

# Key Performance Indicators

2014 - 15



South Staffs Water

incorporating



# About this document

**This document sets out our KPIs (Key Performance Indicators) for our customers and other stakeholders. The KPIs are representative of a broad range of activities that we undertake; covering reliability of supply, customer experience, the environment, water quality and financial performance.**

We report a range of mandatory indicators (section 1) as set out by Ofwat, and we also report a range of additional indicators (section 2). Both sets of indicators reflect what is important to our customers.

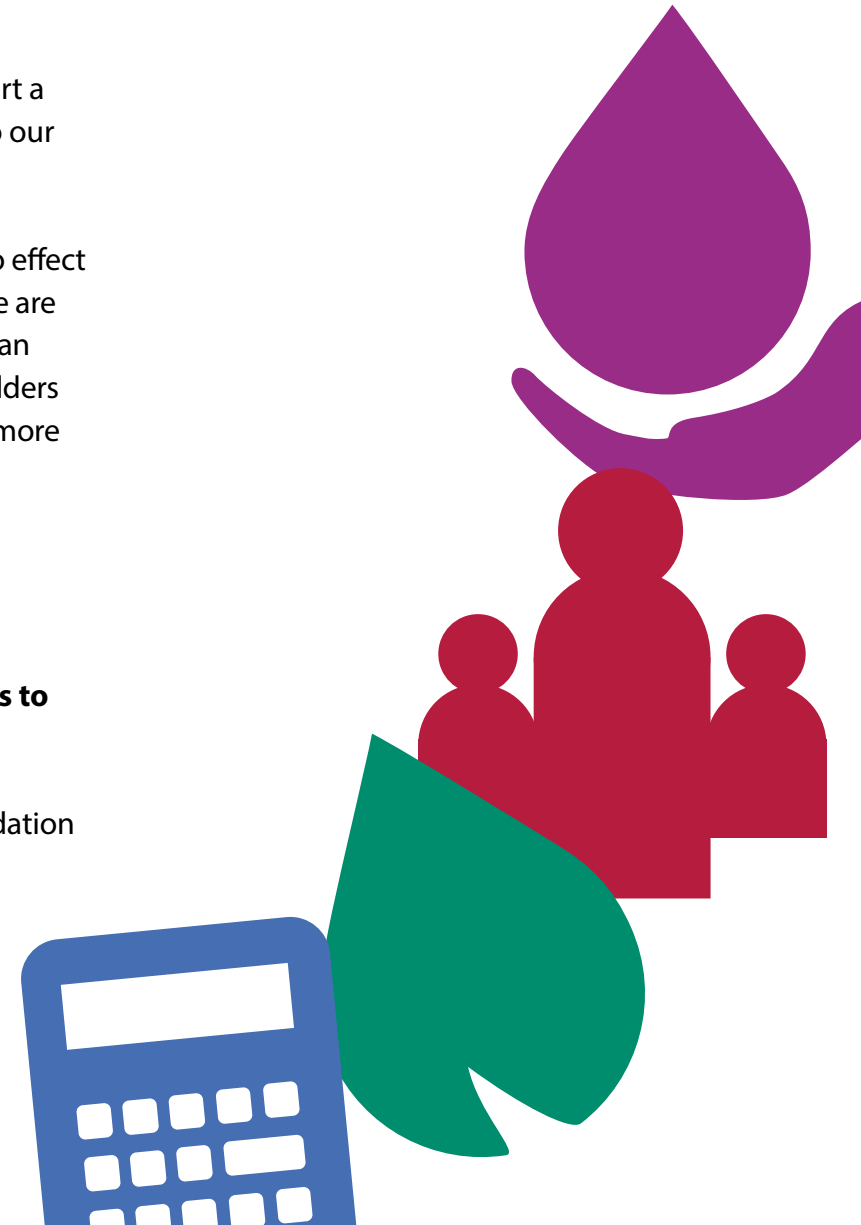
This year, we have included our Outcome Delivery Incentive (ODI) measures which came into effect on the 1 April 2015. The new measures will replace the former KPIs. In the autumn of 2015 we are required to develop and consult on our assurance processes. This is to give our stakeholders an opportunity to have a say in the level of assurance we need to provide so that those stakeholders can be confident in the information we publish. As part of this consultation, we will provide more information on our Outcome Delivery Incentives and how we measure them.

## Governance and assurance

**As in previous years, we have undertaken extensive assurance activities on all our KPIs to ensure transparency and accuracy.**

Our governance process combines three layers of assurance starting with internal data validation followed by executive team ownership and finally external audit carried out by Monson Engineering Ltd.

