



Portsmouth Water Limited

# Business Plan PR19 Board Assurance Statement



**Delivering excellence**  
for our customers,  
our people and our  
environment





#### Introduction

The Board of Portsmouth Water is responsible for the strategic development and oversight of the Appointed Business and takes its responsibilities seriously at all times. Led by an Independent Chairman, with two further Independent Non-executive Directors and an Investor Director, the Board seeks to foster a culture of customers at the heart of the business, encouraging innovation and constructive challenge and debate at all levels of the organisation. This culture ensured that the full Board led a consistent and robust approach throughout the process of developing the Business Plan for PR19, from its inception through to the final submission, with customer priorities being the “golden thread” at its heart. We appreciate that the new regulatory approach developed by Ofwat requires the Board to clearly demonstrate this had been achieved and what assurances it has relied upon. The most important element of this approach is the development and delivery of a Plan that is focused on the delivery of customer priorities.

Our smaller scale and flat management structure provide close links between the Board, senior management, colleagues throughout the Company and to the communities and customers that we serve. In developing a Business Plan that is focused on delivering our customers’ priorities, both now and in the long-term, the Board set out a clear framework at the start of the process to ensure that:

- all the elements add up to a plan that is of high quality and ambitious, but deliverable through adopting innovative solutions;
- the overall strategy for data assurance and governance processes delivers high-quality data;
- the Business Plan will enable the company to meet its statutory and licence obligations, now and in the future;
- the Business Plan will deliver operational, financial and corporate resilience over the next control period and the long term;
- it will enable its customers to continue to have high levels of trust and confidence in the Company, through transparency and engagement with customers on issues such as its corporate and financial structures; and
- it has provided ownership of the overall strategy and direction of the plan in the long term.

Throughout the process, the full Board has provided strategic leadership and has been deeply involved in the preparation of the Plan, including robust challenge of key Plan assumptions, with no sub-committees being used.

#### Strategy

In 2016, the Board reviewed its approach to its long- term strategy; through a process facilitated by Professor Dave Cooper (Head of University of Chichester Business School). It agreed its goals for the future that would drive the PR19 Business Plan. These goals were:

1. To put customers at the heart of everything we do.
2. To be in the top 25 companies in the Institute of Customer Service survey.
3. To be a resilient business for both our own customers and to support the wider South East.
4. To promote a culture that is innovative, vibrant, open to change and reward those behaviours.

5. To recruit and retain the right people and support them to deliver to the best of their ability
6. To be recognised for meeting our social and environmental responsibilities.
7. To ensure that health and safety of our workforce and member of the public remains our number one priority.

Throughout the PR 19 process, the Board has provided strategic leadership and taken an active involvement in the preparation of the Plan. The Board has established a culture of “doing the right thing” and putting customers at the heart of the business. This has resulted in high trust scores in surveys conducted by the Institute of Customer Service and the Consumer Council for Water. It has had a responsible dividend policy and this will continue into the next period.

Resilience of water supplies has been central to the Company for decades (an example of this is the purchase of the land where the Havant Thicket Winter Storage Reservoir will be located, in the 1960’s and the building of the River Itchen Treatment Works in the 1970’s, when it was seen that in the longer-term resources in the region would need to be increased) and the current Board continue to see this as a priority. A key part of the Board’s strategy is to use the resilience in water resources to support the wider South East Region, which is seriously water stressed.

The Company is an upper quartile performer in several of the common performance measures to be used at PR19 and the Board established its policy to remain in that position.

These strategic policies have set the tone and direction of the business plan and the planning and assurance process.

In the following section, we specifically address how the Board is able to give assurance on the Business Plan.

