

**PORTSMOUTH WATER Ltd
CUSTOMER CHALLENGE GROUP
WEDNESDAY 7 NOVEMBER 2018**

ATTENDANCE: Charles Burns (Federation of Small Businesses), Karen Gibbs (CC Water), Doug Hunt (Atkins), Lakh Jemmett (Chairman), Caroline Brook (Winchester City Council), Ingrid Strawson (CCWater), Douglas Kite (Natural England), Simon Oakley (Chichester District Council), Jon Stuart (Havant & District CAB), Raife West (Havant Housing Association), Deborah Urquhart (West Sussex County Council), Jane Day (Secretary), Steve Morley, Helen Orton, and Heather Benjamin.

APOLOGIES: John Hall (John Hall Consulting), David Howarth (Environment Agency), Andrew Lee (South Downs National Park), Paul Barfoot and Neville Smith

		ACTIONS
1	<p>CCG Private Session</p> <p>LK LJ confirmed there was nothing to report back from the members private session that would not be covered in the meeting.</p>	
2.	<p>Minutes</p>	
2.1	<p>Minutes from the Meeting held 16 August 2018</p> <p>DK noted that some words are missing at the end of the first paragraph 1.2. SM agreed to amend the minutes.</p> <p>Apart from this amendment, the minutes were agreed.</p>	SM
3.	<p>PR19 Business Plan</p>	
3.1	<p>Update – including PCs</p> <p>HMGO thanked the CCG for all their valuable support in preparing the Business Plan. Having time to reflect, after such a busy few months, PW have really benefited from the specialist knowledge and constructive challenge provided by the CCG. This was very much appreciated by the management.</p> <p>HB stated that from a board perspective the process had also been extremely helpful.</p> <p>SM continued that we do not underestimate the time and commitment it has taken to help us produce our Business Plan on 3 September. Since that date there has been very little Ofwat activity; we have received 30 queries to date.</p> <p>The Ofwat assessment of plans is scheduled for 31 January 2019. HMGO stated that whilst we had not yet received any feedback from Ofwat yet as to what category would be placed, it is clear from the presentation the Company gave on 21 September that the focus is on Havant Thicket and how our customers will be safeguarded against any cost impacts.</p> <p>SM reported that at this present time there is no detailed timetable for 2019. As soon as we receive any dates these will be shared with the CCG so we can all plan for next year.</p> <p>PR 19 Performance Commitments</p> <p>SM discussed the performance commitments proposed by the Company in its Business Plan.</p>	SM

SO questioned the catchment management ODI. SM explained that we have a legal commitment, as part of our WINEP, to engage with farmers in our Nitrate Sensitive Zones. This ODI is to engage with other farmers in our area, and is thus over and above the legal requirement. The objective is to enhance the local biodiversity through this engagement. DK highlighted that many farmers are often quite isolated and it will possibly take some time for them to adapt their behaviours.

3.2 Company Video

SM showed the Company video accompanying its Business Plan. It was noted that all companies have produced a video. All videos can be found on the Ofwat website.

IS questioned whether after viewing other Business Plans did the Company feel it had left anything out? HMGO replied that whilst we have not reviewed all other plans in detail, there was nothing we felt had been omitted.

4. Water Resources Management Plan

4.1 Exec Summary

SM stated that following our successful consultation, the Company had prepared and published its Statement of Response. This responds to all of the stakeholder comments we received in the consultation process, which finished May 2018.

A revised WRMP has also been prepared and submitted to Defra. We hope the plan will be approved by the Secretary of State before the end of 2018/19.

4.2 Havant Thicket

Simon Hughes, (Stakeholder & Environment Lead for HTWSR Project Team) joined the meeting.

SH updated the CCG on the Havant Thicket Project. He explained that there is a requirement for extra water resources in the South East of England. Southern Water, in particular, require extra water resources and that this is an innovative project working alongside Southern Water. Ofwat are extremely keen on the plan, as it demonstrates collaboration and water trading principles.

The project will also align to PW culture and customer expectations, The Havant Thicket reservoir will be a local "green resource" where people can enjoy the peace and quiet of the countryside. We will ensure that the construction work does not impact the local community significantly.

SH stated that some woodland would be lost whilst developing this project but we will endeavour to maintain and deliver high quality habitats on site with a significant wetland habitat as part of the reservoir. The plan is to have a 25 year site Management Plan.

