



## ANGLIAN WATER INDEPENDENT CHALLENGE GROUP

### MINUTES

**Date:** 20 January 2023  
**Time:** 13:30 to 16:30  
**Location:** Via Teams

- Present:**
- Craig Bennett – Chair (M)
  - Claire Higgins – Cross Keys Homes (M)
  - Gill Holmes – CCW (M)
  - Joanne Lancaster – MD, Huntingdonshire District Council (M)
  - Paul Metcalfe – MD, PJM Economics (M)
  - Nathan Richardson – Waterwise/Blueprint for Water (M)
  - Sarah Thomas – CCW (M)
  - Justin Tilley – Natural England (M)
  - John Vinson – CCW (O)
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- Peter Simpson – Chief Executive, Anglian Water
  - Peter Holland – Director of Customer and Wholesale Services, Anglian Water
  - Victoria Lemmon – DWMP & Water Recycling Growth Manager, Anglian Water (dialled in for agenda item 5)
  - Abi Morgan – Regulation Programme Adviser, Anglian Water (for agenda item 4)
  - Darren Rice – Regulation Director, Anglian Water
  - Allan Simpson – Strategic Growth Manager, Anglian Water (for agenda item 6)
  - Rachel Walters – PR24 Customer Engagement Lead, Anglian Water
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- Vicky Anning – Secretariat (O)

**Apologies:**

- Sarah Powell – Environment Agency (M)
- Richard Tunnicliffe – CBI (M)

**Summary of actions**

Action	Status
<i>Closed</i>	
VA to circulate reports from other challenge groups for information	Done

<i>Open</i>	
<b>AW</b> to share further information on smart meters and analysis on customer behaviour and water use this summer compared to other regions	Carried over; more details to follow
<b>AW</b> to provide regular update on pollution incident plan and Get River Positive	Pending
<b>DR</b> to follow up with JV about adaptive planning process	Pending
<b>DR</b> to follow up with Nathan regarding delay to draft WRMP and provide letter from Defra	Pending
<b>PH/PS</b> to follow up with Nathan around reducing NHH water use	Ongoing
<b>VA</b> to circulate minutes from Task and finish group meetings and add challenges to challenge log	Ongoing
<b>RW</b> to add hyperlinks to Synthesis Report	Pending
<b>ICG</b> members to consider assurance role, build in sufficient time for assurance and consider role of external auditors	Pending
<b>ICG</b> members to consider what information they would like to see around DWMP and CSOs and how they would like it presented	Pending
<b>AW/ICG</b> to include deeper dive on LTDS and scenarios at future meeting	Included in March agenda
<b>CB/VA</b> to discuss workplan/outputs ahead of March meeting	In progress

## Meeting minutes

Item	Action
<p><b>1. <u>Welcome from Independent Challenge Group (ICG) Chair</u></b></p> <p><b>Craig Bennett (CB)</b> introduced the virtual meeting. He explained that shorter online meetings would be interspersed with longer ICG face-to-face meetings throughout 2023. He thanked Anglian Water (AW) colleagues once again for providing useful pre-reading materials.</p> <p>Minutes from the 9 December ICG meeting were approved and adopted.</p> <p><b>Central Oversight Group (COG) update</b> CB had attended some of the recent Central Oversight Group (COG) meetings of ICG Chairs; papers had been shared with ICG colleagues. Next month's COG meeting would include useful feedback on comparative survey of Independent Challenge Groups, which CB would feed back to this group.</p> <p><b>ICG and report</b> The ICG website had been updated, following input from ICG members, and the link had been shared: <a href="#">here</a> <b>Vicky Anning</b> reported that the website would be updated with minutes, agendas and reports as these were approved; she invited members to send any further feedback. Craig said he and Vicky would be looking at the format for an ICG report once the comparative report had been released (referenced above). CB was also due to meet with the AW Board dinner next week, which would help to inform thinking on the ICG and the report. <b>Action:</b> Vicky to circulate reports from other challenge groups for info.</p>	<p><b>Action VA</b></p>

