



## ANGLIAN WATER INDEPENDENT CHALLENGE GROUP

### MINUTES

**Date:** 16 June 2023  
**Time:** 10.00-16.00  
**Location:** Board Room, Lancaster House, Huntingdon PE29 6YJ

**Present:**

- Craig Bennett – Chair (M)
- Gill Holmes – CCW (M)
- Joanne Lancaster – MD, Independent (M)
- Paul Metcalfe – MD, PJM Economics (M)
- Nathan Richardson – Waterwise/Blueprint for Water (M)
- Sarah Thomas – CCW (M)
- Victoria Williams – Environment Agency (M) – joined remotely until 2.30pm
  
- John Green – Anglian Water (for agenda item 5)
- Peter Holland – Director of Customer and Wholesale Services, Anglian Water
- Amanda Markwardt – ICS (Consultant) (for agenda item 4)
- Robin Price – Anglian Water (for agenda item 3)
- Darren Rice – Regulation Director, Anglian Water
- Rachel Walters – PR24 Customer Engagement Lead, Anglian Water
  
- John Hirst – Chair of Anglian Water’s Board (O)
- Zarin Patel – Chair of Anglian Water’s Audit Committee (O)
- Vicky Anning – Secretariat (O)

**Apologies:**

- Claire Higgins – Cross Keys Homes (M)
- Peter Holt – Chief Executive, Uttlesford District Council (M)
- Justin Tilley – Natural England (M)
- Richard Tunnicliffe – CBI (M)
- John Vinson – CCW

## Summary of actions

Action	Status
<i>Closed</i>	
<b>Robin</b> to send around WINEP slide deck	Done
<b>Gill</b> requested copy of Faldrax report assuring high-quality customer engagement	Done
<b>Paul</b> requested the spreadsheet on bespoke PCs to show evidence of benefit	Done
<b>Sarah T</b> to talk to colleagues at CCW about centralised Ofwat research on ODIs and report back to ICG	Done by Gill
<b>Craig</b> requested a specific discussion about Hartlepool at the next ICG meeting	Done at 30 June meeting
<b>Nathan</b> asked for more information about what had changed in the WRMP	Done at 30 June meeting
ICG members to formulate new challenge question about business decisions and what has been omitted	Done before 30 June meeting
Paul to meeting with John Green to talk through the detail of the copper leaf process.	Done
<i>Open</i>	
<b>Nathan</b> requested more information/data on how smart meters had been used to help reduce demand in the 2022 drought and how smart metered customers behaved v non smart metered v unmetered	Open
<b>Craig and Victoria</b> both requested more information about the Pollution Incident Reduction Plan (PIRP) and glide path to zero pollution incidents and ICG requested earlier sight of the plan than September	Open
Conversation about engaging with developers raised by Jo to be continued	Open
<b>Darren</b> to provide more information on timelines for finalising PCs and bring final plans back to the ICG	Open
<b>Craig</b> to raise Ofwat guidance on ODIs at the next COG meeting	Open
<b>AW</b> colleagues to consider feedback mechanisms for customers on results of customer engagement	Open
<b>Paul</b> requested sight of the assurance reports from Jacobs, ICS and AW on triangulation	Open
<b>Rachel</b> to ask Simon Dry for a copy of Customer Board challenge log and to enquire about Craig attending a Customer Board meeting.	Open
<b>Craig</b> to discuss his attendance at AW Board meeting on 29 July	Open
<b>Craig</b> to talk to Victoria at EA about WINEP and A-WINEP	Open
<b>Vicky</b> to circulate new challenge log for ICG input	Open

## Meeting minutes

Item	Action
<p><b>1. <u>Welcome from ICG Chair</u></b></p> <p><b>Craig Bennett</b>, Chair of the Independent Challenge Group, welcomed everyone to this in-person ICG meeting and emphasised the meeting's importance at this crucial point in AW's business planning process. He thanked the Chair of the Board</p>	

