



## Appendix 9

# Delivering trust, confidence and assurance



## Section 1

# Introduction

### ***Our customers' trust and confidence in our plan is key***

- 1.1 The Board accepts the privileged position we have as a monopoly provider of a service essential to our customers, and are acutely aware of the increased scrutiny of the way we operate. They recognise that in order to meet the future challenges we are likely to face in providing our service, e.g. from climate change or population growth, we will need to work in partnership with all of our customers and stakeholders. Having their trust is a key enabler of making this partnership a success.
- 1.2 The Board is fully supportive of the Executive team's ambition to drive a new culture of openness which will improve trust. Aspects of this include our increased stakeholder engagement activity both in the media and at local level and openness on lessons learnt when things haven't gone as expected. This also includes simplifying the company structure and removing aspects which our customers mistrust, even where there is no economic imperative to do so, such as closing our Cayman Islands-based subsidiary and reducing the company's gearing. The Board and investors are fully aligned on this, as evidenced by our new dividend policy as an example.
- 1.3 In this appendix we describe:
- How the Board is evolving our governance, and will continue to do so, to ensure that our customers can trust us to act in their best interests.
  - How our customers and stakeholders can have confidence that our Board has used a process which allowed them to apply the appropriate challenge and oversight in the plan's development and quality and how the Board will continue to have the right oversight of the plan's delivery.
  - The approach we have taken is to put in place a comprehensive framework to assure our Board that the business plan is high quality, is deliverable, efficient and that our submission is accurate.
  - How our Customer Challenge Group has reviewed and challenged the customer engagement which was the basis for the plan, and has also challenged us in making sure the plan we have developed is the right one for customers, and;
  - At a high level, the elements we have built into our plan to ensure a fair balance between customers and investors in realising the benefits from our business plan.
- 1.4 The Board has had full ownership of the business plan development and its assurance, by:
- Developing a sound corporate governance structure, including making changes to improve compliance with best practice Board leadership, transparency and governance principles;
  - Engaging with the outcomes of our customer research which have helped us to identify what matters to our customers in the service we provide to them, now and in the future;
  - Taking full ownership of the company's corporate strategy and its execution, including a strong focus on 'resilience in the round' and agreeing how the plan will be financed;
  - Taking full ownership of the assurance approach and assurance plan for the submission, including checks that our plan fulfils our statutory and licence obligations; and

- Participating in a comprehensive schedule of in-depth engagement with the company's Executive team, enabling comprehensive oversight and challenge of the Executive team's development of the PR19 business plan.

1.5 This process has given our Board members the confidence to personally sign the Board assurance statement attesting to the quality and deliverability of our business plan.

**Steve Robertson, Thames Water's CEO and executive member of the Board, on how the Board and the Executive team worked together to develop a plan that puts our Customers at the Heart**



*"I recognised at the outset of our business planning process that effective ownership and assurance by the Board of the business plan was key to ensuring that it delivers what our customers and stakeholders expect. Full and open engagement with the Board to ensure the quality and deliverability to give our customers the service they want, required two things: 1) sufficient time spent by all members of the Board to allow for a thorough review of materials and engagement with the Executive team; and 2) exposure of the Board members to sufficient breadth and detail of the business plan to allow them to gain sufficient understanding of the substance of the plan. To facilitate the level of Board challenge and input that we wanted, we engaged the Board at every stage in the PR19 business planning process, increasing the schedule of Board meetings to meet the needs of programme. In addition to these meetings, our Board members have invested over 100 hours<sup>1</sup> in carrying out deep dives with members of the Executive team reviewing aspects of the plan to give them confidence. I can honestly say that I have rarely experienced the level of board scrutiny and challenge that has been applied to our business plan and am convinced that this has resulted in a high quality plan that both the Board and the Executive team believe is the right one for our customers."*

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<sup>1</sup> Thames Water, TSD302-PR19-Board hours - calculations



## Section 2

# Governance that our customers can trust to put them at the heart

### ***We have and continue to make changes to our governance, to increase our customers' trust***

- 2.1 We recognise that our governance will play a key part in creating the right environment to build trust and confidence. Our approach has been detailed in Section 16 of the business plan<sup>2</sup> itself, which outlines the changes to complement and reinforce everything that has been detailed in this Appendix.
- 2.2 Our Board is committed to taking an active lead in the company's drive to improve trust and confidence and the actions already taken demonstrate this commitment. There is more to do as we continue in our aim of demonstrating cross-sector leadership in this vital area.
- 2.3 The Board structure includes six subcommittees, each chaired by an independent Director as per their terms of reference approved by the Board and available on our website for greater transparency.<sup>3,4,5,6,7,8</sup> The collective function of the subcommittees is to exercise more detailed oversight on behalf of the Board of specific aspects of the company's activities. Figure 9.1 illustrates the role the subcommittees took in the development and assurance of the business plan. The Health, Safety and Environment subcommittee was only recently formed so doesn't feature on the chart.
- 2.4 Subcommittees review updates and proposals from the Executive team in these focus areas and provide recommendations to the full Board from these reviews. The workload of the subcommittees includes scheduled meetings throughout the year in addition to any ad hoc meetings, workshops and written updates, frequently requiring considerable amounts of preparation and meeting time. All Board members have access to the materials and are invited to attend Board committee meetings in addition to the nominated subcommittee members.

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<sup>2</sup> Thames Water, BPD1-PR19-Business Plan Document

<sup>3</sup> Thames Water, TSD051-PR19-Our Governance

<sup>4</sup> Thames Water, TSD086-PR19-Audit Risk Reporting Committee ToR (270618)

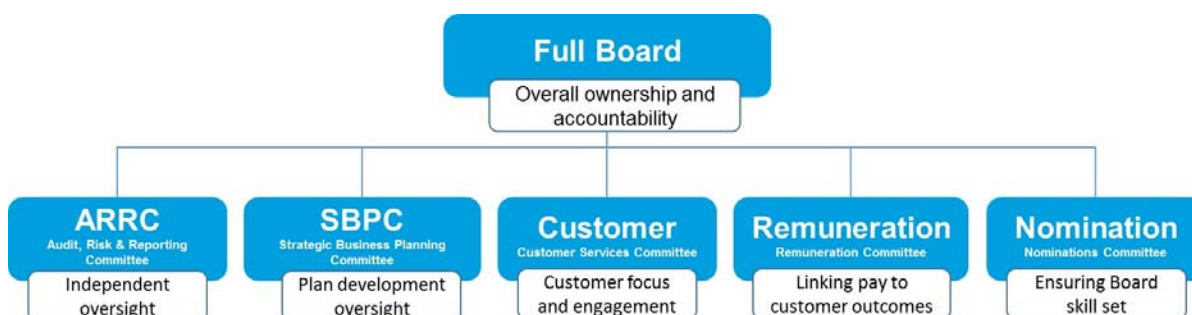
<sup>5</sup> Thames Water, TSD131-PR19-Strategy and Business Planning Committee ToR (270618)

<sup>6</sup> Thames Water, TSD128-PR19-Remuneration Committee ToR (270618)

<sup>7</sup> Thames Water, TSD297-PR19-HSE Committee TOR (270618)

<sup>8</sup> Thames Water, TSD298-PR19-Nominations Committee ToR (270618)

**Figure 9.1: The role of the Board subcommittees in the development of the business plan**



Source: Thames Water, PR19 Programme

- 2.5 The Board owns the strategy of the company. They agreed a new company strategy,<sup>9</sup> which puts our customers at the heart of all our decisions now and in the future, and defined a set of five strategic priorities and aspirations which our business plan was built on.
- 2.6 Since then, the Board has overseen the implementation of a new corporate reporting structure and priority setting approach that puts customers at the heart of everything we do and will continue to drive additional changes with that aim in mind. Current progress on the implementation of our strategy is described in more detail in our latest annual report.<sup>10</sup> The PR19 business plan is our articulation of the next major implementation period for this new strategy.

