

*CONSUMER COUNCIL FOR*



# **CONSUMER COUNCIL FOR WATER**

## **OPERATIONAL BUSINESS PLAN 2006-07**

## 1. INTRODUCTION

The Consumer Council for Water (CCWater) Operational Business Plan outlines how we will deliver the first year of our three-year Forward Work Programme.

These two documents summarise our strategy for representing consumers of water and sewerage services in 2006-07 and beyond. The documents have been developed following research with consumers (*Shaping the Consumer Council for Water* by Opinion Leader Research) and a public consultation exercise, which included round-table discussion groups with our key stakeholders.

Our sponsors Defra and the Welsh Assembly Government have commented on the content of our Forward Work Programme.

The Operational Business Plan sets out the following:

- The strategic objectives and indicators of our success for each theme;
- The main projects within each theme;
- A description of actions, including the role of regional committees within each project;
- What we will do and what this will deliver for each project. These will become performance indicators for each project, so that we can measure where CWater has added value for consumers;
- The processes for measurement of CWater's achievements and effectiveness.

We have drawn on the Defra Business Planning Guidance (2005-08) in the preparation of the Operational Business Plan.

## 2. CONSUMERS' PRIORITIES

Our work will focus on the issues that matter to customers of water and sewerage companies. We have identified five themes which reflect the issues to which domestic and business consumers are consistent in attaching greatest importance:

- **Value for money – a fair, affordable price and charging system;**
- **Right first time – problems sorted out quickly without hassle;**
- **Water on tap – a safe, secure, reliable supply of water used wisely;**
- **Flush and go – responsible removal of sewage, prevention of sewer flooding and reduction in persistent smells from sewage treatment works;**
- **Speaking up for water consumers – influential in achieving improvements for consumers.**

These will be our priorities. Sustainable development and supporting the vulnerable in society will be universal themes across all our work.

The table below summarises the project areas where we will concentrate our activities to deliver progress on those priorities during 2006-07. In some areas preparatory work for 2007-08 will be completed.

	<b>Value for money</b>	<b>Right first time</b>	<b>Water on tap</b>	<b>Flush and go</b>	<b>Speaking up for water consumers</b>
<b>Champion</b>	Fair charging 2009 Price Review Water Framework Directive				Sustainable development Vulnerable groups
<b>Campaign</b>	Affordability Competition	Consumers' rights/ responsibilities	Using water wisely		Communicating CCWater's role
<b>Promote good practice</b>	Bill layout and information Debt recovery	Company comparisons in service provision	*Drinking water quality incidents	*Sewer flooding	Comparing CCWater performance
<b>Complaints</b>		Customer complaints		*Smells from sewage treatment works	Comparing CCWater performance
<b>Research</b>	Annual tracking Fair charging	Annual tracking	Annual tracking  Using water wisely	Annual tracking	Annual tracking Stakeholder feedback
<b>Education</b>	*Bill layout and information	Consumers' rights/ responsibilities	Using water wisely *Water for Health Alliance	Private sewers and drains	Communicating CCWater's role
<b>Universal themes</b>	Sustainable development	Sustainable development	Sustainable development	Sustainable development	Sustainable development
<b>Universal themes</b>	Vulnerable groups	Vulnerable groups	Vulnerable groups	Vulnerable groups	Vulnerable groups

\* Preparatory work for 2007-08

### 3. OUR APPROACH

We will deliver our legal duties (Appendix A) in the following ways:

- **Champion** – making consumers’ views heard and influencing decision makers;
- **Campaign for change** – getting a fairer deal for consumers, working with others where appropriate;
- **Promote best practice** – influencing the water industry to improve service delivery to consumers;
- **Resolve complaints** – achieving fairness for individual consumers and across the market;
- **Research** – seeking and understanding consumers’ views in support of our evidence base;
- **Education** – building existing and future consumers’ knowledge by providing advice and information, raising awareness and influencing views and behaviour.

There will also be a strong focus on advocacy.

We will engage with all consumers including those who are disabled or chronically sick, of pensionable age, on low incomes, living in rural areas and those unable to switch suppliers in the limited competitive market, so that we can develop a real understanding of their needs and work in line with their specific interests. We will act on behalf of businesses as well as domestic households.

We will fulfil our duty to contribute to achieving sustainable development by showing consumers how we balance the economic, environmental and social aspects in all that we do. We will demonstrate this through our performance measures.

## Timetable for delivery 2006-07

Project	2006							2007				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar

<i>Value for money</i>												
1. Fair charging						P			R			P
2. Affordability		P					P					P
3. Bill layout and information										Preparation for 2007-08		
4. Debt recovery					P							
5. 2009 Price Review									P			P
6. Water Framework Directive	P								P			
7. Competition			P							P/R		
8. Annual tracking survey – customers perspectives on value for money										R		

<i>Right first time</i>												
9. Customer complaints				R				R			R	R
10. Company comparisons in service provision								R				R
11. Consumers' rights/responsibilities		A							A			
8. Annual tracking survey – perspectives on customer service										R		

<i>Water on tap</i>												
12. Using water wisely		P		P					R			P
13. Water for Health Alliance										Preparation for 2007-08		
14. Drinking water quality incidents										Preparation for 2007-08		
8. Annual tracking survey – drinking water quality										R		

<i>Flush and go</i>												
15. Sewer flooding										Preparation for 2007-08		
16. Smells from Sewage treatment works										Preparation for 2007-08		
17. Private sewers and drains									P			
8. Annual tracking survey – sewer flooding										R		

<i>Speaking up for water consumers</i>												
18. Comparing CCWater												A
19. Communicating CCWater's role	A								A			
20. Sustainable development								P				
21. Vulnerable groups				P							A	
22. Stakeholder survey												
8. Annual tracking survey of consumers										R		

A = Awareness Campaign  
P = Policy Briefing  
R = Research Report

## **Strategic objectives and key targets**

For each theme we have identified our strategic objective and a series of indicators of our success. These are designed to demonstrate how CCWater can make an impact and make a real difference for customers of water and sewerage companies.

## **Main projects**

For each theme we have identified a series of projects. For each of these projects we have detailed the actions that we will take during 2006-07. We have indicated where the regional committees will focus their activities. Appendix B contains a summary of all of the regional committee's activities.

Actions will be prioritised so that we concentrate on outputs that will deliver significant improvements and add value to consumers' experiences of their water and sewerage services.

