Wessex Water information assurance plan April 2016

www.wessexwater.co.uk

a YTL company

Our information assurance process

In November 2015, after an internal review and consultation with customers and stakeholders on the risks, strengths and weaknesses of the information we provide, we published our information assurance statement.

Providing transparent, easy to understand, complete and accurate information to all customers and stakeholders and listening to what they tell us are two of our core values and essential to building trust and confidence in the services we provide.

Our information assurance statement identified seven areas where we believe we can make further improvements to the information we provide to customers and stakeholders. In January 2016 we published a draft information assurance plan giving details of the improvements we are proposing.

The first meeting of the Wessex Water Partnership was also held in January 2016. This is an independently chaired body with representatives from all our principal customer and stakeholder groups. For the five-year regulatory period of this asset management plan (AMP6) we will be using the partnership and direct contact with customers and stakeholders (through our 'Have your say' surveys, social media interaction and other methods) to find and respond to their views and needs.

We sought the partnership's views on our draft plan and we have updated it in response to their comments and suggestions. This 2016 information assurance plan was reviewed and approved by the company board in March 2016. We welcome any further comments and suggestions directly from customers and stakeholder groups on this plan at any time throughout the year, by email to assurance@wessexwater.co.uk or in writing to Phil Wickens, Head of Economic Regulation, Wessex Water, Claverton Down, Bath, BA2 7WW.

We will review and report on progress made on this plan in a second information assurance statement to be published in autumn 2016. The statement will also review the strengths and weaknesses of the information we are providing at that time. We will continue to use the partnership as the principal route to receive stakeholder comments and suggestions, but we will also publish documents on our website and invite wider customer and stakeholder group comments. Subject to specific timing requirements from Ofwat we currently propose to publish the second information assurance statement at the beginning of October 2016.

Proposed improvements to our information assurance

During the recently concluded PR14 price review we received several queries from our economic regulator, Ofwat, on our business plan submission. Some of these resulted from our misunderstanding of their reporting requirements and we feel they affected our information assurance categorisation.

As part of our PR14 debrief we have reviewed and improved our business planning and reporting procedures to ensure the risk of a recurrence is minimised as we prepare for the next business plan.

The Open Water initiative and market opening in 2017 are subject to separate and detailed assurance requirements which are not included in this information assurance plan.

Our 2015 information assurance statement identified seven areas of information assurance improvements.

Responding to customer needs

Our 'Have your say' customer survey at the end of last year and other social media contact showed there were four common areas for improvement.

Clearer information on bills

Each year we review the information we provide to customers in and with their bills. In response to customer comments we made significant changes to bill information in February 2016 and we will repeat the review exercise for the 2017 bills.

- We have simplified the language on the bills making them easier to understand.
- We are providing a clearer differentiation between information relating to a customer's individual bill and the information we provide to customers about what we are doing.
- We have liaised with the Consumer Council for Water and implemented their feedback in these changes.
- Our billing information is supported by updated customer information leaflets, improving their style and consistency with information our website.

More information on individual bills about expected metered water usage and how their usage compares to others

This would provide customers with more meaningful and useful information on their bills. Implementing it requires significant changes to our underlying billing management software – we are reviewing where progress can be made in this area and will provide further feedback in our next information assurance statement in autumn 2016.

Customers' preference for online information and contact

More detailed information on proposed website improvements is provided in the following section. We do not share customers' data with others for marketing purposes.

Better information on work progress

Keeping customers informed is central to providing great customer service whether the customer is affected by our work or an operational incident in their local area, or if they have reported a problem at their own property that we need to resolve.

If we have an operational incident such as a burst water main we proactively contact all customers in the area to give them regular updates on what is happening, why and what time the issue will be resolved. We do this by sending text messages to mobiles or landlines and we post information and updates on our website and social media. Where customers prefer not to receive text messages we ensure that this does not happen. We do not undertake marketing by texting customers.

We use information messages on our operational phone lines that only customers phoning in from the affected area will hear.

We also have a facility on our website called 'Work in our area' which allows customers to see a map showing current street works, water supply issues, reported leaks and other operational work. It is helpful if they want to understand where traffic may be affected and we are reviewing ways to make the information more precise and current.

If a customer has reported a problem at their own property, our customer care team keeps them informed throughout their customer journey. They do this by phone or text and once resolved they will ask for the customer's feedback.

