



Meeting of the Water Forum
Severn Trent Centre, St John's St, Coventry, room 7.14

03 May 2018

Attendees

Chair	Gill Barr (GB)
Consumer Council for Water (CCWater)	Bernard Crump (BC)
Consumer Council for Water (CCWater)	Paul Quinn (PQ)
Consumer Council for Water (CC Water)	Gemma Domican (GD)
Natural England	Ian Butterfield (IB)
East Midlands Councils	Stuart Young (SY)
Environment Agency	Bill Daryshire (BD) (by phone for afternoon)
Independent Members	Nick Baker (NB) Rish Chandarana (RC) - Arup Karen McArthur (KMc) Steven Wade (SW) – Atkins
Apologies	Jan Britton Richard Butler

Severn Trent Water (STW)	Dominique Reiniche - Non-Executive Director (DR) Liv Garfield (CEO, Severn Trent) (LG) James Jesic (Director, Production) (JJ) Tony Ballance (Director, Strategy and Regulation) (TB) Shane Anderson (Head of Economic Regulation) (SA) Kirsten Shilling (Water Forum Secretariat & Report Writer) (KS) Heather Thompson, (Outcomes Manager) (HT) Neerja Upadhyay, (Business Planning Controller Infrastructure) (NU) Kristinn Mason (Chief Economist) (section 6) (KM) Leah Fry (Head of Customer Strategy & Experience) (LF) John Bentley (Head of Strategic Investments) (section 7) (JB) Heather Nunnerley (Customer Strategy Business Lead) (HN) (section 5) Kate Donovan (Corporate Internal Communications Lead) (section 5) (KD) Kathryn Greenwood (Head of Communications) (section 5) (KG) Mike Williamson (Head of Network Control) (section 5) (MW) Oliver Twydell (Water Quality Improvement Lead) (section 5) (OT) Hayley Omalley (Head of Asset Health & Performance) (section 5) (HO) Chris Giles (Head of Customer Network Operations) (section 5) (CG)
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Item 1: Welcome, introductions and governance

Forum members reviewed the minutes from the meeting on 15 March 2018 and these were approved.

There were no new declarations of interest.

The action log was reviewed: All actions were closed.

Item 2: Purpose of the day

STW noted that the company was finalising the inputs in the PR19 submission. It noted that the strong and diverse challenges made by the Water Forum over this period had undoubtedly helped the company develop a better PR19 plan. There was a clear line of sight between the Water Forum challenges and the plan.

It was further noted that there had been significant challenge and progress made in the Strategic Investments sub group since October 2017 and this should be commended.

LG then provided an overview of the latest Ofwat consultation and what could happen following a period of reflection from the sector.

STW noted the areas to cover for the agenda today and where the Forum should provide challenge.

There were no further comments.

Item 3: Customer Insight

The Water Forum sub group Chair commended the work of the sub group and the company. It was noted that the work conducted was of high calibre and this opinion would be reflected in the Water Forum report.

STW noted that the programme was largely complete. The creation of the Customer Compendium was an iterative process and nearing completion.

The online panel was discussed and the company were congratulated by the Water Forum for this piece of research. The Chair of the Water Forum noted the way in which STW had considered spend for the programme and made choices that demonstrated quality over quantity of insight projects. This was commended.

STW noted the guidance that CCWater had produced on acceptability research and confirmed that the company intended to follow it.

A final action to take away from this section was to ensure that the company has one or two topics exploring research inconsistencies in relation to the online panel. This was already in the forward agenda.

Item 4: Retail



The Water Forum sub group Chair reflected on the hard work and progress that the sub group had made. The company now has an enhanced understanding of vulnerability. It was also noted that a step change in the company's work around innovation was apparent.

Cross subsidy was discussed and the Water Forum noted the update.

In this update, it was also noted that co-creation results would be used to develop future plans.

The Water Forum noted that this work, in particular the generosity of the cross subsidy, was also a strong message about people in the Midlands.

The main **challenge** taken from this section was for the company to update the members no later than August to confirm whether the company can do more to increase the percentage of customers in vulnerable circumstances that it helps.

Item 5: Performance Commitments – part one

In this section the additional attendees joined the meeting who were subject matter experts (SME's). They were invited in order to add more in depth conversation around the PCs that would be discussed.

Feedback from the March meeting had been taken on board and triage sessions had been held. This session would address a lot of the challenges presented there. As a result, since the main March meeting, for the vast majority of measures, members and the company were satisfied with the level of stretch.

The purpose of this section would be to present any outstanding PC targets, for discussion by the Water Forum.

The Water Forum **challenged** the company to ensure it had a robust argument for the position in the UQ range. STW noted that this was a good challenge and it would review the way that it explained this.

The SME's provided deep dives into specific PCs.

Internal sewer flooding, external sewer flooding and pollutions

An overview of internal and external sewer flooding was provided including past challenges, learning and innovation.

The key challenges and comments arising from this section were:

A **challenge** on the data in the tables around 2011/12 in relation to the AMP6 target. STW noted the challenge and provided an explanation to give context. The Water Forum noted the response.

SA invited comments from the Water Forum on targetry.