## **Business Planning**

### **How has the Board challenged and satisfied itself that all the elements add up to a Business Plan that is high quality and deliverable.**

PR19 has been a standard item on the Board agenda since July 2017 in order to address assurance and governance through the following processes:

- In December 2017, the Board agreed a clear plan for assurance of all elements of the plan, including where third-party assurance was required. This was reviewed, and changes made as the Plan developed. This assurance plan and the subsequent actual dates when items were considered is in Appendix 1 to this document.
- A RAG report showing an updated status of progress on the Business Plan was included in Board Papers every month.
- Received evidence from Executives and third- party assurers to ensure the quality of data and the robustness of assumptions. Third parties producing reports were invited to speak to the Board. Chapter 13 of the Plan contains a full list of independent third party reports to the Board
- Ensured that an independent Board member attended every CCG meeting and invited the chair of the CCG to three Board meetings during the process.
- It reviewed and assessed compliance with its statutory duties and licence obligations and Government policy statement early in the process to ensure the overall strategy meets these requirements.
- A Board report summarising customer engagement is included with the Board papers every month.
- The whole board has been involved throughout the PR19 process, with no separate board committee being used.

- Independent Board members have, where deemed appropriate, conducted deep dives into aspects of the plan to gain assurance that a proper process has been followed and to provide further assurance to the whole Board.
- The Board has rigorously challenged each ODI, the targets set, and they will be achieved. As part of this process it considered the key risks to the delivery of the Plan and the mitigations required. These risks are included in the RoRE analysis.

**How has the Board challenged and satisfied itself that the overall strategy to data assurance and governance processes delivers high-quality data.**

The Board has in place a tried and tested process for providing assurance on the quality of data submitted for the Annual Performance Review. We consider feedback from Ofwat on the quality of data submissions to improve our Company Monitoring Framework and our processes. Our data submissions are subject to independent audit and the auditor is invited to the Board meeting to discuss their reports.

For PR19, the Board has approved internal control procedures to ensure that the data submitted has been peer reviewed and the Chairman of The Audit Committee confirmed that there was good evidence that this had been followed. It has received third party assurance (as set out also below) covering financial and non-financial data from KPMG and Atkins respectively.

In addition, individual NED's have taken responsibility for reviewing certain aspects of the Plan, including data, and then reporting to the Board.

**How has the Board challenged and satisfied itself that the business plan will enable the company to meet its statutory and licence obligations, now and in the future and take account of the UK Government's strategic policy statements?**

The induction process for new Directors covers such matters to ensure they understand their duties and all changes to the obligations are brought to and discussed at the Board.

The Board has put in place a rigorous Risk Management process which addresses the risk of non-compliance of its duties.

In relation to the Business Plan submission, the Board assessed its statutory and Licence obligations, and evidence of compliance at its 2018 February Board meeting. The session also included the Government's priorities. The Board have recognised the Government's Strategic policy statement to Ofwat and the Government's 25 Year Environmental Plan. Resilience is a key pillar of the Government's policy statements and its plan not only address resilience for the Company, but also the wider South East Region, by providing substantial additional bulk supplies to Southern Water which will help them to meet the environmental challenges to two of their current river abstractions and ensure that the region is more resilient to droughts. It has also ensured its plan is consistent with the Environment Agency and Natural England's WISER document.

As a result of Board challenge, the Company has sought to enhance resilience by more aggressive leakage and PCC targets in the long-term which have been reflected in revisions to the Water Resource Management Plan. Also as a result of Board challenge, the initial proposals for mains renewals was increased from 70km to 90km over AMP7.

**How has the Board challenged and satisfied itself that its plan will deliver operational, financial and corporate resilience over the next control period and long term through its governance and assurance processes, taking account of its track record of performance.**

The Board has conducted a review of risks faced by the Company in terms of potential impact on the customer and the level of mitigation and resilience against those risks. It has looked at historical performance, including the Company Monitoring framework of the current AMP, on a range of measures to identify where interventions may be required. As part of its AMP 6 Programme, the Board commissioned a study to establish the level of resilience to catchment and non-infrastructure asset failures, which has driven key elements of the plan. A NED has undertaken a deep dive into the level of operational resilience within the organisation. The Board has reviewed several financial viability and financeability scenarios (see below). In addition, the Board has reviewed the plans to ensure that the Company remains able to attract, retain and provide continual training of its staff to deliver the services required by our customers. The Board has made a final review of the Company's assessment of resilience in the round and its conclusions are included in Chapter 6 of the Plan.

