

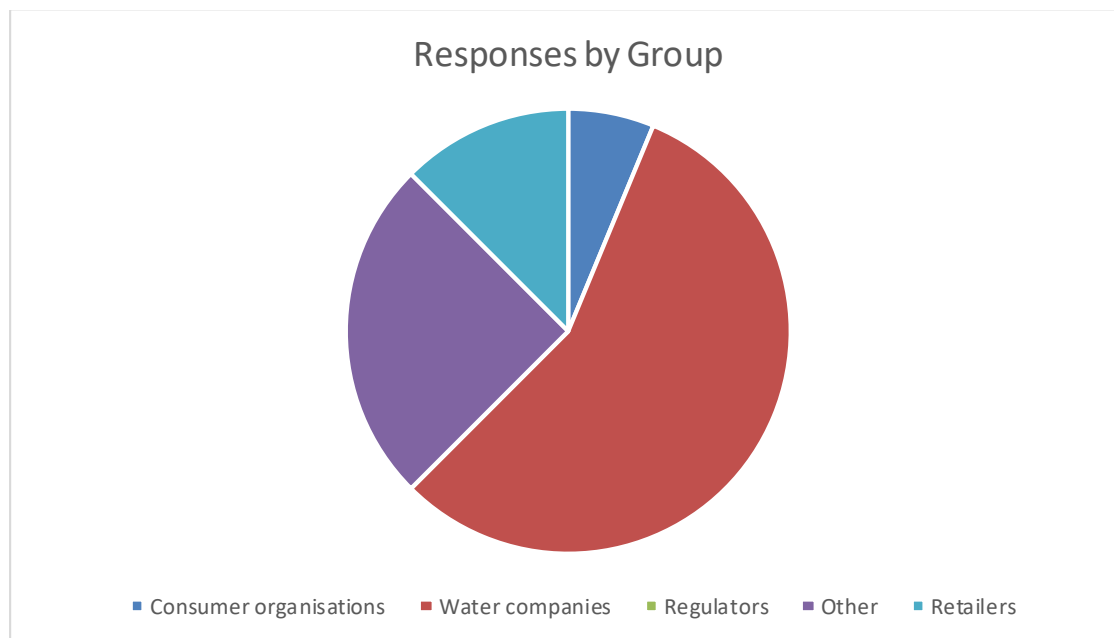
The Consumer Council for Water's Forward Work Programme 2019-22

This document outlines the comments we received about our draft Forward Work Programme, which was issued for consultation in November 2018. The tables below note the views of those who responded to the consultation and CCWater's explanation or action resulting from those comments.

Overall, we received 16 responses. Respondents were generally supportive of our programme and work plans. Some common themes are illustrated below. Please read the full document for responses to the comments made.

Generally supported	Key areas where there are questions or suggestions
<ul style="list-style-type: none">• Challenging companies to improve• Helping those struggling to pay• Helping consumers in vulnerable circumstances• Work on the price review• Helping business customers• Improving the complaint process• Consideration of wholesaler/retailer performance• Using water wisely work• Increasing SME awareness of retail market in England• Sharing good practice• Research work	<ul style="list-style-type: none">• Plan to publish financial performance information, particularly around duplicating work Ofwat is doing• Publishing a league table, due to information being on Discover Water• Should make references to SUDS• Should make reference to companies' social contract

Figure 1: number of responses to the consultation by group



Links to respondents below:

1. Anglian Water	8. Northumbrian Water
2. Auriga	9. Portsmouth Water
3. John Baker	10. South East Water
4. Bristol Water	11. South West Water
5. Business Stream	12. Thames Water
6. Deryck Hall Associates	13. United Utilities
7. Future Generations Wales	14. WaterPlus
	15. Welsh Government
	16. Wessex Water

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
1	Anglian Water	<p>Areas supported:</p> <ul style="list-style-type: none"> • challenge to companies to continue their improving performance in complaints, leakage and service problems. • your continued focus on value for money, • increasing the emphasis on helping and supporting those who are less advantaged or financially vulnerable. • challenge to companies to find ways to help customers who struggle to pay. • note your role in supporting business customers and welcome this to ensure there is no detriment to the industry as a whole. 	
		<p>Suggestions/queries:</p> <ul style="list-style-type: none"> • Improvements to any complaint processes would be welcome however at this point we are not aware of any problems our customers are facing so would be interested to hear more of your thoughts in this area. • Providing value for money is extremely important to us and we would be keen to learn from you in more detail what best practice has been adopted to enhance the customers' perception on fairness of charges. • Struggle to pay work - Focus should not however be limited to social tariffs which is why we are looking at further reaching support for our customers such as benefit maximisation as a standard service offered. • It would be useful to understand your plans around those customers in non-financial vulnerable circumstances as there is little reference to this in your draft programme. 	<p>We think there is scope to improve the customer journey from CCWater to WATRS. We hope that we can make the interface more seamless, low-effort and timely. We will be working with the provider and stakeholders on this over the coming year.</p> <p>We will shortly be publishing our 'top tips for building value for money and fairness of bills' within the industry. We will also be discussing this with companies.</p> <p>We agree and this is reflected in our FWP.</p> <p>This is reflected within the Right First Time priority of our FWP which sets out what we will do:</p> <ol style="list-style-type: none"> 1. Keeping the pressure on companies to consider consumers in vulnerable circumstances - and those regarded as

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
			<p>'transient vulnerable consumers' - during unplanned interruptions.</p> <p>2. Keeping the pressure on companies to offer meaningful help and raise awareness of support to all consumers.</p> <p>We also have listed the outcome we want to achieve:</p> <ul style="list-style-type: none"> - An upward trend in consumer awareness of additional help available for consumers in vulnerable circumstances¹
2	Auriga	<p>Areas supported</p> <ul style="list-style-type: none"> • your ambition to secure more help for consumers in vulnerable circumstances. In delivering this, we hope that you work closely with partners and advice agencies to ensure that water companies meet their objectives of providing genuine relief to over 500,000 financially vulnerable people by April 2020. • Pressing companies to contribute to their social tariff out of their profits and thereby improving their credibility in the eyes of their customers. • Keeping the pressure on companies to offer meaningful help and raise awareness of support to all consumers. 	
		<p>Suggestions/queries</p> <ul style="list-style-type: none"> • Auriga believe water companies should make sure all consumers are informed of the assistance available, and should identify, communicate and support customers in innovative ways. • relying on PSR alone will not be sufficient in all circumstances, and we are looking forward to seeing transformational change in terms of water companies' ability to offer the specialised services they need at all times. 	<p>As reflected in the FWP we will continue to work with companies and others to achieve this.</p>