Item	Action
<p><b>Outstanding actions:</b>  <b>Nathan Richardson</b> suggested that information provided in relation to behaviour of customers on smart meters during the 2022 summer drought didn't answer the challenge noted in the October minutes (see p2).  <b>Action:</b> This was noted by AW colleagues and would remain as an open challenge on the challenge log.</p> <p><b>2. <u>Company update</u></b></p> <p><b>Peter Simpson</b> gave an update on AW's performance.</p> <p>There had been over 1,000 burst mains in December after the deep freeze and rapid thaw. AW had prepared well and put additional teams on the ground to help anticipate bursts. Peter was pleased with AW performance. There was only one significant disruption to supply (in Haddenham).</p> <p>Performance during the freeze-thaw across water companies had been variable, with rolling outages across the South East. All companies had been asked to write to Ofwat regarding how lessons learned from the 'Beast from the East' had been implemented.</p> <p>The freeze had made leakage performance tough for this year. A lot of effort would be needed to get leakage down to where it should be (in particular, on the heels of the dry summer, which had also caused a lot of leakage due to dry ground).  Peter reported that water storage is building back up after the summer, due to amount of water/rainfall, which is significantly more than needed, apart from in North Norfolk. Prospects for the summer are very positive.</p> <p>AW finished year with good drinking water quality results. There had been concerns about discolouration as a result of the increase in bursts, but this didn't happen.  Compliance at water recycling plants was better than in previous years.  Overall pollution incidents were down but there were still more serious pollutions than the company would ideally like to see, so there was still work to be done.  The run rate was different in second half of year to first half of year, which was encouraging and showed the measures discussed by Emily Timmins at the last ICG meeting were starting to work.</p> <p>For the strategic pipeline – AW now had most of the planning approvals needed and work was ongoing on several fronts. This year was an important time to get the pipes in the ground.</p> <p>AW was still waiting for a response from Ofwat and Defra on accelerated infrastructure proposal (AW put forward a proposal for more investments sooner on smart metering and accelerating one part of pipeline (Bury/Grafham), which would help AW resilience and Cambridge Water in particular. They were expecting a decision in early March.</p>	<p><b>Challenge</b></p> <p><b>Action AW</b></p>

Item	Action
<p><b>Questions</b></p> <p><b>Jo Lancaster:</b> On the Bury/Grafham pipeline: water availability is affecting local plans. Water capacity has been flagged by Cambridge Water as an issue. If there’s anything that could be done at local authority level, it would be helpful to know.</p> <p><b>Sarah Thomas</b> asked if there were any communications planned with customers around leakage?</p> <p><b>Peter S</b> said that AW did a lot of communication on this before the winter. There was an increase in customer leakage but smart meters made a big difference.</p> <p><b>Pete Holland</b> added there was a campaign drumbeat on leakage – this would be more nuanced around water/energy consumption and affordability of bills.</p> <p><b>Craig</b> asked about the £500k fine for pollution incident in 2017 reported in the media. He invited PS to say a few words about this and explain how this couldn’t happen now.</p> <p><b>Peter S</b> explained that two independent alarm systems had failed at a terminal pumping station (before sewage passed on to sewage treatment centre). On a routine inspection, a technician visited the site 23 hours later, noted the problem and reported it.</p> <p>It’s unusual that two alarm systems would fail – AW pleaded guilty because there was no disputing that the pollution had gone on for 23 hours. AW faced strict liability for the offences. It was regrettable and wasn’t done intentionally. PS said AW took lessons learned and made sure similar circumstances couldn’t happen.</p> <p>AW has 6,500 pumping stations and tens of thousands of pumps/instruments and monitors. Any one of them at any time could fail so it’s a very high bar.</p> <p><b>Gill Holmes</b> asked what AW hoped to do to restore trust in the company around pollution incidents? In December, there had already been 10 serious pollution incidents – are there any more this year?</p> <p><b>Peter S</b> said the number hadn’t changed since December: 7 incidents in first six months and 3 in last part of year. AW’s ambition is to not have any serious pollution incidents, which is the best way to restore trust. Measures include Get River Positive and interactive map (<a href="#">here</a>).</p> <p><b>Action:</b> AW to give ICG a regular update on pollution incident reduction plan and Get River Positive.</p> <p><b>Pete H:</b> AW has a slide deck about positive stories and stakeholder relationships to help rebuild trust that can be shared with the ICG.</p> <p><b>Justin Tilley</b> asked how does the money from the AW fines get used – is it recycled and redirected or get used for improving river quality?</p> <p><b>Peter S</b> responded that it goes straight to the Treasury, if the case goes to court.</p>	<p><b>Questions/ challenges</b></p> <p><b>Question/ challenge</b></p> <p><b>Action PH</b></p>

