



Customer Online Survey Results
Statement of Risks, Strengths and
Weaknesses 2017/18

March 2018

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1. About this document

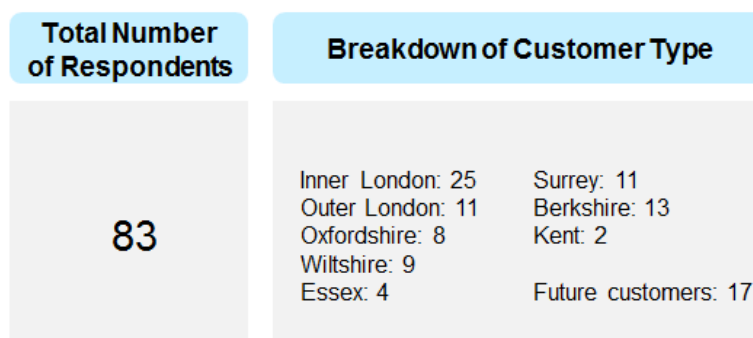


In January 2018, we asked an independent company, Britain Thinks, to organise a survey of our customers to find out what they thought of our [Statement of Risks, Strengths and Weaknesses and draft Assurance Plans 2017/18](#) (“Statement 2017/18”).

Using a combination of open and closed questions, participants of the survey were asked to share their views on several excerpts from our Statement 2017/18 with the following objectives:

1. To provide us with insight into customer expectations and desires regarding the Statement 2017/18;
2. To elicit customer feedback on the current format and content of their Statement 2017/18; and,
3. To gauge customers’ ability to understand and engage with the materials included in the Statement 2017/18.

The survey was available to the Thames Water Customer Online Community for 7 days, during which time we received 83 feedback responses.



The purpose of this document is to outline the feedback we received and what we are doing to respond to this feedback.

If you would like any more information, or would like to provide your feedback to our Statement of Risks, Strengths and Weaknesses and Assurance Plans, please contact us:

regulatoryreporting@thameswater.co.uk and we will aim to reply within 15 working days.



Alternatively, write to us at:
Regulatory Reporting Team,
Thames Water Utilities Limited, 2nd Floor East,
Vastern Road,
Reading,
RG1 8DB.

2. Our commitment

As a business, we are subject to significant external interest, from both our customers and a wide range of other interested parties. In order to address their needs and aid understanding of our business and the industry in which we operate, we are committed to being open and transparent about our business, performance, finances and governance.

It is essential to us that our customers, stakeholders and other interested parties have trust and confidence in the information that we report.

To achieve this, we will do the following:

- report accurate and reliable information and where we identify any issues to:
 - address the issue in a timely manner; and
 - engage with our customers and stakeholders.
- where we are at risk of failing to meet our committed level of performance, we will:
 - provide our customers and stakeholders with a clear and transparent explanation of the performance issue; and
 - explain how the issue will be addressed.
- review our annual reporting risks and Assurance Plans regularly to address and mitigate any areas of concern. We will:
 - prepare and publish our Statement and Draft Assurance Plans annually, which will include the results of our customer and stakeholder consultation and our risk-monitoring framework;
 - respond appropriately to comments on the above; and
 - publish Final Assurance Plans by 31 March each year, dealing with the risks identified in the Statement.

3. What our customers said

To greater understand the needs of our customers and those with a wider interest in our business, we asked Britain Thinks to organise a survey of our customers.

