

AGENDA

Consumer Council for Water

Board Meeting in Public at 1.30pm

Tuesday, 2 October 2012

Victoria Square House, Victoria Square, Birmingham

<u>Item no.</u>	<u>Agenda Item</u>	<u>Time</u>	<u>Paper No.</u>	<u>Lead</u>
<u>Standing items</u>				
1	Apologies and declarations of interest (5 mins)	13.30	Verbal	
2	Listening session - items of interest identified by the public (10 mins)	13.35		Dame Yve Buckland
3	Approval of Minutes of the Public Board Meeting held on 12 June and any matters arising (5 mins)	13.45	CCW 02 10 13	Dame Yve Buckland
<u>Strategy and Policy Items</u>				
4	Chief Executive's Report (15 mins)	13.50	CCW 02 10 14	Tony Smith
5	Finance Report (15 mins)	14.05	CCW 02 10 15	Jane Morris
<u>Monitoring Reports</u>				
6	Benchmarking Complaints Report (20 mins)	14.20	CCW 02 10 16	Carl Pegg
<u>Governance</u>				
7	Actioning of Board decisions (5 mins)	14.40	CCW 02 10 17	Mike Jackson
8	Any other business (5 mins)	14.45		Verbal
9	To move that the Board confirm the	14.50		Verbal

decision to hold the first part of the meeting in private session on grounds of confidentiality (Public Bodies(Admission to Meetings) Act 1960)

End of Public Board Meeting by 15.00 to be followed by discussion of any outstanding items from the Board meeting in private session and a review of Board performance

End of Board meetings by 15.15pm

Subject to confirmation

Paper no. CCW 02 10 13



CONSUMER COUNCIL FOR WATER

Minutes of the Board Meeting

Held in Public Session

Tuesday, 12 June 2012

Victoria Square House, Birmingham

Present	Chair	Dame Yve Buckland
	English Regional Committee Chairs	David Bland Andrea Cook Ed Vidler substituting for Charles Howeson
	Wales Committee Chair	Diane McCrea
	Independent Chairs	Mike Barnes Timothy Hornsby Colette Isaaks Narendra Makanji
	Chief Executive	Tony Smith
In attendance	Secretary to the Board	Mike Jackson
	Head of Corporate Services	Jane Morris
	Head of Consumer Relations	Carl Pegg
	Head of Policy and Research	Deryck Hall
	Complaints & Performance Manager	Evan Joanette

Subject to confirmation

CB13 Apologies and Declarations of Interest

13.1 There were no specific declarations of interest other than those already entered in the Register of Interests.

CB14 Listening Session

14.1 There were no members of the public in attendance.

CB15 Minutes of the Public Board meeting held on 6 March 2012 and any matters arising

15.1 The minutes of the Public Board Meeting held on 6 March were submitted for approval.

AGREED: That the minutes of the above meeting be confirmed as a correct record and signed.

CB16 Chief Executive's Report

16.1 The Chief Executive' presented his report which included a Performance 'Scorecard' with information under headings relating to 'Benefits for Customers and Business Plan progress', 'Governance and Financial Performance', 'CCWater staff' and 'Reputation and External Activities'.

16.2 The report referred to the benefits that continue to be delivered for water customers including the subsidy for South-West Water customers, the representations being made on affordability and work being undertaken in connection with the Price Review 2014.

16.3 CCWater had successfully pressed for benefits to be delivered to customers from the South Staffs. takeover of Cambridge Water.

16.4 Some other topics covered in the report were complaint handling performance and customer satisfaction; assessments carried out of water companies; drought representations; the water meter calculator; reducing sewer flooding and the annual tracking survey 2011/12. The latter provided information annually on what customers' views were on the services provided by water companies.

16.5 One member commented that given the high levels of performance being achieved already it may be necessary to look at other indicators and also review presentation. However, it was considered that there was still some

Subject to confirmation

headroom for increased performance even though the figures were high.

AGREED: That the report be noted.

CB17 Research Programme's Headline Findings

17.1 It was reported that three projects had been commissioned during the year, viz:-

- Transfer of Private Drains and Sewers
- CCWater Annual Tracking Survey 2011-12
- Understanding the needs of Small and Medium Enterprises (SMEs)

17.2 The findings were summarised in the report and provided valuable information when making representations on behalf of customers.

17.3 A member commented that it would be important to examine the research findings taken as a whole in order to identify the underlying themes. CCWater would be undertaking such an analysis in the future.

17.4 Research findings should be published as soon as possible to ensure it was topical even if a full analysis had not yet been undertaken and the information needed to be disseminated to the appropriate stakeholders.

17.5 Perhaps CCWater could be more proactive by, for example, issuing press releases for every project and joining with other interested organisations such as the CBI in promoting research findings.

AGREED: (1) That the findings be noted and used as appropriate in future policy discussions.

(2) That more proactive means of using the information be considered by the Executive.

Executive Team

CB18 End of Year Complaints Report

18.1 Carl Pegg, Head of Consumer Relations, supported by Evan Joannette, Complaints & Performance Manager, presented the report which informed the Board of complaints made to CCWater about water companies and included information on CCWater's performance and consumer satisfaction levels for the 2011-12 financial year.

Subject to confirmation

18.2 Members considered that it had been an excellent year in achieving high standards of performance. The customer support statistics were particularly impressive.

18.3 Concern was expressed about South West Water performance and there was discussion about how performance could be improved e.g. by arranging a secondment to CCWater.

AGREED: (1) That the report be noted including the excellent performance achieved for which CCWater staff were to be congratulated: and
(2) That the suggestions made in the discussion to help South West Water be given further consideration.

Head of Consumer Relations/CCWater Western

CB19 Annual Report and Accounts for 2011/12

19.1 The Annual Report and Accounts had been considered fully by Board members in private session. They had been recommended for approval by the Audit and Risk Management Committee.

AGREED: That the decision made by the Board (min. no. CB9 refers) to approve the Annual Report and Accounts for 2011/12 including the Statement on Internal Control and the Letter of Representation, be ratified.

