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Ofwat
Centre City Tower
7 Hill Street
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24 August 2020

Dear Ofwat,

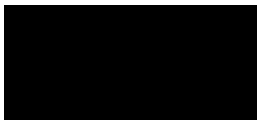
I am writing in response to the consultation on changing the Water UK metrics in D-MeX. This letter and supporting annex represent our response.

We continually seek to deliver our development services customers an excellent service and firmly support the development of markets where they deliver long term benefits to customers. Our strong support for the developer services market was highlighted by Ofwat in the recent letter sent to Peter Simpson by Rachel Fletcher following the Review of incumbent company support for effective markets.

We view NAVs and self-lay providers as valued customers, who can help us meet the infrastructure requirements of housing growth in our rapidly growing region. We have been actively involved in the Water UK working group that developed the NAV metrics. We support the inclusion of these metrics in D-MeX and have internally tracked and reported levels of service for NAVs and SLPs internally for a number of years.

If you would like to discuss any of these matters or our responses further, please do not hesitate to get in touch with us.

Yours sincerely,



Alex Plant
Director of Strategy and Regulation



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Q1: Do you agree with the NAV metrics that we propose to include in the quantitative component of D-MeX?

We view NAVs and self-lay providers as valued customers, who can help us meet the infrastructure requirements of housing growth in our rapidly growing region. We have been actively involved in the Water UK working group that developed the NAV metrics. We support the inclusion of these metrics in D-MeX and have internally tracked and reported levels of service for NAVs and SLPs internally for a number of years.

We provide NAV customers with a dedicated account manager, the NAV Growth Liaison Manager. Our NAV Growth Liaison Manager is tasked with understanding NAV customers specific needs and requirements in order to provide them with a high level of service. We have comprehensive systems, policies and procedures in place that ensure that NAVs receive a high-quality service, that is equivalent to that received by our developer customers. Delivering excellent and equivalent customer service is something that we are committed to at all levels within Anglian Water.

We have been engaged with the development of the NAV Level of Service metrics through Water UK working groups and have been reporting our performance against the metrics since April 2020. We support the inclusion of all seven of the proposed NAV metrics set out in Appendix 1.

We agree that the proposed NAV metrics are fair and proportionate to the service delivery provided to other Developer Services customers, such as developers and self-lay providers.

Q2: Do you agree with the NAV metrics that we propose to include in the qualitative component of D-MeX?

The qualitative component of D-MeX should be wholly representative of the customer experience and include all Developer Services customer types to encompass a balanced view of customer opinion. Alignment to the levels of service for developers will help the industry demonstrate equivalence.

The NAV metrics proposed in Appendix 2 are reflective of key stages within a NAV customer journey, are fair and comparable to qualitative metrics for developer and self-lay provider customers.

We support the inclusion of the nine NAV metrics within the qualitative component of D-MeX. These metrics are salient to ensure comparability with other D-MeX qualitative performance metrics and customer performance measurement.

The exception to our support is acknowledgments. All acknowledgement metrics should be excluded from the qualitative component to align with current Water UK metrics. These are procedural steps that are relevant for quantitative assessment but less so for a qualitative assessment.

We recognise that NAV transactions are frequently completed through the same company contact. It would be prudent to avoid the over-surveying NAV customers due to reduced sample size.

Q3: Do you agree with the sewerage adoption metrics that we propose to include in the quantitative component of D-MeX? Do you agree that the existing sewerage metric S7.1 should be removed where the new metrics SAM3/1 applies? Should any other metrics also be removed?

We have worked collaboratively with the Water UK working group to develop and implement Codes for Adoption and have been an active member on the Independent Sewerage Adoption Panel established by Water UK.

We support the proposed sewerage adoption metrics set out in Appendix 3. We believe they are fair and equivalent to activity being completed under current Water UK metrics. The inclusion of the additional two sewerage adoption metrics will demonstrate the full customer experience, taking into consideration legal agreement, construction and inspection activities that are presently outside of the current scope of Water UK Level of Service reporting.

We agree that SAM3/1, the issuing of a draft adoption agreement 14 days after receipt of inspection fees, plans and legal details, should be included in the quantitative component of D-MeX for sewer adoption codes.

It is evident that transactions will continue under S7.1 pursuant to schemes designed under Sewers for Adoption (SFA). Developer services customers can continue to apply under SFA up until 30 September 2020. We feel it is important that these customers are not excluded from the quantitative component to ensure fairness and effective representation of the equivalent service until such applications are no longer processed.