Where we are working on major schemes we liaise with local communities using mailshots, leaflets, posters, attending community meetings, advertising our work in town centres, on local media and on our website. We also use signs in the highway and banners around fencing on larger sites. We are reviewing the quality and content of all of our signage and information and improving these where necessary.

In summary we will:

- continue to review and improve customer bill information year on year
- keep under review the provision of more customer water usage information on bills
- continue to focus on providing customers with up to date and accurate information where our works affect them.

Website improvements

Our website is one of the main routes for customers and stakeholders to see the information we publish and to interact with us when necessary.

The website was upgraded in April last year and its functionality is subject to continuous improvement. Content is constantly updated and we are planning minor site management improvements to ensure it is always current and that superseded content is removed.

There is ongoing development to ensure responsive presentation on a range of customers' mobile devices.

Our customers tell us they want to be able to do more online and we are completing a programme of functional improvements to allow them to do this; including a suite of online forms and feedback processes.

We offer customers the option of receiving and managing their bills through our eBilling system and are developing proposals to make further improvements.

Our website includes a Live Chat facility where they can seek information and advice from our customer care teams. We are proposing to extend the availability of this to 10pm in the evening and are providing more internal resources to respond to social media contact from our customers.

In summary we will:

- improve the presentation of our website on a range of customers' mobile devices
- extend the range of forms that can be completed on line
- make further improvements to our ebilling application
- extend Live Chat hours and resources.

Reporting automation

In AMP6 we will be routinely providing major data sets to our regulators and other stakeholders. This includes:

- collating information and reporting on our various performance commitments in the annual performance report
- completion of 2016 annual performance report data tables to accompany the annual performance report publication
- providing extensive data sets to the Drinking Water Inspectorate and the Environment Agency.

Some of our systems rely on manual manipulation and transfer of data between systems and into the reporting process. The extent of these manual processes was considered in the preparation of the 2015 information assurance statement and appropriate mitigations put in place where possible.

However, we recognise that manual manipulation and transfer of data increases the potential for human error and reduces information assurance. IT system developments can be implemented to reduce manual interventions and increase data assurance once the development itself has been assured.

As part of the external technical auditor assurance processes for the data provided in 2016 regulatory reporting, we are asking for their independent view on where appropriate improvements can be made. We will then undertake a prioritised programme of system improvements where it is cost beneficial and resulting improvements in data quality warrant it.

We have recently improved the underlying data reporting systems for the landholding assessed and managed for biodiversity performance commitment. We are also in the process of improving the systems to record and manage the water supply interruptions performance commitment.

In summary we will:

- ask our external technical auditor to review where manual data processes can be improved
- implement a prioritised programme of these improvements and report on this in the next information assurance statement.

Ad hoc information and reporting

We have robust processes for the assurance of regularly reported regulatory information. We also often receive ad hoc requests from customers and stakeholder groups for information outside routine reporting. On our website we proactively publish a wide range of information for customers and stakeholders.

We propose to further improve our internal governance procedures to ensure this information is always complete and accurate. We will ensure that a named individual within the business is responsible for the accuracy and completeness of all information provided outside the business and for authorising its issue.

The level of authorisation will be in line with the use and significance of the information provided. All formal documents published on the website will have either director or senior manager authorisation.

In summary we will:

- introduce an improved process for the internal authorisation of all information provided externally to mirror that in place for formal regulatory information.

Reporting process documentation

In 2011 Ofwat stopped asking companies to submit a June Annual Return (JAR). This contained a comprehensive set of data tables and commentaries covering all significant aspects of company performance.

It replaced the JAR with a number of key performance indicators (KPIs) which it required companies to publish annually. We published this KPI performance in our annual review and accounts document in the summer of each year.

Ofwat has now published its expectations for company 2015-16 annual performance reporting for July 2016. This includes the re-introduction of the submission to Ofwat of updated data tables covering key company performance and the need to publish the end of year position on our AMP6 performance commitments.

For a number of years we have had an internal regulatory reporting manual to assure our processes for the production of the JAR and subsequently for the published KPIs and our annual review document. Our external technical auditors are asked to provide assurance to our audit committee that the processes laid out in it have been followed.

Ofwat's changes to 2015-16 performance reporting require a major review and update of the manual. This has recently been undertaken and submitted to the company's audit committee in March 2016 for their approval and subsequent implementation for 2015-16 reporting. This manual is routinely reviewed and where appropriate updated each year and agreed by the audit committee. We will review this document again in early 2017.

In the recent review we extended the scope of the manual to include all significant external reporting. We will publish this regulatory reporting manual on our website to provide additional transparency to our assurance processes.