Item	Action
<p><b>John Hirst</b> and <b>Zarin Patel</b>, Chair of Anglian Water’s Audit Committee, for their attendance.</p> <p><b>John Hirst</b> also thanked ICG members for their contributions and emphasised the significance of their work.</p> <p><b>Craig</b> mentioned that the purpose of ICG is to provide independent challenge to the Board. He proposed discussing with John the best way to inform the Board about ICG’s assurance of AW’s Business Plan (BP).</p> <p>Attendees then introduced themselves in turn.</p> <p><b>Victoria Williams</b> from the Environment Agency attended the meeting remotely, taking over from Sarah Powell. Craig welcomed Victoria and thanked Sarah for her work as a member of the ICG.</p> <p>Minutes from the previous meetings in March and April were approved.</p> <p><b>Central Oversight Group (COG) update</b></p> <p><b>Craig</b> provided a brief update on the COG meeting that took place three weeks previously. Although Craig wasn’t able to attend, he watched the recording afterwards. The chairs of different groups shared information about their different experiences of involvement in their companies’ BP.</p> <p>Some groups focused more on Bespoke Performance Commitments (PCs), while others leaned towards current performance rather than working on the BP. There was a variety of opinions. Another COG meeting is scheduled in a few weeks, which was expected to be more substantive.</p> <p><b>Jo Lancaster</b> asked whether there had been much discussion around bespoke PCs, expressing concerns about the low approval rate of 1 PC out of 8 in Anglian Water’s case.</p> <p><b>Craig</b> said there has been some degree of discussion about this, but confidentiality had limited the information shared. He acknowledged the significant work done by Vicky Anning and ICG members on the challenge log. The challenges had been clustered into themes, which ICG members had responded to. These responses were then summarised into burning questions, which shaped the agenda for the current and future meetings.</p>	
<p><b>2. <u>AW Update from Peter Simpson</u></b></p> <p><b>Peter Simpson</b>, Chief Executive of AW, provided an update on various aspects of the company’s performance:</p> <ul style="list-style-type: none"> <li><b>i. <b>Company apology and trade body:</b></b> Companies collectively decided to reset and initiate a different conversation with customers by issuing an apology for not properly addressing customer concerns about sewer spills.</li> </ul>	

Item		Action
	<p>The previous defensive stance was acknowledged as a mistake. The apology allowed for a fresh start and was announced in the media by Water UK Chair Ruth Kelly. The collaboration among companies has been effective, and the focus is now on using the allocated funds to make a difference. There have been positive results, such as the development of plans for Combined Sewer Overflow (CSO) sites, which have been positively received. Although there's still some way to go, it's been a step in the right direction and the water industry now had an effective trade body.</p> <p><b>ii. Annual Performance Review with Environment Agency:</b> The review covered areas that needed improvement, including the Pollution Incident Reduction Plan (PIRP). AW is using digital intelligence to proactively address sewer blockages, with plans to install 22,000 sewer monitors. The EA gave positive feedback on the Water Resources Management Plan (WRMP) and water supply. Despite experiencing drought conditions, AW had a strong performance in these areas. The impact of smart metering had been significant, with AW having the lowest PCC (per capita consumption) in the country. This direction benefits both customers and the environment. The review also focused on serious pollution incidents.</p> <p><b>iii. Clean water and DWI (Drinking Water Inspectorate):</b> AW is leading the industry in terms of water quality. The previous year saw the best-ever result from customers regarding water quality. The DWI Chief Inspector's report, expected on 12 July, is anticipated to reflect strong metrics. AW experienced more bursts during the summer, resulting in penalties related to leakage, disruption, etc. AW has the toughest targets in the industry.</p> <p><b>iv. Water resources:</b> AW has maintained a strong performance in terms of reservoirs. Groundwater is generally in good shape, except in Norfolk. Although restrictions on water use were considered in Norfolk, recent rainfall alleviated the need for them. There was a focus on messaging, customer behaviour and leakage reduction. AW has the lowest leakage rate in the country, and water demand has increased by 25%. However, the systems are coping well, and AW ensures the necessary resources are available to respond to bursts promptly.</p> <p><b>Questions and discussion:</b></p> <ul style="list-style-type: none"> <li>• <b>Paul Metcalfe</b> asked about the timeline for innovative tariffs.</li> <li>• <b>Pete Holland</b> mentioned ongoing work and testing of smart meters within the next 12 months.</li> <li>• <b>Nathan Richardson</b> expressed interest in hearing more about this at the next meeting, including how data from smart meters can be used proactively to engage with customers.</li> <li>• <b>Peter Simpson</b> emphasised that smart meters provide a new level of understanding about water, particularly in relation to leakage. It also allows for better customer education and more informed choices.</li> <li>• <b>Craig</b> highlighted the importance of incentivising customers regarding water usage.</li> <li>• <b>Peter Simpson</b> added that AW saves 8 million litres of water daily due to smart meters detecting leaky loos.</li> </ul>	<p style="text-align: center;"><b>Action</b></p>

