



South Staffs Water



Annual performance report 2018/19 - summary

July 2019



The year at a glance



Leakage targets achieved in both our South Staffs and Cambridge regions



Complaints in our South Staffs region at their lowest-ever level

UV treatment installed at Hampton Loade



Resilient despite prolonged, hot, dry summer



Nitrate treatment installed at Fowlmere



Attained ICS ServiceMark accreditation

Welcome

Thank you for taking the time to read this annual performance report. I hope it provides you with a useful snapshot of the work South Staffs Water has done over the 12 months to 31 March 2019. I also hope it provides a flavour of what we do and how well we are doing our job.

After narrowly missing our leakage targets in 2017/18, we are pleased to report that we achieved our target in both our South Staffs and Cambridge regions in 2018/19. This is the result of the hard work of our people, increased investment in resources, more network monitoring and the use of new technology. We understand that our customers care deeply about the environment – and that tackling leakage is an important part of this. We are confident that we will continue to drive leakage levels down in the coming 12 months.



We are disappointed to report that we missed our targets both for water quality compliance and the acceptability of water to customers in 2018/19. This was partly because of failures we experienced at the two main water treatment works in our South Staffs region. We have investigated the reasons for these failures and have taken action to get back on track. This includes making substantial investment to install UV treatment at both works, and planning for even more significant investment for the five years from 2020. Despite the failures we experienced during the year, our water still remains at a very high standard overall.

We believe that responding to our customers' needs is at the heart of who we are as a provider of an essential public service. So, in March 2019 we were pleased to learn that our contact centre had been awarded the Institute of Customer Service's ServiceMark accreditation. Achieving this recognised national customer service standard validates our dedication to always providing the highest levels of customer service.

We also understand the importance of being embedded within the communities we serve. We pride ourselves on our community connections and the partnerships we have formed with different organisations – for example, through our community hub, which celebrated its first anniversary in April 2019. At the time of writing, nearly 4,000 customers have visited our hub, so we – and they – are really seeing the benefits of this unique approach.

But there are other ways in which we work with our different communities. This includes our successful SPRING catchment management programme and our PEBBLE fund, where we provide support for projects that are designed to improve, restore or create new habitats for plants and wildlife. And our education outreach programme continues to go from strength to strength. All these programmes are crucial in reinforcing our commitment to our customers and the communities we serve.

Over the past 12 months, we have also looked at ways to improve the service we provide to our customers. We know that some of our customers are keen to embrace a self-service, digital approach that fits around their lifestyles and individual circumstances. So, as well as launching an Alexa skill, we have also launched a mobile app, so that customers can submit a meter reading, pay their bill and report leaks.

Looking ahead, we are facing a number of challenges over the next year or so – not least the impact of Brexit, environmental pressures resulting from climate change and changes in customers' expectations. We will continue to consider all our operations in the round – building more flexibility into our systems and processes to ensure we can adapt and respond to these changing circumstances quickly and efficiently.

Finally, I would like to take this opportunity to thank all our teams for their commitment and hard work during 2018/19. There have been challenges, including extremes of weather, but we have performed well. None of what we have achieved would have been possible without everyone across the business playing their part every day in all weathers and sometimes difficult circumstances.

A handwritten signature in black ink, appearing to read 'Phil Newland', written in a cursive style.

Phil Newland
Managing Director, South Staffs Water

A word from our Chairman

Welcome to South Staffs Water's annual report and accounts for 2018/19. It has been a particularly busy year for the company – one that has been dominated both by the debate around the long-term future of the water sector in England and Wales and the impact of the sustained period of hot, dry weather last summer on our resources and operations.

At the same time as we were experiencing this extreme weather event, the Board and I were actively involved in the process for approving and assuring our business plan for 2020 to 2025, which was submitted to Ofwat in September 2018. As a Board, we have been involved throughout the development of the plan, and are convinced by its ambition and the way it takes into account our customers' changing needs and expectations. We firmly believe it represents a fair balance between costs, strategic investment, efficiency and innovation.

It has also been a year of change for the company. At the end of the 2017/18 financial year, Arjun Infrastructure Partners acquired a majority controlling interest in the South Staffordshire group of companies. At the same time, Mitsubishi UFJ Lease & Finance acquired stakes in the Group, with the sale completing in July 2018. I am delighted that our investors bring with them a wealth of experience of the UK water sector combined with wide-ranging global insights.

I was also pleased to welcome two new Independent Non-executive Directors to the Board during the year – Lord Smith of Finsbury and Catherine May. I am confident that their knowledge and experience will strengthen the Board as we look ahead to delivering our ambitious plan for our customers to ensure we continue to deliver the high-quality services they expect and pay for.

Finally, I would like to extend the Board's thanks to all our teams for their continued commitment to the company and the communities we serve every day. We have faced a number of challenges during the year – not least the extreme weather in the spring and summer. But the business has performed well, maintaining supplies to customers, improving leakage performance and completing key investments in both our South Staffs and Cambridge regions. I am pleased with how well everyone has continued to pull together to deliver the very best outcomes for our customers.



