

**South Staffordshire Water
Customer Challenge Group (CCG)
Held at Green Lane, Walsall**

Thursday, July 25th, 2013

MINUTES

Members:

Yve Buckland	Independent Chair
David Wurr	Consumer Council for Water
Adam Lines	Environment Agency
Gemma Domican	Consumer Council for Water
John Thompson	SSW Charitable Trust
Tom Marshall	Lichfield District Council
Greg Marshall	Environment Agency
Bernard Crump	Consumer Council for Water
Andy Baxter	Coors Brewery
Elinor Cordinor	Drinking Water Inspectorate
Ian Butterfield	Natural England
Colin Greatorex	Lichfield District Council

Attendees:

Keith Marshall	Acting Managing Director, South Staffs Water
Rachel Barber	Customer Services Director, South Staffs Water
Matt Lewis	Regulation Director, South Staffs Water
Barbara Julye	Head of Customer Engagement, South Staffs Water
Sir James Perowne	Non-executive Director, South Staffs Water
Davy Jones	Consultation Institute
Mike Reid	Monson Engineering
Rachel Lopata	Community Research

Apologies:

Catherine Lund	Spirit Pub Company
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1. Welcome

Yve Buckland introduced members to those who were attending a meeting for the first time. Rachel Barber said the Company had contacted the Black Country Federation of Small Businesses to ask if they could find a replacement for Ralph Tennant, and the Federation is going to try to do so.

2. Review of minutes and actions from last meeting

The minutes were agreed as a true record.

Matters arising from the last meeting:

1. Rachel Barber stated that there was an item on outcomes and measures on the agenda and that this would be covered under that item.
2. Rachel Barber said there will be more information on the IO+ tool at a future meeting.

3. Yve Buckland said that there had been some tension at the last meeting and some challenging issues were to be addressed at this meeting. But she wanted to emphasise that this was a challenge group and all present should expect a process of constructive challenge which should be offered and received in the spirit that the objective is to help the Company to develop a successful plan, which has benefited from robust scrutiny and commands customer support. She hoped to see the atmosphere of the meeting to be reflective of these sentiments.

4. CCG Interim Assurance report

Davy Jones had developed a series of questions for the group to consider concerning the quality and quantity of customer engagement work to date, and he opened this item by summarising his observations.

Whilst recognising a strong focus on customer facing matters and the Company's high SIM performance, he felt the following questions should be considered:

- a) Regarding the documentation and its organisation, it was very important that all CCG documents were accessible and he raised the question as to whether the group felt that this was currently adequate?
- b) He asked whether the skills of the people in the Company and the CCG members were sufficient to engage in the process.
- c) On equality issues, he said it struck him that the research carried out shows that disabled people are less satisfied as customers than others.
- d) He asked if serious consideration had been given to joint engagement with other companies within the water industry on the research work.
- e) He asked if there was a widespread understanding by people in the area of what the Company is trying to do. There was no reference in this year's "Waterline" to CCG or the business plan and he felt this was a missed opportunity. Cambridge has the "Your CH₂Oice" branding, should South Staffs have something similar or an alternative brand? There seemed to be much more publicly accessible work and information that could go to a wider area.
- f) He said he knew the website had been upgraded but it had taken him 10 minutes to find the customer engagement area because there is no obvious route to find it unless you are "in the know". At the moment you have to know that there is something called CCG in order to find it. He said that it was good it was all there, but it lacked publicity and members should be monitoring this for a few months.

Rachel Barber thanked Davy Jones for his assessment. After the feedback on Cambridge, the Company had started to reflect and think about how the gaps should be bridged. Some of the observations are well timed and wider feedback was needed from stakeholders and the Company wanted to use the Customer Research Task Group to look at that.

Rachel Barber asked if there would be any more feedback before the final report was ready. Yve Buckland said they needed to make sure documentary evidence is absolutely thorough and a list of all challenges was needed, and Rachel Barber replied that this list was being compiled by Barbara Julye. Yve Buckland said she should meet with Barbara Julye on this.