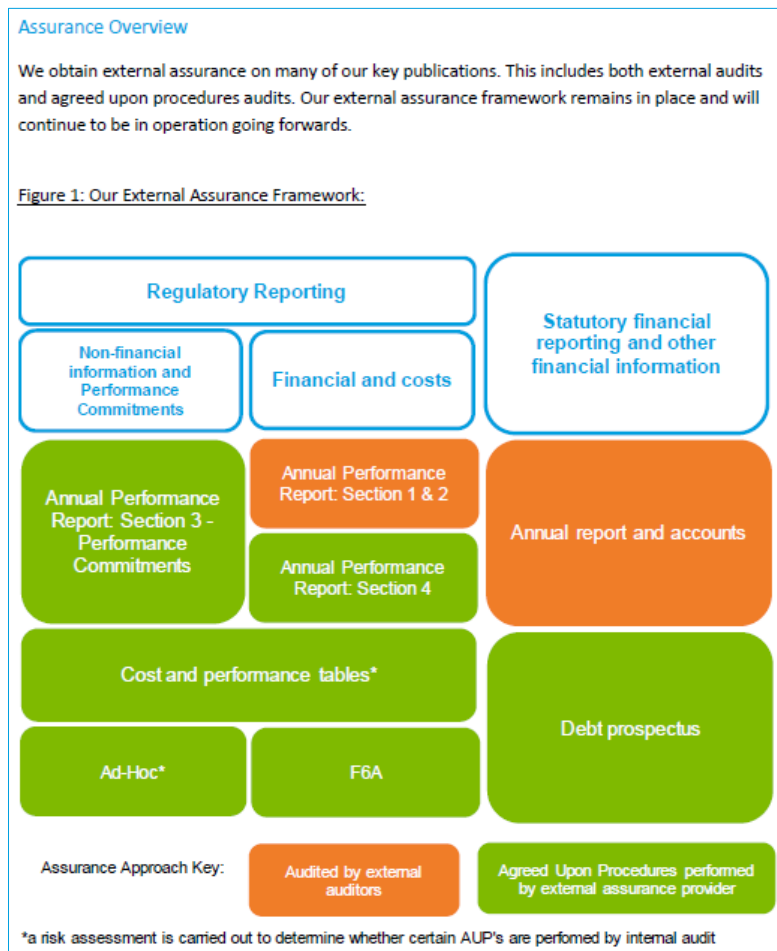


The following section outlines

- the questions we asked;
- the feedback we received; and,
- what we are doing to improve the way we report information.

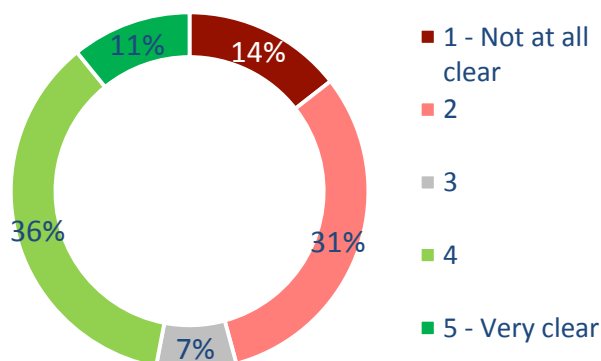
Question 1: The Assurance Overview

We presented our customers with the following extract from our Statement 2017/18, and asked them to comment on the clarity of information presented and how customers think it should be improved:



Feedback:

How clear or otherwise is the information presented here?



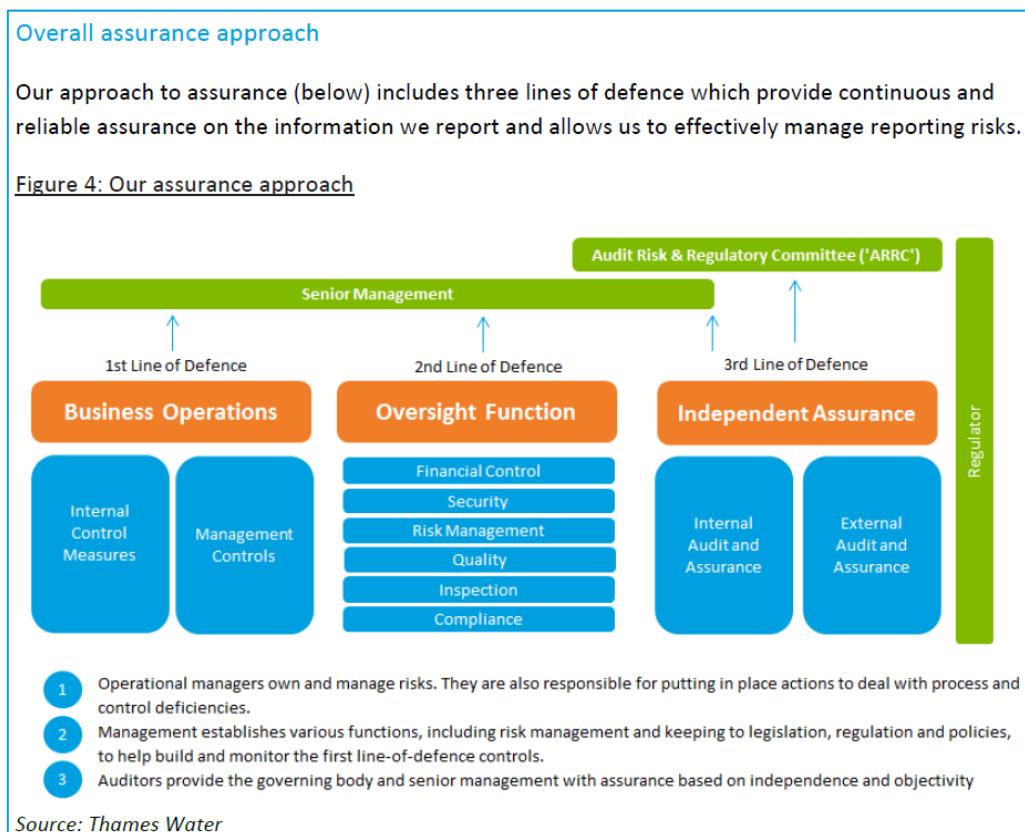
Around half of our customers do not think the information presented here is clear.