Item	Action
<p><b>Ofwat final methodology (slide 4 of prereading)</b></p> <p><b>Craig</b> congratulated Darren Rice on his new role. Alex Plant is moving on at the end of this financial year to become Chief Exec of Scottish Water. Darren has been appointed as Regulatory Director and will continue to lead on price review and regulatory issues.</p> <p><b>Darren Rice</b> reported that Ofwat had published its Final Methodology on 13 December 2022 – it seeks to set out the ‘final’ rules for PR24 – much of it was similar and familiar to draft methodology. However, there was a significant amount of detail still to be finalised.</p> <p>The methodology notes that the sector is at a critical point given the significant loss in public confidence. Drought and water restrictions in parts of the country were contrasted with company performance on leakage. Concerns about the use of storm overflows also remain a prominent issue. There is a focus on performance expecting ambition and long-term improvements to rebuild trust in the sector. Four ambitions remain the same and accord with AW thinking – with a focus on long term:</p> <ol style="list-style-type: none"> <li>1. Delivering greater environmental and social value</li> <li>2. Reflecting a clearer understanding of customers and communities</li> <li>3. Focusing on the long-term</li> <li>4. Driving improvements through efficiency and innovation.</li> </ol> <p>Big picture implications:</p> <ul style="list-style-type: none"> <li>- Lots of things remain ambiguous in terms of performance levels, incentive rates around key constructs and Ofwat approach to cost modelling will follow later in the process</li> <li>- Ofwat was relatively silent on striking the balance between investment and affordability: balancing those things remain in company domain</li> <li>- Assurance: Need for Boards to assure deliverability of plans is important</li> <li>- AW has had a lot of conversations about trade offs (and will discuss further at Board level next week)</li> <li>- Emphasis on environmental concerns</li> </ul> <p>AW has spent a lot of time engaging with Ofwat senior leadership team to explore some of these issues and opportunities around partnership working. For AW, the best way to improve the environment is by doing the right thing through partnerships.</p> <p><b>Peter S</b> will be meeting with Ofwat Chief Exec to discuss ways to improve environment at a faster pace.</p> <p>The main disappointment is there are still quite a lot of moving parts. There is a long gap between company sending in plans in October and first formal feedback in spring 2024. There is a need to keep a sensible dialogue going.</p>	

Item	Action
<p><b>Questions:</b></p> <p><b>Craig</b> reflected on how “what good looks like” in terms of long-term strategy and delivery is evolving all the time. At the UN Biodiversity Conference COP 15 in Montreal in December 2022, the UK enthusiastically signed up to the target of restoring at least 30% of inland waters by 2030 and halving pollution from nutrients to rivers by 2030. How will Defra deliver on this? And what does it mean for water companies? That’s not clear, at present.</p> <p><b>Jo Lancaster</b> asked how much influence can AW bring to bear on Ofwat on their standard processes? If there is some flexibility, what’s the opportunity for locally defined priorities?</p> <p><b>Darren</b> said it looks unlikely that there would be changes in the processes at this stage. On the Advanced WINEP, this has come into process relatively late. Insight around alternative nature-based approaches and influence on pace and delivery will naturally warrant a further conversation with Ofwat. Different companies will take different approaches.</p> <p>Ofwat has strong appetite for nature-based solutions but won’t know details until see individual business plans.</p> <p><b>John Vinson</b> asked how much AW intends to make use of Ofwat’s adaptive planning process to meet some of the challenges faced.</p> <p><b>Darren</b> said it was a critical tool. LTDS gives AW a chance to stitch together the 5-year business plans. He’d be happy to follow this up individually with John.</p>	<p><b>Action DR</b></p>
<p><b>3. <u>PR24 Customer engagement</u></b></p> <p><b>Customer Engagement Task and Finish Group</b></p> <p><b>Gill Holmes</b> gave an update on the Task and Finish Group. She had attended a meeting on 11 January with Paul Metcalfe, Claire Higgins and John Vinson, run by Rachel Walters.</p> <p>Gill thanked Rachel, who had circulated a reminder of the Customer Engagement plan, expectations of ICGs for affordability and acceptability testing and a plan of expected engagement.</p> <p>She said they had a really good discussion and agreed that the group would be involved in the entire customer engagement process, from design through to final report.</p> <p>Rachel would update members weekly and materials would be circulated individually for feedback. Members would then come together roughly once a month to discuss feedback.</p> <p>The group discussed whether they needed TORs but decided they didn’t need them as their role was fairly clear.</p> <p><b>Sarah Thomas</b> would also be attending the group in future.</p>	