¹ Reported in our 2019 Water Matters survey

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		<ul style="list-style-type: none"> • <i>Pressing companies to contribute to their social tariff out of their profits -</i> We also believe a major part of the policy aim should be to provide accessible, comprehensive information to consumers that communicates how the scheme operate. We also strongly recommend that in implementing social tariffs, specialist third parties and dedicated partners are used to undertake effective engagement and assessment activity, to ensure the tariff delivers maximum impact. • <i>Keeping the pressure on companies to offer meaningful help and raise awareness of support to all consumers</i> - we urge you to take into account the current best practice arrangements for providing water company assistance schemes and consideration of the need for higher levels of funding for money, welfare and debt advice alongside financial assistance, in the future. 	<p>CCWater already provides accessible information about the tariffs and ensures companies do the same.</p> <p>We continue to encourage companies to consider the role which partners might play in the delivery of their schemes.</p> <p>CCWater will continues to work with the sector and other agencies to identify and share best practice.</p>
3	John Baker	<p>Suggestions/queries:</p> <p>A long standing source of irritation relates to charging of supply and waste to separate companies - in Chesterfield this is Severn Trent and Yorkshire respectively. The upshot is that customers pay more in total to the two companies than would be paid to a single provider.</p> <p>It is, of course a product of the differences in pricing between the two companies resulting in the worst of both worlds. I'll happily provide you with my numbers but I would be surprised if this was the first time it had been brought to your attention.</p> <p>Some years ago I raised it with OFWAT but received a rather terse response to the effect that some pay more some pay less. Also raised with our local MP to no avail. If this is within your remit, there must be a relatively simple way to ensure customers similarly affected don't</p>	[Response send direct to Mr Baker]

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		<p>pay more than, say, the average of the two suppliers. Assuming this applies to all dwellings in the area, the sums involved in total are significant. Of course, this would be irrelevant were the Water market to be opened up in line with Energy.....</p>	
4	Bristol Water	<p>Areas supported:</p> <ul style="list-style-type: none"> • your strategic priorities as being appropriate • agree that leakage should remain a top priority for the sector to focus on • Influencing and promoting activity to help customers use water wisely is equally important to us and it is positive that ... you plan to review different metering approaches and lessons learned from these. • agree that CCWater should be working with the sector to identify the root causes of complaints and to help improve the complaint process for customers. • welcome the focus on wholesale and retailer performance in the business retail market. • positive to see that CCWater will be investigating companies' emergency plans in response to unplanned incidents (in particular in regards to vulnerable customers) • positive that you are planning to continue to press for affordable bills, value for money services and effective support for vulnerable customers. We welcome the continued priority to deliver effective financial assistance to those most in need, as our recent business plan research suggests that this is what our customers want. We are also pleased to see that you will continue to review company charging proposals. <p>It is ... encouraging that you will work with government and other stakeholders to share innovations arising from data sharing developments.</p>	
		<p>Suggestions/queries: Strategic Priority 1</p> <ul style="list-style-type: none"> • On outperformance: [this is cut down from the full response] <ul style="list-style-type: none"> ○ query the source of the “estimated £500m windfall from financial outperformance” and the desire to share outperformance with customers to “help improve perceptions on fairness of charges, value for money and the credibility of the company with its customers”. 	<ul style="list-style-type: none"> • We have calculated financial outperformance using information from companies' annual performance reports. It is based on the financing element of RoRE outperformance multiplied by notional regulated equity to date in the AMP.

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<ul style="list-style-type: none"> ○ seek clarity over what “financial outperformance” is referring to; ○ we feel that this campaign does not reflect the important principles behind the ODI framework. Our customer research has confirmed that our customers accept the principle behind outperformance payments and underperformance penalties. Customers have not shown any indication that our potential to receive outperformance payments for outperforming our stretching targets (or indeed incur underperformance penalties for underperforming against our targets) would affect their trust in us. ○ companies, such as Bristol Water, where shareholders have retained equity and gearing levels have therefore fallen, in our cases towards Ofwat’s notional level and below the levels Ofwat assumed at PR14 for Bristol Water. CCWater need to consider how any campaign will reflect the diversity of company approaches across the sector, rather than describing a situation which does not universally 	<ul style="list-style-type: none"> ● Our focus is on ‘windfall’ gains where financial outperformance can be attributed to events outside a company’s control. For example, Ofwat’s PR14 inflation assumptions have been lower than outturn and this gives rise to cost of debt outperformance. ● We see this as separate and distinct from other areas where regulatory mechanisms already exist to share benefits with customers typically at a subsequent price review e.g. totex/ODIs. ● While PR19 customer research evidence shows that Bristol Water’s customers accept the principles of ODIs and how the company proposes to apply them to its Performance Commitments from 2020, we have seen evidence that customers of other companies have expressed less support for these incentives. While we recognise the regulatory rationale for these incentives, we will continue to challenge on behalf of customers any ODI proposals that fail to attain evidence of customer support. ● We recognise the diversity of financial structures in the sector, and while Bristol Water has gearing below Ofwat’s notional level from PR14, we wish to focus on the potential longer term risks and windfalls achieved by companies with more highly geared structures. This is consistent with

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		<p>apply. The role and performance of the water only companies... should be recognised both in terms of customer trust, and fairness of financial returns.</p> <ul style="list-style-type: none"> ○ Any outperformance payments, if companies choose to share it, should in our opinion be shared with all customers rather than through social tariffs. we would query the validity of “pressing companies to contribute to their social tariff out of their profits”. ○ In our business plan we propose a “Bristol Water For All” reinvestment mechanism, as well as adopting a gearing sharing mechanism. We think it is important to engage on performance and returns as part of a social contract, rather than assuming that this 	<p>Ofwat’s 2018 consultation on ‘putting the sector back in balance’</p> <ul style="list-style-type: none"> • We support companies that are willing to share outperformance benefits with customers, and would like such companies to engage with customers and stakeholders to identify the best way to deliver this. • Our research has shown that an advantage of companies contributing to the funding of social tariffs is that customers are more likely to be willing to contribute funding themselves where that is the case. • However, we agree companies may find that customers support other options, such as fast tracking required investment to reduce the cost burden on future customers. This would be consistent with Bristol Water’s reinvestment mechanism, though customer opinion on the options available should help the company ensure that the chosen use of any outperformance share is supported and valued by customers. • We are looking for a consistent policy but this will affect individual companies differently, for example through the level of gearing and costs of borrowing. How any outperformance is shared should reflect