Yve Buckland then asked if the group would reflect on the challenge as to whether the CCG itself is well prepared and constituted for the task in hand.

David Wurr said the Company had started out with the most comprehensive set of induction documents he had ever seen and had also put on a training day. Davy Jones said he was sure that people felt they had adequate skills, but he could not find an audit trail of the issue having been raised. Colin Greatorex said he was not sure he agreed with the need to fully engage with

customers, because, it was to be hoped that that was what CCG members were there for [to represent customers]. He said he thought they needed to understand the population – not to criticise the Company. Rachel Barber explained that the Company had used external specialists for every tranche of research, therefore not relying on Company personnel, which was also overseen by the CCG Task Group for Customer Research. Adam Lines said that he did not think that anyone around the table was an expert in every element of the water industry, but nor did they need to be, but there had to be an element of trust and it came down to the way they understood issues. Yve Buckland said she thought that around the table they sufficiently understood the customer engagement process, but Davy Jones's point was that if the Company wants to understand all engagement with customer that was whole new territory. She said she was concerned over why people with disabilities are less satisfied. Rachel Barber said that that the Company's would review the research findings to understand this position.

Yve Buckland said it may be useful to have a stakeholder event and Rachel Barber said the research was to be circulated to wider stakeholders and the company would give consideration to holding a stakeholder event.

Regarding an interim report, Yve Buckland said that as time is short, she felt the draft report should develop as the group goes along and she asked for the group's thoughts. Greg Marshall said maybe they should make a list of questions they expected to see in the report. Colin Greatorex said perhaps they should have an interim report further along. But Yve Buckland said that after the summer there were only three months left and a couple of meetings [before the business plan is submitted]. A report should now be drafted as time progresses and asked the Customer Research Task Group to develop the structure of the report.

ACTION:

- The Customer Research task group to meet and progress: To evaluate and respond to the issues raised by Davy Jones, To share the findings of the Online Panel and Provide a structure for the Assurance Report. (Later in the meeting it was also discussed that this group should also evaluate the Acceptability Testing process.)
- Barbara Julye to provide a list of Challenges to The Chair to review.
- The Company to review research findings from customers with disability.

3. Draft Business Plan

Matt Lewis and Keith Marshall delivered a presentation on the DBP, confirming that this had been compiled in advance of the methodology from Ofwat. Matt said there are still a number of things to do, but the intention was to produce a DBP for consultation over the next few weeks. Matt stated that the Company currently has high efficiency, high services and low bills, which forms the basis of the future strategy. There are some discretionary options for investments, but the Company needed to ensure it had enough finance.

David Wurr said that he thought the tone of the business plan was wrong with too much spin and not enough substance. Bernard Crump said the challenge was to keep with low prices.

Matt Lewis said the Company wants to make further reductions in leakage over the period, that metering would see growth up to 40% penetration by 2020, was committed to the NEP programme and to have a surplus on the supply-demand balance. Adam Lines said he was pleased the Company is committed to the NEP, but he did not think there was sufficient reference to that in the business plan.

Matt Lewis identified four areas of risk which it was proposed that the Company should bear, subject to Board approval. These included: Power costs, where the Company will take the pain if power prices go up, but will share any cost savings with customers. Income uncertainty would be reconciled annually. Extra pension costs would not be included. And it was the intention that the Capex efficiencies or lower needs would be returned to customers sooner rather than wait until 2020.

Tom Marshall said he felt the Company had not grasped the nettle on renewables. Energy costs at the moment are worrying, but in 10 years' time will be very worrying.

Matt confirmed that currently the plan showed increases in costs for power, extra capex and SIM expenditure accounted for an 8.5% increase in bills, with IRC costs on capital, tax and capex and opex efficiencies accounting for a 5.5% decrease. Yve Buckland asked if there was money available because it could be borrowed more cheaply, could the Company cut bills or be more ambitious around the environment?