Item	Action
<p><b>Action:</b> Vicky would be circulating minutes of the meetings to ICG members and adding challenges to the challenge log.</p> <p><b>Affordability and Acceptability Testing (p8-9 of prereading)</b></p> <p><i>Question from members: How is AW going to respond to Ofwat’s guidance on Affordability and Acceptability Testing?</i></p> <p>Rachel reported that final guidance for Affordability and Acceptability Testing came out on same day as Ofwat’s final methodology in December 2022. AW had been involved and had opportunity to comment and influence through the wider Steering Group.</p> <p>There’s a significant requirement for the ICG, as prescribed by Ofwat.</p> <p>Before conducting research, ICGs will play a key role in the assurance process for affordability and acceptability testing. Each company should use its customer challenge and assurance arrangements as a platform for:</p> <ul style="list-style-type: none"> <li>- <b>presenting their proposed approaches</b> to the research</li> <li>- <b>showing how they have followed this guidance,</b></li> <li>- including <b>responding to any challenges</b> that have been raised.</li> </ul> <p>The ICGs will be provided with this guidance to use as reference when considering companies’ research approaches, as will the Challenge Co-ordination Group (which comprises the Chairs of the independent groups).</p> <p>After conducting research, Ofwat will require companies to <b>include an overall board assurance statement</b> with their business plan submission. As part of the assurance statement, companies will be required to provide assurance that their customer engagement <b>meets the standards for high quality research</b>, and any other relevant statements of <b>best practice</b>, and has been used to <b>inform their business plans and long-term delivery strategies</b>.</p> <p>As part of the assurance statement, companies should <b>explain how their ICG provided scrutiny</b> (and where necessary) challenge in the preparation, delivery and interpretation of this research.</p> <p>AW needs to present a least cost must do version of the Business Plan and a proposed Business Plan and have the opportunity to present a third version, which is a route they are likely to go down.</p> <p>AW had just appointed Accent to work on delivery of both qualitative and quantitative aspects of the research. There was a kick off meeting scheduled with them for the following week and at fast pace to meet timescales. Starting to work on one-pagers about Business Plan.</p> <p>In terms of ICG involvement, there’s an extensive requirement at certain phases to check in and shape what resources look like. It’s important that the Task and Finish Group report back on how that’s progressing.</p> <p><b>Questions/challenges</b></p> <p><b>Paul Metcalfe</b> asked how many stages of acceptability testing there would be? Is it minimum (statutory minimum and preferred plan)?</p>	<p><b>Action VA</b></p> <p><b>Challenge</b></p>

Item	Action
<p><b>Rachel</b> said they are allowing time and budget for a second phase of engagement to do a lighter touch version of second stage for final stage of plan, if customers think it's not affordable/acceptable.</p> <p><b>Nathan said</b> it feels like there isn't much choice for customers. If there's either a statutory minimum and the preferred plan.</p> <p><b>Darren</b> said AW was responding to Ofwat requirements but clearly the company view would be informed by a wealth of detail gathered from customer engagement. The task before AW is that they articulate the company plan without unnecessarily "leading the witness".</p> <p><b>Synthesis report and customer principles (page 14-18)</b></p> <p>Rachel had circulated links to the latest Synthesis Report and pre-reading included an overview of customer principles.</p> <p>Rachel wanted to pick up on where the report had changed between versions since October, taking on board comments made by Nathan and Paul (in terms of clarity and scoring mechanisms).</p> <p>Gill had also provided helpful comments about being able to see the differences between subsequent versions. AW had acted on those comments.</p> <p>Rachel would be happy to share in more detail some of the more surprising details and interesting insights that are emerging.</p> <p><b>Questions/challenges</b></p> <p><b>Gill</b> said she finds this version much better than PR19 – the fact you can see new details by colour and to see how you're scoring and triangulating things is much clearer.</p> <p><b>Paul</b> was pleased to see changes had been made to the scoring framework. There were a couple of things outstanding:</p> <ul style="list-style-type: none"> <li>- Access to original source papers, which AW said was going to be made available</li> <li>- It would be helpful to link together insights in synthesis work with cost benefit analysis/societal valuation.</li> </ul> <p><b>Rachel</b> said that source papers would be shared on AW website to make them available for anyone interested, but the company is keen to frame them so not taken out of context.</p> <p>There will be clickable links in next version of Synthesis Report – due in March. As AW receives results from societal valuation, that will feed into synthesis too.</p> <p><b>Your Water Your Say session</b></p> <p><b>Rachel</b> said there was not much to update members on since the December ICG meeting. The Appendix in Ofwat's methodology sets out framework for the Your Water Your Say sessions (first one in Feb-June, last one around November time).</p>	<p><b>Challenge</b></p> <p><b>Actions RW</b></p>



