Summary report

Autumn Accountability Session with Pennon Water Only Group

As part of CCW's Water Voice programme, Accountability Sessions allow community members to challenge water company performance, question senior representatives and agree actions to enhance customer experiences and drive meaningful improvements.

Accountability Session | Wednesday 21st October 2026
Report published: Friday 30th October

Community members from SES Water, Bristol Water and Bournemouth Water questioned senior Pennon Group representatives about executive bonuses, leakage and reliable water supplies.

The two Performance Review questions focused on linking bonuses to customer outcomes and reducing leakage ahead of hotter, drier summers. Members wanted greater transparency around bonus payments and more visibility of Pennon's work to tackle leaks. The discussion also highlighted the need to encourage customers to report leaks they see.

During the Q&A, members asked about lessons from the Gatwick supply interruption and sought a clear roadmap for the customer app. The following pages outline the discussion, company responses and customer requests.

Performance Review Q1: Exec bonuses

Members wanted executive bonuses to better reflect customer experience and service performance.

Pennon Group explained its existing scorecards and bonus controls. Members sought clearer information on how performance affects payments.

Performance Review Q2: Drought management, leakage and network resilience

Members challenged missed leakage targets while customers were asked to save water, seeking improvements before next summer.

They wanted Pennon Group to share more about its work to tackle leaks and repair progress. The discussion also highlighted the need to motivate customers to report leaks they see.

Q&A Q3: Gatwick outage

Members asked what went wrong during the incident and what had changed to prevent a repeat.

Pennon Group explained problems with power supplies and restarting treatment safely. It agreed to share lessons learned, the changes being made and progress on remedial work.

Q&A Q4: App

Members wanted to know when a customer app would be available, including a way to report leaks.

Pennon Group described an existing prototype and wider technology changes. A firm launch date was not given. The requested follow-up is a clear roadmap showing delivery stages and timings.

What is the purpose of this report and what happens next?

This report summarises the key discussions and actions raised by Water Voice community members during the **Pennon Water Only Group.** Accountability Session held **on 21 October 2026**. The actions outlined reflect the improvements community members would like **Pennon Water Ony Group** to make. These are community-led requests and do not represent confirmed commitments from the company at this stage. **Pennon Water Only Group** will create a formal action plan by **Monday 30 November 2026**, setting out its response to each action, what it intends to deliver and the proposed timescales.

CCW will then monitor progress against the company's commitments and provide monthly updates, allowing community members to see what has changed and continue to hold the company to account.

Performance Review

Actions that our community would like Pennon Group to commit to

Q1. What commitment will you give to changing the targets used to determine executive bonuses, so that measured improvements in customer experience and key service performance measures carry significantly more weight and reward?

Context from the session:

Members wanted **assurance that good customer service matters financially to Pennon Group**, particularly because household customers cannot choose another water supplier. Pennon Group described separate performance scorecards for its operating areas, overseen by its remuneration committee and the withholding of bonus elements where associated targets are missed. Some members found this reassuring, but others questioned whether partial payments were appropriate when important standards were not achieved. Members wanted to see the **priorities and weightings behind bonus decisions**, understand the **consequences of poor performance** and know whether customers ultimately bear the cost of service failures.

Regulatory and existing activity context:

Pennon Group explained that **separate performance scorecards are already in place for each area**, with remuneration overseen by its remuneration committee. It said at least **70% of annual bonus measures must relate to customer service and operational performance**, including environmental measures and that bonus elements are withheld when the associated targets are missed. Pennon Group also described increasingly demanding targets through to 2030, supported by investment and delivery plans to improve performance. It identified **improving SES Water's C-MeX ranking from around 13th to at least eighth** as a priority, with an ambition to reach the top quarter of companies.

New actions requested by community members:

1A. Publish scorecards and explain how performance affects bonuses

Publish the **performance scorecards on the website** in a clear, customer-friendly format, showing the targets, their weightings and actual results. Identify **which targets were missed and explain how this affected the bonuses** paid, reduced or withheld, so customers can see how service performance influences rewards.

1B. Carry out independent research and customer outreach

Carry out more **independent research** and **reach out more widely to understand customers' experiences**, including those who have not contacted the company directly. Use this feedback to identify where service needs to improve and inform the customer experience measures linked to bonus payments.

Performance Review

Actions that our community would like Pennon Group to commit to

Q2. What commitment will you give towards beating future leakage targets and what specific changes will you make to reduce leakage to help improve drought resilience before next summer?

Context from the session:

Community members questioned **missed leakage targets** while customers were being asked to save water. They welcomed Pennon Group's explanation of detection technology and proactive work, much of which they had not previously known about. The discussion also highlighted that **customers do not always report leaks they see**, suggesting a need for clearer guidance and greater encouragement to take action. Members wanted Pennon Group to share more about its work, provide clearer information on repair progress and explain how customers can help by reporting leaks. They also sought reassurance about future water supplies and support for vulnerable customers during interruptions.

Regulatory and existing activity context:

Pennon Group outlined its existing **use of network monitoring, satellite detection, pressure management and additional repair teams** to tackle leakage. It reported that Bristol Water had reduced leakage despite missing its target, with plans to expand monitoring and increase staffing. The company also described an **additional £200m investment** in leakage across the group, the rollout of smart meters and plans to **renew 209km of water mains** over the next five years.

New actions requested by community members:

2A. Show how Pennon Group is tackling leaks and encourage customers to report them

- Share **updates on Pennon Group's work to detect and repair leaks**, using a dashboard or similar summary to show progress and repair timescales. Include these on the website and bills to balance messages about what customers can do to save water with evidence of what Pennon Group is doing to tackle water loss.
- Use existing webpages offering water-saving advice to **encourage customers to report leaks promptly**, **presenting reporting as part of a shared effort** with Pennon Group to reduce water loss.
- With a straightforward reporting process already in place, the challenge is **motivating customers to use it**. To encourage customers to report leaks, introduce an **incentive programme**. This could offer a cash reward, bill credit or other financial incentive to the first person to report a leak.

Q&A

Actions that our community would like Pennon Group to commit to

Q3. Following the Gatwick outages, what exactly went wrong and what have you changed as a result?"

Context from the session:

Community members wanted to understand why the interruption had happened and **what Pennon Group had changed to prevent a repeat**. Pennon Group explained that two power failures in quick succession disrupted treatment and delayed the restoration of supplies. It acknowledged the disruption caused and that alternative supply arrangements had taken effect too late. The discussion highlighted the importance of telling customers what had been learned and showing progress on the work to address the failures.

Regulatory and existing activity context:

Pennon Group described work with UK Power Networks to **improve power resilience** at the affected site, a **review of standby generators** and investigations into treatment controls to enable **safe, faster restarts**. It also identified **changes needed to inspector shift patterns** so more staff are available during periods of high demand and simultaneous incidents. These measures were described as work underway or required, rather than completed improvements.

New actions requested by community members:

3A. Share lessons learned and show the improvements arising from the Gatwick incident

- Share **what went wrong, what Pennon Group did in response and what it learned**, showing customers the positive changes being made as a result of the incident.
- Provide **progress updates on the resulting work**, making clear what has been completed, what is still underway and how the changes will benefit customers.

Q&A

Actions that our community would like Pennon Group to commit to

Q4. We understand from your 'Digital Roadmap' that an app is due to be available for customers after some internal system changes. We feel an app is a basic service provision offered by all other utilities and could be available now. When will this be delivered?"

Context from the session:

Community members viewed an **app as an expected part of a utility service** and wanted a **clearer answer on when it would become available**. The earlier leakage discussion had highlighted demand for a way to report leaks through an app. Pennon Group explained that development depended on wider system changes, but did not provide a firm launch date. The discussion also raised the possibility of releasing an initial version with useful functions before the complete app is ready.

Regulatory and existing activity context:

Pennon Group said it already had an SES Water prototype and had carried out a small trial, which had been paused and would restart shortly. The **app forms part of its existing digital roadmap**, alongside new billing and frontline operational systems linked to customer information. Pennon Group described plans to bring these systems together with smart-meter data to support customer services and more personalised communications. Delivery timings were still being developed.

New actions requested by community members:

4A. Publish a clearer roadmap for delivering the customer app

- Set out the development and rollout stages, with **clear timelines** for customer availability.
- Include a **leak reporting feature**, reflecting the requests raised during the leakage discussion.
- Give customers the opportunity to access a **prototype version** of the app with core functions. This could be made available sooner, with further features added later.

Session transcript

Attendance list

Keith Haslett	CEO of Pennon Group
Richard Stanbrook	General Manager Water Services (Bristol & Bournemouth Water)
Ian Cain	Interim Managing Director, Water Services
Ketan Hindocha	Interim Chief Customer Officer at Pennon Group
Joe Greenwood	Associate Director of Taylor McKenzie Research (TMcK) – Lead facilitator
Alison Austin	Board Member for Consumer Council for Water (CCW) – Meeting Chair
12x Participants	Water Voice Community Members under Pennon Group

Please note: Throughout this transcript, SES Water, Bristol Water and Bournemouth Water are referred to as SES, Bristol and Bournemouth respectively. 'Pennon Group' refers to the Pennon Water Only Group, comprising SES Water, Bristol Water and Bournemouth Water.

Session transcript

CCW Chair: Good evening everyone, and thank you very much for joining me on a cold and wet Wednesday evening in October. My name's Alison Austin, and I'm chairing tonight's discussion. I'm a board member on CCW's board. Tonight is another session, part of our Water Voice programme, and the purpose of Water Voice is very simple but very important, it's to give you, the customers, a much stronger, more direct voice in how your Pennon group performs, how it communicates and how it improves. This is a new Water Voice community, bringing together customers of the Pennon Group's drinking water brand, so that's SES Water, Bristol Water, and Bournemouth Water. Wastewater services for these customers are provided by other water companies, so that's not a subject for tonight.

This session is all about accountability, and it's the opportunity for Pennon's community members to question senior leaders from Pennon Group directly about the issues that matter most, what needs to improve, and what will change as a result of this discussion. And I have got a glass of water, isn't that the way, I haven't coughed all afternoon. It's not a complaints hearing, it's not a technical inquiry, but it's a structured customer-led conversation focused on accountability, learning, and agreeing clear practical actions.

The topics we're going to cover tonight have not been chosen by Pennon, they've been shaped by the community members through a pre-task briefing session, Spotlight research, and wider Water Voice discussions, and it's very much your agenda. So if I can set a clear tone at the outset, we'd like it to be respectful but challenging, and please, community members, do feel able to speak openly and honestly about your experiences and expectations. Equally to Keith and Richard, please, clear and transparent responses from yourselves. And when you're not speaking, if you can keep your microphone muted to avoid any background noise, and I certainly will to cover my coughing, and any playback for other people.

As before, the session is being fully transcribed, and any agreed actions will be published. Pennon Group will be expected to publish an action plan responding to the commitments made this evening, and that transparency is a key part of what we believe makes this process meaningful.

In terms of ground rules, if we can take one person at a time, and keep contributions focused and concentrate on, I think, forward-looking positive actions, what will change, by when, and I think importantly, how will you as a customer know that something has happened, something is different?