Item		Action
	<ul style="list-style-type: none"> <li>• <b>Craig</b> expressed interest in knowing when the glide path towards zero pollution incidents would be available.</li> <li>• <b>Victoria Williams</b> requested more information about the Pollution Incident Reduction Plan (PIRP) and data-led intelligence related to smart metering and leakage reduction.</li> </ul>	<p>Action</p> <p>Action</p>
<p><b>3.</b></p>	<p><b><u>PR24 Business Plan development update</u></b></p> <p><b>Darren Rice</b> – Anglian Water’s Regulation Director – provided a progress update on:</p> <ul style="list-style-type: none"> <li>• The evolution of AW’s Business Plan</li> <li>• Emerging Affordability and Acceptability research</li> <li>• Ofwat engagement</li> <li>• WINEP and Advance WINEP</li> </ul> <p>This was in response to ICG challenges:</p> <ul style="list-style-type: none"> <li>• What is the breakdown in overall spending in the Business Plan, and what are the choices that have been made?</li> <li>• Will the Business Plan ensure Anglian Water meets all its legal and regulatory requirements?</li> <li>• Can the ICG receive a full briefing on what is included and not included in the WINEP, and Advanced WINEP – and how this meets regulatory requirements?</li> </ul> <p><b>Darren</b> mentioned that the three main programmes making up the BP were nearing completion, with the published Drainage and Wastewater Management Plan (DWMP) on 31 May and the WRMP undergoing feedback and remodelling. The company had been looking at the deliverability of these elements of the BP, also in terms of meeting statutory obligations.</p> <p>Materials shared with customers as part of the Affordability and Acceptability testing had shared six areas of enhancements (which is the prescribed maximum within Ofwat’s guidance.) However, customers had asked for more context/wanted to see the bigger picture.</p> <p>In the upcoming quantitative stage of the A&amp;A testing, AW didn’t want to restrict itself to six areas – as per customer feedback in the Qualitative research phase customers wanted to be engaged on the full range of enhancements. This would give the backdrop for the next phase of customer engagement, which was due to happen in July and August.</p> <p>Darren felt that this was consistent with Ofwat’s guidance but was looking for some counsel on this.</p> <p>AW was currently in discussions around the statutory plus scheme under WINEP and another programme related to water delivery, which could be delivered through direct procurement on a regional or national level.</p> <p>Bill impacts for all companies have been shared through the <i>Your Water Your Say</i> sessions, indicating a rough direction of a 20% bill increase across the portfolio of</p>	

Item	Action
<p>companies. This is the shape of the plan being proposed to the AW Board at a workshop in June.</p> <p><b>Questions and challenges:</b></p> <p><b>Craig</b> asked what were the big choices being made in the BP?</p> <p><b>Darren</b> explained that discretionary investment focused on resilience and changing climate, aiming for net zero within the next five years.</p> <p><b>Robin Price</b> said AW was looking at a direct procurement model for the reservoirs. The science on net zero was moving quickly and reservoirs of this scale hadn't been built in the UK for decades.</p> <p><b>Gill</b> asked about demonstrating the best value options to customers and ensuring transparency.</p> <p><b>Craig</b> mentioned that the ICG's Task and Finish Group had seen a version of the slides presented to customers around the BP as part of the A&amp;A testing but these hadn't been brought to the full meeting. It was important to see how the plan was changing as a result of customer engagement so far.</p> <p><b>Darren</b> emphasised the blend of solutions and ongoing engagement with customers to validate the plan.</p> <p><b>Nathan</b> noted that AW had one of the lowest bill increases, suggesting a need to prioritise faster implementation rather than deferring actions.</p> <p><b>Peter Simpson</b> agreed that more could have been done in previous years. company had grown three-fold over a period of years. And while AW wanted to be ambitious, they also wanted to make sure they could deliver on proposed plans.</p> <p><b>Craig</b> questioned the use of nine buckets instead of the proposed six by Ofwat, and the potential for re-categorisation if Ofwat pushed back.</p> <p><b>Rachel</b> stressed the importance of providing customers with a comprehensive and informed view, supporting high-quality engagement. She mentioned plans for cognitive testing of the quantitative survey with customers and the ICG. There would be lighter touch engagement with customers in July to inform the board meeting in July, and a second more comprehensive round of engagement in August to allow for refinements based on feedback from customers and any changes to Ofwat's guidance. AW have engaged with Ofwat on areas of clarification of the guidance and where the company may want to supplement the quantitative survey. The message from Ofwat to AW and other companies was to consult with their ICGs where any changes to the standard guidance may be considered.</p>	