Chief Executive

CB20 End of Year Finance Report

20.1 The report provided a summary of financial performance to the Board for the year end 2011-12 and indicated the changes made to the budget for 2012-13.

20.2 From April 2011 to March 2012 CCWater had consumed 87% of its administrative budget, and 87% of its research budget.

20.3 CCWater ended the year under spent (£701k) against its budget projection.

20.4 In April 2012, DEFRA agreed that CCWater could draw down £335k of its previous underspends to increase its revenue and capital budgets. This changed CCWater's budget to £5.685m from £5.43m originally.

Subject to confirmation

AGREED: That the contents of the report be noted.

CB21 Minutes of Wales and English Local Committees

21.1 Minutes of the Wales and English local committee meetings that had become available since the January Board meeting were submitted to the Board as follows:

- Wales Committee - 31 January 2012
- Northern Committee - 22 September 2011
- Western Committee - 20 October 2011

21.2 There were no matters requiring specific Board discussion.

AGREED: That the minutes be received.

CB22 Welsh language Scheme

22.1 An annual monitoring report on the delivery of CCWater's statutory Welsh Language Scheme (WLS) for 2011/12 was submitted for approval.

22.2 The report also updated the Board on the new Welsh Language Commissioner (previously Welsh Language Board (WLB)) and Welsh language obligations changes that might affect CCWater.

AGREED: That the Board approve CCWater's WLS annual monitoring report 2011/2012 for submission to the Welsh Language Commissioner.

Lia Moutselou

CB23 Governance items

(1) Board and Committee attendance

It was noted that all absences had been agreed with the Chair before a meeting.

AGREED: That the report be noted.

(2) Annual Declarations of Interest

AGREED: That the declarations being made by members be noted and made available to the general public.

Subject to confirmation

- (3) Noting of urgent action taken to upgrade IT infrastructure.

It was noted that members had been advised previously by email of the need for urgent action.

AGREED: That the action taken be formally noted in accordance with the governance arrangements.

CB24 Actioning of Board decisions

- 24.1 The Schedule of outstanding actions was submitted to the Board including the associated comments.

AGREED: That the present position be noted and the completed actions discharged.

CB25 Any other business

- 25.1 Appointment of Vice Chair

AGREED: That Diane McCrea be formally appointed as Vice -Chair of the Board.

- 25.2 Board Objectives for 2012/3

Copies of the objectives were circulated as finalised by the Board Chair. The objectives had been slightly amended to take account of comments received.

AGREED: That the objectives be confirmed.

CB26 Holding of Board Meeting in Private

AGREED: That the Board confirm the decision to hold the first part of the meeting in private session on grounds of confidentiality (Public Bodies (Admission to Meetings) Act 1960).

End of meeting

CONSUMER COUNCIL FOR WATER

Public Board meeting on 2 October 2012

Chief Executive's Report

Delivering benefits for water customers

The Consumer Council for Water (CCWater) continues to work to represent the voice of water customers to government, regulators and the water industry, delivering major benefits for all water consumers in England and Wales.

During the period the most pressing issues for customers we have been involved in include:

- Working with monopoly water companies as they develop their plans for the future; making sure that customers' opinions are heard and that water remains affordable.
- Monitoring and evaluating water companies and publishing the results with our views on how they can improve customer service and complaint handling.
- Helping domestic and business customers resolve issues, save money and get better service from water companies.
- Gathering consumer insight into water restrictions and working with water companies as they develop plans for ensuring an uninterrupted, clean and safe water supply for the next 25 years.
- Working with government and regulators on issues related to the introduction of competition in England and making sure regulation works for both domestic and business customers.

In order to make this report relevant it now includes data from April 2012 to August 2012, rather than reflecting one quarter.

1 Value for money

1.1 Affordability

We are working with companies as they develop proposals for customer-funded social tariffs and their plans for consulting customers on this. This follows the publication of the Secretary of State's guidance to companies on Social Tariffs in June 2012.

We also met with the Welsh Government as they develop their social tariff guidance.

1.2 Price Review 2014

The majority of independent Customer Challenge Groups (CCGs) have met, with the exception of Wales. The CCGs have been set up to work with, and advise, water companies as they develop their investment and customer service proposals for 2015-20. The objective is to ensure company's proposals are both acceptable and affordable to water customers and meet legal requirements. CCWater has a key role in these Groups.

We have challenged water companies to ensure that their plans for engaging with their customers (including their use of market research to identify expectations and willingness to pay for improvements), follows recognised good practice. Companies will be required to build their Business Plans around this customer evidence.

Ofwat announced its 'Future Price Limits' principles for setting prices for 2015-20 and beyond. We pushed for these principles to be based on identifying and delivering the right long term outcomes for customers. The months ahead will see us work to ensure that Ofwat's detailed price setting methodology places customers' interests at the centre of the process.

2 Right first time

2.1 Complaint handling and satisfaction

Following several years of complaints to CCWater about water companies falling, this trend has now stopped. CCWater continues to put pressure on water companies to improve their services and complaint handling.

CCWater received 4,611 complaints from April to August, a 2% increase on last year. The complaint increase has been primarily due to issues about water supply and sewerage services (+21% combined). The summer was very wet and companies had a much greater responsibility for what used to be private pipes so there were more sewer flooding complaints. There were actually 8% fewer billing and charges complaints. Last year saw a spike due to the unexpected price rises due to high inflation. This shock factor has now ebbed somewhat.

CCWater negotiated £547,340 of compensation and rebates for customers during the period. This was a 46% decrease on last year. This smaller sum does, we believe, reflect the inevitable consequence of CCWater's work in pushing companies to get things 'right first time'. For instance, companies are now acting proactively in surface water drainage rebate cases to check neighbours' connections and issuing rebates where applicable. Consequently, we are now recovering large sums for customers less often in such cases.

CCWater has exceeded all of its targets for speed of complaint handling and despite seeing lower levels of redress, we exceeded customer satisfaction targets.