If I can briefly introduce those joining us this evening. First, Joe Greenwood, our independent facilitator from Taylor McKenzie Research, and Joe is going to guide the consumer discussion and ensure that everybody has a chance to speak, even the quieter ones please, your voices are really important here. And representing Pennon Group this evening, we have the Chief Executive, Keith Haslett, and we have Richard Stanbrook, who I gather, if I can get this right, is General Manager, Drinking Water Services, for Bristol Water and Bournemouth. Please give me a nod, have I got that right?

Richard Stanbrook: That's correct, yes.

Session transcript

CCW Chair: Oh good, thank you. Thank you once again to everybody for being here, and I'm now going to hand over to Joe, who will explain how the session is going to operate.

TMcK Facilitator: Thank you so much, Alison, hello folks. I'm going to read a bit from a script, to be honest at this point, just to give you a bit more of an outline of how everything happens tonight, and from this point onwards. Obviously tonight the session's being recorded, and the session will also be professionally transcribed after it has taken place.

I want to briefly explain how that works. We're going to be using first names only in the room, at least from a participant or customer community member perspective tonight. In the published transcript and report, customer names will be anonymised. After the session, community members will have the opportunity to flag anything personal that they would prefer to be removed or further anonymised before publication, so everyone on this call will have a chance to review the transcript after tonight's session. Please do tell us if you want something removed, it's absolutely no issue, we won't ask any questions, we'll just do it. The purpose of the transcript is to accurately reflect the discussion and the actions agreed, it's not to single out any individuals or anything like that.

There are two main parts to tonight's session, as you guys as participants are aware. First, we will ask two new performance challenge questions developed from issues community members prioritised during our briefing session, which feels like it was quite a long time ago, at least to me. And then we will move on to a shorter Q&A section, where we put together some questions that you guys flagged as being I suppose of interest, that you wanted the guys at Pennon Group to answer, and we'll ask those additional questions prioritised during the briefing session.

For each of the first two questions we will use the same cycle overall, and again, as discussed at the briefing, a community member will ask the agreed question, and then Pennon Group will have seven minutes to respond to that question, if you need seven minutes, that is. Community members will then reflect on that response and identify what's clear, what's maybe unclear, what's missing, what they feel needs to be strengthened.

We'll be working on a live document in the background, and we'll create and capture the specific actions and outcomes that should form part of Pennon Group's follow up action plan that will be developed after this session. We'll also give Pennon Group the opportunity to explain if any of the proposed actions are not feasible and why, so anything that red flags from your perspective, Keith and Richard, at this point, please let us know.

During the Q&A we will use a lighter version of this process. The nominated community member will ask the question and the company will respond, and the question asker and the wider community can follow up, and any additional commitments that come from that will be captured live as well.

Before we get started, I'd like to go round our virtual room and just do some really brief introductions, if that's okay, and I'll do that as we did on the briefing session, folks. This time, all I want to know from you is just your name, and I suppose for the sake of Keith and Richard, where it is that you live. Community Member 1, I'll start with you first, if that's okay?

Session transcript

Community Member 1: Hi guys, my name's Community Member 1, and I live in Bristol.

Community Member 2: Good evening, my name's Community Member 2, I live in Cobham in Surrey.

Community Member 3: My name's Community Member 3, I live in Wimborne in Dorset.

Community Member 4: Good evening all, Community Member 4, I live in Coulsdon, Surrey.

Community Member 5: Evening. I live just outside Glastonbury, so fall under Bristol Water.

Community Member 6: I'm Community Member 6 from south Croydon. Hi everybody.

Community Member 7: Hi everyone, I'm Community Member 7, I live in Caterham in Surrey.

Community Member 8: I'm Community Member 8 from Sutton in Surrey.

Community Member 9: Hiya. Community Member 9 from Croydon in Surrey.

Community Member 10: Hi there, Community Member 10, Ham Green in Bristol.

Community Member 11: Hi, Community Member 11, Caterham in Surrey.

Community Member 12: I'm Community Member 12, and I live in Bristol.

TMcK Facilitator: Keith and Richard, I don't know if you just want to briefly introduce yourselves to the group as well for 30 seconds or so?

Keith Haslett: Hi there, Keith Haslett, CEO of the Pennon Group. I've been in the role for six months but been in the industry for 25 years in different guises, whether that's in Northern Ireland or the last 12 years in England. So, been across different parts of England with companies providing service to customers and improving the environment, that's the passion. So, hopefully look forward to hearing your questions, and hopefully we can answer them in full tonight.

Richard Stanbrook: Good evening. Richard Stanbrook, General Manager for Bristol and Bournemouth. I've been in the industry coming up 33 years now. Man and boy Bournemouth, started as leakage control technician and worked my way through, and then took over the Bristol operation four years ago. I think like many people who work in the industry, we're very passionate about what we deliver, and conscious that it is essential for people's wellbeing and livelihoods.

TMcK Facilitator: Thank you so much. Alison, I'll hand back to you.

CCW Chair: Thank you very much indeed. We're going to move to the first new performance issue that community members chose to bring up this evening. This topic, I just want to reiterate, was prioritised through the pre-task and the briefing session, because community members really wanted executive bonuses tied more closely to measurable improvements in service and their customer experience. For executive bonuses, we mean everybody in the organisation at whatever level, so this is not just aimed at any one person.

Session transcript

I'd like to invite Community Member 4, please, to ask the agreed question, and it'll come up on the shared screen that Joe's going to do now. Community Member 4, if you would like to take the lead on this.

Community Member 4: I will do, thank you. Good evening, Keith and Richard. We recognise that running a major water company is a demanding job and we expect Senior Executives to be paid well. Our concern is not high pay, but whether performance-related rewards are linked strongly enough to the things that customers experience. We question where bonuses can still be paid when important areas such as leakage, customer service or operational performance, are falling short. We want customer outcomes to carry much more weight in how bonuses are calculated. So, what commitment will you give to changing the targets used to determine executive bonuses, so that measured improvements in customer experience and key service performance measures, carry significantly more weight and reward?

CCW Chair: Thank you very much indeed, Community Member 4. Joe's going to put that in the chat so that both Keith and Richard can refer to it. Really, it's over to you, Keith, to respond. Please be as specific as possible about discussions you may already have had within the organisation, what's already been done, and what do you think could be done further on this topic. By all means focus on executive, but perhaps all senior managers, or all managers who have a performance appraisal scheme that includes a performance improvement or a bonus. So, over to you, please.

Keith Haslett: Thanks, Alison. It is a great question, and from a Pennon perspective I've been in the business now six months, I have a scorecard for each of the areas now, SES, Bristol, South West, and Bournemouth, from a water perspective, so there are different scorecards. My scorecard is the same scorecard as the frontline, and it's the same for Richard looking after Bristol and Bournemouth, so we do have that scorecard that's closely linked to customer and operational metrics.

Just to be clear, Ofwat has very clear guidance that we have to have at least 70% of our annual bonus scorecard metrics linked to customer service and operational requirements, so that's very clear, linked to the environment. We have quite a number of measures that you've already mentioned, we have all the ones you'd expect; leakage, unplanned outage for treatment works, we have environment measures, we have very much our customer satisfaction score, C-MeX, in there, so all the ones that you would expect.

What I would say is that we have very stretching targets. We've moved into this five-year period, the targets get tougher as you go through the five-year period to 2030, so therefore we have to continually improve our customer service and enhance the environment linked to those performance measures. The industry is all striving for better customer satisfaction, so the standard has gone up, and therefore we have to work really hard to maintain that but also overtake other companies to get better performance for both you and the community. So, I think that's the first thing I would say.

My remuneration is very much set by the board and the Remuneration Committee. We are a listed FTSE 250 business, so what comes with that is a very high code of ethics/code of governance, as you would expect.

Session transcript

I guess from my point of view, we have to very much comply with very stringent conditions from our regulator, Ofwat, who have set a Special Measures bill now, and there's very many aspects of that all linked to performance, and there is prohibition in place if we don't meet some of those required performance targets. All of that is now very much in play, and we have to very much follow that day-to-day.

I would also say that where we do not perform, where we do not hit some of these tough targets, we do not pay that element of the scorecard or that part of the bonus, because that's important. That's very much governed by the chair of the Remuneration Committee, for us that's Andrea, and other parts of the board including the chair. They very much take a view of our performance, and they apply that very strictly.

CCW Chair: Keith, can I just interrupt. So would your Remuneration Committee, if they were not happy with the performance, would that extend beyond or further down than just the exec, that would go all the way down the company?

Keith Haslett: Basically, whatever the outcome is for the scorecard with me, that's pro rata applied across the business.

CCW Chair: Thank you.

Keith Haslett: My scorecard, as I say, is very much the same scorecard as everybody else in the business. I am more exposed, along with the CFO who are both board directors, because we apply the Ofwat rules in terms of Special Measures bill. That's where if we are very poor in performance, our bonuses are absolutely prohibited for that part of the organisation. And that has been applied in the past, particularly more for South West Water, and very much will apply again this year for South West Water because we are one star performance. That's what comes with the job, we have to improve.

CCW Chair: May I interrupt again. So if one part of your business has its own scorecard and they do better and actually meet their requirements and the levels, would they be treated differently from, say, Bristol or South West or Bournemouth, they would be treated individually?

Keith Haslett: Part of the reason why I've split the scorecard now, Alison, which wasn't the case before, is that it's very important for my team in SES to make sure that they have their own scorecard for their customers which is ringfenced, and they drive that scorecard, they're accountable for that service level now on that part of the scorecard. Same for Bristol, same for South West, and Bournemouth. That all rolls up to me at the end of the day, but for them that very much is what they're in control of, and I think that's really important from a culture perspective and a performance perspective.

CCW Chair: So that's something that you've introduced since you started in April?

Keith Haslett: Yes.

CCW Chair: Great. That's very encouraging, thank you.

Session transcript

Keith Haslett: No problem. Hopefully that gives you the context. It's very important to say the measures do get tougher, so that means we do have to improve. Really, really important that you know that. Therefore we have to have the delivery plans, the investment plans, that is part of what you pay in your customer bill, linked to that requirement for improving performance. And that goes for leakage, that goes for interruptions to supply, unplanned outage, all of those things, we have to make sure we've got an investment plan that's fit for purpose, and that's what we are governed on through that scorecard.

I guess that's probably in the round hopefully answering the question for everybody. I'm happy to take follow-up questions.

CCW Chair: Across the five years, you mentioned that the measures are getting tougher. How much tougher by each year is that happening, and what steps are you putting in place with your senior management team and executive team to help your employees, staff and colleagues actually achieve those improvements?

Keith Haslett: There's a range of different measures. If I start with C-MeX, the customer satisfaction score. Effectively, the better we are at customer service, the higher up the league table we are and therefore the better position we become. At the minute we're in penalty, for SES we're around 13th, we absolutely need to improve to get back up into 8th to be neutral on penalty, but more importantly achieve to be upper quartile, which is what we are for Bristol. So very, very important we work hard on that, and there's a plan in place with the team.