## **What we will do and deliver**

For each project we have identified what we will do and what this will deliver. These will become our performance indicators for each project so that we can measure where we have added value for consumers. We will use our indicators of success to measure and monitor our progress in our delivery of the Forward Work Programme. The timetable for delivery shows a timeline of the projects and identifies when we will publish policy briefings, research reports, and run awareness campaigns.

## **Partnership working**

CCWater will work in partnership with Government, regulators, the water industry, consumer bodies and other organisations to deliver our outputs. Wherever possible we will pursue a partnership approach.

## **Process for measurement of CCWater's achievements and effectiveness**

A monitoring and measurement management framework is being developed. This will align the corporate strategy in the Forward Work Programme to business and individual objectives for all engaged by CCWater.

To help us to measure our performance, in the delivery of our targets we will commission:

- Tracking research to assess the extent to which our campaigns and education programmes have reached consumers, including recognition of CCWater. We will also use this to track consumers' concerns about water and sewerage services;
- A stakeholder survey, to gauge how influential we have been as consumer advocates.

## **Consumer research strategy**

We have developed a consumer research plan to underpin our Forward Work Programme and to ensure that policy positions are based on robust evidence and reflect an up to date picture of consumers' views. This will also provide a tool to measure the impact CCWater has made in consumers' minds. The research plan can be found in Appendix C.

We have allocated a budget of £300k for research for 2006-07. We also have some funds available from an under-spend in 2005-06. We will seek out opportunities to work in partnership with others and share resources when commissioning research. Some stakeholders have expressed an interest in our research projects and willingness to contribute towards the costs.

## **Specific risks and counter measures**

CCWater has developed a risk register. For each risk we have identified:

- Key controls – what controls/systems we have in place to manage the risk;
- Assurances on controls – evidence that controls/systems are in place are effective in managing risks.

The top five risks to CCWater are listed in Appendix D.

The framework and risks will be monitored and reported on to the Board/Audit Committee on a quarterly basis.

## 4. DELIVERY OF CONSUMERS' PRIORITIES

### **PRIORITY: Value for money – A fair, affordable price and charging system**

#### *Strategic objective*

The fairest possible deal for consumers in terms of price, so that water and sewerage services represent value for money.

#### *Indicators of our success*

- Increase the percentage of consumers satisfied with value for money, year on year;
- Increase consumer perception of fairness in the water charging system, year on year;
- Increase consumer understanding of what water and sewerage bills cover, year on year;
- Increase consumer confidence in the operation of the new competition regime.

#### *Main projects*

##### **1. Fair charging**

- Commission research to obtain consumers' perspectives about all aspects of paying for water and principles of charging;
- Work with Defra, Ofwat and Water UK to review the principles of charging for water and sewerage services. Consider whether the existing charging structures best serve the interests of consumers;
- Identify the parts of the water and sewerage bill (for example highway drainage) that do not relate directly to the provision of water and sewerage services and campaign for a fair sustainable water charging system;
- Provide views on the companies' draft charges schemes for 2006-07 to Ofwat [Regional committee activity].

*What we will do:* Research and review consumers' views about fair charging and use this information to campaign to influence changes to the existing charging system.

*What this will deliver:* We want to deliver better, more consumer focussed, fairer charging schemes.

##### **2. Affordability**

- Lead stakeholders in pressing Government to provide financial support for water and sewerage charges to consumers on low incomes, without introducing further cross-subsidies to the water charging system;
- Assess the operation of the vulnerable groups scheme and identify best practice in the promotion and targeting of the scheme and in dealing with applications [Regional committee activity];

- Raise consumer awareness about the possible financial benefits of a metered bill and the financial help available through the vulnerable groups scheme [Regional committee activity].

*What we will do:* Identify practical solutions to address water affordability and campaign for changes to existing measures of financial support.

*What this will deliver:* We want Government recognition of the need for financial support with water charges and increased take-up of vulnerable groups tariff.

### **3. Bill layout and information (preparatory work for 2007-08)**

- Ensure consumers' water and sewerage bills are clear, timely and accurate;
- Examine water and sewerage bills to identify companies with good bill design and assess the impact on bill payment [Regional committee activity];
- Encourage companies to detail what consumers receive for the money they pay;
- Raise consumer awareness of what the water and sewerage bill covers [Regional committee activity].

*What we will do:* Research companies' current billing information to develop and publish billing guidelines and report on good and poor examples of bills and billing literature.

*What this will deliver:* We want companies to deliver clearer bills, resulting in increased consumer understanding of bill breakdown and what they receive for their money.

### **4. Debt recovery**

- Assess companies' debt management practices through customer service audits and report to Ofwat on performance [Regional committee activity];
- Work with Water UK to identify and share best practice and efficiency in approaches to debt management, to reduce bad debt and debt recovery costs.

*What we will do:* Publish policy briefings on best practice in debt recovery.

*What this will deliver:* We want companies to adopt best practice and use cost effective and sensitive debt recovery approaches.

### **5. 2009 Price Review**

- Develop an action plan to make the consumer's voice heard and influence key decision makers at the 2009 Price Review;
- Make sure consumers' views about costs and benefits influence future legislation affecting the water industry and its prices, in the UK and Europe.

*What we will do:* Develop an action plan for influencing key decision makers during 2009 Price Review.

*What this will deliver:* We want recognition of, and action on, consumers' views during 2009 Price Review to match consumers' priorities and deliver value for money.

## **6. Water Framework Directive**

- Actively participate in national stakeholder groups to provide the consumers' voice in the implementation of the Water Framework Directive;
- Actively participate in River Basin Liaison panels to provide the consumers' voice in implementation of the Water Framework Directive [Regional committee activity].

What we will do: Publish policy briefings outlining what representations we have made for consumers.

What this will deliver: We want recognition of consumers' views in the implementation of the Water Framework Directive.

## **7. Competition**

- Raise eligible business consumers' (who use more than 50Ml/year of water) awareness about the opportunity to switch water supplier, where this is possible;
- Make the consumers' voice heard, as competition is introduced, to promote innovative, more efficient approaches and benefits for all consumers;
- Co-ordinate business customer representations on Ofwat stakeholder groups;
- Seek to ensure that domestic and smaller business consumers are not disadvantaged by the introduction of competition for one section of the market;
- Obtain business consumers' experiences, perceptions and expectations of the new competition regime to help assess the effectiveness of the market (benefits and barriers) and influence the review of the threshold for competition;
- Establish working relationships with new licensed water suppliers and put procedures into place to deal with complaints about the competitive market.

What we will do: Publish report on consumers' experiences, perceptions and expectations of the new market.