We are considering alternative ways of presenting this in the Statement for 2018/19.

What customers said:	How we are acting to improve:
<p>Customers think that the excerpt would be easier to understand if industry-specific terms were defined.</p>	<p>We will remove any unnecessary use of financial or regulatory terms in the Final Assurance Plans 2017/18 and our next Statement which is due for publication in Autumn 2018.</p> <p>Where use of financial or regulatory terms is required, we will make sure that these terms are included in a glossary to the document or in a footnote.</p>
<p>The main piece of additional information customers want is a list of the external auditors used by Thames Water.</p>	<p>We will include the names of our external auditors and assurance providers in our Final Assurance Plans 2017/18 and our next Statement which is due for publication in Autumn 2018.</p>
<p>Customers feel that more information about how to read the excerpt would improve its clarity.</p>	<p>A number of customers suggested that a tabular layout is easier to understand and so we are considering this approach in our next Statement which is due to be published in Autumn 2018.</p>
<p>Some customers are confused by the different sections for annual reports.</p>	<p>In our next Statement, we will include an overview of what each section of the Annual Report is for.</p>

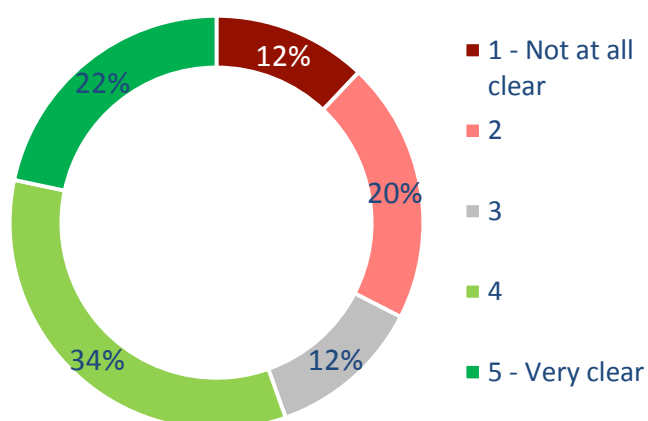
Question 2: The Overall Assurance Approach

We presented our customers with the following extract from our Statement 2017/18, and asked them to comment on the clarity of information presented and how customers think it should be improved:



Feedback:

How clear or otherwise is the information presented here?



Most customers understood that this extract outlines Thames Water's different assurance safeguards for reporting and were positive about the layout stating that the 'arrows make it easy to see whom each line of defence is controlled by'.

What customers said:	How we are acting to improve:
<p>Some customers want examples of the process in action to demonstrate more clearly how it impacts their day-to-day life.</p>	<p>The overall assurance approach has an indirect impact on customers' day to day lives; however we are considering ways that we can incorporate case studies into the next Statement (due for publication in Autumn 2018) that will help customers to understand how reporting risks and assurance will affect them.</p>
<p>Some customers criticized the use of 'jargon' and felt it was not accessible or relevant to the average customer.</p>	<p>We will remove any unnecessary use of financial or regulatory terms in the Final Assurance Plans 2017/18 and our next Statement which is due for publication in Autumn 2018.</p> <p>Where use of financial or regulatory terms is required, we will make sure that these terms are included in a glossary to the document or in a footnote.</p>

Question 3: Assurance Plans for leakage

We presented our customers with the following extract from our Statement 2017/18, and asked them to comment on the clarity of information presented and how customers think it should be improved:

7. Our plans for the rest of AMP6 and beyond

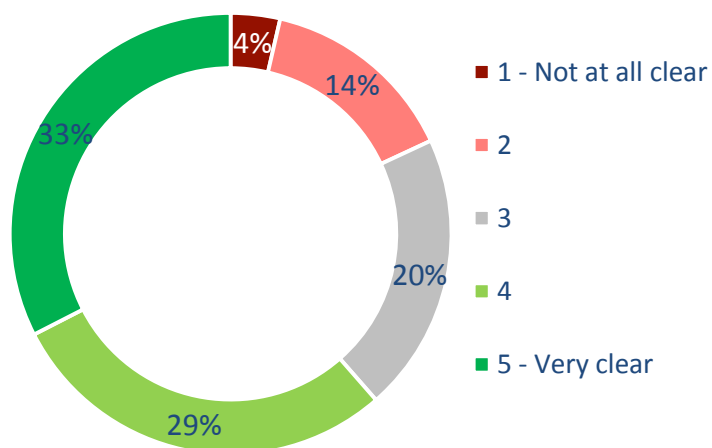
The following tables set out our Specific Assurance Plans to reduce or eliminate reporting risks identified in section 5.

1) Leakage performance reporting						
Core assurance activities						
Risk category	Check on quality of information	Internal review	Executive and senior manager review	Oversight functions	Customer and stakeholder involvement	External assurance
Accessibility					✓	
Accuracy	✓	✓	✓	✓		✓
Reliability	✓	✓	✓	✓		✓
Completeness	✓	✓	✓	✓		✓
Transparency	✓	✓	✓	✓	✓	✓
2017/18 Assurance activities						
We continue to promote and share our leakage information and continuing activities with customers through our website: https://www.thameswater.co.uk/help-and-advice/bursts-and-leaks . We will make sure that more detailed commentary around this performance commitment is in our APR where we have failed to meet our target and what actions we are taking.						
Further internal audits to understand and review the process for reporting the measure.						
We will continue to use feedback from our customers and stakeholders to make it easy to find performance information on our website.						
External assurance is undertaken on the leakage number disclosed in our APR. We will include feedback of our external assurance in the commentary section of our APR relating to this performance commitment.						

We opted to show our customers our assurance plan surrounding our leakage reporting because we feel that this is our most significant reporting risk.

Feedback:

How clear or otherwise is the information presented here



Customers were generally very positive on the layout and format of the assurance plans commenting that it was easier to understand than the extracts shown for questions 1 & 2.

What customers said:	How we are acting to improve:
<p>While the extract is easy enough to understand, few customers would be likely to spend their time reading it.</p> <p>Customers feel that making this information easily available to the public would convince them that it is fit for purpose.</p>	<p>We are considering ways that we can present this in a more customer friendly and engaging manner; Possible options for this include use of videos or summary documents to provide an alternative to the full report format.</p> <p>We are also completing ongoing improvements to our website to make information more accessible, understandable and fit for purpose.</p>
<p>There is some desire for more context and explanations of the terms used throughout.</p>	<p>We will remove any unnecessary use of financial or regulatory terms in the Final Assurance Plans 2017/18 and our next Statement which is due for publication in Autumn 2018.</p> <p>Where use of financial or regulatory terms is required, we will make sure that these terms are included in a glossary to the document or in a footnote.</p>

Question 4: Our plans to make our information accessible, understandable and fit for purpose

We presented our customers with the following extract from our Statement 2017/18, and asked them to comment on the clarity of information presented and how customers think it should be improved:

8. Our plans to make our information accessible, understandable and fit for purpose

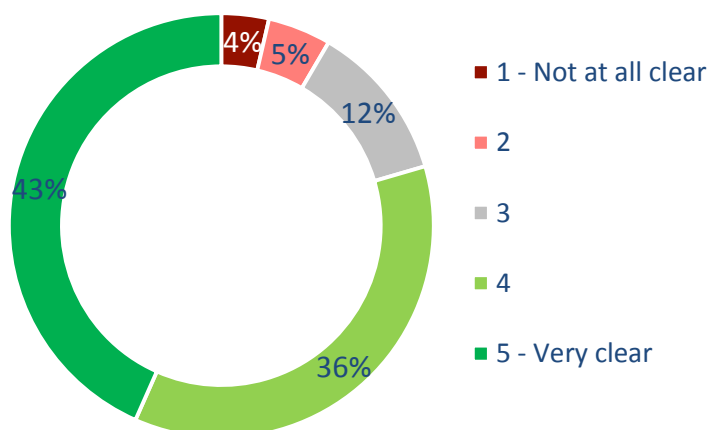
In order to improve our customer and stakeholder experience, we launched our new digital platform and website in 2016/17 to provide the foundation to enrich the look and feel, as well as the content of our website. Improving our website is an ongoing process and below are the activities we are expecting to deliver in 2017/18.

