

Success criteria	Independent review	Outcome	Source of Evidence	Measures	
Behaviours					
Company welcoming uncomfortable challenge	The company, from its leaders down, actively [welcome] challenge and [acknowledge] that challenge will often feel uncomfortable	Challenges present useful perspective to Company	Challenge Log Annual review	Water Forums are given the opportunity to challenge	
	Signals from the Board and Management Team down through the management structure about the appropriate responses to ICG challenge			Water Forums challenge is evidence based.	
	Teams seeking ways to improve delivery rather than dismiss[ing] the challenge			Publication of the challenge log in an engaging way.	
ICG acting as a critical friend, not just a critic	Interested in helping the company improve rather than seeing its job as stopping at delivering challenge	Challenges lead to positive change	Terms of Reference Challenge Log - responses Annual review	Critical friend in terms of reference	
				Proportion of challenges generate responses leading to changes for benefit of customers	
Company and ICG having honest conversations as issues arise	Barriers to effectiveness identified and ways of working updated where needed	ICG continues to be relevant and work towards identified outcome	Terms of Reference Annual review	Terms of Reference reviewed and signed off annually	
				Review carried out and acted on at end of business planning cycle	
Governance					
A clear remit setting out a common objective for the company and the ICG that is outcome-focused and customer-centred	Agreeing the purpose of the ICG's challenge is particularly important in the new environment where it is not mandatory to have an ICG and companies have the freedom to set their ICG's remit. Regularly review whether each subgroup is still needed, and whether its purpose, remit or membership should be updated	Water Forum is focused on what it should be doing	Terms of Reference Publications on website	Terms of Reference set out clear remit	
				Minutes, agendas and Challenge Log demonstrate appropriate focus	
				All sub-groups (including task and finish groups) have a clear purpose and remit and report back to full Forum	
Set out the source of the ICG's authority to act, along with a high-level view of what effective delivery looks like	Now that challenge groups are no longer mandated by the regulator, Terms of Reference take on greater importance in setting out the ways of working that are expected to lead to effective delivery	Water Forum is confident to carry out its role	Terms of Reference Annual review	Terms of Reference set out source of authority to act	
				Terms of Reference set out what effective delivery looks like	
Make clear how the Board will discharge the ICG related part of its accountability for customer challenge	The arrangements for ICG's interaction with the Board should be designed in the context of Ofwat assigning accountability for customer challenge at PR24 to the company board	Water Forum has excellent Board engagement	Terms of Reference Assurance Strategy Meeting minutes Annual Review	Terms of Reference set out board engagement	

	Companies, Boards and ICG Chairs should ensure that arrangements for the ICG's contact with the Board will enable the Board to understand how successfully the ICG is delivering against the remit set out in its Terms of Reference			Board Engagement timetable	
	Companies, with input from their ICG Chair, should prioritise deciding how the ICG's work will interact with the Board's sign off of the business plan			Board INeD attendance at Water Forum meetings	
				Water Forum Chair's attendance at Board and/or Board Sub-group meetings	
				Forum has option to escalate issues to the Board	
Operational					
Right mix of members	Subject expertise	Water Forum is expert and broad	Chair's and members' biographies Skills and experience matrix Meeting attendance Induction material Annual review	Have a wide range of expertise, appropriate with regard to its purpose and functions. Members and their networks coverage reflect:	
	Quality of challenge			- Customers, communities, environment, people and commercial themes	
	Constructive approach			- Operating areas: geography, rural/urban, local circumstances and demographics Have developed a great understanding of the water industry and its issues. New member induction - focused and timely Diversity	
Independence guarded	Processes and behaviours established	Water Forum are seen by customers and wider stakeholders to be independent	Terms of Reference Register of interests Annual review Meeting scores	Chair does not represent any particular organisation	
	Written down			Chair able to provide appropriate amount of time to process	
				Members consider the Chair to be confident and effective Members feel able to exercise their independence Members take control agenda setting Member only and in camera discussions Water Forums has separate brand Independent Author takes responsibility for publications Independent Secretariat manages meetings and other activity	
Providing relevant information	Appropriate level	Water Forum is well informed	Minutes Annual review Meeting scores	Members consider their meeting materials to be of high quality	
	Comparative data Wider perspectives			Engagement with external agencies, including regulators	
Resourced appropriately	Sufficient time to scrutinise	Water Forum has appropriate resources to carry out its role	Minutes Annual review Meeting scores Website	Papers provided at least seven days before meetings	
	Appropriate secretarial support and timely updating of online material			Independent secretariat with sufficient resource	
	Sufficient engagement for the management team and technical experts			Engagement with senior Company representatives including at task and finish / sub-groups Timely updating of website after meetings Appropriate remuneration	