What this will deliver: We want recognition of, and action on, consumers' views in reviewing the new market, resulting in consumer confidence in its operation.

## **8. Annual tracking of consumer's perspectives on value for money**

- Obtain consumers' perceptions and expectations on paying for water and value for money. This will be done as part of our annual tracking research to understand consumers' views and to measure them over time.

What we will do: Publish reports of our consumer research.

What this will deliver: We want better consumer satisfaction with value for money.

## Key Targets

Measure	2006/7
<b>Value for Money</b>	
Be influential in delivering at least three solutions to help consumers pay for their water and sewerage services.	3
Research 500 consumers to establish their view of confidence in new competition regime.	500 consumers

**PRIORITY: Right first time – problems sorted out quickly without hassle**

*Strategic objective*

Companies treat complaints from consumers seriously and deal with them appropriately and promptly. Companies look to resolve the causes of consumers' complaints. Services recognise the differing needs of differing types of consumers.

*Indicators of our success*

- Increase consumer awareness of their rights and responsibilities in relation to water and sewerage services, year on year;
- Increase the percentage of consumers satisfied with CCWater's complaint handling, year on year;
- Increase the percentage of consumers satisfied with their contact with CCWater, year on year;
- Increase the percentage of customers satisfied with companies' handling of complaints, year on year;
- Companies adopt best practice to improve service performance, year on year.

*Main projects*

**9. Customer complaints**

- Review CCWater's current system of complaint handling to ensure it is as effective, efficient and consistent as we can make it. This will include an upgrade of the complaints database;
- Collect and publish statistical data about complaints made to water and sewerage companies and licensed water suppliers;
- Examine complaint trends and work with companies to address the root cause of complaints, and where complaints do arise ensure they are handled effectively by the companies [Regional committee activity];
- Encourage companies to introduce mediation schemes with CCWater [Regional committee activity];
- Assess companies' complaint handling practices through customer service audits and report to Ofwat on performance in terms of timeliness and quality of response [Regional committee activity].

*What we will do:* Review trends in complaints in water sector and publish quarterly reports to highlight areas for action.

*What this will deliver:* We want companies to improve complaint handling, address the causes of complaints and to introduce mediation schemes with CCWater.

**10. Company comparisons in service provision**

- Revise the Best Practice Registers of service levels and compensation for service failures and promote adoption of best practice, so that consumers benefit from the

highest possible standards of service in the most cost effective way [Regional committee activity];

- Highlight companies who are providing best practice and those where improvements are possible;
- Review, with Ofwat and Water UK, data from the monitoring of consumer feedback on telephone call handling.

What we will do: Review service provision by companies and publish six-monthly reports to highlight areas for action.

What this will deliver: We want companies to adopt best practice, resulting in better service provision and more consistent delivery.

## **11. Consumers' rights/responsibilities**

- Raise consumers' awareness of how CCWater can help individuals who experience problems with their water or sewerage services, by publishing case histories to illustrate our successes and where appropriate, our failures [Regional committee activity];
- Publish information factsheets to explain consumers' rights in relation to water and sewerage services;
- Promote best practice in providing services to elderly and disabled consumers and press for adoption by companies [Regional committee activity];
- Inform consumers about their responsibilities as well as their rights (and the limitations of those rights) in relation to service failures [Regional committee activity].

What we will do: Develop and implement an education programme to raise consumer awareness.

What this will deliver: We want consumers to be better informed about their rights and responsibilities in relation to the service they receive.

## **8. Annual tracking survey of consumers' perceptions on customer service**

- Obtain consumers' perceptions and expectations about dealing with complaints. This will be done as part of our annual tracking research to understand consumers' views and to measure them over time;
- Obtain views from different consumer groups to identify their specific needs, and to understand how companies can tailor their services to meet those needs.

What we will do: Publish reports of our consumer research.

What this will deliver: We want better consumer satisfaction with complaint handling and understanding of the service they receive.

## Key Targets

Measure	2006/7
<b>Right First Time</b>	
Year on year increase in the percentage of consumer complaints resolved within our targets.	Increase
Year on year increase in consumers satisfied with their contact with CCWater.	Establish Base

**PRIORITY: Water on tap – a safe, secure, reliable supply of water used wisely**

*Strategic objective*

Consumers to receive a safe, secure and reliable supply of water and value water as a resource by using it wisely.

*Indicators of our success*

- Increased consumer understanding of the value of water as a resource and acceptance of the need to use water wisely and reduce waste;
- Increased consumer understanding of the benefits of drinking water for health and its safety.

*Main projects*

**12. Using water wisely**

- Work with the Defra Water Saving Group to obtain a better understanding of consumers' views on the use of water in the home and workplace and explore how consumers can be encouraged to use water wisely, to reduce demand and conserve water resources for future generations;
- Develop an education programme to highlight to consumers the value of water as a resource and the need to use it wisely;
- Work with the Defra Water Saving Group to influence a change in consumers' perceptions in the use of water and secure a reduction in consumption without compromising public health or hygiene;
- Work with the Defra Water Saving Group to review evidence on the impact of metering on demand;
- Press for planners to consult with and take account of the views of water companies and consumers on the impact of increased demand from new developments on available water resources and supporting infrastructure.

*What we will do:* Work with the Defra Water Saving Group and publish report of consumer research. Education programme to promote using water wisely.

*What this will deliver:* We want better consumer understanding of the value of water as a resource and how to use water wisely.

**13. Water for Health Alliance (preparatory work for 2007-08)**

- Work with the Drinking Water Inspectorate to improve consumers' understanding of current drinking water quality standards and public health issues related to safe drinking water;
- Work with Water UK to promote messages in the Water for Health Alliance.

What we will do: Develop and implement an education programme to raise awareness of drinking water quality standards and benefits for health.

What this will deliver: We want better consumer confidence and satisfaction with drinking water quality.

#### **14. Drinking water quality incidents (preparatory work for 2007-08)**

- Work with water companies locally, raising consumer concerns and improving satisfaction with drinking water quality [Regional committee activity];
- Monitor feedback from consumers following any drinking water quality incidents and bring to the attention of the Drinking Water Inspectorate [Regional committee activity].

What we will do: Provide consumer feedback to the Drinking Water Inspectorate following any drinking water quality incident.

What this will deliver: We want better consumer confidence in the safety of drinking water and lessons learned from incidents.

