

OPERATIONAL BUSINESS PLAN

2017-18

“Putting consumers at the heart of the water industry”

Contents

1.	Introduction	3
2.	Delivery and management of the plan	5
3.	Our key strategic priorities and how we will deliver them during 2017-18	6
3.1	SPEAKING UP FOR AND INFORMING HOUSEHOLD AND BUSINESS CONSUMERS	6
3.2	FAIR, VALUE FOR MONEY CHARGES THAT ARE AFFORDABLE IN THE LONG TERM	9
3.3	SERVICES THAT ARE EASY TO ACCESS AND RIGHT FIRST TIME	13
3.4	A RESILIENT, SUSTAINABLE, GOOD QUALITY WATER SUPPLY FOR NOW AND IN THE FUTURE	16
3.5	A SUSTAINABLE, RESILIENT, SEWERAGE SERVICE THAT WORKS NOW AND IN THE FUTURE	18
4.	CCWater research for 2017-18	18
5.	Making sure our support services are effective and value for money	19
6.	Resources	20
7.	Governance and risk management	21
	Appendix A: Legal functions, duties and powers of CCWater	22
	Appendix B: Organisational Structure (Feb 2017)	24

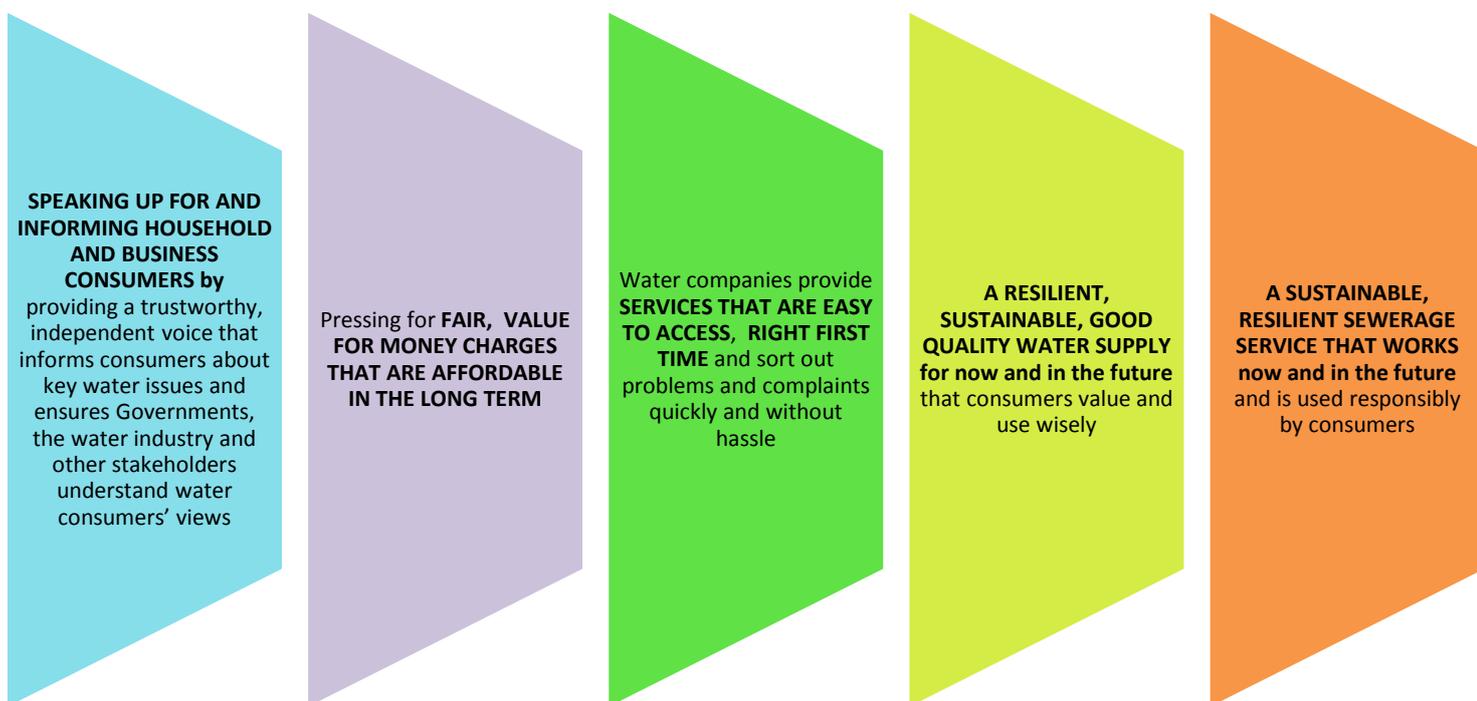
1. Introduction

The Consumer Council for Water (CCWater) is the independent and statutory water consumer body which represents both household and business¹ water consumers in England and Wales.

Our Operational Business Plan for 2017-18 has been structured to show how we will deliver the first year of our Forward Work Programme² commitments to benefit water consumers and achieve our vision of:

Putting consumers at the heart of the water industry

Our key strategic priorities are developed to direct our work so we can achieve our vision.



Our focus in 2017-18

In 2017-18 we will continue to concentrate our resources on our five strategic priorities outlined above, with a particular focus on the following 'key 2017-18 issues' as indicated within this plan:

1. **The Price Review 2019 (PR19)** - We will make sure the Price Review delivers for consumers by influencing the development of Ofwat's PR19 methodology and decisions. We will also influence water companies to ensure that the Price Review process listens to local consumers' views and accurately translates them into companies' business plans. We will work directly with each company and their local Customer Challenge Group (CCG) and aid CCG members by continuing to provide our briefings to help them challenge the

¹ Where we refer to 'businesses' or 'business customers' we mean non-household customers, such as business customers, charities and public sector organisations

² CCWater Forward Work Programme 2017-20. Link [here](#).

companies' proposals where needed. We will retain our focus on good quality consumer engagement.

