

B6 CUSTOMER SERVICE STRATEGY AND SERVICE ENHANCEMENTS

Outline

Scottish Water should use this part to set out its strategy for delivering services to customers over the forthcoming period. Scottish Water should indicate any improvements that it envisages providing for customers compared with the position it should achieve by March 2006. Such service improvements may be the result of the knock-on effects of investment in the quality or capital maintenance programmes (as summarised in part A of this business plan submission) or by seeking a specific additional allowance in the new price limits. Scottish Water may also, if it chooses to, indicate any improvements it plans to fund if efficiencies beyond those assumed are achieved.

Scottish Water should specify the nature and quantify the scale and phasing of service enhancements that it proposes. It should set down its reasons for proposing the enhancements e.g. existing poor performance in comparison with the industry or external comparators. The planned improvements should be set in the context of evidence about customers' views and priorities and, where allowance in price limits is sought, customers' willingness to pay for them. Where Scottish Water seeks specific financing in price limits, the impact of the proposed improvements on both capital expenditure and operating expenditure should be set down.

We suggest that this part of the submission should be divided into four sections (see below). This structure should provide a framework for Scottish Water to explain its assessment of its customer service strategy and the service enhancements it is proposing (summarised in tables B6.1, B6.2W and B6.3S) to deliver to customers during the forthcoming period.

Customer service strategy & service enhancements	
Section 1	Customer service strategy
Section 2	Proposed service enhancements – water service
Section 3	Proposed service enhancements – sewerage service
Section 4	Proposed service enhancements – customer management

Section 1 Customer service strategy

Scottish Water's overall customer service strategy should be described i.e. does Scottish Water intend simply to maintain the service levels reached by 2006 or does it envisage continuing improvement and in which areas of service. Scottish Water should explain how this relates to its broad understanding of customers' views and priorities.

Scottish Water should describe (with appropriate cross references to part A) their expectations in respect of the main Ofwat DG indicators and such other elements of customer

service as they wish to include e.g. policy on compensation, customer charters and Guaranteed Minimum Standards (GMS).

Scottish Water is required to set out clearly its plans for improvements to the service experienced by customers (to be summarised in tables B6.1, B6.2W and B6.3S). This will include service improvements that Scottish Water envisages making without additional funding i.e. as spin-offs from the quality or maintenance programmes as well as proposed service enhancements. Companies should also set out clearly any operating and capital costs of the proposed investment. For each planned improvement Scottish Water should indicate a measurable output and set out clearly the defined performance to be achieved by March 2006, the improvement expected by 2009-10 and 2013-14 and the phasing of the output over the period.

Where funding in price limits is sought Scottish Water should provide evidence that customers regard the proposed service enhancement as important and indicate its priority relative to other proposed improvements. Evidence of customers' willingness to pay for such improvements should also be described, including any differences between different income groups and the account that Scottish Water has taken of this. The expected impact on bills at the end of the period should also be set out.

Any other evidence that Scottish Water feels is relevant should be summarised in the commentary to this section and

reports including detailed results of any market research included.

Data tables

Table B6.1 should be completed for improvements in customer response activities to be delivered over the forthcoming period. Scottish Water should include in its commentary:

- (a) A concise description of the planned improvement.
- (b) An indication of the priority Scottish Water attaches to the proposed improvement
- (c) Scottish Water's reasons for proposing the improvement and evidence of customers' views on the improvement and willingness to fund through price limits

Table 6.2W and 6.3S should be completed for improvements to be made to the level of operational service received by customers which are to be delivered over the forthcoming period. Scottish Water should include in its commentary:

- (a) A concise description of the planned improvement.
- (b) An indication of the priority Scottish Water attaches to the proposed improvement
- (c) Scottish Water's reasons for proposing the improvement and evidence of customers' views on the improvement and willingness to fund through price limits

Table B6.1

Table B6.1 is separated into two blocks:

- Block A: Customer response output projections to be achieved with no additional funding and with additional funding.
- Block B: Projected expenditure for customer service response enhancements. This is further disaggregated between capex and opex.

Scottish Water should use the commentary to this table to summarise for each material improvement or proposed enhancement:

- reasons for the proposed enhancement, i.e. poor current performance or customer requirement for higher standard of service;
- evidence of customers' views, e.g. complaints, market research etc.

The improvements and service enhancements should be cross-referenced to strategic summaries within part A. Scottish Water should not include capital or operating expenditure relating to enhancing the security of its supplies in any of the tables B6.1, B6.2W or B6.3S. This expenditure should appear in table B4.5W (line 8) and line B4.6W (line 7).

Table B6.2W

Table 6.2W relates to the water function only and is separated into four blocks:

- Block A: Denominators relating to the remainder of table 6.2W
- Block B: Water service delivery output measures to be achieved with no additional funding and with additional funding.
- Block C: Projected expenditure for water service delivery enhancements, disaggregated between capex and opex.
- Block D: Projected expenditure for first time provision of a water service, disaggregated between capex and opex.

The purpose of table 6.2W is to understand the proposed enhancements relating to the wastewater function over the forthcoming period. Scottish Water should use the commentary to this table to summarise the following issues relating to the information submitted.

- reasons for the proposed enhancement, i.e. poor current performance or customer requirement for higher standard of service;
- evidence of customers' views, e.g. complaints, market research etc.

Table B6.3S

Table B6.3S is separated into 3 blocks

- Block A – Wastewater service delivery output measures to be achieved with no additional funding and with additional funding.

- Block B – Projected expenditure required to satisfy the enhanced outputs specified in block A, disaggregated between capex and opex.
- Block C – Projected expenditure for first time provision of wastewater services.

The purpose of table 6.2W is to understand the proposed enhancements relating to the water function over the forthcoming period. Scottish Water should use the commentary to this table to summarise the following issues relating to the information submitted.

- reasons for the proposed enhancement, i.e. poor current performance or customer requirement for higher standard of service;
- evidence of customers' views, e.g. complaints, market research etc.