**How has The Board challenged and satisfied itself that it will enable its customers' trust and confidence through appropriate measures to provide a fair balance between customers and investors (which include outperformance sharing, dividend policies and any performance related element of executive pay) and high levels of transparency and engagement with customers on issues such as its corporate and financial structures.**

The Board have continually ensured there is a fair balance between customers and investors. At PR14, the Board voluntarily agreed to waive over £5m of legacy adjustments to keep bills lower than they would otherwise have been.

The Board has overseen a large and varied interaction with customers. Entirely separate to the PR19 process, it took a decision to join the Institute of Customer Service, so that it could build on its strong historic performance on SIM scores and measure its performance against a broad spread of companies, not just other water companies and other utilities. The customer satisfaction score for 2018 was the highest of any water company and was the second placed utility. Through this process, we also receive a trust score in the Institute's surveys that demonstrates our customers have a high level of trust in our business and retaining and improving this score is of fundamental importance to the full Board. An Independent NED has been present at every CCG, since the PR19 process started.

The Board has reviewed specific research on financial matters, including the support for a specific company adjustment and how much they are prepared to adjust bills to finance our capital programme. This is evidenced in the minutes and papers presented to the Board. The Dividend policy set by the Board during AMP6 has been responsible and well within the level modelled by Ofwat at PR14 and its policy for AMP7 onwards is clearly set out in the Business Plan with a base level of 5% of Regulatory Equity which will be subject to satisfactory delivery against our performance commitments. Portsmouth Water has a transparent approach to executive pay, with the performance related elements based primarily on satisfactory delivery against a wide range of customer performance metrics and this process will continue in AMP7.

Although gearing levels set out in the plan are well below 70% an out-performance sharing mechanism will be included. Portsmouth Water has a simple corporate structure that is explained clearly to our customers and has never used complex offshore structures in its financing. This will continue into AMP7 and our new shareholders are investing long-term, index-linked pension liabilities with long-term index-linked assets. In order to ensure the long-term financial resilience of the Company, the shareholders are making significant capital injections during AMP7 to ensure the Company will be resilient in the long-term.

**How has the Board provided ownership of the overall strategy and direction of the plan in the long term?**

The Board's strategy is set out above and was established early in the process and was designed to maintain excellent customer service at an affordable price whilst meeting the challenges set by Government in terms of resilience for its own customers and the South East

generally. As the Board progressed the Plan, it ensured that the performance commitments and the ODIs were consistent with this strategy.

A clear example of the Board's ownership of overall strategy and direction at all times and not just as part of the Business Plan process is the decision taken in January 2016 to exit the non-household retail market, so that we could concentrate on further improving our services as a wholesaler and provider of household retail services

## **Board Challenges**

The Board has continued to challenge the Executive and the interpretation of the research to ensure that the plan delivers the key strategic priorities for Government and Ofwat's key themes for PR19. It has used the independent expert reviews of aspects of the plan, to challenge the evidence of what was proposed, in some cases asking for further research and as a result, in some cases, made changes to the plan. It has challenged in many areas and we show below examples that have had a significant impact on the plan:

- Although research showed that customers were happy with current performance in a number of the common performance commitments (PC's), particularly where we were already in the top quartile, the board asked that further testing be done, and as a result of this work and partly in response to expert opinion, a number of PC's were stretched. These included Interruptions to supply and vulnerability.
- There was little support in our research for the Company to be rewarded for out-performance and the result was not consistent with the range of 1 to 3% of RoRE. Having considered the research the Board took the view that a key objective of PR19 was to move the frontier of performance for the industry and decided to include extended rewards if the Company achieved very stretching or industry leading targets on certain performance commitments. These were in the outcomes that customers felt were a priority.
- An independent review of the evidence for the proposed mains renewals strategy suggested that one assumption could have been treated in an alternative manner and possibly changed the overall resulting level of renewals. The Board asked for the analysis to be recalculated with this change in assumption. This resulted in an increase in renewals activity to maintain stable burst rates and the Board decided to accept this change in the interests of resilience.
- Our customer research has generally supported that those who can benefit from a switch to a measured charge should be able to do so, but do not support compulsory change through change of occupier. It was clear to the Board that reducing Per-Capita Consumption is a key component of the Government's strategy and this was repeated in the Minister of State's letter in response to the Company's Water Resource Management Plan (WRMP). In recognition of this, some further research was undertaken, and the Board decided to include some change of occupier metering within the plan for AMP7 and commit to further promoting the benefits such that it can get customer support for full change of occupier metering in AMP8. Please note the Board's preferred approach is for the Government to enact legislation to allow us to compulsory meter where it is possible. Defra were approached in 2017 for this change to be used in the WRMP 19, but we were advised that this was not possible in this timeframe.
- The Board encouraged the Executive Management to look for innovative solutions to issues faced by the company and this has been reflected in the approach to reducing leakage and metering as key examples.

