



CONSUMER COUNCIL FOR WATER

OPERATIONAL BUSINESS PLAN

2008 - 2009

Document History

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0.0	Initial version		12-02-07	
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1. INTRODUCTION

The Consumer Council for Water (CCWater) Operational Business Plan outlines how we will deliver our Forward Work Programme for 2008-09.

From what consumers have told us about their priorities and concerns, the Consumer Council for Water believes that we and the industry need to focus on quality, price, sorting problems quickly and fair charging.

Our priority areas of work for 2008-09 are:

- *Water on Tap - safe, good quality tap water, improved supply reliability and encouraging the wise use of water*
- *2009 Price Review - pressing for consumers to be at the heart of the review, so they view the outcome as acceptable and what they can afford*
- *Right First Time - problems sorted out quickly without hassle*
- *Value for Money - a fair charge for the service, and help for those who cannot afford to pay;*

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

A separate Forward Work Programme and Operational Business Plan will be issued for Wales.

For each priority area we highlight:

- the strategic objective
- what we will do, with a brief description of actions
- what our actions will deliver
- our targets so that we can measure where CCWater has added value for consumers.

These are explained in **Section 4** below.

Other activities and monitoring

While we will focus on our priority work areas, we will step in where there are areas of concern to water consumers, and intervene and speak up on their behalf.

These are explained in **Section 5** below.

We also have ongoing activities that will underpin all that we do. These activities are:

Ongoing underpinning activities

- **Sustainable development**
Continue to develop CCWater's approach to sustainable development to apply it to all projects that we undertake
- **Vulnerable groups**
Continue to develop CCWater's approach to supporting the vulnerable in society and apply it to all projects that we undertake.

2. OUR DELIVERY APPROACH

In delivering our business plan we will:

- Be aware of our legal duties. These are shown in **Appendix A**.
- Maintain a strong focus on advocacy.
- 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 households.
- 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.

3. MANAGING PRIORITY AREAS

Strategic objectives and key targets

For each priority area we have identified our strategic objectives and indicators of success. The indicators of success are designed to demonstrate how CCWater will make an impact and make a real difference for customers of water and sewerage companies.

What we will do

For each priority project we have identified a series of outputs together with what we will aim to deliver.

Overall Measurement of CCWater's achievements and effectiveness

We have developed a monitoring and measurement management framework. This aligns the corporate strategy in the Forward Work Programme to business and individual objectives for 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 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.

Partnership working

CCWater will work in partnership with Government, regulators, the water industry, consumer bodies and other organisations to deliver our outputs.

Consumer research

We have developed a 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.

Specific risks and counter measures

CCWater is managed using a risk based approach. 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 six risks to CCWater are listed in **Appendix B**.

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

4. OUR PRIORITY PROJECTS IN 2008-09

Water on Tap - safe, good quality tap water; improved supply reliability, and encouraging the wise use of water.

Objective

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

What we will do:

- Continue our work with the Drinking Water Inspectorate to implement safety plans and to inform them of consumers' views.
- Continue our work within the Water for Health Alliance stakeholder coalition, with the Drinking Water Inspectorate and others to help inform consumers about the excellent quality of tap water. This will include our work on promoting the serving of tap water at restaurants and cafes.
- Respond to consumers' concerns on the reliability of their supply by pressing the regulators to prompt the industry to reduce leakage, where practicable and justified economically and environmentally and ensure companies' long-term water resource plans are realistic.
- Work with the Ministerial-led Water Saving Group and others, to encourage consumers' to use water wisely - particularly in areas where water resources are seriously stretched.
- Encourage companies to improve communications to all consumers about using water wisely, by working with companies to use consumers' views about water use and what would change behaviour.

What this will deliver:

Consumers increasingly choose to drink tap water. Consumers will gain a better understanding of the value of water as a resource and how to use water wisely, and what needs to be done to make their long-term supply of water secure. There will be a gradual change in consumers' behaviour in relation to water use.

