of them involve the panels in both scrutinising and challenging on delivery of the current plan, designing the next business plan and assessing how it reflects customer preferences. In addition, Pennton is the only water company with a customer share scheme which the panel oversees. The Panel is recognised by Ofwat as an Independent Challenge Group (ICG). The Chair described how the Panel operates (slide 5) and the findings of the 2024 Annual Report, as described at the recent Customer AGM (slide 6).	
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1.2	The Chair noted that sewage pollutions are a major issue for water company customers across the country, but he emphasised that Bristol Water, Bournemouth Water and SES Water are drinking water only companies. South West Water provides sewage services as well as drinking water. The Chair stated that specific questions about waste water issues will be passed on to the relevant company. For example, Wessex Water provides waste water services for Bristol Water customers.	Company
1.3	The Chair described some of the Panel's recent areas of focus (slide 7), such as the cryptosporidium outbreak in Brixham, storm overflows and progressive charging trials to make bills fairer and to encourage customers to use less water. He also explained the background of the Government's £50 annual contribution to South West Water customers' bills. He noted that, despite the Panel's ongoing support for the continuation of the £50 contribution, the Government has decided to remove the contribution from 1 April 2025 onwards. For further information, please see: <a href="https://www.southwestwater.co.uk/household/help-support/financial-support#gc50">https://www.southwestwater.co.uk/household/help-support/financial-support#gc50</a>	
1.4	Finally, the Chair spoke about the Panel's ongoing focus on the coming year (slide 8). He then asked for brief introductions from WaterShare+ Group Panel members and the Panel's external advisors from the Environment Agency, Natural England and the Consumer Council for Water (CCW). The Chair highlighted that the Panel now comprises two members from each of the company's areas of operation: Cornwall, Devon, Bournemouth, Bristol as well as Sutton and East Surrey. These act as Chair and Deputy Chair for customer meetings and lead on challenge and customer research and feedback in these operating areas, in addition to their roles as members of the overall WaterShare+ Customer Panel.	
<b>2.</b>	<b>Approval of previous minutes</b>	<b>ACTION</b>
2.1	The minutes of the 15 May 2024 WaterShare+ Group Public Meeting were <b>APPROVED</b> by the Panel with no changes.	
<b>3.</b>	<b>Company presentation – Our Priorities (slides 10-14)</b>	<b>ACTION</b>
3.1	The Chair handed over to Pennon Group CEO Susan Davy, who thanked the Panel and external advisors for their work and thanked customers for attending the meeting.	
3.2	Susan provided background on Pennon Group regions (slide 10) and the four strategic priorities of the company (slide 11).	
3.3	Susan handed over to David Harris, Managing Director of Water Services across Pennon to explain how the company is prioritising building water resources and improving water quality (slide 12).	
3.4	Susan then handed over to Richard Price, Managing Director of Waste Water Services for South West Water to explain about the company's approach to tackling storm overflows and pollution (slide 13). This is a key area of concern for customers and an area in which the company recognises that it still has much work to do to improve the situation. Richard also spoke about the company's approach to its priority area of driving environmental gains through protecting and enhancing the environment.	
3.5	Susan Davy then handed over to Adele Barker to talk about the company's work on the priority area of supporting affordability and delivering for customers (slide 14). Adele also highlighted that the company is planning to expand its WaterShare+ customer share	