2. **The new retail market for businesses in England³** - We will keep a close eye on the new competitive retail market to make sure it works and problems are resolved quickly, by monitoring and taking action when a trend indicates there is an issue. We will continue to help raise awareness of the new market and work with new retailers as they enter the market so customers know to come to CCWater if they have a problem, and retailers use an efficient complaint process.
3. **Helping those struggling to pay** - We will increase awareness of the assistance available for those consumers struggling to pay by working with the water companies on the promotion and delivery of financial assistance schemes, including social tariffs.
4. **Targeting poor performing water companies** - We will continue to target poor performing water companies, to get the improvements consumers need and the 'right first time' service they deserve. Companies must show how they will improve and we will continue with our new approach of requesting interim action update reports from the poorest performers.
5. **A resilient future water supply** - We will work with Defra, Welsh Government, the regulators and water companies to ensure water consumers remain at the heart of water management policy development, planning and implementation, and that they can enjoy a safe resilient supply into the future.

We will work in partnership with the UK and Welsh Governments, regulators, each water company, retailers, other consumer bodies and business groups such as Citizens Advice/Citizens Advice Cymru and the Consumer Futures Unit within Citizens Advice Scotland, Age UK/Cymru, Energy Savings Trust, Resource Efficient Wales, Money Advice Service, Essential Service Access Network, the Federation of Small Businesses, Consumer Council for Northern Ireland and the Major Energy Users Council, to deliver on behalf of water consumers.

To understand what is important to consumers, we will continue to base our work on consumer evidence by;

- carrying out research with water consumers,
- using evidence from complaints,
- using evidence from engagement with consumers through social media.

This ensures the advice we give to Governments, regulators, water companies, retailers and others reflects consumers' views. We also use data and information from within the water industry and from other sectors, where appropriate, to promote and protect consumers' interests.

³ Most business customers in Wales and household customers in England and Wales will not be able to switch water and sewerage retailer, as well as some commercial customers where someone has their principle home.

2. Delivery and management of the plan

In delivering our Operational Business Plan, we will:

- Fulfil our legal duties set out in **Appendix A**;
- Maintain a strong focus on consumer advocacy;
- Continue to consider sustainable development by showing how we balance the economic, environmental and social aspects in all that we do;
- Continue to consider and deliver our obligations under our Welsh Language Scheme; and
- Continue to develop CCWater's approach to supporting consumers who are experiencing vulnerable circumstances and apply it to all projects we undertake, including helping consumers in need of extra assistance such as large print, Braille, and other translation services to access our services.

For each of our priority areas of work we have identified our strategic priority and targets to measure how our work adds value for consumers.

The Operational Business Plan forms part of our monitoring and measurement framework aligned to our Forward Work Programme.

To help us to measure our performance we:

- Carry out annual tracking research to assess the effects of our work and to monitor consumers' views about water and sewerage services.
- Assess consumers' experience of using our service.
- Have a series of performance measures and milestones to track the progress in delivering the plan. This report is regularly reviewed by the Executive Team to ensure that we are delivering our commitments. Remedial action is taken where there is a delay in delivery due to internal reasons.

We are focusing resources on those issues where we believe we can make a significant and positive contribution for water consumers. We will work towards delivery of other projects outlined in this plan, where resources allow, but we may need to defer some activity in the light of external influences such as changes in the direction and scope of either the UK Government's or Welsh Government's water-related policies. As ever, we will remain flexible, anticipating or responding to changing circumstances.

3. Our strategic priorities and how we will deliver them during 2017-18

3.1 Strategic Priority 1 - SPEAKING UP FOR AND INFORMING HOUSEHOLD AND BUSINESS CONSUMERS by providing a trustworthy, independent voice that informs consumers about key water issues and ensures Governments, the water industry and other stakeholders understand water consumers' views;

KEY 2017-18 ISSUE

The new retail market for businesses in England⁴ - We will keep a close eye on the new competitive retail market to make sure it works and problems are resolved quickly, by monitoring and taking action when a trend indicates there is an issue. We will continue to help raise awareness of the new market and work with new retailers as they enter the market so customers know to call CCWater if they have a problem, and retailers use an efficient complaint process.

With retail competition for non-household customers open for business, we will continue to work to create the conditions for a successful market. We will act and get Ofwat or MOSL to respond if there are systemic problems. We will develop further our business customer work to inform them about which retailer is getting the least complaints (both complaints to us and directly to them), highlight the pros and cons of switching or re-negotiating, track consumer awareness; and protect customers who have been let down by service failure, such as the misuse of data or if their retailer closes.

WHAT WE WILL DO

During 2017-18 we will:

- Champion the protection of market-eligible customers in England and Wales, particularly micro and small businesses.
- Ensure that those who are not eligible for the market do not suffer any detriment.

Making sure the market works

- Monitor the market and retailers closely and ensure adequate consumer protection measures are in place.
- Raise any industry-wide problems with the appropriate body (such as Ofwat or MOSL) and press for changes to market regulations or codes, where necessary.
- Work with new retailers so customers know to call CCWater if they have a problem.
- Encourage the industry, especially new entrants, to use an efficient complaint process.
- Work with retailers and wholesalers to protect business customers when emergency incidents occur so they are aware of who to contact to get help.
- Help inform the development of protections to safeguard consumers when interacting with Third Party Intermediaries (TPIs), commonly known as brokers.

Offering advice

- Handle effectively customer complaints we receive about the competitive market.
- Provide impartial advice about the market, including on eligibility, and cross-border areas between England and Wales.

Publishing customer experiences and performance

- Track the business customer experience in England (particularly micro, small and medium-sized) and business customer views in Wales, taking action where necessary if evidence of customer experience reveals issues with individual retailers or the design or regulation of the market itself.
- Provide performance information on retailers, initially through the complaints we receive.

⁴ Most business customers in Wales and household customers in England and Wales will not be able to switch water and sewerage retailer, as well as some commercial customers where someone has their principal home.

- Monitor the customer’s experience of brokers through the complaints we receive.