Measure/Indicator of success	2008-09
Percentage of consumers who agree that "everyone needs to do what they can to reduce the waste of water".	Year on year increase in the tracking survey results.
Percentage of consumers who are satisfied with the taste and the smell, colour and appearance, safety and reliability of supply of their tap water.	Year on year increase in the tracking survey results.
Engage in two further consumer communication initiatives for tap water within the Water for Health stakeholder Alliance.	Monitor via Business Plan

2009 Price Review - pressing for consumers to be at the heart of the review, so they view the outcome as acceptable and what they can afford.

Objective

Engage with key stakeholders to put domestic and business consumers' views at the heart of the 2009 Price Review, and to ensure consumers' acceptance that the Price Review represents:

- a good outcome in terms of improving the safety and reliability of the services they pay for
- enhancement of the local and wider environment; and
- a fair price for what they receive.

What we will do

Work with the Department of Environment, Food and Rural Affairs (DEFRA), the Welsh Assembly Government (WAG), regulators, companies and other stakeholders to address the following issues:

Consumers' views

- Ensure that consumers' views about priorities are at the core of any decisions for future investment, particularly in relation to:
 - the reliability of water company systems, particularly reducing supply interruptions caused by burst mains;
 - the safety and aesthetics of drinking water;
 - the development of additional sources of water such as new or extended reservoirs, de-salination plants, or local water grids;
 - using water wisely, the frequency of hosepipe bans and the pace of metering programmes;
 - improvements to the sewerage network including the reduction in the number of properties at risk of, or subject to, sewer flooding; and
 - environmental protection and improvement schemes.
- Represent consumers' interests in the group of Chief Executives and associated working groups on the Price Review.
- Ensure consumers' views are fully reflected in companies' draft and final business plans by participating locally with the Environment Agency, Drinking Water Inspectorate, Natural England, the Countryside Council for Wales and each water company.

Investment

- Ensure that companies' investment proposals are subject to robust cost benefit analysis, and challenge those proposals that have a high cost but a low benefit.
- Consider whether requirements under the Water Framework Directive (European Union (EU) Directive to improve the water environment) are appropriate for this or for later pricing periods.
- Press for a rolling programme of work to ease the stop/go cycle of work during price reviews in order to create a more efficient and sustainable industry.
- Consider the implications of the cost of capital from consumers' perspective.

Sustainability

- Ensure all the elements of sustainability - environmental, social, economic, good governance, and using sound science responsibly - are included in company proposals and in the wider decision making process.
- Encourage the promotion of innovative solutions to problems, in particular those that harness the cleansing power of nature rather than the adoption of energy and chemical intensive processes.
- Encourage greater use of renewable energy sources by companies so that they can reduce their emission of greenhouse gases and help the industry meet Government's carbon reduction commitments.

Paying for investment

- Find out consumers' views on the extent of their willingness to pay for companies' proposed investment programme (as detailed in draft and final business plans), and ensure that these are taken into account in the decision making process.
- Ensure there is clarity from Governments and regulators on their approach to future investment if customers are not willing to pay.
- Press for provisions to be made for those customers who are least able to pay ever increasing water and sewerage charges.
- Speak up for the vulnerable in society and challenge companies, regulators and Governments to consider the needs of the disabled and sick, those of pensionable age, those in rural areas, and those on low incomes.

What this will deliver:

Consumers' requirements to drive the 2009 Price Review with the outcome reflecting the majority view on priorities for investment and willingness to pay. Central Government to provide help to those unable to pay.

Measure/Indicator of success	2008-09
Companies have used consumers' views to shape their draft business plans and the business plans are supported by Government and regulators.	Monitor companies

Right First Time - problems sorted out quickly without hassle

Objectives

- Companies deliver a service that meets consumers' expectations, so avoiding complaints.
- Companies' customer services compares well with other sectors.
- Companies recognise the differing needs of consumers when delivering services.