Matt Lewis said the efficiency target is 1% per annum an increase from the current AMP period, with power prices forecasted to be a 40% uplift, pension cost increases removed and capex reviewed at 11% instead of 20%. Keith Marshall added that the 1% efficiency target is ambitious when the Company is already very efficient. He spoke about why capex had gone up when there were alarm bells ringing at the last meeting, but the Company sees it as business as usual. During the last two months, Defra had amended the methodology of reservoir inspections and SSW's reservoirs were showing more likelihood of failures. Recently, following the report by the Chief Inspector of the DWI, the Company wanted to ensure that all of its service reservoirs were of the utmost integrity. Some water companies have masked coliform failures by adding chlorine, but SSW was not doing that. There was a severe failure and a picture started to develop – failures were found at Hopwas reservoir so it is being refurbished.

Elinor Cordinor said these were not new issues that had suddenly cropped up, but she knew the Company had fairly recently clarified advice on disinfection. Keith Marshall said the Company was trying to keep within a written requirement, but had an aspirational level of 50THMS, offering good service, good quality water at the lowest price and maintenance of assets. In answer to a question from Andy Baxter on asset spend, Keith Marshall said there had been significant failures at Seedy Mill last year and there would be lumpiness in the spend because spending was needed at two service reservoirs and the nitrate plant. The costs were substantial, but the life of the assets would be 25 years. Outwoods will cost about £4m to replace. The costs at Barr Beacon are higher but the consequences of failure are much more serious.

Bernard Crump said he understood the rationale for the additional spending on nitrate removal, but he wanted reassurances that this was not simply a way of securing extra capital spend. Keith Marshall responded that last year South Staffs had 24 hours' strategic storage, which was extreme, while Cambridge had a couple of days. Keith Marshall added that KKR did not own the business yet, but they would be taking ownership on Tuesday [July 30th] and therefore to date had little influence on the development of the plan.

Rachel Barber also confirmed that the independent reports for the reservoirs were only provided on the 6th/7th June and the Company knew it needed to do something, so had shared it with CCG at the first opportunity, and it was hoped this would go some way to reduce ill-feeling. Ian Butterfield said he did not expect to see the figures, but he expected to be kept informed of the pressures involved. Tom Marshall said that it is proposed that an extra 8,000 homes would be built in Lichfield District over the next 20 years, and asked if the Company had any contingency to deal

with this, as it did not appear to say so at the moment, to which Keith Marshall confirmed that the Company in the DRWP took account of property growth within the area.

John Thompson said his background was in environmental health, so he wanted to ensure the long term quality of water. Keith Marshall replied that Barr Beacon would have to be knocked down and rebuilt, while Hopwas needed a new membrane on the roof. John Thompson said it was interesting that the Company owns a lot of listed buildings, but there is no mention of maintenance for them in the business plan. Keith Marshall agreed that could be included.

Yve Buckland asked if the group could see a copy of the Atkins report. Keith Marshall said he would give this consideration.

As an example of their importance to the Company, Keith Marshall gave details of the capacities of some of the service reservoirs: Barr Beacon 90 m³/litres; Outwoods 36 m³/litres; Sedgley 70 m³/litres. Outwoods Number One has cracks in 30 of the 120 cast iron roof bars, so something had to be done to ensure no water quality failures from it; five years ago Barr Beacon was temporarily repaired, with a patch repair to the roof – and more than 100 properties would be put at risk if it failed. There are three nitrate removal sites at Pipe Hill, Little Hay and Shenstone and rising nitrate levels is a problem, he said, with water blending an additional thing the Company wants to do.