#### **8. Annual tracking survey of consumers' perceptions of drinking water quality and supply**

- Obtain consumers' perceptions and expectations about all aspects of drinking water quality and water supply. This will be done as part of our annual tracking research to understand consumers' views and to measure them over time;

What we will do: Publish reports of our consumer research.

What this will deliver: We want better consumer understanding and satisfaction with drinking water quality and supply.

#### **Key Target**

Measure	2006/7
<b>Water on Tap</b>	
Deliver at least three initiatives to support consumers' perception of their water supply.	3

**PRIORITY: Flush and go – responsible removal of sewage, prevention of sewer flooding and reduction in persistent smells from sewage treatment works**

*Strategic objective*

Consumers receive an effective sewerage service and do not experience sewer flooding or persistent smells from sewage treatment works.

*Indicators of our success*

- Reduction in the number of properties at risk of sewer flooding;
- Increased consumer understanding of their responsibilities in relation to sewers and drains and responsible disposal of waste;
- Increase the percentage of consumers satisfied with sewerage services, year on year.

*Main projects*

**15. Sewer flooding (preparatory work for 2007-08)**

- Revise the Sewer Flooding Best Practice Register and press companies to adopt best practice in their responses to sewer flooding incidents [Regional committee activity];
- Review and report on delivery of the sewer flooding investment programme and the criteria for prioritising remedies [Regional committee activity];
- Monitor the number of new flooding incidents to inform our approach to the 2009 Price Review [Regional committee activity];
- Press for the publication of long-term plans based on a holistic approach, designed to end internal and external flooding as a significant problem;
- Press for planners to consult with, and take account of, the views of sewerage companies and of consumers on the impact of increased demand from new developments on the sewerage infrastructure with the aim of preventing sewer flooding.

*What we will do:* Produce evidence consumers' experience of sewer flooding incidents and produce guidance on how to address them.

*What this will deliver:* We want companies adopt best practice in tackling sewer flooding as a consumer priority.

**16. Smells from sewage treatment works (preparatory work for 2007-08)**

- Ensure that CCWater deals with complaints about persistent smells from sewage treatment works in a consistent way, whilst recognising that local authorities have powers to take action;
- Press companies to adopt the best practice approach in the proposed Defra Code of Practice on 'Odours from Sewage Treatment Works' [Regional committee activity].

*What we will do:* Publish policy briefing on the scale of the problem of smells from sewage treatment works.

What this will deliver: We want companies to adopt best practice in dealing with smells from sewage treatment works.

**17. Private sewers and drains**

- Inform consumers about their responsibilities as well as their rights (and the limitations of those rights) in relation to sewerage services [Regional committee activity];
- Work with Defra and sewerage companies to raise consumers’ awareness of the issues linked to the potential transfer of private sewers and drains from property owners to sewerage companies;
- Support the industry ‘bag it and bin it’ campaign to promote responsible disposal of waste.

What will we do: Develop and implement an education programme to raise awareness of rights and responsibilities in relation to sewers and drains

What this will deliver: We want better consumer awareness of property owner responsibilities in relation to private sewers and drains.

**8. Annual tracking survey of consumers’ perceptions of sewerage services**

- Obtain consumers’ perceptions and expectations about sewerage services. This will be done as part of our tracking research to understand consumers’ views and to measure them over time.

What will we do: Publish reports of our consumer research.

What this will deliver: We want better consumer understanding and satisfaction with sewerage services.

**Key Target**

Measure	2006/7
<b>Flush and Go</b>	
Prompt at least one initiative to secure improvement for consumers in their sewerage services.	1

**PRIORITY: Speaking up for water consumers – influential in achieving improvements for consumers**

*Strategic objective*

Deliver performance that matches the best among consumer bodies.

*Indicators of our success*

- Increase percentage of consumers who understand the role of CCWater and rate CCWater as easy to contact, year on year;
- Increase the number of consumers who rate CCWater as effective in representing their views and delivering value for money, year on year;
- Increase in the number of our major stakeholders who rate CCWater as influential in getting the best deal for water and sewerage customers, year on year;
- Media and opinion formers view CCWater as an authoritative voice for water and sewerage consumers and seek us out for comment;
- Industry research programmes reflect consumers' perspectives;
- Deliver this Forward Work Programme for £5.7m per annum, or 23p per water bill payer.

*Main projects*

**18. Comparing CCWater with other similar organisations**

- Benchmark CCWater performance against other consumer bodies;
- Implement stream-lined complaint handling processes across our regional network, to release resources to deliver our priority initiatives/projects;
- Identify opportunities for the sharing of corporate services;
- Procure and implement an enhanced IT infrastructure to allow more efficient working practices.

*What we will do:* Publish report comparing CCWater with other similar organisations.

*What this will deliver:* We want to improve our effectiveness and value for money.

**19. Communicating CCWater's role**

- Implement CCWater's communications strategy to raise awareness of the role and work of CCWater.

*What will we do:* Develop and implement a communications strategy.

*What this will deliver:* We want to enhance awareness of CCWater and confidence in our ability to represent water and sewerage customers.

## 20. Sustainable development

- Develop CCWater's approach to sustainable development to apply it to all projects that we undertake.

*What we will do:* Publish policy briefings on our approach to sustainable development and the contribution we have made to its achievement.

*What this will deliver:* We want to ensure consideration of sustainable development is applied to every project we undertake.

## 21. Vulnerable groups

- Develop CCWater's approach to supporting the vulnerable in society and apply it to all projects that we undertake.

*What we will do:* Publish policy briefings on how we have supported the vulnerable in society.

*What this will deliver:* We want to ensure that consideration of supporting vulnerable groups is applied to every project we undertake.

## 22 and 8. Annual tracking survey of consumers and organisations to assess CCWater's influence on their actions or decisions that have improved things for consumers

- Obtain consumers' perceptions and expectations about the role and work of CCWater. This will be done as part of our tracking research to understand consumers' views and to measure them over time;
- Undertake survey of our stakeholders to gain feedback on their perception of CCWater's influence in getting the best deal for water consumers.

*What will we do:* Publish reports of our consumer research and stakeholder surveys.

*What this will deliver:* We want better perception of our performance.