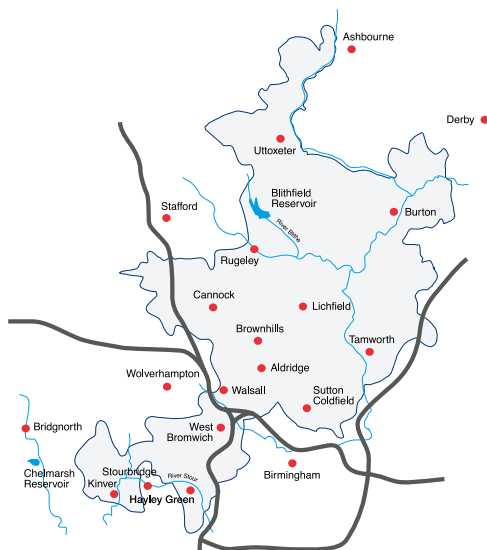
Sir James Perowne



About South Staffs Water

South Staffs Water is part of the South Staffordshire Plc group of companies, a privately-owned integrated services group concentrating on regulated water supply and complementary specialist service businesses. We operate across two regions under a single water supply licence, supplying clean water services to more than 1.7 million people and around 45,000 businesses in Staffordshire, parts of the West Midlands, and in and around Cambridge.

Our South Staffs region extends from Ashbourne in the north to Halesowen in the south, and from Burton-upon-Trent in the east to Kinver in the west. Our Cambridge region stretches from Ramsey in the north to beyond Melbourn in the south, and from Gamlingay in the west to the east of Cambridge city.



South Staffs region



Cambridge region

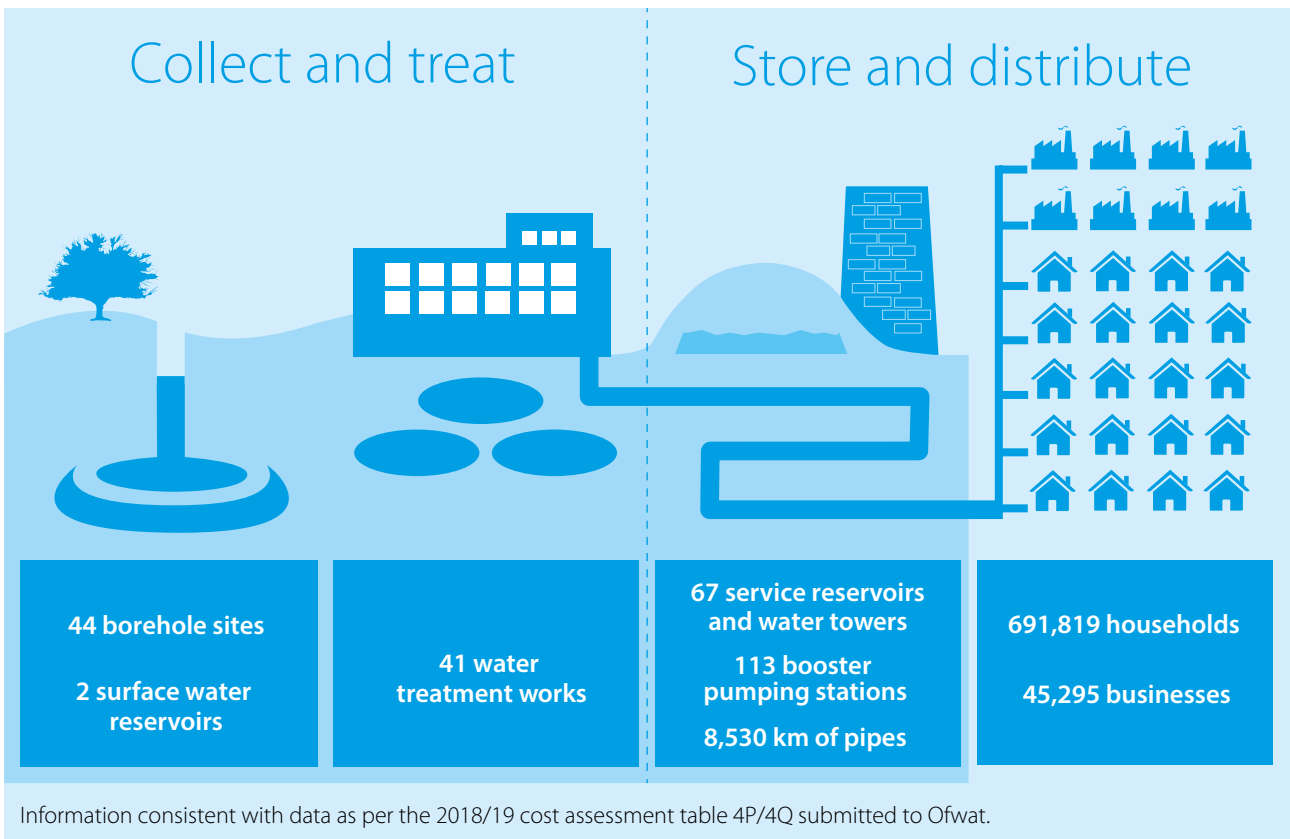
Our role

South Staffs Water is a water only company and does not provide sewerage services. We bill customers for these services on behalf of Severn Trent Water in our South Staffs region and Anglian Water in our Cambridge region.

We aim to be transparent and honest with our customers in everything we do. This includes everything from how we spend the money from customers' bills to the quality and reliability of the water we supply and the impact our activities have on the environment. We provide an essential public service and know that it is vital that customers trust us to do this well. We believe that sharing information on how we have performed against our targets – and other important information about our business – is one way we can build this trust.