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		<p>approach to financing social tariffs will build customers' trust.</p> <ul style="list-style-type: none"> We are not convinced about your proposal on page 13 to develop a league table on company performance. Information is already available on the Discover Water website. We think it is much better for companies to communicate their performance directly to their customers, and we think instead you should encourage companies to include comparative data, informed by Discover Water, in their performance reporting. For instance in our mid-year performance report³ we include comparative information for our performance, to accompany the interactive performance tool available on our website⁴. 	<p>customer views - including if that should be through social tariffs.</p> <ul style="list-style-type: none"> We agree that funding social tariffs is one of a range of options which companies have for sharing their financial outperformance with customers. Our research has shown that customers support assistance being provided to financially vulnerable customers and feel that companies should play a part in funding that support. <p>We consider that we can build on the work that is done by companies and Water UK, to make comparable information more easily accessible to customers. This will also include information that we collect from companies and from our research, along with a narrative. We intend to trial the league tables with companies in the first instance, so that any suggestions can be considered.</p>
		<p>Strategic Priority 2</p> <ul style="list-style-type: none"> Leakage - would encourage CCWater to consider how it will challenge those companies who with a standard 	<ul style="list-style-type: none"> Yes we will be. We know this is an important issue for consumers and we will be continuing to monitor company

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		<p>15% reduction will still be significantly higher than the best performers, given the challenge of the industry achieving a 50% reduction as a whole by 2050, to minimise the cost to customers.</p> <ul style="list-style-type: none"> • We would be interested to learn more about your plans to promote activities to help customers use water more wisely and we would welcome any further support and advice you could offer in this area. • Lead in pipes - We would be interested to hear more about CCWater's views about the project described on page 17 	<p>performance closely through our local liaison arrangements and will continue to publish the data we collect from companies on this and other key performance commitments.</p> <ul style="list-style-type: none"> • We will continue to promote messages to help customers to understand the 'big picture' (why they need to use water wisely) in addition to messages and top tips to use water wisely (how). This is something we are working on at the moment, as part of the development of our strategy in this area. • We will continue to work with water companies and other stakeholders (such as Waterwise) in this area. • We will continue to monitor and consider companies approach to addressing lead issues. We will also contribute to any consultation on supply pipe adoption.
		<p>Strategic Priority 3</p> <ul style="list-style-type: none"> • Complaints report - We would however like to see more narrative around the numbers reported as comparisons to previous years' performance is not always straightforward. It would also be positive to focus more around the cause of complaints rather than the actual year end numbers which, at times, do not tell the full story. Focusing on the narrative and context behind reported performance will improve transparency and comparability for all customers. 	<p>Where possible we include narrative on causes of complaints especially when they can be attributed to specific problems. This will provide readers with a fuller picture. However, we would avoid overdoing the narrative as it could take away any opportunities for the company to explain its performance to its customers.</p>

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		<ul style="list-style-type: none"> NHH retail market - our response to Ofwat's Call for Inputs in this area highlights a number of potential areas for improvement. In particular, we would urge CCWater to work with MOSL and Ofwat to improve the presentation of retailer and wholesaler performance and complaints data. investigating companies' emergency plans in response to unplanned incidents ... It would be useful to learn of other companies' ideas for best practise in supporting vulnerable customers when these incidents take place. CCWater should explore ways in which the Alternative Dispute Resolution (ADR) scheme could be enhanced and how independent dispute resolution schemes, such as through the Water Redress Scheme (WATRS) could be used to help resolve typical disputes. CCWater should also consider publishing any precedents set from cases that have taken place recently, so that companies and customers have clear guidance of emerging good practice, based on what has been adjudicated. 	<p>We are committed to sharing good practice in the field of communicating with and supporting consumers in vulnerable circumstances during unplanned incidents.</p> <p>Whilst individual WATRS decisions do not set case precedents, as cases are looked at considering individual circumstance, CCWater plans to review whether there is a better way we could use our complaints data and outcomes in giving emerging good practice guidance. Within this we will consider if there is a way we can involve WATRS case outcomes too, or work with WATRS/encourage it to do this too.</p>
		<p>Strategic Priority 4</p> <ul style="list-style-type: none"> On performance commitments on page 25, we understand CCWater's intention to demand that financial 'rewards' (outperformance payments) are only paid for stretching and/or exceptional performance... What is stretching and ambitious should be understood through research, rather than being based solely on comparisons that don't reflect the services customers' experience. 	<ul style="list-style-type: none"> We agree that consideration of the evidence of customers' views and expectations should be taken into account when identifying whether PC targets are sufficiently ambitious or stretching. Outperformance payments should reflect stretching performance or comparably higher targets for areas of service

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		<ul style="list-style-type: none"> On a long-term social tariff funding model outlined on page 26, that even though we have a wide range of social tariffs and our performance commitment on water poverty indicates that it is at zero, the situation is not static. We do not see the current funding model for social tariffs as a barrier, and are not convinced that “company” funding has any role that will build customer trust to support more social tariffs, given the economic regulation framework. 	<p>customers view as a higher priority. Outperformance payments for areas of service that customers do not view as important, or where customers are willing to accept a less stretching level of performance, should be challenged.</p> <ul style="list-style-type: none"> We recognise that the need for additional funding may vary from region to region. However, at an Industry level there is a gap between the scale of the problem and the support which can be delivered through the current funding approach. Our customer research, and that undertaken by several companies has found customers are more willing to contribute to funding assistance where they can see their company is also doing so.
5	Business Stream	<p>Areas supported:</p> <ul style="list-style-type: none"> CCWater’s position that downward pressure must be put on the wholesale companies allowed cost of capital. We also believe that a more accurate reflection of the risk and cost borne by wholesalers compared to retailers (e.g. payment risk) would help to reduce the wholesalers’ revenue requirements. CCWater’s role in raising awareness amongst SME customers. 	<p>We will continue to press the regulator on wholesale costs. Part of Ofwat’s assessment of required efficient totex for 2020-25 should include a consideration of the reduced risks to non-household revenue collection resulting from the introduction of the non-household retail market. We would expect that any drop in wholesale charges flows through to the customer as lower overall charges.</p>
		Suggestions/queries:	

