PR19 Developer Services Measure of Experience (D-MeX): guidance for the D-MeX shadow year 2019-2020

Ofwat

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1. Introduction

1.2 The purpose of this document

The developer services measure of experience (D-MeX) is a mechanism to incentivise water companies to provide an excellent customer experience for developer services (new connections) customers. These customers include small and large property developers, self-lay providers (SLPs), and those with new appointments and variations (NAVs).

D-MeX will run in 2019-20, the shadow year[1], prior to the 2020-2025 period.

Following the results of the pilot which took place during 2018, the shadow year, which runs from 1 May 2019 - 31 March 2020, will provide an opportunity to further develop and test the methodology for how D-MeX will be run during the 2020-2025 period. Particularly for D-MeX, the pilot year focussed on survey design; we will use the shadow year to work with stakeholders to test the incentive design elements prior to making final decisions.

The objectives of this guidance are to support water companies in providing the necessary information to achieve an accurate and representative set of D-MeX results.

To avoid inconsistency, companies should request clarification from Ofwat if they encounter any areas of doubt or ambiguity. Ofwat will either clarify the position or consult with stakeholders to inform its decision, and make any amendments to this guidance that it considers necessary.

D-MeX is comprised of two components: a quantitative component comprised of Water UK metrics, and a qualitative which for the shadow year is comprised of a transactions follow-up survey. This is a survey in which customers who have had work completed by water companies are surveyed about their recent experience. For the avoidance of doubt, D-MeX will not include a relationships survey. This was tested in the pilot phase and we have decided not to include this survey in the

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[1] In 2019-20 (the shadow year), the new D-MeX service incentive mechanism will be run. However, this year will be focused around testing and improving the mechanism. As such, no financial or reputational incentives will be placed on company performance during this year. From 2020-21 the full D-MeX incentive mechanism will be operational and annual financial incentives will be in place.

qualitative component of D-MeX. We explain our reasons for this decision in the D-MeX policy document which outlines our decisions for the D-MeX shadow year.

Guidance around the survey element for both water companies and the agent appointed by Ofwat to carry out the surveys is detailed in the following sections.

1.3 Definitions

- **Appointed Agent**: the person appointed by Ofwat to carry out the D-MeX surveys during the shadow year.
- **Company DNC:** an individual representing a customer, who has told the company that they do not want to be contacted for marketing or other purposes.
- **Data Protection Laws** - the General Data Protection Regulation ((EU) 2016/679), the Data Protection Act 2018 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 and related statutory instruments as amended or in force from time to time.
- **End-customer:** the owner of the property where the work is being carried out, or a builder or developer undertaking the development of a new site.
- **NAVs** - New Appointments and Variations. Under the NAV regime, a company can apply to Ofwat for a licence to replace the appointed undertaker as the monopoly provider of water and/or wastewater services for a specific site. The majority of applications are for new residential and mixed-use developments. A developer can choose between the incumbent, a self-lay provider or a NAV in order to provide connection services for a new development site.
- **New connections**: where a customer requires either or both:
  - access to the existing public water supply or sewerage system by means of a service pipe or lateral drain
  - a new water main or public sewer
- **Levels of Service (LoS) metrics**: Full definitions can be found on the Water UK website.
- **Ofwat DNC:** an individual customer representative who has told Ofwat or its appointed agent that they do not want to be contacted by Ofwat or its appointed agent regarding the D-MeX incentive mechanism
- **Shadow Year**: the period running from 1 May 2019- 31 March 2020.
- **Plots:** in this context, a piece of land intended for building property on, and having a water supply connected to it.
- **SLPs** – Self Lay Providers. A developer can choose to "self-lay" any contestable works for a development site using an accredited contractor. The incumbent will subsequently take over responsibility for (adopt) the self-laid infrastructure.
- **Shadow year:** 2019-2020

- **Transaction:** any interaction between the water company and its customer for the purpose of completing a piece of work providing a service listed in Table 1.

2. Calculating D-MeX score during the Shadow year

The formulae below explain how companies should calculate their D-MeX score, which is a combination of quantitative Water UK metrics and qualitative customer satisfaction survey results:

D-MeX Formula 1:

The D-MeX score for any water company is given by the following formula, which is a weighted sum of the quantitative Water UK metrics and qualitative customer satisfaction survey results:

$$DMeX\ score\ =\ a * Quantitative + b * Qualitative$$

$$a\ denotes\ the\ weight\ of\ quanitative\ element, 0 < a < 1$$
$$b = (1 - a), and\ denotes\ the\ weight\ of\ qualitative\ element$$

Unless otherwise stated by Ofwat, a 50-50 weighting is applied for both the *quantitative* and *qualitative* elements (a=0.5, b=0.5).

