

Meeting: Anglian Water Sustainability and Resilience Panel
Date: Tuesday, 27 March 2018
Time: 09.30 – 16.00
Location: British Antarctic Survey, High Cross, Cambridge CB3 0ET

Present:	Craig Bennett (Chair), Daniel Bean (Environment Agency), Julia Beeden (Cambridgeshire County Council), Barry Bendall (Rivers Trust), Joff Edevane (AW), John Giles (Environment Agency), Lou Gilfoyle (AW), Jonathan Glerum (AW), Jeffrey Halliwell (Chair of CEF), Katherine Hardcastle (River Nene Regional Park), Rebecca Harrison (AW), Darren Rice (AW), Phil Rothwell (RFCC), Rob Wise (NFU) and Vicky Anning (CEF report author).
Apologies:	Alex Plant (Anglian Water)

Agenda Items

Action

1. Coffee
2. Welcome and introductions

CB welcomed the S&R Panel to the British Antarctic Survey headquarters. The theme of the meeting was **flooding and SUDs**. There was a site visit to Eddington after the meeting to look at rain water harvesting and sustainable drainage systems.

3. Update from CEF Panel/Business Plan

CB was pleased to report that the panel's input into Anglian Water's [Strategic Direction Statement](#) had been very important. It had directly influenced the introduction of a fourth goal on improving ecological quality.

The company's outline business plan was due to be published on 28 March and the timeline for the panel to feed into the six-week consultation period was narrow. (Customer engagement is ongoing until 9 May – with a final synthesis report being prepared by 4 June). The company was also due to submit their proposal for performance measures to Ofwat by 3 May.

CB suggested that the panel would need to set up several meetings before 9 May to carry out their scrutiny work and to respond to the company's thinking.

Provisional dates were proposed for:

- **25 April (morning)**
- **4 May (morning)**

LG/JE

JH said that it would be essential for the Customer Engagement Forum (CEF) to receive detailed scrutiny from the panel on relevant areas. Ofwat has circulated an Aide Memoire that focuses what CEF needs to comment on for the report that will be submitted alongside the company's final business plan. Key questions have been identified for the various sub-panels to focus on.

VA/JH to circulate Aide Memoire and analysis to S&R Panel members

VA/JH to circulate

DR gave a brief overview of the purpose of AW's outline business plan and said he would share it with panel members as soon as it was available.

DR to circulate

The purpose is to set out, on the basis of customer engagement to date, what direction the business will take over the next five years and investment in the company's strategic grid. This is the next step following the company's 25-year SDS.

The company's [draft WRMP](#) is also now out for consultation, which runs until 9 June.

There are some choices around the pace of adopting the company's response to climate change. Through customer consultation over the next six weeks, the company will try to ascertain what is an acceptable bill profile to customers.

Increase of £4 per bill is one option – if the company makes proposed investments of £250m to make network more resilient. Or a reduction of £8 or £16 relative to bill at AMP6.

The company is also looking at views on leakage, which is a priority for customers. AW is a frontier company in this area.

There was general discussion about catchment management and how this compares with previous AMP.

LG reported that this depends on what happens with metaldehyde (whether there's a ban). The company is in consultation with the Environment Agency at the moment about the funds that may be available through ban on metaldehyde, which has been stopping AW from focusing on other areas (e.g. nutrients).

BB asked if the panel would have an opportunity to respond to the WRMP, as this is crucial to the direction of the outline plan.

4. Speaker 1: Jonathan Glerum, Regional Flood Risk Manager, Anglian Water – Black Sluice Case Study

JG gave a brief update on AW's work in the Black Sluice catchment area in south Lincolnshire. The company is looking at new options for reservoirs in this area as part of their flood management programme. They are working together with a range of other agencies to look at alternative models.

The next steps include modelling and looking for funding options to make this an affordable option for all partners. They are also looking at natural capital in the region. This is an exciting opportunity for AW that takes the company into the realm of being far more collaborative.

5. Speaker 2: Julia Beeden, Business Manager, Flood Risk and Biodiversity, Cambridgeshire Country Council

JB offered an introduction to flood risk management in Cambridgeshire, giving an overview of the huge number of agencies involved in managing surface water and run off risk, including water companies and highways agencies.

CCC has a duty to coordinate flood risk management in the county and it's crucial for agencies to work together. Anglian are now contributing to surface water schemes

JB organised a site for panel members to visit to the new development at Eddington, the largest water recycling system and network of sustainable drainage systems in the UK.

6. Speaker 3: Jonathan Glerum & Rebecca Harrison, Anglian Water – Infrastructure Resilience Enhancements

JG & RH gave a joint presentation on infrastructure resilience enhancements, focusing on four areas: resistance, reliability, redundancy, response & recovery

In terms of **community flood risk management**, AW has:

- 77km of sewers (enough to go round world twice)
- 755 customers at high risk of external flooding
- 178 customers at high risk of internal flooding from rain
- 379 customers at low risk of internal flooding

Of AW's 7 water quality and customers satisfaction goals, zero pollution and flooding came out as 2nd most important – with 93% of customers ranking this as important to them

When customers were introduced to long-term ambitions, making East of England resilient to flooding and drought was a priority.

