

Environmental Scrutiny Group: Terms of Reference

Background and purpose

The Environmental Scrutiny Group (ESG) is a group of organisations and individuals with expertise and/or interest in environmental issues that are relevant to the operation, strategy and planning of South East Water.

The advice and challenge provided by the ESG (formerly the Environmental Focus Group) to South East Water during the development of its plans for 2014 and 2019 contributed to the plans' successful completion. The company wishes to maintain and expand its relationship with the ESG to guide the development of its future plans around water resources and environment as well as their implementation. These Terms of Reference were revised in August 2021.

Objectives

The key objectives of the ESG are to:

- Ensure South East Water's approach to environmental, drought and water resource issues reflects the needs and priorities of relevant stakeholders in its communities.
- Two-way share of current information, ideas, projects and issues in a timely way between South East Water and interested/impacted organisations and individuals for mutual benefit.
- To be transparent and to raise awareness of South East Water's water resources and environmental management priorities and company activities and progress against our commitments.

Role

The role of ESG is to provide:

- Advice and challenge to South East Water during the development and implementation of its plans, chiefly:
 - The Water Resources Management Plan
 - The Drought Plan
 - The Water Industry's National Environment Programme, to ensure the company meets its environmental responsibilities.
 - South East Water's business plans

This may include jointly developing approaches and scrutinising high level performance.

- Advice and challenge to Water Resources South East during the development and implementation of the regional water resource resilience plan.
- A forum to debate, deliberate and advise on strategic and local environmental issues relevant to South East Water's operations.

Members conduct

It is expected that:

- ESG discussions will be robust and challenging but always conducted with civility and respect.
- All participants will contribute fully and candidly to all discussions.
- Whenever possible, the ESG will reach a consensus position to ensure clarity on its advice for South East Water (this should not prevent its members from making direct representations to the company or regulators) and divergent views will be captured.
- Members will represent their own views and/or those of the organisations they work with or for. We encourage all members to contribute fully and candidly and share personal views where they differ from the organisations they represent. If they are attending during work time they will realistically need to push the agendas of the organisations they work for.
- All members will work collaboratively and share relevant learning and information in a timely way.
- All members will be expected to provide their email address and telephone number for contact and for the sending of correspondence relating to the ESG. Such contact details shall be stored securely by South East Water and deleted when a member has left the ESG.

Ways of working

- Members will have the opportunity to advise and challenge South East Water verbally and in writing.
- All recommendations made will be recorded in an ESG Recommendations Log which will be included in SEW's management reporting, and shared with the ESG. South East Water is not obliged to adopt all of the ESG recommendations but will record its response to all recommendations made by the ESG.
- The secretariat will provide members with a timeline of key dates, papers, agendas, minutes and action points from each meeting.
- Agendas will be drafted by South East Water with input from ESG members whose views will be asked for on appropriate items for inclusion.
- South East Water will provide the secretariat and chose an independent chair.

Agreed levels of service

- Meetings will be arranged by South East Water with members provided with at least one months' notice. There may be the rare occasion when a meeting will be called at shorter notice, however the company will still endeavour to provide as much notice as possible.
- Confirmed meeting agendas and advance materials will be sent to members no less than 10 working days before each meeting.
- These Terms of Reference will be maintained by South East Water and will be reviewed with the ESG annually.

Membership and meeting frequency

- The group purpose will be reviewed following each planning cycle (i.e. every five years) as a minimum to determine the main function and inputs for this type of stakeholder group.
- The group is an open forum for stakeholders and new members may join as a member.
- Meetings will be held quarterly with additional sessions scheduled if required in accordance with agreed levels of service. Some topics and periods will require more frequent meetings and these timetables will be provided to members once known.

The ESG's relationship with the Customer Challenge Group (CCG)

- The ESG is an expert stakeholder group open to interested expert individuals and relevant organisations. Members of the ESG represent their own views or the views of organisations they work for or with.
- The ESG is one of the ways in which South East Water engages with its communities on environmental issues but it is not the only way. The company also engages with relevant organisations outside of the ESG, directly with customers, and gathers insight from other sources such as Water Resources South East, horizon scanning and forums.
- South East Water has chosen for the ESG to be independently chaired to ensure all members have their voice heard.
- The Customer Challenge Group by contrast is an independent expert group. CCG members are expected to act in an independent capacity in the interests of South East Water's current and future customers and communities. Members must not substitute their views for the views of customers or stakeholders or for the organisations they work for or with (unless they are statutory members e.g. Natural England, Environment Agency or CCW).
- In contrast to the ESG, a key role of the CCG is assessing the quality of South East Water's engagement and the degree to which stakeholder views including consumers are driving its decision-making. The CCG reviews the feedback from the ESG and also from the company's wider engagement and challenges South East Water in how they have listened to the ESG and balanced and made the trade-offs between the ESG's views and wider feedback from the company's communities and consumers. Also how it has balanced any conflicting company priorities e.g. affordability, resources and environmental needs.
- In addition, the CCG has a role to help hold the company to account on its promises to stakeholders – those in its business plans, strategies and wider public interest commitments. The CCG reports its views publicly on its website www.customerchallenge.org.uk and proactively shares them with key stakeholders such as Ofwat. It will actively seek and listen to the views of the ESG and reflect those in any public reporting.
- CCG members will attend ESG to enable them to independently feedback the views of ESG to the CCG and to assess the quality of engagement. They may also attend as interested stakeholders e.g. a CCG member who works for the Rivers Trust may represent the Rivers Trust at the ESG meeting.

Remuneration

- Members attending in a professional capacity (e.g. Consumer Council for Water, Environment Agency) will be unpaid by the company and will normally meet their own expenses though there may be exemptions for this where it acts as a barrier to participation. Members attending in a voluntary capacity can claim reasonable travel expenses.