2.2 Assessments

CCWater carries out a series of risk-based assessments on selected water companies. Feedback from the regions on these assessments has been collated and the findings will be circulated back to the regions. We will include some suggestions, including a 'living' document to highlight good practice and a review of the questions assessment panels ask the water companies. We will maintain consistency agreed with the industry and will continue with the criteria for selecting a company 'at risk'. The full overview report for 2011-12 was published in September 2012.

2.3 Service Incentive Mechanism (SIM)

The qualitative SIM is a measure used by the industry to record a sample of customer satisfaction with how the water company has resolved their issue. The scores for the industry improved from April - August 2012. CCWater has been a part of UK Water Industry Research (UKWIR) project steering group which was set up to consider a replacement for the SIM measurement beyond 2015. We have pressed for new measures based on value for money and overall perception as well as the existing qualitative survey. Many group members have a more cautious preference and still want a quantitative measure to remain. We will continue to press for our preferred measure which removes the inconsistencies and encourages innovation.

3 Water on tap

3.1 Water Resources

On 9 July hosepipe restrictions, which had been in force since 3 April, were lifted by the three smaller water companies in the south east. The Defra-led National Drought Group, of which we are members, have been reviewing the lessons learned from the drought, so that should there be a third successive dry winter and groundwater sources don't refill as expected, companies will be better prepared for it.

At the same time, water companies have started, or are about to start, the pre-consultation phase of their 25 year Water Resource Management Plans. The experience of the recent drought - and the subsequent flooding - suggests that the process this time around will be somewhat different. CCWater will be ensuring that customers' interests are at the centre of the planning process.

We conducted a survey of customer views following the introduction of the water use restrictions http://www.cwater.org.uk/upload/pdf/Hosepipe_Ban_Final.pdf which highlighted some key issues and concerns about water management at times of drought. A major issue for customers is their perception that water company leakage levels are too high, and were a contributory factor to restrictions needing to be introduced. Most customers said that at times of severe drought restrictions were acceptable. Of the 32% of customers who were actively using less water, only 28% said it was a result of the restrictions/hosepipe ban.

The vast majority of respondents said they were not prepared to pay more to reduce the frequency of restrictions. This raises further questions relating to customers' level of acceptance of restrictions if they were to become more frequent events, or if the severity of restrictions increased and had wider economic and social impacts. We therefore plan to conduct further research to explore these issues.

3.2 Water meter calculator

Since April, CCWater's re-launched water meter calculator had tens of thousands of visits. The new feature which allows customers to record their potential savings and feed back whether they would switch to a meter highlighted potential savings of almost £1.3m, well above our expectations of £500,000 for the whole year.

4 Clearing up

4.1 Reducing sewer flooding

We have been working with Ofwat to see how water and sewerage companies can be incentivised to opt for more sustainable surface water management solutions to reduce or prevent sewer flooding. We have also contributed to Ofwat's project to deliver improved sewer flooding risk management. Both activities will feature in companies' business plans for 2015-20 with the aim of reducing the number of properties and areas flooded with sewage.

4.2 Transfer of private sewers

We continue to help customers who are unsure or have a complaint about the October 2011 transfer of "private" sewers to water companies' ownership.

Following publication, in February 2012, of our research into customers' views about the transfer, we have been talking to the ten sewerage companies about how they could improve customers' knowledge about drainage issues. While most companies have information on their websites, it is not always easy to find. Some companies will use their billing literature to remind people of the transfer while others plan to use social media to spread the message. All will help to increase customer awareness, but as we have repeatedly said to companies this activity needs to be on-going and not a one-off exercise.

We are also working with companies on their future plans as they move towards the adoption of private pumping stations in 2016.

5 Speaking up for water consumers

5.1 Examples of help we have given customers with complaints

The resident of a granny flat was told that the rent included water charges and was therefore not billed by United Utilities. However, once United Utilities established that there were two separate properties at the address, (the domestic house and separate granny flat), it billed the customer almost £2,000 for unpaid charges. CCWater challenged UU because the customer had acted in good faith based on information provided by the landlord and should not be disadvantaged by the company backdating charges. UU withdrew charges of £1,291.96 and refunded £591.23 already paid.

A customer complained that Southern Water's contractors had failed to turn up to take a water sample for the second successive day. CCWater called Southern Water at 1.33 p.m. and the appointment was re-booked for that afternoon. The contractors were on site by 2.00pm and accredited the early response to our intervention. We then raised the issue of GSS payments for the missed appointments and Southern paid £25 for each of the missed appointments.

An elderly couple had been receiving high bills and Anglian Water had failed to investigate and find the cause of the problem. CCWater found that the company had previously established builders had tapped into the supply and resolved that, but made no refund. The usage remained high for some time after this issue but had recently dropped again. Thanks to CCWater's intervention Anglian Water wrote off the excess charges above current usage and refunded £5,058.50, with an apology.

A charity which runs a drop in centre for homeless people had regularly received and paid water bills from South East Water for many years but suddenly received a sewerage bill from Southern Water backdated for six years. The charity had not realised that sewerage was not included with the water bill they had been paying. Upon contact from CCWater, the company admitted it had been receiving meter readings from South East Water and that it was at fault but appeared reluctant to cancel all backdated charges. A compromise was offered but after further pressure from CCWater, Southern Water finally agreed to cancel £17,152 of sewerage charges.

Water ingress into a customer's back garden had dislodged the paving. The customer believed that work carried out by Welsh Water to repair a burst at the back of his property had changed the natural drainage course of the groundwater. His contention was that they used the wrong material (hard-core rather than clay) in the reinstatement which had redirected the water into his property and this had been exacerbated by digging a further exploratory trench at the back of his house. DCWW denied this was the cause. CCWater reviewed the case and at a site meeting the DCWW inspector agreed to excavate and refill both problem areas with clay, fully reinstate, and replace the customer's patio.

5.2 Research

During the period we published two pieces of customer research.

Every year we ask domestic customers, among other things, about their satisfaction with the services they receive from their water company and their satisfaction with the value for money of those services. Customers are generally satisfied with the services they get (90%+) but are not so satisfied with their value for money (70%).