The water companies in England and Wales are regulated by the Water Services Regulation Authority, which is better known as Ofwat. Every five years we submit our plans for financing, investment, service levels and customer priorities for the following five years to Ofwat, with the current planning period running from 2015 to 2020.

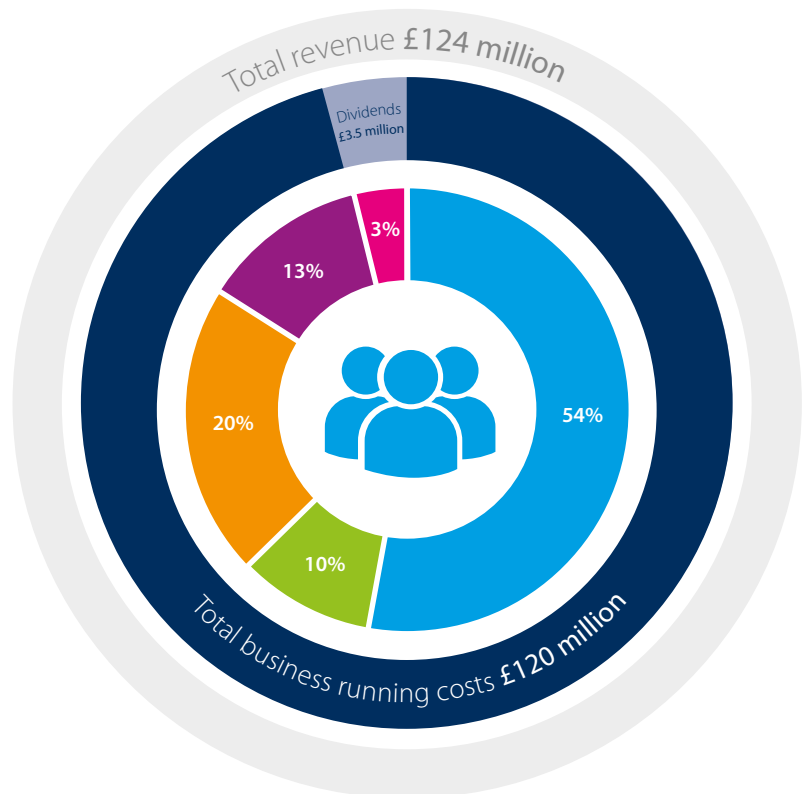
We measure our performance using five outcomes and 15 performance commitment targets, which our customers helped to set. Some of these targets have financial rewards or penalties attached to them. We set demanding targets to ensure we continue to provide high levels of customer service and low bills. How this is measured and our performance against our targets is set out in the following pages.



Financial information

How we use the money we get from customers' bills.

- Water production, treatment, pumping, network repairs and operations
- Customer services, meter reading, billing and payment collection
- Annual costs of capital investment
- Financing costs and tax
- Dividends



Summary of our performance

Our five outcomes and 15 performance commitments reflect what our customers have told us is important to them. Some have financial incentives attached, which means over the five-year period, we may incur a penalty for under-performing against our targets or a reward for performing better than our targets. For the first four years of the 2015 to 2020 period, we have earned a total reward of £1.34 million. We have taken this into account in our business plan for the five years from 2020 to 2025.

Outcome	Measure name	What we are measuring	Progress of meeting our targets			
			2015/16	2016/17	2017/18	2018/19
1 Excellent water quality	Mean Zone Compliance	The number of times we fail to meet drinking water standards when supplying customers within our network	✗	✓	✗	✗
	Acceptability of water to customers	The number of contacts for every 1,000 customers that we receive about the taste, smell and appearance of tap water, or cases of illness to customers each year	✗	✗	✗	✗
2 Secure and reliable supplies	Interruptions to supply	The number of times a customer's property suffers a loss of water supply for more than three hours	✓	✓	✓	✓
	Asset health infrastructure	The long-term ability of our underground assets (e.g. pipes) to provide a reliable service	✓	✓	✓	✓
	Asset health non-infrastructure	The long-term ability of our above-ground assets (e.g. water treatment works) to provide a reliable service	✓	✓	✓	✓
3 An excellent customer experience to customers and community	Service Incentive Mechanism	The percentage of customers, who agree that we have handled their enquiry to a high standard	✗	✗	✗	✗
	Customer satisfaction	The percentage of customers, who agree that we offer a good overall service	✓	✓	✗	✓
	Community engagement	The amount of time our staff spend supporting worthwhile community projects	✗	✗	✓	✓
4 Operations that are environmentally sustainable	Leakage South Staffs region	The amount of water, measured in litres, lost through leaking pipes	✓	✓	✗	✓
	Leakage Cambridge region		✓	✗	✗	✓
	Water efficiency	The number of litres of water each person uses per day in our regions	✓	✓	✗	✗
	Biodiversity	The area of land, where we actively protect wildlife, trees and plants from damage	✓	✓	✓	✓
	Carbon emissions	The number of tonnes of carbon we save by changing the way our business operates	✗	✗	✗	✗
5 Fair customer bills and fair investor returns	Value for money and affordability satisfaction	The percentage of customers, who agree that our services offer value for money and that their water bills are affordable	✓	✓	✓	✓
	Support for customers in debt	The number of customers experiencing financial hardship we supported through lower bills	✓	✓	✓	✓
Total targets passed			10	10	7	10
Total targets missed			5	5	8	5

Excellent water quality



Outcome

99.92%
water quality
compliance

Contacts from
1.51 out of every
1,000 people
regarding Acceptability of water

Water quality is one of the most important areas of our service. It is also a top priority for our customers. That is why we have two performance targets covering overall drinking water compliance and the acceptability of water to customers, measured by how often our customers contact us to report issues. We have stretching regulatory targets for both these measures.