In terms of **asset flood protection**, AW has:

- 5,000 water recycling centres and pumping stations
- 500 water treatment and distribution assets

AW is looking at different asset management programmes, working with UK Power Networks and private owners.

One of challenges is funding – which is why working in partnership is so essential.

AW have introduced a customer engagement programme for **water resource management** under banner “Make Rain Happy”:

- Want to reduce unwanted flows by 100% by 2045
- Want to significantly enhance communities we work with (aligned with SDS)

Partnership working is essential – with 22 partners across the region. JG said AW are seen to be a frontier company in this area

RH explained the use of technology. The company will improve **infrastructure resilience** by

- Mobilising catchment storage – 10k sewers with available capacity
- Using online models to forecast
- Increasing monitoring of remote assets
- Improving control capabilities

7. Break

8. Panel Discussion – PR19 priorities and ODIs – Darren Rice, Anglian Water

DR explained that Ofwat are putting more emphasis on performance measures during this AMP period.

Ofwat has proposed 14 common performance measures and mandated measures, for example, on abstraction incentive mechanisms.

Water companies should have at least one environmental ODI in addition to the common measures (which include three relating to the environment and three on resilience).

There are also bespoke areas where companies have freedom to create their own measures.

AW started with a long-list of around 120 outcomes, following customer engagement. Some were quite aspirational. This is being refined into manageable list.

Societal valuation work has also been ongoing – AW is now trying to bring all of this work together and look at appropriate penalties and

rewards (called “over- and underperformance” by Ofwat).

Of the company’s bespoke measures from Ofwat’s longlist, three relate to the environment and one to resilience.

Of the other bespoke measures, four relate to the environment:

- Natural Capital
- WINEP
- Operational carbon
- Embodied carbon

DR said the first two bespoke measures are the most important but least developed. Natural capital is increased area of focus for Anglian Water.

LG said the fact AW now has an ODI on natural capital really helps to embed it in the company’s decision making. This has come out of the thinking from this panel.

DR explained that underpinning each of these measures is a short description. These are being submitted to Ofwat on 3 May, who will feed back their views by end of July. Ofwat will receive high-level information – and whether the measure is financial or reputational.

The company are creating one-pagers on each performance measure for the CEF to illustrate the customer engagement and thinking that’s led to these measures.

DR to provide one-pagers to panel in next two weeks.

Panel questions:

DR

BB asked how the panel can influence company thinking on ODIs?

DG replied that dialogue can continue beyond 3 May, but the panel should have conversations about that in next six weeks

JH would like to see the one-pagers as soon as possible.

CB agreed we need the company to narrow this down so the panel can give timely input.

BB said that for the one-pager on Natural Capital, it would be useful to narrow down what the company wants to deliver – as well as showing line of sight to customer engagement.

DB said EA would like to see the words “catchment delivery” in ODIs

9. Minutes of previous meeting

Minutes from 22 September meeting were approved.

VA & JE to follow up reports and circulate to members/put on Sharefile

CB to follow up with **BO** from Adnams about recommending people from business to take part; and BO has offered to host a meeting at Adnams

VA/JE

CB/BO

10. AOB

All papers and slide decks from the S&R Panel are saved under the ShareFile here: <https://anglian-water.sharefile.com/>

11. General discussion (panel members only)

There was discussion among panel members about timelines. Members felt frustrated at the lack of information about the outline business plan and had hoped there would be a fuller and more detailed presentation about the ODIs at today's meeting. They felt that timelines were very rushed, giving the panel inadequate time to give useful input.

It was agreed that a panel meeting was needed as soon as possible to talk through in more detail about the business plan and ODIs.

One member said he would have liked the panel to have a role in forming the environmental ODIs, rather than coming in at this late stage. Although it was encouraging that the company had listened to the panel's views about the SDS, he said, that was high level thinking and the performance measures are very specific. This is now the opportunity for panel members and stakeholders to hold the company to account on the finer details.

The panel agreed that they wanted to support the company in their decision making processes around the environmental performance measures and in particular on natural capital. One member suggested the company could be trickling information as it's being developed to give useful feedback in a more timely fashion. Areas of specific interest included catchment management (one member said some companies are proposing ODIs on this) and population increase in the region.

Actions arising:

CB would call Alex Plant at Anglian Water over the next few days to discuss matters arising.

CB

DB to share "red line" thinking from Environment Agency for guidance

DB

Panel members to send thoughts/responses on business plan to CB/VA in advance of 4 May meeting

All

Meeting finished with a site visit to Eddington in north of Cambridge.