For the first time this year, we used our website to not only publish the full report but also to show customer satisfaction scores for each company. The 'How Is Your Company Doing?' page has been well received, and we have now added details about companies' performance in handling complaints
<http://www.ccwater.org.uk/server.php?show=nav.1347>

In conjunction with Ofwat, we surveyed the views of small and medium enterprises about their satisfaction with the services they receive from their local water company. Again, this showed a high level of satisfaction
http://www.ccwater.org.uk/upload/pdf/Understanding_the_needs_of_SMEs.pdf

5.3 In the media

CCWater maintained a consistently high media profile during April to August 2012. There was extensive coverage on water shortages and 'hosepipe bans', with CCWater frequently quoted on both the implementation and lifting of restrictions.

Later on in the period, coverage featured the results of CCWater's customer satisfaction survey and perceived value for money, as well a number of articles on companies not being required to reduce leakage before 2015. Metering was also a hot topic and CCWater was quoted on advising customers about potential savings, as well as giving tips on using water wisely. Finally, there was some discussion around the introduction of social tariffs and widespread regional coverage of CCWater's warning against the dangers of bogus callers.

From April to August more than 40m people had opportunities to see our messages, which would have cost around £734,000 to purchase through advertising.

5.4 CCWater Website and Consumer Support Site

CCWater's website received 90,059 visitors between April and August 2012(+40% on 2011/12). The most popular area of the website remains the water meter calculator, followed by the consumer support site. 'Money Saving Expert' remains the top referring site followed closely by United Utilities. The website has outperformed our targets, with an annual increase of 40% more visitors.

Our consumer support website, which includes practical information on water and sewerage issues and advice on how to complain, received over 80,000 visitors. These visitors made 3,700 searches, viewed over 65,000 answers and submitted 627 complaints or enquiries. This means less than 1% of visitors felt they needed to use our online form to contact us.

6 Leading and motivating the organisation

6.1 The Future of CCWater

Just after Easter the Department for Business, Innovation and Skills published the conclusions to its Consumer Landscape Review. This confirmed the Water White Paper's statement that CCWater had a key role in representing water and sewerage customers throughout the next price review up until at least the end of 2014. This provides security, at least in the short to medium term, to CCWater's staff and allows the organisation to deliver the recently published three-year Forward Work Programme. Through our complaint handling, the price review and other activities, CCWater will continue to demonstrate that a sharply focused sector-specific consumer body can deliver real value for water customers.

6.2 Staff/Resources update

To enable CCWater to deliver its Price Review work in August we restructured our Policy Team. Rather than each person working on specific FWP activities we have created four teams who work together on activities relating to the Environment, Social Issues, Regulation and Market Intelligence.

During the period we have seen a small increase in the number of customers who are unable to resolve their complaints with the water companies and come to us for assistance. To help deal with this extra work we changed the responsibilities for some staff and are looking to add additional resources.

Between April and August we have delivered a variety of training courses including PR14 training for our Local Consumer Advocates plus training on how best to deal with vulnerable customers and project management.

CCWater does not operate a bonus scheme for staff. Any salary increases are based entirely on performance and in August we received approval from Defra to increase our staff pay bill by 1%. This will be shared between staff based on their annual appraisal.

As part of the 2014 Price Review process we have been actively engaged in representing customers' views in the companies' Customer Challenge Groups. In recognition of this extra work we obtained agreement from Defra to enable CCWater to increase the amount of time we expect from some Committee Chairs and Local Consumer Advocates.

7. Recommendations

7.1 The Board is asked to note this report

TONY SMITH
Chief Executive

Consumer Council for Water: Performance 'Scorecard' (Apr-Aug 2012,)

Benefits for Customers and Business Plan Progress

- Complaints increased by 2% to 4,611 compared to the same period last year.
- During this period CCWater negotiated £547k of compensation for customers.
- Targets for the year in performance and satisfaction have all been exceeded.
- The improved water meter calculator on our website generated a lot of interest.
- Since April we have helped point customers to a potential £1.3m in savings.
- Customer feedback has been positive.

Complaints Performance			
	Actioned within 5 days	Closed within 20 days	Closed within 40 days
Target*	99.5%	79%	90%
Q1 Performance	99.7%	80.0%	92.0%
Annual Performance	99.7%	80.0%	92.0%

Satisfaction				
Measures	Service	Outcome	Speed	Courtesy
Target*	73%	61%	79%	92%
Q1 Performance	76.4%	64.1%	82.8%	95.4%
Annual Performance	76.4%	64.1%	82.8%	95.4%

*Operational Business Plan

Staff

- Absence between April and August due to sickness - 258.5 days for the period. Ave 4 days per person
- One member of staff left CCWater between April and August = 1.5% staff turnover.
- During the period a number staff attended training courses in areas as diverse as PR14, dealing with vulnerable customers, time management, understanding market research and project management.

Governance and Financial Performance

- CCWater costs 21p per customer (down from 23p in 2010/11).
- A total budget of £5.685m.
- Between April and the end of August we spent 35% of our budget (£1.98m)
- **Governance**
 - CCWater complies fully with all government's spending restrictions
 - CCWater complies fully with all government's information requests.
 - RSM Tenon has been appointed as the new internal auditor. In August the Auditors looked at our Forward Work programme and Risk Maturity. They made a number of minor recommendations.
 - During Q1 CCWater received 2 Freedom of Information (FOI) requests.
 - All FOI requests were responded to within the 20 day deadline.

Reputation and External Activities

- During the period CCWater commented in the media on drought, leakage, leakage targets and customer perceptions, prices, company performance and companies lifting restrictions.
- More than 40m people had opportunities to see (OTS) CCWater's messages in the media (OTS).
- To buy this amount of media coverage through advertising would have cost £734,420.
- There were 90,059 visitors to the www.ccwater.org.uk website between April and August.

CONSUMER COUNCIL FOR WATERBOARD MEETING TO BE HELD ON TUESDAY 2 OCTOBER 2012FINANCE REPORT - AUGUST 2012**1. Introduction**

- 1.1 The purpose of this report is to provide a summary of financial performance to the Board.
- 1.2 We provide detailed reports and supporting information to all our budget holders and users of financial information on a monthly basis for the purpose of continuous budget management.

