

1. BACKGROUND AND PURPOSE OF PAPER

Our vision at Northumbrian Water is to be the national leader in the provision of sustainable water and waste water services.

The purpose of this paper is to update the Water Forum on how our latest performance compares with others in the industry.

It also provides an update on wider industry developments regarding comparative information and performance.

2. LATEST COMPARATIVE PERFORMANCE

Northumbrian Water Executive Leadership Team monitor performance on a monthly basis via a review of our Balanced Scorecard. The scorecard contains 33 metrics which cover our corporate themes of Customer, People, Competitiveness, Environment and Community.

For 20 of the measures, we are able to draw comparisons with the other nine water and sewerage companies (WaSCs) in England and Wales.

A summary of this latest comparative performance is included as an appendix.

Our relative performance against these measures is a good indicator of our progress towards achieving our vision.

This comparative information is also used to inform target setting for our Balanced Scorecard. These are stretch targets aimed at achieving our vision, and in many cases are more stringent than our regulatory performance commitments.

This approach continues to drive improvements in service levels for our customers and stakeholders, with the majority of metrics showing year on year improvement.

We are particularly proud of our performance on the Service Incentive Mechanism (SIM) customer experience survey where we are joint first in the industry. We are also proud of our Interruptions to Supply performance where we are the leading WaSC by a substantial margin. Similarly our Bathing Water Quality performance places us joint first in the industry.

Our comparative performance on leakage is strong, especially in Essex & Suffolk, however meeting our regulatory performance commitment remains a challenge.

Our performance in relation to Drinking Water Quality and Pollution incidents remains a challenge, and these will continue to be areas of focus.

Our comparative performance on Taste and Odour remains strong, yet we are at risk of incurring a substantial penalty. We are preparing a challenge for Ofwat on this matter.

These matters were discussed in more detail at the session with forum members on 5 June. A detailed update on Leakage will be provided for the Water Forum meeting in November.

3. REGULATORY AND INDUSTRY DEVELOPMENTS REGARDING COMPARATIVE INFORMATION

3.1 Discover Water

Discover Water has now been updated with industry performance figures for 2016/17. This website continues to be a valuable source of comparative information, especially when discussing our performance with our stakeholders and customers.

The latest performance figures can be viewed at www.discoverwater.co.uk.

3.2 Convergence

Three performance measures continue to be the subject of 'convergence' activity to ensure consistency of reporting across the industry: Leakage; Interruptions to Supply; Internal Sewer Flooding.

New consistent definitions have now been agreed for these measures, and companies are required to provide revised performance data to Ofwat by the end of August. We are then expecting a data share in September to indicate how the new definitions have affected industry comparative performance.

Companies are then required to report against the new definitions on a shadow basis until 2019/20, following which the new definitions will apply in full.

3.3 PR19

In July, Ofwat published the draft methodology for PR19. Comparative performance continues to be a strong theme with 14 common performance measures proposed for the industry for 2020/21 onwards.

Performance commitments for four of these measures will be subject to a formal upper quartile test:

- Interruptions to Supply.
- Internal Sewer Flooding.
- Drinking Water Quality (as measured by the new Compliance Risk Index – CRI).
- Pollution Incidents (Category 3).

For these four measures *“companies should propose their performance commitments to be at least the forecast upper quartile in 2024-25. We also expect companies to meet their performance commitment levels in the first year and therefore they should not incorporate any transition period (or glide path)”*.

We are seeking clarity on this point in our response to the draft methodology consultation.

Leakage performance commitments will also be subject to comparative scrutiny at PR19, with companies expected to set stretching performance commitment levels to:

- Achieve forecast upper quartile – or justify why this is not appropriate.
- Achieve at least a 15% reduction – or justify why not.

As well as being used to inform our PR19 business plan, these expectations are being used to inform our balanced scorecard targets for the period up to 2019/20.