David Wurr said he now understood why, 17 months ago, the Company said it did not foresee any major capital investment for water quality yet the issues relating to nitrate are not even referred to in the Company's current draft. WRMP - Yve Buckland said that the Company had earlier said that resources were good, so she was surprised that today the group was being told resources were not good and had only 24 hours' worth of storage. But Keith Marshall said that three weeks ago the demand was 290m³/litres a day and that had gone up to 390m³/litres, which makes maintenance difficult, but he felt there were sufficient resources. Greg Marshall responded to David Wurr's reference to the DWRP and said the subtle difference was that this was around a supply and resilience issue. The additional capex investments for service reservoirs are essentially a resilience issue for the Company and therefore would naturally sit in the business plan. As the dWRMP is about SSW's ability to ensure supply under current and future demand scenarios there wouldn't necessarily be an issue with these schemes not being mentioned in the dWRMP. In addition, SSW are running a surplus and so don't need to develop any options in order to meet a shortfall.

Yve Buckland commented that if she were a member of the public listening to this for the first time, this would come as a shock. Yve Buckland asked how the Company would explain this to a member of the public; they would either suspect something underhand or that someone was not doing their job properly. Keith Marshall responded that regarding Barr Beacon Number One new guidance had been issued.

Matt Lewis said it was very important to get the right list of work for the Company and he thought the Company could beat energy price increases by 5%, but this would add 3% to bills over five years. Gemma Domican asked if there was any agreement in place for the next four years, to which Keith Marshall replied that there are two things that make the Company interesting to electricity companies: firstly, that the Company will still exist and secondly, that spare capacity in the Company's electricity is given back to National Grid and Matt Lewis added that there is one year left on the current energy contract.

David Wurr pointed out that in AMP4 the dividends paid to the owners were on average about 25% and he suggested that the then owners had underinvested in infrastructure while taking money out of the business but Matt Lewis answered that SSW has never not spent what has been agreed with Ofwat and now, in year three [of the current AMP period] it is within £500,000 of what has

been agreed. Keith Marshall said the owners were extremely supportive when there was the incident at Seedy Mill and allowed additional expenditure. It was intended the differential between South Staffs and Cambridge bills would remain. Yve Buckland responded that there was a stronger push from Cambridge's CCG when they asked why should they pay for things in South Staffs, but Matt Lewis said they have the same issues in Cambridge as in South Staffs and Keith Marshall said he expected the energy tariffs for Cambridge to be better than at present and Cambridge would benefit from the support functions etc in SSW.

Matt Lewis said there is pressure on capex and lots of costs to look at, for example the Traffic Management Act and supply pipe adoption. Yve Buckland said the challenge was to develop a strategy to overcome these pressures and at the same time, "to take customers with you." Sir James Perowne said there was a lot of discussion on capex to take away from the meeting and Matt Lewis added that change of occupier metering was discretionary – if the Company did not do that bills would be lower after five years.

Greg Marshall queried that there was little or no reference within the draft plan to environmental investment via the NEP or other additional investment areas such as biodiversity. This omission wasn't commensurate with customer research which had placed environmental investment in the top third of customer priorities. The fish and eel screening requirements needed as part of the statutory Eel regulations must form part of the NEP. However it was confirmed that through discussions with SSW, the agreed completion date for the schemes identified would be 2021.

Adam Lines also challenged the wording in the Consultation on the NEP which he felt was leading. The NEP was a small area of the bill – SSW needed to 'up their game' on investment to meet desired outcomes by 2021. The plan (and NEP) needs to show clear commitment and deliverables.

Keith Marshall stated that engineering costs to protect against fish and eel entrainment at large abstraction sites could be costly and provisional figures had identified up to £7m. Greg Marshall stated this was likely based on neighbouring company estimates for very large abstraction sites and indeed costs could be considerably lower. Yve Buckland said the Company should be encouraging biodiversity and the fish/eel passage would be interesting and ambitious; a separate meeting had been held on that and it would be good if the Company let the public know that. Greg Marshall agreed that entrapment of eels during abstraction looks expensive, but some water companies are working collaboratively, together on procurement for this in order to drive out efficiencies and reduce costs.

Matt Lewis said responses to the consultation on the DBP are needed by early to mid-September.

Yve Buckland queried whether price increases would be necessary if the cost of capital was lower than that assumed by SSW – theirs was a very high estimate in comparison with other companies.