Item		Action
	<p>AW had had discussions with Ofwat as they developed draft guidance but there are still significant gaps/holes. Still some clarity needed on purpose of sessions and dates need to be agreed, as well as how to use the insights gathered.</p> <p><b>Darren</b> suggested that guidance focused on standardisation of process rather than content. AW was looking at the end of March for sessions and would let ICG members know because it would be good to have as many ICG members attending as possible.</p> <p><b>Discussion</b></p> <p><b>Craig</b> said the CCG chairs think this is a strange process and it doesn't feel like the right approach. They have made representations to Ofwat around it – also strange that Independent Chair had been appointed (rather than making use of ICGs). Craig would be attending the Ofwat conference on 31 January where he would be making this point.</p>	
4.	<p><b><u>PR24 Assurance Overview (slides 19-28)</u></b></p> <p><b>Craig</b> outlined ICG's assurance role in previous price review. ICG needs to look at how they might use assurance partners like Jacobs and PwC to perform deep dives in particular areas.</p> <p><b>Abi Morgan</b> – AW Programme Manager for PR24, looking after assurance for AW – explained that the remit has expanded for assurance in this price review. As well as assurance for PR24 plan, strategic plans (WRMP, DWMP and WINEP) also required formal board assurance. AW has taken on Jacobs to provide non-financial assurance and PwC as financial assurance provider.</p> <p>Assurance is one of the five key tests for assessing PR24 plans. Business plans are tested on quality and ambition (a two-stage test).</p> <p>In order to provide a consistent approach to all areas of assurance, AW has developed these principles:</p> <ul style="list-style-type: none"> <li>• All assurance is supported by external partners.</li> <li>• The Board is engaged twice on all areas of assurance; firstly to understand the requirements and provide an opportunity to challenge a skeleton of the proposed Board Assurance Statement and secondly to sign the Board Assurance Statement.</li> <li>• All Board Assurance Statements will be consistent with the developing plan for PR24.</li> </ul> <p>The Board will have the opportunity to ask questions of the external assurance partners if requested.</p> <p>AW will be seeking for Board to sign the assurance statement at July meeting. Jacobs and PwC will be attending. By the early September meeting, the assurance process will be complete.</p>	