Raising awareness

- Continue to help raise customer awareness of the retail market, directly and via trade and member organisations such as the Federation of Small Businesses, the National Farmers Union, Chambers of Commerce and Local Enterprise Partnerships.
- Use and share consistent messaging about the market.

Wales

- Focus on the retail elements of the performance of water companies based in Wales, so business customers in Wales benefit from excellent customer services.
- Advise Welsh Government of the scale and nature of complaints and enquiries resolved for business customers served by Welsh water companies about the opening of the retail market in England, especially those on the border between England and Wales.
- Work with stakeholders to make sure that messages to Welsh-based customers, particularly along the border with England, are clear about eligibility.

HOW WE WILL MEASURE OUR SUCCESS

- Retailers quickly fix any problems with their service that we identify from monitoring.
- The sector raises business customers’ awareness of retail competition in England to 75% by March 2018.

Linked to this strategic priority **SPEAKING UP FOR AND INFORMING HOUSEHOLD AND BUSINESS CONSUMERS** are other workstreams:

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>Make sure that, if it goes ahead, any competition for household consumers works and lessons are learned from the implementation within the business customer sector.</p>	<p>If household competition goes ahead, there is evidence of our influence (based on evidence of consumers’ views where appropriate) in the early 2017-18 thinking around:</p> <ul style="list-style-type: none"> • The design and regulation of a household retail market, using ‘lessons learned’ from the experience of micro, small and medium-sized businesses within the new non-household market and the introduction of household competition in other utility markets, where appropriate. • Consumer protection polices for the market, especially to protect more vulnerable consumers.
<p>Influence the agenda so policy changes by governments are focused on consumers.</p>	<p>Key policy changes have considered consumer evidence and CCWater work, for example proposals on the Abstraction Reform Bill, River Basin Management Plans, Welsh Government’s Water Strategy for Wales, affordability & meeting the needs of consumers in vulnerable circumstances.</p> <p>All water consumer-related discussions in relevant groups are informed by consumer views from CCWater evidence and industry performance reports through our participation. These are groups such as the All Party Parliamentary Water Group, EFRA Select Committee meetings or the sessions of the relevant Assembly Committee, and Wales Water Forum meetings.</p> <p>Decisions on the implementation of Silk Commission Recommendations on Water will have considered implications for border consumers in England and Wales.</p>

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
Share good practice and expertise to improve services for consumers	<p>Companies serving household consumers will adopt our good practice recommendations as part of our collaborative work with them.</p> <p>Agencies who work with consumers experiencing vulnerable circumstances, will know to seek our advice on affordability, water and sewerage issues.</p> <p>Water companies will deliver tailored services that meet the needs of all consumers, especially consumers in vulnerable circumstances, and will adopt the term ‘priority services’ to increase visibility of services to help those in need across water and energy.</p>
Inform consumers about key issues within the water industry, including the industry’s performance and ways consumers could save money off their water bill.	<p>Household and non-household consumers record a high level of satisfaction with our website content.</p> <p>Consumer relevant performance information on water companies is published annually.</p> <p>Media activity informs consumers about the action they can take to protect their services and to access help and information from others.</p> <p>Consumers are better informed about water issues with our key messages and advice reaching a potential audience of 100 million people through the media.</p> <p>The number of people visiting our website, including through our online meter calculator during 2017-18 is at least 500,000.</p> <p>More consumers engage with us through our social media channels, including Twitter, Facebook and LinkedIn.</p>
Ensure that our services are accessible to all consumers	<p>Our tracking surveys evidence an increase in the number of consumers - household and non-household - who are aware of CCWater and our role.</p> <p>We deliver our Welsh Language Scheme obligations as set out in the principles of the Welsh Language Commissioner.</p> <p>Consumers who request Welsh communication receive this support.</p>

3.2 Strategic Priority 2 - Pressing for FAIR, VALUE FOR MONEY CHARGES THAT ARE AFFORDABLE IN THE LONG TERM

KEY 2017-18 ISSUE

The Price Review 2019 (PR19) - We will make sure the Price Review delivers for consumers by influencing the development of Ofwat's PR19 methodology and decisions. We will also influence water companies to ensure that the Price Review process listens to local consumers' views and accurately translates them into companies' business plans. We will work directly with each company and their local Customer Challenge Group (CCG), and aid CCG members by continuing to provide our briefings to help them challenge the companies' proposals where needed. We will retain our focus on good quality consumer engagement.

The conclusion of the 2014 Price Review (which set water companies' prices and service performance commitments for 2015-20) was largely seen as a success with many consumers seeing price reductions before inflation and companies required to deliver service commitments based on consumers' priorities.

The 2019 Price Review (PR19) should build on that success to give consumers an even more effective role in companies' delivery of consumers' expectations, using lessons learned from our review of the 2014 review⁵.

WHAT WE WILL DO

Our national role

- Help the Governments in England and Wales as they develop their frameworks for the 2019 Price Review, so they influence Ofwat to focus its methodology on consumers' requirements.
- Challenge Ofwat on behalf of consumers as it considers the incentive regime and the cost of capital, to counterbalance the strong industry lobby for higher financing costs (and its impacts on higher bills for consumers). We will press Ofwat and companies to incentivise an outcome based on their consumers' satisfaction or perception.
- Negotiate the consumer perspective with the Environment Agency, Natural Resources Wales, Natural England and the Drinking Water Inspectorate, so they consider the impact their decisions will have on consumers' bills and services, and work with water companies to consider innovative approaches to spreading the cost of meeting new requirements.
- Work the Welsh Government's Wales Water Forum to help ensure that Welsh water companies' business plans offer price, service delivery and investment proposals that are based on sound evidence of consumers' views, wherever possible.

Our local role with each company and their local Customer Challenge Group (CCG)

- Keep a strong focus on consumer engagement by the companies so local consumers' views are accurately translated into companies' business plans. Help ensure views are taken from a variety of consumer sources, using good quality consumer engagement.
- Influence 2020-25 business plans so commitments are based on evidence of needs and expectations of different consumer groups.
- Use our comparative analysis to ensure companies challenge themselves to deliver performance that compares well to other companies, and help CCGs (and consumers) understand their company's relative performance.
- Challenge if we believe companies used consumer evidence to justify a pre-designed plan.
- Press for evidence of long-term price profiles that account for spend now/save later – save now/spend later - or evenly paced bill scenarios.