### ***Board engagement with customers and stakeholders has informed its review***

- 2.7 Our company has a wide range of stakeholders, from customers and employees to regulators, environmental groups, Government and non-government organisations, as well as our shareholders and bondholders. Members of our Board have taken a number of opportunities during the year to interact with representatives from all of these groups. Members of our Board have undertaken site visits and attended our annual stakeholder events to hear the concerns of our stakeholders directly. Anne Heal, the Chair of our CCG, was invited to Board meetings to convey reflections by the CCG on the company's customer engagement, performance and the business plan.
- 2.8 Board members have attended several customer engagement and research sessions which have informed our business plan. Directors attended CCG meetings and had quarterly meetings with the CCG chair. The Board has agreed the customer engagement programme, including the content of the major customer consultations (in May 2017 and February 2018) on the business plan and WRMP, and reviewed the resulting feedback from our customers<sup>11,12</sup> in full Board meetings and dedicated Board committee and deep dive sessions.<sup>13,14</sup> This has allowed the Board to challenge how the business plan translates our customer insight into agreed Performance Commitments.<sup>15</sup>

<sup>9</sup> Thames Water, CSD001-PR19-Strategy Book

<sup>10</sup> Thames Water, CSD021-PR19-Thames Water Annual Report and Annual Performance Report 2017/18 p.16 - 37

<sup>11</sup> Thames Water, CSD002-PR19-What Customers Want-Consolidated report

<sup>12</sup> Thames Water, CSD023-WRMP-PR19-WRMP

<sup>13</sup> Thames Water, CSD015-PR19-Board engagement and deep dive record

<sup>14</sup> Thames Water, CSD030-B-PR19-Board member video-customer

<sup>15</sup> Thames Water, CSD003-PR19-Line of Sight Document



### Section 3

## The Board has thoroughly scrutinised and challenged our plan

### ***The full Board has participated in an extensive engagement, oversight and challenge programme during the development of the PR19 business plan***

- 3.1 Throughout the development of the business plan, commencing in 2016, the Board has regularly met with our Executive team to review the developing business plan. These sessions took the form of formal Board meetings, meetings of subcommittees of the Board and additional deep-dive sessions into specific aspects of the plan.<sup>16</sup> These regular interactions have helped the Board to ensure they have access to all relevant information to monitor, challenge and establish the developing plan. This review process, coupled with a comprehensive assurance plan<sup>17,18</sup> has given the Board confidence that the plan is high quality (including compliance with Thames Water's statutory and legal obligations) and deliverable.
- 3.2 The Board has been involved in key decision points on the development of the plan, including approving key assumptions taken during planning, the content of the customer consultations, the overall TOTEX spend in the plan, how the plan will be financed and the performance that the plan will deliver for customers. See CSD015<sup>11</sup> for details of the sessions during which the Board has provided steer and challenge on the business plan.
- 3.3 The Board was keen to ensure that the company's standard governance framework did not constrain the level of scrutiny and challenge members were able to apply to the business plan. With this aim, we increased the frequency of their formal meetings in the last ten months in the run up to submission of the PR19 business plan in September 2018 to once per month in the case of the SBPC and full Board and approximately every two months for the ARRC.

#### **Examples of improvements to the plan following challenge by the Board: Delivering stretching performance for customers**

- Inclusion of an additional Performance Commitment on financial resilience
- Inclusion of an additional Performance Commitment on financial transparency
- Inclusion of an additional Performance Commitment, which directly measures the drive towards a more customer-centric employee culture.
- Inclusion of an additional Performance Commitment on power resilience.
- More stretching targets on pollutions

<sup>16</sup> Thames Water, CSD015-PR19-Board engagement and deep dive record

<sup>17</sup> Thames Water, CSD008-PR19-Assurance summary

<sup>18</sup> Thames Water, TSD133-PR19-Our 2020-25 Business plan reporting risk and assurance



- 3.4 Our long-term plans for resilience of our water resources are encapsulated in the development and update of the Water Resources Management Plan.<sup>19</sup> The Board has reviewed and approved this plan, including the approach to customer and stakeholder consultation. The outcomes of these reviews have been fed into the PR19 business plan.
- 3.5 The Board is engaged in regular discussions with the Executive team to monitor the performance of the company as a whole and receive a monthly update on our performance against the current (PR14) business plan. As part of this, the Board has reviewed where forward-looking plans of performance delivery extend into AMP7 and incorporated these into the PR19 business plan.
- 3.6 The Board's annual approval of the company's budget, which includes a forward look, has given the Board opportunity to challenge the Executive team to drive efficiencies into the operations of the company and this has formed a solid basis for the efficiency of the delivery of the PR19 business plan. In addition, the Board has agreed with our external shareholders that they will not receive any dividends to the end of AMP6. This allows focus on investment to deliver increased performance and operational resilience for customers during AMP6, setting a good grounding for our AMP7 plan.
- 3.7 Board members, in smaller groups, have also personally reviewed specific aspects of the business plan in additional "deep dive" sessions totalling over 100 hours of Board member time spent.<sup>20</sup> This has allowed them to engage deeply in particular aspects of the business plan, and enabled them to contribute their subject matter expertise to the developing plan. Aspects reviewed ranged from the overall composition of the plan, its deliverability, our customers' feedback from the consultations and how innovative the plan is,<sup>21</sup> to our metering strategy, in-depth reviews of the Performance Commitments and cost adjustment claims and a thorough review of the assurance framework and progress (see CSD015<sup>22</sup> for a list of the sessions). Subgroups reported their findings back to the main Board, giving additional opportunities for challenge.
- Examples of improvements to the plan following challenge by the Board: Assurance**

  - Introduction of Board member deep dives on specific plan aspects
  - Enhanced quality assurance oversight on third party assurance providers e.g. PR19 internal assurance team carrying out weekly spot checks on data table auditors quality
  - Additional reviews of the plan by independent subject matter experts
- The Board agreed and owns the business plan assurance framework<sup>23</sup>***
- 3.8 The ARRC and the full Board have received regular progress updates on the delivery of the assurance plan and have challenged the company's Executive team to respond to and address the findings from all assurance reviews by either making the appropriate changes or explaining why findings were not being addressed.
- 3.9 A deep dive subgroup of the Board has been closely involved in monitoring the effectiveness and appropriateness of the assurance framework throughout its application and suggested changes

<sup>19</sup> Thames Water, CSD023-PR19-Water resources management plan

<sup>20</sup> Thames Water, CSD015-PR19-Board engagement and deep dive record

<sup>21</sup> Thames Water, CSD030-C-PR19-Board member video-Innovation

<sup>22</sup> Thames Water, CSD015-PR19-Board engagement and deep dive record

<sup>23</sup> See Section 4, An assurance programme that provides confidence



where required, including additional deep dive sessions to review assurance progress (see CSD015<sup>14</sup> for details of the sessions held by this subgroup).