Q4: Do you agree with the sewerage adoption metrics that we propose to include in the qualitative component of D-MeX? Do you agree that the existing sewerage metric S7.1 should be removed where the new metric SAM3/1 applies? Should any other metrics also be removed?

We have interpreted the metrics set out in Appendix 4 using the same definition as provided in Appendix 3 'Proposed sewer adoption metrics' which relate to S104 sewer adoption work activity.

We support the inclusion of the 8 proposed sewerage adoption metrics set out in Appendix 4, using the definition provided above. The inclusion of the metrics ensures that S104 adoption performance measures are captured. We support the proposal for a more measured approach to customer performance and opinion in sewerage activities.

We believe SAM3/1 should be included in the Qualitative component for sewer adoption activities. We reiterate our position that S7.1 is maintained for the D-MeX Qualitative component whilst pending agreements under Sewers for Adoption are fulfilled.

The exception to our support is acknowledgments. All acknowledgement metrics should be excluded from the qualitative component to align with current Water UK metrics. These are procedural steps that are relevant for quantitative assessment but less so for a qualitative assessment.

Q5: Do you have any comments on which draft self-lay water metrics should be included in the quantitative and qualitative components of D-MeX? Which existing metrics should be removed?

We believe that the follow self-lay metrics should be included for both the Qualitative and Quantitative components of D-MeX:

Reference	Title	Rationale
S1/2	Review PoC proposal	Alignment with Water UK metric
S2/2a	Provide design	Alignment with Water UK metric
S2/2b	Water Company to Provide design acceptance	Not currently included within Water UK reporting metrics
S3/1	Review / revise Water Adoption Agreement	Metric key within customer journey
S4/1	Source of Water Delivery Date	Alignment with Water UK metric
S5/1a	Review request and carry out Final Connection	Alignment with Water UK metric
S6/1	Issue vesting certificate	Alignment with Water UK metric
S7/1	Validate notification and provide consent to progress with connection	Alignment with Water UK metric
S7/3	Install 'screw in' meter and record details	Alignment with Water UK metric

This will ensure an equivalent approach across developer services customer delivery routes.

Q6: Do you agree with our proposal that the NAV metrics which we choose to include in D-MeX should apply from 1 April 2020, with survey fieldwork based on relevant transactions made from 1 October 2020 and the sewerage adoption metrics which we choose to include should apply from 1 October 2020?

Whilst it is important that the NAV and sewerage adoption metrics for the Qualitative and Quantitative components are implemented in a timely manner, we do not support the proposed approach and believe a more considered approach must be taken.

We believe that new metrics should be brought into effect within D-MeX from the beginning of the Year 2. This ensures consistency across each performance metric throughout the year and eliminates discrepancies in company reporting calculations at the end of the year.

It is our opinion, that a retrospective reporting structure does not guarantee customer benefit within the short period it is proposed. The levels of service have existed since January and companies who wish to demonstrate equivalence will have been striving to meet them and monitoring them internally since then. Their inclusion within D-MeX for an additional 6 months

does not change the fundamental driver of equivalence which should already be driving benefits for the NAVs.

We should further consider the impact on our current reporting arrangement with Water UK. Changes to the metrics now would impact the delivery timescale of the new reporting solution. If the changes were to be made in September this would be after the build phase has commenced. Taking this into consideration, we strongly believe that the proposed NAV and sewerage adoption metrics should be implemented from 1st April 2021.

Q7: Do you have any comments on our proposed approach to reporting?

Following on from Question 6, we do not believe that a half-yearly approach to reporting, as described on page 16, promotes the correct reporting approach for D-MeX for the period April 2020-March 2021.

We feel consistency would be lost where the metrics alter significantly between the first and final six months of the reporting year. This is particularly evident in the Quantitative element, where retrospective inclusion of NAV metrics is clearer, but not for the Qualitative element.

We should further consider the impact on our current reporting arrangement with Water UK. Changes to the metrics now would impact the delivery timescale of the new reporting solution. If the changes were to be made in September this would be after the build phase has commenced.

A 'split' D-MeX year reduces the transparency in calculating the whole year D-MeX score and comparable alignment across all companies. We are conscious of the risk of data inconsistencies due to the change in methodology. This would negatively impact our customers.

We would welcome a considered approach and the proposed NAV and sewerage adoption metrics to be implemented and reportable from 1st April 2021.