Other challenges were as follows:

How is trading reflected in the plan; is there enough distinction between domestic and business customers; what is the impact of a lower cost of capital; is the plan related to the outcomes agreed by the Forum which reflect customer priorities and is there a clear link between research and the proposals.

Rachel Lopata from Community Research then facilitated a discussion on the DBP. Rachel Lopata said the DBP must be innovative and cost effective and asked the group how far they felt it reflected the views of stakeholders and customers. Colin Greatorex said the group was

looking for options to consider and Greg Marshall said he thought that environmental concerns were high on the WtP research, but that was not coming through on the DBP.

Gemma Domican said they did not have figures for how much each thing would impact on bills and she felt the DBP was not well set out. David Wurr said he would have expected investment proposals should be related to the DBP and he was worried that it claimed that people were willing to pay an extra £9.80 per year [according to WtP research], but he felt that was over the AMP period. He asked that this was resolved with ICS before the business plan was published. Yve Buckland said WtP needs to be treated with caution and assessed alongside other information, and should not be taken in isolation.

Greg Marshall said being an efficient Company makes it difficult to be more efficient, so perhaps the group needed to understand how it could be innovative. Greg Marshall has previously discussed ways of addressing this and would be happy to discuss further with the Company.

Gemma Domican said it might be worth the Company looking at other companies to see how they have gone out to consultation and presented their DBP. But Rachel Barber said it was more a document to test the water and the document to be submitted to Ofwat would be much more technical and Yve Buckland said one water only company has got into trouble by appearing to ask customers leading questions.

Yve Buckland asked the question of how future customers can be addressed. Rachel Barber replied that in Cambridge they go into schools, but that is not specifically done in South Staffs and the Company would be reflecting the research if that was done here also the plan needed to reflect innovative thinking and approaches.

Ian Butterfield said he thought there was a problem with delay in investment on the environment – the DBP says fish passage work will begin in 2021, which is the following AMP period, but Greg Marshall said the EA would expect to see it built by 2021. Rachel Barber said the Company would look at that.

Rachel Lopata then moved on to social tariffs. John Thompson said he found the DBP disappointing; all the feedback he got from meetings with Rachel Barber and Matt Lewis was that they were supportive of people who could not pay their bills, but that did not come through on the business plan. The DBP said that a social tariff will be given serious consideration, but that may not be in this AMP period. He said South Staffs does not work on a holistic approach and he felt there needed to be a more positive expression of support for people in debt. There was reference to the £500k savings and that was subject to final agreement with the CCG as to whether this would be used for debt issues. Gemma Domican said CCW was taking the issue up and would take a holistic approach for the consultation process and that CCW was very aware of the demographic of South Staffs' customers. David Wurr said that the WtP research showed that 74% customers wanted their bills to be the same or lower than currently and that there was not an appetite for bill increases.

Rachel Barber said the Company was happy to send out a more customer-friendly, less technical, version of the DBP within the next two weeks, but there was a sub-group meeting in that time. John Thompson asked if that version could be sent to everyone, which Rachel Barber said she was willing to do, however, the long term strategy document had been sent to everyone and only two responses had been received.

ACTION: The Company to reflect on the challenges from the Forum, to send a copy of the 'customer friendly' version of the DBP to all CCG members. Sir James Perowne would reflect the comments of the CCG when the Board discusses the DBP at the next meeting.

4. Independent review of investment, report by Mike Reid, Monson Engineering

A paper from Mike Reid had been circulated.

Mike Reid said he would like to have a small group he could receive feedback from. He said, for consistency, he was looking at the same areas in both South Staffs and Cambridge, but he said his report only makes suggestions and not recommendations.

Yve Buckland said that Cambridge wanted Mike Reid to look at maintenance and Andy Baxter said he thought that was absolutely right and that should be included in the DBP. He also agreed to join a subgroup to feedback to Mike Reid, as did Bernard Crump.

Mike Reid said that on reservoirs in particular, he would need to do a lot of desk research and look at the Atkins report and it would be for the group to make decisions.