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NWG COMPANY SCORECARD BENCHMARKING - 2016/17 Performance vs 2016/17 WASC FIGURES

BENCHMARKING MEASURE	YEAR	ODI	1	2	3	4	5	6	7	8	9	10	INDUSTRY FIGURES	NWG FIGURES	COMMENTS
CUSTOMER															
SIM contact levels score	R	£	62.15 Anglian	76.60 United Utilities	78.49 Severn Trent	79.36 Wessex	79.79 NWG	98.20 South West	115.00 Yorkshire	123.37 Dwr Cymru	125.89 Thames	145.85 Southern	2016/17 Final	2016/17 Final	
SIM consumer experience score	R	£	4.55 NWG / Wessex		4.43 United Utilities	4.42 Yorkshire/ Dwr Cymru		4.40 Anglian	4.34 Severn Trent	4.28 South West	4.22 Southern	4.12 Thames	2016/17 Final	2016/17 Final	
SIM (Combined Overall Score)	R	£	87.59 Wessex	87.57 NWG	85.64 Anglian	85.29 United Utilities	83.51 Severn Trent	83.42 Yorkshire	82.77 Dwr Cymru	81.64 South West	78.14 Southern	77.26 Thames	2016/17 Final	2016/17 Final	Scores based on two rows above (SIM Contacts Levels Score and SIM Consumer Experience Score). Discover Water (discoverwater.co.uk) likely to present figures as Odp; i.e.: NWG and Wessex joint first.
Interruptions >3 hours (combined N/S) mm:ss	R	£	02:26 NWG	07:00 Southern	07:12 Thames	09:47 Yorkshire	10:07 Severn Trent	11:43 Anglian	12:09 Dwr Cymru	12:48 Wessex	13:16 South West	13:33 United Utilities	2016/17 Final	2016/17 Final	Thames Measure of Success is interruptions >4hours, compared to industry standard of >3hours.
Repeat sewer flooding incidents per 1,000 connected properties (exc. TDS)	R	£	0.0301 (38) Dwr Cymru	0.0366 (46) NWG	0.0370 (47) Wessex	0.0492 (62) Anglian	0.0496 (62) Severn Trent	0.0537 (67) Yorkshire	0.0594 (75) South West	0.0759 (96) United Utilities	0.0776 (98) Thames	0.0821 (103) Southern	2014/15 Final	2016/17 Final	No datashare available for 2015/16, other company information is therefore for 2014/15, NWG updated with 2015/16 data
Properties flooded internally per 1,000 connected properties (inc. TDS)	R	£	0.145 (181) Anglian	0.148 (186) Wessex	0.201 (253) Severn Trent	0.231 (290) South West	0.233 (292) Dwr Cymru	0.259 (325) Southern	0.265 (333) NWG	0.273 (343) Thames	0.408 (512) Yorkshire	0.470 (590) United Utilities	2015/16 Draft	2016/17 Final	
Overall drinking water quality compliance (%)	C	£	99.97 Southern / Dwr Cymru / Anglian			99.96 Yorkshire / South West / Thames /United Utilities			99.95 Wessex	99.94 NWG / Severn Trent			2016 Final	2016 Final	DWI Chief Inspector Report 2016
Discoloured water complaints per 1,000 population	C	£	0.1 (436) Thames	0.38 (1656) Anglian	0.59 (2571) Wessex	0.66 (2874) NWG	0.69 Southern	0.97 Yorkshire / United Utilities		1.12 Severn Trent	2.24 South West	2.33 Dwr Cymru	2016 Final	2016 Final	
Coliform failures at WTW and service reservoirs (% of samples)	C		0.014 (3) Southern	0.017 (4) Anglian	0.022 (5) Yorkshire	0.024 (6) NWG	0.029 Dwr Cymru / South West		0.030 United Utilities	0.035 Wessex	0.054 Thames	0.062 Severn Trent	2016 Final	2016 Final	Information from DWI report 2016
Burst Water Mains (nr per 1,000km)	R	£	102 (2642) South West	109 (2820) United Utilities	110 (2838) Severn Trent	133 (3445) Dwr Cymru	137 (3548) Anglian	144 (3715) Southern	157 (4031) Wessex	166 (4273) NWG	181 (4675) Yorkshire	265 (6850) Thames	2016/17 Final	2016/17 Final	
