



PR14 Outcomes

**- Task Group Progress Update to CCG on
11th April**



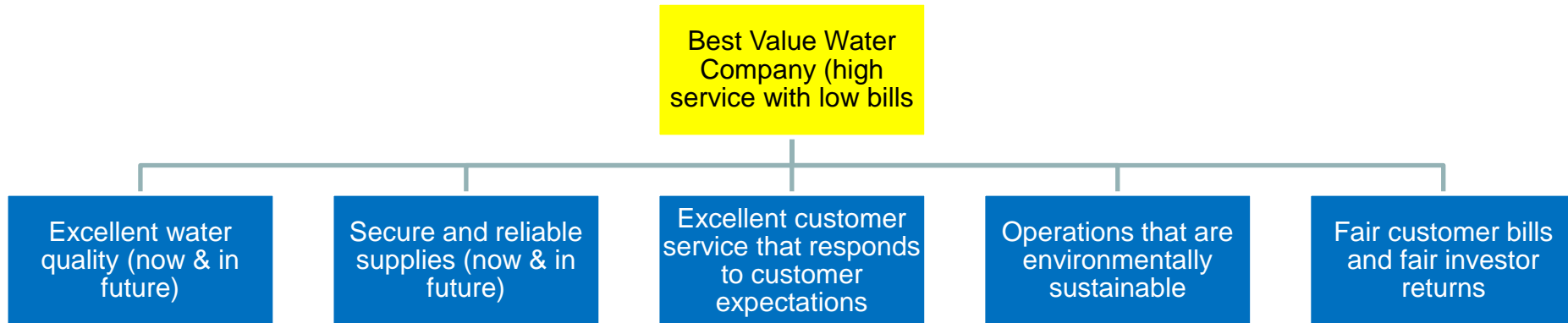
Headlines

- Company produced a discussion paper
- Two task group meetings held
- Good debates and progress made
- Company proposed 5 outcomes based on customer engagement findings to date, which the task group “tweaked”
- Joint work on developing potential “measures of success” and identifying our priority measures. We’ll run through these.
- Work on “incentives” to follow once views of the Company’s Board are known.

Ofwat guidance

- Important part of CCG's remit is to comment on the Outcomes proposed.
- Outcomes replace regulatory targets (outputs / scheme monitoring).
- Companies have flexibility to propose outcomes specific to local circumstances.
- Incentives based on:
 - Penalty only (customer bills fall for non-delivery)
 - Reward for company (if over-delivers) or penalty
 - Trade-offs
 - Non-financial

Current Outcomes Proposed



Next 5 slides show “measures of success” for each of these five outcomes

Excellent water quality (now & in future)

- Boil water notice avoidance
- Discolouration events / customer affected ***
- Taste and odour**
- Hardness
- Lead (awareness vs lack of action, recognise SST have lots of customers with lead pipes)
- Contact numbers (1.21/1,000)***
- Complaint (rather than contact)
- DWI compliance (e.g. MZC)***
- WQ Reportable Events

Secure & reliable supplies (now & in future)

- Hosepipe bans**
- Supply interruptions***
- Customers experiencing low pressure
- Water flooding from large burst mains (Streetly)
- Local hotspots - customers at risk of network failure (resilience)***
- Asset serviceability assessment (bursts etc.)***

Excellent customer service that responds to customers expectations

- Independent satisfaction surveys***
- Complaint levels***
- Web self-serve / e-billing offering that customers welcome / use***
- Ofwat's new "SIM"
- Value for money survey (perception?)
- Direct debit discount
- Additional business customers offering
- Debt (or last outcome?)

Operations that are environmentally sustainable

- **Catchment management activity**

(length of river improved / species improved / no. schemes or partnerships)

- **Biodiversity measure** (detail tbc)

- EA less keen on pollution incidents

- Create an “overall compliance measure” (inc abstraction & pollution)

- Carbon use / % from renewables

- Water efficiency levels

- Leakage levels

- Metering levels

- Water into supply or PCC

- Speed of leak repair

Merge?

(customer perception of
Company based on this)



South Staffs Water

Fair customer bills and fair investor returns

- Customers on tariffs / payment plans (helped) to support affordability (e.g. social tariff / Charitable Trust activity)***
- Debt levels or no. of customers in debt or efficiency of collections activity***
- Relative size of bill***
- Measure of pumping cost efficiency (since sensitive impact on bill levels)
- Overall efficiency of operations***
- Value for money survey (perception)
- Can we measure acceptance of profit / dividends? (transparency given to issue, decision on who benefits from outperformance)

Summary / Next Steps

- Progress since February's meeting is significant.
- Incentives now need developing.
- Review results of Willingness to Pay late May.
- Company Board discussions in June.

