

SERVING OUR COMMUNITIES

Our performance in 2016/17



SEVERN
TRENT



Serving our communities

Serving our 4.3m customers and communities is at the heart of everything we do.

Every five years we work with our customers to develop new business plans. Our plans include commitments to improve our performance. These commitments are in the areas of service that are most important to our customers, and include the improvements you told us you wanted to see.

We made 45 commitments in total in our current five year business plan (for 2015-20). Some of these commitments are for future years.

This report tells you how well we've done against the 30 commitments for this year (2016/17).

How we did this year

This year we had 30 performance commitments.

We met or exceeded 20 commitments.

We're proud of the improvements we delivered for our customers this year. Here's just some of them.

Our overall score card:

Met or exceeded	20	Green
Just missed	2	Amber
Missed	8	Red
30		

Sewer flooding incidents outperformed targets by

10% (internal)
23% (external)

Sewer flooding is one of the worst ways we can fail our customers. We reduced the number of sewer flooding incidents outside properties from 7,163 to 5,801. For sewer flooding inside properties, whilst we beat our target by 10% we saw a deterioration from 809 to 901 incidents.

Average minutes lost per property outperformed target by

17%

Our supply of water to customers' taps was more reliable. We reduced the average amount of time supplies were interrupted from 11 minutes 10 seconds to 10 minutes 8 seconds.

Support for struggling customers outperformed target by

2%

Sometimes our customers need a little support. We doubled the help we provide for customers struggling with their bills to almost 51,000.

Leakage outperformed target by

2%

With over 47,000 km of pipes to manage, reducing leakage can be challenging. We invested to learn more about, and tackle, leakage. We reduced leakage by 7 million litres a day.

Customers educated outperformed its target by

4%

We want to improve customer understanding of our services. If we all use our resources and infrastructure a little better, everyone will benefit. This year we worked with 167,024 customers and future customers (through our schools programme). This 50,000 increase over the last year helped to make up for the slower than planned start we made in 2015/16.

But we didn't meet, or just missed, 10 commitments

We know we still have more to do. Here's some of the areas we will work even harder to improve next year.

Serious pollution incidents missed the target by

1

We wanted to do more for the natural environment in our region. In 2015 we made great progress - the Environment Agency gave us its highest possible rating for environmental performance. We're disappointed we weren't able to sustain this and deteriorated in some areas - including our progress to reduce pollution incidents (serious pollution incidents increased from 2 to 7).

Water quality complaints missed the target by

32%

Drinking water quality compliance missed the target by

0.03%

We didn't always meet expectations about the water from your tap. Complaints about discoloured water increased from 13,941 to 14,461. There was also a small deterioration in our compliance with water quality standards (from 99.96% to 99.94%).

Satisfaction of our customers who contacted us (the Service Incentive Mechanism)

About the same

While the satisfaction of our customers who contacted us was about the same as last year (our score was 83.6 out of 100 compared to 83.7), we didn't make the improvement we wanted to be one of the best in the industry (which would have been a score of around 86).

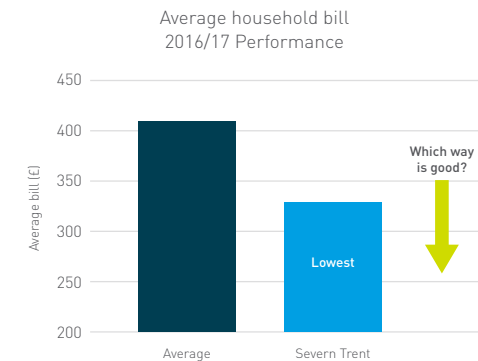
You can see all of our 45 commitments in our full Our performance against the 30 commitments for this year is shown on page 10.

How your service compares to other water companies

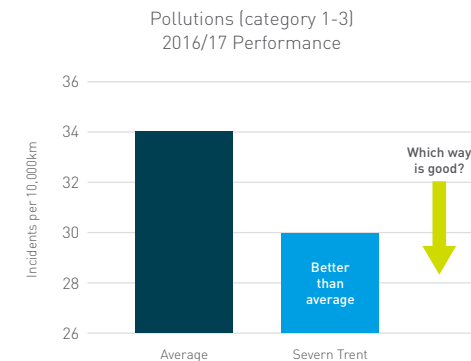
Because our household customers can't shop around for a water supplier, you told us it can be difficult to tell whether our performance is good or not.

Not all of our commitments are comparable to other companies because they're tailored to our customers' needs. Here's some areas of performance you can compare. The charts are based on comparing the ten water and sewerage companies serving England and Wales.