- 3.10 Where final assurance checks and amendments need to be carried out, final approval is sometimes delegated to a subgroup of the Board, consisting of an Executive Director, a Non-Executive Director and the Senior Independent Director. The Board has thoroughly reviewed the substance of the business plan and evidence of its quality, deliverability and compliance with statutory and licence requirements.
- 3.11 To ensure the business plan is of high quality, the Board has reviewed two aspects: 1) the quality of the substance of the business plan; and 2) the quality of the articulation of the business plan via the submission documents and data tables.
- 3.12 The Board considers that the substance of a quality plan is one that aligns with the company's strategy and, by that virtue, delivers to customers the service they want. To carry out this check, the Board has reviewed both the plans and the outcomes of our extensive customer engagement programme,<sup>24</sup> where customers have told us what they expect from us.
- 3.13 The Board also established a “Red Team” made up of academic and industry experts covering topics such as customer experience, affordability, the environment, innovation and leakage. The “Red Team” reviewed the business plan, providing their insight and advice for development and improvement.
- 3.14 In order to challenge the company's Executive team on the delivery of the outcomes that customers have told us they want and value, the Board, alongside the CCG, have reviewed documents (e.g. the outcomes “Line of sight” document<sup>25</sup>) and articulations by the Executive team on how the Performance Commitment and ODI framework delivers against customers' priorities.
- 3.15 The Board reviewed outputs of the assurance framework which provided an independent view of the quality of the plan.<sup>26</sup> Several changes made during the development of the final Performance Commitment and ODI position were made in response to Board challenges on the completeness of the Performance Commitment framework, whether the commitments were innovative enough and whether they sufficiently reflected the change in culture towards a fully customer-centric view.
- 3.16 The Board challenged the Executive team on whether the Performance Commitment targets were stretching enough and whether measures truly aligned with the delivery of the corporate strategy.<sup>27</sup>
- 3.17 In addition to these reviews, the Board has sought assurance from both the Executive and third parties that the overall plan delivers against the company's statutory and licence obligations.<sup>26</sup>

**Examples of improvements to the plan following challenge by the Board:**  
**Deliverability**

- Changes to the year-on-year spend profiles in the plan to a more realistic profile
- Additional engagement with our supply chain partners to test the deliverability of the plan with them

### ***Ensuring the plan's efficiency***

<sup>24</sup> Thames Water, CSD002-PR19-What Customers Want-Consolidated report

<sup>25</sup> Thames Water, CSD003-PR19-Line of Sight Document

<sup>26</sup> Thames Water, CSD008-PR19-Assurance Summary

<sup>27</sup> Thames Water, CSD015-PR15-Board engagement and deep dive record





- 3.18 Having a plan that is efficient, and delivers what customers expect from us by making the best use of the funds with which they provide the company, is of prime importance to the Board. In addition, we believe that fair returns to investors only come from a well-run company, so this is a key aspect where the interests of both our customers and our shareholders are aligned. In order to satisfy themselves of the efficiency of the plan, the Board has challenged the company's Executive team hard to demonstrate that they have considered whether, the company's overhead structure, the chosen options for large capital projects, the unit costs for repetitive / volume work and the pricing for projects delivered out of the company's supply chain, all add up to a plan that is as efficient as it could be. The Board also challenged the Executive team to build additional efficiency assumptions into the plan.<sup>28</sup>

**Examples of improvements to the plan following challenge by the Board: Efficiency**

- Building in of additional efficiency assumptions to operational costs
- Changes to cost assumptions built into the plan

***Testing the plan's deliverability***

- 3.19 During reviews of different aspects of the plan, the Board has tested the Executive team's confidence in deliverability of the plan. Board challenge of the overall programme of work to be delivered by the plan has resulted in changes to planned capital investment programme size.
- 3.20 The Board has carried out a series of reviews to gain confidence on the deliverability of both our statutory responsibilities and our specific outcomes for customers from the business plan. This includes delivering UK Government priorities through our adherence and compliance with the Ofwat final methodology.<sup>29</sup> As a result of these challenges, adjustments were made to the year-on-year spend profiles of the plan to create more realistic delivery plans.
- 3.21 In addition, we held Board Director deep dive sessions specifically to review the plan's deliverability, which were extended to allow more time for topics to be covered in greater detail. These sessions considered and challenged the Executive team, on the overall capital investment programme, operational capacity, supply chain performance and availability of people and skills. The full Board engaged with each of the Executive, individually, to ensure they were committed to the delivery aspects of the plan in their area of responsibility. Aspects also considered included dependencies with other Water companies on the same supply chain partner(s), potential skills shortages and a change in the delivery model to increase confidence in the delivery of large capital projects. Findings from these deep dives were reported back and discussed in the full Board meeting.
- 3.22 Tests of the plan's deliverability also included benchmarking of the current plan against past deliverability and applying lessons learnt as well as expert judgements by suppliers, Executive and Board members.
- 3.23 A key component to the delivery of the business plan will be the changes to the company's organisation structure already set in motion during spring 2018. The Board recognised that our siloed business structure has not always delivered as we wanted for our customers. To address

<sup>28</sup> Thames Water, Appendix 7-PR19-Efficiency

<sup>29</sup> Ofwat, UK Government priorities and our 2019 price review final methodology, 13 December 2017



this, the Board agreed our new operating model, centred entirely on delivering for our customers. We also recognise, that whilst the alliance model we had set up for delivery of AMP6 was an innovative concept; our ambition on the execution of the alliances was not fulfilled, and our customers did not receive the full expected benefits. We have already begun, and will continue to, build on the learnings from this process by bringing more control of the delivery of the plan back in house, whilst still allowing us to leverage the strengths of our supply chain partners.

- 3.24 The results of these activities have given the Board the confidence to clearly state in their Board Assurance Statement the basis on which they assured themselves over the deliverability of our business plan.

### ***Driving resilience into the plan***

- 3.25 The Board considers reviewing the company's resilience and challenging the Executive team to address any risks identified, to be an integral part of it fulfilling its responsibility for the long-term success of the company. To create a business plan that will deliver a resilient company for customers, the Board has driven a review process of the activities in the business plan that will deliver additional resilience for customers (see below). The Board also reviewed the process by which it understands and manages ongoing risks to resilience to ensure it remains effective.
- 3.26 The Board has reviewed risks to the company's resilience to agree the Long Term Viability Statement published in the annual report.<sup>30</sup> The Board has agreed changes in the business plan to address the identified risk areas. Reviews of resilience and risks form part of quarterly reviews by the ARRC and have also been the subject of deep dives by individual Board members, which reviewed the outputs of dedicated assessments of the company's corporate, operational and financial resilience.