## **Customer Engagement**

At each meeting the Board receives a paper summarising all the research activity undertaken and to be undertaken and have received papers explaining the outcome and conclusions from all of the Customer Research undertaken. They have also received, at several meetings, for

discussion a paper summarising the thread of how the Outcomes, Performance commitments, and ODI's have been evidenced and derived from the research, including triangulation. This has been updated for each piece of new research.

As noted above, the Board have fully recognised the feedback from the CCG, with an Independent Director attending every CCG and full access to the Board for the CCG chair made available. The CCG chair has met the whole Board on three occasions this year. The Board were fully briefed on the outstanding CCG issues in June and July and are confident these have been addressed. During the process the Board have reflected on the issues raised by the CCG, particularly metering, leakage and stretch targets and have made changes to the Plan.

The Board also meets regularly with the regional Chair of CCW to discuss company specific and industry issues.

Feedback from customers is a key feature of every meeting and the Board receive a summary of every complaint and letter of thanks.

The Board believes that the Business plan has been fully informed by the customer engagement undertaken and reflects feedback from the CCG.

### **Affordability**

The Board have considered the proposed average bill and social tariff against national average household income and the Government threshold for a low-income household. It has done this comparison on Portsmouth Water charges alone and with Southern Water charges for wastewater. The combined average bill and combined social tariff are well below the threshold for water poverty and the Portsmouth Water bill is only one third of the waste water bill. In addition, at the June meeting the Independent NED's asked to see comparisons of recent bills changes with energy and Council Tax. These compared very favourably.

The Board therefore considers that its bill levels arising from its Business plan is the most affordable in the industry and affordable for almost all of its customers. It recognises that the key task is to make sure everyone is made aware of the social tariff and the payment options available.

### **Outcomes**

The Board has considered a paper summarising the PR19 key delivery risks and mitigation plans, including the potential range of customer and financial impacts. Monitoring of the outcomes and PC's established at PR19 and the key delivery risks will be standard items on the Board agenda. They will also form part of the weekly review of operations by senior managers in the company. These items will also form a large element of Executive Director bonuses from 2020.

After reviewing and challenging the key risks and mitigation and challenging Executives, the Board is confident that by driving efficiency and embracing innovation, it will deliver its Outcomes and Performance Commitments contained in the plan.

As noted above, the Board has reviewed the customer research, taken account of CCG views and challenged using expert opinion whether the ODI's are stretching. In some cases, the Board have set higher performance commitments than is indicated by the customer research. It therefore considers that the proposed outcomes, PC's and ODI's reflect customer preferences and are stretching.

Throughout the current AMP, performance against key ODI's are reviewed at every Board meeting and, where necessary, appropriate corrective actions discussed and agreed. The

Board have reviewed and accepted a proposal for reporting on its performance commitments and ODI's for the next AMP. This CCG would continue to play a part in this process. The board endorsed the proposed approach, which will be a continuation of the current process, with a review of performance against key ODIs at every Board meeting.

## **Resilience**

The Company has built a resilient supply and water resource network over many years and the resilience study undertaken in AMP6 has confirmed this. In addition, the Board has sought to embed risk management into its day-to-day activities and reviews its risks on a quarterly basis. It has procedures in place to identify trends in performance and to react to events and incidents.

For the Business Plan the Board conducted a thorough review of this risk analysis in relation to fulfilling its statutory duties and responsibilities and meeting customer expectations and how resilient the business was against them, including its response and recovery should they occur. In AMP6 (included in the PR14 Plan) the Board approved a study to consider its key risks and potential single and multiple points of failure in the supply network and the outcomes of this work are a key part of the plan. The Water Resource Management Plan is a key element in ensuring that we have resilient water resources in the long-term and the key components have been independently produced by third parties. We also have a robust and well tested Emergency Plan for when incidents do occur, most recently used in the "Beast from the East" event, when, despite a very rapid thaw, only a very small number of customers were affected for a short duration.