2. Recommendation

- 2.1 The Board is asked to **note** the contents of this report.

3. Income and budget 2012-13

- 3.1 CCWater is funded by water customers via Licence Fees levied on the water and sewerage companies. The Licence fee for this year is £5.13m. These licence fees are collected by OFWAT but are held by our sponsor departments Defra and WG. We draw down our funds from DEFRA and WG, based on need on a quarterly basis.
- 3.2 Our budget for 2012-13 is £5.685m including £555k from prior year's under spend we accumulated by managing the business tightly in previous years. The capital budget is set at £130k.

4 Performance against Budget 2012-13

- 4.1 In the period April to August 2012 we consumed 35% of our administrative budget, and 54% of our research budget- see table 1.

Table 1

Summary CCWater's financial performance from 1 April 2012 to 31 August 2012:

Expenditure Type	Spend to August £000s	Budget to August £000s	Variance £000s	% Variance	% Spend of the Budget	Total Budget 2012-2013 £000s
Administrative costs (excl Research)	1,833	1,831	(2)	0	34	5,393
Research	125	124	(1)	(1)	54	232
TOTAL ADMIN COSTS	1,958	1,955	(3)	0	35	5,625
Non Cash items	23	22	(1)	(2)	38	60
OVERALL TOTAL	1,981	1,977	(4)	0	35	5,685

4.2 Overall we have spent just £4k above profiled budget.

Overspends

Personal Overheads (17%) £8,869- due to office moves - extra budget will be made available.

Publicity (6%) £2,498 - due to monitoring - expected to correct later in the year.

Northern & Wales Policy (3%)- due to extra T&S - extra budget will be made available

Finance (2%) £1,278 due to need for additional resources - extra budget will be made available.

Underspends

Computer Services (10%) £8,989 - due to reduced networking charges - will be moved into contingency

Other variance will be discussed with budget holders at the next quarterly meeting.

4.3 Detailed expenditure reports are enclosed. Annex 1 details expenditure by cost code and Annex 2 by activity.

5. Review of Budget allocations

5.1 Each quarter we review the budget allocation and spend with the principle budget holders. Any under spends are moved into the contingency budgets and any unbudgeted expenditure is funded.

5.2 Finance is monitoring the progress of the spend on additional projects (above base budget) including projects agreed by the Board in the March meeting.

Progress against Board Agreed Additional Spend Schemes

Project	Amount	Timing	Consultant / Staff	Progress
B1 -Cost of Capital	£20,000	Nov 12	Consultant	Appointed 'ECA Consultants'
B2 -Additional PR14 support till 2015	£6,664 £3,000	Aug 12 Oct 12	Staff Staff	Completed. SPM & extra PM in post
B3 -Forensic Examination	£30,000		Consultant	May not go forward
B5 -Technical Contingency	£20,000	Dec 12	Consultant	
B7 -Market Intelligence /Data Analysis	£32,500	Oct 12	Staff	Post being advertised externally
N1 - External Affairs - Events		None planned	Staff & Revenue	PR looking for suitable opportunities
C1 -Update IT infrastructure Additional Hosting Server software migration	£47,250 £25,172	Aug 12 Aug 12	Capital & Revenue	Servers & Software installed. Transfer delayed until mid Oct to enable disaster recovery to be in place
C2 -Joint Research (£60k agreed) / Extra Consultancy spend (additional funding found from within existing budget for) 3rd Party insurance Pipes & Drains Insurance Avoiding frozen pipes in winter Driving Satisfaction	£90,000 £15,600 £74,000	Sept 12 Oct 12 Aug 12	Research Research Research	To be tendered Appointed 'You Gov' Competed by 'Creative'
Total	£352,586			

6. Future Activities

- 6.1 Finance is currently building next year's budget. By using previous years underspend we believe we can support the activities, as set out on our draft Forward Work Programme, whilst not increasing our costs to water customers.

Usha Nayyar - Finance Manager - September 2012

ANNEX 1

COST CENTRE TITLE	SPEND TO Aug 12	% OF OFFIC E	PROFILE TO Aug 12	VAR Aug 12	VAR	FULL YR BUDGET	OFFI CE
	£	£	£	£	%	£	%
CHIEF EXECUTIVE OFFICE	89,604	5%	89,064	-540	(1%)	195,368	3%
BOARD (EXCLUDING WALES CHAIR)	143,616	7%	143,798	182	0%	332,882	6%
TOTAL CHIEF EXECUTIVE	233,220	12%	232,862	-358	(0%)	528,250	9%
POLICY & RESEARCH	259,172	13%	257,136	-2,036	(1%)	558,798	10%
CENTRAL AND EASTERN POLICY & LCAs	50,005	3%	50,764	759	1%	138,607	2%
NORTHERN POLICY & LCAs	66,329	3%	64,519	-1,810	(3%)	161,178	3%
WALES - POLICY, LCAs & CHAIR	55,880	3%	54,459	-1,421	(3%)	125,906	2%
WESTERN POLICY & LCAs	41,481	2%	41,080	-401	(1%)	100,292	2%
LONDON & SOUTH EAST POLICY & LCAs	68,605	3%	68,217	-388	(1%)	170,467	3%
TOTAL POLICY & RESEARCH	541,472	27%	536,175	-5,297	(1%)	1,255,248	22%
COMMUNICATIONS	96,617	5%	95,623	-994	(1%)	255,894	5%
TOTAL PUBLIC RELATIONS	96,617	5%	95,623	-994	(1%)	255,894	5%
CORPORATE SERVICES	343,071	17%	345,103	2,032	1%	896,711	16%
FINANCE & RESOURCES	61,943	3%	60,665	-1,278	(2%)	163,986	3%
ICT SERVICES	37,300	2%	39,665	2,365	6%	107,199	2%
TOTAL CORPORATE SERVICES	442,314	22%	445,433	3,120	1%	1,167,896	21%
CONSUMER RELATIONS	150,784	8%	149,527	-1,257	(1%)	428,886	8%
CENTRAL & EASTERN	102,779	5%	101,576	-1,203	(1%)	229,313	4%
NORTHERN	128,775	7%	125,096	-3,679	(3%)	279,321	5%
WALES	52,027	3%	51,719	-308	(1%)	130,549	2%
WESTERN	73,322	4%	76,591	3,269	4%	185,386	3%
LONDON & SOUTH EAST	137,040	7%	139,727	2,687	2%	360,028	6%
TOTAL CONSUMER RELATIONS	644,728	33%	644,236	-492	(0%)	1,613,483	28%
CONTINGENCY FUND	0	0%	0	0	0%	804,229	14%
DEP'N & NON CASH ITEMS	22,725	1%	22,375	-350	(2%)	60,000	1%
CCWATER GRAND TOTAL	1,981,076	100	1,976,704	-4,371	(0%)	5,685,000	100

