



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

21 July 2017

Present:

<i>Chair</i>	Gill Barr
<i>Consumer Council for Water (CCWater)</i>	Gemma Domican
<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) Katherine Bird (PR19 PMO Lead) Neerja Upadhyay (Business Planning Controller – Infrastructure) Heather Thompson (Outcomes Manager) Bomme Stuber (Strategic Insight Lead) Susie Price (Senior Customer Insight Researcher) Vanessa Mallinson (Government Affairs) Andrew Milton (Brand and Marketing) Claire Nichols (Consultant)
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1. Welcome, introductions and governance

The Forum reviewed the minutes from its meeting on 1 June 2017 and these were approved.

The Chair welcomed Gemma Domican who was representing CCWater at this meeting.

Item 2: PR19 programme update

Ofwat's draft methodology had been published on 11 July. The Water Report had published a useful summary that may be helpful for members.

STW explained the staff changes and additions it had made to support its PR19 planning.

Item 3: APR statement and 2016/17 comparative performance

The customer friendly version of the APR report would be no more than 6 pages and would show the company's position relative to others in key areas. STW had provided a draft commentary from the Chair.

CCWater had published its quarterly performance report. In many areas performance across the sector was improving and some companies had very strong results. STW noted its performance on water quality and leakage.

Ofwat is encouraging companies to develop greater understanding of the health of their assets although there are difficulties in monitoring performance, particularly for underground assets.

Ofwat is moving towards measurement based on consistent metrics and targets would be based on the company's historical performance. STW is carrying out work in this area through its asset deterioration models.

Item 4: Ofwat methodology

STW provided an overview of the draft methodology, highlighting key points of relevance to the Forum. In addition to the Water Report it was noted that there had been other summaries, for example from KPMG, that were available for review if required.

STW noted that it had already adopted many of the proposals in the methodology, including in-period ODIs. That said, the company's view is that the methodology is challenging – particularly the move to upper quartile performance while at the same time having to reduce costs.

Item 5: Retail

An update was given of progress since the last Forum meeting and there was now greater structure and more resources for this workstream.

STW updated the forum on the current approach to the PR19 plan, including a review of research proposals and the scope for supporting customers in vulnerable circumstances. The Forum provided challenge on some key areas STW could provide more thought. STW agreed to share some further data that was available to support work in this area.

concerns were raised that there was a great deal of work that needed to be done at the same time. Members were looking for reassurance that this was going to be deliverable, and that there would be sufficient time for members to comment.

The company outlined its five workstreams and stressed that it was important not to focus on customers in vulnerable circumstances alone, but to look at the service offering across the whole piece.

A member **challenged** the company to start a mapping exercise to help identify any gaps.

The Forum identified additional areas of research which could be applicable to the work being done on vulnerability. It was agreed this would be further discussed outside of the meeting.

STW went on to outline its customer needs research programme. This is an overall piece of work, within which STW would focus on customers in vulnerable circumstances. STW responded that it would talk to different types of people with different types of vulnerabilities.

Item 6: Customer insight

An update was provided on the latest WTP results that were available and how the group is starting to try to understand the implications of the research.

In relation to the research plan, members were keen to see the research briefs. Key would be the appropriateness of the methodology being used.

STW went on to explain its approach to WTP and triangulation. Members noted that it would be helpful to see the full WTP report in order to be able to digest it before providing feedback.

STW outlined its stakeholder engagement plans, including for co-creation with customers.

Item 7: Investment

An update was provided on progress since the last meeting highlighting that there had been focus on making sure that it was covering everything in terms of its scope, now that the draft methodology has been released.

STW outlined its potential 'strategic challenges', which are the issues that are likely to require significant investment outside of the base plan or provide opportunities for partnerships.

It explained that in September there would be a firmer view of options. From February 2018 it would be looking at best options and will start to construct PCs. The investment team is looking at

Resilience is a key part of the methodology and Ofwat's principles are very far reaching. Two of the common PCs relate to resilience and this is an important area because investment to increase resilience can be significant. It was noted that some of the choices would need to be explored.

Item 8: Stakeholder engagement

STW outlined its approach to stakeholder engagement and the principles that were being followed. The Forum agreed that they were sensible. STW noted that it was trying to achieve broad engagement with customers around PR19 and that the initiatives discussed in this item were not part of the research programme.

Item 10: Communications

Members agreed with the proposed approach for the report's starting point.

The Chair closed the meeting and thanked Forum members and company representatives for attending.