Taste and Odour complaints per 1,000 population	C	£	0.178 (778) Thames	0.278 (1209) Southern	0.282 (1229) NWG	0.361 (1573) United Utilities	0.391 (1705) Anglian	0.398 (1735) Severn Trent	0.432 (1883) Yorkshire	0.468 (2041) Dwr Cymru	0.482 (2100) South West	0.538 (2344) Wessex	2016 Final	2016 Final	
Properties experiencing poor pressure (% properties connected)	R	£	0.0132 (3) Thames	0.0349 (7) Yorkshire	0.5294 (107) Severn Trent	0.6456 (130) Dwr Cymru	0.9883 (199) NWG	1.0477 (211) United Utilities	1.9827 (399) South West	2.0107 (405) Southern	2.1294 (429) Anglian	2.1564 (434) Wessex	2016/17 Final	2016/17 Final	
PEOPLE															
Lost time reportable accidents & major injuries (nr per 1,000 employees)	R		1.41 Severn Trent	2.00 Dwr Cymru	2.12 Southern	2.86 Anglian	3.22 (10) NWG	3.46 United Utilities	4.55 Wessex Water	5.04 South West	5.53 Yorkshire	No Data Thames	2015 Final	2016 Final	No company comparison data for Thames. Using 2015 data for Yorkshire Water and Anglian Water.
ENVIRONMENT															
Leakage (l/prop/day) North	R	£	79.80 Southern (95.72 MI/d)	85.51 Anglian (102.56 MI/d)	102.04 South West (122.38 MI/d)	111.57 NW (133.82 MI/d)	111.66 Wessex (133.93 MI/d)	122.18 Severn Trent	123.11 Dwr Cymru	128.90 Yorkshire	133.98 United Utilities	178.69 Thames	2016/17 Final	2016/17 Final	
Leakage (l/prop/day) South	R	£	79.80 Southern (64.96 MI/d)	83.63 ESW (68.08 MI/d)	85.51 Anglian (69.61 MI/d)	102.04 South West (83.06 MI/d)	111.66 Wessex (90.90 MI/d)	122.18 Severn Trent	123.11 Dwr Cymru	128.90 Yorkshire	133.98 United Utilities	178.69 Thames	2016/17 Final	2016/17 Final	
Discharge Permit Compliance (STWs & WTWs) (%)	C		99.6 Severn Trent	99.4 Wessex Water	99.1 Anglian Water	98.7 Southern Water	98.1 South West	97.9 Thames	97.8 NWG	97.4 United Utilities	97.2 Yorkshire Water	No data Dwr Cymru	2016 Final	2016 Final	Updated with latest information from EPA report 2016.
Category 1 & 2 pollution events (per 10,000km network)	C		0.4 (1) United Utilities	0.6 (1) Wessex Water	0.8 (2) Southern Water / Severn Trent		0.9 (2) Thames	1.2 (3) Yorkshire Water	1.3 (3) Anglian Water	2.6 (7) South West	3.1 (9) NWG	No data Dwr Cymru	2016 Final	2016 Final	Sewerage only for benchmarking Updated with latest information from EPA report 2016. Note: length of sewer is public and private.
Category 1-3 pollution events (per 10,000km network)	C	£	22 (63) United Utilities / Wessex Water		30 (86) Severn Trent	32 (91) Anglian Water	33 (94) Thames	35 (100) Southern Water	38 (109) NWG	46 Yorkshire Water	115 South West	No data Dwr Cymru	2016 Final	2016 Final	Sewerage only for benchmarking Updated with latest information from EPA report 2016. Note: length of sewer is public and private.
Sewer collapses (excluding hard blockages) (nr per 1,000km sewer)	R	£	4.24 (127) NWG	5.74 Anglian	5.80 Thames	5.91 Southern	6.52 Severn Trent	7.41 Yorkshire	9.21 United Utilities	15.30 Wessex Water	21.29 South West	23.15 Dwr Cymru	2016/17 Final	2016/17 Final	
Bathing waters meeting 'sufficient' standard (%)	C	£	100.0 (34) NWG / United Utilities		99.02 Dwr Cymru	98.79 Southern	98.60 South West	98.00 Anglian	97.83 Wessex	94.74 Yorkshire	Only 8 WaSCs have bathing waters		2016 Final	2016 Final	

Notes: Numbers in brackets show the result NWG is to achieve for that equivalent position.
Colours: 1st place, 2nd place, 3rd-10th place