

# Monitoring our progress in delivering our outcomes and plan for 2020 to 2025

To measure our progress over 2020 to 2025 towards achieving our outcomes, we've been set targets by our regulator 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 if our performance is below target 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.

The impact of the reward and penalty on customers' bills will be limited. If our performance is exceptionally good, the reward we get will mean customers' bills will increase by about £10. Should our performance lead to some of the highest penalties being imposed, customers' bills will decrease by about £35. Incentives and penalties will apply in the second year after the performance results are known. For example, financial adjustments for performance in 2020-21 will start to be reflected in customers' bills from 2022-23.

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 do not have any external Performance Commitment targets against the **Our people: healthier, happier, safer** outcome as this is an enabling outcome and does not directly measure service we deliver for our customers. We will monitor this internally and publish details in our Annual Integrated Report.

“ We have agreed 10 outcomes that we'll deliver for customers and the environment. ”



What are we measuring?	How are we measuring it?	2019-20 performance	Our target for 2024-25	Is there a financial reward or penalty?	Importance of this measure on level financial Reward or Penalty
<b>Delighted customers</b>					
Customer Measure of Experience (C-MeX)	Customer survey conducted for Ofwat called C-MeX which assesses the experience the company provides to residential customers.	This is a new measure	This is a comparative measure - we will target to perform in the top 25% of companies	Reward and penalty	
Developer Measure of Experience (D-MeX)	Survey conducted for Ofwat called D-MeX which assesses the experience the company provides to developer services customers who build new homes.	This is a new measure	This is a comparative measure - we will target to perform in the top 25% of companies	Reward and penalty	
Properties at risk of persistent low pressure	Number of properties that are affected by persistent low pressure. 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.	148	106	Reward and penalty	
Internal sewer flooding	The number of times that properties that are flooded internally per 10,000 customer connections to the sewer network.	1.06	1.34	Reward and penalty	
External sewer flooding	The number of times that properties are flooded externally.	2,474	3,991	Reward and penalty	
Non-household retailer satisfaction	This measure assesses the service provided by the company to non-household retailers.	This is a new measure	79.1	No	N/A
Water supply interruptions	Average length of supply interruptions per property (for interruptions over 3 hours).	18m 39secs	5m 0sec	Reward and penalty	
<b>Fair charges, fair returns</b>					
Managing void properties	The percentage of properties that are falsely identified as void properties. This means that they are occupied and should be charged by the company.	This is a new measure	0.25	Reward and penalty	
Value for money	A survey of customers by the Consumer Council for Water about the value for money provided by the company.	75% agree we provide good value for money	83% agree we provide good value for money	No	N/A
<b>Safe, clean water</b>					
Water quality (Compliance Risk Index)	This is the key measure used by the Drinking Water Inspectorate to determine our overall compliance with stringent regulatory drinking water standards.	1.75	0	Penalty	
Water quality contacts	The number of complaints from customers about water quality per thousand people served.	1.09	0.77	Reward and penalty	
Event Risk Index	This assessment looks at the company's approach to risk mitigation of water quality events.	8.280	15.000	No	N/A

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<b>Resilient business</b>					
Risk of severe restrictions in drought	The percentage of properties at risk of service restrictions in the event of a 1-in-200-year drought.	5.20%	0%	No	N/A
Risk of sewer flooding in a storm	The percentage of properties that we serve that are at risk of sewer flooding during an extreme wet weather event.	0.41%	9.75%	No	N/A
Percentage of population 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 that if something goes wrong at one works, our customers' water supplies are protected.	24.1%	14.1%	Reward	
Cyber security	Percentage of risks mitigated against the cyber threat to operational technology (OT) and to comply with the network and information systems (NIS) regulations.	This is a new measure	100%	Penalty	
<b>Supply meets demand</b>					
Leakage	Amount of water lost to leakage across the region in MI/d. ^MI/d is megalitres per day and 1MI is one million litres.	194.1 MI/d	155 MI/d	Reward and penalty	
Per capita consumption (PCC)	Average water consumption in litres person per day in our region.	134.1 l/p/d	128.5 l/p/d	Reward and penalty	
Smart metering delivery	The number of smart water meters that are installed at customer properties.	0	1,096,397	Penalty	
Internal interconnection delivery	The number of megalitres per day extra capacity delivered to ensure that customers in the region have sufficient water in the future.	0 MI/d	469 MI/d	Penalty	
Elsham DPC (Underperformance)	Measures the progress in implementing a direct procurement for customers process to support the appointment of a competitively appointed provider to construct and finance the Elsham treatment works and transfer scheme.	N/A	TBC	Penalty	
Elsham DPC (Outperformance)	Measures the progress in implementing a direct procurement for customers process to support the appointment of a competitively appointed provider to construct and finance the Elsham treatment works and transfer scheme.	N/A	TBC	Reward	

