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## WATER FORUMS' VIEWS ON NWG'S 2017 PERFORMANCE REPORT

### DRAFT

Since the last Annual Performance Report, when I had just been appointed as Independent Chair, I'm pleased to tell you that our two Water Forums have appointed new members and meet regularly to understand and challenge both Northumbrian and Essex & Suffolk.

Through an open and straightforward meeting and presentation with the Directors, we have had the opportunity to understand, probe and test the Company's performance results against its business plan and outcomes, including emerging trends, that are outlined in this report.

We very much welcomed the chance to hear about the positive strides that NWG has made in the past year and would like to highlight these aspects of its performance levels that are directly impacting customers:

- The success in achieving industry-leading levels of customer satisfaction, in particular the Service Incentive Mechanism (SIM) measure. The team has long had the aim of getting to the top spot and customer service has had a huge profile across the business.
- The reduction in customer complaints about discoloured water – this has been an area of concern in the past, yet with effort and commitment the team has achieved its best ever result.
- The approach NWG has taken to managing interruptions to water supply for customers, which means it has exceeded its performance commitment and fewer customers have been inconvenienced for long periods of time.
- The positive trend in sewer flooding incidents inside and outside customers' properties, meaning fewer people are affected.
- Improvements made in bathing water quality in Northumberland.
- The performance in 'category 3' pollution incidents (i.e. the least serious type), which were 35% lower this year than in 2015/16. In many cases, this will have prevented the more serious category 1 and 2 pollutions of our environment. We welcome the decision to create a dedicated 'pollution team', whose remit it to work reactively and proactively to address and reduce pollution incidents.

As NWG enters the third year of its five-year business plan, we have challenged the Company to consider several areas where we believe there's a need or opportunity to improve performance and outcomes for customers. We would like NWG to:

- Seek ways to go even further beyond its performance commitments for 'sewer flooding' and 'interruptions to water supply'.
- Have a clear ambition for a reduction category 1 and 2 pollution incidents, which are higher than industry average – and then take action to achieve this ambition.
- Through conversations with customers, understand and address the issues that have caused the Company to miss its performance commitment for customer satisfaction with drinking water taste and odour.
- Help customers better understand the context of some of the performance measures, and work with the whole industry to do this. For example, on its own, 'leakage' in mega litres per day is meaningless to most customers, but if it was also described as a percentage of the amount of fresh, clean water supplied into the network it would offer a more meaningful picture of performance.
- Have a clear strategy for preventing issues with 'transferred pipe assets' (i.e. the pipes that are on private property but now the responsibility of NWG), including customer education to prevent issues.
- Take a leading role in moving the industry forward on per capita consumption measures, i.e. the average amount of water each person uses.
- In future Annual Performance Reports, show more historical data so that customers can see what the trends are.

We recognise that the weather plays a big role in determining whether NWG hits or misses some of the performance commitments, e.g. periods of heavy rainfall have a negative effect on the number of sewer flooding incidents, but a positive effect on leakage. This reinforces the need to constantly focus on the resilience of the network for customers.

In summary, the Water Forums congratulate NWG on its successes in 2016/17, and in the coming year we will continue to challenge the Company in the areas where it has fallen short of hitting its performance commitments for a variety of reasons.

**JIM DIXON**  
**Water Forums Chair**  
**On behalf of the Forums for Northumbrian Water and Essex & Suffolk Water**

**2 June 2017**

Note: You may also find it useful to read this report in conjunction with the Environment Agency's 'Environmental Performance Assessment' report ([July 2017]) and the 'Report of the Chief of the Drinking Water Inspectorate' ([July 2017]).