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<p>Complaints monitoring</p> <ul style="list-style-type: none"> We recognise the success and importance of CCWater’s role in monitoring and comparing the level of complaints received by each retailer. However, we still feel that if CCWater is considering using this information to help customers make switching decisions, it is important that customers also understand the role that wholesalers play in relation to a retailer’s performance. CCWater has recognised the difference between wholesaler and retailer-driven complaints, but may need to help customers understand the differences. A service problem driven by poor market data or inaccurately applied wholesale tariffs for example would not be resolved by a customer switching to a new retailer. We... feel that CCWater has a crucial role in ensuring SME customers have full access to a competitive market, and highlighting where the market is not working for customers. There still remains a number of key market issues that we consider are making it difficult for SME customers to access competitive offers. While most (if not all) of these issues require Ofwat intervention to resolve, we feel that CCWater could be influential in raising awareness of them on behalf of customers. For example: <u>Data quality [Explanation in full response]</u> The quality of data in CMOS is very mixed, with both gaps and inaccuracies across the whole market... While MOSL is starting to address some of these issues, progress is slow and there are no quick fixes for the 	<ul style="list-style-type: none"> We featured a whole section dedicated to wholesalers in our July 2018 complaint report. We intend to do the same in 2019. We have been vocal in many of our recent press releases about the role of wholesalers. We have also answered Ofwat’s call for inputs on the wholesaler performance where we agreed that wholesalers should be held to account for their role in the market. We agree that tariffs and pricing has not been particular easy to pull together efficiently for some customers who are looking to switch. We would support simplification where this would benefit customers and can be achieved without creating bill shocks or reducing charging fairness. We do however feel that retailers themselves should be leading the pressure on wholesalers, perhaps through forums like the UK retail council. We agree that there are many indicators of data problems, some of which are getting worse (e.g. long unread meters

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		<p>range of data quality issues which are emerging. As the industry continues to develop a better understanding of the magnitude of the issues we expect to see more industry-wide projects to tackle some of them. In the meantime, it would be helpful if CCWater could encourage Ofwat and MOSL to continue to put pressure on the wholesalers to fill data gaps and to quickly address individual issues as they are identified.</p> <p><u>Meter reading costs [Cut down from full response]</u></p> <ul style="list-style-type: none"> ... there is a particular challenge in relation to meter reading costs which can be prohibitive in relation to SME customers in geographies where retailers do not have a high customer density... Ofwat continues to review this issue, but there is no immediate solution. Nevertheless, it is important that CCWater is aware of the impact this issue could have on customers (who are likely to be unaware of it). 	<p>and vacant properties). We will continue to press MOSL and Ofwat, in particular, on how under-performing wholesalers (and retailers) are being held to account. We also urge retailers and wholesalers to work together to improve the quality of market data to the benefit of customers.</p> <p>We would expect that retailers need to get more innovative in how they arrange with meter reading contractors to do this work. For example, efforts to collaborate with wholesalers or other retailers in the contractors that are used or the SLAs for contractors.</p>
6	Deryck Hall Associates	<p>Areas supported: Overall, I think that the document captures most, though not all, of the key activities that will be the focus of attention across the water sector for the next three years.</p>	
		<p>Suggestions/queries: Chair's Foreword I agree that companies should be warned that their actions over the next few years will have a bearing on customer trust in them. But I would amend the penultimate sentence of the fifth paragraph to read, "If companies fail</p>	<ul style="list-style-type: none"> There has been an increase² in customer trust over the last seven years and water companies remain more trusted than energy companies³. However, in our

² This increase is statistically significant.

³ <https://www.ccwater.org.uk/wp-content/uploads/2018/07/Water-Matters-Household-customer-views-on-their-water-and-sewerage-services-2017.pdf>

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		<p>to rise to this challenge then trust in the industry will seep away.” While <i>Water Matters</i> shows a slight increase in trust in 2017 (from 7.57 to 7.65) this remains below the levels of 2014 and 2015 (7.75 and 7.77). Trust is already seeping away, not about to start.</p> <p>Given the ambitions covered at the top of page 2, I am surprised that you have not explicitly called on companies to build customer trust by delivering these ambitions. It seems an opportunity wasted. May I suggest a tweak to the concluding paragraph, “Delivering on these and the many other priorities we’ve set out in the following pages will help secure the best outcomes for customers, present and future. In doing so, companies will foster goodwill and should build customer trust in the water sector.”</p> <p>Our success (p7) I suggest you lengthen the banners as the font size for text that spans three lines is rather small. It may be unreadable for the visually impaired.</p> <p>Safe, reliable water and wastewater services (p18) It is disappointing that the draft forward work programme does not make a single reference to Sustainable Drainage Systems (SuDS). While catchment management programmes are the holy grail, SuDS at a local level are more likely to deliver in the short-term. As such, I would expect CCWater to use its membership of the industry-led 21st Century Drainage Programme Board to pursue SuDS</p>	<p>Water Matters 2017 Highlights Report⁴ we set out our expectations that companies must focus their efforts to improve customer satisfaction around fairness of bills and value for money.</p> <ul style="list-style-type: none"> • These are areas where customer views have plateaued at disappointing levels that suggests there is room for improvement, and that water companies could do more to improve customers’ experiences and perceptions. • Thank you for the comment. We will review once it has been to the designers. The final version won’t be the Word version of the draft. • We have now included two references to surface water. One within the main body of the text and one in the appendix to say that we will continue to encourage companies to share good practice and knowledge on surface water drainage systems.