	scheme and that the company has a goal of zero customers in water poverty by 2025, which is five years ahead of the industry's target date.	
<b>4.</b>	<b>Questions &amp; answers</b>	<b>ACTION</b>
4.1	The Chair introduced the question and answer section of the meeting, drawing on the questions submitted by customers. Whilst not all questions could be asked in person today, all customers would receive a specific response by email. The Chair said he would start with questions about waste water and pollution, noting that whilst the highest priority for customers is clean, fresh, safe tap water, as most customers already have this the most significant issue for customers is pollution levels and discharges from storm overflows. He stated that this meeting provides an opportunity for customers to ask why the company is not meeting its targets in this area and how it is tackling this highly contentious issue.	
4.2	Customer 1 was asked to put their question, asking why water quality monitoring is not taking place in Mount's Bay and other areas despite people increasingly swimming all year round. Why are the monitoring stations being turned off over the winter months despite the local storm overflow pipe discharging often? Kevin Ward of the Environment Agency asked to respond first, making the distinction between monitoring of storm overflows undertaken by companies (which companies are required to continue throughout the year, including during winter months) and the water quality sampling that the Environment Agency undertakes. The Environment Agency monitoring is only conducted during bathing water season because of cost and resource issues, but there are trials underway as to whether to continue monitoring water quality during the winter months. Kevin invited attendees to read the latest Environment Agency report on this: <a href="https://www.gov.uk/government/statistics/bathing-water-quality-statistics/2024-statistics-on-english-coastal-and-inland-bathing-waters-a-summary-of-compliance-with-the-2013-bathing-water-regulations">https://www.gov.uk/government/statistics/bathing-water-quality-statistics/2024-statistics-on-english-coastal-and-inland-bathing-waters-a-summary-of-compliance-with-the-2013-bathing-water-regulations</a> . Susan Davy then stated that the company is investing in redesigning the system so that it can end storm overflows but that it will take 15 years to accomplish that. She talked about the company's focus on bathing beaches first, as these are prioritised by customers. Susan reiterated that the company monitors storm overflows all year round and stated that attendees can find real-time data and local improvement plans on the company's website – <a href="https://www.southwestwater.co.uk/environment/rivers-and-bathing-waters/waterfitlive">https://www.southwestwater.co.uk/environment/rivers-and-bathing-waters/waterfitlive</a> .	
4.3	The Chair then invited Customer 2 to ask the question he had raised in advance of the meeting about what the company is doing about sewage discharge in clean waters. Technical issues meant that Customer 2 was unable to speak in the meeting so the Chair invited Customer 3 to ask his very similar question, which was about the company's plan on storm overflows and when the company will get to zero overflows. The Chair highlighted the distinction between what are technically classified as pollution incidents, which happen when something goes wrong, and storm overflows which normally operate on a regulated basis as part of the system design. Customers would prefer storm overflows not to happen at all and they are, in ordinary language, also seen as pollution. Susan Davy explained that storm overflows are used around the world and she explained how they work like an overflow in a sink to prevent homes and businesses from being flooded with sewage when the system is overwhelmed during periods of heavy rainfall. For further information, see <a href="https://www.southwestwater.co.uk/storm-overflows">https://www.southwestwater.co.uk/storm-overflows</a> . Susan explained the historical context of storm overflows which were until recently designed into the UK and other countries waste water systems as road and other drainage taking	

	rain water flow into the sewers by design. Whilst new developments separate these drainage systems, tackling the legacy of older systems will take significant investment over time as to resolve this issue, water companies need to invest in redirecting run off from homes, roads, etc away from the sewage system. Richard Price then spoke about the company's plans for tackling the company's 291 storm overflows in the South West Water region including a focus on getting overflows down to less than 10 overflows per season while also protecting properties and businesses, tackling the worst cases and those impacting bathing beaches as the top priority.	
4.4	As a former South West Water employee, Customer 4 highlighted historical problems, stating that many sewers are over 100 years old, are leaking, need to be relined, are in a very poor state of disrepair and require investment. He also pointed out that separating sewage from run-off will be extremely costly. Richard Price responded by talking about the company's business plan for the next five years - <a href="https://www.southwestwater.co.uk/about-us/business-planning/business-plan-2025-30">https://www.southwestwater.co.uk/about-us/business-planning/business-plan-2025-30</a> - and the importance of keeping rainwater out of the sewage system through solutions such as taking a nature first approach and surface water separation. He also talked about how the company manages its sewers and targets those with a high propensity for blockages and collapses.	
4.5	Customer 5 explained how Bristol Water had identified that he had a leak at his property. He was happy with the allowances made and stated that he received good customer service but, when he asked for a smart meter to be fitted to avoid similar problems in the future, he was told that the company could not provide him with a smart meter. The Chair asked to return to this question later as he would be dealing with clean water in the next section – see 4.11 below.	
4.6	Customer 6 thanked the Panel for holding the meeting and said that it was refreshing to see a water company wanting to speak to its customers about this. She challenged the company on its explanation that these issues are historical ones because this must have been known for a long period of time and, during that time, water companies have been paying out vast sums of money on debt restructuring, dividend payments and executive bonuses. She stated that, for customers to understand whether it is reasonable that companies have not made those investments, they need to know whether the company has been managed properly or whether the investments should have been made earlier. She asked the company to provide this information. The Chair invited Customer 7 to also ask his question on this topic so the company could respond to both. Customer 7 stated that customers expect safe drinking water and for companies to deal with sewage but that the company has performed extremely badly on that in 2024 in relation to the Brixham cryptosporidium outbreak, numerous pollutions and accusations of illegal sewage discharges. He asked if the Board were considering resigning and, if not, why not? The Chair thanked Customers 6 and 7, stating that a lot of customers are asking these questions. He then invited the company to respond.	
4.7	Susan Davy thanked the customers for their important questions. She highlighted that she has worked in the water sector for a long time and, when the water companies were privatised, the prospectus at the time detailed everything that had to be done in the coming decades. At that time, there was some screening but no waste treatment whatsoever, so all raw sewage was discharged into the sea or sometimes waterways. Rainwater was deliberately channelled into the system to dilute the raw sewage but is now the cause of storm overflows. The top priority for investment following privatisation	