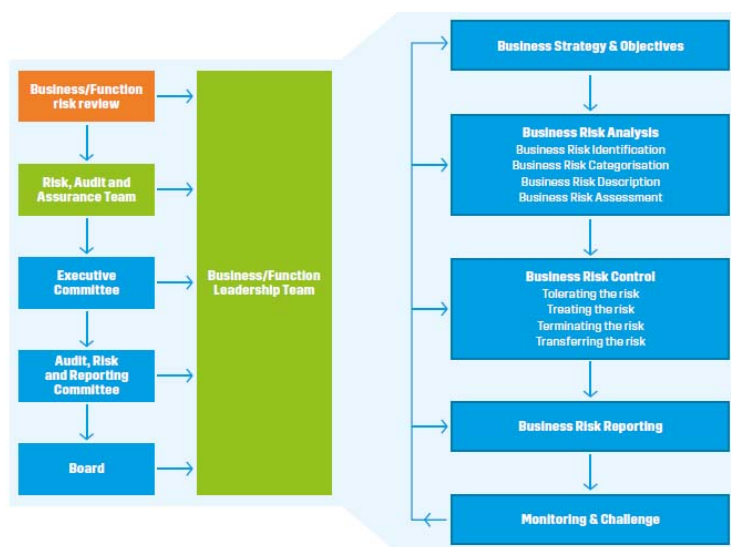
### ***The Board oversees the management of risk to monitor the resilience of the company***

- 3.27 This section specifically focuses on the activities undertaken by the Board as part of its governance processes to ensure resilience is built into the plan and its delivery will be monitored. Further details on the resilience built into the plan and the external assessment carried out to support this activity can be found in Appendix 4 – Resilience. Our Board has ultimate responsibility for maintaining a sound system of risk management and internal control. This includes the determination of the nature and extent of the principal risks we are prepared to accept to achieve our strategic objectives, and ensuring that an appropriate culture has been embedded throughout the organisation. The Board's ongoing review of risks to the company is outlined in the description of the corporate risk framework in our annual report<sup>31</sup> and summarised in Figure 9.2.

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<sup>30</sup> Thames Water, CSD021-PR19-Thames Water Annual Report and Annual Performance Report 2017/18, p. 79 - 82

<sup>31</sup> Thames Water, CSD021-PR19-Thames Water Annual Report and Annual Performance Report 2017/18, p.64 - 82

**Figure 9.2 – Thames Water Risk Management Process**

Source: Thames Water, Annual Report and Annual Performance Report 2017/18, p. 65

- 3.28 Members of the Board reviewed the independent external assessment of the company’s resilience<sup>32</sup> and challenged the Executive team in how this had been applied to drive resilience into the plan.<sup>33</sup>

#### **Financial resilience**

- 3.29 There has been a significant change to the mix of investors in Thames Water over the last two years, with a significant increase of the stakes held by pension funds (who hold the majority of shares in the company)<sup>34</sup> and sovereign wealth funds who are all committed to maintaining the company in the long term.
- 3.30 The Board regularly reviews the financial risk and resilience of the company and each year commits to the company’s “Long Term Viability Statement”, which includes a ten-year outlook, as a testament to their confidence in the company’s financial resilience. Our customers have told us that they are concerned about the level of gearing of the company and the potential impact on our financial resilience.<sup>35</sup> Based on this feedback and the Board’s desire to increase trust and legitimacy in our business, they have agreed with our investors to reduce the level of debt the regulated company (TWUL) carries as part of the implementation of our full business plan. We are planning to progressively transition gearing downwards by the end of AMP7.<sup>36</sup> Combined with the expected RCV growth, this will increase the equity buffer that the company has against financial shocks.<sup>37</sup>
- 3.31 For the PR19 business plan specifically, the Board has reviewed both internal and external assessments<sup>38</sup> of the financial resilience of the company across a number of scenarios and is confident of the resilience of the company’s finances in those scenarios.

<sup>32</sup> Arup, CSD007-PR19-Resilience Report

<sup>33</sup> Thames Water, CSD030-A-PR19-Board member video - resilience

<sup>34</sup> Thames Water, CSD021-PR19-Thames Water Annual Report and Annual Performance Report 2017/18, pages 110-111

<sup>35</sup> Thames Water, CSD002-PR19-What Customers Want-Consolidated report, pages 88-89

<sup>36</sup> Thames Water, Data Table App10, line 30

<sup>37</sup> Thames Water, Thames Water, Appendix 6-PR19-Risk and Return, section 1.56

<sup>38</sup> Thames Water, CSD008-PR19-Assurance Summary



### ***Corporate resilience***

- 3.32 In order to maintain resilience at a corporate level, the Board's chairman, Ian Marchant, has reviewed the company's governance arrangements and driven the implementation of several changes. These included the separation of the chairs of the Thames Water Utilities Limited Board and the Kemble Board, thereby enhancing the separation of Board-level decision-making between Thames Water and its shareholders. The review also aims to optimise the running of Board and Board subcommittee meetings to make them more efficient, ensure independence and review the skills mix and diversity of the independent directors on the Board when selecting the appointment of new Independent Non-Executive Directors.

### ***Operational resilience***

- 3.33 The Board has thoroughly reviewed the elements of the business plan to ensure it delivers the level of operational resilience our customers have told us they expect. For the three years 2017/18 through to 2019/20, the Board has agreed with our investors not to pay any dividends to them, resulting in additional investments being made to the resilience of the service we provide to our customers.
- 3.34 For AMP7, the Board has agreed a plan with the Executive team that includes a significant level of investment in increasing the level of operational resilience in areas where our assessment of the resilience of the company has indicated we have areas of weakness<sup>39</sup> and our customers have told us they support this.

### ***Improving transparency and engaging with customers on what matters to them***

- 3.35 In order to increase our corporate transparency and effectiveness, we have revised our Board composition and, in agreement with the Board, our organisation structure, strategy, and management of our supply chain to put delivering for customers at the centre of the business. The Executive team has been refreshed considerably, bringing on board new experience and skill sets.
- 3.36 To support transparency and trust in our financial structure, in areas where our customers have told us they do not see us being as transparent as we could be, the Board has now received the relevant approvals, and are in the process of closing our Cayman subsidiaries and expect to complete this by the end of the 2018/19 financial year at the latest.
- 3.37 With rebuilding trust being so important to our vision, we're committed to increasing the clarity and openness of our communications and reporting. Under the leadership of the Board, we are working hard to improve the transparency of our reporting. For the year 2017/18, as requested by our CCG, the Board agreed to publish a joint annual and annual performance report, making a review of our performance easier. As well as bringing the two reports into one, we've expanded the report to increase transparency and provide our customers and stakeholders with a better understanding of our performance and what drives our business decisions.

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<sup>39</sup> Arup, CSD007-PR19-Resilience Report



- 3.38 Over recent years we've continued to evolve our "Our finances explained"<sup>40</sup> and "Our taxes explained"<sup>41</sup> publications, first published in 2014 and 2017 respectively, into a document which explains our business and finances in a more accessible way and address questions on the legitimacy of our activities in this area. The next edition will be published later this year and will go further to explain the way we operate the business.
- 3.39 We have asked our customers about their biggest concerns on our transparency and are planning to make further changes to our website and future annual reports that make this information even more readily accessible. Our customers have told us that they appreciate the transparency of our illustration on how we spend money we use in our annual report<sup>42</sup> and are supportive of the level of investment we are making in the infrastructure that provides their service.
- 3.40 As a company, we engage with the CCG on a quarterly basis to discuss our performance against the customer outcomes we have agreed. We have expanded the level of external reporting on our performance, including focusing on areas of particular interest, such as leakage, with dedicated areas of our website.