ANNEX 2

	MONTH						BUDGET	
	Actual	Budget	Actual	YEAR TO DATE	Variance		Remai ning	Total
	Aug 12	Aug 12	to Aug 12	Budget to Aug 12	£	%		
£	£	£	£	£	%	£	£	
TOTAL STAFF COSTS	256,878	256,103	1,222,535	1,219,787	-2,748	(0%)	2,538,708	3,761,243
RESEARCH SERVICES	19,838	18,773	124,837	123,581	-1,256	(1%)	107,343	232,180
TOTAL PERSONNEL OVERHEADS (Excluding Training)	12,493	8,509	61,656	52,787	-8,869	(17%)	59,196	120,852
TRAINING	5,519	4,400	19,498	19,000	-498	(3%)	33,502	53,000
PUBLICITY, LIBRARY & PARLIAMENT	10,070	7,505	43,708	41,210	-2,498	(6%)	63,987	107,695
COMPUTER SERVICES	17,516	20,604	82,379	91,368	8,989	10%	237,621	320,000
OFFICE SUPPORT COSTS	16,140	15,383	78,766	79,115	349	0%	133,264	212,030
ACCOMMODATION	64,760	66,677	324,971	327,481	2,510	1%	493,029	818,000
SUB TOTAL	403,214	397,954	1,958,350	1,954,329	-4,021	(0%)	3,666,650	5,625,000
DEPRECIATION & NON CASH ITEMS	5,755	5,375	22,725	22,375	-350	(2%)	37,275	60,000
OVERALL TOTAL	408,970	403,329	1,981,076	1,976,704	-4,371	(0%)	3,703,925	5,685,000

CONSUMER COUNCIL FOR WATER
BOARD MEETING 2nd OCTOBER 2012

REPORT ON BENCHMARKING CCWATER COMPLAINT HANDLING
REPORT OF: HEAD OF CONSUMER RELATIONS

1. Purpose of report

This report informs the Board of our benchmark complaint handling time and consumer satisfaction position compared to other organisations, using data from 2011-12 or the most recently available data.

2. Recommendations

The Board is asked to:

- Note the report
- Discuss and feedback any key issues arising from the paper to the Head of Consumer Relations for further follow up action

3. Overview of CCWater's Complaint Handling and Satisfaction KPIs

- We compared our 2011-12 complaint handling times and consumer satisfaction to other public sector organisations and ombudsman services. We normalised¹ our data to match the measures used by other organisations in some cases.
- When looking at performance, CCWater handled complaints as well in 2011-12 as it did in previous years benchmarking exercises. We acknowledged all but four complaints within five working days (99.96%), and resolved 84% of complaints within 20 working days and 94% within 40 working days.
- We acknowledged and resolved complaints faster in 2011-12 than other similar organisations (Consumer Focus Extra Help Unit and Financial Ombudsman Services).
- In 2011-12, consumer satisfaction with the outcome of their complaint (64%) and our speed of resolution (83%) improved compared to 2010-11. We maintained our consumer satisfaction with the courtesy of our staff (94%) and of our overall service (75%).
- At 64%, consumer satisfaction with outcome was better than Consumer Focus Extra Help Unit (58%), which scored higher than CCWater in 2010-11. Amongst anonymised public bodies, we were the fourth highest ranked organisation and one percentage point above the average score.
- At 75%, our consumer satisfaction with service is on a par with ombudsman organisations. However, we still have work to do to close the six to ten point gap that would put CCWater in the same league as Consumer Focus Extra Help Unit and Passenger Focus. This is a smaller gap than last year. The Northern Ireland Driver & Vehicle Agency won best in class (93%).
- At 94%, consumer satisfaction with our courtesy was high, but this was also the case for other public sector organisations. We ranked middle of the pack in the anonymous benchmarking group.

¹ By normalised we mean we wrote a report that ran our data with different parameters so that we could accurately see the percentage of our cases that we acknowledged and closed within different time scales to our normal, five, 20 and 40-day KPI targets.

- Consumer satisfaction with speed of our service was high at 83%. CCWater had the highest satisfaction levels compared to all ombudsman services, named benchmark partners and came top of the anonymous benchmark group of public bodies. This reflects our best in class complaint acknowledgement and resolution times.

4. Complaint handling time KPIs

- 4.1 Ombudsman Services (OS) for Energy and Communications (formally Otelo) measure their case times by acknowledgement within ten working days, closure within six weeks and closures over eight weeks. In previous years we have compared our acknowledgement and closure times with theirs. Unfortunately, at the time of this report going to Board, we had not been able to obtain the 2011-12 data to enable us to compare.
- 4.2 Table 1 shows CCWater’s strong handling time performance against other organisations. All figures are for the 2011-12 year.