In order to calculate the quantitative and qualitative components in *D-MeX formula 1* above, the following formulae are used:

D-MeX Formula 2:

Quantitative (in *D-Mex formula 1* above) is the quantitative component of the D-MeX score and is a simple average of the Water UK metrics WUK_j.

$$Quantitative\ =\ \sum_j^m \frac{WUK_j}{N}$$

$$j\ denotes\ all\ non\ zero\ Water\ UK\ metrics, j = 1,2, \dots, m$$
$$N\ is\ the\ total\ number\ of\ Water\ UK\ metrics$$

The Water UK metrics included in the D-MeX score composition is listed in Table 1 in section 3.2.1, unless otherwise stated, and is subject to change by Ofwat.

D-MeX Formula 3:

$Qualitive$ (in *D-Mex formula 1* above) is the qualitative survey component of the D-MeX score and is a weighted average of CSAT (customer satisfaction score) for each customer size (small, medium and large) as defined in section 0:

$$Qualitative = \frac{\beta_1 \sum_a^A CSAT_a + \beta_2 \sum_b^B CSAT_b + \beta_3 \sum_{ci}^C CSAT_c}{\beta_1 A + \beta_2 B + \beta_3 C}$$

$$Where\ \beta_1 + \beta_2 + \beta_3 = 1$$

$a\ denotes\ small\ customer, a = 1,2, \dots, A$

$b\ denotes\ medium\ customer, b = 1,2, \dots, B$

$c\ denotes\ large\ customer, C = 1,2, \dots, C$

$A, B, C\ is\ the\ total\ number\ of\ small, medium\ and\ large\ customers\ respectively.$

$\beta_1, \beta_2, \beta_3\ denote\ the\ weights\ of\ the\ CSAT\ metrics\ for\ small, medium\ and\ large\ customers\ respectively.$

The weights applied to the CSAT metrics for the different customer sizes $\beta_1, \beta_2, \beta_3$ (small, medium, large) will be determined by Ofwat if adopted.

3. Qualitative Survey

3.1 Overview

The aim of the qualitative transactions survey is to measure and track customer satisfaction with the day to day operational service delivery provided by Water Companies. The customer satisfaction score (CSAT) from the transactions survey forms the qualitative component of the D-MeX score calculations outlined in section 2.

Each month on an ongoing basis throughout the shadow year, a sample of each company's customers will be interviewed by phone, to collect feedback and satisfaction scores relating to a recent 'transaction' or piece of work completed by the company on their behalf. Transactions are identified by reference to the established list of activities already monitored by Water UK (the 'Levels of Service' or 'LoS' metrics).

3.2 Guidance for Companies

3.2.1 Data requirements and frequency of data provision

The list of Water UK metrics in scope for D-MeX is as shown in Table 1 below. Full definitions can be found on the Water UK website. For completeness, this list includes four metrics (shown in bold) relating to self-lay provider (SLP) activity, which are in addition to the list of metrics used in Wave 2 of the D-MeX pilot.

Each month, companies must provide to our appointed agent a list of transactions (see Table 1) completed in the previous month and reported to Water UK. Lists should be provided as soon as possible after the Water UK return is submitted on the 20th of each month (as currently due), and in any event within 4 working days thereafter. For example for May 2019 data, the deadline will be 24 June 2019, and earlier if possible.

If the Water UK reporting deadline is brought forward to earlier in the month following the period in question, data submission for D-MeX should also be brought forward, to within 4 working days of the new deadline.

Each month, as well as providing the transactions list set out in Table 1 and described in this section, companies should send a copy of their Water UK return to the agent, for auditing purposes.

All records must be transferred to the agent using a secure file transfer system and not as email attachments.