Item	Action
<p><b>Paul</b> asked whether AW had discussed with Ofwat how they had presented their BP to customers in the A&amp;A qualitative phase, since it wasn't exactly what Ofwat had asked for.</p> <p><b>Rachel</b> explained that they called it the 'alternative plan' because their statutory plan wasn't least cost, but the details shared with customers were consistent with the guidance.</p> <p><b>Darren</b> added that there were issues with the construct of the A&amp;A materials, and he believes the guidance should be revised for future price reviews to avoid similar problems in the future.</p> <p><b>Craig</b> expressed his support for sharing nine headings instead of six and mentioned that they would discuss this further in the ICG-only session, but it seemed like the right approach. It was important for the ICG to understand whether AW was meeting all statutory requirements.</p> <p><b>Robin</b> confirmed that AW was meeting all statutory requirements and had followed the guidance on all elements of the plan. He emphasised that AW would meet the statutory and legal requirements, and the EA (Environment Agency) has asked the same question regarding WINEP.</p> <p>WINEP is mostly statutory, with the only non-statutory part being Advance WINEP. The nutrient schemes related to phosphorus (worth £176 million) are being considered for the next AMP (Asset Management Period).</p> <p>Robin provided further details on the buckets under WINEP, highlighting the significant investment in environmental work driven by the WRMP. The nature-first approach and wetlands opportunities for nutrient removal were discussed, with AW aiming to lead in this area.</p> <p>The conversation shifted to storm overflows and the need for data rather than traditional approaches like installing monitors and building roads. Increasing the capacity of storm tanks and engaging upstream in the process were mentioned. The Suds (Sustainable Urban Drainage Systems) programme and keeping wastewater out upstream were identified as significant opportunities.</p> <p><b>Jo</b> suggested that AW and EA should be more involved in discussions with developers as part of local plans so that AW customers weren't paying for things that she felt developers should be covering.</p> <p><b>Robin</b> agreed on the importance of standing shoulder to shoulder with the EA and being present at relevant discussions, even if AW was not a statutory consultee.</p> <p>Craig expressed his belief that water companies should be more assertive with developers.</p> <p><b>Action:</b> it was suggested this conversation should go offline.</p> <p><b>Action:</b> Robin would send around slides on WINEP with more detailed figures.</p>	<p><b>Action</b></p> <p><b>Action RP</b></p>

