

From
YourVoice CCG
United Utilities

29 August 2017

Dear Ofwat

Thank you for giving YourVoice, the United Utilities CCG, the opportunity to comment on Delivering Water 2020; Ofwat's consultation on its methodology for the 2019 Price review. We have not completed the pro forma however, but hope you will still note our views.

Our comments are listed below on the questions you posed.

Affordability and Vulnerability

Q1. Do you agree with our proposal to use the five principles of customer engagement; customer support; effectiveness; efficiency and accessibility to assess how a company is addressing affordability in their business plan?

Generally we agree with the 5 principles of customer engagement as outlined. Our concern is that national or regulatory requirements may limit the extent customer bills can be made affordable and we feel Regulators and Government need to take a balanced approach to take account of affordability alongside water companies.

Q2. Do you agree with our proposal to use information and measures, including possible common measures, to assess how a company performs against the five principles in addressing affordability in their business plan?

The principles identified are sound but the consultation does not actually set out the detail of how company performance on affordability will be measured or compared.

Measures have limitations and we feel weight should be given to how CCG's think companies are performing. Perhaps a measure on £ contributed by companies to support affordability schemes is not the correct measure, a better one may be around the effectiveness of schemes, for example maybe how many people are receiving help with bills and continue successfully on to pay in future years. Average bill reduction from financial assistance measures may be another indicator.

Q3. Do you agree with our proposed option for requiring companies to propose bespoke performance commitments for addressing vulnerability in their business plan?

Q4. Do you agree with our proposed option for using measures in our assessment of companies' approaches to addressing vulnerability in their business plan?

We generally support Ofwat's proposed option for using measures to assess the company's approach to vulnerability; however quantitative measures can only ever form a subset of the evidence needed to understand companies' effectiveness in supporting customers in vulnerable circumstances.

The proposal to measure company action to raise awareness of priority services seems too simplistic. Sending out a priority services leaflet with the annual bill could allow companies to report contact with all customers, however this may not be as effective in raising awareness as more targeted and engaging approaches.

If a common set of definitions can be developed then the specific measures may help understand the relative scale of companies' vulnerability schemes, but are unlikely to reveal how effective those schemes are at supporting customers or how local differences in need are being addressed.

Support for those in vulnerable circumstances needs to be tailored to local conditions to ensure it is effective, therefore we believe substantial weight should be placed on independent bodies' assessment of companies' affordability plans. We feel there is a role here for CCG's.

An interesting measure could be around the extent to which water companies and other utilities and stakeholders share information on vulnerable customers.

Outcomes

Q1. Do you agree with our proposals for common and bespoke performance commitments?

Yes However, we wondered why a performance commitment on water quality was included when it is a DWI requirement.

Q2. Do you agree with our proposals on setting performance commitment level?

Yes but we feel greater weight should be given to local priorities.

In the area of environmental performance commitments we support the direction of travel in Appendix 2, in particular the measures linked to SuDs. We feel environmental metrics missing are those linked to water efficiency and those which increase the opportunity to connect people to the environment which importantly

impact on the mental and physical health of customers (these link to vulnerability and affordability.)

Q3. Do you agree with our proposals for strengthening outcome delivery incentives?

We agree with Ofwat's proposal for strengthening ODI's. However, it is important that incentive rates continue to reflect the value customers place on changes in service levels. Companies should build service improvements into their Business Plans based on customer consultation and this may limit the scope for further improvement. We are anxious that companies are not rewarded for poor performance, however emphasis should not all be on comparisons as weight should be given to local priorities.

Q4. Do you agree with our proposed Customer Measure of Experience (CMeX)?

The removal from the customer satisfaction measure of complaint numbers and the level of their escalation weakens the incentives on companies to avoid complaints and agree a satisfactory outcome in order to avoid escalation. It certainly seemed SIM was successful in improving complaints performance and we would not like to see this trend reverse.

Q5. Do you agree with our proposed Developer Measure of Experience (D-MeX)?

Ofwat need to be sure, if moving forward on this measure, that the emphasis on services to developers, is proportionate to services to other stakeholders and customers.

Thank you again for this opportunity to comment.

Yours sincerely

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