CCW Chair: Could you expand a bit on what the plan is to help your teams actually achieve improvements in SES and get out of penalty?

Keith Haslett: C-MeX is multi-faceted, but to try and break it down into three ways, first area is customer billing and how we interact with customers, whether that's a home move, paying your bill, how do we turn up as a service, how do we give you channels of choice? I think that's an area that we're really trying to improve, we try and get it right first time, and we try and make it seamless for you. Ketan's on the call tonight who very much drives that part of it.

The second part is service levels, so that's the day-to-day water operation, that's the team in the field that are fixing the leak, fixing the burst, how they turn up to your front door to look at your stopcock, your boundary box, look at a meter issue, if you've got some issue with reconciling your meter. Getting that completed in a timely fashion and getting it right first time, and leaving you feeling good about the service, is probably the second part of that element.

The third part is experience, so how do you feel about, for example, SES as a brand? Do you feel that we are conducting ourselves in the right way for customers and the community? That's how you would effectively measure us in terms of the C-MeX score.

So it really is important that, for SES, I think there's lots of areas we can improve upon. With a steering group in place, we're looking at – and we'll talk about it later on maybe some of the examples – we're looking at how we can give more channels of choice for you to pay your bill, for

your home move, and that's where we're maybe a little bit clunky at the minute and we need to improve on that.

So, does that help?

CCW Chair: That really explains quite a bit about the main components that you're paying attention to. It may be that community members would like to pick up on that. Thank you for that. I'm going to pass back to the community members and say what are your responses to that, and Joe is going to manage this next section.

TMcK Facilitator: Thank you so much. Community Member 4, I'll go back to you obviously as the question asker, I suppose I just want to get your take on that answer, the good, the bad, if you felt anything was missing or that you would have wanted to hear there?

Community Member 4: Thanks, Joe. It helped at the end to break down exactly what you are planning to do to achieve those targets moving forward. SES customer here, and I've had poor customer service previously, so all of those elements do go towards my main issue with the customer service with SES, so that's good.

I'm just wondering, to build on this question, it sounds as though you've got plans in place to meet the targets that are enforced and are posed on you. You're all in a competition with other companies too, do you have your own targets that you as the lead have managed to put together to encourage staff to go the extra mile?

TMcK Facilitator: Keith, you can jump back in on that once we've had a little chat about a few other things, if that's okay, and we'll make sure you get a chance to have that answered, Community Member 4. Any other points, questions, comments I suppose, that we want to make about that answer overall? I know that this was a topic that you quite passionately talked about during the session. Community Member 8.

Community Member 8: I really liked what he had to say, to be honest. He's only been in the role a short while, but he definitely seems as if he has plans in place, and I really liked what he said. The only thing I picked up on which I wrote down was, he was saying something about pro rata and that. Surely with most businesses like that, if you don't meet your targets in all areas, things like bonuses and that doesn't stop, but it seems that you can get a lot wrong and still … That's the take I took on it when he said it gets pro rata'd if you don't hit certain targets in certain areas. But for me, I just think that with things like CSATs and things like that, if you don't hit those targets full stop then that shouldn't be rewarded.

TMcK Facilitator: So, a bit more all or nothing almost, Community Member 8?

Community Member 8: Yeah. But from what he had to say, I was really confident in what he said, and he seems to definitely have a plan in place in terms of improving things, so I was quite encouraged by what he said.

TMcK Facilitator: Thank you very much, Community Member 8.

Session transcript

Community Member 6, I think you had your hand up, on you go.

Community Member 6: When the service has not delivered, who pays? We've obviously had problems in the SES Water, particularly with Bletchingley area with the Godstone problem, and also obviously lately with Gatwick, and people have been paid customer compensation. Who pays that, and does that come out of bonuses?

TMcK Facilitator: Is that something you would expect to happen, Community Member 6, if we're talking about creating an action that you'd like to see? And we'll let Keith come in on that.

Community Member 6: I mean obviously the service has not been delivered, so therefore we're the bill payers. Am I on the assumption that basically we as bill payers are paying for the errors that are created by SES Water?

TMcK Facilitator: I'm assuming from your answer, you'd rather see that not be the case?

Community Member 6: [No audible response]

TMcK Facilitator: Anybody else want to come in on this one, any further comments? Community Member 2, on you go.

Community Member 2: Very briefly, I was quite reassured when you said that the bonus is not paid if they do underperform, because that was going to be one of my questions, they shouldn't be getting bonus just for achieving what is expected.

TMcK Facilitator: Anything else? Community Member 5, jump in.

Community Member 5: I was wondering whether the scorecards that we've heard about are the same across the whole of the industry for all the different businesses, or whether the Pennon Group has their own ones which could be significantly different from Thames Water or someone like that? If they're the same, could they be published? Could we have a look at them and see them? Or I imagine if they're unique to each company, they'll be confidential.

TMcK Facilitator: Is it important that you see it, Community Member 5, as a customer, do you feel? Why do you want to see it, I suppose, is a better question?

Community Member 5: Well, I think it will show then where the priorities lie. If they've got a scorecard from a shareholder saying make us a huge dividend, then that would be interesting to see, compared to if it was a minor one compared to will our customers love us?

TMcK Facilitator: Okay, so if they could show that to you, that would be a positive thing from your perspective?

Community Member 5: Yeah, I think so.

TMcK Facilitator: Community Member 1, on to you.

Session transcript

Community Member 1: My question is, well not a question, we want customer service to be really important as customers, but we don't really get an option or choice to pick our water company, so I feel like we don't really get … we just need to be valued in that sense. What happens if you don't deliver what you're saying, what could we do about it? I don't know, it's just kind of like a double-ended sword from our end.

TMcK Facilitator: What would you want to be the answer for that, I suppose? What could they do that would make you feel a bit better on that one?

Community Member 1: Something like compensation, I reckon, like something that can help our bills, or financially any support. Again we're customers, but we don't feel like customers, if that makes sense?

TMcK Facilitator: Why don't you feel like customers, do you think?

Community Member 1: For me, a customer has a choice, when we don't have a choice. It's not like I can go over to the nearest water company and just haggle or whatever.

TMcK Facilitator: Okay. What else? Obviously again this was an important thing that we spoke about on the night a few weeks ago, and we had a lot of opinions on it. I'd love for you guys to jump in no matter how big or small the point is.

CCW Chair: I would just like to say that from the briefing session, Keith and Richard, it was very clear that the community members appreciate that running companies the size of Pennon Group and the individual water companies, there was no doubt about the fact that people should be paid what the job is worth and be paid well to do it really well. I think the community members recognise that huge improvement is needed, and that a bonus and performance management scheme helps to focus people's minds, there's no question about that.

I think people are just interested to know more about how you're using that internal motivation and framework to really focus people, and are you giving them the right resources to do the job well, is the culture changing in the different sub-companies, forgive my inaccurate language. Do you have the ability to alter the emphasis within the scorecard through the years, or are you literally handtied by the regulator?

Keith Haslett: Do you want me to answer that now or wait, Joe?

CCW Chair: I think I've rather mucked up the system, so it's over to Joe to manage it really. I'm sorry.

TMcK Facilitator: Keith, we'll come back to that, if that's okay, I want to let Community Member 12 have a quick input. Oh, Community Member 12, your hand's vanished and I've lost you on the screen. I see you now.

Community Member 12: I think the scorecards sound like a really good idea. I suppose I'm just wondering, are they independently checked at all? I don't know if that would be something that would be possible? Overall, they do sound like a really good idea though.

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TMcK Facilitator: When you say “independently checked” Community Member 12, do you have someone in mind who’d be doing that? I don’t know.

Community Member 12: Not really, no. Just I guess someone who’s not right in the middle of the company, I guess. Yeah, I don’t know really.

TMcK Facilitator: Is it like a regulator that you’d want to look at it, or is it-?

Community Member 12: Yeah, maybe, yeah.

TMcK Facilitator: Okay. Community Member 9, your hand’s up as well.

Community Member 9: I just want to I guess echo Community Member 1’s points on there, that I think if you took electricity and gas, you can go to whoever you want. So I guess I echo his points there where you’re forced to have the water that you have, and there’s nothing that you can do about it. I think that’s where if something doesn’t happen, as other people have suggested, what comes of it, nothing, we’ve still paid our bill, nothing ever comes of it. Is compensation something that should be looked at as an incentive for a company to make sure that just hitting what you’re meant to do isn’t acceptable in a way, because again it’s that whole like “am I a customer because I haven’t actually chosen to go with you?” in the nicest way, I have to.

I guess I have a different expectation. It’s the same as Council Tax, I have to pay it, I have no other choice. So I think you have different expectations when you have a choice, versus when you don’t have a choice, I can’t shop around. And I think at the moment with finances everyone probably is a bit more heightened on stuff like that, I think you have higher expectations because of that.

TMcK Facilitator: What does that mean in practice for you then, Community Member 9? We talked about this in the session where we were thinking about this, what’s the action that comes out of that, what do we want to come of …? I suppose the point you’ve just made, is there anything that you could think would be-?

Community Member 9: I don’t know, I guess it would be quite a big incentive for companies that obviously make a lot of money, that if we don’t hit what we’re meant to have done then money’s paid out to customers. I don’t know what happens to the money otherwise, does it just sit in a pot and build? You don’t really have an understanding of that. I guess if the money isn’t paid out, what then happens to that money? Is it reinvested into the company? I don’t know.

Not to say I don’t know what is right or wrong, but I’m assuming if the money was there to pay a bonus and it’s not paid because you didn’t hit a target, what happens to that money? It seems like it disappears, I don’t know.

TMcK Facilitator: I get your point, 100%. Community Member 10, you had your hand up for a second there as well.

Community Member 10: It was only a quick thing about the shopping around. Is there a reason, or does Keith know the reason why we can’t switch water suppliers?

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Is it a government thing, or is it just a complicated thing? For example, with my electricity, not this time round, last time round and the time before I changed, and the bill went down. I was paying, for example, £150 and it went down to £130 a month, and then the previous one before it went down by £19 again. So, it's just on that kind of ratio really. Thanks.

TMcK Facilitator: Yeah, 100%, it just doesn't work in the same way for various reasons. I believe it's literally due to the services required to deliver water to your home and how that works versus when you go to an energy retailer you're paying part of your bill towards the distributor, and you don't get to choose who distributes your energy, but you do pay a retailer for it. So it's just set up very differently. Community Member 8, on you go.

Community Member 8: Going back to what Community Member 9 said, I think it was, and the other guy. Obviously Keith spoke about the customer service and it means a lot to them. As the guys are saying, I don't know what their incentive is to deliver, why the CSATs and that are so important, because as the guys are saying, there's no alternative. I'm just echoing what the other guys have said, I don't know why they would prioritise that when you have no choice in who your supplier is. When they say that it's a priority and it's important, for me I just think that would be on the backburner, because you don't have a choice in who provides your water. But that's just my opinion, what I take from it.

TMcK Facilitator: What I'll say to that, there is a financial incentive for doing well across lots of these different things, so from their perspective if their C-MeX score is good then they make more money. Ultimately that's how it works. Keith can probably say a bit more about that in his response. Community Member 11.