***Our plan has been designed to deliver against what our customers want, our statutory requirements and government priorities***

- 3.41 We believe that the UK and Welsh government strategic priorities (securing long-term resilience, protecting customers, making markets work (where appropriate), affordability, innovation, resilience, strong customer focus and sustainable management of natural resources) are all in line with the priorities that our customers have told us are important to them. In addition, we believe that Ofwat's IAP test framework is linked closely to these priorities.
- 3.42 Our assurance activity has included checks against all three frameworks i.e. whether the plan delivers what customers have told us they want (including reviews by the CCG), whether the plan meets Ofwat's expectations, and whether the plan meets our statutory and regulatory obligations, including taking account of government priorities.
- 3.43 As formal confirmation that our 53 performance commitments, and associated ODIs, are in line with relevant guidance and determined with accuracy, reliability and completeness, the Board required the completion of specific information integrity declarations (IIDs) from information preparers, information reviewers, senior accountable managers and Executives. For example, the IIDs contain confirmations such as "The submission has been prepared in line with documented processes or method statement ensuring compliance with regulatory requirements and internal governance."
- 3.44 The Board also obtained independent technical challenge over the early submission definitions of our Performance Commitments. Then, prior to final submission, required a further round of independent technical challenge on our Performance Commitments and validity of our ODI position. These reports were presented to our full Board and discussed in detail at our Directors deep-dive sessions on Assurance.

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<sup>40</sup> Thames Water, TSD134-PR19-Our finances explained

<sup>41</sup> Thames Water, TSD135-PR19-Our taxes explained

<sup>42</sup> Thames Water, CSD002-PR19-What Customers Want-Consolidated report, pages 88-89



- 3.45 In addition, we built on the annual assurance carried out for the Board by KPMG in support of our F6A certificate<sup>43</sup> and long-term viability statement, available in our most recent annual report<sup>44</sup>, over our going concern for at least the coming 12 month period. We also commissioned Linklaters LLP to review our business plan and validate for the Board that it is designed to meet our statutory obligations as a water and sewerage undertaker.<sup>45</sup>
- 3.46 As evidence of the firm commitment the Board and the Executive place in the delivery of the outcomes for our customers and government priorities, we have designed and sought our customers' and stakeholders' support for a comprehensive set of Performance Commitments and stretching targets in line with the desired outcomes of the plan. These are underpinned by an outcome delivery incentive package that protects customers and incentivises us to deliver (see Appendix 2 – Engaging and delivering for our customers<sup>46</sup> for further details). The Board thoroughly reviewed and approved this package.

***The Board will monitor and challenge the Executive team on the delivery of the planned outcomes***

- 3.47 Monitoring the ongoing performance of the company against its commitments is a key component of supporting the Board's collective responsibility for the long-term success of the company as outlined in "The UK Corporate Governance Code". It is also a key component in the building and maintaining of trust with our customers and stakeholders.
- 3.48 In order to allow for even more effective challenge of company's performance by the Board, the Nominations committee will be seeking to align the subject matter expertise of any newly appointed independent directors closely with the focus areas of the business. These include customer service, operations, capital delivery, human resources, finance and assurance and regulation. This will allow independent board members to focus on challenging, but also coaching the Executive team on their delivery of customer outcomes and statutory requirements.
- 3.49 The full Board currently receives monthly management reports which include tracking of the company's performance across various aspects, including financials and customer outcomes. The Board had regular sessions with the Executive team to review these reports, as well as challenge and agree remediation plans where performance has, or is forecast to, fall behind. We expect to continue this process during AMP7. Where performance and delivery are not on track, the Board will hold the Executive team to account and support them in developing remediation plans and engaging with stakeholders where appropriate.
- 3.50 Alongside the monthly review, the Board will carry out more in-depth reviews of how the company spends against its agreed budget on a quarterly basis and again challenge the Executive team to make appropriate adjustments where required. The agreement with our shareholders to make additional investments into delivering for customers instead of paying a dividend for 2017/18 and 2018/19, was the direct outcome of such sessions.

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<sup>43</sup> The F6A Certificate is a Directors certificate which, for example, confirms sufficient financial resources for at least the next 12 months

<sup>44</sup> Thames Water, CSD021-PR19-Thames Water Annual Report and Annual Performance Report 2017/18, pages.225-236

<sup>45</sup> Thames Water, CSD008-PR19-Assurance Summary

<sup>46</sup> Thames Water, Appendix 2-PR19-Engaging and delivering for our customers



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- 3.51 The Board will oversee the customer engagement programme throughout the delivery of the plan and spend time reviewing the outputs. The Board will also engage with customer representatives on the company's performance, in particular around leakage.

## Section 4

## An assurance programme that provides confidence

### **Nick Land, Senior Independent Director and chair of the ARRC on how assurance approach to our plan has given the Board confidence**



“As a Board we committed to applying a best-in-class assurance programme for our PR19 business plan submission. In addition to the Board meetings, I, along with some of my fellow Board colleagues, actively supported and challenged the assurance process. Our focus included methodology and its rigorous application as well as reviewing the output from the work undertaken both internally and by our external assurance providers.

We have reviewed the outcomes of the assurance work, met with our external assurance partners and worked with the Executive team to agree actions to improve the quality of the plan. All elements of the plan have undergone a review by expert peers, managers and independent parties where that was appropriate. Both the internal assurance team and the Executive responded very positively to both challenge and suggestions for improving the quality of the plan.”

### **We have applied a risk-based assurance approach to our submission**

- 4.1 The full Board is aware of their responsibility to assure our customers and stakeholders of the quality of our business plan. Their assessment of the quality of the business plan underpins Board members' confidence in committing to the Board Assurance Statement. We recognise that our track record in producing high quality data is not what it should be. The Board was disappointed to receive “prescribed” status in Ofwat’s 2017 Company Monitoring Framework and have agreed changes to our assurance and submission approach to address this. We have agreed more robust assurance processes and introduced a team dedicated to monitoring the assurance of our submission and ensuring its robustness.
- 4.2 Our assurance plan was designed to build trust and confidence that our business plan meets the needs of our customers, and is of high-quality and deliverable. The Board gave a clear direction to deliver a “best in class” assurance programme, which also took into account lessons learnt from the past and our company monitoring framework status. With that in mind, both our CCG and our strategic assurance partner (PwC)<sup>47</sup> reviewed our assurance approach. They reported their views on the adequacy and effectiveness of the assurance programme directly to Board members, providing recommendations for improvement throughout, which we have actioned. We continue to provide the CCG with monthly progress updates on our assurance action plan.

<sup>47</sup> Thames Water, CSD008-PR19-Assurance Summary





- 4.3 The guiding principles of our assurance have been to ensure that:
- The plan is supported by the outcomes from our customer research;
  - The plan will deliver the desired outcomes for our customers and is compliant with the company’s legal and statutory obligations;
  - All data, and information, included in our business plan is reliable, accurate, complete, transparent and accessible;
  - Our assurance checks have been undertaken on time and to the appropriate quality;
  - We have a good understanding of the risks and mitigations associated with our business plan (e.g. around the resilience of our business); and
  - We have challenged and evaluated our information against regulatory guidance, industry best practice, as well as for transparency and accessibility.

4.4 In order to allow for an efficient use of assurance reviews, especially those by third parties, the Board agreed a risk-based assignment of assurance levels, which takes into account the requirements driven by our current “prescribed” status in the 2017 Ofwat Company Monitoring Framework. This risk and assurance process has been the basis for developing, delivering and evidencing assurance across all components of the plan.