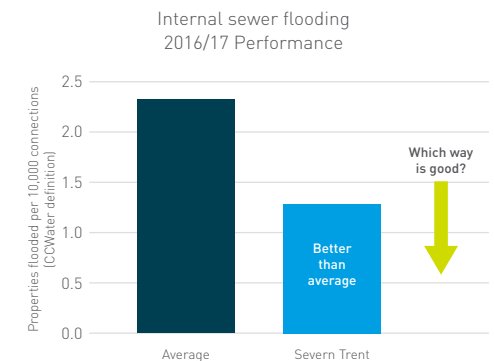
Bills: best



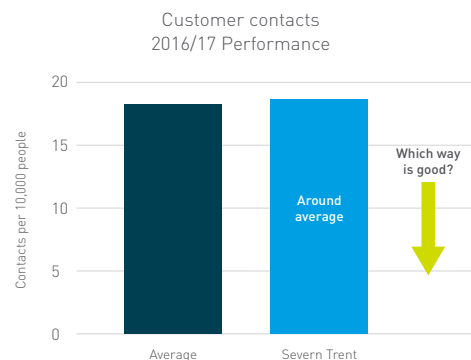
Pollutions: better than average



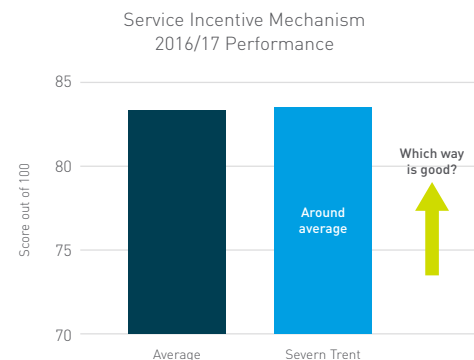
Sewer flooding: better than average



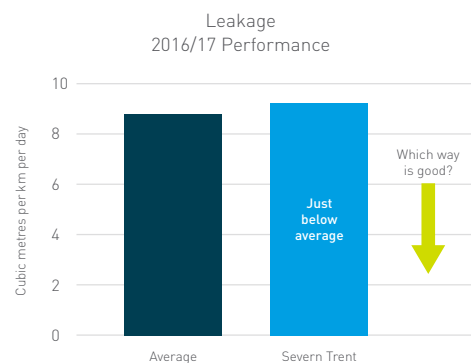
Customer contacts about the taste, odour or appearance of drinking water: around average



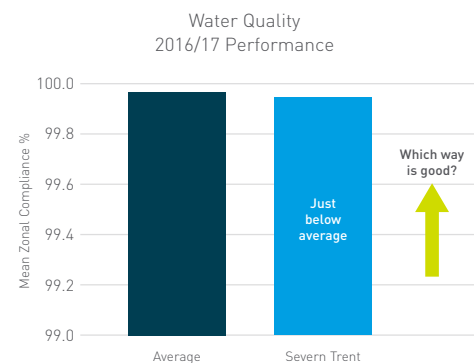
Customer satisfaction when they contact us (Service Incentive Mechanism): around average



Leakage: just below average



Compliance with drinking water quality: just below average

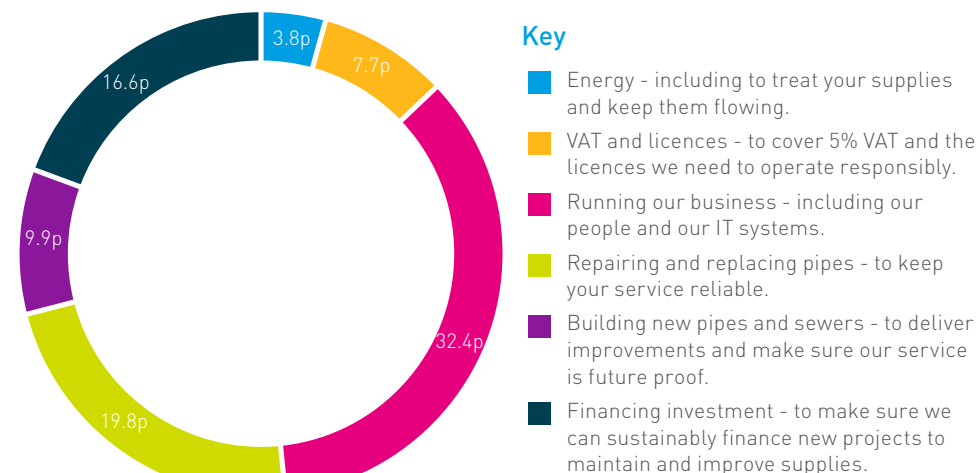


You can find out more about how we compare to other companies at discoverwater.co.uk - where we took comparative data for this report from. The Discover Water website brings together information about water companies in England and Wales into one place. Information is provided by water companies, with oversight from our regulators, the UK and Welsh Governments and the Consumer Council for Water.

