

Measuring levels of service performance

Introduction

This note outlines approaches to measuring levels of service performance. This issue was discussed at a meeting between the Commission and the Customer Forum that took place in early July 2013.

How we currently measure levels of service performance

The Commission currently monitors the level of service that Scottish Water provides to its customers through the overall performance assessment (OPA). The OPA is calculated by scoring 17 individual performance measures, each weighted to reflect perceived importance, and aggregating each score to establish an overall index of service performance.

Scottish Water has significantly improved its OPA performance in recent years¹ and it is therefore important that this performance is maintained.

However, as performance has improved, and as Scottish Water has caught up with the service performance of companies in England and Wales, it also becomes reasonable to assess performance over a broader range of measures than the key measures that are included in the OPA alone. If the Customer Forum identifies further areas of service performance as being priorities for customers, then it is important that progress in these areas is measured and monitored. We also believe that Scottish Water's long-term ambition to become "Scotland's most valued and trusted business" could be encouraged by an additional measure that captures levels of customer satisfaction.

Developing this approach

In order to develop our approach further, and to reflect discussions with the Customer Forum and Scottish Water, we believe that there would be benefits for customers from moving towards a 'three pillar' approach to assessing Scottish Water's service performance:

- The OPA will be retained in its entirety. This will ensure that essential components of service performance will continue to be monitored and that recent improvements in performance will not be lost in the pursuit of new measures of performance. It would also allow accurate year on year comparisons to be made.
- Customer satisfaction will be measured and performance will be benchmarked against Scottish Water's peers and comparator sectors. Further information relating to the measurement of customer satisfaction is provided in Customer Forum note 12.
- Progress in areas that the Customer Forum identifies as being customer priorities will be monitored as a new service performance measure. This may include extensions of areas that are already measured within the OPA or completely new areas of performance which are not currently monitored.

This note is concerned with the new customer priority performance measure. It outlines the areas of service that the Customer Forum has identified as being priorities in its initial discussions with the Commission.

¹ See Note 3 for the Customer Forum.

Customer priorities

Based on their discussions and on customer research, the Customer Forum has identified the following areas as being priorities for customers:

- water pressure,
- external sewer flooding,
- internal sewer flooding relating to storms and severe weather,
- visible leakage,
- carbon targets,
- retailers' attitudes towards Scottish Water²,
- new connections,
- taste and odour of water,
- the compensation process and guaranteed service standards,
- a charitable trust to assist vulnerable customers.

Most of these areas are not currently measured as part of Scottish Water's service performance assessment. As such, appropriate metrics and scoring mechanisms will need to be devised in each area to enable progress to be monitored. This will be done in collaboration with the Customer Forum, Scottish Water and any other relevant stakeholders.

Some areas, such as water pressure, are already measured as part of the OPA. In these cases the Customer Forum may wish to adopt measurement and scoring criteria that are different from those used in the OPA, so that the metric better reflects customer priorities in Scotland.

Once the individual metrics have been devised they will be aggregated and, if deemed desirable, weighted to give an overall measure of performance in areas of service that have been identified as customer priorities. This measure will be compared year on year to assess progress in service areas of customer priority, and will be used in conjunction with the OPA and the customer satisfaction metrics to assess Scottish Water's overall service performance.

¹ Retailers are the licensed suppliers of water and wastewater services in the competitive market for non-household customers.

Water Industry Commission for Scotland

First Floor, Moray House, Forthside Way, Stirling FK8 1QZ.

E: enquiries@watercommission.co.uk

T: +44(0) 1786 430200

www.watercommission.co.uk