Item	Action
<p><b>Questions and challenges</b></p> <p><b>Nathan</b> asked if there was a way to make WINEP more transparent for customers?</p> <p><b>Robin</b> was disappointed that WINEP was more output based but sees A-WINEP as a chink of exciting outcomes, which had received good support from a recent meeting with EA. AW was proposing a partnership centre of excellence to make sure each pound invested goes further for customers. They were looking for innovative ideas and had a pot of funding to invest in certain catchments including Southend and Great Yarmouth (spongy cities).</p> <p><b>Victoria</b> welcomed A-WINEP and enquired about the delivery vehicle for partnership working and how it would be implemented to achieve outcomes. She emphasised the need for open and transparent engagement.</p> <p><b>Robin</b> mentioned having a productive meeting with the EA regarding deliverability and expressed a welcoming attitude toward a collaborative approach with the EA and Ofwat. The delivery vehicle was described as the people involved in engaging and partnering, and it was noted that these individuals did not necessarily need to be AW colleagues. Governance was highlighted as a crucial mechanism to hold everything together.</p> <p><b>Nathan</b> asked if there were any key lessons learned from the 34 nature-based projects in the previous AMP.</p> <p><b>Robin</b> said the Ingoldisthorpe model, which involves leasing the land, was a successful approach, rather than trying to persuade farmers to sell land, which had been less successful. The ideal model would allow the landowner to retain ownership while earning more from non-agricultural activities. AW is on track to deliver the programme and aims to have more than 50 wetland areas operational by the next AMP. The construction of a wetland in Coton accessible to the public was mentioned, as well as exploring social prescribing initiatives with GPs.</p> <p><b>Jo and Craig</b> suggested they both had useful contacts for social prescribing.</p> <p><b>Craig</b> thanked colleagues for the useful briefing and found the letter sent to the EA's David Dangerfield useful (this was part of the pre-reading pack).</p>	
<p><b>4. <u>Performance commitments development</u></b></p> <p><b>Darren Rice</b> provided an update on the Outcome Delivery Incentives (ODIs) and the process of developing bespoke Performance Commitments (PCs).</p> <p>This was in response to the ICG challenge: Can we see the final bespoke performance commitments and the evidence to show that customers will support them.</p>	

Item	Action
<p><b>Bespoke PC development: process and progress update, next steps</b></p> <ul style="list-style-type: none"> <li>• Darren outlined Ofwat’s expectations for bespoke PCs.</li> <li>• He highlighted that there had been a lot of effort put into the development of bespoke ODIs, considering customer priorities and aligning measures with those priorities.</li> <li>• The process had reached Phase 3, focusing on defining measures that were clear, easy to understand and aligned with customer priorities.</li> <li>• The bespoke PCs were intended to hold AW accountable for delivering investments and incentivising the company to go further and faster in providing better solutions for customers.</li> <li>• The company identified climate commitment as a fundamental investment and aimed to be incentivised to prioritise actions in customers’ best interests.</li> <li>• The discussion also touched on digital engagement and the potential need to incentivise increased digital engagement, as well as direct procurement for customers, which was seen as an opportunity to show leadership in the market.</li> <li>• It was noted that two proposed PCs, related to flooding and vulnerable customers, were not included in the submission to Ofwat in April.</li> <li>• Ofwat’s feedback on the proposed PCs was shared with the ICG as pre-reading, and it was mentioned that the direction of travel appeared to be towards common ODIs, with the load shifting away from bespoke measures.</li> <li>• Ofwat has accepted one of the proposed 8 bespoke PCs.</li> <li>• Next steps included continuing to gather feedback from customers and meeting with Ofwat to discuss their feedback in more detail.</li> <li>• The company had not yet decided how to position the response to Ofwat, and the ICG would have an opportunity to provide further input.</li> </ul> <p><b>Questions and challenges:</b></p> <ul style="list-style-type: none"> <li>• <b>Paul</b> expressed the need to provide more evidence of the benefits of the proposed measures and asked to see the spreadsheet mentioned in the pre-reading to show evidence of benefit. He mentioned Ofwat’s acceptance of the bespoke PC focused on reducing carbon in construction, which seemed to be an omission in the common PCs.</li> <li>• <b>Craig</b> raised the question of whether certain measures, such as working in partnership and digital engagement, should already be part of the company’s regular operations.</li> <li>• There was a discussion about the potential impact of incentivising actions that the company was already doing (e.g. in terms of opening up digital channels for customer feedback) and the importance of being rewarded for doing the right things for customers.</li> <li>• <b>Nathan</b> advised against using the online community to engage customers about digital engagement.</li> </ul>	<p><b>Action</b></p> <p><b>Challenge</b></p>