Community Member 11: Obviously you mentioned that there was a scorecard and it was based off things like customer engagement and how customers felt. What is done to reach out to customers? Is it only customers that call them that they base the scores off, or do they try and reach out to all customers in the area? Because obviously it could be slightly skewed if they only reach out to a certain element of customers which get (overtalking)

TMcK Facilitator: I was going to ask that actually, because what I wanted to know, and you can maybe answer this from your perspective, would you want them to be doing I suppose more independent, whether it's independent research that leads into these kind of payments or whatever it is, or whether it's something like that that isn't necessarily tied to more industry standard stuff that we've talked about. I don't know, I'd love to get your thoughts.

Community Member 11: Yeah, exactly. Obviously more independent things, and maybe more outreach. Obviously it's hard to get a response from people if you just send a blanket letter, people aren't always going to respond, but maybe some level of an incentive to get the response, and some level of incentive to actually understand how people within the community are feeling. I know that's obviously a cost to the water company, but obviously if it's a priority, then maybe it's worth a bit of cost.

TMcK Facilitator: Do you think that would help you feel like more ...?

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People have said they don't feel like customers, there were a couple of comments about that, would that make you feel more like one if it did feel like it was more of a tell us what you think kind of thing? I don't know.

Community Member 11: Definitely, yeah, 100%.

TMcK Facilitator: Community Member 3.

Community Member 3: I was just wondering, along the same point, how they gauge customer satisfaction, what way do they go about that?

TMcK Facilitator: Okay, we can definitely come back to that. Anything else we want to say? As I said at the start, it's ultimately about creating actions that we want Keith and his team to go away and have a think about after this session. Is there anything else we'd want them to do based off the back of this question and his response? [Silence] Okay, we can keep going then. I'm just checking to see where my team are at in terms of writing down a few things that we've said here.

CCW Chair: Could I ask just a very simple question to Keith while your team is preparing the next stage. Do you actually publish your scorecard each year on your website as a sort of running dashboard with current progress towards that target? Do you update it? Could you do that, could you update on a quarterly basis?

Keith Haslett: I think actually, Alison, that's a really good point. You can definitely look towards our annual report, you will see the scorecard for year one performance there. Because we are a listed business, you can happily dial in to our half year results as well, which is coming up at the start of December, and you'll get an insight from myself and the Chief Finance Officer on our performance year to date, and what the forecast looks like to the end of the year. That's very public, and we have to be very clear on that as part of the due diligence that we do.

Joe, there were a few points there I think would be important to go through. I'm not sure whether that's what you want me to do, or …?

CCW Chair: Could I just ask a quick follow up. You're going to talk about it in December, because you're a listed company and you've got clear rules that you have to obey, and I really understand that. But once that's been put in the public domain, would you put that information on your website so that customers could see that?

Keith Haslett: Yeah, we do publish our half year results on the website as well as full year, and any trading statements that we may do as well. This might help some of the questions. You may or may not be aware that we did a rights issue in the last couple of weeks, and that was effectively raising an extra £1bn to go back into the asset base. What we mean by rights issue is that all existing shareholders basically took a dilution of their shares, but they have the ability to take their rights. There has been an adjustment to the dividend downwards as well to make sure that the business is first of all more sustainable going forwards, but secondly, we are re-investing a large proportion of money, around £600m, back into the asset base to improve performance and customer service.

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I think that's really important, because that answers, I think, some of the questions in here.

CCW Chair: We'll certainly do that. The reason I kept pushing to see if you could put it on your website is, rather than just burying it in financial results, to make it really easily accessible for customers to see on the front page of your website, rather than buried in news or press releases, etc. I'm sorry, I'm going to stop here and pass back to Joe, but thank you very much for that.

Keith Haslett: It's a good action.

TMcK Facilitator: Yeah, Keith, there'll be a few things that the community have asked that you can answer, but I'll just run through really quickly just to make sure the list of actions that they wanted to see are captured okay, and then we'll pass back to you to respond for a little bit, if that's all right. Let me just share my screen again and we'll quickly go through what we've captured so far, hopefully you guys can all see that.

Keith, as you were talking, we've been capturing a few of the different things that you mentioned, and a few things that you said you are looking to deliver against as well. We're going to focus in on our third column here, folks, if that's okay, and hopefully you can see it okay, I can zoom in a wee bit more if I can. Community Member 8, I think this was your point the top, about (A) bonuses not being paid at all if all targets are not met collectively, and a bit more of a sort of all or nothing kind of way. We can maybe have a discussion about that.

© Publish the scorecard, put it on the website for transparency and accountability. You mentioned there, Keith, that it's done to a certain extent, and I think it might be a really good thing if that was done in maybe a bit more of a customer-facing way. Folks, I don't know if that's something you would agree with, something that was a bit more digestible. I don't imagine you're all reading business plans and these kind of things in your evenings.

We talked about (D) financial compensation or bill reduction if targets are not met, as a meaningful way for the company to show that Pennon values its customers.

We want a bit of (E) clarity on what happens to unpaid bonus money when targets are missed. I think you can probably answer that question in a second.

(F) Clarifying published information on whether customers are effectively bearing the cost when SES Water fails to meet its performance targets. A bit more understanding about how that works, I think, is clearly required.

There was a comment about (G) scorecards being independently checked by a regulator, or some way of having someone else almost like assess whether or not it is within the customers' best interest. Also, (H) with the C-MeX score one, because I know that's an independent thing, but Keith, you can maybe talk a bit more about that.

And a bit about (I) more independent research and more outreach, combining that with how a bonus within the company is calculated, by going out a bit more independently and speaking more

independently to the wider customer base.

This is a list based on what we've talked about for the last 15 minutes. I don't know if you want to make any comments or add anything to this, or take anything away from this? If you do, please let us know. Community Member 6, on you go, jump in.

Community Member 6: Bonuses should not be paid if all targets are not met. I would like to see something like bonuses are reduced if compensation is paid out to customers who've had problems with water delivery over the past quarter or whatever.

TMcK Facilitator: So, tying the compensation number to the bonus payment?

Community Member 6: Yeah. They must be clear about how much compensation has been paid out – individual customers who have been paid out through SES Water, for example, they must quantify that in the value of pounds, and that value of pounds is taken off of the bonus pot.

TMcK Facilitator: Yeah, we can pop something around that in. Sorry, folks, anything that's live we need to do it like this, I know it's not a beautiful thing to look at. Anybody else want to add anything to that? [Silence] I suppose what I will say is, we're going to take these away and we'll give Keith a second to respond, but this is your chance to add anything if you do want to add anything here. But if not, I'll hand back to you, Alison, to keep going.

CCW Chair: Thank you very much indeed. Before any of those actions go any further, I think it's really fair to give Keith and Richard a chance to speak and highlight. I think we need to be very aware as customers that being a listed company, Pennon Group is bound by Financial Conduct Authority rules for listed companies, so there will be regulatory and financial constraints on some of these things. But there seems to be a huge appetite for visibility on C-MeX and better understanding it, and seeing progress in real time.

Keith, this is really your chance to give some answers, given that you've been extremely patient listening to us talking about things that you must be desperately wanting to jump in on. So, the floor is yours, very much so.

Keith Haslett: Okay, thank you. I'm going to go through some aspects that were also talked about there, I think. We do obviously incentivise staff to go the extra mile, we would issue some small vouchers, etc, just as a token of good faith of some really good work that our teams do out there day-to-day. So that, on top of what they do every day, is really important.

When I talk about pro rata with my scorecard to the frontline, what I mean by that is, if the scorecard is saying it's 40% made the targets, then it's 40% through the business. I think that's what I mean by that. We absolutely do align performance with bonus. The regulator, Ofwat, does check that our bonus scorecard aligns with their guidance, and they're very clear on that, so they will check that on a regular basis to make sure that it is very much linked to customers and the environment. So that's really important.

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Godstone was mentioned. I have been out to Godstone when it was a large hole in the ground. That was obviously an issue from effectively an old sandpit that collapsed. Just to be clear, that was nothing to do with the performance of our water main, but that did have a major impact on the outage of that water main. That was very challenging, and once we did finally get access to go in and fix the water main, we completed that within six or seven weeks in very challenging circumstances. I was quite close to that, and it was one of my first things I looked at actually back in April/May time.

I understand the points being made about we're a water company and you don't have a choice. Non-household or commercial businesses do have a choice through a retailer, so in effect we are that, I guess, wholesaler for the water to their door. But historically, clearly we have been that water company that serves you.

It's important to note, your water bill is around £250 in SES, and just a little bit higher in Bristol. If you think about that service for an entire year compared to energy, that is comparably different in terms of cost base on what you get year-to-year, so it is something to think about.

Compensation. We do pay compensation where we do not meet our service levels. There's some examples of that, and we may talk about them later. In terms of SES and the issue we had with Gatwick Airport and a number of our customers that were impacted on that, Guaranteed Service Scheme, we have paid out over £200,000 in that one event. And that goes for any other missed service level in Bristol or Bournemouth, if we haven't met the standards, and there's very clear standards with our regulators, then we must pay that within a certain timeframe. So we do that, we track that, and that's quite a sizeable number that we've paid so far this year.

I've talked about the rights issue. I think it's important to note that we are re-investing a lot of money back into the asset base for customers, and for service levels where in my view it's not good enough. That's been backed by the board, it's going through the motions with our shareholders right now. But it's very important that we do get back on track with some of these measures, particularly more in the South West region, which is a separate session to this.

We do have clearly, as I say, an independent check with the scorecard with Ofwat. I think hopefully I've covered that bit.

I guess lastly I think is the C-MeX score. We do check with our customers after any engagement with a customer, whether that's a home move, or it's been a burst water main or whatever that may be, we do go back and check what that service was like, how they felt and what that experience was for them. We track that as an internal customer satisfaction score, and that gives us an indicator, are we performing well or performing poorly in that day, in that week, in that month, and what is the correction plan to improve it?

That is a daily drumbeat with the teams – Ketan's on the call listening – where we really drive that with not just the customer team answering the phone, but also the water team that's out there in the field, and where can we be better? So we track that all the time.

When it comes to C-MeX, it's clearly a point in time where we have a small cohort of customers that

have engaged with us, and there's a follow-up call with an independent assessor and they test what that experience was like, and they score that. In Bristol we're actually very good, we're sitting upper quartile with our customer base. As I say, in SES we have improvements to make. In Bournemouth, we're quite good, but that gets blended in with the South West scorecard as well. So we know we've got work to do, certainly from an SES (overtalking)

CCW Chair: Keith, it sounds as if for 8(H) there's quite a lot of work that's already happening. I think what we would like to see in the action plan from tonight, is more visibility on what is happening on your website so that customers can see, or however you wish to communicate to customers, and that's probably lots of different channels. But also, do you think you can actually meet all of these because you're actually doing them? So is this a stretching action plan for you? Does this give you any licence to go back to your organisation and your board and say, "Our customers are asking for more, they're asking for bonuses on customer service to be a gatekeeper to opening up for other targets, they want more visibility on C-MeX."