What we will do:

- Deal with consumers' complaints about their water company when they have not delivered the service consumers' expect.
- Develop and encourage the adoption of an effective complaint redress scheme for consumers. This complaint review process would be triggered for the few consumers where agreement cannot be reached with their water company to satisfactorily resolve their complaint.
- Work with Ofwat and the water industry to give companies greater incentives to improve consumers' experience and measure their satisfaction when they have contact with their water company.
- Share with Ofwat information we collect on consumers' service levels for each company.
- Assess companies' complaint handling practices through customer service audits, and work with Ofwat and the water companies to improve performance.
- Learn lessons from major incidents - such as the loss of water supply, floods or droughts - by encouraging companies to share experiences and improve their responsiveness in the future.
- Act as a sounding board for water companies to test and refine their policies and practices for consumers, delivering consumers' real benefits.

What this will deliver:

Water company service will improve to be the best when compared to other utilities. Consumers acknowledge that they are satisfied with the service they are receiving from the water industry.

Measure/Indicator of success	2008-09
2 percentage point increase of consumers satisfied with their contact with CCWater for the outcome, speed and quality of service.	Increase (from base 2006-07) Outcome - 60% (58%) Speed - 75% (73%) Quality of service - 63% (61%)
1 percentage point increase of consumers' complaints resolved within our targets.	Increase (from percentage base 2007-08) 5 day response 99% (98%) 20 day closure 74% (73%) 40 day closure 88% (87%)
New consumer experience measure in place to measure industry performance.	By March 2009

Value for Money - a fair charge for the service, and help for those who cannot afford to pay

Objective

Improve customers' understanding of what they get for their money, and significantly improve the help available for those who are vulnerable or cannot afford to pay. Encourage the development of charging systems that meet customers' needs.

What we will do:

- Use the findings of consumer research to inform our policies.
- Work with all relevant bodies and organisations to influence future decisions on charges based on our policy.
- Call for Central Government assistance to be provided for customers who cannot pay their water bill. Consider how else the problem of not being able to afford your water bill could be addressed.
- Encourage companies and Ofwat to consider innovative ways to help those who cannot afford their bills, for example using new tariffs, and by consideration of the recommendations from, for example, the South West study of affordability.
- Press our view that all business consumers, regardless of how much water they use, should have the right to choose their supplier.
- Make sure that Water Framework Directive plans are affordable, represent value for money and are appropriately phased.
- Influence European consumer and environmental policy proposals in particular where they are not well considered or in line with consumers' views.
- Provide views on improvements to water companies' draft charges schemes to Ofwat.
- Press Central Government to ensure that adequate and timely protection is in place for vulnerable customers who may be disadvantaged by metering.
- Assess the Watersure special tariff scheme to identify and share best practice in the promotion and targeting of the scheme, and in dealing with applications.
- Review companies' proposals to address the growing problem of outstanding water bills.

What this will deliver:

Sustainable, more customer focused, fairer charging schemes. Central Government to recognise the need for financial support for vulnerable and low income households. An increased take-up of WaterSure. Consumers' views are recognised and influence decisions on implementing the Water Framework Directive.

Measure	2008-09
Consumers views and research evidence are built into the Government Water Strategy review and Ofwat review of fair and affordable charging, and Government accepts that the tax and benefits system should be seen as part of the solution to affordability.	As recorded within the reviews and subsequent policies.

Volume of special assistance customers on the companies' registers, and a better balance between customers seeking Special Assistance in the water industry and those in gas and electricity.	Improvement in the figures returned to Ofwat in June Return.
Volume of consumers satisfied with the value for money from the water and sewerage services in their area.	Results from Tracking Survey
Business customers views are heard within the Government and Ofwat reviews of competition as we strive towards an operational and acceptable competition regime.	Level of input to Competition reviews and case studies

5. OTHER ACTIVITIES AND MONITORING

While we will focus on our priority work areas, we will step in where there are areas of concern to water consumers, and intervene and speak up on their behalf.

Speaking up for Consumers

To inform consumers about aspects of the water industry we will:

- Use messages that consumers can relate to and easily understand.
- Be open and transparent.
- Use consumer and other research to shape our policy work and the solutions we propose.
- Work with stakeholders to promote evidence based messages.
- Ensure that CCWater is visible to those who need our services.