Ofwat, our economic regulator, is working with companies to make sure that in some areas there is more consistency about how we all measure our performance. This means that we'll be able to compare more areas in the future (and that some of the above comparisons could change).

What your bills paid for in 2016/17

Our average household bill for water and sewerage in 2016/17 was around £329 per year or just 90 pence per day. And we're proud to say that this is the lowest combined bill across the whole of Great Britain.



How our performance could impact bills in 2018/19

Similar to 'performance related pay', the way we're regulated links the service we deliver to our customers to the charges they pay. We think that's good news for our customers. It means you'll pay more or less depending on how well we've done. And the size of the changes are based on research which tells us how much customers value the improvements we've made.

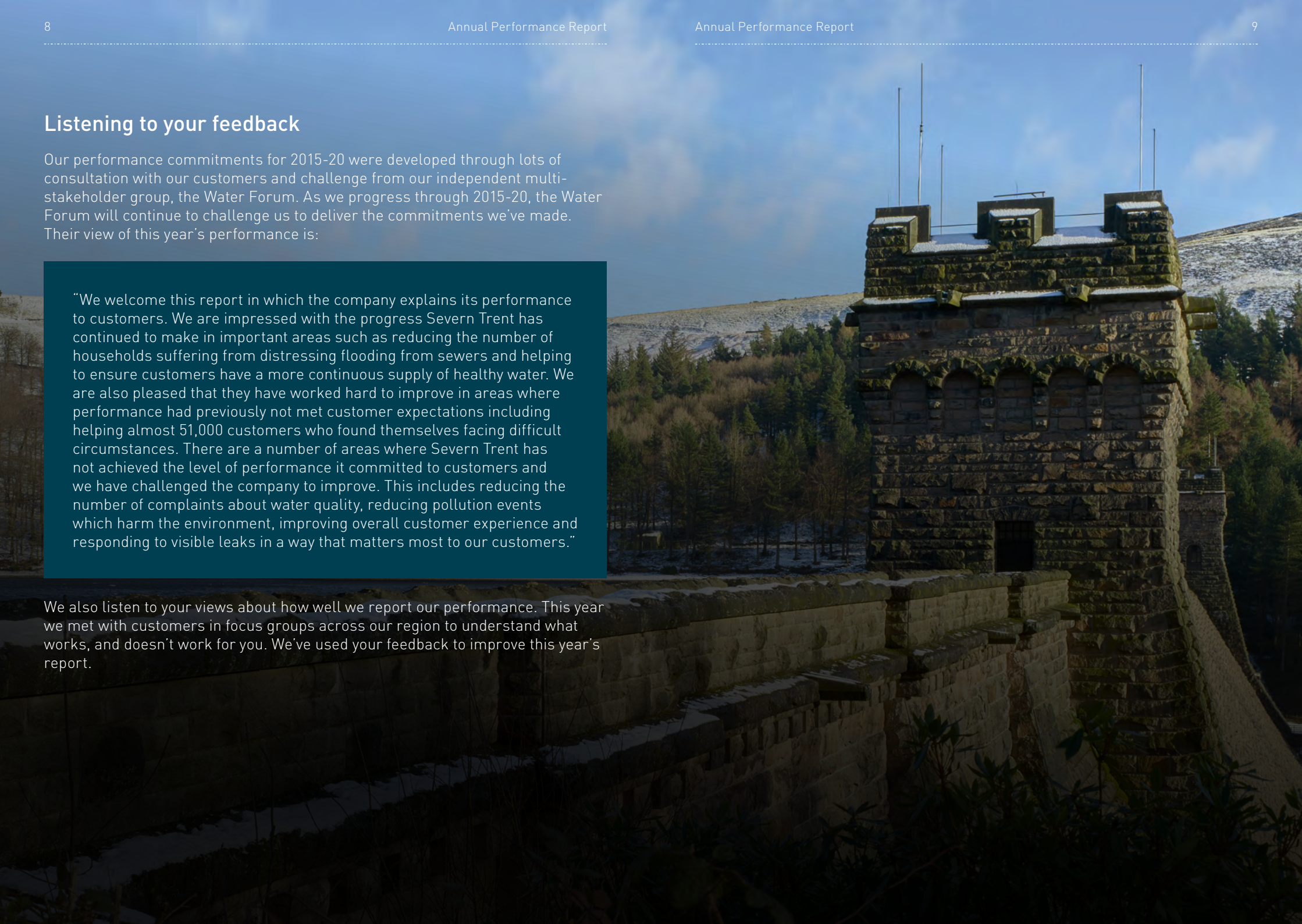
The impact of our performance this year will be reflected in bills in 2018/19. If agreed by our economic regulator, Ofwat, there would be a small increase in your sewerage bill as, on balance, we have improved our service by more than our commitments. But there would be a small reduction in your water bill as we didn't achieve enough of our commitments in this area. We're working with Ofwat to discuss how best to apply these changes.

