



**Minutes of the Water Forum
Severn Trent Centre, Coventry**

24 January 2017

Present:

<i>Chair</i>	Gill Barr
<i>Consumer Council for Water (CCWater)</i>	Bernard Crump, Paul Quinn
<i>Environment Agency</i>	Bill Derbyshire
<i>Natural England</i>	Ian Butterfield
<i>CBI</i>	Richard Butler
<i>East Midlands Councils</i>	Stuart Young
<i>Independent Members</i>	Nick Baker, Rish Chandarana, Karen McArthur, Steven Wade

In attendance:

<i>Severn Trent Water (STW)</i>	Tony Ballance (Director, Strategy and Regulation), Shane Anderson (Head of Economic Regulation), Min Grimshaw (Head of Asset Strategy), Leah Fry (Head of Customer Strategy & Experience), Malcolm Horne (Head of Asset Management) Harriet Towler (Outcomes Manager) Mike Keil (Asset Strategy Manager) (item 4 only) Bomme Stuber (Market Research Strategy Manager) (item 5 only) Susie Price (Senior Customer Insight Researcher) (item 5 only) Claire Nichols (Consultant)
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1. Welcome, introduction and governance

The minutes of the meetings in September and November 2016 were agreed. The Chair updated that she continued to seek a local authority member of the Forum from the Powys region and would welcome the help of existing Forum local authority members.

2. Deep dive: outcomes

Severn Trent outlined the role of incentives within regulation and the ways in which outcomes (performance commitments and outcome delivery incentives) work. Forum members noted that while there is a range of options for the design and application of these mechanisms, the key point for customers is that they incentivise the right behaviours and are set out in a way that is meaningful, easy to understand and transparent.

3. Update on Water Forum sub-groups and workstreams

Retail and vulnerable customer subgroup

STW outlined its work to date in relation to the retail plan. The retail subgroup would require a forward view of its input. There was discussion around where different activities, responsibilities and relationships sit now that the wholesale and retail sides of the business are separate.

4. Future: strategic challenges

STW summarised the process to develop the strategic challenges being consulted on in 'Shaping our Future'. The document took account of challenge from the sub-group. A series of workshops with stakeholders, attended by Forum members, was shortly to start. The company would be open to new ideas emerging from these sessions, which would inform – not dictate – the plan. A note of the meetings would be circulated to Forum members.

Ofwat has recently set out its four key price review themes. It was agreed that the Forum should nominate champions for each of these areas.

5. Future: market research

The Forum discussed the way in which the hierarchy of needs construct could be applied in practice.

It was noted that STW will also need to engage with its Dee Valley customers, and should make strong efforts to engage with business customers.

The Forum discussed the definition of 'customer'. It was felt by some that a broad definition (including, for example, non-regulated customers or non bill payers) would be more appropriate and innovative.

The research will create large quantities of information and a wide distribution of views. At some point it will be necessary to bring all of this together in order to make decisions. The Forum challenged STW to explain how this would happen and to make sure that it was done in a transparent way.



It was noted that STW had a role as an enabler of growth. This led to a discussion about the benefits of widening the sub-group membership further.

The Forum agreed that the hierarchy of needs construct was helpful but that it required a further iteration before it could be applied to STW's research. In particular further thought should be given to the way in which environmental improvements are considered. The Forum agreed the satisfaction charts.

The Forum discussed the wider roles that STW undertakes. It noted that the company's strategic communication was itself a contribution to the business plan. The company was challenged to engender trust by not only doing the right thing, but by being seen to do the right thing. It was agreed that this can be a difficult task for a company but is important from the perspective of customer understanding.

Forum members put forward a range of views about the WTP research and how best to measure the value that customers put on improvements. It was agreed that the sub-group should continue to feed its thoughts through to the company.

6. Current issues

Dee Valley Water update

The company provided an update on the regulatory and cultural implications of its acquisition of Dee Valley Water and the implications for customers in Wales. It was noted that Dee Valley Water has its own CCG.

Half-year performance update

STW provided an update on its half-year performance.,

7. Water Forum Communications plan

The Chair introduced the plan and welcomed comments and suggestions. It was noted that the plan needed to include the implications of the acquisition of Dee Valley Water, that an additional key audience is stakeholders, and that communication is a two-way process.

It was agreed that the Forum's communications should explain and demonstrate areas of influence and change. Further thought should be given to structuring this around Ofwat's four key price review areas.

The Chair thanked members and STW representatives for their contributions to the meeting.