



MONITORING OUR PROGRESS IN DELIVERING OUR OUTCOMES AND PLAN FOR 2015 TO 2020

We have agreed 10 outcomes that we'll deliver for customers and the environment. To measure our progress over 2015 to 2020 towards achieving our outcomes, we've agreed a set of targets with the Customer Engagement Forum and Ofwat. These are summarised below along with information on how we'll monitor our progress and any incentives or penalties that will be applied as a result of our performance.

Some of these incentives and penalties are financial, so where we do well we will get a reward and where we do badly we will pay a penalty. The amount we'll pay or be rewarded has been calculated using the results of customer surveys to understand customers' willingness to pay towards improvements in service. And the overall reward or penalty will be one of several factors affecting the level of average customer bills for 2020 to 2025.

The impact of the reward and penalty on customers' bills from 2020 will be limited. If our performance is exceptionally good, the reward we get will mean customers' bills will increase by about £10. If our performance is exceptionally bad, the penalty we get will mean customers' bills will decrease by about £20.

Leakage is the one area that is slightly different. Here, rather than waiting until 2020, incentives and penalties will start to be reflected in customers' bills from 2017. And customers will only pay for the improvement we make in going beyond the previous leakage targets once we've achieved it.

Some measures have a greater impact on the level of reward and penalty we receive than others. The importance of each measure is shown in the last column of the table.

We'll report annually on our progress and the Customer Engagement Forum will also publish an independent view of our performance towards our targets.

What are we measuring?	How are we measuring it?	Current performance 2014-15 (prediction)	Our target for 2019-20	Is there a financial reward or penalty?	Importance of this measure on level of financial ● penalty or ● reward
Flourishing environment					
Environmentally protected areas within sites that we own or manage	Percentage of hectares of Sites of Special Scientific Interest we own or manage that are favourable status. [^]	49%	50% (improving 30+ hectares)	No	n/a
Coastal water quality	Percentage of recognised bathing waters in our region rated excellent (based on standards set by the European Bathing Water Directive).	58%	67% (an increase of 4 bathing waters)	Reward and penalty	●●○○○○ ●●○○○○
Pollution incidents	Number of pollution incidents due to escapes from our sewerage network categorised as Category 3 by the Environment Agency. (Category 3 are minor incidents resulting in localised environmental impacts.)	388	Interim target: 298 by 2017-18 Maintained to 2019-20	Reward and penalty	●●○○○○ ●●○○○○
Environmental compliance - water	Delivery of 16 obligations set out in the National Environment Programme including, for example, schemes to manage our water abstractions to protect the environment.	n/a	16*	Penalty	●○○○○○
Environmental compliance - water recycling	Delivery of 76 obligations set out in the National Environment Programme including, for example, schemes to improve the quality of water discharged from sewage treatment works to the environment.	n/a	76*	Penalty	●●●○○○

[^]A Site of Special Scientific Interest (SSSI) is an area of land given a statutory designation by English Nature or the Countryside Council for Wales because of its nature conservation value. Favourable condition means that the SSSI land is being adequately conserved and it is meeting its conservation objectives.

*Unless otherwise agreed with the Environment Agency or Ofwat.

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A smaller footprint					
Operational carbon	Percentage reduction in gross operational carbon emissions in 2020 compared to a 2015 baseline. Operational carbon is generated through our day-to-day operations such as pumping, treatment and travel.	n/a (2015 will be the base year)	7% reduction in real terms	No	n/a
Embodied carbon	Percentage reduction in embodied carbon emissions across the entire business measured in tonnes per CO ₂ equivalent compared to a 2010 baseline. Embodied carbon is generated through construction of new assets or upgrading of older ones.	50% reduction	60% reduction	No	n/a
Caring for communities					
Perception of how we care for communities	Customer survey of how we are perceived by the communities we serve.	This will be a new measure	TBC once survey baseline has been established	No	n/a
Investing for tomorrow					
Serviceability: water infrastructure	Serviceability measures our ability to maintain our assets to provide a consistent service to customers.	Green	Green	Penalty	●○○○○○
Serviceability: water non-infrastructure	Infrastructure includes above ground assets such as treatment works and pumping stations.	Green	Green	Penalty	●○○○○○
Serviceability: sewerage infrastructure	Non-infrastructure includes below ground assets such as water mains and sewers.	Green	Green	Penalty	●○○○○○
Serviceability: sewerage non-infrastructure	Serviceability is assessed as Green (good), Amber or Red (poor).	Green	Green	Penalty	●●●○○○