⁴ <https://www.cewater.org.uk/wp-content/uploads/2018/07/Water-Matters-Highlights-Report-2017.pdf>

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		installation, wherever feasible, as part of a holistic approach to drainage management.	
7	Future Generations Wales	They shared their framework on making well-being assessments.	<ul style="list-style-type: none"> We make reference to the Future Generations and Well-being Act and considering it in our interactions in Wales
8	Northumbrian Water	<p>Areas supported:</p> <ul style="list-style-type: none"> the strategic priorities and campaign activity CCWater plan to focus on will make a positive difference on behalf of water consumers and for the sector's reputation. ongoing work with companies on PR19. recognise the industry wide need for more support to be available to those customers who would benefit from extra help, financially and otherwise. work to promote vitality across the non-household market can only add value for customers. SP1 - areas of focus outlined in the draft Forward Work Programme are sensible in our view and reflect the areas of focus, ambition and future investment in our own PR19 plans. SP2 -agree a right first-time every time approach is what customers want from their water company alongside easy to access services. This should continue to drive a reduction in complaints and, where things do wrong, we welcome CCWater's plans to look at how the complaints process can be improved. The sector should strive to provide exemplar complaint handling and CCWater has a critical role to play in driving this. SP3 - key role for CCWater and have long believed this is an area companies and stakeholders must work together on, sharing good practice and building relationships to ensure services are easily accessed and clearly understood by all. <p>support CCWater's research work and find this provides a valuable source of insight across a range of water consumer issues.</p>	
		<p>Suggestions/queries:</p> <ul style="list-style-type: none"> We would urge you to encourage great collaboration between retailers and wholesalers in order to resolve any billing and data problems. 	<ul style="list-style-type: none"> We are encouraging and in many cases facilitating collaboration between retailers and wholesalers, be it individually for complainants with specific problems but also at a market level where we are making suggestions and influencing policy

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		<ul style="list-style-type: none"> With regards your proposals to trial a league table to inform consumers about performance, we would point you to www.discoverwater.co.uk which already provides much of this information, with metrics and measures which customers have confirmed they understand. 	<p>and practice on how retailers and wholesalers interact.</p> <ul style="list-style-type: none"> We are aware of the Discover Water website and were actively involved in its development. However we consider that we can build on this, to make comparable information and appropriate narrative more accessible to customers.
9	Portsmouth Water	<p>Areas supported:</p> <ul style="list-style-type: none"> We see much to commend in your plans. commitment to ongoing research is very much appreciated. 	
		<p>Suggestions/queries:</p> <p>Whilst appreciating your need to challenge, some of the matters that you intend to challenge at industry level cannot truly be laid at the doors of all companies. Accordingly, we would like to see more company level challenge and praise within your plans. Water companies are not all the same and we believe that there is an opportunity for you to use examples of good practice within the industry to support your criticism of others.</p>	<ul style="list-style-type: none"> We agree that not all companies are the same and do aim to praise, as well as challenge. That is evidenced increasingly in our press releases and wider media work. We will consider further ways to incorporate this approach through our reports and media activity.
	South East Water Link to response	<p>Areas supported:</p> <ul style="list-style-type: none"> CCW's FWP is generally reflective of the areas our customers have told us are a priority to them. Working with CCW on both the development of affordable charges and on the communication of the value for money offered by the services provided. 	
		<p>Suggestions/queries:</p> <ul style="list-style-type: none"> The FWP confirms CCW's commitment to calling out performance which falls short of customers' expectations, and whilst we continue to value this 	<ul style="list-style-type: none"> We agree that not all companies are the same and do aim to praise, as well as challenge. That is evidenced increasingly in our press releases and wider media

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		<p>independent challenge, we would ask that the challenge is targeted where change is needed.</p> <ul style="list-style-type: none"> • The proposed forward programme is centred round the more traditional issues customers raise with regards service and performance, and while these are obviously key considerations, we might have expected to see more work proposed around what is now being called the social contract...[including] fracking, housing growth, and fair, amongst other issues which in customers' eyes contribute to legitimacy of the sector. • CCW's plans to develop performance league tables should therefore look to add value to the current approach, and articulate the issues that are being addressed by the proposal. • Recognise delivery of service, such as achieving leakage targets. [see response for full comments] • We continue to support this approach [highlighting where performance improvement is required], and would encourage the reporting to be set in context against other utility sectors, so that the service levels provided to water customers is differentiated against poorer performing sectors. 	<p>work. We will consider further ways to incorporate this approach through our reports and media activity.</p> <ul style="list-style-type: none"> • We have linked in the introductory paragraphs of each strategic priority the links with the social contract concept, but we may express it as consumers' views on fairness of charges or value for money. We do consider housing growth in discussions with companies. Fracking we are less involved in, and could risk duplicating DWI work. • We consider that we can build on the work that is done by companies and Water UK, to make comparable information more easily accessible to customers. This will also include information that we collect from companies and from our research, along with a narrative. We intend to trial the league tables with companies in the first instance, so that any suggestions can be considered. • We will endeavour to acknowledge good performance wherever this is demonstrated. • Where possible, we do try to make comparisons between the water industry and other sectors. However, this is difficult to do in terms of operational

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
			performance. However, we are open to discussing this further with other stakeholders.
10	South West Water	<p>Areas supported:</p> <ul style="list-style-type: none"> • CCWater’s position that companies should share the benefits of financial outperformance with customers. • CCWater’s position as an advocate for affordable charges. • CCWater ... efforts to support companies in providing help to customers in vulnerable circumstances and believe this is particularly valuable in terms of sharing best practice. 	
		<p>Suggestions/queries:</p> <ul style="list-style-type: none"> • We note that CCWater are intending to publish a report on companies’ financial performance and the consumer implications. Ofwat issues an annual monitoring report under their financial monitoring framework providing analysis of companies’ financial performance and resilience based on annual performance reports. CCWater must be clear how any reporting or analysis beyond that undertaken by Ofwat will be of benefit to customers and not increase the administrative burden on companies and cost to customers. This is true also of CCWater’s intention to develop a league table showing companies’ relative performance which appears to be a duplication of information available via Water UK’s Discover Water website and the information already published in CCWater’s annual reports. 	<ul style="list-style-type: none"> • Our report will not require any additional effort/information from companies. It is pulled together from companies’ annual performance reports and other publicly available information. The version we published in 2016-17 is here. • Our report is intended to be more customer focused and accessible than Ofwat’s report. It focusses on the areas that matter most to customers. This includes, for example: <ul style="list-style-type: none"> ○ ensuring that Ofwat takes account of companies’ emerging financial performance at subsequent Price Reviews (e.g. setting suitably challenging efficient targets) ○ pressing companies to share their financial outperformance with customers - especially for any gains