## Key Targets

Measure	2006/7
<b>Speaking up for Water Consumers</b>	
Year on year increase in number of stakeholders who rate CCWater as influential in the getting best deal for water and sewerage customers.	Establish Base
Year on year increase in number of positive media mentions of CCWater.	Increase
Deliver 2006-07 Forward Work Programme for £5.7m or 23p per water bill payer.	£5.7m

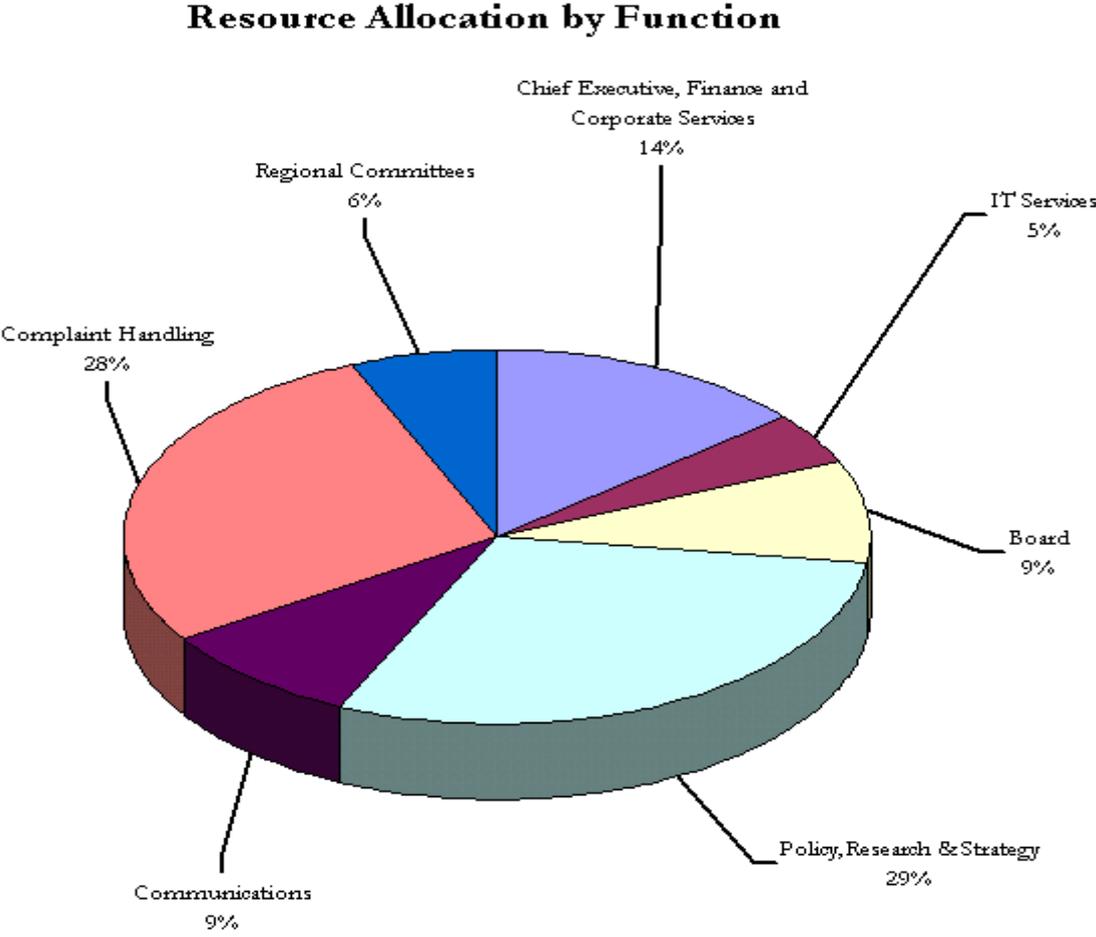
## Operational Business Plan Key Targets

Measure	2006/7
<b>Value for Money</b>	
Be influential in delivering at least three solutions to help consumers pay for their water and sewerage services.	3
Research 500 consumers to establish their view of confidence in new competition regime.	500 consumers
<b>Right First Time</b>	
Year on year increase in the percentage of consumer complaints resolved within our targets.	Increase
Year on year increase in consumers satisfied with their contact with CCWater.	Establish Base
<b>Water on Tap</b>	
Deliver at least three initiatives to support consumers' perception of their water supply.	3
<b>Flush and Go</b>	
Prompt at least one initiative to secure improvement for consumers in their sewerage services.	1
<b>Speaking up for Water Consumers</b>	
Year on year increase in number of stakeholders who rate CCWater as influential in getting the best deal for water and sewerage customers.	Establish Base
Year on year increase in number of positive media mentions of CCWater.	Increase
Deliver 2006-07 Forward Work Programme for £5.7m or 23p per water bill payer.	£5.7m

**5. RESOURCES**

For 2006-07 CCWater has a budget of £5.7m and staff of 75 (full time equivalents) working from offices in Birmingham, Bristol, Cambridge, Cardiff, Darlington, Exeter, London and Manchester. We also have 76 regional committee members. We are reviewing how we can operate more effectively and efficiently with the resources that we have. Our current organisation structure is set out at Annex E. CCWater’s resources will be allocated as follows:

**Resource allocation by function**



Every project will have a project plan and a project manager will be appointed who will have responsibility for delivery of its outputs. The regional committees will be required to focus on the projects listed in Appendix B.

## **6. CORPORATE SERVICES**

### **Organisational structure**

CCWater will continue to develop and deliver national policies locally through the existing office network.

### **Support services**

Service Level Agreements (SLAs) have been in place with Ofwat since 1 October 2005 to provide: Human Resource Management, Finance, Facilities Management, Information Technology and Library and Information services. These SLAs run until the end of June 2006. Work has been in hand since 1 October 2005 assessing future options for the provision of these support services. During 2006-07 CCWater will be implementing replacement provision for some or all of these services.

CCWater has its own independent legal advisors.

### **Information Communication Technology programme**

We are implementing an Information Communication Technology Programme over the next three years to support delivery of our Forward Work Programme. The Council's Board has agreed the strategy and it includes an upgrade to our hardware, software and systems. It also includes the replacement of our existing customer complaints system, inherited from WaterVoice, and the development of a Geographical Information System for policy development and research.

### **Governance**

The key parts of the organisation's governance framework consist of:

- The Board, with a Chair, the Chief Executive, seven regional members and four independent members meet ten times during the year, with some of the meetings being open to the public;
- Three Board committees, with remits for: Audit, Finance and Resources, and Remuneration.

The National Audit Office undertakes the external function and, on an interim basis, until 31 March 2006, internal audit services are provided by KPMG.

## APPENDIX A

### *Legal functions, duties and powers of CCWater*

CCWater has duties to represent the interests of customers of licensed water suppliers in the new competition regime that came into operation on 1 December 2005, as well as the interests of customers of water and sewerage companies.