Item	Action
<p><b>Anglian Water’s incentives research development</b></p> <ul style="list-style-type: none"> <li>• <b>Amanda Markwardt</b> from ICS presented survey results showing customers generally agreed with the concept of bespoke PCs and supported a mixed portfolio of common and bespoke measures.</li> <li>• The survey had been developed with feedback from ICG members, which had been very helpful.</li> <li>• She had provided a full update and detailed slide deck as pre-reading.</li> </ul> <p><b>Ofwat’s Customer Outcome Delivery Incentives (ODI) rate research: status and next steps</b></p> <ul style="list-style-type: none"> <li>• <b>Darren</b> said that Ofwat’s approach to ODIs had been relatively problematic. The calibration of incentives was fundamental to risk and return facing companies in AMP8. This was the main element left to shape the BP.</li> <li>• Guidance from Ofwat had arrived very late and they were looking at a more top-down approach, rather than bottom up economic rates.</li> <li>• Concerns were expressed regarding Ofwat’s centralised methodology and the potential penalisation for following AW’s own customers’ views and priorities.</li> <li>• Against this backdrop, Darren said he was pleased the company had taken the initiative to develop a broader range of customer views.</li> <li>• However, there was a risk that Ofwat would penalise the company’s plan for following the evidence of what customers were saying, rather than following centralised research.</li> <li>• The strength of sentiment from other companies was similar, although not all companies had gathered such a strong body of research.</li> <li>• How to balance the central vs local customer research was something the company would need to make a decision about, making sure to follow high quality principles while mitigating risks to the company.</li> <li>• <b>Peter Simpson</b> suggested there was a danger that the centralised research would force companies to allocate funds to priorities that customers didn’t care as much about. He suggested now was the time to make a noise about this before plans were submitted to Ofwat.</li> <li>• <b>Darren</b> would provide more information on timelines for finalising PCs and bring final plans back to the ICG.</li> </ul> <p><b>Questions and discussion:</b></p> <ul style="list-style-type: none"> <li>• <b>Paul</b> agreed that it was far from an ideal outcome from Ofwat. The collaborative research had produced a robust and credible set of values but it seemed these have been ignored. He sympathised with the company’s predicament.</li> <li>• <b>Sarah Thomas</b> said she would raise the issue with CCW colleagues who had been working with Ofwat on the centralised research.</li> <li>• <b>Craig</b> said the ICG needed to follow up on this discussion and he would raise the issue at the next COG meeting.</li> </ul>	<p><b>Action DR</b></p> <p><b>Action ST</b></p> <p><b>Action CB</b></p>

Item		Action
5.	<p><b><u>Customer engagement: update</u></b></p> <p><b>Rachel Walters</b> – Anglian Water’s PR24 Customer Engagement Lead – gave a detailed update on Customer Engagement, covering the following areas:</p> <ul style="list-style-type: none"> <li>- How has customer insight informed decision making in the BP</li> <li>- How the ICG has been involved to date (including evidence from suppliers on how AW is meeting Ofwat’s high-quality research principles)</li> <li>- What customers are telling us: drawing on June 2023 Synthesis Report</li> </ul> <p><b>Craig</b> thanked Rachel for the detailed pre-reading, which included the recently published June version of the Synthesis Report.</p> <p><b>Customer engagement policy</b></p> <p><b>Rachel</b> gave a refresh of AW’s customer engagement policy and explored how the company had made sure it had met the criteria for high-quality customer research, as required by Ofwat.</p> <ul style="list-style-type: none"> <li>• The focus was not only on meeting Ofwat’s requirements but going over and above this to develop company specific high-quality principles, which also brought in lessons learnt from PR19 and reflected the comprehensive guidance review undertaken at the beginning of the process.</li> <li>• All partners were challenged to meet these principles with robust evidence (submitted in the pre-reading pack).</li> <li>• Faldrax had provided an assurance report on how customer engagement meets the high-quality principles.</li> <li>• The ICG had helped from a consumer perspective.</li> </ul> <p><b>Discussion and questions:</b></p> <ul style="list-style-type: none"> <li>• <b>Nathan</b> asked what AW was doing to measure how customers viewed the various engagement activities; how easy were they to understand and express a view on.</li> <li>• <b>Paul</b> suggested it can sometimes be worthwhile going back to customers and informing them of how their feedback has influenced business decisions.</li> <li>• <b>Pete Holland</b> agreed to consider how to follow up with customers.</li> <li>• <b>Rachel</b> agreed that feeding back to customers was important, but flagged that there were also data protection considerations to take into account.</li> <li>• <b>Gill</b> requested a copy of the Faldrax assurance report.</li> </ul> <p><b>Business plan decision making</b></p> <ul style="list-style-type: none"> <li>• <b>John Green</b> from AW’s Strategic Investment Department explained how decisions were translated into the business plan. He provided a high-level overview of the process.</li> </ul>	<p><b>Action PH</b></p> <p><b>Action AW</b></p>