Through its governance processes, the Board is confident it has the people, processes & systems, assets, plans and financing to enable the delivery of the Plan and longer-term business objectives under a wide variety of adverse scenarios.

The Board have approved a Water Resource Management Plan that will ensure resilient water supplies in a 1 in 200-year drought until at least 2045. This Plan allows for the provision of bulk supplies to Southern Water Services and includes the construction of a winter storage reservoir.

The Havant Thicket Winter Storage Reservoir scheme represents a major investment for the Company and a significant management challenge. To address this the board has approved the appointment of a specialist consulting and cost engineering company with specific experience in this type of project to ensure that it can assure the delivery of all aspects on this project in a timely and cost-effective manner.

A standing item on the Board agenda is a review of the Company's ability to withstand and recover from cyber-attacks and to ensure that its protection is up-to-date.

The Board has conducted a robust assessment of its financial strength and viability, to ensure it can withstand a range of events. An Independent Non-Executive Director has undertaken a deep dive assessment of our resilience, both currently and for the future.

The Board considers, therefore, that its Business Plan is informed by a robust and systematic assessment of the company's systems and services.

Whilst starting from a high base level, we are proposing to make several interventions on resilience in PR19 to improve resilience to raw water quality issues and to enable further bulk supplies of water. An option assessment on all these interventions was conducted and reviewed by the Board. The Board also considered feedback from the DWI on water quality schemes. It was satisfied that the options chosen were in the customers' best interests.



From customer research on priorities the Board were clear that “a safe and secure water supply” was the highest priority for customers and it was therefore believed that its proposals in this area were supported. However, research was undertaken to test our specific proposals for resilience and a paper summarising this was presented to the Board. This paper was discussed and as a result the Board are confident that the Business Plan has been informed by customer views on resilience.

### **Cost Assessments**

The Board reviewed the overall capital expenditure programme, considering a report from Atkins on the approach taken by the Company to achieve a cost effective programme including the benchmarking of costs. It also discussed this report with its author. The Board specifically challenged the levels of contingency in the costs and was reassured that these were acceptable.

For Non-Infrastructure capital expenditure unit costs, an independent quantity surveyor and independent auditor were used to determine and review the costs. For Infrastructure, the actual Unit Rates used by the incumbent contractor was used. These were competitively tendered in 2015 and were regarded as efficient.

The Board asked Oxera to conduct an analysis of the various potential Ofwat models to produce a forecast of our baseline Botex for AMP7. The results of this work, after adjusting for controllable items, produced a range of £138m-£153m. The Oxera analysis therefore suggests that the proposed Botex of £135m is likely to be better than upper quartile and that the Plan will meet Ofwat’s expectations in terms of cost challenge.

The Board considers therefore that its expenditure forecasts are robust and efficient.

The Company has one large investment proposal, a new reservoir which is supported by option appraisal carried out on behalf of the Company, by the Water Resources in the South East (WRSE) assessment and an analysis by PA Consulting. Atkins has appraised the deliverability of the project and believe the costs are at P50 level. PA consulting also conducted a review of whether the project should be considered as a DPC contract. The conclusion was that this was not the best way forward for customers. The reservoir will be used to enable an additional bulk supply to Southern Water services and we are working in collaboration with them. They also conclude that this is the best approach to deliver for their customers. The Board therefore concluded that the proposal put forward in the Business Plan is the best one for the customers of both companies.

Third party assurance has been received in relation to the data tables and supporting information (KPMG – Financial, Atkins – Non-Financial) and the Board have discussed findings with the relevant organisation.

### **Risk and Return**

As identified under item under “Outcomes”, above, the Board has considered the key delivery risks and identified a range for the potential costs of failure including mitigation costs. These costs together with potential rewards and penalties for performance on ODI’s have been included in the RoRE analysis. The Board has reviewed this work and can provide assurance that it has identified the risks associated with delivery of the plan and the risk mitigation plans in place are appropriate.