	<p>was to treat all sewage for the first time, with an understanding that the design of the storm overflow system would need to be addressed at some point in the future. The company has since spent billions of pounds putting in sewage treatment, which is now universal, and is now investing in reducing storm overflows. Susan also explained the company must pay a return for the money borrowed from banks and shareholders to undertake the 'clean sweep' programme that built the sewage treatment plants, just as individuals have to pay interest on mortgage payments. The investment was funded this way to spread the cost to customers over a long period of time so customer bills are not impacted all in one go which would have been unaffordable for customers. She highlighted that these returns given to shareholders and banks are regulated and reviewed by Ofwat and both are at similar levels as interest rates we pay for mortgages. Susan explained that two thirds of water company investment is raised from investors this way, and about one third is paid direct by customers. The company needs to pay returns to continue to secure the significant levels of investment needed.</p>	
4.8	<p>Customer 6 stated that it is very hard for a customer to know whether the company's explanation is sound. She asked for information to be provided clearly and simply so that customers can understand it, providing details of how the company has been funded to date with an explanation of private equity, debt, other investment plus bonuses and dividends paid. Susan Davy stated that the company will take on this challenge and will find a way to explain how the company is financed in a simple and clear way that is transparent and easy for customers to understand. The Chair and Susan highlighted that the company is a publicly listed company which anyone can buy shares in, which requires a higher level of transparency than most water and sewage companies which are privately owned. About two thirds of investors are pension funds, charities, plus almost all employees and tens of thousands of customers also hold shares in the company.</p>	Company
4.9	<p>Susan Davy stated that she understands the strength of feeling shown by customers and that the company has a lot to do for the region it serves, but that company employees really do want to do the best they can for their communities. In terms of why the Board have not resigned, Susan stated that Board members want to deliver for their communities. She explained that things go wrong – for example at Brixham and with storm overflows in Exmouth over the summer – but that the company is fully focussed on trying to avoid incidents and on fixing issues as soon as possible. Susan also noted that she has not taken an annual bonus for the last two years. The Chair noted that the Panel does scrutinise bonuses and incentives, but that they are set by the company board. The Panel strongly encouraged the company to base bonuses on what matters to customers rather than shareholders. He stated that most rewards are now aligned with customer priorities and only paid when these are delivered, a change which the panel have welcomed. He also noted most incentives are paid in shares which must be held for a period of years before being sold, so executives are invested in the long-term success of the company in delivering on customer priorities.</p>	
4.10	<p>The Chair said he would now move on to questions about water resources including how to save water and leaks. He noted that desalination is an issue for customers, but that this was covered in the recent WaterShare+ Regional Public Meeting in Cornwall in November 2024 and, due to lack of time and to allow other issues today to be raised, would likely not be covered at this meeting but answers would be sent direct to those customers that had raised this issue.</p>	