We are disappointed to report that we have not met our target of 100% water quality compliance, as 15 out of 16,958 in our South Staffs region and 2 out of 5,000 samples in our Cambridge region did not meet the strict regulatory compliance standards. Despite this, our water quality remains at a very high standard overall at 99.92%. During the year, we suffered failures at both our Hampton Loade and Seedy Mill water treatment works. We investigated these failures thoroughly and invested in powder-activated carbon to address the failure at Hampton Loade. This is an effective process, which works by quickly absorbing impurities, such as pesticides and organic material, in drinking water. We also engaged with the Drinking Water Inspectorate (DWI), which enforces water quality standards, regularly on these issues throughout the year.

We have also not met our stretching regulatory target for acceptability of water, which we measure by how often customers contact us to report issues with their water supply, such as the colour, taste and smell. Until 2018/19, we had made continuous improvement towards our target of 1.23 contacts per thousand of population, delivering a reduction of nearly 30% between 2015 and 2017. But the hot summer in 2018 resulted in a higher demand for water, which in turn caused higher flow rates in the pipes transporting the water. The higher flow rates caused sediment within the pipes to be disturbed, resulting in a slight increase in contacts from customers in the affected areas. We remain committed to improving this area of service and will be working to achieve our target during 2019/20. We will discuss the outcome of this in next year's annual report.

New water treatment plant at Fowlmere

On 16 May 2019, new Board member, the Rt Hon Lord Smith of Finsbury, officially opened the new water treatment plant at Fowlmere in our Cambridge region, the work for which was carried out during the 2018/19 financial year. He is pictured (centre) toasting the new plant – with water – with Adrian Page, Group Chief Executive of South Staffordshire Plc and fellow Board member, Catherine May.

The pumping station at Fowlmere has supplied water to Cambridge since 1959. It is a major hub in the region's water supply network, pumping around 3.5 million litres of water on average every day. We have added the new state-of-the-art treatment plant to remove nitrates from the water supply. And we have upgraded the existing treatment processes to ensure we can continue to provide some of the highest quality water in the country. Nitrates are naturally present in soil and can also be found in fertilisers. As they are soluble, they can be washed into rivers or streams, or seep through the ground into underground water sources. Fowlmere is now the fourth nitrate treatment plant in our Cambridge region.



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Water quality is a top priority for all our customers.

Secure and reliable supplies



Outcome

7 minutes 9 seconds
average supply interruption
per customer

stable
asset health for **pipes,**
pumping stations & reservoirs

One of our highest priorities is to maintain a continuous supply of clean, wholesome drinking water to our customers' taps. This means minimising the risk of supply interruptions and maintaining a stable asset health overall.

But, as we reported in last year's annual report, the freeze/thaw event in March 2018, known colloquially as the 'Beast from the East', resulted in a large number of bursts on our network that we had to repair in very challenging weather conditions. The impact of this event carried over into the first part of the 2018/19 financial year and was followed by a prolonged period of hot, dry weather. Such extremes of weather can cause a higher number of burst mains as the ground contracts and expands more than normal. We repaired these burst mains as quickly as possible and our long-term asset health is still in a stable condition.

We are pleased to report that we have again met our performance target for supply interruptions of ten minutes per property. This is despite the impact of the extreme weather in 2018 and the occurrence of several significant events, which caused considerable disruption for a number of our customers. For example, in April 2018, a third party contractor hit a 20-inch main in Wednesbury in our South Staffs region. As a result, about 15 million litres of water was released through the damaged main, causing extensive flooding in the local area. We set up an incident team to manage the event, which included isolating and repairing the main and returning our customers' water supply to normal. We also received nearly 1,000 customer contacts about interruptions to supply and discoloured water.

And in January this year, a water main ruptured in Smethwick in our South Staffs region, leaving more than 2,000 properties without water for around 12 hours. This was a serious incident for us, which we investigated thoroughly. We found that an issue with a pressure sensor caused too much pressure to build in the water main, causing it to rupture. We have learned the lessons of this incident and have put in place a more robust way of delivering pressure consistently using a combination of analogue and digital monitoring processes. We have also capped the pressure level in the booster that feeds this main to prevent something like this happening again.

Sedgley Reservoir works completed

Over a period of around six months during 2018/19, we carried out essential maintenance work at Sedgley Reservoir, a large covered drinking water reservoir hidden beneath the surface of Sedgley Beacon in our South Staffs region. The work was necessary to ensure the ongoing provision of high-quality and reliable clean water supplies to our customers.

As part of the project, Stonbury, our approved contractor, excavated 13,000 tonnes of soil across a large area of the site to expose the roof of the reservoir and allow a new membrane to be installed. We worked closely with Birmingham and Black Country Wildlife Trust throughout the project to mitigate any impact to the biodiversity of the Beacon and replaced the soil when we had completed the work. We also created an online portal, through which we were able to keep the local community and regular users of Sedgley Beacon up to date with the project as it progressed.