### **Financeability**

The Board has considered Financeability on both a notional and actual structure basis and the steps taken and assumptions made to assess this are detailed in Chapter 11. The Board

considered its approach to establishing whether the Company was financeable and agreed the process to be followed. The process is summarised below:

- I. The assessment would largely be based on Moody's rating methodology in particular using their Adjusted Interest Cover ratio (AICR), as this is typically the ratio with the least headroom for us.
- II. To decide what rating to target for the notional structure the we considered which Companies were most closely aligned with it. Two companies were identified Severn Trent and United Utilities and both ratings for the Appointed Business is A3. This was chosen for the Notional Company.
- III. The Company had been provided with an assessment by Moody's on the adjusted interest cover and gearing ratios consistent with a rating. For A3 the AICR was 1.7 times and this was used as the target. It was determined that in the notional structure a combination of PAYG levers and equity would be used to achieve this ratio if necessary.
- IV. The resulting revenue would be put into the actual structure
- V. It was agreed that on the actual structure an Investment Grade of Baa2 (Moody's methodology), should be targeted. This is a notch lower than the current rating, but is a notch above the lowest investment grade and is practical given the lower WACC and the Company's high actual cost of embedded debt.
- VI. According to Moody's correspondence an AICR OF 1.3 is consistent with a Baa2 rating and this was set as the target.
- VII. To achieve this target Equity injections would be made.
- VIII. Once the modelling is complete the whole Board would review and endorse the method used and that the Business Plan financial projections met the target set.

The Board has reviewed Research undertaken which, shows that customer support the use of PAYG levers to support financeability.

After considering the financial projections to be submitted using the Ofwat model, the Board concluded:

- After applying PAYG levers and with shareholder capital injections, the results produced a notional structure that meets the target ratios and is financeable.
- After inserting the revenues from the notional into the actual structure and adding in further capital injections, the target ratios were consistent with a Baa2 rating and that under the actual structure the plan is financeable
- After considering the research, that the use of PAYG levers is supported by customers and in their best interests for the long term

The Board has robust governance and assurance processes and believes they are appropriate to ensure long-term financial resilience. These include a rigorous budgeting process, which projects 5 years and an established viability review looking at aggressive downside scenarios. The scenarios have been used in assessing this Business Plan.

### **Assurance Summary**

As a result of the actions and evidence taken by the Board, it believes that its Business Plan:

- Is endorsed by 80% of our customers.
- Will maintain customer trust and confidence and has a fair balance between customers and investors and has high levels of transparency and engagement on issues that matter to customers
- Is of high quality and ambitious, but deliverable using innovative solutions.
- It will deliver long-term operational, financial and corporate resilience on behalf of our customers.

- Reflects our customer preferences obtained through a comprehensive process of engagement and ensures that we are transparent with our customers on all key aspects of the plan and its delivery, including corporate and financial structures.
- Meets its statutory obligations, licence conditions and the Government's priorities throughout the plan.
- Is based on robust data and efficient costs
- Is affordable for all of our customers, even those with vulnerabilities and on the lowest incomes.
- Will continue to deliver excellent customer service
- Is financeable