Table 1: CCWater handling time performance compared to other organisations

KPI	CCWater	Consumer Focus Extra Help Unit	Financial Ombudsman Service
Closed within 35 working days	★ 92%	84%	
Closed three months	★ 97%	*93%	28%
Six months	★ 99.2%		66%
Nine months	★ 99.6%		82%
Twelve months	★ 99.8%		86%

★Best in comparison, *66 working days

- 4.3 In closing cases within 35 working days, CCWater performs better than Consumer Focus Extra Help Unit (EHU).
- 4.4 When measuring longer standing complaints, CCWater performed better than Consumer Focus EHU and Financial Ombudsman Service (FOS).
- 4.5 The likelihood of CCWater closing more longstanding cases than the FOS in three to six months is to be expected. The nature of the FOS cases is more comparable to CCWater’s formal reviews than our referrals and advice to companies.

5. Consumer satisfaction

5.1 Table 2 shows how our consumer satisfaction compares to that of other organisations.

Table 2: CCWater consumer satisfaction compared to other organisations

Organisation	Survey criteria				Survey data collected
	Outcome	Service	Speed	Courtesy	
CCWater	★ 64%	75%	★ ★ 83%	★ 94%	2011-12
Ombudsman					
Ombudsman Services: Energy		*74%			Mar - Apr 2012
Ombudsman Services: Communications		*76%			Mar - Apr 2012
Financial Ombudsman Service		won: 89% lost: 52% total: 71%	58%		2011-12
Legal Ombudsman Services		75% consumers 76% lawyers			Apr 2012
Parliamentary & Health Service Ombudsman	34% enquiries ★ 65% compl'ts 4% reviews	71% enquiries ★ 84% compl'ts 33% reviews	69% enquiries 36% compl'ts 53% reviews	92% enquiries ★ 95% compl'ts 72% reviews	May - Oct 2011
Other Services					
Consumer Focus Extra Help Unit	58%	86%	57%	77%	2011-12 (cases closed Nov to Jan, surveyed Jan to May)
Passenger Focus		*81%			2011-12
Press Complaints Commission		**76%	62%		2011
Driver & Vehicle Agency		★ 93%			2011-12

*satisfaction with overall handling of query, **satisfaction with complaint handling

★ Best in ombudsman comparison, ★ Best in other organisations comparison

■ Data unavailable

5.2 Consumer satisfaction with overall service is a commonly comparable measure. Consumers were as satisfied with CCWater as they were Ombudsman organisations. However, consumers were not as satisfied with CCWater as they were with other comparable organisations, e.g. Passenger Focus. It may be that the wide range of complaints CCWater deals with impacts on our success in this measure, as there are some cases where we cannot reasonably improve the outcome for the consumer.

- 5.3 Consumers were more satisfied about the outcome of their case with CCWater than they were with Consumer Focus EHU or the Parliamentary and Health Service Ombudsman's (PHSO) enquiries and review cases. Consumers were about as satisfied with the outcome of a PHSO complaint as they were with CCWater.
- 5.4 CCWater scored significantly better than comparator organisations when measuring consumer satisfaction with our speed of service.
- 5.5 Many organisations do not measure consumer satisfaction with the courtesy of their staff. Where it is measured, satisfaction does not vary much. CCWater compares favourably.
- 5.6 Adding weight to the argument that consumers find it difficult to separate the outcome of their case from their satisfaction with the overall service, the FOS reports vastly differing consumer satisfaction for cases that have been "won" versus cases that were "lost". The PHSO also suffered from the effect of consumers who did not feel they had a good outcome. It reported much lower satisfaction when it conducted a review of an earlier complaint decision.

6. Anonymous data

- 6.1 We shared our data with a market research company that anonymised and compared data for government departments and agencies, such as NS&I, HMRC, Business Link and National England. Table 3 shows how CCWater compares to the median score and ranks amongst participating government organisations.

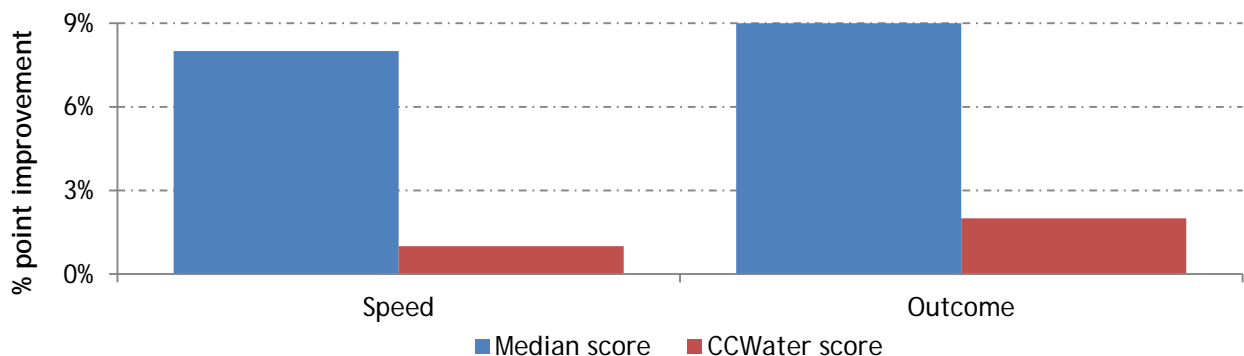
Table 3: CCWater scores and rank compared to anonymous organisations (2010-11 figures in brackets)

Criterion	Number of Organisations with criterion	Median score	CCWater score	CCWater rank
Speed complaint was dealt with	8 (9)	68% (60%)	83% (82%)	1 st (1 st)
Complaint outcome	8 (9)	63% (54%)	64% (62%)	4 th (3 rd)
Politeness / courtesy of staff	14 (16)	95% (95%)	94% (94%)	8 th (10 th)
Overall service received	39 (34)	83% (83%)	75% (75%)	30 th (25 th)

- 6.2 Speed - at 83%, CCWater consumers were more satisfied with our speed of complaint handling than consumers of other organisations were. Results for other organisations ranged from 12% to 83%.
- 6.3 Outcome - CCWater consumers' satisfaction with outcome was the fourth highest compared to other organisations. Results for other organisations ranged from 17% to 86%.
- 6.4 Courtesy - benchmarking data shows us to be within the pack for satisfaction with courtesy of staff. The range is narrow, from 83% to 98%.