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		<ul style="list-style-type: none"> • Affordable bills - the current measure used by CCWater to assess this, i.e. the percentage of customers responding to the Water Matters survey who say they find their bill affordable, is subjective and answers may be influenced by a number of factors, for example households' own spending priorities and views around privatisation...we will also be measuring affordability of bills within our service areas on the basis of the number of customers paying bills in excess of 5% of their household income (after housing costs). This evidence-based measure provides an impartial assessment of affordability in our regions. 	<p>achieved outside of companies' control.</p> <ul style="list-style-type: none"> • There is no additional cost to customers. Our work in this area is delivered through our existing budget and headcount. • We see the customer benefits of this work to be the potential share of windfall gains and improvement in trust/transparency/legitimacy. • We consider that we can build on the work that is done by companies and Water UK, to make comparable information more easily accessible to customers. This will also include information that we collect from companies and from our research, along with a narrative. We intend to trial the league tables with companies in the first instance, so that any suggestions can be considered. • CCWater already makes use of all available data on water affordability in our work, including those measures based on percentage spend.
11	Thames Water	Areas supported:	

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<ul style="list-style-type: none"> • the work that CCWater is proposing to ensure that consumers are more informed about water and sewerage issues and see this as an important role for CCW to play. This is particularly important in raising consumer knowledge and awareness in relation to areas such as water quality, water usage, leakage and metering to help build trust and confidence in the sector. • the work CCWater is proposing to monitor and challenge companies to improve performance and we are interested in the specific proposal to develop an overall performance table. • support strategic priority [2] and CCWater’s wider focus in this area. • We support the sharing of best practice and capturing learning and experience to ensure good customer experience and will continue to work closely with CCWater on this matter. [metering] • CCWater’s proposal to examine water transfers. • CCWater’s continuous work with governments, retailers, water companies and other stakeholders such as Water Resources in the South East and Water Resources East to help customers to understand water use and to encourage them to take action to reduce their water use. • CCWater championing the delivery of services, particularly those for consumers in vulnerable circumstances. • We look forward to review and challenge with CCW on ensuring we have the appropriate plans in place to support consumers during an incident, and have taken on board consumer feedback appropriately. <p>CCWater’s current approach to working in partnership with water companies and other organisations to understand consumer views and promote good consumer engagement, and hope this will continue.</p>	
		<p>Suggestions/queries:</p> <ul style="list-style-type: none"> • We believe there may be an opportunity to work with CCW to align messaging in some areas to increase consumer awareness and confidence in the sector. 	<ul style="list-style-type: none"> • We have been increasing our collaborative work with water companies in raising consumer awareness on issues including sewer misuse, financial assistance and wider support for customers in vulnerable circumstances. However, we recognise there is scope to expand this further and will be actively looking to collaborate with water companies on campaigns and other areas which could benefit consumers.

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<ul style="list-style-type: none"> • With regard to your proposal to publish a report on companies' financial performance, we are interested to understand how this report will align with Ofwat's work in this area. In particular, it would be helpful if any requests for information, in addition to those in our annual returns and performance report, are aligned to avoid unnecessary duplication. • We would be interested to work with you to develop the league table, including understanding how it is 	<ul style="list-style-type: none"> • Our report will not require any additional effort/information from companies. It is pulled together from companies' annual performance reports and other publicly available information. The version we published in 2016-17 is here. • Our report is more customer focused than Ofwat's report. It focusses on the areas that matter most to customers. This includes, for example: <ul style="list-style-type: none"> ○ ensuring that Ofwat takes account of companies' emerging financial performance at subsequent Price Reviews (e.g. setting suitably challenging efficient targets) ○ pressing companies to share their financial outperformance with customers - especially for any gains achieved outside of companies' control. • There is no additional cost to customers. Our work in this area is delivered through our existing budget and headcount. • We see the customer benefits of this work to be the potential share of windfall gains and improvement in trust/transparency/legitimacy. • We consider that we can build on the work that is done by companies and Water UK, to make comparable information more easily accessible to customers. This will

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<p>positioned to support customers in their understanding of the water sector and the value of it to customers.</p> <ul style="list-style-type: none"> We would be interested to explore with CCWater how they are going to support consumers in helping them to understand proposals that may have a direct impact on consumers, such as metering. Re Water transfers - We suggest you could widen the scope of your proposed work to look at the advantages as well as disadvantages of transfers, both in absolute terms and relative to and in conjunction with other strategic options. We have already completed customer research on this issue and would be happy both to share that work with you and to work with you to develop the analysis. 	<p>also include information that we collect from companies and from our research, along with a narrative. We intend to trial the league tables with companies in the first instance, so that any suggestions can be considered.</p> <ul style="list-style-type: none"> We agree that it is important to provide customers with clear and helpful information about specific company policies like metering, and that we all have a responsibility to raise awareness more generally of the reasons why these policies are needed. We see this as one of our priorities going forward. We are also keen to work with companies to ensure that any approach they adopt gives customers the support they need. We welcome your offer to work with us on this and that we will be interested to see their research. Our wording now says “As companies further examine strategic water transfer options; in response to firm proposals, we will seek assurance /and be satisfied that costs are fairly allocated without exposing either customer base to any additional risks or potential cross-subsidy.”
12	United Utilities	<p>Areas supported:</p> <ul style="list-style-type: none"> the way that CCW uses customer research and advocacy work to identify the issues that are important to consumers and agree that the four key strategic priorities identified in the draft forward work programme provide a solid framework for CCW to work within over the upcoming period. 	

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<ul style="list-style-type: none"> the importance of sharing benefits of outperformance with customers. the importance of companies making financial assistance available to those customers who struggle to pay, and agree with CCW that companies have a role in helping to fund these schemes. continued focus on the affordability / vulnerability agenda. the important role that CCW and all stakeholders have in supporting improvements in the non-household retail market, and the need for accurate data in ensuring that the market works for customers. the proposal to review the existing customer complaints process. key role CCW is playing as part of the 2019 Price Review... and we welcome the role CCW representatives are undertaking as part of the Customer Challenge Group (CCG). challenging of companies to ensure that PR19 business plans are derived from real customer insight and understanding of their needs and priorities. 	
		<p>Suggestions/queries: [cut down from full response]</p> <ul style="list-style-type: none"> proposals to introduce additional reports in the areas of financial performance and relative service levels risk duplicating existing annual reports produced by Ofwat and by Water UK. We encourage CCW to work with companies and other regulators to adapt existing reports and avoid generating new, duplicative work. When CCW interprets acceptability testing results on Ofwat Draft Determinations we believe that due regard should also be given to companies own wide ranging acceptability testing conducted in collaboration with Customer Challenge Groups in the lead up to business plan submissions. 	<p>We consider that we can build on the work that is done by companies and Water UK, to make comparable information more easily accessible to customers. This will also include information that we collect from companies and from our research, along with a narrative. We intend to trial the league tables with companies in the first instance, so that any suggestions can be considered.</p> <p>While we will take into account the results of companies' business plan acceptability testing research as important context, comparability is limited because:</p> <ul style="list-style-type: none"> Companies methods of conducting their research were diverse, differing from the methodology CCWater will use when testing the draft determinations for acceptability. Therefore, direct