⁵ [CCWater's review of PR14 - 'A Step In The Right Direction'](#)

Future Consumers

- Press for companies to produce long-term (25 year or more) strategic plans as a critical part of the business plan development process.
- Ensure that water company business plans for 2020-25 and Ofwat's decision-making process (set out in its methodology) both address the needs and affordability of current consumers (in the short term) and future consumers, by setting performance commitments that contribute to long-term outcomes (such as the future resilience of water and wastewater networks).
- Challenge the companies and Ofwat to ensure that the revenue recovered from both current and future consumers ensures bills have a smooth profile, and reflects efficient costs both in the short term and long term.

HOW WE WILL MEASURE OUR SUCCESS

- Defra and Welsh Government's strategic policy statements to Ofwat ahead of the Price Review include guidance on the need for Ofwat to ensure its price determinations in 2019 reflect the needs of current and future consumers in England and Wales.
- Ofwat's methodology for the 2019 Price Review shows that:
 - Ofwat requires companies to have robust evidence of consumers' views to underpin the commitments, incentives and prices proposed in their business plans.
 - value for money will be delivered for consumers in its approach to setting cost assumptions and the cost of financing, and any incentives are focused on consumers.
 - the five-year price control forms part of a longer term strategy to deliver good service and fair prices for current and future consumers.
- The statutory quality regulators' objectives or aims for the Price Review shows consumers perspectives will be included in the development of investment or company actions to ensure environmental and drinking water quality requirements are delivered.
- We and each company's CCGs use comparative information, guidance and other 'tools' to help them scrutinise and challenge companies' plans.
- Ofwat acts on our suggestion for a new consumer experience measure to form part of water company commitments or incentives.
- Companies produce long-term plans as the context for their business plan.

KEY 2017-18 ISSUE

Helping those struggling to pay - We will increase awareness of the assistance available for those consumers struggling to pay by working with the water companies on the promotion and delivery of financial assistance schemes, including social tariffs.

We want more customers to find their bill affordable; effective help and advice for those struggling to pay; and for social tariffs to deliver positive outcomes for consumers. We will build on our work with companies during the past few years which has ensured more help is available to consumers who are struggling to afford their bills. We want to see consumer awareness of assistance schemes such as WaterSure or WaterSure Wales increase from its relatively low base. We will also continue to help share good practice in the delivery and promotion of affordability across the industry. We would wish to ensure financially vulnerable consumers continue to receive support in the event of the introduction of household retail competition in England.

In line with the Water Strategy for Wales, we are providing advice agencies in Wales with clear information about the support available from the water companies. We will also provide this to agencies in England.

We will continue to highlight to the Governments in England and Wales the limitations of what can be delivered through customer-funded social tariffs, and consumers' views on the benefits of an Industry-wide scheme funded through public expenditure.

WHAT WE WILL DO

During 2017-18 we will:

- Play our part in improving advice, awareness and access to assistance schemes for consumers who are experiencing affordability issues. Help identify opportunities to identify people who will benefit from assistance, including through the sharing of data, where appropriate.
- Work with companies as they develop, implement and enhance social tariffs and other assistance schemes. Review the schemes effectiveness including how they meet governments' guidance and identify improvements to maximise assistance to those in need.
- Work with Welsh Government, Ofwat, water companies in Wales and consumer organisations on delivering principal actions from the Water Strategy for Wales to address the key issues regarding access to affordable water and sewerage services, tackling debt, ensuring a strong consumer focus and promoting the efficient use of water.

HOW WE WILL MEASURE OUR SUCCESS

The number of consumers accessing water company tariff schemes, such as WaterSure and social tariffs, increases by 10 percentage points by 2018.

There is an increase in the numbers of consumers who find their bill affordable from 74%.

Linked to this strategic priority **FAIR, VALUE FOR MONEY CHARGES THAT ARE AFFORDABLE IN THE LONG TERM** are other workstreams:

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>Value for Money Challenge companies who outperform Ofwat’s assumptions on financing to ensure consumers receive value for money.</p>	<p>Value for Money Water companies will share outperformance with consumers to ensure a fair balance.</p>
<p>Fair Charges We will work with companies to make sure any changes are fair and review charges through our annual assessment of companies’ Charges Schemes, and in response to any Government Charging Guidance proposals.</p>	<p>Fair Charges Our research will show a rising trend in consumers who think their water bill is fair (recorded in our 2018 Water Matters survey).</p>
<p>Mergers and acquisitions We will provide the consumer perspective if a water company wants to merge with another water company, so consumers’ interests are protected, for example as Severn Trent’s acquisition of Dee Valley Water progresses.</p>	<p>Mergers and acquisitions Any concerns we have about consumer protection issues are recognised by the acquisition company and acted upon.</p>

3.3 Strategic Priority 3 - Water companies provide SERVICES THAT ARE EASY TO ACCESS, RIGHT FIRST TIME and sort out problems and complaints quickly and without hassle

KEY 2017-18 ISSUE

Targeting poor performing water companies - We will continue to target poor performing water companies, to get the improvements consumers need and the 'right first time' service they deserve. Companies must show how they will improve and we will continue with our new approach of requesting interim action update reports from the poorest performers.

Written complaints to water companies have reduced year on year and slowed to around 106,000 in 2015-16. However, within this number there are still some companies that see proportionately higher complaint levels than average. For some companies this has been the case for several years. In 2015-16, some companies also reported significant increases in the number of written complaints they received compared to the previous year. To increase the reputational pressure on the poor performers we have asked and will continue to ask (while there is a problem) for interim reports to us to outline the steps companies are taking to resolve the issues and how successful those measures have been.