How can you take this forward as an action plan to really stretch matters, and support your work in trying to meet better customer service and environment throughout the organisation? How can you use the power of customers?

Keith Haslett: I think first and foremost, C-MeX is very prominent on the scorecard. We do have measures at the minute in each of those areas that we're not hitting in terms of targets - so they are stretching, but the team understand what we have to try and do to recover that. Certainly my strategic review, which is public on our website, has identified where the gaps are and what we have to do to improve for customers.

I think these sessions are very helpful, because the previous session we did for SES in particular, it gave us some very good insight into how we can maybe change some of the narrative on our website, so how it can be more customer friendly. I think that was really helpful. This session, alongside what we do with WaterShare+, which is another forum everybody's welcome to join, is a really helpful insight into how we try and adapt things and improve things. That can only help to try and hit these targets that in some cases we're not hitting today, and that needs to improve. I'm not sitting here saying there's great customer service, because we've got things we have to improve on.

CCW Chair: I think there's an appetite for knowing more how you're doing and the visibility of it. Everybody appreciates that things go wrong, but it's what you're doing to put it right and to push things forward. I think visibility of information and transparency is a really big theme coming through here.

Keith Haslett: Yeah, okay.

CCW Chair: I have got to that point, so I think it's really now down to Taylor McKenzie to work with your teams, Keith, to put together a final action plan, and then that will be published.

I think what we're going to do is now move on to the next question, we've got our next big question, and this is going to be Community Member 1 who is going to ask this question.

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It's another performance issue that again the community members raised in our pre-task and briefing session. Members were really frustrated by missed leakage targets, and it was a really deep and extensive conversation that we had on this. And don't forget we were talking, as I mentioned at the very beginning of the evening, about us being asked to save water during droughts in hot weather, and yet there were missed leakage targets. Can I ask Community Member 1 to introduce this second performance question, please.

Community Member 1: Hi Keith, hi Richard. We recognise that leakage performance has historically been strong, especially in Bristol Water, but targets have been missed recently across SES, Bristol, and Bournemouth Water. This is particularly frustrating given the recent very hot experience in the region and with customers being asked to use less water during drought conditions. We want the company to take a greater responsibility for futureproofing the network. We want clear evidence that the company's investing in the network, improving resilience, and preparing properly for hotter, drier summers. Which leads on to the question - what commitment will you give towards beating future leakage targets, and what specific changes will you make to reduce leakage to help improve drought resilience before next summer?

CCW Chair: Thank you very much indeed. I would like to invite Keith and Richard to respond to that, please. Please be specific as you possibly can about what's already being done, and then secondly, what could be improved and by when. And to the rest of our community members, just listen carefully and make a note of anything that feels unclear, incomplete or not strong enough, and we'll come back to those. Over to you, Keith.

Keith Haslett: Thanks, Alison. I may have to bring Richard in here, because he's been very patient and he lives and breathes this every day, so it'll be important to bring him in. I think first and foremost, it's important to say we haven't been in a temporary use ban this year in SES. So that's one thing to mention, we've not had that hosepipe ban, as people might understand it in the past.

It's the first time we've missed a leakage target in 25 years at SES. There have been very extreme conditions that we've had to deal with, but we need to rise to that challenge. I'll let Richard come in on Bristol and Bournemouth in a second.

I've been on with the Water Minister today to talk about drought in the South West, and we are talking exactly about all of these things. We are working round the clock with our leakage technicians, we are putting extra gangs in place to repair bursts and leaks in our areas. It's really important that you know that.

We have committed an extra £200m on leakage, which you can see in that presentation I gave to the market last week, so that's a bold statement where we need to try and get back on track with where we are on leakage.

I have to say, SES and Bristol are very high performing in the industry, so the "go further" is a stretch and there's other things that we have to do. We are investing in a water mains replacement programme, which is important because that's the next big step to go even further, with 460 kilometres to replace across all areas in the business.

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We are very prominent on pressure reducing where we have got high pressure. We've got to be very careful with that, because we've got to make sure we maintain the service that you expect as customers, but it is part of the suite of interventions for leakage and other aspects that we're looking at day-to-day.

I think from my perspective, I talk about this pretty much every day, as Richard knows, in terms of how we drive leakage, supply interruptions and water quality, and we have very much a bottom-up plan in order to try and get back on track clearly with leakage and the targets. As I say, we're actually pretty good at this in SES and Bristol, and Bournemouth when you look at actually where we are with that part of the world. But that doesn't negate the fact that we may have a leak that you've raised and it takes us a bit longer than it should have during the summer, because of the extreme conditions we've been working with, with the breakout in leakage.

CCW Chair: Could I just pick up on that last statement of yours about a pretty extreme summer. Have your conversations with your teams changed from your early days back in April and May, to August and September when you realised quite how extreme it was going to be, and we're going to have more like that. Have your conversations altered or changed, bearing in mind that extreme climate change impact?

Keith Haslett: Yes. In terms of resilience of our water treatment plants to deal with the high demand, we have to make sure our treatment plants are resilient in terms of maintenance and operation. We have to make sure that we are living and breathing 24/7 how we move water around SES, Bristol, Bournemouth, and we do that every day, but we need to be really clear on our processes.

I think what's really important here is, is making sure we prioritise leakage and the repairs, and making sure we've got the right resources to match that. The EA said on a call earlier this is the driest period we've had in over 100 years, from someone very senior in the EA. We don't know if that's the new normal, but certainly climate change is impacting us. I think from an asset health point of view, replacing more water mains, being more resilient, and certainly how we can act as a water company in the network, is going to be really important going forwards for all aspects of leakage and supply interruptions. So that's what I would say there.

Richard, do you want to come in for Bristol, because I think it's important that you've been living and breathing it every day.

Richard Stanbrook: Thanks, Keith. I do need to comment that SES, whilst it hasn't hit one of those targets, it is one of the leading companies in the country on leakage, and it's got a live smart network where you can almost detect a leak or a burst when it happens. Bristol has very much mimicked that, Bristol has a very comprehensive network of metered areas where we can see when there's a burst in that metered area, and then we can deploy crews before they possibly even impact the customer.

As Keith said, we've had two very hot summers, and that has moved the ground. This July and August in Bristol we've had an over 100% increase in burst mains, and that was very demanding. The previous year was equally as high.

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But again, as Keith has noted, Bristol and SES are at the cutting edge in terms of performance in the industry, and with that, the better you perform, the tighter your targets get. That's the art of continual improvement, isn't it, you've got to do more.

Last year, whilst Bristol missed its target, we did achieve a 7% reduction in leakage, and we did get our lowest ever leakage, and we're on target this year again to hit our lowest ever leakage performance, so we are driving that down. That comes about with, as I said, learning with the SES model and far more digital monitoring of our networks, more crews out there to deal with repairs, and more people to seek out those more hard to find leaks.

One other thing we have very much invested in is satellite detection. You have a brilliant range in leakage, you have dogs sniffing out water, and you have satellite detection. There's a satellite run over your patch, and it simply looks for green patches in areas where there shouldn't be green patches where the water is feeding the undergrowth. We've got about 200-300 points of interest from that satellite pass which we're actively looking at. And we will do that again, that isn't a one-off push.

CCW Chair: Those are all projects and plans you have in place. The question is asking, what new specific changes you're going to put in place before next summer, so what are you adding to your existing plans?

Richard Stanbrook: What we're doing is enhancing that. It's an evolutionary thing. Bristol has been one of the best for a good reason, we've built on success. What has worked well? Let's do more of that, let's enhance that. So like I said, we're taking the digitisation spread of our network from 90% to 95%, so you get greater monitoring there. We're taking the number of leakage technicians from 40 to 45, we're taking our number of crews up by another five.

We're building on the success and what works. But at the same time, my team are very close to what else is out there and what else can work in terms of leak detection. As I said, satellite is the first part of that, and we're going to be doing that again, so we're doing more of that.

One thing we are also doing is, we're investing in renewing 209 kilometres of mains over the next five years. One part of that is making sure we really hone in on the mains that burst most regularly for us that cause the outage, and my teams have been working with the Asset Delivery teams to pick those mains and optimise the ones that cause those upsets.

CCW Chair: Sorry, what is Asset Delivery?

Richard Stanbrook: Sorry, the engineering, the engineers in our organisation.

CCW Chair: We know what engineers are, they're great people, better than asset deliverers.

Richard Stanbrook: Yeah, they're the brains of the outfit. We work with them and they do the planning of what they're going to replace in the network. We contribute to that and say, "You really need to have a look over here, because this particular main keeps going."

And then the other side of things, 30% of leakage is at customers' doorsteps, and with Ketan and the

team we are ramping up our education on that, simple things like a leaky loo can lose 600 litres a day, and then also on your customer pipe you can also lose an awful lot of money. On top of that, we have quite a lot of metering going in in the next five years in both Bristol and Bournemouth, we've got compulsory metering in Bournemouth, and that will help customers understand their water usage, and if their customer pipe does burst, they'll know immediately that there is a leak. So there's a stepping up of that.

CCW Chair: Thank you very much, Richard, I'm going to stop you there, because Keith has raised his hand and I think he deserves to come back on a couple of things. But before you do, could I just ask, Keith, you mentioned £200m allocated to leakage. Is that across the entire Group, or just for the three that we're talking about tonight?

Keith Haslett: Sorry, that is the entire Group for Pennon.

CCW Chair: For the three that we're talking about tonight, what would the figure be?

Keith Haslett: I'd need to come back to you on that. If I take an action on that.

CCW Chair: Don't worry. But if you could come back, I think the community members would really like to know how that's split. Obviously you have to put assets where the worst things are, but our community members in Bristol, Bournemouth and SES, would like to know what's going to happen to them. But you had your hand up, so please, a chance to respond.

Keith Haslett: It was just quickly to add to what Richard said. We actually have a number of leakage technicians that were outsourced with contractors, we are bringing that back in-house as well to bolster the existing team. That's really important for me, because I want our employees to be responsible for leakage. For Bournemouth, that's going to complement the existing team as well as what we're doing elsewhere. So that's really important.

We've also bolstered the leadership team in here, so we've brought in somebody that is an industry leader in leakage strategy, reporting and how we really catch up. This individual worked with me at Affinity Water when I was CEO there, when we went from being quite poor performing to really good performing. So we are trying to complement a very strong team with other people that can really drive it forward, that's important for you to know.

CCW Chair: Thank you very much indeed. I know we've overrun a little bit, but I felt that this was a really important topic that occupied a lot of time in our briefing session, so it was worth giving it the time.

We're going to pause and turn back to our community members now. This part is about testing, customers, what you've just heard. Does this answer the concerns behind the question that you set? I'm going to hand back over to Joe to manage this next section.

TMcK Facilitator: Thank you so much.

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Community Member 1, this was a question that you asked, so I'll go back to you on this and just get your response to what you've heard, positives, negatives, where you still feel there's maybe gaps, and what you would want them to be doing?

Community Member 1: I feel like there's a lot of positives. Hearing about satellite/tech usage to detect leaks, that's really cool. I didn't really think that was possible, I wouldn't have even thought about it, so that's good.

