

Wessex Water Partnership

c/o Wessex Water Services
Claverton Down Road
Claverton Down
Bath
BA2 7WW

Outcomes consultation
Water 2020
Ofwat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

31 January 2017

Dear Sirs

Response to the Consultation on the outcomes framework for PR19

The Customer Challenge Group (CCG) to Wessex Water is known as the Wessex Water Partnership (WWP). I wish to respond to your consultation on the outcomes framework for PR19 in my capacity as Chair of the WWP.

It is the role of CCGs to review and challenge the water companies over the quality of their engagement with customers and how well the views of customers are reflected in the performance commitments included in their business plans. CCGs require sound information and knowledge on how companies are performing against their current commitments and how they communicate this information to customers through the engagement process.

Common industry performance commitments can assist CCGs and customers in assessing companies' performance against their peers and enable both parties to put an industry context to the companies' future plans. However, as with all customer performance metrics, commitments should be meaningful and understandable to all stakeholders, relevant and appropriate to companies' supply areas and operating environments, clearly and consistently defined and not open to interpretation.

Common performance commitments and associated outcome delivery incentives (ODIs) should only be used for areas of service where cross company comparison will clearly drive performance outcomes and innovation demanded or expected by customers. Performance

commitments and their ODIs should always be normalised for local circumstances. If this is not possible then common commitments should not be used.

It is also important to recognise and avoid the risk that common performance commitments and cross company comparisons may drive company behaviour that is unintended and not in customers' and other stakeholders' best interests.

Whilst the proposed outcome framework envisages that the meeting of companies' statutory obligations in terms of water quality and environmental compliance is a given, there would appear to be scope for having associated common performance commitments that measure these and include penalties for less than full achievement.

It is essential that CCGs and customers should expect performance information supplied by companies to be reliable and accurate. Whilst recognising the benefits of Ofwat's company monitoring framework in this respect, it is important that company and regulator resources are focused on maximising performance and service to customers and the environment as well as information quality.

I trust my points will prove useful to your process. I would be happy to discuss any of them with you if necessary.

In considering your consultation I shared the issues with members of the Partnership and listened to their views, but as members cannot speak for the organisations of which they are members or employees, this should be taken as a submission from me as Chair, rather than a unanimous view of the partnership in its entirety.

Yours faithfully,

Dan Rogerson
Chair of Wessex Water Partnership