The entire process and final publication has been approved by our Board.



# Section 1: Ofwat KPIs

## Reliability and availability

	Ofwat indicators	Unit	Performance					Comments
			2010-11	2011-12	2012-13	2013-14	2014-15	
South Staffs Water	Serviceability - water non-infrastructure	Category	Stable	Stable	Stable	Stable	Stable	Stable = Green; Marginal = Amber; Red = Deteriorating
	Serviceability - water infrastructure	Category	Stable	Stable	Stable	Stable	Stable	Stable = Green; Marginal = Amber; Red = Deteriorating
	Leakage	MI/d	72.8	68.2	65.3	66.9	69.2	For 2010/11 to 2014/15 the leakage target is 74 MI/d.
	Water resources	Index score	100%	100%	100%	100%	100%	
Cambridge Water	Serviceability - water non-infrastructure	Category	Stable	Stable	Stable	Stable	Stable	Stable = Green; Marginal = Amber; Red = Deteriorating
	Serviceability - water infrastructure	Category	Stable	Stable	Stable	Stable	Stable	Stable = Green; Marginal = Amber; Red = Deteriorating
	Leakage	MI/d	13.7	12.4	12.4	12.7	13.5	For 2010/11 to 2014/15 the leakage target is 14.0MI/d.
	Water resources	Index score	100%	100%	100%	100%	100%	

### Definitions

**Serviceability:** The level of service our infrastructure assets (pipes) and our non-infrastructure assets (for example pumping stations and treatment works) are providing, and their capability to provide reliable service in the future.

**Leakage:** The amount of water lost, in millions of litres per day (MI/d), from our distribution network through bursts and leaks.

**Water resources:** An annual score, called the security of supply index, is given to indicate how far we can guarantee not having to impose hosepipe bans or any other types of restrictions on our customers' use of water.

## Customer experience

	Ofwat indicators	Unit	Performance					Comments
			2010-11	2011-12	2012-13	2013-14	2014-15	
South Staffs Water	Service Incentive Mechanism (SIM)	Index score	73	84	88	89	85	For 2014/15 we have used the new Ofwat methodology for scoring SIM, which differs from previous years.
	Supply interruptions	mm:ss	08:10	06:38	08:27	09:18	06:19	Green < 30 mins; Amber 30-45mins; Red > 45mins
Cambridge Water	Service Incentive Mechanism (SIM)	Index score	78	83	87	86	85	For 2014/15 we have used the new Ofwat methodology for scoring SIM, which differs from previous years.
	Supply interruptions	mm:ss	27:16	11:11	18:34	09:11	16:31	Green < 30 mins; Amber 30-45mins; Red > 45mins

### Definitions

**Service Incentive Mechanism (SIM):** The level of customer satisfaction with our services and how well we deal with customers. Surveys are undertaken by Ofwat directly.

**Supply interruption:** The length of time our customers experience supply interruptions of greater than three hours, expressed as an average across all of our customers.



## Environmental impact

	Ofwat indicators	Unit	Performance					Comments
			2010-11	2011-12	2012-13	2013-14	2014-15	
South Staffs Water	Greenhouse gas (GHG) emissions	ktCO <sub>2</sub> e	61.99	61.61	55.41	51.20	56.82	Green = performance not greater than 10% above our PR09 projection.
Cambridge Water	Greenhouse gas (GHG) emissions	ktCO <sub>2</sub> e	6.93	6.93	6.52	5.82	6.53	Green = performance not greater than 10% above our PR09 projection.