CCWater has the following functions, duties and powers under the Water Industry Act 1991 (as amended by the Water Act 2003):

- **S27A (12) Establishment of the Council and Committee** - requires CCWater to exercise and perform its powers and duties in the manner which it considers is best calculated to contribute to the achievement of sustainable development.
- **S27B Co-operation between Council and other authorities** – requires CCWater to agree a memorandum of understanding with the Authority (Ofwat), the Secretary of State (Defra and DWI) and the Welsh Assembly Government.
- **S27C The interests of consumers** – requires CCWater to have regard to the interests of :
  - a) individuals who are disabled or chronically sick;
  - b) individuals of pensionable age;
  - c) individuals with low incomes;
  - d) individuals residing in rural areas; and
  - e) consumers who are ineligible to change their water supplier.
- **S27D Acquisition and review of information** – provides for CCWater to obtain and keep under review information about consumer matters and the views of consumers.
- **S27E Provision of advice and information to public authorities** – provides for CCWater to make proposals, provide advice and information about consumer matters and represent the views of consumers to public authorities, undertakers, licensed water suppliers and other persons whose activities may affect consumers.
- **S27F Provision of information to consumers** – provides for CCWater to provide information to consumers about consumer matters.
- **S27G Power to publish information and advice about consumer matters** – (subject to certain conditions) gives CCWater the power to publish advice or information about consumers' matters or consumers' views where it would promote the interests of consumers.
- **S27H Provision of information to the Council** – (subject to certain conditions) provides for CCWater to request information from the Authority, undertakers or licensed water suppliers.
- **S27J Provision of information by the Council** – provides for CCWater to provide information to the Authority, Secretary of State or the Welsh Assembly Government.
- **S29 Consumer complaints** – provides for CCWater to deal with complaints about the services provided by an undertaker or licensed water supplier.
- **S29A Power of Council to investigate other matters** – gives CCWater the power to investigate any matter which appears to it to be a matter relating to the interests of consumers.

- **S38B Publication of statistical information about complaints: (water)** – requires CCWater to publish statistical information relating to complaints received by undertakers, licensed water suppliers and regulators about water services.
- **S95B Publication of statistical information about complaints (sewerage)** – requires CCWater to publish statistical information relating to complaints received by undertakers and regulators about sewerage services.

CCWater has supercomplainant status under the Enterprise Act 2002.

## APPENDIX B

### *Regional committee activities*

<b>Theme</b>	<b>Project</b>	<b>Activity</b>
Value for Money	1. Fair Charging	Provide views on the companies' draft charges schemes for 2006-07 to Ofwat.
	2. Affordability	Assess the operation of the vulnerable groups scheme and identify best practice in the promotion and targeting of the scheme and in dealing with applications.
		Raise consumer awareness about the possible financial benefits of a metered bill and the financial help available through the vulnerable groups scheme.
	3. Bill Layout and Information	Examine water and sewerage bills to identify companies with good bill design and assess the impact on bill payment.
		Raise consumer awareness of what the water and sewerage bill covers.
	4. Debt Recovery	Assess companies' debt management practices and report to Ofwat on performance.
6. Water Framework Directive	Actively participate in River Basin Liaison Panels to provide the consumers' voice in the implementation of the Water Framework Directive.	
Right First Time	9. Customer Complaints	Examine complaint trends and work with companies to address the root cause of complaints, and where complaints do arise ensure they are handled effectively by the companies.
		Encourage companies to introduce mediation schemes with CCWater.
		Assess companies' complaint handling practices, through customer service audits, and report to Ofwat on performance in terms of timeliness and quality of response.
	10. Company Comparisons	Revise the Best Practice Registers of service levels and compensation for service failures and promote adoption of best practice, so that consumers benefit from the highest possible standards of service in the most cost effective way.
	11. Consumers' Rights and Responsibilities	Raise consumers' awareness of how CCWater can help individuals who experience problems with their water or sewerage services by publishing case histories to illustrate our successes and where appropriate, our failures.
Promote best practice in providing services to elderly and disabled consumers and press for adoption by companies.		
Inform consumers about their responsibilities as well as their rights (and the limitations of those rights) in relation to service failures.		
Water on Tap	14. Drinking water quality incidents	Work with water companies locally, raising consumer concerns and improving satisfaction with drinking water quality.
		Monitor feedback from consumers following any drinking water quality incidents and bring to the attention of the Drinking Water Inspectorate.
Flush and Go	15. Sewer Flooding	Revise the Sewer Flooding Best Practice Register and press companies to adopt best practice in their responses to sewer flooding incidents.
		Review and report on delivery of the sewer flooding investment programme and criteria for prioritising remedies.
		Monitor the number of new flooding incidents to inform our approach to the 2009 Price Review.
	16. Smells from Sewage Treatment Works	Press companies to adopt the best practice approach in the proposed Defra Code of Practice on 'Odours from Sewage Treatment Works'.
17. Private sewers and drains	Inform consumers about their responsibilities as well as their rights (and the limitations of those rights) in relation to sewerage services.	

**APPENDIX C**      *Research strategy*

<b>CCWater led and commissioned research projects 2006-07</b>	<b>Reason</b>	<b>Type of Research</b>	<b>Timetable/Delivery date</b>	<b>Estimated cost £k</b>
1. Fair charging - Consumers' perceptions	Inform development of CCWater policy position on fair charging and cross subsidies.	Qualitative focus groups with up to 150 consumers. Consider use of citizen juries/expert witness/deliberative forum approaches.	April-August 2006. Required to inform CCWater comments on draft charges schemes 2007-08 in October 2006.	To be confirmed - up to £60k. Other stakeholders may contribute to costs.
7. Value for money - Competition	Inform review of the competition regime. Obtain business consumers' experiences, perceptions and expectations of the new competition regime.	Qualitative depth interviews.	September 2006-January 2007.	To be confirmed - up to £50k.
8. CCWater annual tracking survey – Consumer feedback	Up to date picture of consumers' views (test OLR 'Shaping the consumer Council for Water' findings and enhance companies' own data). Measurement of recognition of CCWater activity and performance amongst consumers.	Quantitative face to face interviews with up to 1500 consumers Consider adding omnibus survey to quantify results of fair charging survey.	July-November 2006. Repeat in 2007 and 2008. Required to inform development of Forward Work Programme and priorities.	To be confirmed - up to £100k.
9. Right first time - Consumer experience of using CCWater services	Assessment of CCWater services beyond Customer Satisfaction Survey.	Qualitative depth interviews by telephone (possibly in-house).	July-November 2006	To be confirmed - up to £20k. Minimal if in-house.
12. Water saving – Consumers' attitudes and perceptions	Inform CCWater task in Defra Water Savings Group. Up to date picture of customer attitudes and perceptions in the use of water/incentives to use water wisely/attitudes towards metering.	Quantitative fact-to-face interviews with up to 1500 consumers Focus in water stressed areas (likely to require qualitative element to develop questionnaire).	May-September 2006. Required to inform Defra Water Saving Group meeting in October 2006.	To be confirmed - up to £150k. Group members may contribute to costs.
22. Speaking up for Consumers - Stakeholder Survey	To gauge views on our effectiveness in consumer advocacy.	Qualitative depth interviews.	December-April 2007.	To be confirmed – up to £50k. (Expenditure in 2007-08).
Total cost in 2006-07			Up to £380k (Including VAT)	