We are pleased to have again met our target for supply interruptions – despite the impact of the extreme weather in 2018.

An excellent customer experience to customers and the community



Outcome

SIM score of
86.4

98%
customer
satisfaction

749 days
of community
engagement activity

We have continued to focus on our customer service performance during 2018/19. Our Service Incentive Mechanism (SIM) score, which is a regulatory measure of customer service performance, decreased slightly from the 2017/18 level to 86.4 and has not met our challenging target of 90. That said, we are very pleased to report that we have met our customer satisfaction survey target of 98%.

In addition, our people have also continued to participate in a wide range of community and volunteering activities, and we have exceeded our target by delivering 749 days of community activity during the year.

Being at the heart of the communities we serve

In last year's annual report, we reported on the opening of our community hub in our South Staffs region. One year on and we are seeing real benefits from this innovative idea. At the time of writing, nearly 4,000 customers have visited the hub to talk to our people face to face or attend a wide range of events. We have also formed partnerships and relationships with a number of organisations that use the space regularly, such as Citizens Advice, Digital Coaching, JobCentre Plus and Ideal for All. And we have had interest in the concept from other companies in the water sector.

Such has been the success of this approach that we have now appointed a full-time Customer Advisor, who is based at the hub. We have also launched 'pop up' mobile hubs in locations across our South Staffs region so that we can engage with customers face to face more frequently and regularly.

As the provider of an essential public service, we believe it is important to be visible within the communities we serve. So in May 2018, we bought our first media vehicle. This has proved to be a real asset for us. During the long, hot summer, for example, we took it on the road with our 'Water Warriors', engaging with customers and advising them about ways to save water. And in April this year, we launched our first billing roadshows, visiting seven locations across our South Staffs region, and giving customers the opportunity to talk to us face to face about ways to save money on their water bills. We are planning to hold similar events in our Cambridge region during the coming year, and will report on this in next year's annual report.

Helping our communities through volunteering

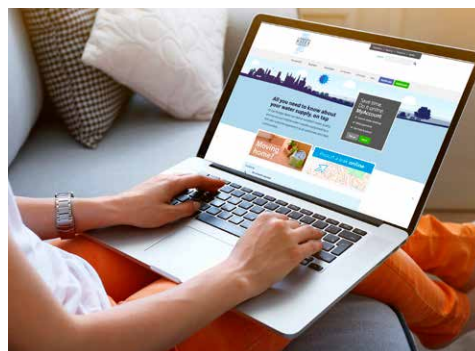
Being active in our local communities is an important part of who we are. During 2018/19, our people have taken part in more than 190 volunteering opportunities – ranging from working on community gardens to helping to deliver water efficiency workshops in local schools.

One of the charities we have supported in this way, for example, is Newlife, which helps to change the lives of disabled and terminally ill children. Over the year, we have removed the labels from 71 crates of clothes for this charity, saving it almost £2,500 in staffing costs.

We have also helped the Dorothy Parkes Centre in Smethwick in our South Staffs region on a community allotment project. The aim was to transform a previously overgrown allotment into an outdoor classroom. This will enable people who use the centre to develop their life and horticultural skills, and enhance their employability. And we have engaged with more than 3,200 Key Stage 1 and 2 pupils during the year, helping them to develop their understanding and appreciation of water.

New website for Cambridge customers

Following extensive engagement and feedback, in October 2018 we launched a new website for customers in our Cambridge region. The new site was developed in house, which reduces costs to customers. It features monthly performance information on things like water supply, pressure and quality, as well as the number of complaints we have received. It also features improved security and navigation, as well as scrolling news, which we update regularly. And we have optimised the site for smart phones and tablets, as we know that people are increasingly preferring to access information in this way.



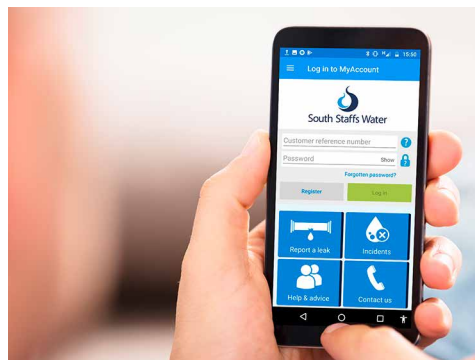
Using new technology to help customers

We know that while some customers prefer to engage with us face to face, others are far more receptive to digital and self-serve approaches. We want our customers to be able to contact us using the communication channel they prefer. So, following engagement with our customers, particularly those with visual impairment, in June 2018, we launched what we believe to be the most comprehensive Alexa skill in the utilities sector. Our customers can use Alexa, if they have problems with their water supply, for example, or to find out their account balance or submit a meter reading. This enables them to take action easily without necessarily needing to contact us directly.

Alongside this, in April this year, we launched our new mobile app. Developed in house and in conjunction with customers, our easy-to-use app is available on Android and Apple devices. It enables customers to:

- submit meter readings or apply for a water meter;
- view and pay bills;
- report a leak; and
- view any issues with our network.

At the time of writing, over 4,000 customers have downloaded the app, and on the app stores it has an average rating of 4.8 out of 5.



