



Meeting Agenda

Meeting: Anglian Water Independent Challenge Group (ICG)

Date: Wednesday, 21 August 2024

Time: 14:00-16:00

Location: [MS Teams](#)

Papers available in SharePoint folder [here](#) and via email

	Topic	Lead	Pre-reading	Timings
1.	Welcome from Independent Challenge Group (ICG) Chair	Craig Bennett		14:00-14:10
2.	Introduction from Mark Thurston, Anglian Water's new Chief Executive	Mark Thurston		14:10-14:20
3.	Update on Anglian Water's response to Ofwat's Draft Determination	Darren Rice		14.20-15:00
4.	Update on Pollution Incident Reduction Plan (PIRP) and Environmental Performance Assessment (EPA)	Emily Timmins Rob Kelly		15:00-15.30
5.	Update on customer engagement, including <i>Your Water Your Say</i>	Lottie Williams		15.30-15.45
6.	Brief discussion: Future role of customer challenge and ICG	Craig Bennett		15.45-15.55
7.	Any other business, including future meetings	All		15:55-16:00

Dates for 2024

- **Friday, 6 September** 9-12.30pm– virtual ICG meeting TBC
- Tentative: **26 September** for longer face to face meeting TBC
- **Friday, 22 November** – in person (9.30am-4pm)

Challenge questions

Draft Determination

- What is the effect of the DD and disallowance of enhancement expenditure on asset health and long-term resilience? What won't the company be able to do? Which enhancement expenditures that have been disallowed are key?
- Stretching performance targets: We know that Anglian Water's overall performance is not where they would like it to be. Comment was made at the last ICG meeting that the current suite of PCs were unachievable in their current form & a suggestion that this was problematical across the sector. Against the background of failing to meet current objectives we want to see improvement. There seems little point in setting targets that are unachievable, but they should be stretching performance. Are the current suite of PCs unachievable or simply stretching?
- It would be useful to understand Anglian Water's position on the 30% cut between their smart metering funding request and Ofwat's DD allowance.
- Some companies made the case that they could not deliver the 9% absolute reduction in non-household demand by 2038 in the Environment Act because of high levels of growth in the area. It looks like Ofwat has pushed back on this and will go with historical growth trends and only make adjustments if actual growth at the end of AMP8 is more than 3% higher. It would be good to know if this is correct and what the implications might be, if any, for Anglian.
- If the company's ambition is bound by the constraints that seem to be emerging, then pressure on water supply and treatment would be inevitable. If this were to be the case, and given current and projected consumption, what do the company think the net impact would be on the ability of the region to deliver growth both in terms of the economic growth (now a statutory duty for Ofwat), but more fundamentally the housing growth that is being targeted into the region served by AW?

LTDS

- On the LTDS, the net zero Totex disallowance is particularly frustrating given this was a flagship commitment of the sector, driven in large part by Anglian Water's and Peter Simpson's leadership. It feels like the 2030 net zero commitment is slipping away? It would be good to understand if other companies have the same issue and if their 2030 net zero commitments are at risk.

PIRP

- How will the company's investment through remainder of AMP7 and through into AMP8 enable a significant improvement in pollution performance to meet the targets set out in the WISER (i.e. zero serious incidents and 40% reduction in pollution incidents compared to 2016)?