Item	Action
<ul style="list-style-type: none"> <li>• Three key areas influenced by customer insights were identified: key performance indicators, bill impact and nature of investment (cost-benefit analysis).</li> <li>• Recommendations were made and tested/refined with customers to inform business decisions.</li> <li>• <b>Amanda</b> from ICS gave an overview of the synthesis and triangulation of multiple sources (including societal values) to derive perspectives used to inform decision-making and the partners involved.</li> <li>• <b>John</b> provided an example of water supply interruption and how values were triangulated using this case.</li> <li>• Around 170 value measures were combined in the cost-benefit analysis, using the Copperleaf system.</li> </ul> <p><b>Discussion and questions</b></p> <ul style="list-style-type: none"> <li>• <b>Paul</b> said this was a good high-level overview but raised the importance of assuring different levels properly.</li> <li>• <b>John</b> mentioned that Jacobs had assured triangulation and ICS had assured benefit analysis.</li> <li>• <b>Paul</b> requested sight of the assurance reports from Jacobs, ICS and AW.</li> <li>• <b>Victoria</b> enquired how much the company reports back to customers on the success of measures and strategies and whether there is a tangible difference felt in households. She felt it was important to build relationships with customers.</li> <li>• <b>Darren</b> said the BP was the primary way customers held the company accountable. One of the main cross-cutting themes was place-based thinking (going down to the local level).</li> <li>• <b>Peter Simpson</b> mentioned that AW was planning a Customer Relationship Management (CRM) system to better consolidate and present this information.</li> <li>• <b>John</b> added that there was a benefits review at the end of each project to evaluate outcomes but acknowledged there could be further steps to communicate this outwardly.</li> </ul> <p><b>How the ICG has shaped activities</b></p> <ul style="list-style-type: none"> <li>• <b>Rachel</b> gave an overview of how the ICG has helped to shape AW's customer engagement activities.</li> <li>• She thanked the Task and Finish Group for their input, which had been really helpful.</li> <li>• It was decided not to progress some elements of the Long Term Development Strategy customer engagement (the gamification element), as it didn't meet these high quality customer engagement standards but Rachel wanted to reassure the group that there are no gaps in research activity required as a result.</li> <li>• Affordability and Acceptability testing was addressing longer-term considerations.</li> </ul>	<p style="text-align: center;"><b>Action AW</b></p>



Item		Action
	<ul style="list-style-type: none"> <li>• <b>Darren</b> informed the group that the Board meeting in July would provide assurance in principle. There might be some moving parts, but main decisions needed to be made by then.</li> </ul> <p><b>ICG Reporting/Assurance to the Board:</b></p> <ul style="list-style-type: none"> <li>• <b>Craig</b> said it had taken a while for water companies, Boards and Ofwat to get to grips with the role of ICGs during this price review period but it had become clear that the ICG was here to support the Board with assurance. Although the ICG is no longer mandated by Ofwat, Boards need to make sure the company's customer engagement has been independently challenged. With that in mind, Craig asked AW's Chair about the preferred method of reporting ICG findings to the Board.</li> <li>• <b>John Hirst</b> suggested a series of bullet point headlines presented by ICG's Chair Craig at the 19 July Board meeting.</li> <li>• <b>Action:</b> Craig to liaise with the Board/AW regarding his attendance at the Board meeting.</li> <li>• AW Board members <b>John Hirst</b> and <b>Zarin Patel</b> both expressed their appreciation for the rich conversation and valuable insights provided by the ICG during the day's meeting.</li> <li>• <b>Zarin</b> expressed an interest in attending ICG meetings at least once a year.</li> <li>• <b>John</b> acknowledged that the biggest issue was the short timelines, which still left a lot of uncertainties.</li> </ul> <p><b>Forward Agendas:</b></p> <ul style="list-style-type: none"> <li>• Craig mentioned that the focus areas for the 30 June virtual meeting would be on the Water Resources Management Plan (WRMP) and affordability/vulnerability.</li> <li>• On 25 July, company performance would be discussed.</li> <li>• On 15 September, the pollution reduction plan was due to be addressed.</li> </ul> <p><b>Further questions</b></p> <ul style="list-style-type: none"> <li>• <b>Jo Lancaster</b> expressed her view that the Pollution Incident Reduction Plan (PIRP) should not wait until September and suggested addressing it in July.</li> <li>• <b>Action:</b> Peter Simpson agreed to consider discussing the PIRP in July.</li> <li>• <b>Nathan</b> expressed interest in understanding the changes made to the WRMP in response to customer engagement.</li> <li>• He requested information on what has changed and why.</li> </ul>	<p><b>Action CB</b></p> <p><b>Action AW</b></p> <p><b>Action AW</b></p>
7.	<p><b><u>ICG only session</u></b></p> <ul style="list-style-type: none"> <li>• ICG members felt that the meeting was constructive and productive and had addressed many of their questions. The pre-reading materials were very valuable.</li> </ul>	