On the mark for excellent service

In March this year, we were delighted to learn that our contact centre had been awarded the Institute for Customer Service's (ICS) ServiceMark accreditation for the three years from April 2019 to April 2022. This is a national standard that recognises our achievement in customer service and our commitment to upholding that standard.

As part of its assessment, the ICS carried out in-depth interviews with more than 40 members of our customer service team, using an intensive and rigorous process that covered the areas of service planning and delivery and people engagement.

It also shared an improvement plan with us, which sets out the areas where we need to focus our attention, such as our email channels and complaint handling processes. As part of our accreditation, the ICS will review our performance every year to ensure we are delivering the actions set out in the plan.



We want to make a positive difference within the communities where we live and work.

Operations that are environmentally sustainable



Outcome

136.41 litres of water per day used by each person we supply

138 hectares of land with a biodiversity initiative

635 tonnes of carbon reduction

70.5 MI/d leakage in South Staffs region

13.2 MI/d leakage in Cambridge region

Water is a precious and finite resource. So, we must make sure that adequate water supplies and the natural environment are properly maintained to support future generations. We also have wider environmental responsibilities and take care to ensure that our operations do not impact on natural habitats for plants and wildlife.

We are pleased to report that we achieved our leakage targets for both our South Staffs and Cambridge regions in 2018/19 of 70.5 million litres a day (MI/d) and 13.5 MI/d, respectively, having failed to meet them in 2017/18. This gives us a really solid foundation on which to build for the future. This is important, as we are planning transformational leakage reductions of 25% in our South Staffs region and 15% in our Cambridge region over the five years from 2020 to 2025.

We have also exceeded our target for delivering biodiversity benefits, helped by our very successful SPRING environmental protection scheme and PEBBLE fund. During 2018/19, we delivered improvements on 138 hectares of land, benefiting both the local environment and local communities.

We are disappointed to have missed our target for water consumption of 128.9 litres per person per day in 2018/19. This is because the prolonged hot summer meant our customers used more water than usual. We will continue to engage with customers to help them find ways to use water wisely, as we have stretching targets in this area in the future. This includes building on the things we learned from the year-long trial in our Cambridge region of a digital water efficiency portal.

And we have not met our target for carbon emissions savings. When we set this target in 2013, we expected to be able to install solar panels at several locations to save on energy consumption and lower our emissions. But since then, we have found that it is uneconomic to do this as the solar panels would not generate sufficient energy to offset our costs over their lifespan. This is something that we believe would not be in our customers' best interests. We are continuing to deliver energy efficiency improvements where they are cost beneficial and delivered carbon emissions savings of 635 tonnes in 2018/19.



We are committed to protecting the environment and making sure our activities do not impact on natural habitats.

New approaches to tackle leakage

We know from our engagement that leakage is a really important issue for customers and that they want us to do more to reduce the volume of water that leaks from our network of pipes. So, over the past year we have been looking at different and innovative approaches to make it easier to locate and repair leaks.

For example, we launched our online leak reporting capability in February this year. This enables customers to easily report leaks in roads and footpaths. Initial feedback from customers at the time of writing suggests that this is a welcome addition to our tools for tackling leakage, with 80% of users saying they would report a leak through this channel in the future.

And in February this year, along with fellow Group company Hydrosave, we welcomed members of Ofwat's engineering team to the Trent Valley training centre in our South Staffs region to take a closer look at HydroSEAL – our innovative new leak-sealing technology. Developed and patented by Curapipe System Ltd and approved for use in England and Wales by the DWI, this technology enables leaks to be sealed from the inside without the need to identify the exact location of the leak, dig up roads or use conventional lining techniques. We used our test rig to demonstrate the technology in action.

Also during the year, we increased the level of support we give to those customers in our South Staffs region who carry out repairs on their own supply pipes. This is because around 35% of all leakage – about 25 million litres a day – in the region comes from customers' supply pipes. Many customers are not aware of this and are unsure about what to do when they identify a problem. So, we increased the number of free supply pipe repairs we carried out by 290% (720 in total), saving about 2.8 million litres of water a day in the process.



SPRINGing into action with catchment management

We are committed to protecting the environment across both our South Staffs and Cambridge regions. In our South Staffs region, for example, our SPRING environmental protection scheme is designed to help farmers in the River Blithe catchment area. Under the scheme, farmers can apply for grants of up to £10,000 towards the costs of infrastructure improvements and land management options designed to protect the environment and improve water quality.

In April 2018, Phil Newland, our Managing Director, joined Nina Yiannoukos-Benton, our Senior Catchment Advisor, for a tour of Atkin Farm, where we have been working in partnership with the farmer, Rob Atkin, for more than two years. Phil was able to see at first hand some of the catchment management work we are doing. He also saw the farm's new Mzuri strip till drill, which cultivates, drills and reconsolidates the ground in one go. This conservation farming method improves soil moisture and organic matter content while reducing soil erosion and run off, which can affect water quality. We also showed the Mzuri drill at the Staffordshire County Show in May 2018, which is a popular event in the agricultural calendar attended by more than 40,000 people.

And in June 2018, Nina Yiannoukos-Benton and Rob Atkin hosted the first South Staffs Water open farm event at Atkin Farm. More than 100 local farmers attended – seeing for themselves some of the trials that have been taking place there. They were also given the opportunity to learn more about the grants that are available through our SPRING scheme.