4.5 Leveraging on best practice from other industries, we used the Ofgem Data Assurance Guidance (“DAG”)<sup>48</sup> as our template for risk assessing the components of our PR19 programme. See Figure 9.3 for an example assessment.

**Figure 9.3: An example risk assessment**

PR19 Waste Risk Matrix		Impact Metric					Probability Metric							Total	
2018/19		Impact Metric	a	b	c	d	Inherent Probability				Control Metric			Risk	
Data Set	Description						I1	I2	I3	I4	C1	C2	C3		
WWS1 - Wholesale wastewater operating and capital expenditure by business unit	Maintaining the long term capability of the assets ~ infra	2	2	2	2	2	4	3	3	4	0	0	0	4	H
WWS3 - Wholesale wastewater properties and population	Residential properties connected during the year	2	2	2	2	2	4	3	3	3	1	2	0	3	M
WWS10 - Transitional spending in the wholesale wastewater service	First time sewerage (s101A)	2	2	2	2	2	3	3	3	3	2	2	2	1	L

Source: Extract from Thames Water, PR19 Wastewater (Data Tables) Risk Matrix<sup>49</sup>

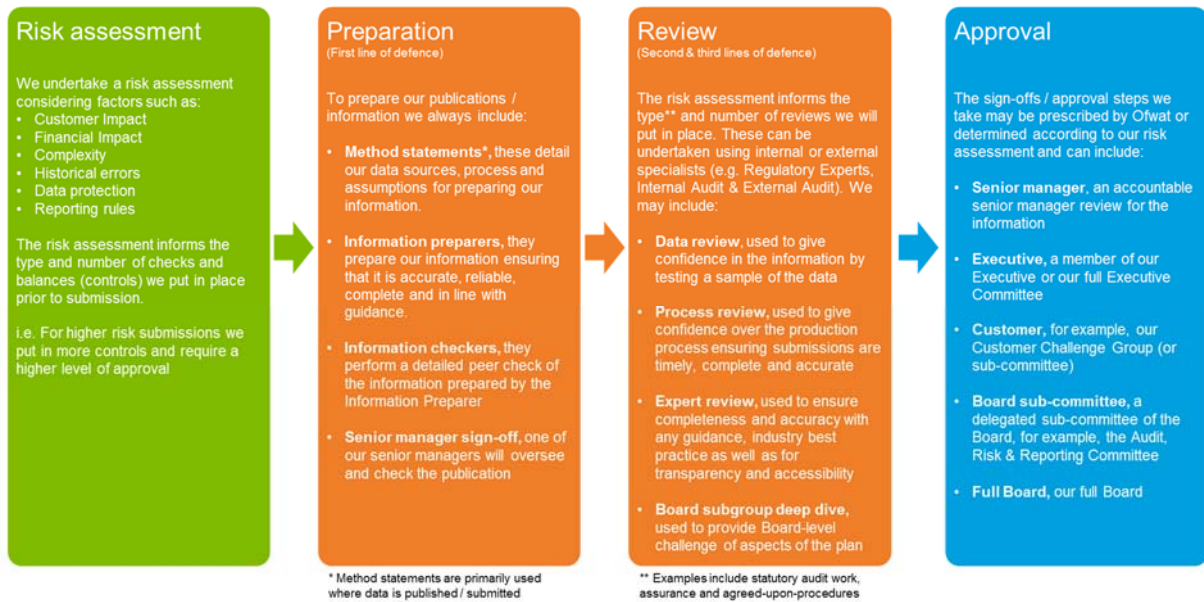
4.6 The risk assessment process is a key factor in determining the appropriate balance of assurance to be applied to each item (see Figure 9.4). This includes a view of where external assurance providers add the most value by providing independent challenge, be that technical or on the accuracy of the submission.

<sup>48</sup> Ofgem, TSD187-PR19-Ofgem’s Data Assurance Guidance for Electricity and Gas Network Companies

<sup>49</sup> Thames Water, TSD247-PR19-Wastewater (Data Tables) Risk Matrix



**Figure 9.4: Our PR19 risk and assurance process**



Source: Thames Water, PR19 Assurance Team

4.7 For transparency, we published our assurance approach to our customers and stakeholders on our public website in January 2018.<sup>50</sup> This document outlines how the assurance activities fed into the overall governance framework for the plan (Figure 9.5). We followed this up with our “Data Assurance Summary 2017/18”<sup>51</sup> in June 2018.

**Figure 9.5: Interaction between our governance, assurance and customer challenge framework**



Source: Adapted from Thames Water, TSD133-Our 2020-25 Business Plan Reporting Risk & Assurance, p.6

<sup>50</sup>Thames Water, TSD133-PR19-Our 2020-25 Business Plan Reporting Risk and Assurance

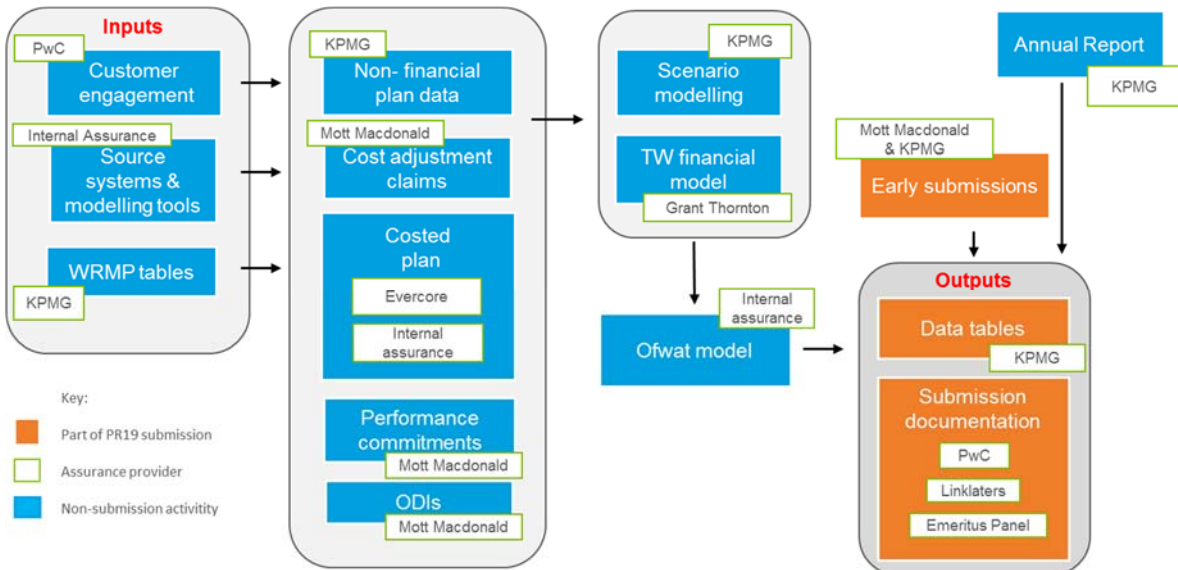
<sup>51</sup> Thames Water, TSD186-PR19-Data assurance summary 2017/18

We are confident that our approach has been rigorous and thorough; and, therefore do not expect any material errors or omissions with our September 2018 proposed business plan submission.