Improving our communication with customers			
Qualities of good reporting	2017/18 Plans		Comments
Accessible	Responsive website design and optimisation	The new digital platform is mobile friendly, more responsive and allows easier change, faster turnaround, better insight, and stronger customer engagement. Webform improvements to make them simpler to complete, as well as, capturing relevant data only and ensuring the associated customer journey's and communications are improved.	In 2017/18 we will continue to improve our website by optimising the capabilities that our new platform brings including data analytics. This will involve reviewing and monitoring performance of how our site meets customer needs in four key strands: information architecture, user experience, content design and look & feel.
	Search engine optimisation	We have restructured a number of the site destinations on our website to ensure they are easier to find for our customers. This is an ongoing plan to improve content and navigation through our website.	
	Here for customers	We plan to further improve our performance in terms of response times to communicating incidents that affect our customers and updates across a range of channels from social media to web, text message and voice message. We've also established a customer incident management team who are now deployed when we have events to provide direct face to face communications, help and support to customers.	
Understandable	Having a refreshingly clear look	In December 2016 we began the migration of content to a new digital platform. This included a branding update on our website to our new Thames Water branding. The migration programme will continue throughout 2017/18.	
Fit for Purpose	Improved website functionality	We are migrating Online Account Management customer accounts onto our new digital platform. This will allow us to make improvements to customer experience based on improved information and data analytics.	

We are continuously looking for customer and stakeholder feedback on our website in order to inform decisions that we intend to make going forward.

Feedback:

How clear or otherwise is the information presented here



8 out of 10 of our customers found this extract clear, with a minority of customers expressing that there is too much information shown in this extract.

What customers said:	How we are acting to improve:
<p>Making this information easy to find online and being more proactive in informing customers about it would also improve its accessibility.</p>	<p>We are completing ongoing improvements to our website to make information more accessible, understandable and fit for purpose.</p>
<p>Some suggested that including examples of the plan in practice would help convince them of its effectiveness.</p>	<p>The plan has an indirect impact on customers' day to day lives; however we are considering ways that we can incorporate case studies into the next Statement (due for publication in Autumn 2018) that will help customers to understand how reporting risks and assurance will affect them.</p>

4. Conclusion

We are taking our customer feedback very seriously and have acted on their suggested improvements where possible for the publication of our [Final Assurance Plans 2017/18](#)

Feedback received in respect of the Statement of Risks, Strengths and Weaknesses will be fed into our next publication in Autumn 2018.

If you would like any further information, or would like to provide your feedback to our Statement of Risks, Strengths and Weaknesses and Assurance Plans, please contact us:

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5. Glossary of regulatory terms

Agreed upon procedures	Specific procedures carried out by an assurance provider, which have been agreed with the company.
Annual Report	A comprehensive report on the company's financial and non-financial activities throughout the preceding year. The Annual Report 2017/18 will include our Statutory and Regulatory accounts.
Appointed business	The appointed business comprises the regulated activities of the Company which are activities necessary in order for the Company to fulfil the function and duties of a water and sewerage undertaker under the Water Industry Act 1991.
Assurance	Provides confidence and a level of certainty about whether that piece of information or data is correct.
Assurance Plans	A plan of the activities we will carry out to provide assurance on the data/information that we publish.
Committed Performance Level ("CPL")	In order to measure our progress against our performance commitments, we agreed committed performance levels with Ofwat for each year of AMP 6. Our committed performance levels are published in our Final Determination.
Company monitoring framework	Ofwat's framework that sets out the way in which companies must provide and assure performance information to their customers and stakeholders.
Cost allocation	Cost allocation is the means by which all costs are allocated to appointed and non-appointed businesses, price control units, or specific supplies, works and services, ensuring a fair share of overheads, even where costs cannot be directly attributed to specific activities and associated services.
Cost driver	A cost driver is the factor or factors which cause cost to occur. This can be further divided between the driver that causes an activity to occur, and a driver that determines how often it occurs. Costs may vary in relation to the cost driver over the short or longer term, depending on the nature of cost concerned.
Customer Challenge Group ("CCG")	Independent group of domestic customer, business customer and environmental representatives to ensure that we continue to be held to account for delivering our commitments and meeting the promises we made to our customers.
External assurance provider	An independent third party that we procure to provide assurance over certain data/information.