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<p>AW's assurance process has four lines of defence, from the employee to their line manager to an internal audit and then an external audit.</p> <p><b>Specific assurance requirements (Slide 27):</b></p> <p>Customers and their representatives must be able to challenge the companies' ongoing performance, business plans and long-term delivery strategies. The purpose of customer challenge is for companies to receive feedback on what issues matter to customers, what their views are on various aspects of companies' activities, and to enable customer comment on how well plans reflect their needs, priorities and preferences.</p> <p>The company is transparent about the nature of challenges raised, the company response to each challenge and the company's relative performance including:</p> <ul style="list-style-type: none"> <li>• A published record of all challenges raised by customers or their representatives.</li> <li>• Published evidence of the company's responses to these challenges, including reasons for why no action is required.</li> <li>• Clear identification of areas of disagreement. (<a href="#">Ofwat customer engagement policy</a>)</li> </ul> <p><b>Affordability &amp; Acceptability Testing</b></p> <p><b>Before conducting research</b></p> <p>ICGs will play a key role in the assurance process for Affordability and Acceptability Testing. Each company should use its customer challenge and assurance arrangements as a platform for <b>presenting their proposed approaches</b> to the research, to <b>show how they have followed this guidance</b>, including <b>responding to any challenges</b> that have been raised. The ICGs will be provided with this guidance to use as reference when considering companies' research approaches, as will the Challenge Co-ordination Group (which comprises the Chairs of the independent groups).</p> <p><b>After conducting research</b></p> <p>For PR24, Ofwat will require companies to <b>include an overall board assurance statement</b> with their business plan submission. As part of the assurance statement, companies will be required to provide assurance that their customer engagement <b>meets the standards for high quality research</b>, and any other relevant statements of <b>best practice</b>, and has been used to <b>inform their business plans and long-term delivery strategies</b>.</p> <p>As part of the assurance statement, companies should <b>explain how their ICG provided scrutiny</b> (and where necessary) challenge in the preparation, delivery and interpretation of this research. (<a href="#">CCW A&amp;A testing guidance</a>)</p> <p>Abi asked how members would like to consider these requirements through the development of PR24 business plan &amp; LTDS? For example, would members like a representative of Jacobs/KPMG to attend a members' only session?</p>	<p><b>Question for ICG</b></p>

Item	Action
<p><b>Questions/challenges</b></p> <p><b>Nathan</b> asked why AW’s draft WRMP was published 5-6 weeks later than expected. Was that an assurance issue?  <b>Darren</b> explained it was held back by Defra.  <b>Peter S</b> said there was a very minor issue to reconcile with Cambridge Water. It was nothing material. After submitting additional information, this cleared up any questions. It was nothing to do with assurance.  <b>Action:</b> Darren will go back to original letter from Defra and will report back to ICG on this through Geoff Darch.</p> <p><b>John Vinson</b> asked for high level information on TOR of audit partners and suggested that AW needed to go beyond Ofwat requirements to receive an outstanding score.</p> <p><b>Jo Lancaster</b> wanted to make sure there was time built in for the ICG to look at testing and assurance independently as outlined in slide 25 and wanted to have a more detailed discussion.</p> <p><b>Craig</b> suggested the ICG should have a members only session with assurance providers to hear directly from them and ask specific questions on areas that needed more testing. The ICG would come back to this at an ICG only session.</p> <p><b>Darren</b> said that Graham Hindley from Jacobs used to attend CEF meetings and ICG could invite Jacobs and other assurers to future meetings, as they see fit.</p>	<p><b>Question/Challenge</b></p> <p><b>Action DR</b></p> <p><b>Action ICG</b></p> <p><b>Action ICG</b></p>
<p><b>5. <u>Verbal update on developing Drainage and Wastewater Management Plan (DWMP)</u></b></p> <p><b>Victoria Lemmon</b> – AW’s DWMP &amp; Water Recycling Growth Manager – gave a verbal update on the DWMP.</p> <p>At the last meeting, she had promised to bring back storm overflows and was waiting for guidance to come through from Defra. AW was proposing to put consultation on storm overflows forward to stakeholders next month.</p> <p>AW will put out a preferred plan and a technical document about how they had costed out statutory plans.  Victoria asked what the group would like to see and how would they like that to be expressed/shared?</p> <p><b>Discussion</b></p> <p><b>Craig</b> suggested the ICG would like to see the glide path (i.e. to be clear when pollution from CSOs will be eliminated, and how incidents will reduce in the mean time). Sometimes that’s not been as clear as it could be and being clear where we hope where things would get to would be really useful, as this is such a high-profile issue.</p>	<p><b>Question for ICG</b></p> <p><b>Challenge</b></p>