Table 1 – Levels of Service (LoS) metrics in scope for D-MeX

W1.1 Pre-development enquiry – reports issued
W3.1 s45 quotations
W4.1 s45 service pipe connections
W6.1 Mains design <500 plots - quotations
W7.1 Mains design >500 plots - quotations
W8.1 Mains construction
W17.1 Mains diversions (without constraints) - quotations
W17.2 Mains diversions (with constraints) - quotations
W18.1 Mains diversions - construction/commissioning
W20.1 Self-lay Point of Connection report < 500 plots etc. - reports issued
W21.1 Self-lay Point of Connection reports >500 plots etc. - reports issued
W23.1 Self-lay design and terms request <500 plots etc. - quotations
W24.1 Self-lay design and terms request >500 plots etc. - quotations
W25.1 Self-lay signed agreement - acknowledgements
W26.1 Self-lay water for pressure/bacteriological testing - provided
W27.1 Self-lay permanent water supply - provided
W28.1 Self-lay vesting certificates - issued
W29.1 Self-lay Asset Payments - issued
W30.1 Self-lay plot references and costing details - issued
S1.1 Pre-development enquiry – reports issued
S3.1 Sewer requisition design – offers issued
S4.1 Sewer requisition – constructed and commissioned
S6.1 Technical vetting of adoptions & diversions – approval or rejection letters
S7.1 Adoption legal agreement – draft agreements issued
S8.1 s106 sewer connection - approval letters issued
S9.1 s106 sewer connection - rejection letters issued

The number of records provided for each metric should tally with the total volume of transactions completed which is reported to Water UK each month (rather than the

volume delivered within the target for that metric). This will ensure a comprehensive sampling frame for the survey, and that the results reflect the spread of all day to day work undertaken, for all types of customer. If there is a discrepancy between the number of records sent to our appointed agent and the number reported to Water UK, companies are required to submit an explanatory note along with their submission.

Please note:

Companies should not remove any records where any of the contact details are not available – this will be done as part of the sample auditing and cleaning process.

Any changes or updates related to the data provision requirements set out in this document (such as deadlines and the means of data transfer) which are necessary following the appointment of our appointed agent for the shadow year, will be communicated via the D-MeX working group as far in advance as possible.

3.2.2 Data file layout

To facilitate the agent's process of compiling, checking and preparing the lists from which to survey, as efficiently as possible, companies should provide all data in a single Excel worksheet, one row per transaction. Companies should not separate out the file into one worksheet per transaction, or any other format.

For each record, companies should provide the information listed in Table 2 below, laid out in the columns shown

Table 2 – data submission fields

Excel worksheet column	Column header	Notes
A	Water company	Please enter in this field the version of your company or regional brand name by which this customer will know you as having dealt with this transaction (e.g. Essex & Suffolk Water, Cambridge Water, Bournemouth Water, Hafren Dyfrdwy, separately to Northumbrian Water, South Staffs Water etc.)
B	Water UK metric	As in Table 1 above
C	Date completed	Please provide the transaction completion date
D	Site	Please provide the name and/or address of the site to which this transaction relates

E	Phase	If this is a multi-phase project, please provide the number/name of this phase of work. If applicable, provide details on whether this is a large developments on a single site which involves multiple phases with their own respective teams and liaisons with their water company
F	Plots	Please provide the number of plots at this site to which this transaction relates
G	Customer firm	Please provide the name of firm, if applicable. If the customer is a private homeowner acting on their own behalf, leave this field blank. Also include details on whether the customer has offices across several regions.
H	Customer contact name	Please provide first name and surname, in one single field. Please do not provide any additional titles - e.g. enter the name as Steve Jones, not Mr S Jones or Mr Steve Jones. However, if you do not have a first name for this contact, then provide what information you can
I	Customer contact job title	Please provide the job title of this contact, where applicable and known. Otherwise leave this field blank
J	Landline number	If you have a landline and mobile number, please provide both, but in separate columns as shown. For landlines, if you have both a switchboard and a direct line number for this contact, please provide the direct line number, with extension number if applicable. If you do not have a landline number for this customer contact, leave this field blank
K	Mobile number	Please provide a mobile number for this contact, where available. If you do not have a mobile number for this customer contact, leave this field blank
L	Customer type	Please enter in this field whether the customer details provided are for: • The end-customer – i.e. either the owner of the property where the work is being carried out, or a builder or developer undertaking the development of a new site – enter 'End-customer', or if known otherwise, one of the below • An intermediary (agent) acting on the end-customer's behalf in relation to this particular piece of work, such as a utilities or engineering consultant, architect, lawyer etc. – enter 'Agent' • An SLP or NAV entity
M	Number of mains connections	Please provide the number of mains connections that this customer has completed with you over the last 12 months.
O	Number of Transactions	Please provide the number of transactions completed with this customer over the past 12 months for this customer
P	End-customer	If the customer firm and contact is an agent acting on behalf of a builder or developer, enter the name of the end-customer builder or developer here, if known
Q	Do not contact (DNC) reason	If you consider this customer should not be approached for a D-MeX survey, please provide your reason here. Please refer to the guidance on this in section 3.2.6 on data exclusions.