**Assurance of data tables was a particular focus point**

- 4.8 We endeavour to ensure that all data, and information, included in our business plan is reliable, accurate, complete, transparent and accessible. We looked for best practice across our industry and beyond, and as a result have adopted the Ofgem Data Assurance Guidance (“DAG”) methodology<sup>52</sup> for our data tables.
- 4.9 Defining what assurance activities were required for each submission (or components of a submission), was based on a number of risk factors, including: whether the data is new, the information provider is unfamiliar with it or where there has been a history of past errors. Assurance layers were then assigned based on the level of risk attributed. These included a combination of controls over the preparation, review and approval of a submission, carried out by both our internal and external assurance teams. Our risk assessment and ambition of building trust and confidence by having high quality data guided our approach, resulting in the Board requiring all three lines of defence to be applied to each data table (i.e. peer review, expert review and independent review). Our use of assurance providers for different sections of the plan submission is outlined in Figure 9.6 below. This was also used to report back to Board on how our primary assurance activities map to information flows resulting in final submission outputs.

**Figure 9.6: Assurance by information flow**



Source: ARRC and SBPC Workshop Assurance Update – 24 July 2018<sup>53</sup>

- 4.10 To increase the effectiveness of our assurance, we have refined our internal sign-off forms which support our submissions to include more checks. We worked with our external assurance partners to define “agreed upon procedures” (i.e. checks they will carry out) which are specifically targeted to

<sup>52</sup> Ofgem, TSD187-PR19-Ofgem’s Data Assurance Guidance for Electricity and Gas Network Companies

<sup>53</sup> Thames Water, TSD188-PR19-Appendix 1 – ARRC and SBPC Workshop Assurance Update 24 July 2018



minimise data errors and inaccuracies. We have also deepened tests around validation and verification on sources of information as outlined in our response to our recent CMF rating.<sup>54</sup>

- 4.11 We partnered with KPMG as our assurance partner, working alongside PwC, but focusing on data tables to carry out the independent review. We also held an auditor briefing session where the importance of effective challenge and thoroughness were highlighted.<sup>55</sup>
- 4.12 We introduced a new gateway check before any data submission. This ensured all the required quality and assurance checks have been carried out and that the appropriate governance sign-offs have been obtained before a submission is made. Our CFO set the tone from the top with a high priority message to the Executive and Senior Leadership Group in March 2018 setting out both the need for the gateway process and the importance of data accuracy in all our reporting.<sup>56</sup>
- 4.13 Our internal checks and balances include documented method statements for all process, assumptions and relevant guidance etc. used to produce the data tables. These were separately signed and reviewed internally before our external assurance partner independently reviewed our method statements for compliance with Ofwat (or industry) guidance, clarity and transparency of process documentation.
- 4.14 These method statements were then followed to prepare data for the data tables. We embedded information integrity declarations from information providers, information checkers, senior management and the relevant Executive member's sign-off. We also completed a quality review of individuals completing these forms to ensure the controls and checks were being undertaken properly and enabling early identification of any potential issues.
- 4.15 KPMG then undertook both data and process assurance, providing actions back to the business for resolution, prior to reporting their view on our data table submission to our full Board. One particular risk we put mitigations against was the potential for errors arising from interdependencies between financial models and tables. We undertook an exercise to identify dependencies and interdependencies and then completed a review following completion of the models and tables to check for errors or inconsistencies. In addition to assuring the data tables in isolation, we undertook reconciliations between our annual reports, early submissions (including cost assessment tables), between financial and non-financial data tables, across tables within the PR19 data set and between supporting narratives / commentary and the data tables.
- 4.16 The results from all of our assurance checks across all three lines of defence and the resulting management actions taken<sup>57</sup> were made available and accessible to our full Board and specifically reviewed in detail within our Director Deep Dive on Assurance prior to submission.
- 4.17 Overall, the assurance process has given us confidence in the accuracy and consistency of our data tables. We believe we have addressed the root cause for past data errors and do not expect any material errors or omissions with our data tables and the supporting narrative / commentary.

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<sup>54</sup> Thames Water, TSD189-PR19-Assurance Plan – Detailed Approach

<sup>55</sup> Thames Water, TSD190-PR19-Data Tables – Auditor Briefing

<sup>56</sup> Thames Water, TSD191-PR19-Email from Chief Financial Officer, Brandon Rennet on our Prescribed Status – the importance of accuracy in all reporting

<sup>57</sup> Thames Water, CSD008-PR19-Assurance Summary



- 4.18 We had the opportunity to test our new quality and assurance approach on a number of submissions since November 2017, including our 3 May 2018 submission on Performance Commitment definitions and special cost factor cases, our annual report and annual performance report and our submissions of data tables and market information in July. Early indications and feedback from our assurance partners suggest that the quality of our submissions has improved. For example, the Internal Assurance report on feeder models submitted as part of the PR14 Reconciliation submission identify only minor improvement areas.<sup>58</sup> This, together with our governance and assurance frameworks, gives us confidence that the assurance framework we applied helped us address any issues with the quality of data we produced for the submission.

### **Known changes to the plan following the completion of the business plan submission**

- 4.19 There have been a few cases where changes to the business plan were required after finalisation and assurance of the business plan and could not be reflected in the submission documentation before the submission deadline. CSD016<sup>59</sup> lists those changes and which areas of the plan the changes impact. We do not believe any of these changes have a material impact on our business plan as presented.

### **We have actioned feedback from the assurance assessment**

- 4.20 When our assurance activities were completed we have actively tracked any resulting improvement opportunities to either address or document a clear rationale as to why they were not addressed. Overall, our second and third lines of defence reviews identified and confirmed implementation of more than 1,000 improvement opportunities between the initial preparation of our data tables and documents and submission to Ofwat.<sup>60</sup>
- 4.21 The improvement opportunities identified during the assurance process and actioned prior to submission included the need for data consistency checks, changes to the clarity of the submission document narrative through to the accessibility of information in the submission documentation.
- 4.22 The tracking of improvement actions was formally managed through our overall PR19 governance and assurance framework. The Board reviewed reports confirming that all actions relating to data, process and compliance had been addressed prior to submission to increase confidence in quality and reliability. Details of our assurance framework and plan are in supporting documents.<sup>61</sup>

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<sup>58</sup> Thames Water, TSD253-PR19-PR14 Reconciliation submission Ofwat model review

<sup>59</sup> Thames Water, CSD016-PR19-Known Adjustments

<sup>60</sup> Thames Water, CSD008-PR19-Assurance Summary

<sup>61</sup> Thames Water, TSD189-PR19-Assurance Plan – Detailed Approach



## Section 5

# Engaging our Customer Challenge Group to ensure the plan delivers for customers

## The evolution of our CCG

- 5.1 Customer Challenge Groups (CCG) were introduced by Ofwat for the PR14 price review, to ensure customers were placed at the heart of the business-planning process. As we completed our plans for PR14, we agreed with current CCG members the value of continuing the engagement with our CCG all the way through delivering the current price control and into the development of the next business plan. We appointed Anne Heal as a new independent Chair and the updated group's membership to reflect more of our customer segments. Our current CCG members represent both our household and non-household customers, with members invited from a variety of organisations e.g. MIND, the Greater London Authority and other organisations to ensure a breadth of input and challenge.