Item	Action
<ul style="list-style-type: none"> <li>• They were impressed that two Board members had attended the whole ICG meeting and felt it would be valuable for Board members to attend meetings in future.</li> <li>• However, ICG members felt they still lacked key information on the business decisions made and some of the details.</li> <li>• There was still some confusion around the narrative between the statutory and best-value plans that was presented to customers through the A&amp;A testing.</li> <li>• EA and Natural England both needed to be part of the conversation on environmental aspects of the bespoke PCs. The focus needed to be moved away from end of pipe to upstream solutions.</li> <li>• <b>Craig</b> to talk to follow up with Victoria around WINEP/A-WINEP.</li> <li>• <b>Paul</b> appreciated the high-level process followed and thought the assurance was good but had some reservations about the triangulation process.</li> <li>• <b>Action:</b> John Green had offered to go through the detail of the copper leaf process with Paul and he would report back.</li> <li>• Paul noted that he was away for two months from 30 June.</li> </ul> <p><b>Bespoke PCs</b></p> <ul style="list-style-type: none"> <li>• The status of bespoke PCs was uncertain, and there was a disappointing lack of innovation from AW’s side. It was agreed that it could put the ICG in a difficult position if the company decided to use its own customer research rather than following Ofwat guidance.</li> <li>• <b>Craig</b> suggested that a view on Ofwat’s ODI guidance should come from the COG rather than ICG members.</li> <li>• <b>Sarah Thomas</b> reiterated that she would discuss the guidance with CCW colleagues.</li> <li>• ICG members noted there was a report for the ICG on the bespoke PCs dated April 2023 that they hadn’t seen before.</li> <li>• <b>Action:</b> VA to check with Rachel whether this had been circulated previously. (In response, Rachel confirmed this report had not been circulated until it was shared as part of the pre-reading for the 16 June meeting).</li> <li>• It was agreed that the ICG would need to monitor developments on ODIs and bespoke PCs very carefully. They would ideally like an update at the July ICG meeting.</li> </ul> <p><b>Outstanding questions</b></p> <p>ICG members looked at the outstanding macro challenges and felt there were still some questions outstanding:</p> <ul style="list-style-type: none"> <li>• What is the breakdown in overall spending in the Business Plan and what are the choices that have been made?</li> <li>• What has the company decided not to do (e.g. desalination)?</li> <li>• It was agreed that the ICG needed to be on its toes to make sure customer engagement was being used correctly.</li> </ul>	<p><b>Action CB</b></p> <p><b>Action JG/PM</b></p> <p><b>Action VA</b></p>

Item	Action
<ul style="list-style-type: none"> <li>• <b>Action:</b> It was agreed that the ICG needed to formulate a new question about this ahead of the next meeting.</li> <li>• In terms of the WRMP, ICG members wanted to know what had changed since the draft, including NHH customer demand and incentives for customer behaviour.</li> <li>• As discussed during the meeting, ICG members wanted the PIRP to come back to the meeting in July and also wanted to see the ODIs come back to the same meeting.</li> <li>• There was also discussion of a future ICG field trip to “spongy cities” of Southend and Great Yarmouth.</li> <li>• <b>Action:</b> VA would circulate revised challenge log for ICG members to update.</li> </ul> <p>The meeting closed just after 16:00.</p>	<p><b>Action ICG</b></p>