CCW Chair: Community Member 1, could you possibly speak up a little bit, your microphone's quite quiet.

Community Member 1: Is it a bit better now?

TMcK Facilitator: Yeah, that's good.

Community Member 1: I thought it was really impressive hearing about satellites, I never really thought that was something that is possible. 95% coverage is really impressive. I feel like everything sounds really promising.

A couple of things. We knew how hot it was the previous year, 2025 summer, but yet we still had 100% increase in leakages over the year. I know it was like the first one and we didn't expect it to be as hot as it was this summer, but also, what are steps to help maybe the vulnerable population when this starts to happen? I think that is a bit of a worry. We hear in the cold, the vulnerable that can't afford their heating. This is kind of the opposite, so it would be quite good to hear what steps you'll take to safeguard them.

TMcK Facilitator: When you say that, what do you mean? What are thinking of in terms of them being safeguarded?

Community Member 1: As in we need water, say if someone is vulnerable, that isn't mobile or maybe physically/mentally disabled, with that disability it will be quite hard for them to go to the shop to get some water, or be taken care of.

TMcK Facilitator: Okay. Does anybody else want to come in on this point? Obviously you had quite a lot to listen to, but I'd like to get your take on what Keith and Richard said there. Community Member 5, on you go, and then Community Member 8, I'll come to you after.

Community Member 5: One of the things that Richard said, which was very positive and interesting, but it raised this question in my mind, 209 kilometres of water main being replaced over five years. I've got no idea how many kilometres of water main you have. Is that just a tiny drop in the ocean and means that everything's got to last another 200 years, or is that a good percentage of what you've already got which you need to deal with?

TMcK Facilitator: Yeah, great. We'll get that answered for you in that next section, Community Member 5, thank you so much. Community Member 8.

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Community Member 8: Just going back to what Keith said, I wasn't aware that SES and that was one of the best ones, you're saying that in terms of they missed their first target in 25 years. But to be honest, you always hear about them on the news. I don't know whether the press have got something in for them, but any major issues, it always seems to be SES which you hear about in terms of burst water mains or leakages, etc.

But like what Community Member 1 was saying, I was absolutely flabbergasted to hear about all the satellite images they've got and all that, I didn't realise it was so technical, which was very impressive to hear.

TMcK Facilitator: Going back to our conversation we had a few weeks ago, I remember we were talking about this and there was clearly a lot of concern, a lot of emotion about this idea that you've been through this year of quite extreme drought, and leakage is clearly a thing. I feel that the two things aren't almost joined up for you. Keith and Richard both said a lot of things you obviously didn't know, but there's a reason that you didn't know that, and from the looks of you, it's made you feel a bit better about it.

But it's not done that for the rest of the customers that are out there, so what actions can be taken? I suppose we talked about these things where it was committing to a measurable commitment to beating leakage targets, outlining how that was going to happen in a really public way, was something we spoke about. We spoke about demonstrating that repairs, etc, are being taken more seriously. And we talked about localised approach as something as well, so you're looking at local areas, you felt like it was being taken seriously ultimately. It sounds as though from the answer that you've got, you're quite impressed by the whole satellite thing and whatever. But that feeling is still going to remain for other customers.

I'm going to go to Community Member 9, but I want you to think about what actions Keith and Richard can take to reassure more on that side of things, but also improve stuff as well. Community Member 9, sorry, on you go.

Community Member 9: I was just going to say, when the bill comes in and there's a thing showing how much water you've used, has it gone up, has it gone down type thing, and if it said on there, "Did you know that we found X many leaks in your area." I guess in my head I think the water companies are just reactive, but actually that is quite proactive, they're actually going out and looking at them, and I don't think people probably appreciate that, to be fair.

I obviously don't spend a lot of my time looking at my water bill, looking in depth, but if something was on there and I read it, I would. I'm not going to actively go and search this information, like as I said, I've got young children, I'm busy, but if it was on my bill and I read it, it would make you think a bit differently, because as I said, I think I assumed it's more people have a leak and they say water springs up somewhere, and it's reactive, not the opposite way.

Others might think the same way as me, they might not, I don't know, but I've always thought it's more like customers have to report it more so than the companies are necessarily looking for it, so I thought that was really positive, and again, yeah, really jazzy technology.

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I guess it's not your industry that you work in, so you don't know about that type of stuff, and it's quite interesting. I think other customers would be interested. I thought it was interesting, and obviously others have.

TMcK Facilitator: I think from my point of view though, it's the fact that four weeks ago when we were talking about this the perception was it wasn't going brilliantly, it was drought everywhere and leakages, and leakage targets aren't being hit, etc, etc, and it was worrying, right? We've just finished a survey on Water Voice, and some of you might have done it, around the severe drought declaration in certain parts of England, and you're quite frightened about loss of supply as a thing over the next 10 years, say, the figures are quite stark from my perspective.

I want to know what Keith and Richard can do to ultimately not just make you feel better about it, but make you feel like they're taking it seriously, there's a plan, here are the objectives of the plan, here's when it will be achieved, all these kind of things. I don't know if that's something that you're able to do, or that you've got an idea on, but it would be good to get some of your thoughts if there is actions that we can take there, folks. Community Member 6, I'll go to you.

Community Member 9: Just to add to the point sorry, Joe.

TMcK Facilitator: Sorry, Community Member 9.

Community Member 9: No, that's fine. I was going to say, now you just said that, that's made me think a lot of this is by what you see on the news, so if the news is saying there's droughts and everything, you naturally assume it's yourself too. So I do think there's a little bit that probably could be acknowledged, that what we see in the news has a direct influence over the way we think. I could think, "Oh, the area's in drought," even if it's not, just because I saw it on the news type thing. I do think the media have a bit of a role to play in some of this, and I think some companies are outed more than others, unfortunately it's the way of the world.

TMcK Facilitator: I'd say from my side of things as being somebody who's fairly new to all this, but is now looking at a lot of this stuff in depth, drought across England has been pretty stark over the last few months and is continuing. I totally take your point that the media report in a certain way, and when targets are being missed they're being reported. But ultimately it is a thing that's happening, it's not being made up by anyone, I suppose.

I'm really keen to push this towards some sort of actionable things. Again, a question that you guys came up with, and a few of the things that you wanted to see, measurable commitment to beating leakage targets, faster repairs before next summer, clear local plan for drought and resilience, were a few of the things that I had in my notes. Does anybody want to come in on any of those things? [Silence] I really don't want to single people out to speak. Amazing, thank you for putting your hands up, Community Member 9, Community Member 5, and then I'll go to Community Member 3 last. Community Member 9.

Community Member 9: I was just going to say, just at a really basic level if there have been X number of leaks reported, this is how many have been fixed, or what's your timeframe to fix a leak.

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Some basic measures. Because I guess I would expect every leak to be fixed at a really basic level, so it's like how quickly can they be fixed? Which ones are major, which are minor? Obviously there's different levels of leakage I would assume too, but I guess it's what percent of the leakages we had were really major, which were minor, and how quickly?

Because it might be that 70% of leaks in the network were able to be fixed within a week. We had 30% that were major, and they were fixed within X amount. I think everyone appreciates the different scales of leakage, but there could be some really interesting parts that actually a lot are fixed quite quickly. I don't know how quickly it takes to fix a leak.

TMcK Facilitator: So a communication thing, some sort of dashboard type thing that shows you on your bill, or not on your bill in full, but just some way they can display that information that shows that they are doing well or not doing well on that?

Community Member 9: Yeah. It might sound like I have an obsession with stuff on the bill, but it's the only place I think most people read it, and if you just had a "did you know" fact, I think most people are looking at their bill, they're going to read it. I'm not going to go and search it out on a website, I'm not going to go and search it out in random places, so I think it's not really obvious, it's not going to be read, in the nicest way, by the majority.

TMcK Facilitator: Out of interest, do you think you'd search it out if there was a leak down your street?

Community Member 9: Yeah, probably, because I'd want to know, because I'd be looking to see when it's going to be fixed? So I guess it's that whole if it impacts you directly, you're more interested, aren't you, in the nicest way.

TMcK Facilitator: Yeah. Community Member 9, thank you. Community Member 5, on you go.

Community Member 5: Actually that just ties perfectly into what I was going to suggest. There is a leak down my street. If you drive into Glastonbury, there's been a manhole for probably months where there's been water spewing out of it down the road. I'm as guilty as anyone in that I haven't picked up the phone to Bristol Water and said, "Do you know there's a leak in the road?" It's presumably not showing up on anyone's water meter because it's in the road.

Just to make things even more frustrating, I saw that the manhole had been filled the other day, presumably by the council, but there's still water coming out. So perhaps somehow make it a lot easier for us to report a leak.

TMcK Facilitator: I was going to ask that, Community Member 5, what would make it easy for you, what's easy for you?

Community Member 5: I suppose part of the problem is I suspect if I go on the website there may be a facility to do it, but I don't know, I haven't gone on the website to check.

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And of course I only receive the bill once every six months or so, so if it said in there, and it might do and I may have forgotten, "Have you seen a leak? Please report it here," I don't know, some kind of thing. Maybe it could be done more on a national level, when we're talking about hosepipe bans and the country being in drought, something about, "If you see a leak, please report it," and "This is how you can do it."

TMcK Facilitator: It feels like there's a bit of customer accountability there as well. As well as the company, you feel that there's (overtalking)

Community Member 5: I think anyone can help, anyone can spot water running down the road, so it could be down to whoever really picks up the phone first.

TMcK Facilitator: Ultimately the one thing that makes it easier for you to play your part and report these things in as un-burdensome a way as possible. It doesn't mean to say you have to go and fish out the bill from six months ago or whatever it is.

Community Member 5: Yeah.

TMcK Facilitator: Thank you. Community Member 3.

Community Member 3: Going back to the drought thing, I would like to know what they're going to do to plan for the future? Will they get together with scientists to see what impact it will have on us, and how they're going to make sure that we're going to have water in coming years, have enough water to sustain us, etc?

TMcK Facilitator: So more of a communication thing, Community Member 3, in terms of what is the plan ultimately?

Community Member 3: Yeah. They could set it out like one year, five years, 10 years, etc. I think people are generally quite worried about it, I know I am, is there actually going to be any water for us?

TMcK Facilitator: Yeah, 100%. Particularly in the community, I think there was about 15% of people who took part in our survey, which was about 500 people, who weren't worried about their supply in 10 years. So there's some kind of stark numbers at least there. Brilliant, Community Member 3, thank you. Community Member 7, on you go.

Community Member 7: I just wanted to follow up on Community Member 5's point there about the ease of reporting leaks, because I personally know myself, I've had a leak on my property and it wasn't as straightforward as just going on the website and reporting it, I had to actually call and speak to someone, which isn't necessarily the end of the world actually calling and speaking to someone, but I just think there's an element around the ease of reporting leaks. Yes, I was happy to go through that process because it was a leak on my property, but would I be prepared to sit on hold and go through a tedious reporting process if it was a leak outside of my property? So I just think there's a bit there around that.