The rationale for requesting these fields are:

- To identify the appropriate individual customer contact to provide feedback on the relevant transaction
- To facilitate de-duplication within and between companies' files (so that customers are not contacted multiple times)
- To facilitate contact with these individuals by phone
- For clarity in defining the transaction to be asked about, in the survey introduction (e.g. 'I'm ringing about the recent [TRANSACTION] completed for you by [WATER COMPANY] on [DATE] for your site at [SITE]) – to ensure that the results relate to the correct piece of work
- To enable the agent to audit the transactions data against the Water UK return[2]

At the beginning of the shadow year (1st May 2019) companies should provide Ofwat's appointed agent with a list of all their unique customers who have completed a transaction within the last 12 months. This list should include a flag which identifies the size of each customer based on the following rule:

- Large: is equivalent to the top 10% of customers by number of connections.
- Small: customers who have completed one single connection during the period.
- Medium: customers who have completed 2 or more connections but lie outside of the top 10%.

This list will be cross-referenced with the details recorded in the monthly data submissions (by which means the agent will be able to identify, independently, those customers that appear on a regular and frequent basis). This will support the customer classifications to be investigated in the Shadow Year.

3.2.3 Regional customers and multi-phase developments

In cases of large/national customers who have offices across several regions, we recognise that there is a need to understand the quality of customer service across

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[2] For the period 2020-2025, the rationale will also be to provide information by which different customer types can be classified, so that results can be weighted according to the importance of the customer segment. The results of the qualitative aspect will not be weighted by customer size or type in the shadow year, as the weightings are to be developed based on the results of the shadow year.

the different offices or sites that are in development. To capture this detail and to ensure that organisations with multiple offices are adequately represented in the sample, companies are required to enter these details in column G in the form [CUSTOMER FIRM - REGIONAL OFFICE].

In addition, large developments on a single site may involve multiple phases with their own respective teams and liaisons with their water company. In this event, companies are required to record this data in column E.

3.2.4 Multiple plots

For metrics W3.1, W4.1 (s45 quotations and service connections) and W30.1, a monthly return will often show far more numbers than there are customers for these, because they are counted per plot and not per application. In these cases, companies should show one line per metric per site and customer contact, and enter the number of plots concerned in the 'Plots' field. In this way, the numbers can be audited against the Water UK return without companies needing to show each plot as a separate line item in their data submission.

3.2.5 Identifying the appropriate customer contact

In some cases there may be more than one individual customer contact that could be provided in relation to a transaction – for example if one person submitted forms in an administrative role, on behalf of another person who subsequently handled the progress of this work stage in dialogue with the water company. In such cases, the company should provide the contact details of the person who interacted with the company on this issue / delivery of this piece of work.

3.2.6 Data exclusions from the D-MeX sample

Customers are being contacted in D-MeX in order to provide feedback on their experience of dealing with water company in order that a regulatory mechanism can be applied to help drive improvement across the industry. It is therefore critical to ensure that the survey samples taken are representative of the customer population.

Companies should not ask customers to opt-in to being contacted in relation to the survey, as doing so could detrimentally impact on the representativeness of the sample that would be achieved.

Therefore, all customer contacts related to the metrics defined in Table 1 should be provided.

Company DNCs

Companies are **not to exclude** Company DNCs from the data provided to our appointed agent in the shadow year. This means that for Company DNCs, water companies should provide the transaction details as described above in Table 1 and Table 2, and still provide the customer's personal data (in rows H, I, J, and K of Table 2). Where and individual employee of a developer services customer is a Company DNC or an Ofwat DNC this applies to that specific individual and not to the whole developer services customer.