Communication targets

Communications	
<p><u>Stakeholder</u></p> <p>Maintain the main satisfaction percentages (contact at right level - 69%, in right format - 74%) from the CCWater Stakeholder Survey.</p>	<p>Base 2007</p>
<p><u>Media</u></p> <p>Gain media coverage for each of the main CCWater campaign headings in the Forward Work Plan i.e. Water on Tap, Price Review/Speaking up for Water Consumers, Right First Time, Value for Money and Keep it Clean.</p>	<p>Media coverage recorded</p>
<p><u>Web site</u></p> <p>Improve year on year, the total number of hits to the CCWater web site.</p>	<p>Base 2007-08</p>

Summary

Operational Business Plan Key Targets for priority areas of work

Measure	2008-09
Water on Tap	
Percentage of consumers who agree that “everyone needs to do what they can to reduce the waste of water”.	Year on year increase in the tracking survey results.
Percentage of consumers who are satisfied with the taste and the smell, colour and appearance, safety and reliability of supply of their tap water.	Year on year increase in the tracking survey results.
Engage in two further consumer communication initiatives for tap water within the Water for Health stakeholder Alliance.	Monitor via Business Plan
2009 Price Review	
Companies have used consumers’ views to shape their draft business plans and the business plans are supported by Government and regulators.	Monitor companies
Right First Time	
2 percentage point increase of consumers satisfied with their contact with CCWater for the outcome, speed and quality of service.	Increase (from base 2006-07) Outcome - 60% (58%) Speed - 75% (73%) Quality of service - 63% (61%)
1 percentage point increase of consumers’ complaints resolved within our targets.	Increase (from percentage base 2007-08) 5 day response 99% (98%) 20 day closure 74% (73%) 40 day closure 88% (87%)
New consumer experience measure in place to measure industry performance.	By March 2009

Measure	2008-09
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Value for Money	
Consumers views and research evidence are built into the Government Water Strategy review and Ofwat review of fair and affordable charging, and Government accepts that the tax and benefits system should be seen as part of the solution to affordability.	As recorded within the reviews and subsequent policies.
Volume of special assistance customers on the companies' registers, and a better balance between customers seeking Special Assistance in the water industry and those in gas and electricity.	Improvement in the figures returned to Ofwat in June Return.
Volume of consumers satisfied with the value for money from the water and sewerage services in their area.	Results from Tracking Survey
Business customers views are heard within the Government and Ofwat reviews of competition as we strive towards an operational and acceptable competition regime.	Level of input to Competition reviews and case studies

In addition, other key targets will be:

Communications	
Stakeholder Maintain the main satisfaction percentages (contact at right level - 69%, in right format - 74%) from the CCWater Stakeholder Survey.	Base 2007
Media Gain media coverage for each of the main CCWater campaign headings in the Forward Work Plan i.e. Water on Tap, Price Review/Speaking up for Water Consumers, Right First Time, Value for Money and Keep it Clean.	Media coverage recorded
Web site Improve year on year, the total number of hits to the CCWater web site.	Base 2007-08

6. TRACKING PROGRESS

In order to measure progress of the industry and CCWater's influence we will continue to do tracking surveys.

Tracking survey of consumers' views

- Obtain consumers' perceptions and expectations on all aspects of their water and sewerage services
- Obtain views from different consumer groups to identify their specific needs, and to understand how companies can tailor their services to meet those needs
- Obtain consumers' perceptions and expectations about the role and work of CCWater.

Survey of organisations to assess CCWater's influence on their actions or decisions that have improved things for consumers

- Undertake survey of our stakeholders to gain feedback on their perception of CCWater's influence in getting the best deal for water consumers.

We will also monitor the progress of delivering what we said we will do in a work progress report regularly updated by the owners of the work.

