

Customer Challenge Group paper

Meeting number: 4

Meeting Date: 1st November 2017

Paper No: 7

Title: Company Performance in Quarter 2 of 2017-18

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Printing: This document does contain graphs or pictures and therefore does require you to print in colour. If you are unable to print in colour please contact Nikki Blake, who will arrange a colour copy for you.

What is this paper about:	To inform the CCG about the company's performance during Quarter 2 against its Outcome Delivery incentives and against the operational performance indicators reported to the Consumer Council for Water.
What is the context of this paper:	This is a quarterly paper to highlight our year to date performance.
What is the relevance of this paper:	As above
Action needed from the CCG:	This paper is for information.

**OUTCOME DELIVERY INCENTIVES
Q2 2017/18
CUSTOMER CHALLENGE GROUP UPDATE**

INTRODUCTION

The purpose of this paper is to provide an update to the Customer Panel on the performance for the period April to September 2017 against the Outcomes agreed in our 5 year business plan.

1 PERFORMANCE: APRIL TO SEPTEMBER 2017

The table below shows our performance against our outcomes for Q2 of 2017-18.

Key for the below table:

- Green indicates the target is expected to be met
- Red indicates the target is expected to be missed
- Amber indicates that we expect to be within the acceptable deadband range
- White indicates that there is no target for 2017/18, but we are on track for its 2019 or 2020 target or that we do not have a year to date number



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Outcome	Financial or reputational	Industry ranking/ average 2016-17	FD Target 2017-18	2017-18 Actual YTD Performance	
Customer satisfaction measures	Financial -reward & penalty (DB)	N/A	See separate table		
Customers consider bills to be value for money and affordable	Reputational	N/A	>80% (19-20)	N/A	
Leakage	Financial - reward & penalty (deadbands)	6 th (m ³ per km) 6 th (l per property)	90.0 MI/d	82.5MI/d	
SIM	Financial - reward & penalty	9 th	>80*	N/A	
Properties at risk of low pressure	Financial - reward & penalty (deadbands)	Joint 5 th	60	49	
Average interruption time – minutes	Financial - reward & penalty (deadbands)	13 th	12	3.9	
Meeting the water resource deficit	Financial - penalty only (deadband)	N/A	0 MI/d	0 MI/d	
Mean zonal compliance (calendar year)	Financial - penalty only (deadband)	Average 99.96%	100%	99.95%	
Breaches of abstraction licences, discharge consents and environmental permits	Reputational	N/A	0	18	
- Discharge consents				1	
- Annual abstraction licences				0	
- Daily abstraction licences				17	
Pollution incidents (Category 1-2)	Reputational	N/A	0	0	
Compliance breaches of legislation of health and safety regulations	Reputational	N/A	0	0	
Number of breaches of National Security obligations	Reputational	N/A	0	0	
Number of compliance breaches with other statutory obligations and licence conditions	Reputational	N/A	0	0	
Discolouration contacts	Financial - reward & penalty (deadbands)	14 th	0.58	0.65	
Above ground asset performance	Financial - penalty only	N/A	Stable	Stable	

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OUTCOME DELIVERY INCENTIVES
Q2 2017/18
CUSTOMER CHALLENGE GROUP UPDATE

Outcome	Financial or reputational		FD Target 2017-18	2017-18 Actual Performance	
Number of sites at risk of flooding	Reputational	N/A	0*	N/A	
Burst mains	Financial - penalty only (deadband)	N/A	2,429	1,217	
KG of carbon emissions per customer per year	Reputational	Joint 14th	37.7kg *	N/A	
We will monitor our abstractions at low flows at environmentally sensitive sites	Reputational	N/A	0	Kingston: -0.01 Windmill Hill: -2.07	

Customers consider...	Business Plan Baseline	Final Determination Target	2015-16 Actual	2016-17 Actual	Q1 2017-18 Actual	Q2 2017-18 Actual	2017-18 YTD Actual	
Appearance of their water to be acceptable	4.6	4.6	4.4	4.5	4.5	4.5	4.5	
Taste and odour of their water to be acceptable	4.3	4.3	4.1	4.2	4.2	4.3	4.2	
Level of leakage to be acceptable	3.6	4.0	3.4	3.8	3.9	3.9	3.9	
Their direct interaction experience to be positive	4.5	4.5	4.2	4.3	4.2	4.4	4.3	
Their water supply is of sufficient pressure	4.5	4.5	4.2	4.2	4.2	4.3	4.3	
The frequency and duration of supply interruptions is acceptable	4.7	4.7	4.6	4.6	4.6	4.7	4.6	
The frequency of water use restrictions to be acceptable	4.1	4.1	4.2	4.4	4.3	4.5	4.4	

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2 KEY UPDATES

2.1 MEAN ZONAL COMPLIANCE

Mean zonal compliance is back in line with the deadband at 99.95% year to date.

2.2 DISCOLOURATION CONTACTS

We are currently forecasting a year end rate of 0.88 contacts per 1000 population, compared to the current target of 0.58 for 2017 and would attract an ODI penalty of ~£400k.

Seven water supply zones (WSZ) have a projected contact rate above 2/1000, compared with 12 in 2016, it should also be noted that Burwash WSZ is currently projected to remain below 4/1000 at year end for the first time in the last 10 years.

SeaQuest installations were completed at Barcombe, Bewl and Bray before the end of the year and dosing commenced at all sites in January – impacts are expected to start to be seen in relation to these installations within six months. The benefit of the year 2 Sea Quest dosing schemes has not yet been fully observed.

Work is also underway on the website to reduce customer contacts by providing additional information on discolouration, training staff members to carry out ‘live chats’ and also improving the ‘in your area’ map to show any live discolouration incidents.

2.3 PROPERTIES AT RISK OF LOW PRESSURE

During the year we will be undertaking a number of schemes which will reduce the number of properties at risk of low pressure. Most notably a booster and main laying at Froxfield is forecast to be delivered by October 2017 and this will reduce the number of properties by 21.

2.4 AVERAGE TIME LOST PER PROPERTY

The performance to date is now 3.9 minutes lost per property. This exceeds year to date target (3.5 minutes), but does represent a considerable improvement against respective performance for the previous year which was approximately 7.2 minutes.

We are continuing to work with our teams to minimise the response time and to incidents and to reduce the time to undertake repairs. Our ‘In your area’ section of the website is providing real time information to customers and allows them to sign up for text alerts.