We consider it appropriate to be able to contact Company DNC customers for our D-MeX incentive for a number of reasons. Our D-MeX survey is not direct marketing, and legally, Ofwat is permitted to contact Company DNC customers for the survey as long as these customers have not expressly opted out of receiving surveys from Ofwat. In addition, we want to preserve the integrity of the incentive, enable all companies to be compared on the same basis, and we want to ensure that we are able to obtain robust and reflective sample sizes over the shadow year and beyond.[3]

The only circumstances under which companies may flag an individual customer as not to be contacted in relation to D-MeX would be where there is an ongoing dispute with the customer of such severity that approaching this customer to take part in a satisfaction survey may not be appropriate. For instance, this could include those customers where the water company is in litigation with the customer or where the case has been referred to Ofwat. In any such cases, companies should still provide the data pertaining to the transaction data but should exclude the customer's personal data (in rows H, I, J, and K of Table 2). Companies should also insert a note in the Excel data submission in row Q to indicate that this particular customer should not be contacted, together with the reason why. This is so that that the full set

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[3] We recognise that for the C-MeX shadow year, companies should exclude Company DNCs from the data provided to our appointed agent during the shadow year, but must provide the number of customers excluded from the samples provided, and the reasons for any exclusions e.g. marketing. Ofwat intends to monitor Company DNCs submissions during the shadow year. We currently intend to require companies to include Company DNCs in the 2020-2025 period and the shadow year will give companies the time to make any preparations for this.

can still be audited against the Water UK return, and to ensure there is no discrepancy in the number of transactions reported in each dataset.

Ofwat intends to keep its exclusions policy under review and may change its policy from time to time, to ensure the effective functioning of the survey.

3.2.7 Challenge Process

A challenge process was developed through the operation of SIM. This process allows companies to query and challenge data prior to the release of the final results of each wave of research (which is done quarterly). Data and recordings are sent to the companies by the appointed agent 3 days before results are finalised. Companies have this 3 day window to query/challenge and feedback comments to the appointed agent. This process has not been part of the C-MeX and D-MeX pilots.

For D-MeX, Allto recommends that the data should be passed back to the companies so that they can carry out their own diagnostic analysis on overall satisfaction but that we do not share call recordings with companies. This is because:

- these are business interviews and the closer nature of the relationship that customers have with the Developer Services teams means that it could potentially cause embarrassment for future interactions if the company has heard exactly how they have expressed their opinions – which would detrimentally impact on future response rates.
- while the customer would be asked at the end of the interview if they are prepared for the recording to be shared, in this type of interview it is good practice to inform the respondent at the start that they will be asked this later, so that they can temper their comments/language accordingly if they wish. This has the potential to reduce the detail and the value of the feedback they give, and the effectiveness of the process.

We agree with this rationale and would not want to prevent companies from having relevant information to improve the developer services customer experience, where possible. Therefore, for the D-MeX Shadow Year we will allow survey results to be passed back to companies but not call recordings, for the reasons above. While we are allowing the challenge process to continue for the Shadow year of C-MeX, we believe there is sufficient reason, based on the nature of the customer relationship to adopt a different process for call recordings between D-MeX and C-MeX.

3.3 Guidance for Appointed Agent

3.3.1 Sample preparation

The following procedure should be followed to prepare the data submissions files for use in the survey.

On receipt of each water company's file, the appointed agent should:

- Run a pivot table on metric and plot numbers, and compare the results with the company's Water UK return. If the data submission does not tally appropriately and is insufficiently explained by the company, query this with the company in question. The company may then re-run the file to complete their data; if this is not possible, a judgement call will need to be made (in conjunction with Ofwat, if appropriate) as to the validity of their reason for the discrepancy and whether to proceed with the file as submitted.

On acceptance of each water company's file, the appointed agent should:

- Review the contact name and phone number fields for any missing data or data in a format other than that requested; note the number of cases where this has happened (which will be reported to the company for future reference) and clean the data where necessary. Only records with both a valid contact name and phone number can be used.
- De-duplicate the records within each company's file, removing cases where an individual customer contact appears more than once (multiple separate contacts at a single firm are acceptable). Remove any such records at random.