SH explained that careful coordination is required to the planning approach so no major roads are impacted or business lost. There will be two planning committees involved, given the site is in both East Hants and Havant areas. Havant BC will take the lead.

LJ questioned whether, when the project moves forward, construction will have a negative impact on the local community? SH responded that we are about to appoint a Principle Designer in January 2019 who will need to demonstrate the impact of the construction on the local community. It is likely that the embankment will be constructed from the displaced soil, negating the need to transfer materials into the site.

LJ also commented that this is a wonderful opportunity for co-creation with the local communities to develop a site they want to visit. SH agreed this is part of our desire also.

SO questioned whether there is a safety issue with regards to the earth embankment and the possibility of dams failing? Reassurance needs to be given to residents. SH replied that there will be a Panel Engineers working continually on the project who will need to provide assurance on the integrity of the structure. This area is heavily regulated.

SO also questioned the benefit to resilience to elsewhere in the Company region and in particular the East area when Havant Thicket has been completed? SH responded that once the project has been completed PW can look at different options on how we run our supply network.

CB questioned who will be contributing towards paths, walkways etc.? SH replied that negotiations are currently taking place with the forestry commission, Hampshire County Council. Discussions are also being held with Staunton Country Park.

RW asked about the potential the health benefits, for example, run in the park. SH stated this would be considered in due course.

LJ questioned whether it is a fixed price contract? HMGO stated that it would be a gain/pain share arrangement.

5. PR14 ODI Performance

5.1. 2018/19 H1 Performance

The Performance for six months up to 30 September 2018 was discussed. Discussion focused on leakage after the high number of bursts after a long dry summer. It was also noted PW had again had lead failures affecting MZC, but on a positive note Water Quality contacts have reduced.

LJ requested another column to be included to show indicator arrows. This would be done for subsequent reports.

SM

Bob Taylor and Richard Keates joined the meeting.

5.2 Leakage Update

HMGO introduced the new Engineering Director, Bob Taylor.

BT explained why we are in the current leakage position and assured the CCG that PW are applying significant resource to attempt to meet the targets.

RMK explained that after the increased demand in the summer the board recognised it was possible that we would not meet the leakage target. Richard has been appointed to look at every avenue to achieve this target. He stated that this is an extreme challenge and there is a high risk we will not meet the target.

LJ expressed that leakage frustrated the CCG. We would like to see more advanced technology to help track leakage to help prevent this happening in the future. BT stated that we are currently investigating other methods to measure leakage to receive 'quality data'.

The CCG are pleased to see the use of more advanced technology, however we would like to see the use of these advanced techniques in the context of a coherent leakage plan that ensures the achievement of the ODI

BT stated that whilst there is a strategy within the business plan submission, we are consistently reviewing new techniques. At a future meeting we can show different ways we are addressing leakage.

RMK played a video to the CCG describing the use of satellite technology and explained that to date it had proved very productive. Further, we have also deployed 4,500 loggers.

CB questioned whether this would cover the whole area of supply? RK replied no. Loggers are deployed in areas where we haven't got any meters already installed.

BT

SM stated that there is a clear board objective to get leakage back on track this AMP.

It was agreed that BT would update the CCG on using sensor data at a later date.

RMK showed the CCG a selection of different sensors PW are currently using to locate leaks.

RMK & BT left the meeting.

5.3 CCWater Written Complaints (2017/18)

SM reported that CCW produce this report on statistics including reviewing complaints. PW are the best performing company, relative to others receiving 10 complaints per 10,000. This is very pleasing.

5.4 Monitoring Plan

SM stated that at the end of November PW will consult with customers and stakeholders on the data we publish on our performance. He asked the CCG if there is any further data it would like PW to publish? The consultation will be circulated to the CCG at the end of November.

IS stated that she thought that other water companies had focused more on affordability in their plans. Could PW include more information on the social tariff in its annual publications? SM commented that was exactly the type feedback we wanted from this consultation.

6 Any Other Business

Following the dry summer of 2018 the Company have been asked by Defra to provide its situation on water resources for 2019. SM explained the report entitled Water Resources Prospects 2019. It shows that with 80% of long term rainfall over the winter it is very unlikely the Company will need to introduce restrictions on customers in 2019.

The next CCG meeting (teleconference) will be confirmed via Doodle Poll for early February 2019, where the Company will update the CCG on the Ofwat assessment of its Business Plan.

TB

HMGO informed the CCG that Neville Smith our Managing Director has given his intention to retire in 2019.