Fair customer bill and fair investor returns



Outcome

95% satisfaction score
for value for money
and affordability

30,838 customers
helped with debt-support options

We believe it is important to keep our bills as low as possible – our customers pay among the lowest water bills in England and Wales. We think very carefully about how we spend money and the areas where we invest. We always try to find the right balance, making sure our bills are affordable for all customers, while continuing to invest in our assets to maintain our service for future generations.

Every three months, we survey a representative sample of customers and ask them about whether they think their bill is affordable and if we provide value for money. We are pleased to report that during 2018/19, we received our highest-ever combined value for money and affordability score – at 95%.

We recognise that some customers who struggle to afford their water bills may need some form of additional help or support. We provide a range of schemes to help these customers, tailored to their individual needs. These schemes have continued to grow – with more than 30,000 customers helped during the year, exceeding our target. We are pleased with the continued interest we are seeing in our assistance schemes, as it means customers in genuine need are receiving help and do not have to worry about paying for their water supply. We are planning to extend these schemes further in the five years from 2020 to 2025.

Introducing our new customer bill

During 2018/19, we worked with customers and our people to develop a new design for our bill, making it more user friendly and easier to understand. This was the first time we had reviewed our bill design for around 13 years. In response to feedback from our customers, we have made our bill more welcoming, making it easier for them to find their account number and see how much they owe. We have also made it easier to find contact phone numbers and have included information on how to engage with us through social media. Finally, we have included prominent information about our Priority Services Register, the help that is available for customers who may be struggling to pay their bill and, for unmetered customers, information on how to switch to a water meter.

In developing our new bill, we built on previous qualitative research findings, where a number of customer focus groups reviewed our current bill and five potential new designs. For example, customers said they wanted key information to be clear and obvious. In particular, they wanted the amount they owed to feature prominently on the bill. They also preferred an uncluttered design, with lots of white space and a clean, modern look. And they wanted all the key information on the front page of the bill, as few of them appear to look at the reverse side, regarding information placed there to be more relevant for us than them.

We are launching our new bill design in the summer for metered customers, followed by a wider roll-out for all customers. We will report on this in next year's annual report.



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We provide help and support to those customers who need it most.

Five-year targets

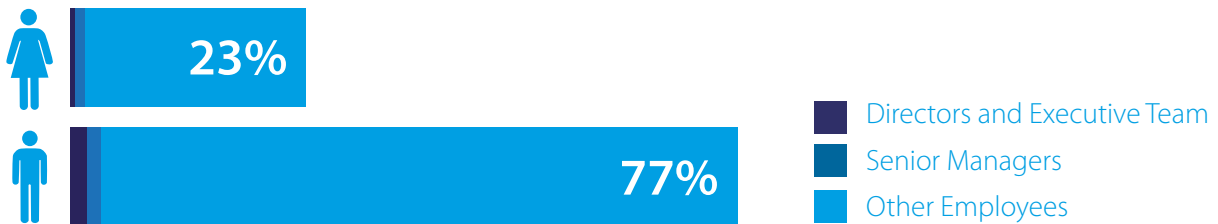
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Outcome	ODI name	Unit of measurement	Year						Target achieved	Performance against last year
			2015/16	2016/17	2017/18	2018/19		2019/20		
			Actual	Actual	Actual	Target	Actual	Target		
1 Excellent water quality	Mean Zone Compliance	%	99.884	99.982	99.943	100.00	99.915	100.00	✘	Declining
	Acceptability of water to customers	Contacts per thousand population	1.96	1.66	1.42	1.23	1.51	1.23	✘	Declining
2 Secure and reliable supplies	Interruptions to supply	Minutes and seconds per property	04:14	05:11	08:32	10:00	07:09	10:00	✓	Improving
	Asset health infrastructure	Category	Stable	Stable	Stable	Stable	Stable	Stable	✓	Stable
	Asset health non-infrastructure	Category	Stable	Stable	Stable	Stable	Stable	Stable	✓	Stable
3 Excellent customer experience	Service Incentive Mechanism	Score	86.3	84.4	87.0	90.0	86.4	90.0	✘	Declining
	Customer satisfaction	%	98	99	97	98	98	98	✓	Improving
	Community engagement	Days	257	222	425	400	749	400	✓	Improving
4 Environment	Leakage South Staffs region	Megalitres per day	69.9	69.9	72.4	70.5	70.5	70.5	✓	Improving
	Leakage Cambridge region	Megalitres per day	13.2	14.3	14.4	13.5	13.2	13.5	✓	Improving
	Water efficiency	Litres per person per day	129.59	129.85	133.09	128.91	136.41	128.31	✘	Declining
	Biodiversity	Hectares of land	76	92	119	116	138	116	✓	Improving
	Carbon emissions	Tonnes of carbon saved	178	285	550	3742	635	5210	✘	Improving
5 Fair customer bills	Value for money and affordability satisfaction	%	93	91	94	90	95	90	✓	Improving
	Support for customers in debt	Number of customers	19621	23895	29036	27400	30838	30000	✓	Improving

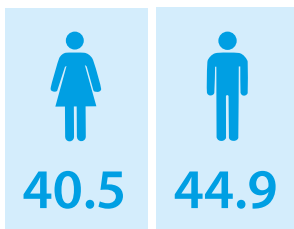
Facts and figures

Each year we provide a comprehensive set of financial accounts, which you'll find on our website. In the meantime, here are some key facts about the people who work to keep your water supply running 24 hours a day and our shareholders.