Possible Collaborative research projects 2006-07	Reason	Type of Research	Timetable/Delivery date	Estimated cost to CCWater £k
UKWIR/Water UK - Debt	Identify efficient and effective debt recovery approaches.	Desk-top analysis/consultants.	To be confirmed.	Nil.
UKWIR/Water UK - Charging effects	Develop model to test the impacts of changing various tariff mechanisms and structures to help formulate future methods of charging for water.	Desk-top analysis/consultants.	To be confirmed.	To be confirmed.
UKWIR/Water UK - Water efficiency	Model relative demand impacts of new tariffs and charging structures.	Desk-top analysis/consultants.	To be confirmed.	To be confirmed.
UKWIR/Defra - Water Framework Directive	Agreed methodology for cost benefit analysis for projects associated with implementation of Water Framework Directive.	Desk-top analysis/consultants.	To be confirmed.	To be confirmed.

## APPENDIX D

### Risk Management

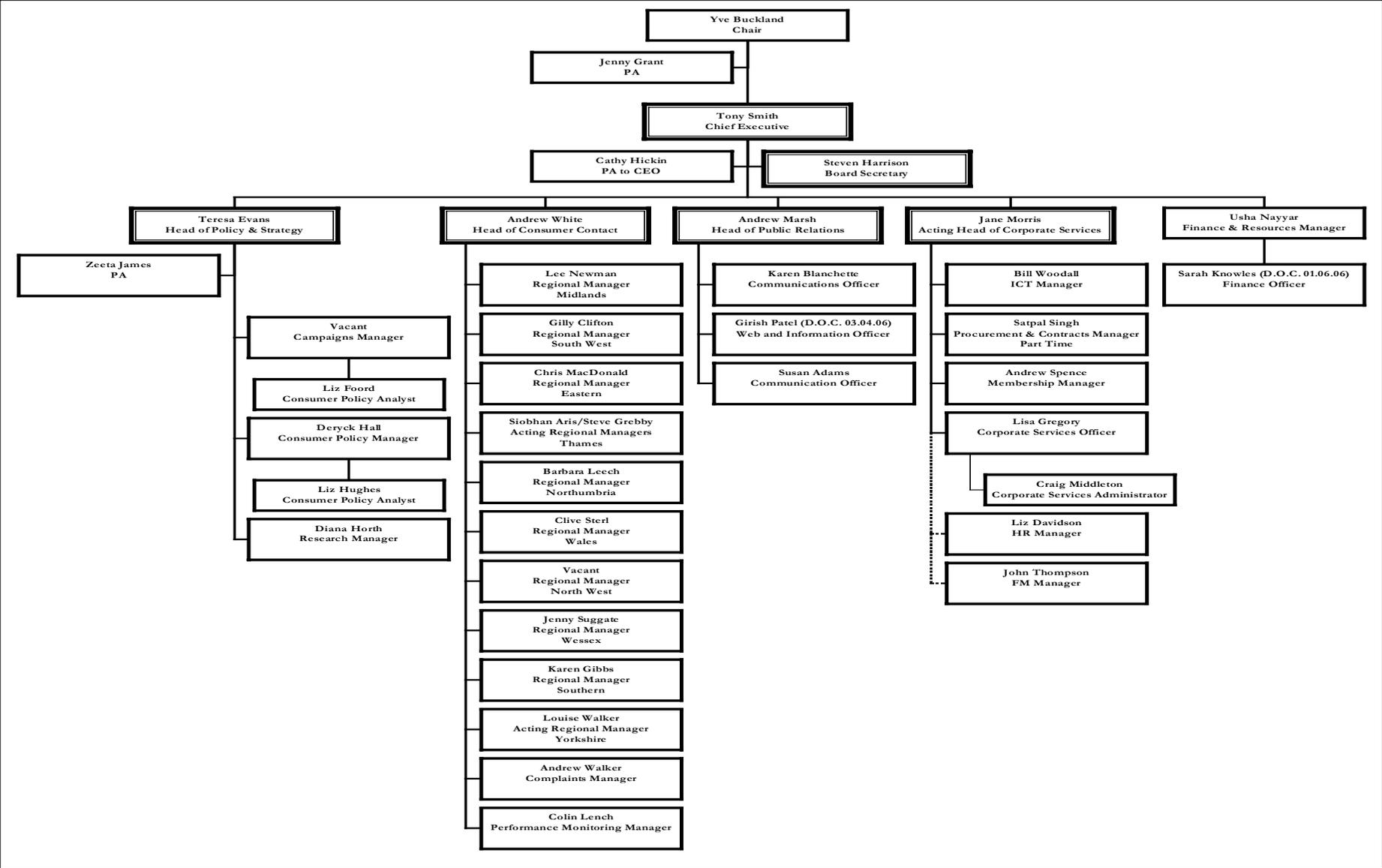
*The organisation is developing its risk management strategy, but has already established a risk register which is reviewed on a regular basis by the executive team, the Audit and Risk Management Committee and ultimately the Board.*

From the current version of the risk register the top five risks have been identified as shown below. An initial assessment is made of the likelihood of each risk occurring when it is placed on the register, together with an assessment of the impact of that risk on the organisation. The likelihood of occurrence is regularly monitored.