4.11	<p>Customer 8 was invited to ask their question first. They asked what programmes the company has in place to help customers to reduce water use. The Chair asked the company to respond to this question and the earlier question from Customer 5. Susan Davy stated that it is very important to support customers with this and asked colleagues to respond. David Harris talked about the company's focus on both improving the resilience of water supplies for the future demand as well as on reducing the demand for water, which includes encouraging and assisting customers to use less and fixing leaks. In terms of encouraging and assisting customers to save water, the company supplies free water-saving devices such as leaky loo strips, water butts and shower timers (for more information see: <a href="https://www.southwestwater.co.uk/household/your-services/save-water">https://www.southwestwater.co.uk/household/your-services/save-water</a>). David also talked about the company's focus on tackling leakage and the ways in which it identifies and fixes leaks. The next five-year business plan will focus even more on leakage and the company will be installing 560,000 new smart meters across all areas from early 2025 onwards. David noted that Bristol Water is industry-leading in terms of low leakage levels. Adele Barker added that around 400,000 water saving devices have been handed out to customers in the past year and that the company also has a schools' programme that educates children on how precious water is. Adele described the progressive charging trials that have recently started with around 3,500 customers. These are at a very early stage but the company hopes that these trials will identify tariffs that can reward customers for saving water and make water bills fairer, for example for those in areas with a lot of tourists.</p>	
4.12	<p>In relation to smart metering, David Harris explained that the company is currently procuring meters and developing systems and technology capabilities. Panel member Dinah Cox asked if meters are available for all customers, including those in rural areas with weak internet or mobile signal. David agreed that there are technical challenges with rural areas but that the company will be rolling out meters in all regions, having started with Devon. Customer 5 thanked the company for the clear response and highlighted that he is interested in monitoring leaks with a meter but also reducing water usage. He is also interested in whether the company can reward customers for reduced usage or for using water at cheaper, off-peak times, if that is relevant in water supply in the same way as it is in energy.</p>	
4.14	<p>The Chair moved on to the key issue of affordability, which several customers had raised. Adele Barker talked through the range of help available to customers, including those in financial difficulty or those who need extra water for medical reasons. She highlighted that the company will be offering a £200m package of support to customers in the next five-year business plan period and that the company is working very closely with CCW on this. Cath Jones of CCW added that her organisation sees Pennon Group as industry leaders and she highlighted that the company has made a commitment to ending water poverty by 2025. Cath Jones stated that it is vital that investment in infrastructure does not come at the expenses of people not being able to afford water.</p>	
<b>5.</b>	<b>Thank you and close</b>	<b>ACTION</b>
5.1	<p>The Chair thanked the customers for their excellent questions He apologised to those who did not get the opportunity to ask their questions in the meeting. He invited them to raise further questions after the meeting by email, confirming that the company will provide a response to all questions raised. The Chair also thanked the Panel for their hard work and for attending the meeting to listen to customer concerns. He pointed out that not many water companies regularly year in year out put themselves in front of customers at</p>	



	meetings of this sort and he thanked Susan Davy and the executive team for their attendance and cooperation. The Chair highlighted that whilst today the focus was on enabling direct customer challenge, the Panel itself holds regular meetings with the company to robustly challenge the company and requests extensive information to support it in holding the company to account on behalf of customers.	
5.2	<p>The next public meetings are as follows:</p> <ul style="list-style-type: none"> <li>WaterShare+ Regional Public Meeting in Devon (location tbc) from 10:00am – 12:00 noon on 30 January 2025.</li> <li>WaterShare+ Group Public Meeting online from 10:00am – 1:00pm on 25 February 2025.</li> </ul>	
5.3	After the meeting and in response to the smart meter discussion, the Panel asked the company to provide further details of water meter installation plans in 2025-2030 including rationale; an explanation of what counts as 'smart'; how and when non-smart meters will be upgraded and cost breakdowns, particularly in relation to the installation of non-smart meters that will need to be upgraded later.	Company

**Customer names - not to be included in final minutes:**

Customer No	Name	From
Customer 1	Richard Stoke	Penzance
Customer 2	Ibrahim Bassiouni	Bournemouth
Customer 3	Reinhard Lindner	Bournemouth
Customer 4	Archie Bonker	Plymouth
Customer 5	Yousif Faily	Bristol
Customer 6	Julia Davies	Bournemouth
Customer 7	Rod Saxby	Exeter
Customer 8	Bob Sheikh-Kitchin	Bournemouth

**WATERSHARE+ GROUP PANEL PUBLIC MEETING**  
2 December 2024 at 2:00pm

**Actions/Matters Arising**

Action No	Meeting Date	Ref	Action	Owner	Comment / Target date
531	02/12/24	1.2	Company to pass on questions from Bristol Water and Bournemouth Water customers to the relevant company that provides waste water services – Wessex Water and Southern Water.	Company	
532	02/12/24	4.18	Company to find a way to explain how the company is financed in a simple and clear way that is transparent and easy for customers to understand (infographic was requested).	Company	
533	2/12/24	5.3	After the meeting and in response to the smart meter discussion, the Panel asked the company to provide further details of water	Company	

			meter installation plans in 2025-2030 including rationale; an explanation of what counts as 'smart'; how and when non-smart meters will be upgraded and cost breakdowns, particularly in relation to the installation of non-smart meters that will need to be upgraded later.		
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