Tom Marshall said his interpretation of the report was that Mike Reid was critical of the ongoing replacement of large diameter pvc mains, but Mike Reid said he did not intend for anything in the report to be either supportive or critical, at which Tom Marshall concluded that the report was intended to be an objective assessment upon which the group could base decisions.

Andy Baxter asked Mike Reid if he would be able to offer alternative technical solutions and he replied that he would be looking to see if SSW has looked at alternative solutions and would report back if he considered them comprehensive or not. Elinor Cordinor said it would be useful for the DWI to also work on this.

John Thompson said the report says the Company has worked with local authorities on lead supply pipes, but he got the impression from the business plan that nothing is happening on that and he would be interested to see how the Company is going to identify vulnerable customers and also find out about shared supplies. Keith Marshall replied that the Company is already working on that, and had identified customers such as nurseries as among vulnerable groups.

In answer to a question from Bernard Crump, Mike Reid said he was not doing a critique on the IO+ tool, but he wanted to know what information is being put into it and what is coming out of it.

Tom Marshall said that one of the unintended consequences of large-scale development is that there is a cost element to companies like SSW, because they have to lay on the infrastructure, resulting in a cost burden. Mike Reid said he had picked up on is that there are assessments of how much companies will have to spend and it was sizeable and Yve Buckland commented that water companies are still not statutory consultees on development, which was regrettable.

Yve Buckland asked how much was in the Company's CSR budget, Matt Lewis confirmed that this was a group initiative. Keith Marshall added that it was set up at the start of each year and charged back to each of the companies.

ACTION: For a subgroup comprising Andy Baxter, Bernard Crump and a research scientist on the Cambridge group to form a subgroup to offer feedback to Mike Reid. Dates for a meeting to be agreed between them.

5. Outcomes and measures update

Rachel Barber said that following the last meeting of the Outcomes Task Group, the group has met again and looked at Cambridge's outcomes. Tom Marshall had given feedback to the full CCG with a list of outcomes and Rachel Barber said in her view suggested incentives and penalties will be taken to a board meeting in September and discussed later at CCG. The first meeting with KKR was on the following Wednesday and the first board meeting is in September.

Greg Marshall asked for a reminder on why there wasn't an outcome on environmental sustainability on kilometre lengths for rivers improved– the number given could be more ambitious, he said. Adam Lines said a lot could be done with that using geographical descriptors.

Bernard Crump said there were measures of success, but no measures of ambition for these measures – the group needed to know by how much the Company was going to improve and what the significance was and Sir James Perowne said he could see much of the outcomes and measures converting into KPIs.

John Thompson said regarding support for customers in debt, the figures were not available for the last three years, but surely these should be available from the Charitable Trust. Matt Lewis answered that they had run out of time to get the information. Rachel Barber said the Company needed to define exactly what they meant on this issue and also look at Cambridge region. Sir James Perowne added that it was something that was looked at every board meeting and John Thompson said he could understand that, the way things were going.

Yve Buckland asked if the Company wanted to do some further work with the group before taking proposals to the Board which had been the experience of some other water companies. Rachel Barber asked that they could consider that.

Greg Marshall queried why leakage is listed within environmental sustainability – an extra environmental measure could be put in that section and leakage taken out of the “operations are environmentally sustainable” outcome and transferred to the “secure and reliable supplier” outcome. This appeared to be resonate with members of the CCG.

ACTION: The Company to confirm the timing and way forward for engagement with the Outcomes Task Group to finalise the work around measures and incentives

6. Joint meeting between CCG and Cambridge water Forum

Yve Buckland said a joint meeting had been discussed at the forum meeting earlier this week and they had discussed holding a meeting on September 23rd at Kettering. The meeting will look at the £500k savings and the joint business plan.