Risk	Key controls in place within the organisation to mitigate the risk
The organisation fails to deliver its forward work programme.	<ul style="list-style-type: none"> <li>• Forward Programme restricted to key initiatives on consumers' priorities where CCWater can make a difference forms basis of objectives for all CCWater staff and regional committee.</li> <li>• Regional resource identified from regional review to drive Forward Programme projects. Particularly opportunities with key stakeholders identified check we are not duplicating others' work.</li> <li>• Regular reporting of performance to the executive team and Board.</li> <li>• Regular review of priorities.</li> </ul>
The organisation fails to convince customers of its validity as an organisation capable of representing consumers and being effective.	<ul style="list-style-type: none"> <li>• Key messages are clearly expressed to key stakeholders</li> <li>• Annual report and other regular reports focussing on achievements of delivering Forward Work Programme, targets and benefits</li> </ul>
There is a decline in organisational performance in dealing with complaints e.g. handling times increase.	<ul style="list-style-type: none"> <li>• Regular monitoring of performance with monthly reports to executive team and planning of remedial measures if required.</li> </ul>
The organisation does not clearly demonstrate value for money with its budget.	<ul style="list-style-type: none"> <li>• Review of organisation driven by benchmark comparisons. Opportunities identified to refocus resource or reduce costs.</li> <li>• Identify costs of initiatives / priorities more clearly</li> <li>• Monthly reporting and variance analysis</li> </ul>
The organisation undertakes too many internal projects resulting in overload and causing the organisation to be distracted from delivering the Forward Work Programme	<ul style="list-style-type: none"> <li>• Assess any new projects using existing work programme to assess risk.</li> </ul>

**APPENDIX E**

*Organisational Chart – 1 April 2006*



## WHERE TO CONTACT US

### Names of board

Dame Yve Buckland, Chair – England and Wales  
Diane McCrea, Chair of CCWater Wales  
Catherine Harvey, Chair of CCWater Eastern  
Sir James Perowne, Chair of CCWater Midlands  
Andrea Cook OBE, Chair of CCWater, Northern  
Dr Richard Sturt, Chair of CCWater Southern  
David Bland OBE, Chair of CCWater Thames  
Charles Howeson, Chair of CCWater, Western  
Michael Barnes, non-executive member  
Timothy Hornsby, non-executive member  
Narendra Makanji, non-executive member  
Janet Paraskeva, non-executive member  
Tony Smith, Chief Executive

### Regional committees

Consumer Council for Water Eastern –  
for customers of Anglian Water, Cambridge  
Water, Essex and Suffolk Water and  
Tendring  
Hundred Water  
Ground Floor, Carlyle House  
Carlyle Road  
Cambridge  
CB4 3DN  
Phone: 01223 323889  
Local rate: 08457 959369  
Fax: 01223 323930  
E-mail: [eastern@ccwater.org.uk](mailto:eastern@ccwater.org.uk)  
Office hours: 8.30 to 4.30, Monday to Friday

Consumer Council for Water Midlands –  
for customers of Severn Trent Water  
and South Staffordshire Water  
First Floor, Victoria Square House  
Victoria Square  
Birmingham  
B2 4AJ  
Phone: 0121 345 1013  
Local rate: 08457 023953  
Fax: 0121 345 1010  
E-mail: [midlands@ccwater.org.uk](mailto:midlands@ccwater.org.uk)  
Office hours: 8.30 to 4.30, Monday to Friday

Consumer Council for Water South West –  
for customers of South West Water  
First Floor, Broadwalk House  
Southernhay West  
Exeter  
EX1 1TS  
Phone: 01392 428028  
Local rate: 08457 959059  
Fax: 01392 428010  
E-mail: [southwest@ccwater.org.uk](mailto:southwest@ccwater.org.uk)  
Office hours: 8.30 to 4.30, Monday to Friday

Consumer Council for Water Thames –  
for customers of Thames Water, Three  
Valleys  
Water, Sutton and East Surrey Water  
Fourth Floor (South), High Holborn House  
52/54 High Holborn  
London  
WC1V 6RL  
Phone: 020 7831 4790  
Local rate: 08457 581658  
Fax: 020 7831 4850  
E-mail: [thames@ccwater.org.uk](mailto:thames@ccwater.org.uk)  
Office hours: 9 to 5, Monday to Friday

Consumer Council for Water Northumbria –  
for customers of Northumbrian Water and  
Hartlepool Water  
Eighth Floor, Northgate House  
St Augustine’s Way  
Darlington  
DL1 1XA  
Phone: 01325 464222  
Local rate: 08457 089367  
Fax: 01325 369269  
E-mail: northumbria@ccwater.org.uk  
Office hours: 9 to 5, Monday to Friday

Consumer Council for Water Wales –  
for customers of Dwr Cymru Welsh Water  
and Dee Valley Water  
Room 140, Caradog House  
1-6 St Andrew’s Place  
Cardiff  
CF10 3BE  
Phone: 029 2023 9852  
Local rate: 08457 078267  
Fax: 029 2023 9847  
E-mail: wales@ccwater.org.uk  
Office hours: 8.30 to 4.30, Monday to Friday

Consumer Council for Water North West –  
for customers of United Utilities Water  
Suite 902, Ninth Floor  
Bridgewater House  
Whitworth Street  
Manchester  
M1 6LT  
Phone: 0161 236 6112  
Local rate: 08457 056316  
Fax: 0161 228 6117  
E-mail: northwest@ccwater.org.uk  
Office hours: 9 to 5, Monday to Friday

Consumer Council for Water Wessex –  
for customers of Wessex Water,  
Bournemouth  
and West Hampshire Water, Bristol Water  
and  
Cholderton and District Water  
2 The Hide Market  
West Street  
St Philips  
Bristol BS2 0BH  
Phone: 0117 955 7001  
Local rate: 08457 078268  
Fax: 0117 955 7037  
E-mail: wessex@ccwater.org.uk  
Office hours: 8.30 to 4.30, Monday to Friday

Consumer Council for Water Southern –  
for customers of Southern Water, Folkestone  
& Dover Water, Mid Kent Water,  
Portsmouth  
Water and South East Water  
Fourth Floor (South), High Holborn House  
52/54 High Holborn  
London  
WC1V 6RL  
Phone: 020 7831 4790  
Local rate: 08457 581658  
Fax: 020 7831 7253  
E-mail: southern@ccwater.org.uk  
Office hours: 9 to 5, Monday to Friday

Consumer Council for Water Yorkshire –for  
customers of Yorkshire Water  
Eighth Floor, Northgate House,  
St Augustines Way  
Darlington  
DL1 1XA  
Phone: 01325 469777  
Local rate: 08457 089368  
Fax: 01325 369269  
E-mail: yorkshire@ccwater.org.uk  
Office hours: 9 to 5, Monday to Friday

National queries:

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Tel: 0845 039 2837 Fax: 0121 345 1001 E-mail: enquiries@ccwater.org.uk