Item	Action
<p><b>Victoria</b> confirmed that would be part of the narrative but AW would make sure it's very clear</p> <p><b>John</b> wants to make sure there's a strong a strong link between where AW wants to spend money and outcome for customer so consumer can understand link between investments and what it means for them/impact on bills. It's about the communications and making sure customers understand the link, both now and in the future. CSOs affect everyone.</p> <p><b>Darren:</b> AW is deliberately timing consultations so that all the information works coherently together.</p> <p><b>Nathan</b> asked whether AW plans to ask people how they want to receive information about CSOs. Some companies are giving information out in real time about where discharges are happening so they can make decisions around where to swim etc.</p> <p><b>Victoria:</b> DWMP is more technical side than data sharing piece. AW's data is going to be more and more available but this is a broader business decision around how the data is shared.</p> <p><b>Peter S:</b> at moment AW publishes historic data but they are looking at what customers want to know in terms of discharges. This is where Get River positive comes in. It's really important to join the dots for customers because improving river quality and ecology is complex and interlinked, and not related to CSOs alone. Customers need to be clear where the money from their bills is going in terms of the environment programme and the impact this has.</p> <p><b>John:</b> It's about the communications and making sure the customer is aware – it could have a huge impact on bills</p> <p><b>Jo:</b> there's a basic question. What does my water bill buy me? How do we make that really obvious and simplify some of these complex strands out to make it really obvious. An engaged customer base needs to be clear what they can influence.</p> <p><b>Peter:</b> reminded ICG about the Be the Boss exercise in PR19, which gave some clear messages about where customers wanted to spend money.</p>	
<p><b>6. <u>Verbal update on developing Long Term Delivery Strategy Scenarios</u></b></p> <p><b>Allan Simpson</b> – AW Long Term Delivery Strategy Manager – gave an overview of progress since December.</p> <p>He explained that AW was now coming to the end of Phase A of work, trying to understand the 'as is' picture, pulling together wider SDS into specific ambitions for the LTDS and looking at where some of the gaps might be.</p>	

Item	Action
<p>AW was holding workshops among specific group experts and had started to get some emerging findings on common reference scenarios. AW would bring these to ICG at a relevant time.</p> <p>AW was now moving into Phase B of the LTDS planning, where they would start to refine plans and scenarios and look towards stakeholder engagement.</p> <p><b>Discussion</b></p> <p><b>Craig:</b> would like to do a deeper dive at a future meeting about these different scenarios that everything hangs off.</p> <p><b>Nathan:</b> is there a policy strand – a lot of long term questions depend on policy changes (e.g. new building regulations, development consent etc) that could make a substantial difference in medium to long term?</p> <p><b>Allan:</b> guidance as it stands doesn't allow companies to second guess government policy changes but they can build in different scenarios that would affect investments.</p> <p><b>Craig:</b> if you can use these scenarios to influence advocacy and public affairs teams, it could have a huge impact for company, customers and long term resilience of region.</p> <p><b>Justin Tilley</b> left the call.</p>	<p><b>Action</b></p>
<p><b>7. <u>General discussion</u></b></p> <p><b>Craig</b> observed it feels like an awful lot needs to happen this year, both for the company and ICG.</p> <p><b>Nathan</b> asked about performance commitment to reduce business demand as well as household demand.</p> <p><b>Pete Holland</b> responded that AW has a unique approach – smart meter data is passed on to retailers for free and that's their data. Engagement is through retailers and customers – have incentivised some areas but it's still a work in progress. Have sponsored a number of projects for non household customers and would be more than happy to share more details about the work going on in that space. <b>Peter S</b> would reach out to Nathan for an offline conversation.</p> <p><b>Vicky</b> asked about the timeline for bespoke performance commitments.</p> <p><b>Abi</b> explained that bespoke performance commitments needed to be submitted on 14 April – would be further engagement later in February.</p> <p><b>Rachel</b> said that members of Task &amp; Finish Group had seen work that's live at the moment with the online community and PCs were on ICG agenda for March.</p>	<p><b>Challenge</b></p> <p><b>Action PH/PS</b></p>