Signed



M P Kirk



N Smith



H Benjamin



M Johnson



D Owens



R C Porteous



H M G Orton

**PR19 plan for Board Governance papers and actual Dates of Presentation**

	Paper	Respon- sibility	Plan Date	Actual Date
<b>Business Planning</b>	1 Summary of data key controls and governance	SM/ HMGO	22 Feb	22 Feb
	2 Assessment of statutory obligations and business plan approach	RCP/NS	22 Feb	22 Feb
	3 Disclosure and transparency of corporate structure	HMGO	22 March 26 April	
	4 Board to prepare summary of the ongoing oversight and input into the long terms strategy and Business Plan process. Interim and Final papers.	Chairman	(I) 26 July (F)	24 May, 28 June, 26 July
	4a Overarching Strategy	NS	28 June	28 June
	5 Business Plan Summary Position	NS	24 May	24 May
<b>Customer engagement</b>	5 Customer engagement activity. See also 8 (outcomes), 12 (resilience)	PAB	Monthly	Monthly
	5a CCG Action List			28 June, 26 July 30 Aug
	5b Acceptability Testing			
<b>Affordability</b>	6 Work supporting bill levels, profile and social tariff.	HMGO/ PAB	24 May	28 July, 9 Aug 30 Aug
<b>Outcomes</b>	7 Outcome and ODI proposals including rewards & penalties	SM	26 April	26 April, 28 June, 26 July
	8 Customer engagement activity against Outcomes and Performance Commitments.	SM	22 Feb	22 Feb
	9 Company's planned approach to reporting on PCs & ODIs.	SM SM	26 April 26 April	26 April 26 April
	10 Supporting PC levels (stretch targets).		26 April	26 April, 28 June, 26 July
	10a Paper covering results of research on Rewards and Penalties			26 April, 24 May, 26 July
<b>Resilience</b>	11a Papers covering; operational resilience,	RCP/NS	22 Feb	22 Feb, 26 April, 28 June
	11b financial resilience (scenario modelling),	HMGO	22 March 26 April	30 Aug 22 March, 24 May
	11c and overall "resilience in the round" – reports from individual Non Exec	MJ	26 April	24 May, 28 June
	12 Review of customer engagement activity in relation to resilience.	SM	24 May	24 May
<b>Cost assessments and Capital Programme</b>	13 Company challenges in relation to cost and efficiency including overall TOTEX benchmarking.	NS	April/May	25 Jan, 28 June, 26 July
	14 Specific papers covering large investment proposals;	RCP/ MM	25 Jan 22 March	25 Jan 22 March, 26 April, 28 June
	• Overall CAPEX plan			
	• Havant Thicket		22 March	

	<ul style="list-style-type: none"> <li>• Catchment management</li> <li>• Infrastructure renewals</li> <li>• Water quality investments</li> <li>• Resilience schemes</li> </ul> <p>14a Enhancements costs adjusted claims</p> <p>14b Atkins report on capital programme</p>		<p>22 March</p> <p>22 March</p> <p>22 March</p> <p>28 June</p>	<p>22 March, 22 June, 9 Aug</p> <p>22 March, 28 June</p> <p>22 March, 28 June</p> <p>22 March, 28 June</p> <p>28 June</p> <p>26 April, 26 July</p> <p>26 July</p>
<b>Risk &amp; Return</b>	15 Board review of Company paper summarising PR19 delivery risk and mitigation plans (including impact on ODI outturn and RORE assessment).	RCP/NS	24 May	28 June, 26 July, 9 Aug, 30 Aug
<b>Financability</b>	16 Approach to assessment of financeability (Principles & Results). 17 Review of the Company's modelling and sensitivity analysis of financial outturn including key ratios (in line with Business Plan guidance and Ofwat Scenarios). 18 Customer engagement covering Bill Profiles, PAYG adjustment and Small Company Premium	HMGO HMGO HMGO	25 Jan (P) 28 June (R) 28 June  24 May & 28 June	25 Jan, 9 Aug 26 July, 30 Aug 16 Aug, 30 Aug  24 May, 28 June 26 July 30 Aug
<b>Board sign off</b>	19 Develop and review wording of assurance & Governance statement. 20 Approval of business plan for submission.	HMGO Board	28 June 28 June	24 May, 28 June, 26 July 9 Aug 30 Aug
<b>Other Governance</b>	21. Risk register and RAG report	HMGO	Monthly	Monthly
<b>Water Resources</b>	22 Metering Strategy 23 Letter from Therese Coffey Leakage Strategy 24 Board discussion of WRMP  25 Board discussion of Havant Thicket 26 Board approval of Draft WRMP 26 Board approval of Draft Final WRMP			Nov 17, 26 April 26 April 28 June  July, Sept, Nov, Dec 2017, 9 Aug Oct 2017 23 Nov 2017 30 Aug
<b>Table and Final Data Average</b>	27 Report from KPMG – Financial 28 Report from Atkins – Non-financial		30 Aug 30 Aug	30 Aug 9 Aug 30 Aug
<b>Final Report from CCG</b>	Draft Final Report – Reviewed		30 Aug	30 Aug