WHAT WE WILL DO

During 2017-18 we will:

- Continue to work with poorer performing companies with the aim of bringing their complaint numbers into line with industry averages;
- Ask for interim reports outlining action taken to address poor complaints performance;
- Work with companies to identify and address the root causes of complaints; and
- Tackle key performance issues that affect consumers and generate complaints, such as the implementation of new billing systems, extreme weather events and one-off incidents.

HOW WE WILL MEASURE OUR SUCCESS

Poor performing water companies get it right first time and receive fewer complaints.

Linked to our Strategic Priority **SERVICES THAT ARE EASY TO ACCESS, RIGHT FIRST TIME**, are other workstreams:

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>Complaints to companies</p> <p>We will publish our annual report on water company and retailer complaints, praising the better performers and criticising the poor performers. We will challenge the industry on themes from complaints and maintain pressure on companies to reduce complaints.</p> <p>We will compare water companies and retailers and share good practice across the industry where this is identified.</p> <p>We will also review how companies conduct their household complaint handling and debt management to ensure revenue is collected effectively and sensitively. We will identify areas of improvement and share good practice where it is evident.</p>	<p>Complaints to companies</p> <p>Written complaints continue to reduce year on year below the 2015-16 figure of 106,000.</p> <p>Second stage written complaints reported by companies to reduce below 6,100.</p> <p>Water companies and retailers adopt our good practice recommendations to improve their complaint handling and debt management.</p> <p>A reduction in the number of complaints CCWater receives against companies about company debt management.</p>
<p>Enquiries and complaints to CCWater</p> <p>We will help household and business consumers with their enquiries and resolve their complaints with water companies.</p>	<p>Enquiries and complaints to CCWater</p> <p>Consumers get a satisfactory and prompt response from us when complaining about their water company, with 99.5% getting a response within 5 days, and 75% satisfied with our service during 2017-18.</p> <p>We will aim to meet our current performance targets for responding to consumers and complainants. Specifically:</p> <ul style="list-style-type: none"> • 99.5% of complainants responded to within five days; • 80% of complaints resolved within 20 days; and • 91% of complaints resolved within 40 days. <p>Consumer satisfaction with the quality of our complaint handling service will be 75%. We aim to move towards:</p> <ul style="list-style-type: none"> • 61% on satisfaction with our outcome. • 80% on satisfaction with our speed of response. <p>This is to compare favourably to other comparator organisations as our new organisational structure on complaints delivers high service standards⁶.</p>

⁶ These are our business plan figures for 2017-18 which are reviewed annually.

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>Alternative Dispute Resolution (ADR)</p> <p>We will signpost eligible household and business consumers who seek to use the industry’s WATRS scheme or a retailer’s choice of ADR provider.</p> <p>We will help companies learn lessons to avoid repetition of the issue.</p> <p>We will continue to give feedback to the Independent Oversight Panel’s future reviews, advising on how we believe the scheme has benefitted consumers and any improvements we believe could be made to the scheme.</p>	<p>Alternative Dispute Resolution (ADR)</p> <p>Eligible complaints are signposted to WATRS or a retailer’s choice of ADR provider.</p> <p>There are no unnecessary delays for consumers in getting a timely case resolution, due to circumstances under our control.</p> <p>CCWater’s views are considered in the 2016-17 WATRS Review, which will take place in 2017-18.</p>
<p>Driving improvements in water company performance</p> <p>We will:</p> <ul style="list-style-type: none"> • Continue to provide insight and analysis reporting on information from water companies and retailers. Ensure information on industry performance and issues affecting consumers is available in public. • Identify issues that the industry should improve locally, and on an England and Wales level, through industry performance reporting. • Work with the industry and Ofwat on the development of the Service Incentive Mechanism (SIM) and a new consumer experience measure which will better suit the new consumer landscape and encourage companies to further improve their service. 	<p>Driving improvements in water company performance</p> <p>Poor performing water companies and retailers get it right first time and receive fewer complaints.</p> <p>A future measure beyond 2020 will assess consumer satisfaction or perception for the whole consumer base. SIM is improved and covers all methods of communication including social media.</p>
<p>Consumers in vulnerability</p> <p>We will:</p> <ul style="list-style-type: none"> • Encourage all companies to use ‘priority services’ to describe their assistance schemes. • Share good practice on reaching consumers in vulnerability. We will review company progress against the recommendations from our “Special Assistance Scheme Review Report” published in December 2016. • Explore if there are opportunities for companies to develop a ‘community vulnerability’ strategy with local partnership organisations. 	<p>Consumers in vulnerability</p> <p>Companies will increasingly adopt the consistent branding of “priority services”.</p> <p>Our review finds that companies have progressed against our report’s recommendations.</p> <p>Consumers receive information on what’s happening, what they need to do, and have easy access to support at the right time.</p>

3.4 Strategic Priority 4 - A RESILIENT, SUSTAINABLE, GOOD QUALITY WATER SUPPLY for now and in the future that consumers value and use wisely

<p>KEY 2017-18 ISSUE</p> <p>A resilient future water supply - We will work with Defra, Welsh Government, the regulators and water companies to ensure water consumers remain at the heart of water management policy development, planning and implementation, and that they can enjoy a safe resilient supply into the future.</p>
<p>WHAT WE WILL DO</p> <p>During 2017-18 we will:</p> <ul style="list-style-type: none"> Engage in the Water Resources Management Planning process in England and Wales to support and influence the companies' approach to consumer engagement on key issues like resilience, the needs of the community and affordability in the long term. We will play our part in making sure it delivers safe, resilient supplies. Work with the governments in England and Wales and the environmental regulators on issues relating to water management policy and strategy for England and Wales. Continue to engage with Ofwat as it further develops its thinking on what resilience means for the water industry, and press for consumers to be central to the plans for taking this forward. Encourage company joint working and planning in particular through the Water Resources in the South East and Water Resources East Anglia groups.
<p>HOW WE WILL MEASURE OUR SUCCESS</p> <p>There is evidence that:</p> <ul style="list-style-type: none"> Companies have appropriate engagement plans to gather and understand consumer views and they have been taken into account in the development of policies and water resource management planning. We have critically analysed the issues and we are challenging proposals where they could have a detrimental impact on consumers. More consumers have confidence in their water company to deliver a long-term secure supply. <i>New measure to be based on our 2017 Water Matters survey.</i>