On completion of cleaning and de-duplicating the individual files, the appointed agent should:

- Combine the individual files into one single file. Run a pivot table on transactions by company; calculate the proportion of records remaining after the initial cleaning of the individual files, for each company
- De-duplicate the records within the whole file (i.e. between the records provided by the companies). Multiple separate contacts at a single firm are not treated as duplicates. Remove any such duplicate records at random. Run a further pivot table on transactions by company and calculate the proportion of records remaining for each company after the final cleaning stage
- For month 2 onwards (for the shadow year this is June 2019 onwards), cross-refer against the master exclusions log (see below) and remove any customer

contacts from the current month's sample that have taken part in the survey, or refused, within the exclusion period
- Create (for the first month) and subsequently update each month a sample preparation tracking report, showing for each company the proportions of usable records at each stage of the process and the final numbers available for the survey
- Calculate quotas for the month that represent 20% of each company's usable records (more, for those companies with the smallest numbers of records)
- Randomise the file
- Proceed to fieldwork

3.3.2 Master sample exclusions log

On completion of each month's fieldwork, the appointed agent will add the details of customers who have taken part in the survey or refused to take part to a master list of previous contacts, flagged according to the relevant month.

(This master list is to be used solely for the purposes of D-MeX sample management, and is not shared with the water companies)

Each fresh month's sample file will be checked against this, and any contacts appearing in the master log as having been interviewed or declined within the previous 6 months will be removed from the sample to be used that month.

After 6 months, their record will be removed from the master exclusions log and they may be contacted again. We recognise that deduping customer contact to only survey once every 6 months may diminish the voice of SLPs over the surveying period as volumes are low. We will monitor this in the shadow year and consider if a different approach for SLPs is warranted.

This log will be monitored by the appointed agent through the course of the shadow year. It will be important to ensure that this process of avoiding re-contact within the exclusion period does not mean the survey ends up asking regular customers about only one type of transaction each time, but instead achieves a spread of feedback on the various work stages they experience.

This database log should also be used to record any Ofwat DNCs These records should not be deleted from the log. Ofwat DNCs will be passed on to the relevant water companies on completion of each month's fieldwork. In order to comply with data protection law, we want to ensure that Ofwat DNCs' data is no longer processed for the purposes of the D-MeX survey, i.e. that they are no longer

contacted for these purposes. Therefore, as mentioned above, each company, upon receipt of this information, is required to maintain an up to date record of Ofwat DNCs and, when providing customer information to Ofwat or any agent appointed by it to carry out surveys relating to D-MeX, that company must ensure that all Ofwat DNCs are excluded from the data that the company shares with Ofwat for the purposes of running its surveys.

3.3.3 Provision of data to companies

On completion of each month's fieldwork and data processing, the dataset from their own customer interviews are provided to each water company. At the end of the surveys, we ask customers if they object to us sharing their feedback with their water companies, so that the companies can use this to improve their customer service and also for companies to check and make sure that we have accurately recorded customer survey feedback. The raw data are anonymised where the respondent indicates at the end of the interview that they do not wish to be identified. Please note that for any personal data shared, the water companies act as separate controllers (as defined in the Data Protection Laws) of that data. Therefore, the water companies are responsible for complying with the obligations of a controller (such as providing a privacy notice to data subjects). Water companies are not permitted to use the personal data for any purpose (e.g. marketing) that will lead to the water companies breaching the Data Protection Laws. The Data Protection Laws do not apply to anonymised data.

4. Quantitative Performance Metrics

4.1 Overview

In addition to a customer satisfaction survey, the financial incentive for D-MeX will partly be based on quantitative metrics (as outlined in section 2) of water company performance against a set of key metrics. These metrics will be based on Water UK's existing levels of service metrics for developer services customers, and any future iterations of these metrics, as set out in Table 1.

The aim of the quantitative element of D-MeX is to ensure that levels of service are being met by companies. On an ongoing basis throughout the shadow year, companies will continue to provide their LoS data submissions to Water UK on a monthly basis. During the shadow year, companies will be expected to provide Ofwat with the **data submissions** as follows:

1. On 1 June 2019, companies will need to provide Ofwat with data covering March and April 2019 (the last 2 months' data) in the format set out in Table 3. This will need to be provided to Ofwat in an Excel file (to a mailbox account that will be specified to the D-MeX working group closer to the date). The purpose of this is to test the format and structure of the data, companies' internal audit process, and companies' calculation of the quantitative element of their D-MeX score. Hence the data needs to have gone through one of the assurance processes set out in section 4.2.1 below. Companies should provide the quantitative element of the D-MeX score in line with the calculations in section 2.