7. RESOURCES

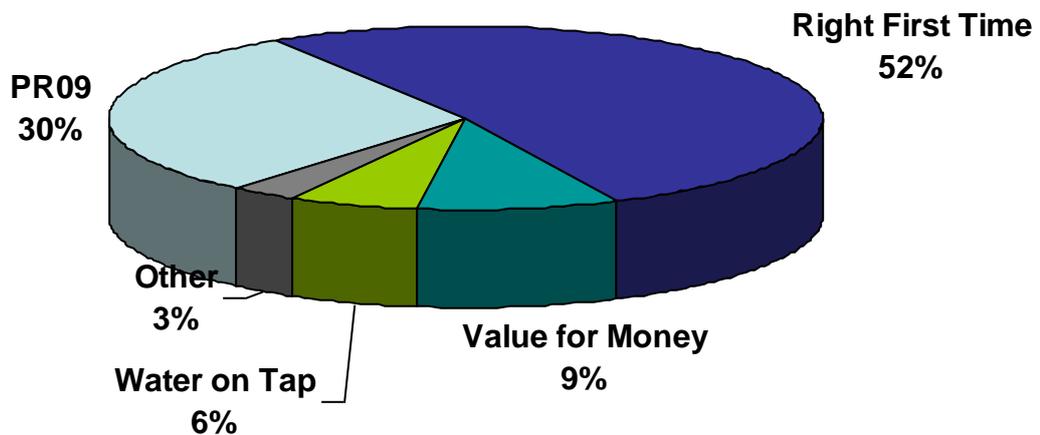
We will continue to monitor CCWater's performance against other consumer bodies to ensure that we deliver value for money and are well placed to deliver effective consumer representation.

For 2008-09 CCWater has a budget of £6.3m and staff of 72 (full time equivalents) working from offices in Birmingham, Bristol, Cambridge, Cardiff, Darlington, Exeter, London and Manchester.

We also have 56 Committee members.

Our organisation structure is set out at Annex C.

CCWater's resources will be allocated as follows:



8. CORPORATE SERVICES

Organisational structure

CCWater will continue to develop and deliver policies across England and Wales using our existing office network.

Support services

Revised Service Level Agreements (SLAs) have been in place with Ofwat since 1 October 2007 to provide: Human Resource Management, Finance, Facilities Management, and Library and Information services. Having been out to formal tender for these services we believe that we continue to receive better value for money for those services than via alternative suppliers in the market.

Since September 2006 computer services have been provided by Northgate Information Solutions.

CCWater has its own independent legal advisors.

Governance

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

- The Board, with the Chair of the organisation, the Chief Executive, four English regional members, a member for Wales and four independent members. The Board meets ten times during the year, with some of the meetings being open to the public
- Three Board committees, with remits for: Audit and Risk Management, Finance and Resources, and Remuneration.

The National Audit Office undertakes the external audit function and internal audit services are provided by an external commercial organisation.

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

Risk Management

The organisation has a risk management strategy and an established 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 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"> • Forward Programme restricted to key initiatives on consumers' priorities where CCWater can make a difference forms basis of objectives for all CCWater staff and Committee. • Policy managers assigned to drive Forward Programme projects. Key stakeholders identified to check we are not duplicating others' work. • Regular reporting of performance to the executive team and Board. • Regular review of priorities.
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"> • Key messages are clearly expressed to key stakeholders • Annual report and other regular reports focussing on achievements of delivering Forward Work Programme, targets and benefits
BERR reorganisation of consumer representation undermines CCWater's delivery of FWP.	<ul style="list-style-type: none"> • Focus on Forward Programme / Business Plan delivery • Lobby for delay to consultation about CCWater until after Price Review (2010)
Loss of key staff as a result of BERR review	<ul style="list-style-type: none"> • Continuity plan for loss of key staff
The organisation is portrayed as offering inappropriate advice / inadequate customer service and / or different service levels in some regions.	<ul style="list-style-type: none"> • Monitoring customer satisfaction • Consumer satisfaction with complaint and enquiry responses • Address any identified regional differences in our consumer advice • Develop service proposition
Committee members feel excluded from policy making decisions and detached from progress	<ul style="list-style-type: none"> • Review of roles by independent Board members early 2007 • Policy managers consult committees on FWP project initiatives • Ad hoc working groups • Members briefing on status of projects • Members informed of organisational achievements

Appendix C - Organisation Chart - April 2008