Listening to your feedback

Our performance commitments for 2015-20 were developed through lots of consultation with our customers and challenge from our independent multi-stakeholder group, the Water Forum. As we progress through 2015-20, the Water Forum will continue to challenge us to deliver the commitments we've made. Their view of this year's performance is:

"We welcome this report in which the company explains its performance to customers. We are impressed with the progress Severn Trent has continued to make in important areas such as reducing the number of households suffering from distressing flooding from sewers and helping to ensure customers have a more continuous supply of healthy water. We are also pleased that they have worked hard to improve in areas where performance had previously not met customer expectations including helping almost 51,000 customers who found themselves facing difficult circumstances. There are a number of areas where Severn Trent has not achieved the level of performance it committed to customers and we have challenged the company to improve. This includes reducing the number of complaints about water quality, reducing pollution events which harm the environment, improving overall customer experience and responding to visible leaks in a way that matters most to our customers."

We also listen to your views about how well we report our performance. This year we met with customers in focus groups across our region to understand what works, and doesn't work for you. We've used your feedback to improve this year's report.



Our performance in full

Our commitment	Unit	This year's target	Actual performance	Did we reach our target?	Better, same or worse than last year?
Number of complaints about drinking water quality	Number	10,995	14,461		Worse
Compliance with drinking water quality standards	%	99.97	99.94		Worse
Asset stewardship - number of sites with coliform failures (WTWs)	Number	Less than 8	5		Same
Resource efficiency (distribution input per customer) - amount of water taken out the environment	Million litres per day	222	236		Better
Leakage levels	Million litres per day	439	432		Better
Speed of response in repairing leaks (% fixed within 24 hrs)	%	80	33		Worse
Number of minutes customers go without supply each year	Minutes	12.20	10.13		Better
Asset stewardship - mains bursts	Number	6,905	5,173		Worse
Customers at low risk of pressure	Number	250	187		Worse
Restrictions on water use	Number	0	0		Same
Timing delays on Elan Valley Aqueduct (EVA) maintenance	Milestone	-	Milestone complete		No target last year
Non-delivery of the Elan Valley Aqueduct (EVA) maintenance	Milestone	-	Milestone complete		No target last year
Customers rating our services as good value for money (based on tracker survey)	%	47	58		Better
Asset stewardship - environmental compliance (water)	%	100	97.99		Better
Size of our carbon footprint (water)	Tonnes	224	250		Worse
Improved understanding of our services through education	Number	160,000	167,024		Better
Number of internal sewer flooding incidents	Number	989	901		Worse
Number of external sewer flooding incidents	Number	7,548	5,801		Better
Asset stewardship-blockages	Number	50,078	45,240		Worse
Customers rating our services as good value for money (based on tracker survey)	%	47	58		Better
The number of category 3 pollution incidents	Number	402	301		Worse
Asset stewardship - environmental compliance (waste water)	%	100	97.99		Better
Serious pollution incidents	Number	6	7		Worse
The number of category 4 pollution incidents	Number	203	239		Worse
Size of our carbon footprint (waste water)	Tonnes	215	207		Worse
Improved understanding of our services through education	Number	160,000	167,024		Better
Customer satisfaction with their service (based on a survey)	Rank	Median	Median		Same
Customers' experience of dealing with us (based on Ofwat's Service Incentive Mechanism)	Score	Upper Quartile	83.61*		About the same/ just worse
Customers helped by a review of their tariff & water usage &/or supported by our social fund	Number	50,000	50,903		Better
Percentage of customers who do not pay (household bad debt divided by total household revenue)	%	2.7	1.8		Same

* This is based on the latest version of Ofwat's reporting tables, our full Annual Performance Report said 83.51.