In summary we will:

- keep under regular review our regulatory reporting manual and implement improvements where necessary so that it is aligned with the new Annual Performance Report
- publish this manual on our website.

Audit processes

Since the ending, in 2011, of the Ofwat reporter role and submission of JAR data, we have retained an external technical auditor role to replace the reporter to Ofwat. This role provides internal assurance on the data we continue to collect for operational business purposes and the data we publish in our annual review.

To ensure the external audit challenge remains fresh we have appointed new auditors for AMP6. With changes to the AMP6 regulatory requirements and the introduction of new data collection processes in a number of new performance commitments, we expect increased activity connected to this year's external technical audit. Details of this will be provided in the data assurance summary of this year's annual performance report.

Our 2015 information assurance statement process internally reviewed each of our AMP6 performance commitments to assess whether there were existing and well established data collection and verification procedures which had been the subject of successive year's external audit procedures, and which therefore carried high levels of assurance. It also reviewed where we were collecting and reporting on new information or where the data was subject to significant levels of manual interventions in the reporting process which inherently reduces data assurance.

Three of our individual AMP6 performance commitments were identified for particular external review in the 2015-16 assurance proposals. These are:

- biodiversity action plan landholding assessed and managed for biodiversity
- water supply interruptions (minutes lost per property)
- customer reported leaks fixed within a day.

In June 2016, the audit committee will review comments by our external technical auditor on these performance commitments in particular, the other performance commitments and other technical data in the annual performance report. Where appropriate we will make improvements and amendments recommended by the technical auditor and approved by the audit committee.

The 2015 information assurance statement confirmed that the financial reporting and accounts process is subject to a well-established and rigorous external financial audit process, so we do not propose making amendments to the external financial audit process.

We note the comments made by Ofwat in its recently published report on companies' progress towards transparency about their governance and performance, on the need for additional assurance on the financial materiality thresholds of the smaller retail sectors of the business. In preparing the regulatory financial tables (and also for the internal operational performance data tables, preparing data for inclusion in the annual performance report) we have included internal assurance review and sign-off procedures for the individuals responsible for the collection, collation and management of this data. This includes retention of the allocation of confidence grades assessments as they were used in the JAR process up to 2011. Confidence grades are specific to each line on each table and will therefore reflect the different scale of the numbers in both the wholesale and retail areas of the business.

These confidence grades provide commentary on the reliability of the data source and the accuracy of the resulting data and a level of granularity and assurance above that provided by the materiality thresholds used in external audit opinion. We will review these accuracy confidence grade limits and set them to ensure that Ofwat and stakeholders can have sufficient confidence over the allocation of costs into retail.

We propose to provide this confidence grade information and a commentary on this process as part of annual performance report.

In summary we will:

- continue with a programme of internal and external technical audit focused on the assurance of newly reported regulatory information
- ensure that there is an appropriate process for materiality threshold reporting of financial information of the smaller retail sectors of the business.

Asset data quality

Customers and stakeholders must be able to rely on information we give them on our asset infrastructure, particularly regarding underground pipeline assets in private land. We have a sound data set thanks to continuous improvement of our asset records, but are committed to an ongoing programme of asset data improvements which we will continue to implement in AMP6.

In 2011, responsibility for approximately 16,000km of private sewers was transferred to Wessex Water. In October 2016 the second phase of this initiative will include the transfer of approximately 450 sewage pumping stations from private to company responsibility.

It is essential that customers and stakeholders can rely on the quality and accuracy of the information available to them on the public sewer record to ensure responsibility for underground pipes and sewage pumping stations is as clearly and appropriately defined as possible.

In the lead up to pumping station transfer in October we will continue to proactively liaise with customers to collect this information and make it available on the public sewer record. This record currently shows all known private pumping stations that will transfer, together with approximately 850 pumping stations that will remain private after the transfer date. We are also proactively collecting and recording information on private water supply assets on our water supply records.

CCTV and hydraulic modelling data are essential elements in the management of our underground pipework infrastructure to:

- ensure we have appropriate maintenance regimes with resulting asset performance
- allow accurate assessments of the requirements for development infrastructure growth within our region
- make this information available to customers and stakeholders.

We have an ongoing programme of system improvements to enhance the quality and availability of this information.

In summary we will:

- proactively continue to collect appropriate asset information and target the fair transfer of private pumping station assets to the company in October 2016 based on that information
- continue to improve the asset data that we collect and make available to customers and stakeholders.