Item	Action
<p><b>Craig</b> would like to see bespoke commitments alongside statutory ones, with a brief explanation about ODIs in March agenda (including an “ODI for dummies”).</p> <p><b>Rachel</b> shared a slide with suggested agenda items for the March and April meetings, pulled from previous discussions. Next meeting was scheduled for 17 March. Suggested topics included: Performance commitments, pollution performance action plan, preparation for engaging with customers and prospective PR24 and LTDS choices, Your Water Your Say session planning, Review of ICGs.</p> <p><b>Darren</b> – next few weeks were critical:</p> <ul style="list-style-type: none"> <li>- Pulling together draft version of WINEP</li> <li>- Emerging business plan being pulled together for end of</li> <li>- Pulling together bill impacts so there’s a body of credible evidence to engage customers in April/May window</li> <li>- June/July – assure and sign off at Board meeting on 19 July</li> <li>- Continue finetuning of regulatory submissions over summer</li> </ul> <p><b>Vicky</b> said there was likely to be some revisiting of ICG meeting times to fit in further meetings in June / September to enable ICG reporting (see below).</p>	
<p><b>8. <u>ICG only session</u></b></p> <p>Members of the Task and Finish Group on customer engagement felt that the work would be coming in thick and fast over the next few weeks and there would be quite a lot to do. Some members still felt they were still playing catch up.</p> <p>Rachel was planning a weekly schedule for the T&amp;F Group, which was helpful.</p> <p>Some issues flagged by T&amp;F Group members included:</p> <ul style="list-style-type: none"> <li>- Members had not had sight of the online community engagement to date and had only seen materials when they had already been signed off by the company (e.g. PCs), but would see online community engagement going forward.</li> <li>- They had seen bespoke performance commitments and did not have any specific concerns to flag.</li> <li>- They would like to see customer engagement around DWMP.</li> <li>- They would like the links to be working in the Synthesis Report so they could drill down into certain research projects.</li> <li>- To do the job properly, T&amp;F group would need to look at what engagement they’ve seen and what they haven’t.</li> </ul> <p>Other questions:</p> <ul style="list-style-type: none"> <li>- Balance between ambition and affordability</li> <li>- Tracing back investment decisions and having confidence that big pivots are based on customer views</li> </ul>	

Item	Action
<ul style="list-style-type: none"> <li>- Trade offs came too thick and fast at the end of PR19 process and haven't dug down into those areas yet or seen golden thread</li> <li>- Need to spend more time on LTDS and range of scenarios/assumptions on common pathway</li> <li>- What does this mean in terms of big ticket items for investment, such as reservoirs?</li> <li>- What does this deliver for customers?</li> <li>- Output from societal valuations (following Ofwat definitions being released)</li> </ul> <p><b>ICG report</b></p> <p>There was discussion around what the ICG needed to produce as outputs. Would there be reports on each of the elements of the plan (WRMP, LTDS etc)? It was suggested it would be too much work for this group to report on the customer engagement on all of these elements.</p> <p>It was important to ensure that the Synthesis Report had been done properly and there were no gaping gaps.</p> <p>Different reports under discussion:</p> <ul style="list-style-type: none"> <li>- Report from T&amp;F Group</li> <li>- Annual Reports/lessons learned report</li> <li>- Statements from ICG to accompany Business Plan in June/July and October</li> </ul> <p><b>Craig</b> said the overview report of ICGs from CCW was due in February. Some ICGs have written detailed Annual Reports and some haven't written reports at all. Once the overview report is public, it would be easier to make a decision about ICG outputs. This should be discussed as part of the next ICG only session.</p> <p><b>Actions:</b> Vicky to circulate Bristol ICG report and Thames Water ICG Report.</p> <p><b>Craig</b> was going to the AW Board the following week and would discuss the role and remit of the group. Now ICGs are back in favour, ICGs have a higher visibility and needs to have a clear budget to make sure they are held independently of the company.</p> <p>There was also a conversation to be had about the make up of the group and whether extra members were needed.</p> <p><b>Assurance</b></p> <p>In discussion around assurance, it was discussed whether it might be better, given the volume of material, to divide and conquer, with different ICG members looking at customer engagement on LTDS, DRMP, DWMP etc.</p> <p><b>Action:</b> Craig and Vicky to meet about workplan before next ICG meeting</p> <p><b>Action:</b> Vicky and Craig to separate out strands that could work for different members to look at and share with ICG ahead of next meeting.</p>	<p><b>Action VA</b></p> <p><b>Action CB/VA</b></p> <p><b>Action CB/VA</b></p>

Item	Action
<p><b><u>Upcoming meetings</u></b></p> <p>Friday, 17 March 2023 13:30-17:00 (virtual)            Friday, 21 April 2023 10-16:00 (face to face; site visit)            Friday, 16 June 2023 10:00-16:00 (in person)            Tuesday, 25 July 2023 10:00-13:00 (virtual)            Friday, 15 September 2023 10:00-13:00 (virtual)            Friday, 10 November 2023 – 10:00-16:00 (face to face)            Friday, 8 December 2023 – 10:00-13:00 (virtual)</p>	