The Water Forum noted that it was very useful to look at the historical data.



The Water Forum **challenged** the company to consider what additional information it can provide to illustrate the stretch. This was noted and the company would respond following the meeting. STW also noted that the appendices would be shared with the members for further comment.

The SME moved on to discuss Pollutions. The Water Forum were invited for comments on targetry..

It was agreed that the target for the measures was appropriate, however the company needed to better articulate its positioning.

Supply interruptions

STW provided an overview on supply interruptions. STW explained the target and context behind.

STW invited comments from the Water Forum. Members were comforted that the target was stretching enough.

The Water Forum **challenged** the company to consider the time of day that repairs took place. Especially in light of road closures.

STW responded and the Water Forum noted this and no further action was required.

It was agreed that the target for the measures was appropriate

Mains bursts

STW provided the background and context for mains bursts. The Water Forum noted that they were in agreement with the targetry.

Water Quality complaints

STW provided the background and context for water quality complaints. The Water Forum noted that they were in agreement with the targetry.

Education

STW provided the background and context for the Education PC and the challenge received at the last Water Forum. It was noted that the focus was on learning for life. The decision to base education for children was that the behaviours they would learn in school would then continue in later life.

It was noted that the company intended to work very closely with schools to implement the strategy.

The Water Forum **challenged** the company on if it was targeting areas of water deprivation. STW noted this and responded. The members accepted the response.

The Water Forum were in agreement with no further actions to take.

Item 5: Performance Commitments – part two

This section focussed on the outstanding definitions. The Water Forum **challenged** the company in regards to low pressure complaints to explain how it would get assurance on the results. STW noted this as an action.



The discussion focussed on lead. Good discussion and debate provided the company with further thoughts around this matter.

STW then discussed the long term ambition. The company had taken on board Defra's advice and would follow this as well as the advice from experts and stakeholders. STW invited the Water Forum to comment on the long term ambitions.

The Water Forum **challenged** on the Leakage and PCC long term targets to consider more stretch in line with Government expectations. STW noted this.

Regulatory permits were discussed. It was agreed that the discussion would be taken offline to better understand the issue.

Performance reporting was discussed and the Water Forum members invited to make suggestions on the initial design. The Water Forum advised that the Communications team should explore how it could be more accessible to customers.

The Water Forum noted other interesting and insightful suggestions that the company took note of and thanked them for.

The Chair noted that all were in agreement that the Water Forum were content with the PCs.

Item 6: ODIs

This section was a reflection on the progress to date, particularly on the challenges that the sub group addressed in April. It would also be specifically looking at asset health, voids and the package of ODIs.

The sub group Chair reflected on the methodology used by the sub group.

The Water Forum discussed how valuations had been triangulated into incentive rates. It was also noted that Frontier Economics worked with the company on valuations.

The challenges made in the April sub group on the remaining elements were discussed and the approach to how they had been addressed.

STW discussed asymmetry. It was noted that it had been a challenging year for interruptions. STW asked for any reflections from the Water Forum.

The Water Forum expressed support for the company's position but noted that the company needs a very strong and clear explanation.

STW discussed the supply interruption valuation. No further comments were made by the Water Forum. The company was going to consider chronic low pressure.

STW discussed low pressure. Different ways of considering the issue were discussed. It was noted that overall the Water Forum were content with the information provided.

Asset Health was discussed. STW noted that it had assessed the financial impact of deteriorating asset health.



The Chair noted that members were encouraged by this update and how the current basket of measures and incentive rates protect customers.

STW moved onto Voids. STW noted that this was a difficult area. A discussion was held over this topic but no further action was required.

STW moved on to Biodiversity and noted that there were three elements to the previous challenge on this topic. These were discussed in some detail. The Water Forum challenged the company to reconsider both the scope of measure and the incentive rate once the other WTP results were available. STW noted this.

Item 7: Strategic Investments

The sub group chair of Strategic Investments noted the great deal of progress and were nearly at a closing point.

It was noted that Strategic Investments assurance remained a priority for members. STW noted that an update would be provided with the sub group as well as an update on Uncertainty.

The Chair noted the above and that it could be agreed at sub group level and closed.

The challenge made previously was to see a clear line of sight between the research and the Strategic Investments. The Forum noted that the company had provided an excellent document that showed this clearly. It was noted that it would not only be useful for the present, but also for the future.

The sub group noted the impact on bill delta's and STW agreed that this would be discussed later when updates of the plan had been through the STW Board for challenge.

Item 8: Update on the Interconnector

A discussion on the key features and the current proposal took place. Future updates would be provided as and when necessary.

Item 9: 2017/18 Performance

Successful performance in Waste and Retail was noted. It was also noted that Water was disappointing. The company was motivated to improve next year.

Water quality complaints was another area of success with a 12% improvement.

More details on overall performance were given and the members had no further questions or comments.

Item 10: Next steps

GB reflected on the agenda and thanked the room for their time and noted the effort from teams.

The main meeting was closed and the members moved to a meeting in private.

The next meeting will be on 06 June 2018 at Severn Trent Centre, St John's Street, Coventry.