What are we measuring?	How are we measuring it?	Current performance 2014-15 (prediction)	Our target for 2019-20	Is there a financial reward or penalty?	Importance of this measure on level of financial ○ penalty or ● reward
Satisfied customers					
Customer service compared to other utility companies	Customer survey conducted for the UK Institute of Customer Service.	This will be a new measure from 2015	To be ranked in the top 25% of utility companies	No	n/a
Customer service compared to other water companies	Customer survey conducted for Ofwat called the Service Incentive Mechanism assessing all water and sewerage companies in England and Wales.	TBC	Ranked 3rd or above	No	n/a
Water supply interruptions	Average length of supply interruption per property (for interruptions over 3 hours).	20 minutes per property	12 minutes per property	Reward and penalty	●●●●●● ●●●●●○
Persistent low water pressure	Number of properties that are affected by persistent low pressure.*	517 properties	Interim target: 361 properties in 2017-18 257 properties in 2019-20	Penalty in 2017-18 Reward and penalty in 2019-20	●●○○○○ ●○○○○○
Properties flooded internally from sewers	The average number of properties that are flooded internally. This will be assessed as three-year average over 2017 to 2020.	461 properties	Reduce by 17 properties	Reward and penalty	●○○○○○ ●○○○○○
Properties flooded externally from sewers	The average number of properties that are flooded externally. This will be assessed as three-year average over 2017 to 2020.	6,072 properties	Reduce by 22 properties	Penalty	●○○○○○
Use of sustainable solutions in schemes to increase capacity of our sewerage network	Percentage of sewerage capacity schemes that include sustainable solutions e.g. SuDs.^	This will be a new measure from 2015	25%	No	n/a
Water quality complaints	The number of complaints from customers about water quality.	1.48 per 1,000 population served	Interim target: 1.23 per 1,000 population served in 2017-18 Maintained to 2019-20	Reward and penalty	●○○○○○ ●○○○○○

*Persistent low water pressure is an ongoing low pressure problem rather than short-term low pressure caused by a water main burst or unusual peak in demand for water.
^SuDs are an alternative to traditional piped drainage systems for managing surface water. They use techniques such as ponds, permeable paving and green roofs to mimic natural drainage in urban environments. As well as helping free up capacity in our sewers and reducing the risk of flooding, SuDs can enhance biodiversity, wildlife and community recreation spaces.

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Fair charges					
Satisfaction with value for money of water services	Based on an annual customer survey conducted for Consumer Council for Water.	TBC 2014 survey not available yet	To maintain or improve our performance compared to 2014 baseline and other companies performance	Reward and penalty	●○○○○○ ●○○○○○
Satisfaction with value for money of sewerage services		TBC 2014 survey not available yet		Reward and penalty	●○○○○○ ●○○○○○
Perception of fairness of bills		TBC 2014 survey not available yet		Reward and penalty	●○○○○○ ●○○○○○
Perception of affordability of bills		TBC 2014 survey not available yet		Reward and penalty	●○○○○○ ●○○○○○
Safe clean water					
Safety of water supplied to customers	Based on Mean Zonal Compliance. This is the key measure used by the Drinking Water Inspectorate to determine our overall compliance with the stringent regulatory drinking water standards in place in England and Wales.	99.96%	Interim target: 100% by 2017-18 100% maintained to 2019-20	Penalty	●○○○○○

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Resilient services					
Proportion of customers supplied by single supply system	Percentage of population served by a single supply system. Our goal is to increase the number of properties supplied by more than one water treatment works so if something goes wrong at one works, their water supply is protected.	27.5%	24.7%	Penalty	●○○○○○
Frequency of long-term restrictions on water supply (hosepipe bans)	Number of service level restrictions experienced by customers.	1 in every 10 years	1 in every 10 years	No	n/a
Supply meets demand					
Security of water supply in dry year	An index used by Ofwat to assess the extent to which we can meet our levels of service.^	100	100	No	n/a
Security of water supply in critical period	An index used by Ofwat to assess the extent to which we can meet our levels of service when there are peaks in demand or short-term restrictions on the water available for supply.^	100	100	No	n/a
Amount of water used on average per household	The average water consumption per household per day for properties in our region.	315 litres per household per day	308 litres per household per day	Penalty	●○○○○○
Leakage	The amount of water lost to leakage across the region in MI/d.^ This measure will be assessed using a 3-year average.	192MI/d*	192MI/d*	Reward and penalty	●●●●●○ ●●●●●○

^For both Security of Supply Indexes, 100 is the best score.
^^MI/d is megalitres per day and 1MI/d is 1 million litres.
*192MI/d is the target set by Ofwat. In response to customer feedback, we plan to go beyond this and reach 172MI/d by 2020.