- 6.5 Service - consumers did not rate their overall satisfaction with our service as highly as the median score. CCWater has some way to go to reach the average (see 8.1 for further actions). There was wide variability in organisations results, from 56% to 98%. However, it is worth noting that many of the organisations we have benchmarked against receive first line complaints, whereas CCWater receives second line complaints, i.e. our complaints have already gone through a company complaints procedure and received an unsatisfactory response to their problem in many cases. This difference is more likely to make our consumers harder to satisfy as it is outside of our gift to give the outcome that many consumers want to their complaint. Our consumer-facing staff tell us that many complaints we receive have had the correct outcome from the water company so are more difficult to handle in a manner where the consumer perceives they have received a good service.
- 6.6 When measuring consumer satisfaction with our overall service and with courtesy, CCWater has not improved compared to 2010-11 but nor has the median score when including other organisations.
- 6.7 When measuring consumer satisfaction with our overall speed and outcome, CCWater has improved by one and two percentage points respectively. However, the median score has improved at a much greater rate; eight percentage points for speed and nine percentage points for outcome. Chart 1 shows that CCWater improved, but other public sector organisations improved at a greater rate. This has brought the median score closer to our own results.

Chart 1: Customer satisfaction improvements: Median and CCWater scores



7. CCWater historical data

- 7.1 Table 4 shows CCWater’s performance against KPI targets since our inception in 2005. We have consistently exceeded our published and OBP targets.

Table 4: CCWater performance against KPI’s

Number of Days	Published Standard	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13 YTD (Aug)	OBP targets 2012/13
5 day	97%	99%	98%	99%	99%	100.0%	99.9%	99.96%	99.7%	99.5%
20 day	70%	71%	72%	76%	76%	81.9%	82.1%	83.9%	80.0%	77%
40 day	85%	86%	86%	87%	90%	92.6%	92.6%	93.5%	92.0%	90%

- 7.2 Table 5 shows CCWater’s performance against Consumer Satisfaction targets since our inception in 2005. With the exception of satisfaction with outcome, we have always achieved our OBP targets for consumer satisfaction and continually improved our results in all measures.

Table 5: CCWater performance in Consumer Satisfaction

Criteria	2005/6	2006/7	2007/8	2008/9	2009/ 10	2010/11	2011/12	Q1 2012/13	OBP targets 2012/13
Outcome	43%	58%	62%	57%	59%	62%	64%	64%	61%
Speed	70%	73%	72%	75%	82%	82%	83%	83%	79%
Service	53%	61%	63%	67%	74%	75%	75%	76%	73%
Courtesy				81%	94%	94%	94%	95%	92%

8. Further consumer satisfaction actions

8.1 CCWater staff agreed at customer service workshops in May 2012 a number of further actions to improve customer satisfaction. Working groups are looking at the viability of different options that may help us achieve this going forward:

- *Information Centre*: better organised access to policy key messages, consumer research, legislation and organisations for us to signpost consumers to.
- *Call handling*: the ability to transfer calls between offices at peak times to allow for a more even distribution of telephone contact workload.
- *Improved internal working*: creating more opportunities to share best practice and discuss key matters with policy and consumer relations colleagues.
- *Bespoke letters*: making our standard letters more personal to consumers.
- *Key driver analysis*: from the market researcher which took over responsibility in 2012 for administering the satisfaction survey, looking at what changes we can make to most improve customer satisfaction.

9. Conclusions

9.1 CCWater continued to outperform most other organisations in the time it takes us to acknowledge and resolve complaints.

9.2 CCWater had the highest satisfaction with speed amongst ombudsman services and the highest satisfaction with courtesy and outcome amongst other named consumer organisations.

9.3 CCWater's results for satisfaction with overall service are on a par with ombudsman services.

9.4 We fell short of some organisations we benchmarked against when measuring consumer satisfaction with overall service. We acknowledge the challenge posed to us in the type of complaint we receive (see 6.5). However, we will continue to challenge ourselves to improve our overall satisfaction levels to 80% to put us within the pack of other public bodies.

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PUBLIC OUTSTANDING AND ONGOING ACTIONS FROM BOARD MINUTES: up to 18 Sept. 2012

Paper no. 17

REF (Min. no.)	ACTION	OWNER	DEADLINE	COMMENTS
PUBLIC OUTSTANDING - PART 1				
10 January 12 PUBLIC BOARD				
CB 315.5 (Linked to BS4.4)	Consider arranging symposium on White Paper chaired by a respected person	Deryck Hall/ Andy White/ Karen Gibbs	December 2012	Andy White and Karen Gibbs to investigate options re water resources. Recommendation in September and action (if appropriate) by December.
6 March 2012 PUBLIC BOARD				
CB336.3	Charging approval process - further work to be undertaken as indicated in the report	Deryck Hall/Andy White	September 2012	Board Update outlining proposed actions issued on 1 August 2012. Item to be discharged
12 June 2012 PUBLIC BOARD				
CB17	A more proactive means of using research information be considered by the Executive	Deryck Hall	September 2012	Paper agreed by Exec, commented on by YB and DMc, revised, and sent to Board 7 September 2012 Item to be discharged
CB18	Suggestions made to improve South West Water complaint handling be given further consideration	Carl Pegg	September 2012	Detailed analysis of complaints CCWater receive against company completed and shared with CRM and LCA. Meeting involving local CRM, LCA with the company to be arranged for later this month to agree future action plan to reduce complaint levels to CCWater.
CB19	Submission of Annual Report and Accounts, Statement on Internal Control and the Letter of Representation	Tony Smith	June 2012	Report, Accounts, Statement and letter submitted 12 June. Item to be discharged
CB22	CCWater's Welsh Language Scheme annual monitoring report 2011/2012 be submitted to the Welsh Language Commissioner	Lia Moutselou	June 2012	Complete and submitted. Item to be discharged
PUBLIC ONGOING				

PUBLIC OUTSTANDING AND ONGOING ACTIONS FROM BOARD MINUTES: up to 18 Sept. 2012

Paper no. 17

REF (Min. no.)	ACTION	OWNER	DEADLINE	COMMENTS
PART 2				

NONE

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