And I think following up from what Community Member 9 said as well, I think it was Community

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Member 9, around the comms. As someone who has had a leak, it's really interesting to know that there is all that work going on around satellites and there's all this technology. Just around communicating that to customers I think would be really useful.

TMcK Facilitator: Out of interest, you've been through the process of reporting, what would have made it good?

Community Member 7: Personally for me, it would just be easier if I could do it on the app or online, if I could just report it. Because once I'd reported it, I could then monitor the update online, I could see that it had been reported on the map on the website, but to actually report the leak itself I had to speak to somebody and go through a process. That person then couldn't give me a timeline around the estimated repair, and it literally was a case of just a man in a van turning up numerous days later and he appeared on the drive and repaired it.

TMcK Facilitator: Thank you so much. Community Member 8.

Community Member 8: Unfortunately, Community Member 7 beat me to it, because when I heard what what's his name said regarding the kerfuffle of trying to report it, some people wouldn't bother ringing, or you're put on hold and you end up hanging up. The app is the way forward, it's a much more easy way.

TMcK Facilitator: You're breaking up there, Community Member 8, but you make a really good point.

Community Member 8: I literally heard him say it, and I thought I'd jump in there and say the app would be the way forward for that.

TMcK Facilitator: Yeah, okay.

Community Member 8: Can you hear me, sorry?

TMcK Facilitator: Yeah. We got your point in the end, I think it was just cutting out a little bit.

Community Member 8: Sorry.

TMcK Facilitator: No, not at all. Community Member 6.

Community Member 6: Very quickly to Community Member 8, Community Member 7 and Community Member 5's point. There is an app called Love Clean Streets, which is designed for potholes that are reported to the council through an app. Why not an app through SES?

TMcK Facilitator: Okay, brilliant. One thing I wanted to flag, and it's maybe something that Keith and Richard could come back on, somebody in the briefing session said there was a leak that I think it took two days to be fixed, and two days seems like a really long time for a customer. I know from speaking to people at CCW, two days is seen from their perspective and companies as not being that long. I don't have a comment or a question about that, but I just thought it was something interesting to address.

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Community Member 7, you've still got your hand up, I don't know if you wanted to make another comment or if it was from your last one, it's all good if not?

Community Member 7: Sorry, legacy hand.

TMcK Facilitator: You're all good. Where are we at for time? I want to quickly zoom through the stuff that was mentioned by you guys by way of a list, and then give Keith and Richard an opportunity to come back on that. I think it looks like they're okay for me to share it, so I'm just going to do it and they can tidy it up as we go. Let me put that on the screen for you guys, hopefully you guys can see that okay. I'll zoom through our list on the righthand side there, and then you can tell me if there's anything that we want to add, or it's been missed, etc. I'll read it out, because I know it's a bit small. I'll zoom in as much as I can.

Community Member 1 mentioned this, (A) we need steps to establish to help vulnerable customers in extreme conditions. Steps to take care of elderly or people with mobility issues when it comes to potential for there being water shortages and leakages, they're stopping people from being able to access their water.

(B) Include a short plain English an update on bills showing proactive leakage activity in the customers' local area. It doesn't necessarily need to be bills, I don't think, based on what we talked about, but some way of being able to access up-to-date or local updates about this kind of situation when it comes to leakage and what's being done to repair it. Has it even been reported, is it even on the radar, was clearly a key thing.

(C) Create a dashboard or some way of showing information that provides leak repair timeframes, severity, etc. I think it's about making performance something that's quite visible to you guys, and almost bridging that gap between we're really worried about drought and we don't think that the company are doing anything. But as you've listened to and what you've commented on, you were quite surprised by the fact that they were doing quite a lot of potentially technical stuff, that you wanted to know a bit more about.

I think these are the big ones for me. (D) Make reporting a leak easy for customers via an app or website. Ultimately something that doesn't involve picking up a phone and making a phone call, by the sounds of it, making it feel really, really easy and at hand, rather than having to find the number, phone them, etc.

And I think something about (E) future planning and communications about what is the plan? This is something that it doesn't feel like it's going away in terms of drought, etc, what is the plan for making sure that you guys as customers and your supply, is protected ultimately.

Is there anything to add to this, folks, before we hand over to Keith and Richard to respond?

CCW Chair: I'd just like to say that under E, I am quite sure and confident that Pennon will be thinking of not just the one, three, five year plan, but that Ofwat have been encouraging companies to take much longer views, so there'll be a 10, 15 and a 20 year perspective.

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I think we could certainly ask for more communication on one, three, five and 10, to be better communicated.

TMcK Facilitator: If there's nothing else to add, then I'll hand back to you, Alison, I suppose, and we can keep going.

CCW Chair: If there's nothing else from our lovely community members, then thank you. But before we finalise anything on this front, I think it's fair to give Keith and Richard a chance to speak and highlight any commitments that they believe are not feasible because of regulation or finances, etc, and to explain why. Please be specific about those, and also what you can commit to, or would like to improve upon what's been suggested. So please, over to you, Keith and Richard.

Keith Haslett: Okay, I shall endeavour to answer what is a good list there. Community Member 1, I think you mentioned about if we get a supply interruption, how do we deal with elderly or vulnerable customers. We do have a Priority Services Register, we do encourage anybody that feels they should be on that register, for whatever reason, that please come forward and share that with us, because if we do have an outage, we go straight to those priority service customers to their doorstep and give them bottled water. So that's a very clear process in place across the board for all areas, and we really do encourage people to come forward with that information, because if we do that then we can help those customers that need it most. So that's really important to know.

I think there's been some really good points made around how to raise a leak. We will take that away, if that's not clear enough on our website today. As part of our transformation programme for customers, we are intending to develop a customer app. It has actually been piloted in SES, we have a form of an app, but we need to take that much further to make that ready for you as customers to interact with. That will include looking at your bill, raising a leak, if we do have an issue that's unplanned, how we push that notification out through the app. But we do that anyway with SMS text message and other means, but that is an area that we are looking at.

I would also say to you that we have a smart meter programme on the way, so we're rolling out hundreds of thousands of smart meters. What will hopefully happen in the future is that if you have a smart meter, then if you do have a leak on your side of the meter we will spot that overnight, because we check it around 3 o'clock in the morning, and if it is higher use than normal then in the future we should be able to push that notification to you to say, "Just check your side of the meter, because we think you might have a leak, and how can we help?" That's kind of where we need to get to in the future, so hopefully that will be a big step forward as that smart meter programme is delivered across all areas.

TMcK Facilitator: Are there timings in terms of when these guys would be able to benefit from that?

Keith Haslett: We have started. I'll have to give you the split across SES, Bournemouth and Bristol, but we have about 250,000 smart meters in the ground, and we have to go much further than that really over the next 10 years. We'll definitely give you the split on that as the action, for sure.

I think as well, when it comes to leaks we do obviously get our own leaks that we raise ourselves

through satellite surveys and our technicians. A little bit of information for you, we are also detecting leaks, and this is where I did this in my previous role through fibre broadband. There is technology now that use the BT Openreach fibre broadband network to detect leaks down to the metre, and that's something we are looking at now for our areas with an individual that's just joined us from a previous company. That's something beyond satellites, which is quite exciting.

I'll take you to what we talk about really around the 25 year plan. We have what's called a Water Resource Management Plan, that is a very mature process for many years, and that has a horizon of 25 years, and that looks at the demand from customers, what we need to supply, and we look at our water sources, and we look at our treatment works, and we look at how we can make sure we can provide enough water for our customers and our non-household customers as well for the next 25 years. If there is a shortfall then we have to look at other ways of producing that water or that source.

There are some fairly hefty strategic resource options that we're working with Wessex Water on, for example, in Bristol, where we are looking at how we create another water source, and how we reinforce the water that we can provide in the future. So where we think we have a deficit, there is definitely plans in place to understand how we improve that.

Part of that comes into driving leakage down, also part of that comes into how do we help customers use less, and we have to make sure we get that right in terms of the comms. But all of that forms part of what I call the water balance, as to what customers use and how we make sure we produce enough to see that through.

It's just worth saying on that, I think it's important to talk about Bournemouth for a second. It is pretty resilient, Bournemouth. We've just invested well over £200m in two brand new water treatment works, state of the art ceramic membrane plants in Alderney and Knapp Mill, which Richard is going to be very proud of when it's finished. That's really important for Bournemouth, because that secures Bournemouth in water quality for a long time. If you're in SES, you've got the best water quality in the industry at the minute, so it's important that you know that.

But I think in terms of the question, we definitely need to think about Water Resource Management Plan, 25 years. I think we can definitely frame that for what it means for the next five years, to 2030, and what interventions or investment are we making to secure that water supply for you to 2030. If that's not clear enough at the minute, I think we probably need to work out a way to do that at a very simple-

CCW Chair: I think it comes back, Keith, to the knotty issue yet again of communication. It sounds like there's great stuff going on, but if customers aren't hearing about it then there is a disbelief that things are happening. We're going to come back to communications all the time, I think, on this, and the challenge of reaching people through different channels.

Thank you very much indeed for that. I think what I'd like to do now is move on to the last section of the evening, which in a sense is a couple of really short questions, and we've got a couple of our lovely community members who are going to put these to you.

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This is much shorter, so we'll have the question raised, and then Keith or Richard, and I don't know whether Ian and Ketan are joining us for these, but if they are, please let them in. So it's really just short and sharp responses to these. Community Member 6, could you please bring up the first question.

TMcK Facilitator: Sorry, Alison, I need to just change who've got in the room for this, if that's okay?

CCW Chair: Yes, please do.

TMcK Facilitator: Richard, my instruction is to let you go for this one, and I'll pop back into the viewing room, if that's okay, and we'll bring your colleagues in. So just give me two seconds to do all that, if that's okay.

Richard Stanbrook: Absolutely. Lovely to meet you all.

TMcK Facilitator: Thank you so much.

CCW Chair: Thank you, Richard, very much indeed. Please focus as much as you can on getting your good messages out. Even if people expect things to go well, people expect things to not quite hit their targets, to take longer, please be honest and transparent, because that gives you real trust and believability about what's happening and what's not happening. So, communication.

Richard Stanbrook: Indeed. Good advice, thank you.

TMcK Facilitator: It's not letting me remove you.

Richard Stanbrook: I'm still here. I struggled to get in, and now I can't get out!

TMcK Facilitator: If you leave and then rejoin by your link, if that's okay, and let me just bring in our other two colleagues. Apologies for the tech issues getting you in and out.

Richard Stanbrook: No problem. Take care everybody, goodbye.

TMcK Facilitator: Thanks. Let me bring in Ian and Ketan, if I can find him. There he is. Perfect, give us a second and we'll get them added, I've sent invites.

CCW Chair: We have Ketan in, welcome. I can see you're in, but I think you're on mute and with your camera off. We would love to see and hear from you.

Ketan Hindocha: Hello.

CCW Chair: Hello. Welcome.

Ketan Hindocha: Can you hear me?

CCW Chair: Yes, I can hear you well, that's lovely, thank you. We're just waiting for Ian Cain to join. I think we might kick off, if you don't mind?