### Definitions

**GHG emissions:** The amount of greenhouse gases emitted in kilo-tonnes (ktCO<sub>2</sub>e).

## Financial

	Ofwat indicators	Unit	Performance					Comments
			2010-11	2011-12	2012-13	2013-14	2014-15	
South Staffs Water	Post-tax return on capital	%	5.78*	6.06	6.03	5.82	5.79	*Profit in 2010/11 excludes the exceptional profit of £1.465m for a land sale.
	Credit rating		BBB+ from Standard & Poor's; Baa2 from Moody's	BBB+ from Standard & Poor's; Baa2 from Moody's	BBB+ from Standard & Poor's; Baa2 from Moody's	BBB+ from Standard & Poor's; Baa2 from Moody's	BBB+ from Standard & Poor's; Baa2 from Moody's	S&P's credit rating was last re-confirmed on 21 July 2014, Moody's on 26 March 2015.
	Gearing	%	73.2	72.4	73.0	64.4	63.3	Gearing levels exclude the premium on the index-linked Bond.
	Interest cover	Ratio	2.9:1	2.8:1	2.8:1	3.3:1	3.4:1	
Cambridge Water	Post-tax return on capital	%	7.15	6.71	6.21	7.34	8.16	
	Credit rating		Prior to its merger with South Staffs Water, Cambridge Water did not have a credit rating.			BBB+ from Standard & Poor's; Baa2 from Moody's	BBB+ from Standard & Poor's; Baa2 from Moody's	S&P's credit rating was last re-confirmed on 21 Jul 2014, Moody's on 26 Mar 2015.
	Gearing	%	32.9	32.9	33.5	64.4**	63.3**	** Gearing levels exclude the premium on the index-linked Bond.
	Interest cover	Ratio	3.1:1	4.7:1	2.7:1	3.3:1	3.4:1	

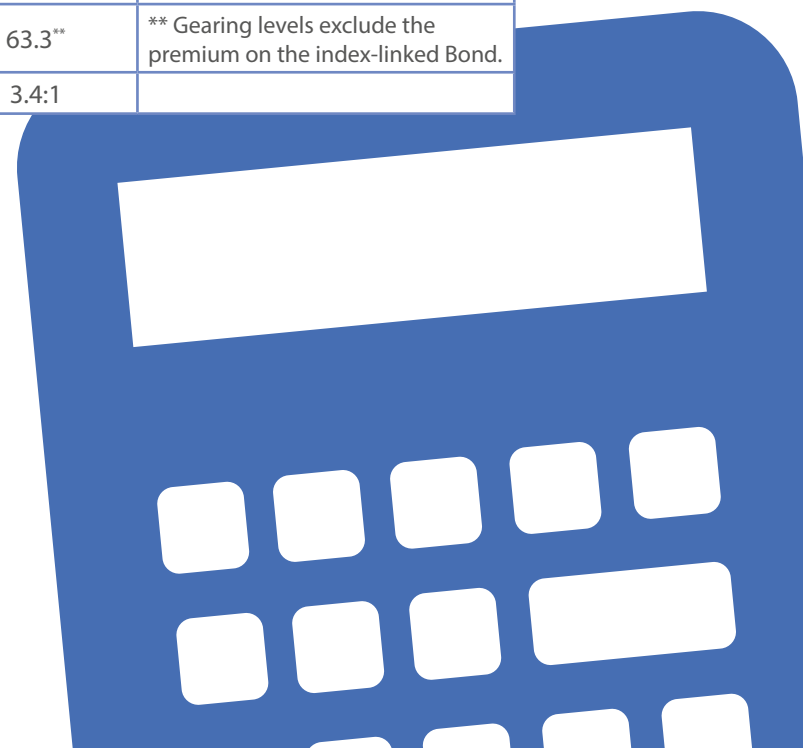
### Definitions

**Post-tax return on capital:** Current cost operating profit, less tax as a return on regulatory capital value.

**Credit rating:** This is an assessment of our credit quality by an independent party.

**Gearing:** Net debt as a percentage of the total regulatory capital value at the financial year end.

**Interest cover:** Adjusted interest cover and funds from operations (FFO)/interest.



## Section 2: Additional KPIs

	Additional Reporting	Performance					Comments
		2010-11	2011-12	2012-13	2013-14	2014-15	
South Staffs Water	Water quality performance MZC	99.983%	99.971%	99.910%	99.952%	99.978%	An existing DWI measure which is now a financial ODI coming into effect in AMP6.
	Number of mains bursts/1000km	206	172	142	136	133	Ofwat trigger level for deteriorating serviceability in AMP5 is >242 bursts /1000km
	Customer satisfaction levels	83.8%	89.2%	93.8%	92.6%	86.6%	Derived from the SIM qualitative element, reported as a combined South Staffs and Cambridge score.
	Water efficiency savings MI/d	0.55	0.99	0.56	0.56	0.28	The AMP5 target of 0.53 MI pa has been met with a surplus of 0.37 MI.
Cambridge Water	Water quality performance MZC	>99.99%	99.93%	99.98%	100%	100%	An existing DWI measure which is now a financial ODI coming into effect in AMP6.
	Number of mains bursts/1000km	178	161	127	116	131	Ofwat trigger level for deteriorating serviceability in AMP5 is >168 bursts /1000km
	Customer satisfaction levels	85.6%	87%	90.8%	90.6%	86.6%	Derived from the SIM qualitative element, reported as a combined South Staffs and Cambridge score.
	Water efficiency savings MI/d	0.14	0.3	0.14	0.12	0.14	The AMP5 target of 0.125 MI pa has been met with a surplus of 0.215 MI.