Linked to our Strategic Priority **A RESILIENT, SUSTAINABLE, GOOD QUALITY WATER SUPPLY** are other workstreams:

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>Price Review 2019</p> <p>We want to see companies developing long-term strategies that account for the increasing pressures on water resources and spread investment over an appropriate time frame, so the water supply remains safe, resilient, affordable and acceptable to existing and future consumers.</p>	<p>Price Review 2019</p> <p>There is evidence of good quality and comprehensive consumer engagement influencing the WRMPs and long-term strategies.</p>
<p>Water quality and public health</p> <p>We will continue monitor that consumers see a good quality water supply at an affordable price.</p>	<p>Water quality and public health</p> <p>A continued high level of consumer satisfaction with water services is reflected in research.</p>

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
Leakage	Leakage
We want to see water companies prioritise leakage work in a way that meets consumers' expectations.	Evidence shows that where appropriate we have challenged for improvement or commended good practice.
Using water wisely	Using water wisely
<p>We want to:</p> <ul style="list-style-type: none"> • Help inform consumers of the pressures on our water resources and the benefits of using water wisely including the links between water and energy efficiency. • Help to raise awareness of using water wisely through social media and joint initiatives with other stakeholders. • We will help micro, small and medium-sized businesses think about water efficiency through our partnership links. 	<p>CCWater will make progress towards becoming a source of reliable and practical information, demonstrated through more hits on the website and media mentions.</p> <p>Our research on how best to discuss water saving and resilience with consumers informs companies and regulators' thinking.</p>
Compulsory Metering	Compulsory Metering
<p>We will continue to work closely with the water companies implementing compulsory metering programmes to ensure any consumer issues are dealt with appropriately, experience and learning is captured, and good practice shared more widely.</p> <p>Where compulsory or smart metering plans are proposed at the 2019 Price Review we will scrutinise plans for consumer engagement on the issue.</p>	<p>Any new programmes proposed will be supported by a strong evidence-based case, which demonstrates a thorough understanding of the potential impact on consumers. The company will have drawn on the lessons learned from other metering programmes (and CCWater research) and include comprehensive support to consumers transitioning to metered charging. Company plans will be informed by robust consumer research and engagement.</p>
Water Framework Directive (WFD)	Water Framework Directive (WFD)
We will continue to influence the fair distribution of costs, scale and pace of investment as the WFD is implemented across England and Wales, including through regional and national panels.	Water consumers only pay a fair distribution of the cost of implementing the WFD.
Water supply pipe adoption	Water supply pipe adoption
We will research consumers' views and feed them into the Welsh Government's planning on the issue.	Our 2017-18 consumer research on supply pipe adoption will be considered by the Welsh Government as it decides on the issue.

3.5 Strategic Priority 5 - A SUSTAINABLE, RESILIENT SEWERAGE SERVICE THAT WORKS now and in the future and is used responsibly by consumers

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>Challenge water and sewerage companies to resolve sewer flooding problems for consumers, delivering against the promised outcomes of the 2015-2020 business plans.</p> <p>Raise consumer awareness of the misuse of sewers and help them understand the impact of this behaviour.</p> <p>Contribute to the reviews being carried out by the Welsh Government and Defra to establish any lessons learned that will help encourage and support companies using Sustainable Drainage Systems.</p> <p>Encourage companies to consider how far their plans meet the additional requirements set out in the National Flood Resilience report issued in September 2016.</p>	<p>Fewer consumers experience sewer flooding and numbers needing to complain to CCWater reduce below 600 by March 2018.</p> <p>Our annual Water Matters consumer survey shows an increase in consumers who know what not to flush increases from 85% (2015 Survey)</p> <p>The reviews reflect our comments. In future years, our use of the findings influence companies decisions (likely to be beyond 2017-18).</p>

4. CCWater Research for 2017-18

CCWater plans the following research programme for 2017-18, but depending on priorities or savings elsewhere, we may adapt or add to this programme.

CCWater research planned for 2017-18
Water Matters ⁷ - household research on satisfaction with services and value for money (annual tracker).
Testing the Waters - business customer research on satisfaction and value for money (currently biennial).
Competition research
Business customer awareness of the market opening.
Post-market opening research - to assess business customer experiences of the new market.
Price Review research
New methods for testing consumers' willingness to pay - recommendations for ways of improving the consumer interface, alternative methods of engagement to measure WTP, and techniques for engaging consumers on short-term and long-term trade-offs.
Wales only - supply pipe adoption

⁷ CCWater 'Water Matters, Annual Tracking research (July 2015) can be viewed [here](#).

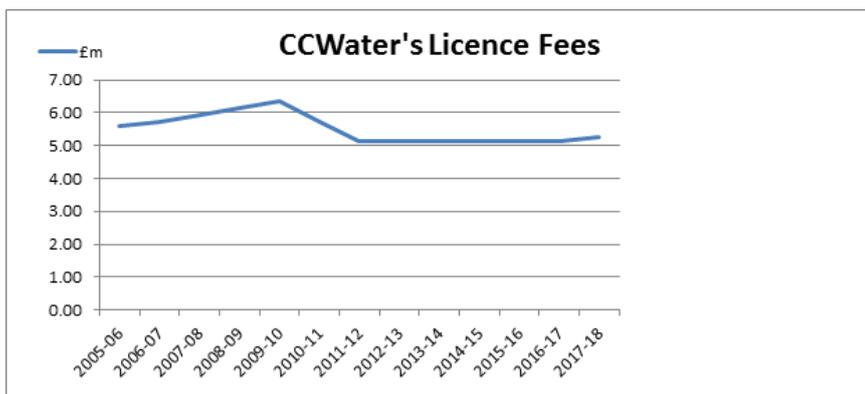
5. Making sure our support services are effective and value for money