GENDER OF OUR PEOPLE

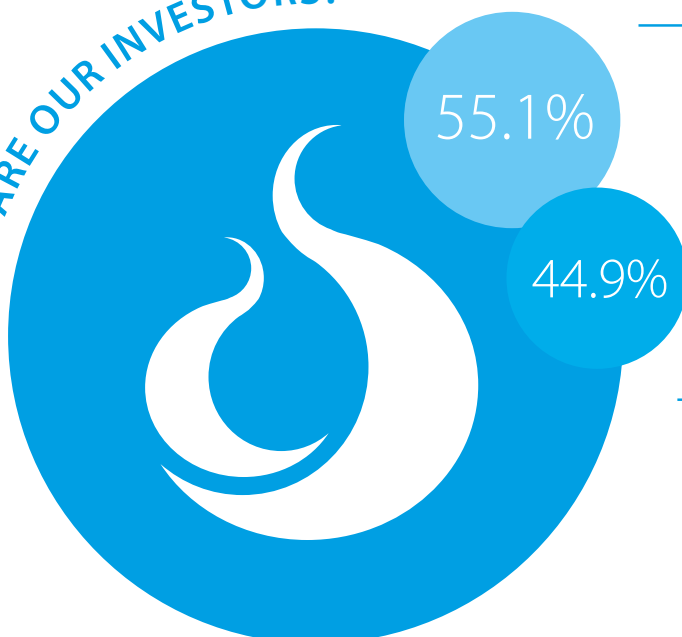


AVERAGE AGE OF OUR PEOPLE



AVERAGE LENGTH OF SERVICE (YEARS)

WHO ARE OUR INVESTORS?



Long-term pension scheme and institutional investors, advised by Arjun Infrastructure Partners, which acquired a majority controlling interest in the Group from KKR in July 2018

Mitsubishi Corporation, a global integrated trading business, which acquired a 25% equity interest in the Group in March 2016 and now manages a 44.9% stake in the Group following a further 19.9% investment by Mitsubishi UFJ Lease & Finance Company in July 2018

Rest assured

We want to make sure what we do is transparent, so have measures in place to ensure there can be confidence in our data. Our assurance plan is published at the start of each financial year and published on our website. Within it, we set out how we assure all our data and information.

In summary

Deloitte.

Third party independent assurance on our statutory and regulatory accounts has been carried out by financial audit firm Deloitte.

JACOBS®

Third party independent assurance on our financially incentivised performance metrics has been carried out by engineering consultant Jacobs.



South Staffordshire Plc

An independent assurance review of our non-financially incentivised performance metrics has been carried out by the internal audit function of our parent company, South Staffordshire plc.

Customer Panel

An impartial board of customers, stakeholders and experts act on behalf of customers to check on how South Staffs Water operates. Responsibilities include ensuring honest and transparent communications, ensuring that we listen and respond to customers and challenging performance.

Further information

South Staffs Water www.south-staffs-water.co.uk

Cambridge Water www.cambridge-water.co.uk

Customer Panel www.customer-panel.co.uk

The Water Services Regulation Authority (Ofwat) www.ofwat.gov.uk

Ofwat is the economic regulator of water and sewerage companies in England and Wales. It exercises its powers in a way that it judges will protect the interests of consumers, promote value and safeguard future water and sewerage services, by allowing efficient companies to carry out their functions properly, and finance them.

The Drinking Water Inspectorate (DWI) www.dwi.gov.uk

Drinking water quality in England and Wales is regulated by the government through the Drinking Water Inspectorate (DWI). Its main job is to check that the water companies in England and Wales supply water that is safe to drink and meets the standards set in the Water Quality Regulations.

Environment Agency

www.gov.uk/government/organisations/environment-agency

It is the Environment Agency's job to look after the environment and make it a better place. Specifically, it seeks to maintain and improve the quality of 'raw' water in England and Wales, and is responsible for issuing water companies with abstraction licenses. The Environment Agency is concerned with the quality of fresh surface and underground water, marine and estuarial waters, and strives to prevent and reduce the threat of water contamination.

Consumer Council for Water www.ccwater.org.uk

The Consumer Council for Water (CCWater) represents water and sewerage consumers in England and Wales. They provide a strong national and regional voice for consumers through close working relationships with the water industry and other key stakeholders in England and Wales. Their job is to make sure that the collective voice of consumers is heard in national water debate and that consumers remain at the heart of the water industry.

The Department for Environment, Food and Rural Affairs (Defra)

www.gov.uk/government/organisations/department-for-environment-food-rural-affairs

The Department for Environment, Food and Rural Affairs (Defra) works for the essentials of life - food, air, land, water, people, animals and plants. It pursues sustainable development - weaving together economic, social and environmental concerns.

Natural England www.gov.uk/government/organisations/natural-england

Natural England is the government's adviser on the natural environment, providing practical scientific advice on how to look after England's landscapes and wildlife.

Public Health England

www.gov.uk/government/organisations/public-health-england

Public Health England works to protect and improve the nation's health and wellbeing, and reduce health inequalities. They support and advise in safeguarding public health and work closely when an incident is reported to protect and inform the public, especially vulnerable groups.