2. Baseline to be confirmed by Ofwat. We will update this document once confirmed.

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<b>Flourishing environment</b>					
Pollution incidents	Number of pollution incidents due to escapes from our sewerage network per 10,000km of sewer network.	34.6	19.5	Reward and penalty	
Bathing waters attaining excellent status	Number of recognised bathing waters in our region rated excellent (based on standards set by the European Bathing Water Directive).	30	36	Reward and penalty	
Abstraction Incentive Mechanism	An incentive to reduce the water we take from sensitive rivers or wetlands during very dry periods.	This is a new measure	Reduction compared to historic levels	Reward and penalty	
WINEP	The progress of the company in delivering its agreed Water Industry National Environment Programme (WINEP) schemes in a timely manner.	This is a new measure	1,856	Reward and penalty	
WINEP delivery		This is a new measure	Met	No	N/A
Natural capital	This measures progress towards meeting improvements in natural capital within our region.	This is a new measure	Met	No	N/A
Regional collaboration	This measures progress towards the development of a regional approach to assessing and considering natural capital.	This is a new measure	Pass	No	N/A
<b>A smaller footprint</b>					
Operational carbon	Percentage reduction in carbon emissions from day-to-day operations compared to a 2019-20 baseline.	Baseline (0%)	10%	No	N/A
Capital carbon	Percentage reduction in carbon emissions from construction activity measured in tonnes of CO2 equivalent compared to a 2010 baseline.	61%	65%	No	N/A

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<b>Positive impact on communities</b>					
Priority services for customers in vulnerable circumstances	The percentage of customers recorded as requiring priority services due to being in vulnerable circumstances and the percentage of people contacted to ensure records are kept up to date.	This is a new measure	12.8% reach 35% actual contact 90% attempted contact	No	N/A
Customers aware of the PSR	Percentage of customers made aware of our Priority Services Register (PSR) and how they can benefit from being on it.	This is a new measure	65%	No	N/A
Helping those struggling to pay	The number of customers who are struggling to pay their water bill and who receive financial support through one of the company's financial support schemes.	This is a new measure	310,161	No	N/A
Community investment	The percentage increase in community investment programmes through which the company adds social value to its communities (compared to 2020-21).	This is a new measure	5%	No	N/A
Customer trust	The improvement in company score for a survey of customers by the Consumer Council for Water about the trust that customers place in the company.	This is a new measure	0.05	No	N/A
BSI standard for inclusive service	To maintain certification for the British Standard for Inclusive Service Provision (BS 18477).	Met	Maintain	No	N/A
Partnership working on pluvial and fluvial flood risk	Investments delivered working in partnership with other organisations to protect infrastructure from flooding.	This is a new measure	92	No	N/A
<b>Investing for tomorrow</b>					
Mains repairs	Number of repairs made to water mains per 1,000 kilometres of total water mains.	109.3	132.3	Penalty	
Unplanned outage	Percentage of maximum water treatment works output unavailable during the year.	1.54%	2.34%	Penalty	
Sewer collapses	Number of sewer collapses per 1,000 kilometres of sewers.	5.60	5.50	Penalty	
Treatment works compliance	Percentage of water and sewage treatment works meeting permits for the quality of water discharged to the environment.	98.6%	100%	Penalty	
Reactive mains bursts	Reactive bursts are those that are identified and reported by a customer or third party before they are identified by the company.	3,627	3,063	No	N/A