2. By mid- September 2019 (unless otherwise advised regarding the date) companies will need to provide Ofwat with data in the format set out in Table 3 for the period covering 1 May 2019 - 31 August 2019. This will need to be provided to Ofwat in an Excel file (to a mailbox account that will be specified to the working group closer to the date). The purpose of this is to test the process for companies to calculate their overall D-MeX score following our planned targeted review of the quantitative metrics.

Where companies are not able to meet these requirements, they should contact Ofwat as far in advance as possible. Ofwat will consider such requests on a case by case basis and take appropriate action if required.

4.2 Guidance for Companies

4.2.1 Assurance

The level of assurance around these levels of service metrics should be aligned to the approach companies currently employ for other Ofwat performance commitments, with the expectation that this data may be submitted as part of the APR for the period 2020-2025. An example of this is outlined below:

1. **Data pulled from system**. Data is typically pulled from the recording system by a 'Line Manager' who is responsible for a small number of metrics
2. **Accountable manager review**. Approved data from step 1 is then grouped into a number of metrics which are then reviewed by a more senior 'accountable manager'. This review could include comparisons against previous submissions and known issues
3. **Head of Developer Services review**. A higher level review of all metrics is conducted by the head of developer services
4. **Internal audit**. For some companies this may only happen if issues are identified in step 3, for others this may continually be done
5. **External audit**. These may be undertaken on an annual basis

We recognise there's a significant difference in the current quality and assurance employed of these metrics when compared to the APR data submission. We will not require this data set to be included in companies APR board assurance statements during the shadow year

For practical reasons and to ensure a proportionate approach, for the period 2020-2025, we are minded to require data for the quantitative element of the D-MeX score to be provided on an annual basis at the end of the reporting year.

4.2.2 Data Template

The data submitted will require the following fields to be completed and returned.

Table 3 – Quantitative data submission fields

Excel worksheet column	Column header	Notes
A	Month	
B	Water UK metric	As in Table 1 above.
C	Total volume of activity	Total volume of activity against the metric in column B for the specified month in column A.
D	Total volume within target	The volume/ratio of performance for each level of service metric Total volume of activity against the metric in column B that is within the target for the metric, for the specified month in column A
E	Performance	This is taken as = D/C which shows the proportion of activity completed within target

The targets used for the performance period are subject to refinement, and companies are required to be able to report their performance based on any defined target.

4.2.3 Data submission process

Outside of the dates mentioned above, lists should be provided as soon as possible after the Water UK return is submitted on the 20th of each month, and in any case within 4 working days thereafter. Companies should provide Ofwat with the assured data by the means specified to the working group closer to the date)

Table 4 – Timelines of provision of data to Ofwat

Date	Action	D-MeX calculation (as per section 2)
1st June 2019, (during shadow year)	Companies to provide Ofwat with assured data covering March and April 2019 (the last 2 months' data) in the format set out in table 3. Each company will calculate its D-MeX score.	While the weightings for both the quantitative and qualitative elements are subject to change, unless otherwise stated: Weightings applied to each customer size in D-MeX formula 3 are equal and therefore are one third each: $\beta_1 = \frac{1}{3}, \beta_2 = \frac{1}{3}, \beta_3 = \frac{1}{3},$ A 50-50 weighting for both the quantitative and qualitative elements in formula 1: a=0.5, b=0.5 All Water UK metrics listed in Table 1 will be included in the quantitative component (used in D-MeX formula 2).
Mid-September 2019 (date to be confirmed)	Companies to provide Ofwat with assured data covering 1 May 2019 -31 August 2019 in the format set out in table 3. Each company will calculate its D-MeX score, following the planned targeted review.	While the weightings for both the quantitative and qualitative elements are subject to change, unless otherwise stated: Weightings applied to each customer size are equal and therefore are one third each: $\beta_1 = \frac{1}{3}, \beta_2 = \frac{1}{3}, \beta_3 = \frac{1}{3},$ A 50-50 weighting for both the quantitative and qualitative elements in formula 1: a=0.5, b=0.5 Water UK metrics listed in Table 1 will be included in the quantitative component (used in D-MeX formula 2).

4.3 Guidance for the appointed agent

There are no requirements of the appointed agent, as far as the assessment of the quantitative performance metrics are concerned.

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a trusted and respected regulator, working at the leading edge, challenging ourselves and others to build trust and confidence in water.

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