



**Meeting of the Water Forum
Coombe Abbey, Coventry, 27 October 2017**

Present:

<i>Chair</i>	Gill Barr
<i>Consumer Council for Water (CCWater)</i>	Bernard Crump
<i>Consumer Council for Water (CCWater)</i>	Paul Quinn
<i>Natural England</i>	Ian Butterfield
<i>Environment Agency</i>	Bill Darbyshire
<i>CBI</i>	Richard Butler
<i>East Midlands Councils</i>	Stuart Young
<i>Sandwell Council</i>	Jan Britton
<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), Neerja Upadhyay (Business Planning Controller – Infra) Harriet Towler John Bentley (Head of PR19 Strategic Challenges) Effie Toliou Strategy Planning Analyst Mark Craig Senior Strategy Manager Colin Church Strategic Grid Manager Marcus O’Kane Business Planning controller - Enviro Claire Nichols (Consultant)
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1. Welcome, introductions and governance

Forum members reviewed the minutes from its meeting on 21 July 2017 and these were approved.



Item 2: Purpose of the day

The company explained that it is at a pivotal point in the process of developing the business plan. It is currently agreeing high-level characteristics and the narrative for the plan.

The customer research work will start to reach a conclusion so that the company can further incorporate the research findings into the plan.

The company is getting to a clearer view of the level of strategic investment that might need to be included in the plan, some of which would be driven by statutory requirements. This investment would be a driver of customer bills and what trade-offs are likely to have to be made.

Another important aspect of the price review would be PCs and ODIs and the company was looking for considerable challenge from the Forum in this area.

Item 3: PR19 – overall process

The company explained that it was focussing now on making sure that it was doing a 'great job of the things it knows it has to do'. As part of this it would be drilling down in particular to the areas where Ofwat has specifically stated it is looking for CCG challenge.

Members very much welcomed the CCG Checklist of required engagement that the company had provided, which covered all areas of the plan.

Item 4: Customer insight

The Forum outlined progress since the July Water Forum meeting. The customer research approach was discussed and reviewed the results available to date.

The Forum discussed whether the company was projecting how it would meet further growth, both planned and potential. And how changing demographics relates not only to increases in population but also to the ways in which people live.

A breakout session was held to further explore the approach to customer engagement.

Forum members were asked to provide their views on the company's performance against Ofwat's principles of good customer engagement. A number of topics were discussed including understanding customer needs, using comparative information, looking at the evidence base available and exploring longer term issues,

Item 5: Wholesale

The Forum outlined the work that had been done since the last Forum meeting. The innovation deep dive had provided an interesting case study, and the group had provided challenge around the ways in which the approach could be applied more widely within the company.



The Company provided an outline guide of the investment requirements. The Forum asked the Company to add in information relating to bill impacts, once that information is available.

The Chair provided **challenged** for some areas of the investment requirements , the Company welcomed this challenge.

The chair closed this item noting that it had been a very useful discussion, with more work still to come on the investment side.

Item 6: Enhancements

The Company explained that the purpose of this session was to help the Forum fulfil the requirements Ofwat has set in relation to any enhanced investment that is included in the PR19 plan. In particular the company was sharing progress to date. Members were asked to consider questions in relation to three areas of investment which would be reviewed through breakout discussion groups. Four breakout groups reviewed the investment topics and provided challenge to the company.

Following this breakout group members commented that this area would require greater scrutiny than any others.

It was agreed that it would be helpful to have a view of the level of customer discretion and for the company to develop a clearer narrative around the proposals.

The Company agreed that this would be a sensible approach and that the company would come back with some proposals as quickly as possible.

Item 7: ODIs and PCs

The Forum provided an outline of the work that had been covered since the last Forum meeting. The approach to upper quartile was discussed.

The Company noted that the rationale for PCs and ODIs was to compel companies to think about the outcomes they were delivering, rather than controlling the inputs. The framework at this price review is more restrictive than at PR14. Ofwat had provided guidance on PCs and the areas of CCG challenge.

The principles and methodology the company had developed for developing PCs was explained. Members agreed that it was very helpful to see this approach ahead of the session in March 2018 which would look in much greater detail at the PCs.

Item 8: Retail

The Forum outlined the work that had been done since the last Forum meeting. There had been considerable progress which was to be welcomed.



A debt expert had been identified during the course of the meeting and would be invited to take part in future workshops.

The approach to affordability for customers was discussed, including reviewing the approach to social tariffs. The company confirmed that it would undertake trials in this area and come back to the Forum with further information. The Forum commented on the issue of debt across the region in relation to vulnerable customers and the approaches that could be used to help those in very difficult financial circumstances.

The Forum said the company to do more in reducing bad debt, as this is an area where the company is already good so could do more.

The Forum noted that there are many opportunities for working with third parties and in partnerships.

Members noted that substantial progress that had been made on the Retail workstream and thanked the company for this.

Item 9: Water Forum communications

There was an update on the Forum's Twitter account and the LinkedIn account would also shortly go live.

The next meeting will be on 12 January 2018.