Rachel Barber said that by that date the Company will have absorbed the Ofwat methodology and Mike Reid's report, as well as acceptability testing. Acceptability testing is on the agenda as a decision is needed on whether to do it. Work has already been carried out to find out how it might be done and members should hear from the Company about meetings on that by the end of the week. It should be a fruitful joint meeting, even though people will have to travel to Kettering.

Mike Reid said he would be away and therefore unable to attend the meeting.

ACTION: To hold the joint meeting in Kettering on September 23rd and for a venue to be sought.

7. Long term strategy

Matt Lewis said the Long Term Strategy document is about to be launched. It will be added to the website and electronic copies sent to CCG members. Barbara Julye said there would also be a

message about it put on the IVR system signposting callers to it on the website – the Company receives 500,000 calls a year and Rachel Barber added that there are in excess of 15,000 hits a month on the website.

8. Review of timeline and agenda

Rachel Barber said the majority of dates on the timeline reflect the Ofwat submission, with full CCG meetings planned for September 23rd and November 20th. At the Forum meeting at Cambridge, having an October meeting was discussed and scheduling a meeting during week commencing October 21st will be discussed at the September meeting, if it felt one is needed.

David Wurr said that after the Customer Research Task Group had lost Ralph Tennant, there was only Greg Marshall and himself at the last meeting, so he thought the group would benefit from another member. Elinor Cordinor said she had been to some CRTG meetings, but she was unsure if she was a fully paid-up member, though the DWI's strategy is to support CCGs and it has a parallel process going on.

John Thompson, on being invited to join the CRTG, agreed though he could not guarantee attendance at all meetings. But, he said he was intrigued by the Willingness to Pay research, though there was nothing in there about the ability to pay.

Yve Buckland said she had reflected on whether they have the right documentation from the group. All the minutes and background papers need to be collated.

Sub group and task group meetings need to see everything already in one place and she felt they needed to find someone who could spend time with them to go through everything and in order to write the assurance report

ACTION: The Company to compile a summary to allow the easy visualisation of all the activities to be completed and how and when they would be progressed.

9. Any other business

Keith Marshall said he thought the meeting was very helpful, and after the meeting at Cambridge on the previous Tuesday, he knew the Company had not got it right yet. The draft business plan has to be something that if you pick it up to read, you want to keep reading it. He said if the group wanted any more meetings with him personally to get in contact as the Company wanted to talk about the challenges. Sir James Perowne added that he would email all of the non-executive directors and Adrian Page (Group Chief Executive and Chairman of SSW) about both meetings.

ACTION: The Company to review all the challenges made specifically around the DBP and feedback to the group at the next meeting.

Next meeting: September 23rd at a time and venue in Kettering to be confirmed.

The meeting closed at 4.30pm.

Challenges arising in the meeting

- Is the CCG documentation and its organisation accessible enough?
- Are the skills of the people in the Company, and the CCG members, sufficient to engage in the process?
- Are disabled people less satisfied as customers than others?
- Has consideration been given to joint engagement with other companies within the water industry on the research work?

- Should South Staffs have branding on its customer engagement along the lines (or jointly with) of Cambridge's YOUR CHO₂ICE?
- Could the Company cut bills or make further ambitions around the environment?
- CCG should be kept informed of the budgetary pressures involved.
- Could the group could see a copy of the Atkins report?
- Can a strategy be developed to overcome budgetary pressures that is also acceptable to customers?
- Why is the fish/eel passage not in the draft business plan?
- Environmental concerns were high on the WtP research, why is that not reflected in the DBP?
- As the Company is already efficient, making it more difficult to make further efficiencies, how can it be innovative as an alternative?
- The Company claims to be supportive of people who could not pay their bills, but that is not reflected in the business plan and the Company should give a more positive expression of support for people in debt.
- The plans for river sustainability could be more ambitious.
- By how much is the Company going to improve over the next AMP period and what is the significance of each improvement?
- Why is leakage listed within environmental sustainability? Could an extra environmental measure be put in its place?
- Why is capability to pay not included within the Willingness to Pay research?
- Can someone be made available to go through reports and documents in order to assist with writing the review report?