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
Safe and secure environment for CCWater staff to work in.	Have no occurrences of avoidable reportable workplace incidents as per the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.
Efficient Human Resources Support	<p>Short and long-term sickness levels are managed below those of the public sector (8.5 days - based on figures from Chartered Institute of Personnel and Development, 2015).</p> <p>At least 73% of CCWater staff are satisfied that they have access to training and development opportunities (and measured by our internal staff survey).</p>
Efficient systems that support CCWater, which is shown through good governance, internal and external auditing.	Internal auditors confirm that effective systems are in place and external audit identifies no areas of concern which would result in the accounts being 'qualified'.
Efficient finance and budget management to ensure there is accountability for how water customers' money is spent.	<p>Annual spend to remain within allocated Licence Fee of £5.24 million.</p> <p>All payments will be paid promptly - 80% of undisputed payments within five working days.</p>
Efficient management of data.	<p>All Freedom Of Information and Data Protection Act requests are responded to within the statutory time scales.</p> <p>All staff receive annual training/updates on their individual and organisational responsibilities.</p>
Availability of information on CCWater's new contracts, payments to suppliers and Board members' expenses.	All expenditure details will be published in line with Government instructions and all Board members' expenses will be published within three months of quarter end.
Opportunities to come along to CCWater Board, regional and Wales committee meetings in public, and provide information about the issues under discussion.	All meetings in public are convened and advertised on our website, including agendas and available papers, at least seven working days in advance.

6. Resources

We have demonstrated, through our real-term cost reductions since we were set up in 2005, that we are committed to providing value for money and minimising our costs to water consumers. The cost of our licence fee has remained at 21p per water bill since 2011-12, as we have absorbed inflationary cost increases.

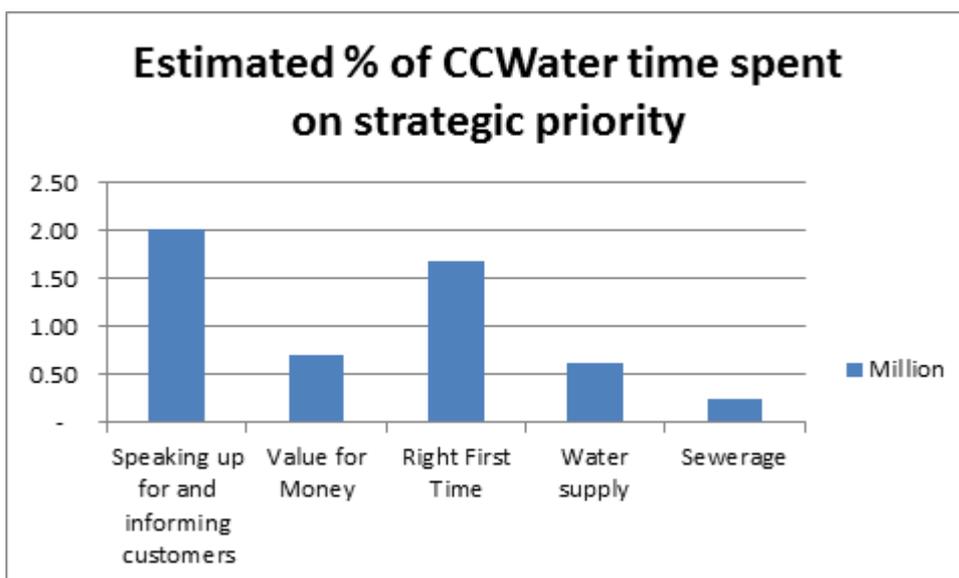
Our office restructuring programme in 2015 helped us to absorb further inflationary pressures and provide resources to address our agenda. For 2017-18 our budget and licence fee will be £5.24m, and will still cost each water customer around 21p per year. This represents an increase of £110,000 in order to invest in resources for the opening of non household retail competition and the start of our work on the 2019 Price Review. It is the first increase since 2011-12, and follows several years without an inflationary uplift. During 2009 we took action to reduce our cost to water customers from 25p.



We manage the organisation with a headcount of 74 and full time equivalent staff of 71.29

We retain a strong regional focus through our Chairs, LCAs and policy staff working with the companies at the local level on the issues that matter to consumers. Section 7 on Governance explains this in more detail.

The graph below summarises how our resources are split between our priority projects



Our organisation's structure is set out in Appendix B.

7. Governance and risk management

CCWater will continue to represent consumers' priorities and interests across England and Wales using our existing network.

7.1 Governance

The organisation's governance framework consists of the following key areas:

- The Board, comprising: the Chair of the organisation; the Chief Executive; the Chairs of the four committees in the English regions; the Chair of the committee in Wales; and two independent Board members. The Board meets eleven times a year and five of those meetings are open to the public.
- Three Board standing committees hold remits for Audit and Risk Management, Human Resources & Remuneration, and Advisory to CCWater Board.
- There are 22 Local Consumer Advocates allocated to the four regional committees in England and the committee in Wales.
- The Chief Executive is supported by the Executive Team.

The National Audit Office undertakes the external audit function and internal audit services are provided by RSM under contract.

7.2 Risk management

To support and monitor the effective delivery of our work we have a robust and well-embedded risk management framework and risk register. The strategy provides the basis for identifying, assessing and mitigating risks at all levels within the organisation. The framework is set out in our Risk Management Strategy.

Risks that are identified within the organisation are scored against likelihood and impact to consumers and the organisation; and are categorised into 'high', 'medium' and 'low'. The risk register is reviewed by the Executive Team every six weeks. The full risk register is also presented to the Audit and Risk Management Committee (a sub-committee of the Board) every quarter and the highest perceived risks to the organisation are presented to the Board annually.