## Our CCG has reviewed and challenged our plan

- 5.2 The CCG have played a key part in overseeing the development of our future plans. As an independent body they have challenged us in three key areas:
- How we deliver on our current promises to our customers;
  - How we engage with our customers about what they want to see in our plans; and
  - How our business plans reflect and deliver what our customers want.
- 5.3 They focused on constructive challenge, advice and inclusive discussion. Many members regularly attended customer engagement/research events, industry workshops and, as a group, they have published their reports and findings on the CCG section of the Thames Water website.
- 5.4 Two CCG subgroups specifically deep dived into our customer engagement and into our approach to business planning and finance. The CCG met 70 times<sup>62</sup> between 2015 and September 2018 (40 main group and 30 sub-group meetings). All minutes are published on the CCG website.
- 5.5 The group conducted 'deep dives' into areas of particular focus, such as vulnerability, and scrutinised research materials, regularly challenging areas such as content, presentation and ensuring customers are informed when they provide their views. The Chair has published monthly blogs on their activities and the group has responded to seven Ofwat consultations. The Chair, acted as a channel for customers' direct complaints. She has also attended TWUL board meetings and addressed all managers in our business at one of our managers' conferences.

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<sup>62</sup> Thames Water CCG, CSD004-PR19-CCG Report



- 5.6 The CCG have continuously challenged us on the customer research we carried out to understand what our customers expect from us, including how we have interpreted the resulting feedback in our “What Customers Want” summary document.<sup>63</sup> The CCG have also challenged us to very clearly demonstrate how the insight we have received from our customer research has driven the development of the plan and its outcomes. The resulting document<sup>64</sup> has been a key tool in the CCG’s scrutiny of how our plan meets our customers’ expectations and how the value customers place on services has helped inform our prioritisation.

### **We have considered and responded to the CCG’s challenges**

- 5.7 We have maintained a log of the key challenges from the CCG on our business plan, the process we used to prepare this CCG and how we have responded to them.<sup>65</sup> The log contains over 950 challenges, actions and questions compiled during the development of the business plan. Some challenges, such as our approach on priority services, lead pipe replacement, catchment management and how we engage customers in our Annual Performance Report, have resulted in changes to our programme and approach e.g. a revision of our proposed Performance Commitment targets and the joint publication of our annual report and annual performance report. See table 4.1 for a summary of the remaining challenges.

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<sup>63</sup> Thames Water, CSD002-PR19-What Customers Want – consolidated report

<sup>64</sup> Thames Water, CSD003-PR19-Line of Sight Document

<sup>65</sup> Thames Water CCG, TSD017-PR19-CCG Challenge Log



Table 4.1: CCG challenge log – high level summary

Key area of CCG challenge	Our response
The CCG have challenged whether our <b>target on pollutions</b> is ambitious enough given the WISER guidance.	Following the CCG's feedback we have amended our pollutions target to reduce further, and we believe the target we have set meets WISER guidance when adjusted using our historical data.
Leakage – the CCG has welcomed our move to reduce leakage by 15% in AMP7 but want a <b>clear sight of the leakage trajectory for us to reach 50% reduction for 2050</b> – they will have a watching brief in this area.	We responded to this challenge by setting a leakage reduction target which we believe is very stretching. We are working hard to understand how we will reach our long term goal and will work closely with the CCG on this journey.
The CCG is challenging how <b>appropriate the use of a Performance Commitment on “Employee Culture”</b> instead of just management action KPIs.	We are strongly committed to drive a culture change that puts customers at the heart and therefore believe it appropriate to cement this commitment with the use of a performance commitment alongside our internal measures.
Localisation of our plan - the CCG would like to see our plan <b>reflecting more of a response to local needs</b> – plans built to deliver locally what customers want.	We extensively engaged customers across our region and reflected these views in our customer insight that informed our plans. We prioritised our plans based on greatest risk and benefit to our entire customer base. We will work with local communities and interest groups to deliver our plans locally.
The CCG are challenging the <b>appropriateness of a Net Promoter Score (NPS) measure for customers on the priority services register.</b>	We believe that NPS is an appropriate measure and have shared some benchmarking on how the NHS use NPS for vulnerable patients.
The CCG have challenged us to further <b>develop our thinking on co-creation and customer participation.</b>	We have included the development of this in our plan, and will continue to develop our plans going forward and will engage the CCG in this.

Source: Extract from Thames Water CCG, TSD017-PR19-CCG challenge log<sup>66</sup>

<sup>66</sup> Thames Water CCG, TSD017-PR19-CCG Challenge Log





## Section 6

# A fair deal for our customers

6.1 We have listened to concerns as to how our plan provides a fair deal for our customers versus our shareholders. In order to address these concerns, the Board endorsed a package of measures, described in our Business Plan<sup>67</sup> and Finance and Financeability core supporting document.<sup>68</sup> In brief, this gives customers:

- An increased buffer against financial shocks. We will progressively transition our level of gearing downwards by 5% by 2025.<sup>69</sup>
- Transparent Executive pay linked to delivering customer outcomes: we have revised our Executive remuneration policy to directly align Executive pay with customer outcomes. As a first step in this policy, Steve Robertson, our CEO will forgo his bonus until April 2020, and will only be paid a bonus if we meet our customer commitments – specifically 50% of his bonus is dependent on fully recovering our AMP6 leakage target. Our customers have told us they support<sup>70</sup> our current remuneration policy, linking executive bonuses to delivering stretching customer outcomes. This current remuneration policy should be taken as a guide on how we intend to design any future Executive remuneration policies for AMP7. As we currently do, we will publish full details of our remuneration policy and how it links to the delivery of customer outcomes in our annual reports.
- Help with their bills for those who need it most: whilst the majority of our customers find their bill affordable, the Board has also agreed a strategy that will support more of those households in our area who are struggling to pay their bill (see Appendix 3<sup>71</sup> for further details).
- Providing a fair deal between our customers and shareholders: our customers told us that they want us to be a responsible company, providing a fair deal to them and not just to shareholders. With this in mind, our Board has agreed with our shareholders that they will not take a dividend in the last two years of AMP6, allowing us to invest further in providing a resilient service for our customers. For AMP7, the Board and shareholders have agreed a dividend policy that puts the interest of customers and service resilience of the company at the forefront.<sup>72</sup>
- Ofwat's setting of the allowance for servicing our debt brings risk, but also an opportunity to benefit from market movements. We believe it is fair for us as a company to not pass on any increased cost of borrowing on to our customers. We are keen to address concerns from our customers and stakeholders about excessive shareholder benefits from financing outperformance, and therefore, for new debt, intend to share benefits of any outperformance against the cost that Ofwat has allowed on a tiered basis.<sup>68</sup>

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<sup>67</sup> Thames Water, BPD1-PR19-Business Plan Document

<sup>68</sup> Thames Water, CSD009-PR19-Finance and Financeability Section 22

<sup>69</sup> Thames Water, Data table App10, line 30

<sup>70</sup> Thames Water, CSD002-PR19-What Customers Want - consolidated report

<sup>71</sup> Thames Water, Appendix 3-PR19-Affordability and Vulnerability

<sup>72</sup> Thames Water CSD009-PR19-Finance and Financeability, Section 22



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- We have consulted customers on this package of measures and they have confirmed their support.<sup>73</sup> We have outlined why we believe this proposal is the best option for our customers in the long term.<sup>68</sup>

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<sup>73</sup> Thames Water, CSD002-PR19-What Customers Want - consolidated report