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<ul style="list-style-type: none"> • encourage CCW to recognise the importance of taking a balanced view towards the setting of an industry WACC as part of the price review process, given the detriment to customers of setting an allowance which is too low, as well as one which is too high. • encourage CCW to address what we believe is a post code lottery that has emerged from the current industry approach to establishing social tariffs. Low income customers in less affluent regions are not able to access the same level of support since customers living in these areas don't always feel able to bear the asked for levels of cross subsidy. • Outperformance - We think it is important that CCW actively acknowledges where companies have shared benefits in the past. 	<p>comparisons with business plan and draft determinations acceptability are limited.</p> <ul style="list-style-type: none"> • The Draft Determinations may include different price and performance proposals than those proposed in business plans. • Ofwat set an initial cost of capital that was within the range we recommended. • CCWater shares these concerns and has been highlighting this issue to the sector and Government for many years, including prior to the establishment of the current social tariff arrangements. <p>Although those arrangements do not mandate consistency we have encouraged companies to take the issue into account in developing their tariff schemes, particularly where there is a significant overlap between company boundaries.</p> <p>We are pleased to note that a number of companies in the South of England are putting in place measures to align their tariffs, and highlighted this to the rest of the sector at our affordability seminar in November 2018.</p>

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<p>What CCW costs</p> <ul style="list-style-type: none"> We welcome the visibility provided by CCW on future cost projections and believe that it remains crucial that CCW gives consideration as to how it might continue to exercise control over its costs in future. In future, when considering real terms cost changes we recommend that CCW makes reference to CPIH inflation, rather than the older RPI measure. This will align CCW's cost changes with inflation measures used to adjust customer bills in AMP7. 	<p>We agree that not all companies are the same and do aim to praise, as well as challenge. We will consider further ways to incorporate this approach through our reports and media activity.</p> <p>We regularly review our costs, and have made savings on accommodation and procurement costs recently.</p> <p>The reason CCWater's FWP consultation refers to RPI is because that is the index up to November 2019. Beyond this point, Condition N refers to the "relevant index" which will be the same as is applied to regulated water companies (CPIH). We wanted to keep the text simple, but in future, we will refer to the "relevant index" where we are comparing over time and CPIH or RPI for a particular year, as appropriate.</p>
13	Water Plus	<p>Support:</p> <ul style="list-style-type: none"> Work with the non-household sector 	
		<p>Suggestions/queries: Encourage CCWater to review:</p> <ul style="list-style-type: none"> Wholesale role in reducing complaints Driving improvement of market data quality Introducing an effective wholesale incentive framework for NHHs Practical and targeted harmonisation of business retail market Implementing a bilateral portal to facilitate market operation 	<ul style="list-style-type: none"> We featured a section dedicated to wholesalers in our July 2018 complaint report. We will expand on this in 2019 to include more indicators of wholesaler performance. We have been vocal in our press releases about the role wholesalers must play in improving the market. In Ofwat's call for inputs (CFI) on wholesaler performance we

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<ul style="list-style-type: none"> Assurance process behind year end submission. 	<p>supported that wholesalers need a more effective accountability framework in the market.</p> <ul style="list-style-type: none"> We are supporting market groups that strive to improve market data. We are sharing our customer intelligence where we feel it highlights the areas where data is having the most detrimental customer impacts. We have been encouraging the market operator to increase the profile of some of the market data it holds and the improvement plans that members are meant to put in place. We support efforts of trading parties to improve the quality and timing of communication. We are aware that a bilateral portal is one possible tool to address that, however we have no specific role in developing this. We are grateful for Water Plus' suggestion that retailers' complaints data could attract a greater deal of confidence if it was given assurance at year end. While we won't be prescriptive in how retailers give that assurance, we intend to ask them to tell us in writing how it's been done.

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
14	Welsh Government	<p>Suggestions/queries:</p> <ul style="list-style-type: none"> • Regarding league tables - Will you identify whether Welsh customers have different concerns? If so how will this be reflected in tables? • Needs to include messaging on educating customers on their requirements in relation to supply side leakage • Scope for education here on cost of water treatment? ...Consumers do not understand the infrastructure requirements, chemical dosing, carbon footprint..... • Is there an opportunity to work with Waterwise as well to help them disseminate their messaging? • SUDS are not mentioned or the Wales route in SP2 (wastewater) • Is there potentially scope for CCWater to get behind the lobbying water UK are doing on wet wipes etc? could they also play a part in consumer education 	<ul style="list-style-type: none"> • We intend to use information from our research to gauge industry wide priorities for customers. At this stage we do not consider that there will be significant differences across England and Wales - however, we intend to trial the league tables with companies in the first instance, so that any suggestions can be considered. We added: <i>We will also help to raise awareness of customers' responsibility for private supply pipes and for dealing with any leaks on these pipes and in their homes.</i> • We don't have a specific reference but will consider it in our 'bigger picture' media work. • We already work with Waterwise - we are part of Waterwise's Water Efficiency Strategy Evidence Base Group and the Retailers' Water Efficiency Groups. • We added: We will continue to encourage companies to share good practice and knowledge on surface water drainage systems. • We have done a lot of work on the wet wipe issue with both individual companies and through the 21st Century Drainage Board, Sewer Misuse Group. We will continue to support companies and will be