External audit	An external audit of information is carried out by an independent third party, who will express an opinion as to whether the information they have audited is a true and fair reflection of the state of the company's affairs and whether it is in line with relevant statutory and accounting guidelines.
Final determination ("FD")	The conclusion of discussions on the scale and content of the asset management plan for the forthcoming five-year AMP period. It is accompanied by a determination of the allowable adjustment to wholesale price limits for the forthcoming AMP.
F6A	<p>A statement to confirm that for at least the next 12 months:</p> <ul style="list-style-type: none"> · the company will have available to it: <ul style="list-style-type: none"> - sufficient financial resources and facilities to enable it to carry out the Regulated Activities; and - management resources and systems of planning and internal control which are sufficient to enable it to carry out those functions · all contracts entered into with any associated company include all necessary provisions and requirements concerning the standard of service to be supplied to the Appointee, to ensure that it is able to meet all its obligations as a water and a sewerage undertaker.
Internal audit	An internal audit of information is carried out by a team who is independent from those who compiled the information, however they are not independent of the company. Internal audit consists of specific procedures that assess the accuracy of information being reported and whether the methodology used is appropriate.
Methodology	A system of processes and procedures for collecting data and calculating our performance commitment measures. Formal methodologies make sure our approach to reporting performance is consistent. They also determine how we calculate the performance commitment, where and how we apply judgement, and where we rely on systems.
Non appointed business	The non-appointed business activities of the Company are activities that are not necessary in order for the Company to fulfil the function and duties of a water and sewerage undertaker under the Water Industry Act 1991.
Performance Commitment ("PC")	Outcome performance commitments agreed with Ofwat that reflect customers' views and priorities of service.

<p>Performance commitments</p>	<p>We are committed to delivering outcomes that reflect our customers’ views and provide services that are safe and reliable, and bills that are affordable. These outcomes are supported by 55 associated performance commitments (PCs) that identify our committed level of performance under each outcome. Financial incentives apply to 27 of these PCs, and we will be penalised if our performance doesn’t meet the level we have committed to. On 10 PCs, we demonstrated that our customers were willing to pay for improved performance and supported us being able to earn a reward for our performance. The remaining performance commitments have an impact on our reputation if the performance level we have committed to is not met.</p>
<p>Price control</p>	<p>At the 2014 price review Ofwat introduced separate binding price controls. These include wholesale water, wholesale wastewater, retail household, retail non-household and Thames Tideway Tunnel (“TTT”).</p>
<p>Retail</p>	<p>This term refers to any water company activities that take place once water has passed to the customer’s side of a property boundary. These include billing, payment handling, debt management, meter reading and handling billing related calls.</p>
<p>Stakeholders</p>	<p>A person, group or organisation that has an interest or a concern in our Company.</p>
<p>Statement of risks, strengths and weaknesses and draft assurance plans</p>	<p>This is an annual document produced following consultation with our customers and stakeholders. It provides information on what we consider to be our key reporting risks and plans for how we will reduce these risks. Following publication of the Statement of risks strengths and weaknesses and draft assurance plans, further consultation is sought from customers and stakeholder before publication of the Final assurance plans.</p>
<p>Thames Tideway Tunnel</p>	<p>The Thames Tideway Tunnel is a landmark construction project which will protect the River Thames from pollution. London's sewer system is regularly overwhelmed and spills millions of tonnes of sewage into the tidal section of the river every year. The tunnel will tackle the problem of overflows from the capital's Victorian sewers for at least the next 100 years, and enable the UK to meet European environmental standards. The Company is responsible for planning, enabling and interface works for the project; The revenue and costs associated with this part of the project are shown in the “TTT” price control unit in the regulatory accounting tables. Bazelgette Tunnel Limited (‘BTL’) is an independent company un-related to Thames Water Utilities Limited that was appointed in 2015 to construct the Thames Tideway Tunnel.</p>

Thames Water online community	An online network of our customers who we engage with on a regular basis to obtain feedback on certain publications.
Wholesale	This term covers all water company activities that take place before water passes the customer's property boundary – resources management, abstraction, treatment, distribution (water and sewer networks), sewage collection, transportation, sewage treatment, sludge disposal and energy from waste.