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In that case, Ketan, I'm just going to very quickly reiterate, this is a couple of short questions which will be asked by our lovely community members, and between yourself and Keith, if you can give us a fairly short, sharp three-minute response, it would be most welcome. Community Member 6, would you please ask our first question in this section.

Community Member 6: Following the Gatwick outage, what exactly went wrong, particularly as we were told by David Harris on a previous meeting that such a situation shouldn't be able to arise. What have you changed as a result? And I'm a little concerned to hear that £200,000 has had to be paid out as compensation, and I assume that us as bill payers have obviously had to pay that money?

CCW Chair: So, over to yourselves to respond, please.

Keith Haslett: Okay, I think I'll maybe start here, Ketan, from an operational perspective, and you can come in. David Harris is no longer with the business, so I'll start with that. Ian's just appeared in my office, by the way. From a Gatwick Airport perspective, what's important here is that we had a power failure at one of our major water treatment plants, and from that perspective we would have standby generation that would kick in normally in a big works like that. But what happened was, it didn't just happen once, it happened twice, so we had a second power failure, and what happens with a water treatment works is that when you have a power failure effectively the process has to restart, and what that means is that you've got to restart the treatment works to make sure that the water quality is right for consumption before it leaves the gate. Really critical, public health has to be right.

That second power outage was a major issue for us, because we didn't get the same process kick in because it happened twice in such short order, and that actually made it very difficult to get the water quality up to the right parameter before it could leave the treatment works. So that took time. I always say unfortunately, quality over quantity, when it comes to water quality.

That unfortunately put us on the backfoot, alongside a couple of other incidents that we had at the time in SES, so we did struggle to keep up with demand. Gatwick Airport, obviously that was referenced I think earlier about SES being in the news. The reason for that was, Gatwick has very little resilience on their side of the meter, believe it or not, so you have effectively a small town there day-to-day but they have very little storage behind the meter, so they very much rely on zero outage from us going through the gate into Gatwick. That's something we're talking to them about.

But getting back to customers, that obviously impacted quite a number of customers, and for me, obviously it was an issue that really shouldn't have happened. But with the power outage and not being able to move the water back through the network in a timely fashion, that left us in a very, very difficult position. It's the first time that has really happened to us, and we absolutely apologise to the customers for that reason, and also Gatwick Airport.

You're right, it's very frustrating. Certainly, from my perspective, I happened to be on leave that cancelled my leave basically for three or four days to sort that out, and that's important for you to know that, that we took it very seriously.

Do you want to talk a little bit about GSS?

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CCW Chair: Yes. I can see you have a colleague with you in your office, is that Ian?

Ian Cain: It's me, yes. I couldn't get in.

CCW Chair: Hello, welcome. I think we would be particularly interested in what has changed as a result of your experience at Gatwick, and what are you putting in place to prevent it from happening again?

Ian Cain: Sure, I'll pick that up. Good evening everyone, I'm Ian Cain, I look after the water services across all of the brands that we've mentioned. Delighted to be here, I come with lots of experience in utilities.

Just to keep it brief, and maybe to reflect back on one point that you may have got from Richard and Keith a bit earlier, SES has been innovating very well and it does have a really generally resilient network compared to most organisations in our industry. It means that actually all customers and businesses in SES can be served by more than one treatment works. This did happen on this occasion, but it happened far too late for our liking, and that's something that we need to really fix.

We impacted there, Keith, the number you were looking for, was 11,000 customers, and from a GSS perspective, which is the compensation, somewhere in the order of £200,000. So, it's a significant thing for us. But actually it goes way beyond the compensation of money, the disruption that was caused there. Super devasted internally in the company, lots of people working hard to get it right, and very apologetic to our customers.

In terms of the learnings, Alison, and where we move forward to get out of the sort of analysis of the intervention itself, we really need to make Bough Beach more resilient than it is. Bough Beach is the significant reservoir where a treatment works, as Keith described, had the failure. The failure really in the first instance due to power.

One of the things that we need to do in terms of its resilience, is work really hard with UK Power Networks in this particular instance, along with a number of other companies in our industry that work with UKPN that suffer similar instances of resilience on power. So, we are getting together to work with UK Power Networks, and we need more resilience locally on that site. It's not the first time we've had an issue with power on the site.

Secondly, we need and are in the process of reviewing the robustness of the local generators that we have that will kick in subsequent to a power issue. So, there are two key resilience issues there.

And the next issue, Keith referred to the issue of chemicals, so chlorination in the water, which had continued to work while the power pumps were down, and that left us with more chlorine in the water than we'd like, so it meant we had to look at that. What we needed to happen was a failsafe that didn't happen, so we need to invest in that, and we are, at the moment, looking at how we restart our works in a really safe way, and can get them going as quickly as possible. Generally, that does happen and it happens quite often, but we need to make sure of that in Bough Beach, so we're going through that now.

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CCW Chair: It sounds as if you have a set of whole lessons learned from the incident and you're putting things in place. It would be really good if some of that could be communicated to customers, and certainly to this community group who have raised it, but perhaps to all customers.

TMcK Facilitator: Just on that, Alison. One of the things that was mentioned during the briefing session was this idea that they only hear about some of these things, and they disappear and they feel like they don't know what's happened to it, and there's potentially some good news stuff that can come out of this, this went really, really badly, here's what we did, and here's what we learned. Clearly from what you've said, you've taken some stuff away from it.

Ian Cain: It is good news, Joe. If you look at the good news that will come from this, something like this is so important for national infrastructure, not just SES and our customers. This has gone quite some way in terms of lessons learned with lots of bodies, regulators, etc. It puts an implication on us, of course, to be far, far better at all times, but also on Gatwick and the rest of the groups involved in national infrastructure.

That plan that you're talking about, Alison, we can absolutely communicate the key parts of that, and we can communicate when we tick those off in terms of our deliverables, and they're everything from technologies I just talked about, also to our own shift patterns. It was a really busy summer, as has been talked about, with drought and leaks, lots of inspectors very busy. At the same time, there was a wildfire out in Kent the day before, which left our resources depleted.

So, what we know is, we've got to change our shift patterns of the inspectors out there, those engineers you said earlier with the brains, in order to get more out there at times like this to enable us to operate more quickly. But yes, we're very happy to talk about those plans in a bit more detail.

CCW Chair: That's excellent, thank you very much indeed for that. I'm going to move us swiftly on to our next short, sharp question, which is from Community Member 8. If Community Member 8, you would like to ask your question, and we can put that up on the screen.

Community Member 8: Evening guys. We understand from your digital roadmap that an app is due to be available for customers after some internal system changes. We feel that is a basic service provision offered by all other utilities and could be available now. When will this be delivered?

Keith Haslett: Ketan, over to you.

Ketan Hindocha: I can pick that up. We do have a full plan from a digital perspective. I think when we last spoke, we did talk about the app and the complexity of doing the app very quickly, so we are working on it. And I think Keith mentioned that for SES we definitely have got a prototype that we're working on. Timescales are still unknown, so it would be at least six to 12 months before we even get to a position where we can test that out and take it further.

Ian Cain: Can I just jump in again there, Alison, for two seconds just to build on Ketan's narrative there.

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What I'd really like everyone to appreciate, because it's good news, it's in part of our digital roadmap as you rightly said there, but that digital roadmap consists of us putting a new billing system into all of our brands, it consists of new technology for our frontline operators out in the field so that we can assess every leak, every job that they do, and we can have that information gathered into our systems. That billing system and that operational system will talk to a CRM system, so that's Customer Relationship Management data, which will enable us to proactively customise and personalise all communications with our customers, which is really important here, and it will also help us be more efficient, quicker, right first time, all of that good stuff.

But then what we use the app for, combining those technologies, and smart meters, as the guys talked about earlier, it gives us an app that's a much more fulfilling and richer experience. So, as Ketan says, we're working through the timelines, which we can communicate subsequently, but it's part of really quite a powerful set of technology investments that we're underway with.

CCW Chair: Thank you for that. I was just going to ask one quick follow up, which is will you be trialling it with one of your water sub-companies before you roll out? Have you got plans for trialling this, or are you not yet even at the stage of a trial?

Ian Cain: Yeah, we have. We've already done a small trial previously in SES which we paused for a period. We will bring that back shortly. What we'll also do is, I think there was a really good idea on the call about capturing leaks. I'm not committing to this just yet, Alison, but I think it's a really interesting idea, that if we go forward with the trial more quickly, can we do it around limited services that make a real difference, and the reporting the leak might be one of those. So, I'd like for us to take that away and see if that's something we can do.

TMcK Facilitator: One of the things that was raised on this during our conversation, you guys will know this, an app is just such an expected part of any utility now, you don't think about it with electricity, you almost wouldn't end up with a provider that didn't have it. Is there anything that you can commit to in terms of timings and the speed of this? Even if it's a beta version that comes out that has some functionality first, etc, I don't know. Community Member 8 is nodding away, I think that was a big point that you raised when you were talking about this, was that the sooner the better ultimately, even if it isn't perfect and doing everything it needs to.

Keith Haslett: We'll take it away. But certainly, I've been looking at hopefully the next 12 months plus that they'll try and get this in over the next year. Part of the challenge with the team here, we need to get past just implementing quite a big billing system which actually goes in place at the end of next month, and then get that embedded, and then we're into development and the app. So that is really over the next 12 months we should be well down the track with that.

CCW Chair: Thank you very much indeed for that. I'm very conscious that we've used the time, so I am going to summarise by saying that a lot of the actions that you've seen on the screen have been captured live, and they're going to form the basis of CCW and Pennon Group's follow-up action plan. A summary report, fully anonymised transcript and a full list of actions will be published within seven working days, so that's next Friday 30th October.

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And before publication, all session members will have a chance to review it and to request any changes such as redaction of personal information, which is quite important.

Then Pennon Group must publish its action plan for these water companies within 28 working days, so that's Monday 30th November, setting out how it intends to deliver against the agreed actions. CCW will publish this on its website, and once the action plan is published, community members will be sent a link and a short survey asking whether the plan accurately reflects what was agreed, and whether it's enough to address the concerns raised, and you've got 10 days to respond. CCW will track progress against the action plan through the Water Voice process.

The process is designed to make sure that tonight leads to follow through, not just to discussion. I think the most iconic item of that would be please to look at the app and not make it perfect, not make it wait until it covers everything, but do cover the core functions and then build it on later.

I just really want to thank everybody in the community here for all of your preparation time, your reading and your contribution tonight, it's really important, and it's that input that gives these sessions purpose. I would really like to thank Keith, Ian, Ketan, and certainly Richard, for all of your honesty, transparency and contribution - it's really made a difference to explaining things to us here tonight.

But I think we're only a fraction of your customer base, an absolute tiny fraction, and again it comes back to communication. We hope that this process will give you an opportunity and a platform to ask more from within your own company, and more that you can actually put on the CCW website through this process and Water Voice.

Thank you very much indeed, and I'm going to call this to a halt now and say thank you again. Go and have a cup of tea, a drink or something stronger, and have a good rest of the evening. Thank you very much indeed.

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