7.3 Alternative Scenarios

When preparing our Operational Business Plan (OBP) and Forward Work Programme (FWP) we have taken into account a horizon scan of potential risks, impact and likelihood which may affect our plan. This has been considered by the Board as a key consideration of our strategy as reflected in the FWP and OBP. The Board considered alternative options for CCWater in terms of our resourcing, licence fee and budget. In particular the Board considered whether these scenarios suggested a need for CCWater to seek a higher licence fee and budget, due mainly to the uncertainty of the scale of issues and complaints from the opening of the retail market for businesses in April 2017 and in light of the Price Review 2019 process commencing. The Board determined that a small increase of £110,000 to the licence fee and budget was appropriate for 2017/18.

We have built flexibility into the OBP, but if there was a major new government or regulator initiative that required substantial resources, we may have to defer work on issues of lower strategic importance with the expectation that we will return to them in subsequent years (and therefore within the time bounds of the FWP).

APPENDIX A: Legal functions, duties and powers of CCWater

CCWater's primary functions are to provide advice and represent consumers on water matters and to investigate and handle complaints made against licensed water suppliers or companies. CCWater has duties to represent the interests of consumers, both domestic and business, of licensed water suppliers in the new competition regime that came into operation on 1 December 2005, as well as the interests of consumers of water and sewerage companies.

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

- **S27A (12) Establishment of the Council and Committees** - 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 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 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.

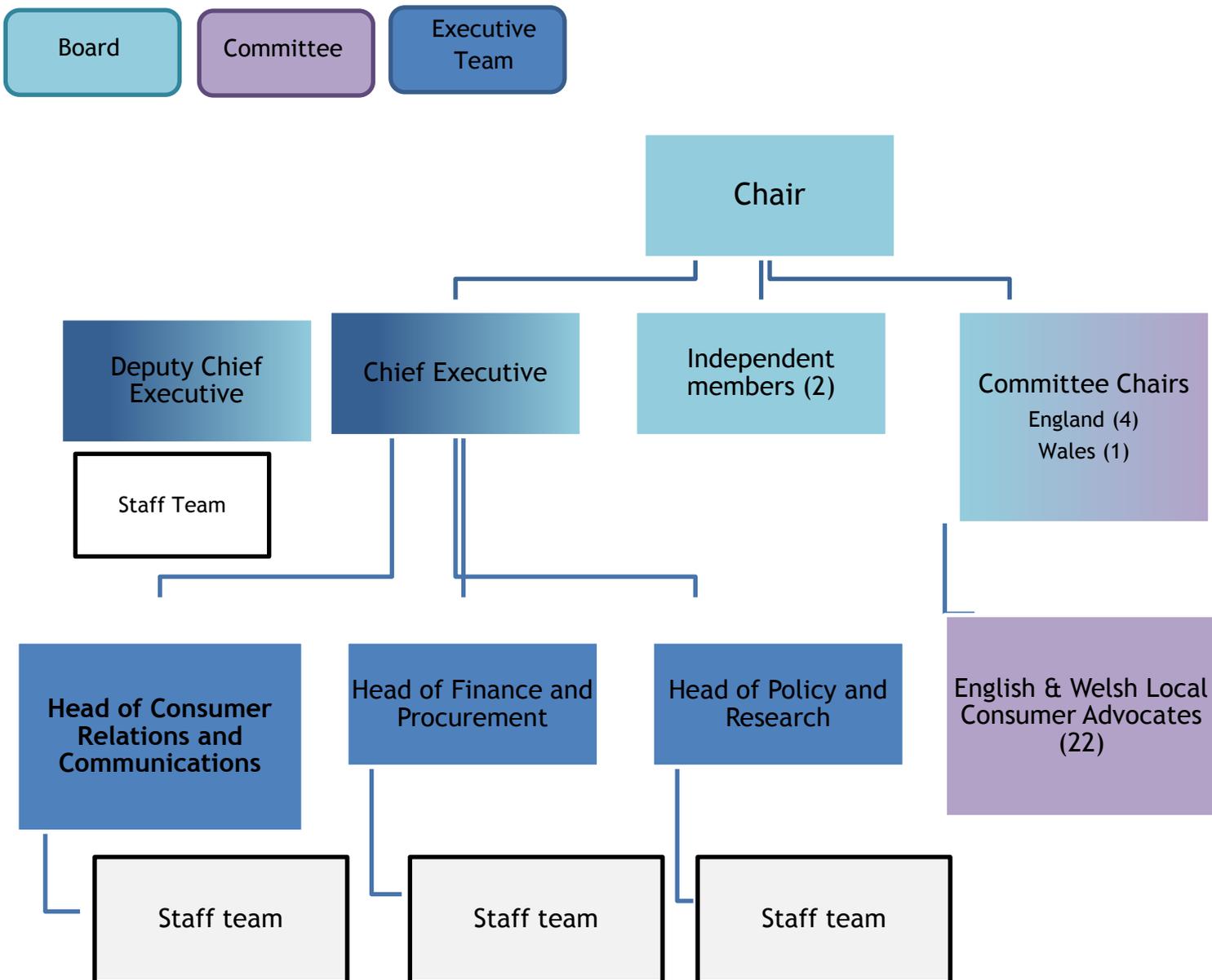
The **Water Act 2014** gave CCWater some additional responsibilities, which involve being consulted on:

- **S66** The development of market codes, and some charging issues in the lead up to competition widening out to all non-household customers;
- **S43** Incumbents exiting the non-household retail market - the development of Regulations and depending on the final Regulations, possibly separately by companies when they apply to exit;

- **S40B** issues relating to the movement of water to undertakers, by Defra and separately by Welsh Government; and
- **S54** Licence changes as a result of consumer redress schemes;
- **S16** Water companies' charges schemes;
- **S38** Defra and separately the Welsh Government's Charging Guidance and **S24** separately their Strategic Priorities.

We must also represent the interests of consumers supplied by new entrants to the market; require, when necessary, information from the water supply or sewerage licensee; and deal with complaints from customers of water supply and sewerage licensees.

Appendix B: Organisational structure



[You can read our Forward Work Programme for 2017-20 here.](#)