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<p>around reusable sanitary products (which also play a part in reducing period poverty?)</p> <ul style="list-style-type: none"> • Complaints report - Need to ensure a true comparison eg complaints about suds sprinklers adoptions may be about Govt policy or issues outside of water company control • The EFRA committee are in the process of investigating compulsory metering is there also scope for CCWater to explore different charging methods for those who are metered - any company best practice going on in terms of affordability and metering? • Performance Commitments - is there some longer term work to look at balancing with penalty or compensation for failure as opposed to rewards funded 	<p>pressing for a firm commitment from all of them to a national campaign. See one of our blogs from 2016 here. We added to our planned work: We will also help inform consumers about what not to flush down the sewer. On reusable sanitary products, we are focusing our attention on the appropriate disposal of non-reusable products because of the immediate contribution that they make to blockages. Changing behaviour of the products people choose is likely to take longer than changing disposal methods but we would be happy to support others in this work.</p> <ul style="list-style-type: none"> • We accept that some complaints are outside the company control. However, the vast majority of complaints are about the services of the company and it is for the companies to inform customers of their rights and responsibilities. • Previous research has indicated that customers do not favour the use of complex metered tariffs (such as rising block tariffs). However, we will consider if there is an opportunity to revisit this point in our research during the year. • We continue to work with companies in identifying innovative ways to overcome barriers to optional metering where this can play a role in improving affordability

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<p>by all customers? In terms of DCWW how beneficial is this if missing stretching targets were to lead to penalties which the water consumer would ultimately pay for - possible consideration how the NFP company should be negotiating this price review if some of the measures are tipped in the competitive industry's favour? part of the wider discussion re how CCWater should think about the different models of water companies and whether the economic regulatory framework is actually impacting on consumers.</p> <ul style="list-style-type: none"> • CMA appeals - Look specifically at different system or balance for DCWW? • On research suggestions for: Lessons learned, suggestions for future specifically for Wales and a look at the right model for differently structured companies 	<p>(including lowest bill guarantee scheme trials).</p> <ul style="list-style-type: none"> • We recognise that ODI rewards and penalties have different implications for a NFP company. A reduction in 'in period' revenue resulting from a penalty should incentivise the company to achieve its targets. However, ODI outperformance payments would be include in DCWW's 'WaterShare' mechanism, benefiting customers, which is a business plan proposal we supported. We agree that if the ownership structure of the industry across England Wales is considered, the use of such incentives in the future for commercial and NPF companies, and its implications, need to be thought about. • We understand the Chair of the CMA has suggested that regulatory appeals could be carried out by the Courts. • We would welcome further discussion on this point.
15	Wessex Water	<p>Areas supported:</p> <ul style="list-style-type: none"> • CCWater's desire to reduce sewer flooding • Overall, this seems to be a sensible and ambitious programme focussing on areas that matter to consumers including those in vulnerable circumstances. There is quite rightly a heavy focus on the Price Review in the coming year. 	
		Suggestions/queries:	

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		<ul style="list-style-type: none"> • In Strategic Priority 1 under monitoring and challenging companies to improve, we note CCWater’s intention to publish reports on companies’ financial performance. With any new reporting we’d urge CCWater to put in a robust process for gathering and checking data to ensure accuracy and correct interpretation. • We would also welcome more information about the league tables that CCWater wish to develop as there are already a number that exist such as SIM and the EPA. Other key company information is published via Discover Water. With any league table we need to 	<ul style="list-style-type: none"> • Our report is pulled together from companies’ annual performance reports and other publicly available information. The version we published in 2016-17 is here. • Our report covers some similar ground to the Ofwat monitoring financial resilience report but is more accessible to customers. In particular, it focusses on the areas that matter most to customers. This includes: <ul style="list-style-type: none"> ○ ensuring that Ofwat takes account of companies’ emerging financial performance at subsequent Price Reviews (e.g. setting suitably challenging efficient targets) ○ pressing companies to share their financial outperformance with customers - especially for any gains achieved outside of companies’ control. • We see the customer benefits of this work to be potential share of windfall gains and improvement in trust/ transparency/legitimacy. • We consider that we can build on the work that is done by others, to make comparable information more easily accessible to customers. We intend to trial the league tables with companies in

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<p>ensure it provides a meaningful and fair comparison that's useful for customers.</p> <ul style="list-style-type: none"> We would urge CCWater to work either alone and with water companies on campaigns to tackle sewer misuse. We note CCWater's latest campaign with Southern Water and it would be good to see more explicit mention of CCWater's overall role in tackling sewer flooding as well as generally changing consumer behaviour within the Forward Work Programme. It is good that CCWater have set targets for their own service in terms of handling complaints and satisfaction, but we do believe these could be more challenging particularly as CCWater place great emphasis on driving up company performance. The proposed targets remain considerably below those expected, and generally achieved by, water companies. In addition, there is much scrutiny on the overall complaints journey within the water sector so any further work that CCWater and the provider of WATRS can do to streamline the process and handover would be welcomed. 	<p>the first instance, so that any suggestions can be considered.</p> <ul style="list-style-type: none"> This work was planned, but not outlined in the draft, so we have added: <i>We will also help inform consumers about what not to flush down the sewer.</i> Our sewer flooding references are titled: Review company performance on sewer flooding so we can target and challenge poor performers; identify good practice and innovative solutions. Press companies to beat, not just meet their sewer flooding performance commitments. CCWater sets its targets with performance of similar organisations, such as Ombudsman services, in mind. Our performance has been affected by the complaints generated by NHH customers after the opening of the retail market, but we are taking steps to address this. We do review our targets every year to ensure that they are realistic but challenging. We think there is scope to improve the customer journey from CCWater to WATRS. We hope that we can make the interface more seamless, low-effort and timely. We will be working with the provider and stakeholders on this over the coming year.

	Stakeholder	Comments Made	CCWater Response to suggestions/queries
		<ul style="list-style-type: none"> We are pleased to see specific mention of securing effective implementation of the Digital Economy Act. Although initial discussions have taken place with the DWP on sharing benefits data we would welcome CCWater's help to progress this with some urgency for the benefit of those customers who should be receiving support with their bills. It is helpful to see an outline of CCWater's research programme but we would encourage you to share more detail of this as early as possible. There may be opportunities for CCWater and companies to work together to engage with customers. We are aware that CCWater intend to undertake acceptability testing of Ofwat's draft determinations. It will be very important for CCWater to give companies the opportunity and time to fully comment and check any stimulus material produced for this project as it will be reflecting companies' business plans. 	<ul style="list-style-type: none"> This work is now at the stage of companies reaching individual agreements with companies. We are not aware of any difficulties with this process and would be keen to hear if that is the case so we can consider if we can provide assistance. Once our research programme is agreed by the Board in March each year, we share details with companies and stakeholders. We are always open to collaborating with companies and other stakeholders on research of joint interest. The acceptability of draft determinations research has been piloted and we have shared materials with companies and welcomed comments.