### Definitions

**Water quality performance MZC:** Our mean zone compliance (MZC) against regulatory water quality standards. We monitor our water quality by taking tens of thousands of water samples across our region each year.

**Number of mains bursts:** The number of mains bursts we have each year, indicating the overall condition of the mains network and the frequency of disruption caused.

**Customer satisfaction levels:** The customer satisfaction element of the SIM reporting, taken from Ofwat's own telephone surveys of 200 customers each quarter.

**Water efficiency savings:** The water consumption savings made from efficiency activity that we undertake.

# Outcome Delivery Incentives

**From 1 April 2015 a suite of Outcome Delivery Incentives (ODIs) has been introduced. These were approved by Ofwat as part of our Price Review and are similar in many ways to the KPIs reflecting performance against our five outcomes. They were developed following extensive customer research, which outlined what our customers really want from us.**

We have assured and published the ODI data as it will provide a useful baseline for our performance at the start of the AMP6 period (2015 to 2020). However some new ODIs have not historically been measured and no data is available for the 2014/15 year. We have set up new ways of recording these and have started collecting the data from 1 April 2015 to be able to report on these indicators for 2015/16 onwards.

In the Autumn of 2015, we will be publishing further information about our ODIs, along with their detailed definitions and calculation methodologies, as part of our assurance consultation. The ODIs for the first year of the new price control, 2015/16, will be published in the summer of 2016.





## Combined South Staffs and Cambridge ODIs

	AMP 6 ODI indicator	Unit of measure	2014-15	Comments
1 - Excellent Water Quality	Water quality performance MZC	%	99.985%	Our compliance against regulatory water quality standards. We monitor our water quality by taking tens of thousands of water samples across our region each year.
	Water quality contacts per 1000 population	Nr/1000	1.51	The total amount of customer contact we receive on appearance, taste, odour or illness, expressed per one thousand population.
2 - Secure and reliable supplies	Supply interruptions	mm:ss	08:15	The length of time our customers experience supply interruptions of greater than three hours, expressed as an average across all of our customers.
	Serviceability infrastructure	Category	Stable	The level of service our infrastructure assets (pipes) are providing and the capability to provide reliable service in the future.
	Serviceability non-infrastructure	Category	Stable	The level of service our non-infrastructure assets (pumping stations and treatment works) are providing and the capability to provide reliable service in the future.
3 - Excellent customer service	Service Incentive Mechanism (SIM)	Score	85	The level of customer satisfaction with our services and how well we deal with customers. Surveys are undertaken by Ofwat directly.
	Customer satisfaction	%	Available from 2015 onwards	The level of customer satisfaction with our services that we will measure through our own direct customer surveys. We will begin these surveys in 2015.
	Community engagement	Employee days	Available from 2015 onwards	The number of employee days that we undertake community engagement activity, such as schools programmes, water efficiency drives and many more. We will begin collecting this data in 2015.
4 - Environmentally sustainable operations	Leakage SST	MI/d	69.2	The amount of water lost from our distribution network through bursts and leaks, in our South Staffs region.
	Leakage CAM	MI/d	13.5	The amount of water lost from our distribution network through bursts and leaks, in our Cambridge region.
	Water efficiency household PCC	l/h/d	Available from 2015 onwards	The average per person consumption. We promote water efficiency activity to help bring consumption down and protect the environment.
	Biodiversity	Nr hectares	65.2	The total area of land (in hectares) under active environmental management. We have a strategy to increase the amount of land being environmentally managed over the next five years.
	Carbon emissions	tCO <sub>2</sub> e	Available from 2015 onwards	The savings that we will make on carbon emissions over the 2015 to 2020 period, compared to our 2014/15 level and not including changes to emissions factors.
5 - Fair customer bills	Value for money and affordability	%	Available from 2015 onwards	The level of customer satisfaction with our value for money and affordability, that we will measure through our own direct customer surveys. We will begin these surveys in 2015.
	Support for customers in debt	Nr	17,866	The number of customers that we engage with on debt issues, including our WaterSure programme and our planned introduction of a social tariff, subject to customer support.

If you have any comments or queries on any aspect of this document please contact:

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